

The Business Climate Survey is conducted every year by the Swedish Chamber of Commerce India in partnership with the Embassy of Sweden in New Delhi, Consulate General in Mumbai and Business Sweden.

This is the 7<sup>th</sup> Survey conducted.

The purpose of the Business Climate Survey is to:

- Assess the business confidence of Swedish companies in India, such as perceived opportunities and challenges.
- Serve as an input to discussions and engagement with Government of India, state governments and other stakeholders.
- Give valuable input to Swedish companies considering doing business with and in India.

For contact information to Swedish companies in India a Business Guide can be found on SCCI's webpage [www.swedishchamber.in](http://www.swedishchamber.in) under Publications or on [www.swedenabroad.com/newdelhi](http://www.swedenabroad.com/newdelhi) under Business.

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BUSINESS  
CLIMATE  
SURVEY  
2014/15

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# SWEDEN MAKES BUSINESS IN INDIA

BUSINESS  
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EXECUTIVE SUMMARY



## A MAJOR SHIFT IN PERCEPTION FROM 2013 – A MAJORITY OF SWEDISH COMPANIES ASSESS THE BUSINESS AND INVESTMENT CLIMATE IN INDIA AS MORE FAVORABLE

- **90%** of the companies perceive a favorable investment climate (compared to **51%** in 2013) the coming three years. Almost **60%** report increased market share especially companies within Retail/Sourcing of Consumer Goods and Life Science/Healthcare. About **40%** of the companies report increasing operating margins and **73%** give a positive and increased revenue forecast.
- Proximity to market and low production cost are the main advantages for companies to manufacture in India.
- Despite the weakening sentiment in 2013, almost **3 out of 4 companies have invested** especially into manufacturing, product development and R&D. **8 out of 10** are planning to invest further during the next three years.
- The Swedish business community generates about **150,000 direct jobs currently** and another **+600,000 indirectly**. **7 out of 10** are planning to employ more the coming year.
- Major hubs of Swedish companies are Delhi NCR, Bangalore, Pune and Mumbai, but **55%** are planning to expand operations into other states within the coming 3 years, mainly **Odisha, Gujarat, Maharashtra, West Bengal and AP/Telangana**.

## TO TRANSLATE THE POSITIVE OUTLOOK INTO REALITY WILL REQUIRE ADDRESSING LONGSTANDING CHALLENGES

- A majority of companies continue to identify **taxation rates and regulations, import regulations and custom duties** to be the most significant challenges doing business in India.
- **Bureaucracy** is perceived as cumbersome and time-consuming. **Corruption** remains a major issue, hampering business development.
- **Unavailability of Skilled Labor** and **Increasing Salaries** are challenges related to the workforce.

CAPTURING THE VIEWS OF  
**110**  
SWEDISH COMPANIES  
ESTABLISHED IN INDIA