

UNLOCK POTENTIAL

#SAMBANDH
SWEDEN IN INDIA

BUSINESS
CLIMATE
SURVEY
2019/20



Unlock

/ʌn'lɒk/

- open doors
- enter the right password
- open systems and make available for everyone
- free resources to increase value
- discover and uncover new facts
- release imagination

Cambridge English Dictionary

Welcome to this year's Business Climate Survey where we share with you insights into the Swedish business community in India, its take on the current narrative in India and the aspirations and expectations going forward. It is with great satisfaction we take note of the growing bond between India and Sweden. We term this growing partnership as 'Sambandh', which means relationship and cooperation both in Hindi and Swedish. Indeed, deepening this is one of our guiding principles.

Our strategic pursuit within this partnership is to address the conundrum of holistic sustainability- unlocking the potential for economy, equity and environment. It is time for bold stands and endeavours. We do this best together.

Providing fillip to our common purpose is the commitment displayed by India and Sweden at the UN Climate Action Summit in September this year. Our countries took on the responsibility to drive transformation in hard-to-decarbonise and energy-intensive sectors. Industry transition is an important area that demands new, inventive green technology and solutions to be implemented throughout the value chain and policy framework. All in all, we are aspiring to build a sustainable future for all.

The Business Climate Survey provides an important reference point as we take our next steps in this direction. It has been conducted amongst the Swedish business community in India, covering close to 190 companies, which means the voice of 90 percent of the Swedish businesses established in India.

We trust you will find this report valuable as well as informative. And, to all of you who took the time to participate in the survey and contributed - we thank you!

Mr Klas Molin
Ambassador
of Sweden to India

Ms Anna Lekvall
Consul General
of Sweden in Mumbai

Mr Kamal Bali
Chairman
Swedish Chamber of Commerce India

Mr Anders Wickberg
Trade Commissioner
of Sweden to India



EXPORT SWEDEN

About 31 percent of Sweden's GDP is from export of goods and another 14 percent is from export of services.

Swedish companies realised early on that the outlook has to be global as the domestic market is too small. After all, it is home to only 10 million people.

As a result, Swedish companies came to India already in the beginning of the 20th century and have stayed on.

India is today Sweden's third largest trade partner in Asia. There are doors to open and potential to unlock.



We at **FLIR** bring innovative sensing solutions into daily life through our thermal imaging, visible-light imaging, video analytics, measurement and diagnostic, and advanced threat detection systems. Seeing is believing and to stop gas leakage, thermal heat waste and prevent accidents part of our commitment to sustainability. In India since 2009.

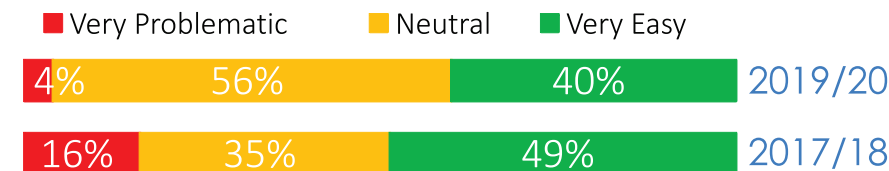
OPEN DOORS

**+130 SWEDISH COMPANIES
HAVE ENTERED INDIA IN THE LAST 12 YEARS**

Half of those are in the business sectors of Engineering Products, IT/Telecom, Life Science/Med Tech/Healthcare, and Environmental Technology

50 are SME companies.

WHAT IS YOUR
EXPERIENCE OF
SETTING UP
BUSINESS IN
INDIA?



WORKFORCE

Swedish companies established in India

200

direct jobs created by Swedish
companies in India

200,000

employment opportunities created
through supply chain, distribution
network and auxiliary services

2,200,000



SKF India recently received the CSR Awards at the Mahatma Awards 2019. We were recognized for demonstrating excellence and the highest standards of ethical conduct, integrity, civic and social responsibility in providing a skilled workforce to the country through its YES initiative.



Sandvik produces high-precision steel tools, mining equipment and other heavy engineering products. In our industry the ratio of women is still low.

We instituted the Sandvik India Gender Awards to bring attention to ongoing important work on gender in public, private and academia. And to learn more ourselves.

KRAFTSAMLA

1 out of 3 companies have more than 25 percent women in their workforce today. This is something we are not satisfied with.

Equal pay, break stereotypes, redefine leadership and ensure equitable opportunities for all are the key imperatives going forward.

The Swedish companies have started 'Kraftsamla' under the aegis of the Chamber. The program aims to address gender parity, equality and equity in own organisations, value chains and communities.

We want to be part of reimagining, releasing and unlocking the potential.

'Kraftsamla' means 'to join our forces' in Swedish.

World Bank World Development Indicators show that current female participation in the workforce in India is 23.3 percent

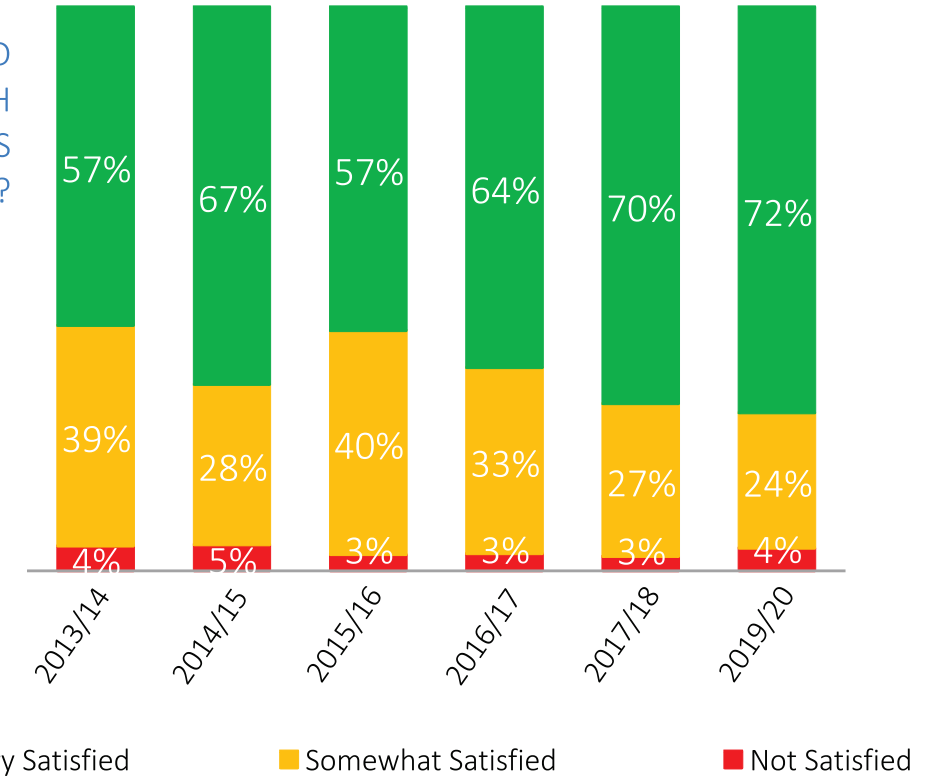
BUSINESS SATISFACTION

Overall companies are satisfied with doing business in India and the numbers are annually improving progressively.

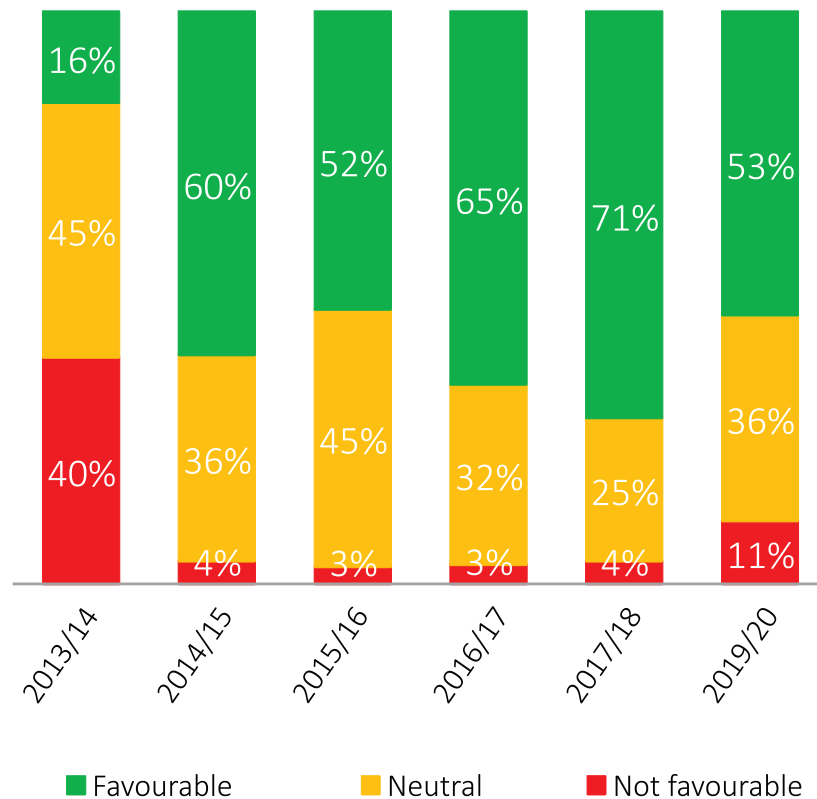
In this survey, companies less satisfied are those in the sectors of IT/Telecom (despite a positive outlook on the business climate), Automotive/Heavy Vehicles, and Environmental Technology.

Most satisfied are the companies in the sector of Engineering Products.

HOW SATISFIED ARE YOU WITH DOING BUSINESS IN INDIA?



HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN INDIA?



This is before the announcement of reduced corporate taxes in Sept 2019.

BUSINESS CLIMATE

Last year, 3 out of 4 companies viewed the business climate as favourable.
This year, 1 out of 2 see it as favourable.

Moderating domestic demand, weaker consumer sentiments over the last one year, and a certain level of fatigue that changes are not happening fast enough, may have impacted the outlook.

Companies in the IT/Telecom sector are the most positive, while those in Automotive/Heavy Vehicles are on the fence in the short term.

Companies are slightly more apprehensive about the investment climate in the coming 3 years. Last year, 3 out of 4 were positive. This year, it is 3 out of 5.

Clearly, we need to unlock the potential to get better returns on existing investments as well as to attract larger future investments.

SUSTAINABILITY

HOW DO YOU
PERCEIVE YOUR
COMPANY'S
ABILITY TO ACT
SUSTAINABLY?

3 out of 4 companies believe they can act and operate in India in line with their company's sustainability guidelines when it comes to anti-corruption, environment and labour.

But 1 out of 4 companies see corruption as a major obstacle.

This is clearly an improvement from 4 years ago, when 1 out of 3 companies had said that not paying bribes is a competitive disadvantage.



In 2018, we in **IKEA** launched the 'Better Air Now' initiative with the aim to turn rice straws- a harvesting residue that contributes heavily to air pollution when burned- into raw material instead.

The long-term ambition is to create a model for how to reduce air pollution in other crop burning regions of the world.



Recycle and reuse are important objectives for us in **Tetra Pak**.

Poly-Aluminium recovered from used cartons can be made into compressed sheets that absorb heat and can reduce inside temperature by 4-6 degrees when used as an enclosure.

Keep an eye out in Goa and on Rajdhani trains for bio-toilets made with these sheets!

MADE IN INDIA

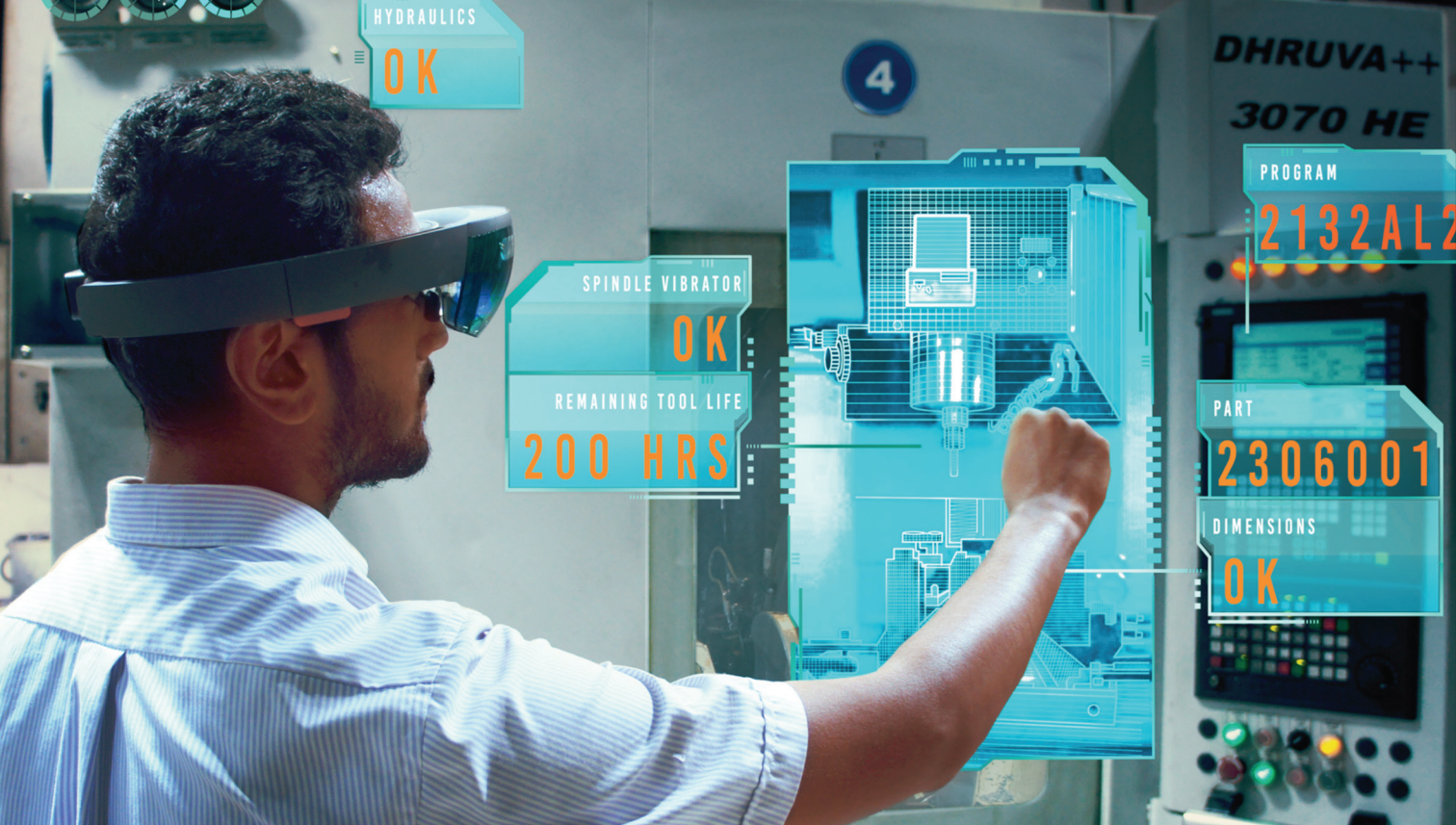
55 Swedish companies manufacture in India today at 75 sites across 11 states.

14 manufacturing companies have entered India in the last 12 years.

Swedish companies want India to be a hub for export. 3 out of 4 companies produce in India both for domestic and export markets, but companies think export facilitation needs focus.

1 out of 3 consider the outlook to increase profitability as negative in the coming one year.

Manufacturing companies across sectors are satisfied doing business in India but consider the business climate less favourable than a year before.



Innovation is collaboration. As automation, AI, and digitalisation are reshaping manufacturing and processing, we have many questions to tackle. Skilling is one of them. We at **Bharat Forge** have a big set-up both in India and Sweden. In Pune, our hometown, we meet regularly with the Swedish companies to discuss and learn from one another.

DISCOVER AND INNOVATE

Swedish companies invest in R&D and upgraded sustainable value chains in India, bringing best practices and new age technologies.

1 out of 2 companies will invest in the coming year.

Sweden and India signed a joint declaration on India-Sweden Innovation Partnership for a Sustainable Future during the visit by the Indian Prime Minister Narendra Modi to Stockholm in April 2018.

Cooperation between India and Sweden in the area of start-ups is an important part of the partnership.



Ericsson was one of the first Swedish companies to enter India back in 1903 and we have been pivotal in making India connected. We are present in almost all states in India, but our HQ is in NCR and production in Pune. Next gen connectivity is around the corner. 5G will change the way we all do things. Cross-sectorial collaboration is one way to discover how. We are taking the future forward.

PRESENCE

Swedish companies are operating in India for almost 120 years and we are here to stay.

80 companies report that they will invest in states they are not already present in today.

There is a Swedish company present in every state of India.

Companies report investments of USD 1.7 billion in the last five years and another USD 1 billion planned in the coming two years.

MAHARASHTRA

107 companies are present in the state and more than half have their head-office here. The direct employment created is more than 35,000 people.

This is the manufacturing hub for Swedish companies as 26 companies have production plants in the state; the majority are in Pune.

Just about half of the Swedish companies in India, 95 of them, say they will invest in Maharashtra in the coming years.

GUJARAT

46 companies have presence in Gujarat and employ more than 8,000 people.

Six company have production set up in the state.

During the year, the Swedish company group have met with the Chief Minister and his team twice to discuss issues and queries from the companies.



Alfa Laval recently installed sixty sludge dewatering decanters in sewage plants across Navi Mumbai and Thane that help produce clean effluent for discharge or water reuse and reduce the amount of sludge for disposal. 680 million litres of water are treated here every day. Maximising our water resources is crucial for our future.



Saab believes that true collaboration leads to better solutions. We have a proven track-record of sharing critical technology and working closely with partner countries.

We are investing in building strong partnerships with Indian defence forces and Indian industry and have proved that our long-term partnerships with many other countries have made a strong and lasting difference.

DELHI NCR

176 companies are present, 64 have their head-offices here.
The companies employ close to 35,000 people.

13 companies have production plants in the area.

TELANGANA

23 companies are present and currently employ 5,900 people, this is +1,400 since the last survey.

4 companies have production plants here.

Twice in the last year the Swedish companies have met with the government to discuss investment facilitation and future collaborations.

KARNATAKA

95 companies are present, employing more than 42,000 people.
41 companies have set up their head-office here.

14 companies are manufacturing in the state.

Many companies are looking to invest in Karnataka. Out of the 187 respondents, close to 70 companies responded that they will invest in the state the coming years.

TAMIL NADU

More than 22,000 people work for the 62 Swedish companies present in the state.

14 companies have their head-offices here and 8 are manufacturing.



As part of our continuous effort in **Scania** to inculcate a sense of responsibility towards the environment in our employees, we recently conducted an in-house competition on 'Best out of Waste'. Employees were asked to use recycled material available at office to create innovative solutions. A team from our Service Solution Centre created an Engine Test Bench from scrap material. The bench is now being used for testing purposes.



In **Atlas Copco** we take excellence very serious and we are committed to an holistic approach and not satisfied with half measures. We constantly work to reduce our carbon footprint and energy consumption both in our products and production plants. We focus strategically on recruiting women especially to engineering and technical roles and involve everyone in our constant endeavour for improvement.

Sweden ranks high in global indicators; first in the Sustainable Competitiveness Index (last ranking 2017), second in the Global Innovation Index 2019 and third in the 2019 SDG Gender Index.

Sustainability, gender and innovation... This stamp of recognition is not to be taken lightly, since this requires hard work, responsibility and accountability.

3 out of 4 companies say that the ‘Swedish Brand’ has a positive impact on their business in India, compared with three years ago when half the companies thought so.

**SUSTAINABILITY
DIVERSITY & INCLUSION
ETHICS & FAIRPLAY
HEALTH & SAFETY
INNOVATION**



Smart use of resources is something that is at the core of our business in **DeLaval**. Take for example cow dung. If liquid and solids are separated instead of kept in one heap, there will be less emission, improved storage and environment. And manure is turned into an asset.

CO-CREATE SOLUTIONS

The voice of the Swedish business community is clear:

We want to co-create solutions in the new leadership group lead by India and Sweden under the UN climate agenda. Draw on experience from SBT committed companies in India and together work on solutions to transit into a low-carbon economy.

**UNLOCK THE OPPORTUNITY TO
CO-DEVELOP A MARKET-BASED MECHANISM
FOR CLIMATE ACCOUNTABILITY AND
EFFICIENCY EFFORTS**

#SAMBANDH

UNLOCK POTENTIAL ECONOMY

Unlock potential through the existing investments by targeted and reciprocal incentives.

Close the loop - repair, reuse, recycle and upcycle.

Encourage 'life cycle cost of ownership' and 'social impact cost' as new paradigms and value propositions.

Customs' and import administration need to be streamlined further.

Process to obtain licenses, permits and approvals needs to be standardised.

Alignment of interpretation of global standards in the supply chain.

Rationalisation of taxation regime.

#SAMBANDH



Epiroc has installed a 155kWp rooftop grid-tied solar system in our production unit in Nasik. This system delivers approximately 584 units per day. This is equivalent to a reduction of almost 175 tons of CO2 emissions per year.

In our Hyderabad unit, our streetlights surrounding the plant are powered through solar energy.



EQUITY IS THE ABSENCE OF AVOIDABLE OR REMEDIABLE DIFFERENCES AMONG GROUPS OF PEOPLE, WHETHER THOSE GROUPS ARE DEFINED SOCIALLY, ECONOMICALLY, DEMOGRAPHICALLY, OR GEOGRAPHICALLY.
(WORLD HEALTH ORGANISATION)

Clean air should be a right for everyone but it is not the case today. Instead, asthmatic and respiratory problems are increasing.

We at **Camfil Air Filtration** seek to create awareness about how bad air can effect us along with providing solutions for indoor air filtration.

UNLOCK POTENTIAL

EQUITY

Gender balance in the workforce and equitable opportunities for women is a common global goal for Swedish companies in all sectors.

Education for all.

Bridging skills for the future- Industry 4.0.

Eradication of child labour.

Suitable visa provisions for long-termers, entrepreneurs and family members.

#SAMBANDH



When we started to work more intensively with sustainability, more than a decade ago, we said “this starts with us”. Now **Oriflame’s** products do not use any materials derived from protected or endangered flora and fauna and 99 percent of our manufacturing waste avoid ending up in a landfill. Instead we are able to recycle our waste.

UNLOCK POTENTIAL ENVIRONMENT

De-carbonisation and energy conservation.

Waste is value; drive waste into value chains.

Holistic investments; life-cycle and impact cost matters.

Incentive mechanism for innovative and green technologies.

Urgent actions to curb the problems of air pollution and water shortage.

Certified supply chains and raw material.

#SAMBANDH



Our transport solutions, by concept, are 'doing more with less'; less emissions, less fuel consumed, reduced safety risks and fewer vehicles for the job. **Volvo Group in India** have so far trained over 100,000 truck and bus drivers, and target training of underprivileged youth in remote areas to be safe and efficient operators of construction equipment.

LONG-TERM COMMITMENT TO MEANINGFUL BUSINESS THROUGH SUSTAINABILITY AND INNOVATIONS

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

187 Swedish companies in India responded to this year's survey. This is equivalent to a response rate of 90 percent.

Download the BCS report from www.swedishchamber.in/Publications



The Swedish Chamber of Commerce India provides Swedish companies with unique opportunities for knowledge sharing and exchange of experiences doing business in India.

The Chamber promotes the value proposition of Sweden and gathers the business community around areas of interest. Together we build the future of sustainable, meaningful and successful Swedish business in India.



THANK
YOU

