

IN POSITION

#SWEDENINDIASAMBANDH



2025/26 BUSINESS
CLIMATE
SURVEY

Sweden and India's cooperation stands strong - rooted in history, guided by shared values, and ready for the future. More than 75 years of diplomatic relations and over 120 years of business ties between our two countries. It is a great foundation to build on.

The name of this year's survey is *In Position*, reflecting India's growing aspiration to be a significant part of the global value chain, together with Swedish companies' long-term strategic ambition and direction to build flexible, meaningful, and sustainable businesses in India. It is also a call to take conscious stands for what future we are building, the direction we take, and the attitude we meet tomorrow's opportunities and challenges with.

Sweden and Swedish companies are well-positioned to be an integral part of the next phase of India's future. Over 200 companies responded to this survey, and they are in position. Ready for what comes next.



Jan Thesleff

Ambassador of Sweden to India



POSITION

/Pəzishən/ English
the place where somebody/something is or should be

Ericsson
entered India
in 1903.
They lead in
telecom and
networking
technology.

/Pə'zishən/ English
the place where somebody/something is or should be

Ericsson
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2,200,000 JOBS CREATED



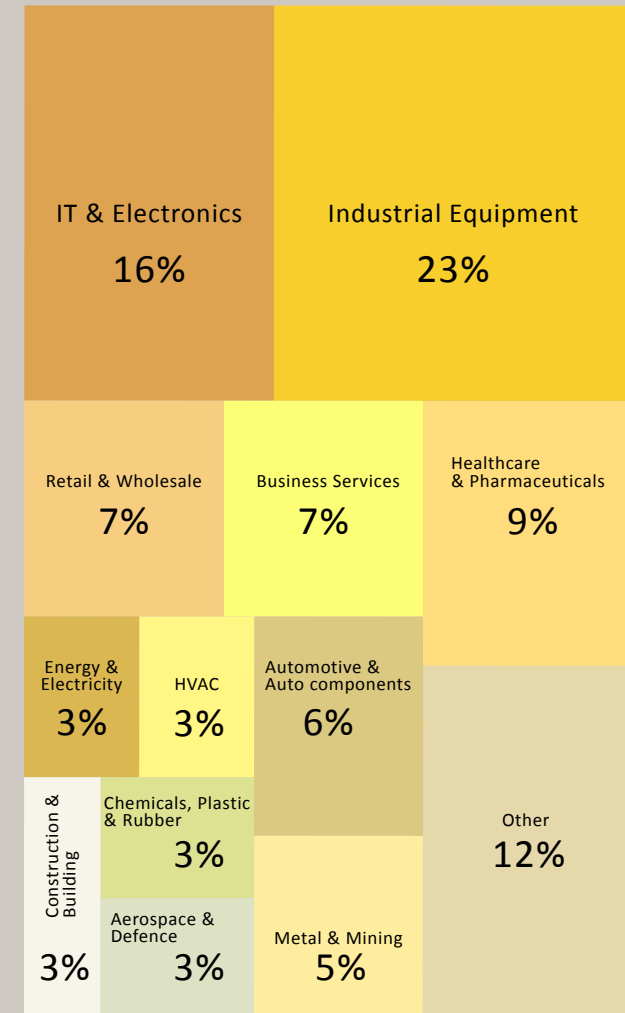
A timeline of when many Swedish companies entered India.

RANGE OF KNOWLEDGE

There are 280 Swedish companies in India today that are active in diverse business sectors.

This year, the BCS questionnaire was sent in the beginning of February 2025 to 269 Swedish companies established in India, of which 209 responded, rendering a healthy response rate of 78%.

Of the ones responding to this survey, 42% have set up business in India over the last 12 years.



COMMUNITY

India is a multi-faceted sub-continent, and Swedish companies are finding their home away from home here.

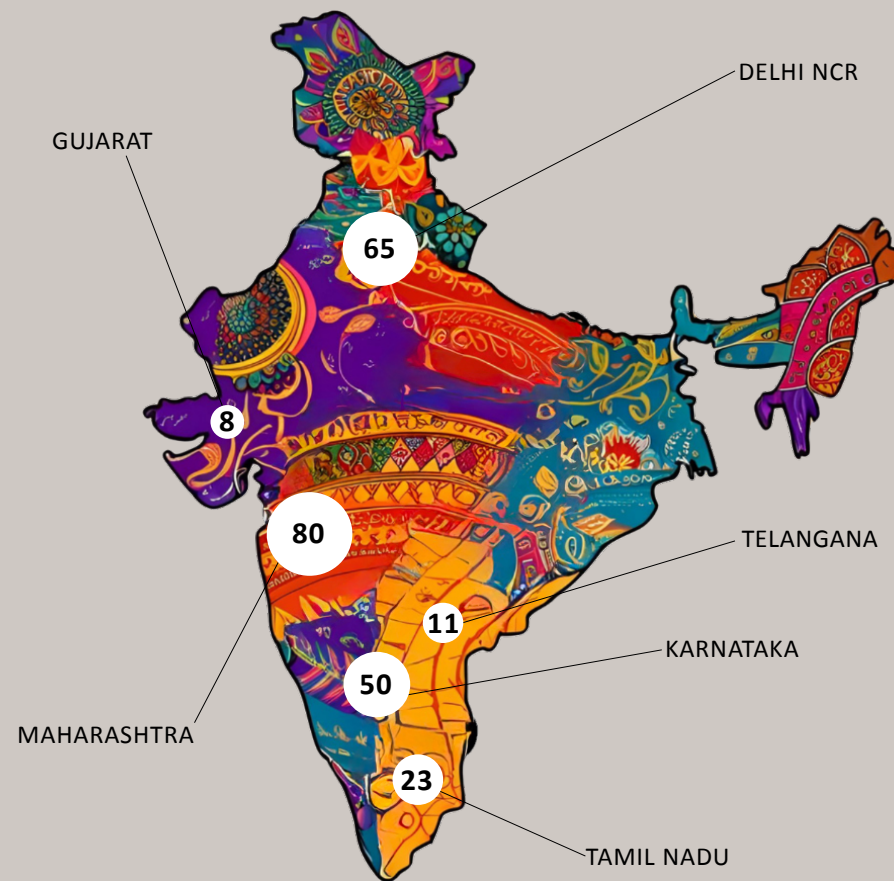
Maharashtra remains the dominant manufacturing hub, attracting both established players and new investments.

Delhi NCR continues to host a mix of companies in existing and emerging sectors, although some have relocated due to environmental considerations.

Karnataka stands out with a significant concentration with nearly 25% of Swedish manufacturing firms, and accounts for one-third of new entrants in the past five years.

Tamil Nadu and Gujarat are emerging hotspots, ranking amongst the top three destinations for new production facilities.

Telangana too is witnessing growth, especially in engineering and R&D operations.



The map represents where most Swedish companies are headquartered.

MARKET SHAPER

COST EFFECTIVENESS, LEVEL OF DIGITALISATION, AND BUSINESS MINDSET ARE THE ENABLERS FOR COMPANIES ENTERING INDIA.

Swedish companies look to India. 30 companies that have entered India in the last five years responded to this survey. About a third of them operate in the IT & Electronics sector, followed by Industrial Equipment, and Business Services. A third of these are setting up a manufacturing footprint.

Of those entering in the last two years, 7 out of 12 found their experience of setting-up business in India less easy/difficult. In 2023, 9 out of 15 considered it easy/very easy. A small, but notable shift.

New companies in India rate transparency and equal treatment, market access, and customs lower than average. Further, they consider India less competitive relatively global value chains, notably on aspects related to supply chain, manufacturing, and regulatory framework.

To learn how to make business in India takes time.



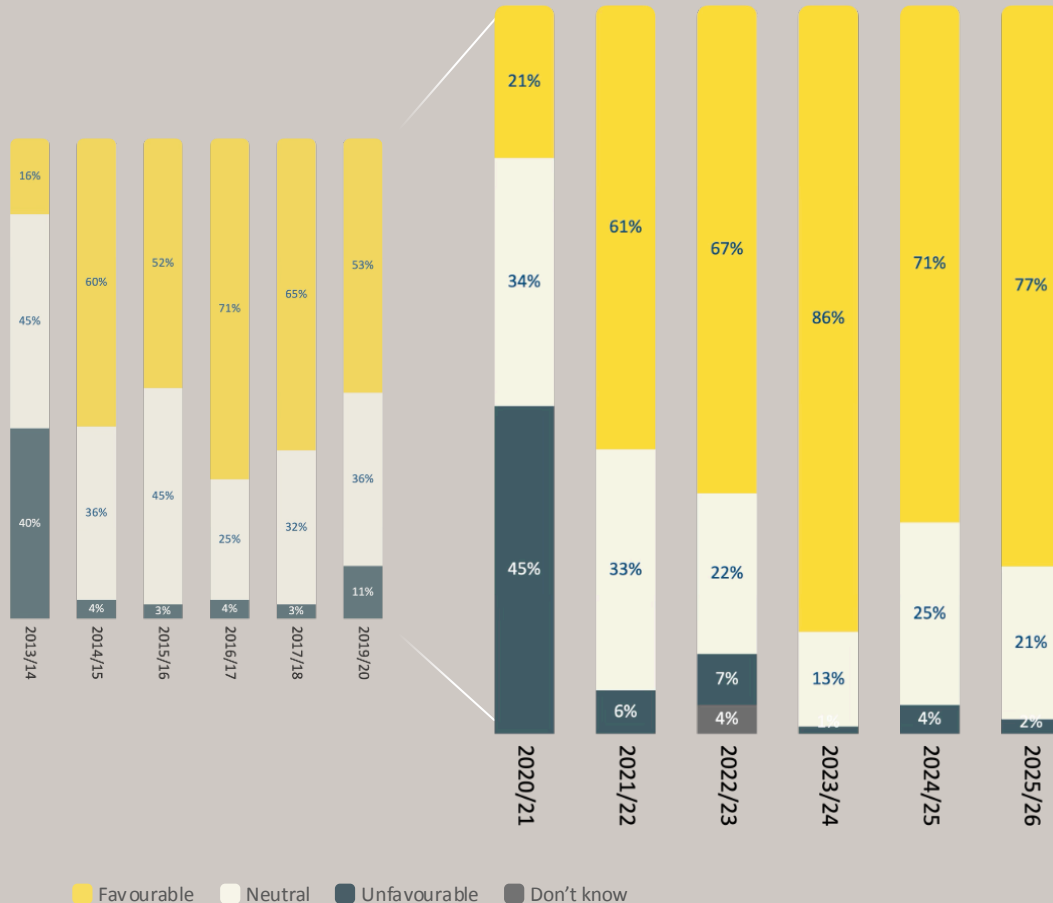
Tetra Pak, in India since 1987, is the expert in food processing and packaging solutions.

दिशा

/Diśā/Marathi
the direction that something is pointing towards

Autoliv is a
global leader in
automotive
safety systems.
They are present
in India since
1994.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN INDIA?



TRAJECTORY

The sustained and growing perception of favourable/very favourable business climate, over the years, for Swedish companies in India confirms their confidence in India's positive development.

77% of respondents see the current business climate as very favourable/favourable, compared with 71% in the survey last year, and much higher than the decadal average of 61%.

Continued growth and trust, good geographical location, human capital, cost-efficient offerings, localisation and resourcing taking effect, and hope for an early EU-India FTA, are some of the factors that drive the growing and sustained positive outlook.

On the other side are the QCOs (Quality Control Orders), some of the remaining challenges with regulatory framework and impact of global slowdown of export.

Equal number of companies that are positive about the business climate, are also satisfied with doing business in India.



CAPACITY

Swedish companies in India are seeing robust business performance and growth potential:

62% report profitable operations in the Indian market.

78% expect turnover to increase in their respective industries over the coming year.

Optimism is particularly strong in sectors benefiting from major public investments in infrastructure, construction, and defence.

Rapid digitalisation, and the possibility to build highly competent services and capability centres cost-effectively, are other drivers.

In India, **Hitachi** specialises in providing power-grid solutions with roots from Sweden.

ELEVATE

WITH GROWTH COMES INVESTMENTS.

60% are looking to increase their investments in the coming twelve months.

Companies focus on building and strengthening local value addition; resourcing in India, and India for India.

50% invest in R&D and product/solution development, 23% in Global Capability and Competence Centres.

35% invest in manufacturing.



Epiroc

Epiroc is an expert in mining and rock technology. They have been in India since 1960.

SANDVIK
coromant

અભિપ્રાય

/Abhiprāya/Gujarati

what you think about something; your opinion

Since 1960
Sandvik Coromant
has been in India,
designing
advanced metal
cutting tools and
machining
solutions.



MAKING IN INDIA

100 Swedish companies are making in India.

69% say they will invest further in manufacturing in the coming year.

CONSOLIDATE

52% SAY THAT INDIA IS BECOMING MORE IMPORTANT IN THEIR SOURCING STRATEGY.

Companies continue to look to India as a hub for global value chains and as a strategic resourcing destination. While in 2023, the business climate was the key driver, this year cost efficiency and capacity are mentioned as deciding factors for companies. Looking towards India for geo-political reasons continues to be important.

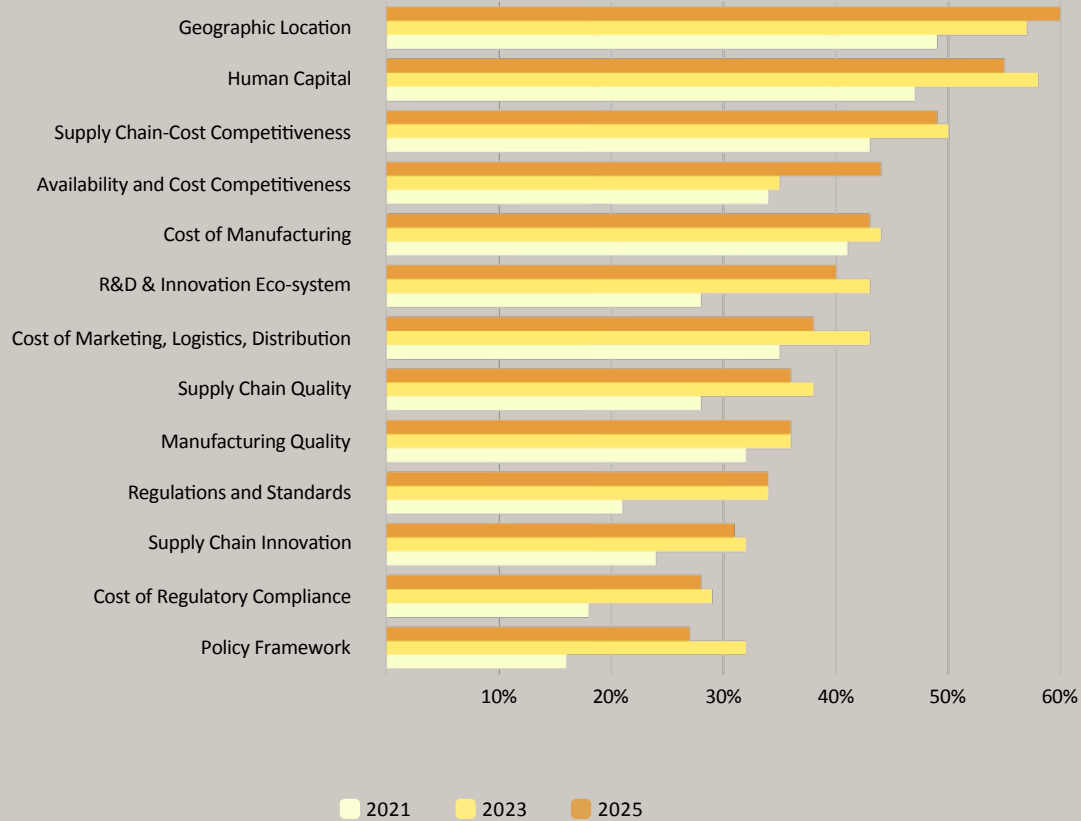
The same factors are also what companies consider being the main competitive advantages for India relative to global value chains.

For manufacturing companies, consolidation of production (local for local) is an increasingly important reason, with a third of companies highlighting this as a top reason compared to one out of four in 2023.

A large, detailed pile of metal shavings, likely from a manufacturing process, dominates the right side of the image. The shavings are thin, curly, and highly reflective, creating a complex, textured surface. In the background, a factory environment is visible with structural elements and some blurred figures of people, suggesting an industrial context.

Alleima specialises in advanced alloys for various industrial applications. In India since 1960.

HOW DO YOU RATE INDIA RELATIVELY TO GLOBAL VALUE CHAINS?



% of companies considering India very competitive relative to global value chains.

INDIA IS QUICKLY GAINING COMPETITIVENESS IN GLOBAL VALUE CHAINS.

Overall 64% consider India competitive compared to 41% in 2023 and 32% in 2021.

Particularly availability and cost of material is rated significantly higher than in 2023 (44% vs 35%). Many companies have worked strategically with localisation of supply chains, and product adaptation to local conditions.

However, this is sector dependent.

Industrial Equipment, Automotive & Auto Components view India as highly competitive in this regard. In contrast, HVAC, Retail & Wholesale, and Metal & Mining see lower competitiveness.

The introduction of QCOs has led to companies perceiving the regulatory framework in India less enabling than in 2023.

परिस्थिति

/Pariṣṭhiti/ Hindi

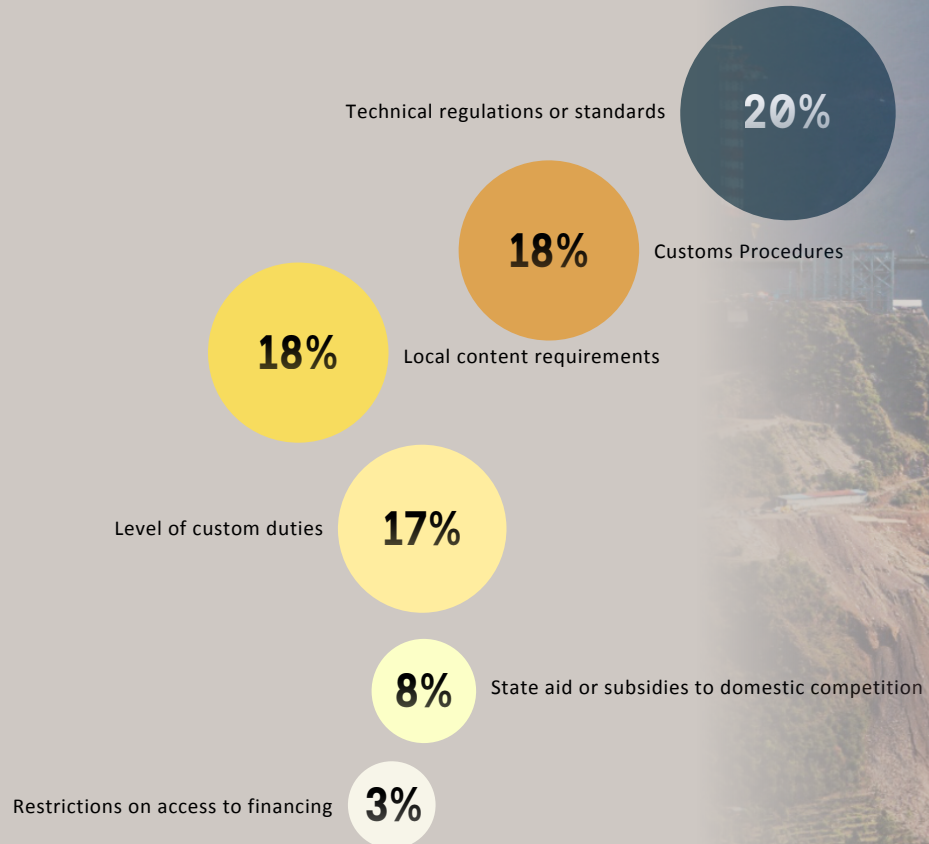
the state or situation that somebody/something is in



Teledyne FLIR has been present in India since 2011. A world leader in thermal imaging infrared cameras.

TRADE BARRIERS

India and EU are currently negotiating a Free Trade Agreement (FTA) that is very much anticipated. Both sides have committed to conclude the negotiations before the end of 2025.



ABB, present in India since 1949, are leaders in electrification and automation solutions.

ECOSYSTEM

A supportive regulatory framework is essential to drive meaningful change.

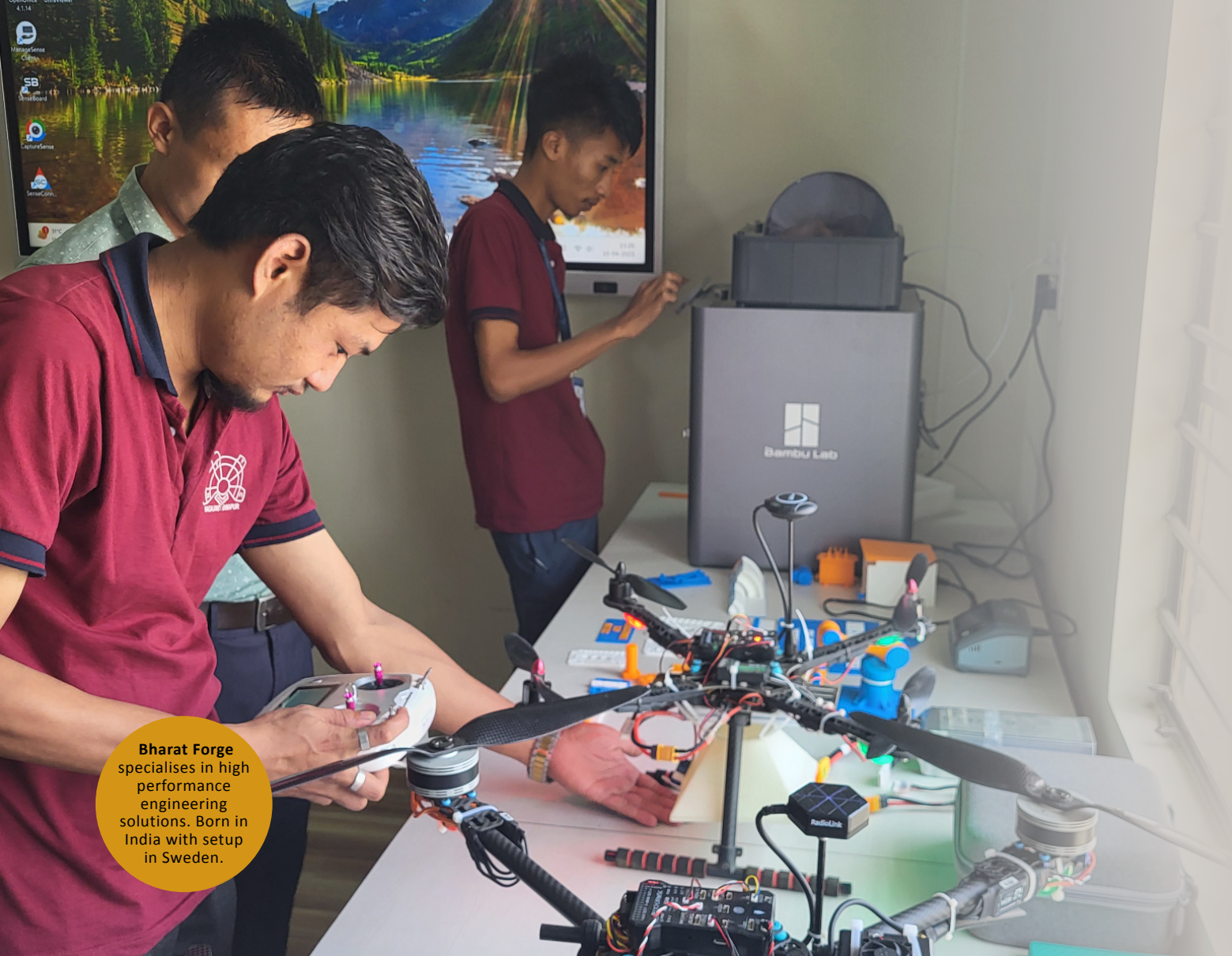
Companies report significant improvements, especially in digitalisation and market access, with nearly 50% stating these areas now fully meet their needs—up from less than 30% in 2021. Corporate taxation and labour market regulation have also seen positive developments.

However, obtaining licenses, permits, and approvals are still seen as difficult, with need for improvements. Alongside customs procedures, this remains a priority area for next generation reforms.

Regarding the extent to which the regulatory framework supports sustainability efforts, companies noted clear progress. Still, gaps persist. More than a third of respondents consider a lot of ecosystem work to be done across various dimensions of sustainability.

A person wearing a yellow hard hat and an orange safety vest is operating a black robotic device on a stone floor. The device has a central screen and various sensors. A thick red curved line runs across the bottom of the image.

Hexagon provides digital reality solutions, combining sensor, software and autonomous technologies, in India since 2016.



Bharat Forge
specialises in high
performance
engineering
solutions. Born in
India with setup
in Sweden.

ಧೂರಣ್

/Dhōraṇe/ Kannada

your position on a particular matter is your
attitude towards it

IKEA has been retailing in India since 2018. They are experts in home furnishing.



LEGACY

77%

of the companies say that country brand Sweden contributes to a great extent to their business in India.

Innovation. Sustainability. Safety. Quality. Inclusion. Equality. Honesty. Trust.

A legacy, and a standard to fulfil.



Volvo Group has been in India since 1998-an aspirational brand across Trucks, Buses, Engines & Construction Equipment.

PARTNERSHIP IS THE NEW LEADERSHIP.

Overall 78% companies are positive/very positive about the innovation ecosystem, compared with 60% in 2021. Meanwhile, 40% of the companies rate the R&D and innovation system competitive with respect to global value chains compared to 28% in 2021.

Like in 2023, nearly half of the companies (46%) report that their partnership with different stakeholders has turned into business opportunities, while another 26% say it might.

Swedish companies indicate that they now collaborate more fruitfully with academia than earlier. Suppliers and other industry players have always been important and continue to be so. An area where there is still more to do is collaboration with start-ups and research institutes.



கடமை

/Kaṭamai/Tamil
it is our job

Since 1994
Oriflame has
been providing
beauty and
wellness
products in
India.



Since 2022
Electrolux has
provided a
premium range of
home appliances
to customers in
India.

INTENTIONAL

Swedish companies are spear-heading the green transition, both in product solutions and operations.

But is the demand following? In this survey, 22% of the companies reported that sustainability has been an important factor to remain competitive in India. In 2021, none did.

Further, half of private customers (in 2023 it was 40%) and less than a third of public customers, same as in 2023, provide weightage to environmental aspects in their purchasing decisions.

Clearly change is happening but more is needed.

Sweden and India have together taken this on. One example is LeadIT, the Leadership group for Industry Transition, that brings together countries, companies and industry experts to achieve net-zero emissions from heavy industries by 2050.

RESPONSIBILITY

61% OF THE COMPANIES ARE ON, OR AHEAD OF, THEIR ENERGY REDUCTION TARGETS.

43% ARE ON TRACK TO ACHIEVE 100% RENEWABLE ENERGY IN THEIR OPERATIONS.

Above numbers represent an increase of 9% and 7% respectively since 2023. 58% are on track or ahead of target to change/develop their product design to be sustainable.

50% say the same regarding their recycling targets, increasing circularity, and sourcing of sustainable raw material.

Sustainability is a legacy we continuously build on, and learnings and inspiration shared are driving us to do more.



Camfil provides patented air filtration solutions. They have been in India since 2008.

LAGSPELARE

/Lågspēlare/ Swedish
the part you play in a team



In India since
1960, **Atlas Copco**,
specialises in
compressed air,
power tools and
vacuum solutions.



Alfa Laval is an expert in heat transfer, separation, and fluid handling technologies. In India since 1937.

VERSATILITY

ACCESS TO SPECIALISTS AND KEY PERSONNEL HAS INCREASED, AND HUMAN CAPITAL IS A TOP COMPETITIVE ADVANTAGE RELATIVELY GLOBAL VALUE CHAINS.

39% report being able to hire highly competent team members as needed, up from 29% in 2021.

Growth comes with investment in people.

66% of the companies indicate they will increase their workforce in the coming year, which also matches the monetary investment plans. 27% will increase investments in skill building and upskilling.

Through Kraftsamla™, Swedish companies collaborate to lift the burden from young women without financial backing, to pursue higher education or professional training, and bridge gaps to ensure equitable digital access.

Growth is inclusive.

GENSITIVITY

To build a future that is inclusive is a key goal for India by 2047, one that Swedish companies are completely aligned with.

An important priority is equality and equity.

Swedish Companies strategise to increase the presence of women at all levels and in all functions, including manufacturing shop floors in engineering or auto companies.

Half of the surveyed companies (106) have female managers at all levels - top, middle, and front line. In 2019 it was merely half that number.

0%
have scaled back
75%
work with DEI



POSITION IS A LOCATION, DIRECTION, AND AN ATTITUDE. WE HAVE WORK TO DO.

To be In Position is to be future ready.

The journey goes from investment facilitation, unlocking value, to building sustainable business that lasts and have a positive impact on people, process and planet.

Together, India and Sweden can advance this:

- To encompass holistic sustainability in evaluation of proposals, keeping life cycle costs in focus.
- By leveraging collaboration and partnership for know-how and policy development.
- By enabling local be global, and global to be considered local.
- By unleashing people capabilities by encouraging systems' approach and innovation culture.

In India since 2011, **Scania** specialises in heavy-duty commercial vehicles.



The Swedish Chamber of Commerce India is the hub for Swedish companies in India since 2008.

Together we build the future of sustainable, meaningful and fruitful business.

The Business Climate Survey is conducted in partnership with Embassy of Sweden in New Delhi, Consulate General in Mumbai and Business Sweden.

Reach out if you want to learn more about how we build *sambandh*, relationships between nations, companies, and people.



Sara Larsson
CEO
Swedish Chamber of Commerce India

We are Team Sweden in India.



Jan Thesleff
Ambassador of Sweden to India



Sven Östberg
Consul General of Sweden in Mumbai



Sofia Högman
Trade Commissioner of Sweden to India &
Head of Business Sweden



Kamal Bali
President & MD, Volvo Group India and
Chair, Swedish Chamber of Commerce India



Sonepar is an expert in electrical equipment distribution, in India since 2009.



In a time of uncertainty we
learn our reality doesn't exist
in a vacuum