





TOWARDS SUSTAINABLE GROWTH

#SWEDENINDIASAMBANDH

BUSINESS
CLIMATE
SURVEY
2021/22

“Sweden and India’s bilateral cooperation has grown even stronger despite the pandemic and Swedish companies have repeatedly shown that they have a long-term commitment to India. I am therefore particularly proud that the 2021/22 Business Climate Survey (BCS) has received such a high response rate and that it highlights important areas such as green transition and women in the workforce.

The BCS provides valuable information on the business climate in India, as perceived by Swedish companies. It is therefore of great importance to the Swedish Government and a significant contribution to the preparations for the upcoming meeting of the Joint Commission for Economic, Industrial and Scientific Cooperation and to the preparations of the upcoming trade negotiations between India and the EU.”

Anna Hallberg

**Minister for Foreign Trade and Nordic Affairs
Govt of Sweden**



190 Swedish companies in India responded to the Business Climate Survey 2021/22.
It was sent to 210 companies. This is a response rate of 90%.



Tetra Pak continues to accelerate collection of used carton packages, as we have been for the past 17+ years.

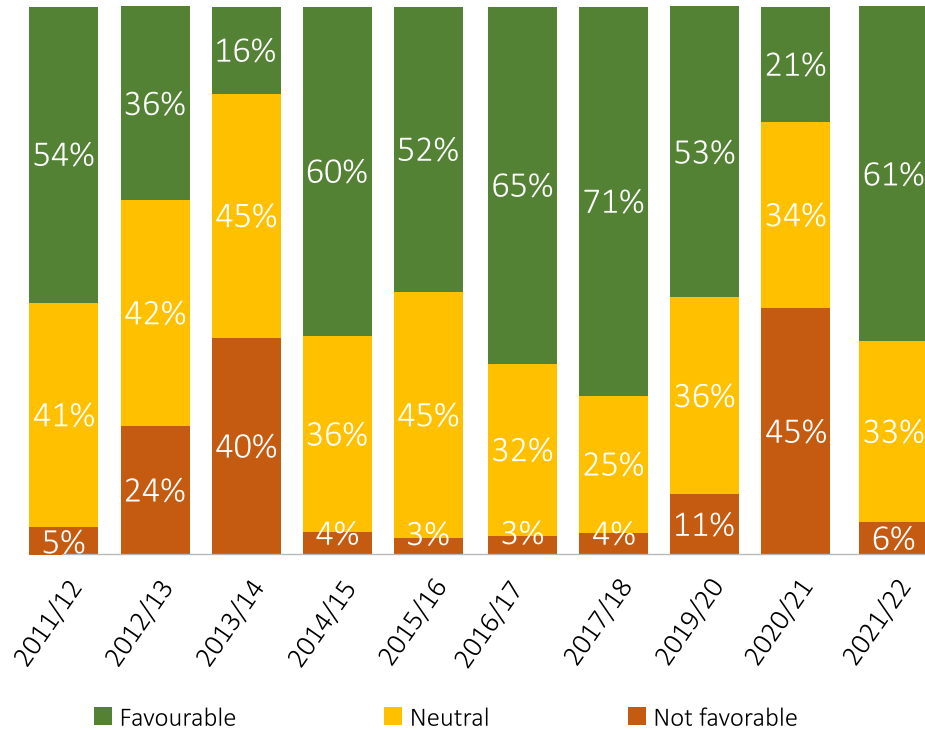
Well over 40% carton packages sold in India are now recycled into various useful items such as paper-products, roofing sheets, furniture and more.

GROWING IN CONFIDENCE

“Swedish companies continue to thrive in India. Even in the wake of the challenges posed by the pandemic, Swedish companies have continued to invest, expand, and believe in India. As reflected in the Business Climate Survey, it is highly encouraging to see so many Swedish companies are planning to increase their investments in India in the years ahead.”

Klas Molin, Ambassador of Sweden to India

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN INDIA?



The measurement for 2020/21 was taken in May 2020, when India was in national lockdown due to the Covid-19 pandemic.

POSITIVE OUTLOOK IN CHALLENGING TIMES

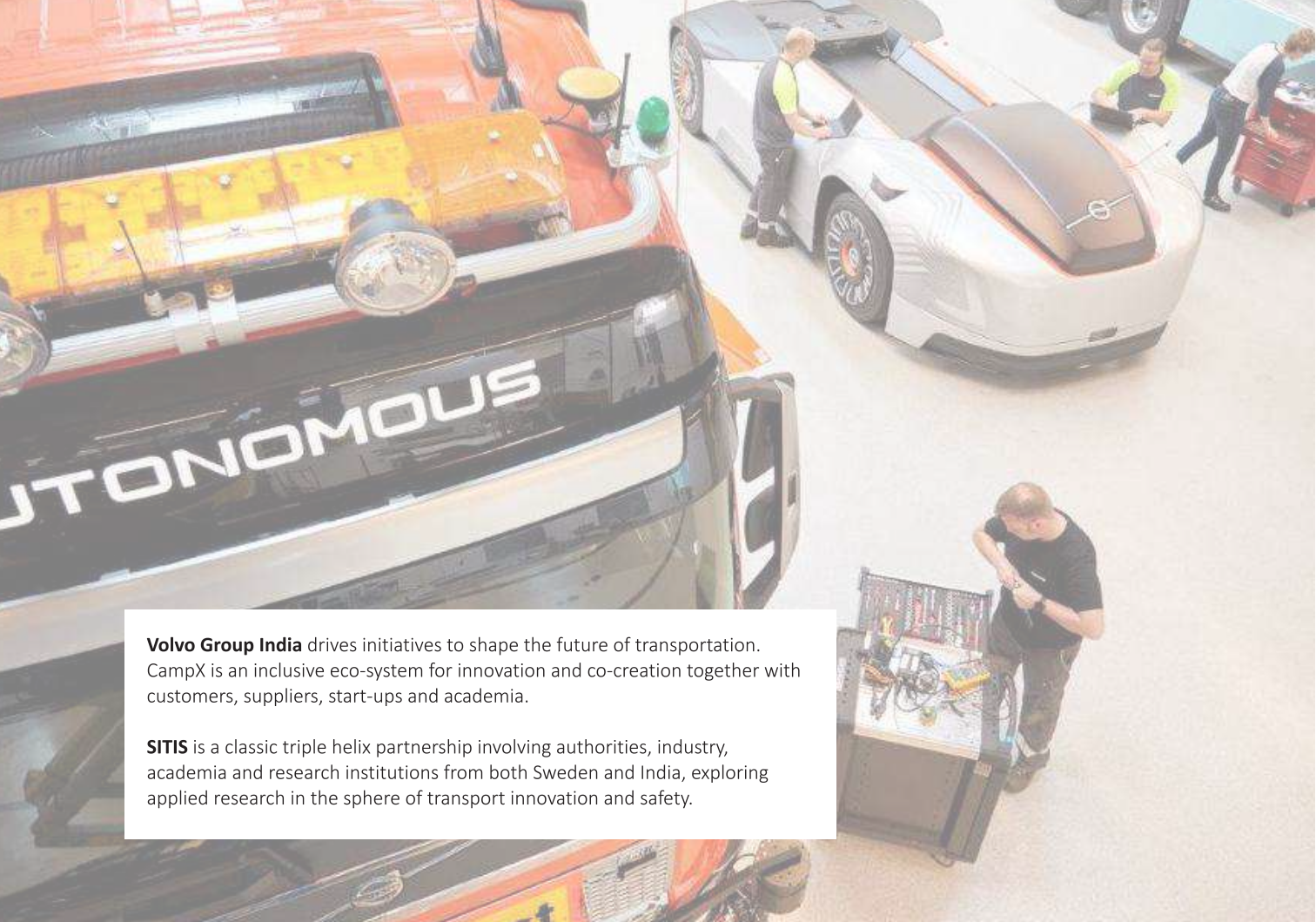
Swedish companies report pick up in business towards the third quarter of 2020, with the relative normalisation of the pandemic.

Companies are more positive now about the business climate than 2019 and the first lockdown during spring 2020. This outlook stands beyond wave II.

Most positive are companies in IT & Electronics, where nearly 75% consider the business climate as very favourable.

Companies in Retail, Consumer Goods & Services, and Healthcare, MedTech & Pharma are more on the fence, with 45% deeming the business climate as favourable.

Owing to the effects of the lockdown and other challenges during the pandemic, about 65% of the companies were satisfied/very satisfied with doing business in India the last year compared with 72% in 2019.



Volvo Group India drives initiatives to shape the future of transportation. CampX is an inclusive eco-system for innovation and co-creation together with customers, suppliers, start-ups and academia.

SITIS is a classic triple helix partnership involving authorities, industry, academia and research institutions from both Sweden and India, exploring applied research in the sphere of transport innovation and safety.

SUSTAINED INVESTMENTS...

8 OUT OF 10 COMPANIES FORESEE INCREASED TURNOVER THE COMING 12 MONTHS COMPARED WITH LESS THAN **3 OUT OF 10** IN MAY 2020.

1 OUT OF 2 INDICATE GROWING INVESTMENT PLANS THIS YEAR COMPARED WITH PREVIOUS YEARS*.

1 OUT OF 2 REPORT PROFITABLE BUSINESS DURING 2020 DESPITE THE PANDEMIC AND THE PRECEEDING ECONOMIC SLOW-DOWN.

Automotive, Heavy Vehicles & Auto Components sectors indicate profitability, while companies reporting loss are in the sectors of Retail, Consumer Goods & Services, and Business Services.

*expectedly the investment plans for 2020 may not have materialised due to the pandemic.

...BUT NEED TO IMPROVE EASE OF SETTING UP BUSINESS

DOUBLING INVESTMENTS OVER THE NEXT TWO YEARS.

COMPANIES INVESTED **2 BILLION USD** IN THE LAST 5 YEARS. CLOSE TO **1 BILLION USD** PLANNED TO BE INVESTED IN THE NEXT 2 YEARS.

Swedish companies continue to focus on sustainable investments and integrated growth in India.

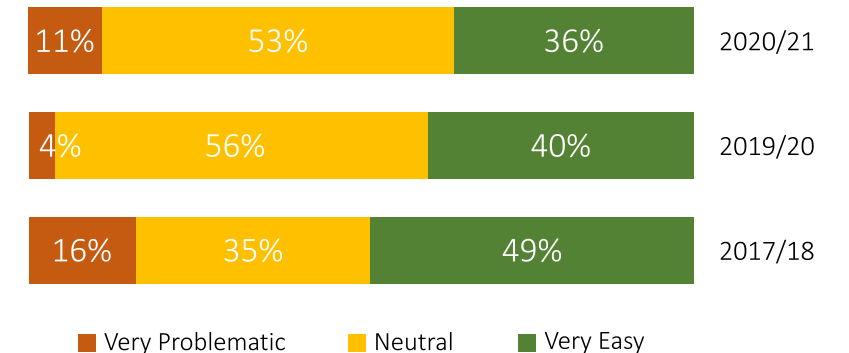
There is a growing focus on investments in R&D, and Product/Solution Development. Over 100 companies will invest in either or both of these areas in the coming year.

Skills Development & Training is crucial. 63 companies invest in this now compared with 53 last time we measured.

46 SWEDISH COMPANIES HAVE ENTERED INDIA SINCE 2015

6 OF THESE DURING 2020-THE YEAR OF THE PANDEMIC

WHAT IS YOUR EXPERIENCE SETTING UP BUSINESS IN INDIA?





The production shop-floors of the world's single largest forgings facility at **Bharat Forge** Pune, epitomizes the shift to Industry 4.0.

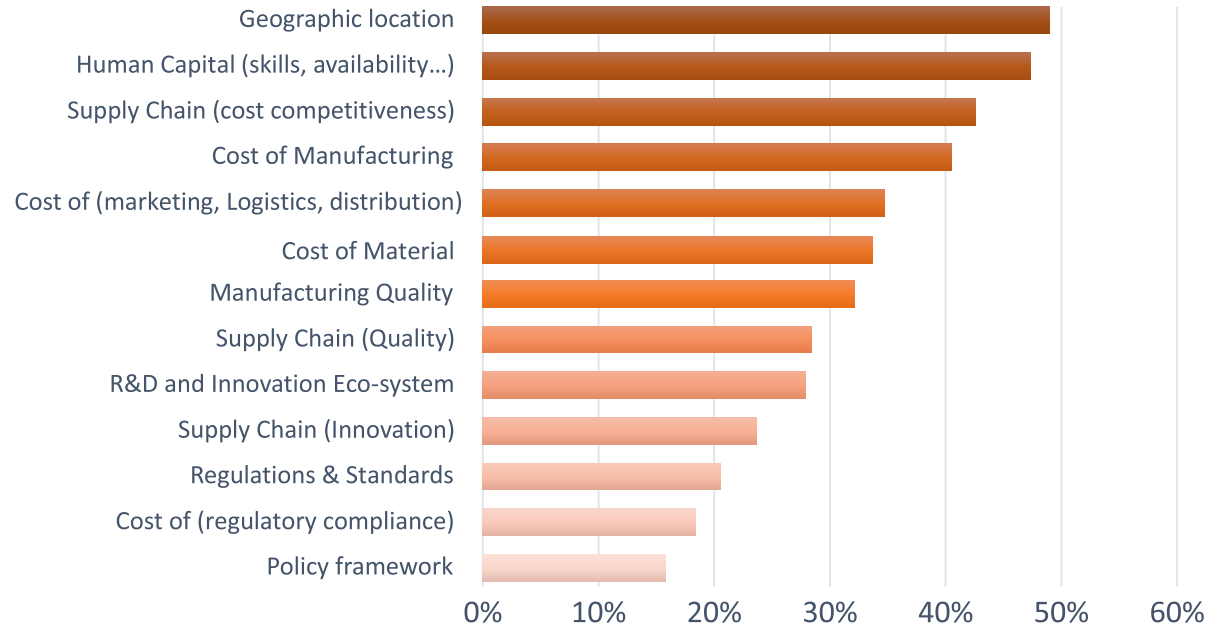
We invest heavily in upskilling our workforce with digital technologies. More than 2,500 employees have already been trained.

INDIA IN GLOBAL VALUE CHAINS

“Clearly, India is strategically placed and an increasingly interesting hub for Swedish companies looking to make production and export more sustainable, resilient and diversified. Let us together strengthen this position.”

Anna Lekvall, Consul General of Sweden in Mumbai

HOW DO YOU RATE INDIA
RELATIVELY TO
GLOBAL VALUE
CHAINS?



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

MAKE IN INDIA - A GLOCAL DEAL

3 OUT OF 10 COMPANIES CONSIDER INDIA OVERALL
COMPETITIVE/VERY COMPETITIVE IN GLOBAL VALUE CHAINS.

60 COMPANIES MANUFACTURE IN INDIA, WITH 90 UNITS
ACROSS THE COUNTRY.

3 OUT OF 4 PRODUCE BOTH FOR DOMESTIC AND EXPORT MARKETS.

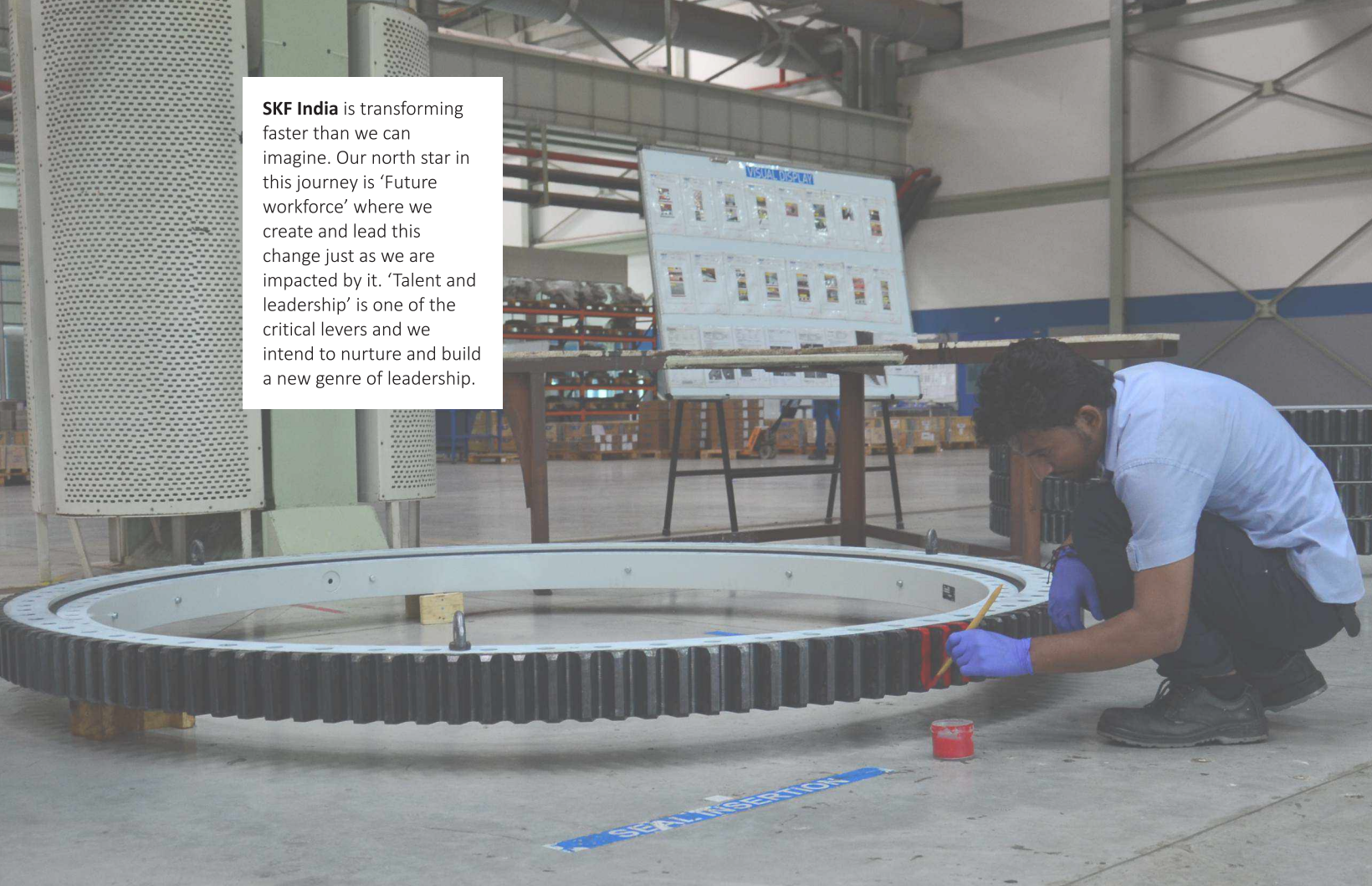
7 OUT OF 10 ARE POSITIVE TO THE AMBITION OF ATMANIRBHAR BHARAT
(MAKE IN INDIA 2.0) PROGRAMME.

BUILDING A HUB- IMPROVING EASE OF DOING BUSINESS

The Swedish business community compliments India on its rise in the Ease of Doing Business Index, to the 63rd position.

One key enabler to further integrating India in global value chains is to align local and global standards. Close to 30% of the companies see this as a deterrent to unlock the full potential of doing business in, and from, India.

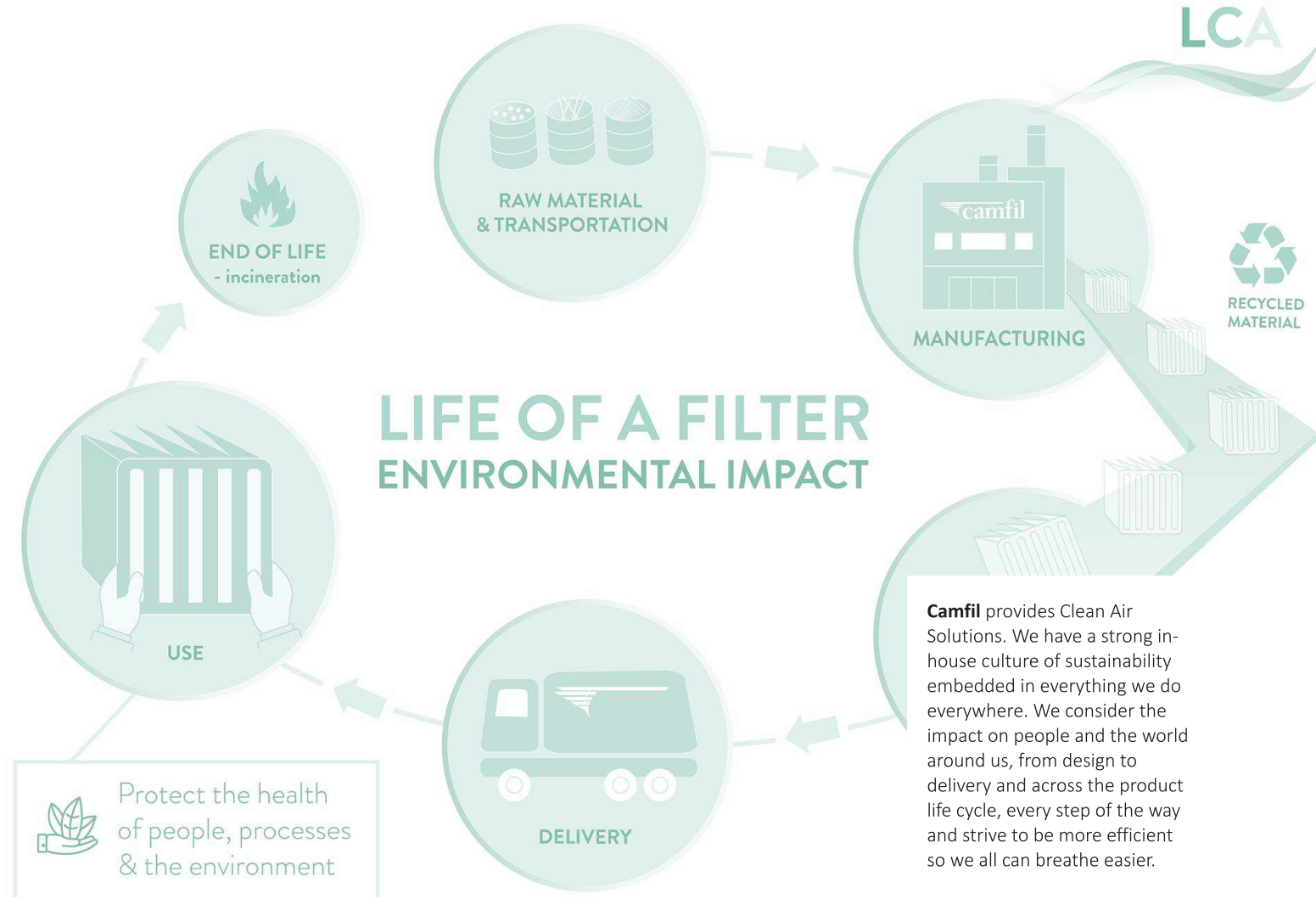
Policy predictability, cost effectiveness of doing business on ground, simplification of transfer pricing and intra-company regulations and other key imperatives require urgent attention.



SKF India is transforming faster than we can imagine. Our north star in this journey is 'Future workforce' where we create and lead this change just as we are impacted by it. 'Talent and leadership' is one of the critical levers and we intend to nurture and build a new genre of leadership.

LEVERAGING INDIA'S COMPETITIVENESS IN THE GLOBAL VALUE CHAINS

- ✓ Make a sector agnostic PLI to promote high-potential companies and solutions to accelerate the use of emerging technologies for sustainable and green transition- air, waste, water and clean energy.
- ✓ Incentivise transfer of knowledge and localisation of manufacturing, together with a win-win Phased Localisation Programme (PLP).
- ✓ Appraise local content from a holistic approach, considering exports and local presence.
- ✓ Consider localisation of production from a process perspective, not product.
- ✓ Streamline customs' and imports administration further.





At **IKEA**, we believe that an equal everyday is a better everyday. Upskilling and reskilling our co-workers is top priority. In India we are no.1 globally for average number of trainings completed per person 2020. In total 25,000 hours + of learning@home!

BUILDING SOCIAL AND HUMAN CAPITAL

“The well-being and safety of its people is fast becoming an important priority for companies. Agility, adaptability, and resilience of human capital will be the bedrock of future success. While we witness a clear resurgence in economy and business, our greater focus will now be on inclusiveness and gender equity across sectors. The Chamber is committed to this higher purpose.”

Kamal Bali, Chair of the Swedish Chamber of Commerce India and Managing Director & President Volvo Group India

CLEARLY, IT IS PEOPLE FIRST...

SWEDISH COMPANIES EMPLOY **200,000** DIRECTLY AND **2.2 MILLION** INDIRECTLY.

61% INDICATE THEY WILL INCREASE THEIR WORKFORCE IN THE COMING TWELVE MONTHS.

Our workforce remained overall intact during the pandemic. In fact, the Swedish companies added people to their workforce.

Human capital is an area that companies rate India high in comparison with global value chains. 47% rate India as very competitive in terms of skills and availability of competent workers.

It is sector specific with 71% in Healthcare, MedTech & Pharma rating India as very competitive, while only 18% did so in Air, Energy & Environment sectors.

Sandvik intends to make significant contribution by improving quality of education in under-served schools and bringing innovation into the curriculum.

'Sandvik Smart Lab' in one of the schools we support.



KRAFTSAMLA- WOMEN IN THE WORKFORCE

95 COMPANIES HAVE SET TANGIBLE AND TIMEBOUND GOALS TO ACHIEVE BETTER GENDER PARITY.

78 NOW HAVE FEMALE LEADERS ON ALL MANAGEMENT LEVELS COMPARED WITH 58 IN 2019.

25% HAVE INCREASED THE RATIO OF WOMEN IN THEIR WORKFORCE SINCE 2019.

THE CHALLENGES ARE IN FINDING WOMEN EMPLOYEES WITH THE RIGHT SKILLS AND MOBILITY.



Through 'Kraftsamla' (to join our forces) we seek to dynamically address gender issues in society, increase empowerment for women, greater collaboration between the sexes to together build a just world, a place where all voices are equally heard and equally received.

Women continue to further fall behind in participation in the formal workforce In the wake of the Covid-19 pandemic; reduced mobility and increased family care, being two critical reasons*.

We need to bridge the gaps for women to join the formal workforce, to build company cultures with gender sensitisation at the core, to retain and return, and increase female leaders and team-members on all levels, all functions.

This year, we are studying conditions for women in blue-collar jobs, building a Task Force with focus on gender sensitisation, a tool to assess culture, and run skilling programmes for women that are currently not part of the formal workforce.

*refer to our report 'People First- A Community Based Response to the Effects of a Pandemic', Kraftsamla SCCI-2020



Saab invests in building strong, agile, and long-term partnerships with Indian stakeholders. When urgent response is needed, our portable Medical Care Solutions (MCS) can be customized to fit rapidly changing tasks and situations.

IN A TIME OF CRISIS

People care is on top of the agenda. The second wave brought loss, grief and trauma to our organisations in greater measures than ever.

Companies extended support to employees and contractual workers alike. This includes covid care centres, access to oxygen concentrators, cylinders, doctors on call.

Several companies have set up volunteer networks within their organisations, checking and following up on everyone. This was especially important during the second wave.

Support to neighbouring communities is a core value, with companies collaborating with local authorities to strengthen the local health care system and provide relief to vulnerable groups.

Through the Chamber, a collective response was facilitated during wave II, supporting over 50,000 people with food ration, PPE kits, and cash support, in Andhra Pradesh, Delhi, Goa, Karnataka, Maharashtra, Rajasthan, Telangana, and West Bengal.

Vaccination drive for communities is another hallmark of Swedish companies.

Collaboration between companies is key. We can do much more together.

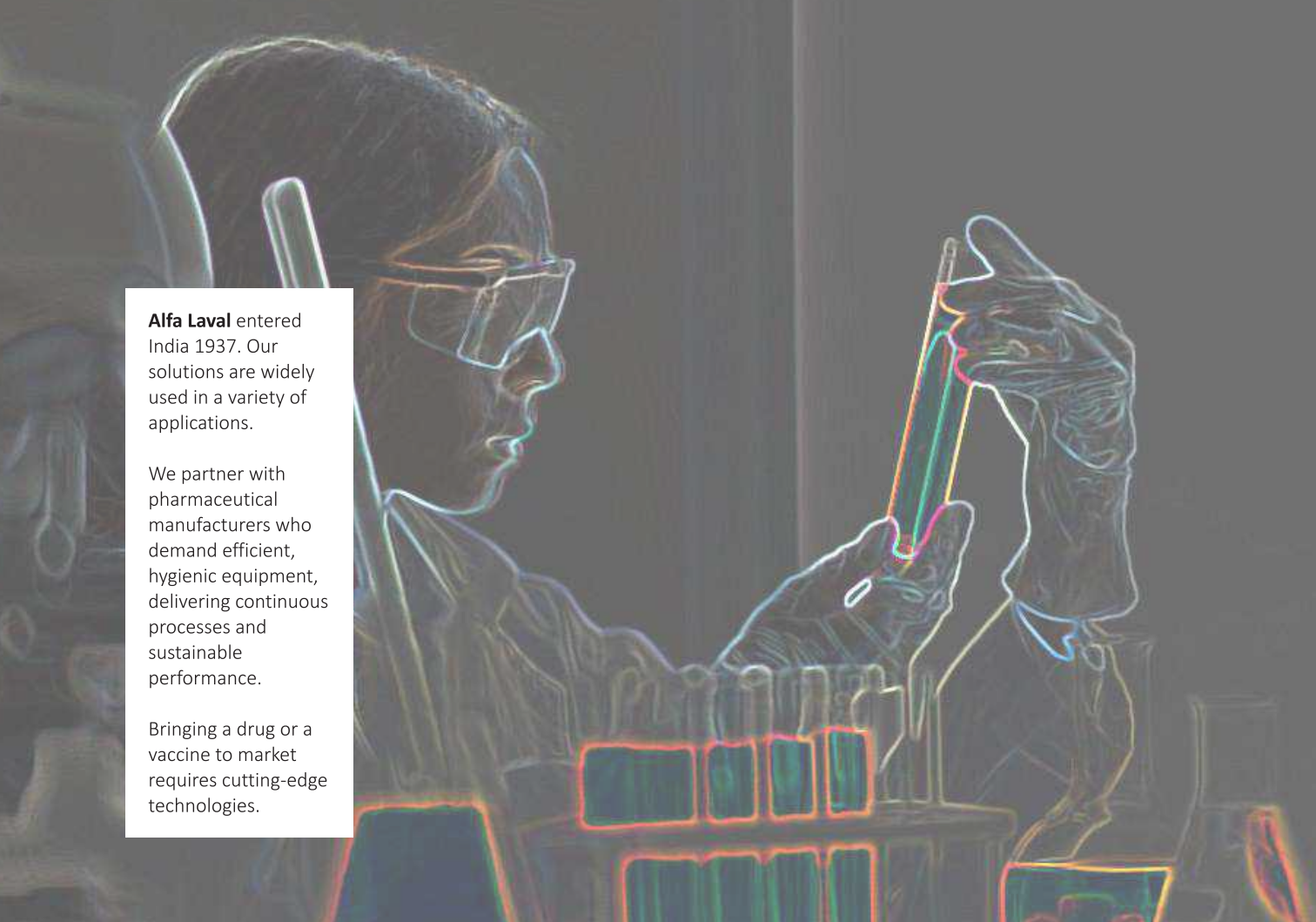
CO-CREATING SUSTAINABLE GREEN GROWTH

“Sweden is a reliable partner to India in achieving its green energy transition goals. We are working together in strategic areas such as smart & sustainable cities, sustainable transportation, and green technologies, with an ambition to increase decarbonized economic growth.”

**Cecilia Oskarsson, Trade Commissioner from Sweden to India,
Head of Business Sweden**



Ericsson is included in the Dow Jones Sustainability Indices and named one of the 100 most sustainably managed companies in the world by the Wall Street Journal.



Alfa Laval entered India 1937. Our solutions are widely used in a variety of applications.

We partner with pharmaceutical manufacturers who demand efficient, hygienic equipment, delivering continuous processes and sustainable performance.

Bringing a drug or a vaccine to market requires cutting-edge technologies.

INNOVATION ECOSYSTEM

OVER **60%** OF THE COMPANIES ARE POSITIVE/VERY POSITIVE ABOUT THE INNOVATION ECO-SYSTEM IN INDIA.

27% REPORT THAT THEIR PARTNERSHIP AND COLLABORATIONS HAVE TRANSLATED INTO BUSINESS OPPORTUNITIES. ANOTHER 27% SAY IT MIGHT SOON.

Companies report they are fruitfully involved with suppliers and other industry players, and also with government, academia, research institutes and start-ups.

It can be noted that 20% of the companies still consider protection of intellectual property rights and patents a major obstacle for research and development.

FOCUS ON GREEN GROWTH SWEDEN INDIA- LEAD IT

40% THINK THE ROADMAP VIS-À-VIS EMERGING TECHNOLOGIES IS POSITIVE AND IN THE RIGHT DIRECTION.

At the UN Climate Action Summit in 2019, Sweden and India established the Leadership Group on Industry Transition (LeadIT), taking the lead towards a fossil-free future and responsibility to drive transformation in the hard-to-decarbonize and energy-intensive sectors.

During the 5 March 2021 Virtual Summit, the two Prime Ministers reinforced the partnership on sustainable development and climate action, and Sweden announced joining the International Solar Alliance initiated by India.



Epiroc India help reduce carbon emission in underground mining. Hindustan Zinc recently signed a MoU with us for 'Zero Emission and Sustainable Mining by introduction of Battery Electric Vehicle (BEV) in underground mining'. This will help HZL reduce carbon emissions, enabling the mine operations to become more environment friendly.

Companies report that only 25% of public sector customers put focus on green solutions, while 40% in the private sector do so.

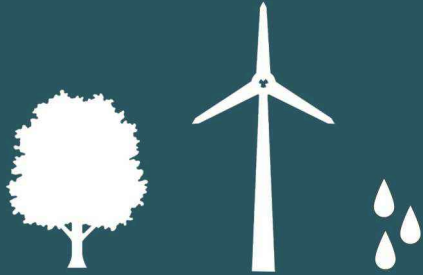
This is especially relevant in the public procurement processes that manufacturing companies, and Healthcare, MedTech & Pharma sector participate in, where half of the customers are perceived not to attach credence or importance to sustainable solutions.

**COMPANIES WANT TO SEE FURTHER
STRENGTHENING AND STANDARDISATION
OF VARIOUS PROCEDURES AND POLICIES
TO SUPPORT GREEN GROWTH.**



In the quest to work towards a sustainable transport solution, **Scania India** has trained 2,500 truck drivers. This has improved fuel efficiency, increased uptime, and reduced the idling time, subsequently reducing CO2 emission, contributing to better climatic conditions.

Training ensures driver safety, enhances drivers' performance and vehicle understanding, eventually bettering their lives.

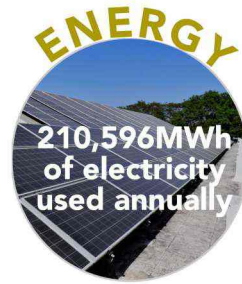


16,962 MWh
of renewable
energy generated

61,708 kl
of water recycled

188,759 trees
planted over the
last few years

27,305 kl
of rainwater
harvested



Key Findings

- **13 out of 18** surveyed companies have set energy reduction targets.
- **11 out of 18** are currently making technological or process changes to reduce their energy consumption.
- **More than half** of the companies are using renewable energy sources and **2** have implemented green PPAs.
- **15 companies** have targets to reduce carbon emissions. **8** have committed to being Carbon Neutral or Carbon Positive by 2030.

Data from a Sustainability Mapping conducted with 18 Swedish companies in Maharashtra and Gujarat, end of 2020.

Can we bench-mark with other company groups?

ENABLING EMERGING SOLUTIONS FOR THE FUTURE

- ✓ Give precedence to long-term and holistic sustainability in the evaluation of proposals
- ✓ Incentivise transition to renewable energy sources
- ✓ Unify regulations between states
- ✓ Strengthen regulations on Industrial Waste and Water Management
- ✓ Use less and use the same again

AAK Kamani, ABB India Limited, ABB Power Products and Systems India Limited, Absolent Filtermist India, Absortech India, ACL Mobile Limited, ADBSafegate India, AFRY Engineering India, AFRY India, Alfa Laval India, Alimak Group India, AQ Mechanical & Electrical Manufacturing India, ArjoHuntleigh Healthcare India, ASSA ABLOY India, Astra Zeneca Pharma India Limited, Atlas Copco India Limited, Autoliv India, Axis Video Systems India, BAE Systems India Services, Barnes Industrial Group India, Barracuda Camouflage, Berger Becker Coatings, Billerudkorsnas Packaging India, Bluefish Pharmaceuticals India, BombayWorks Software Solutions, BTS Strategy Alignment and Execution, Bufab India Fasteners, Camfil India, Car-O liner India, Cargotec India, Castmaster Mobitec India, Castmaster Thoreb Telematics, Cavotec India, Cejn Products India, CellMark India, Cibes Lift India, COMSOL Multiphysics, Concentric Pumps Pune, Conevo Technologies, Consilium Marine India, Cue Dee India, CyanConnote, Cygate Cloud Services, DeLaval, Dellner India, Diab Core Materials Private Limited, Doconline Health India, Dormer Tools India, Dynapac Road Construction Equipment India, Ekman Pulp & Paper, Electrolux Professional India, Elekta Medical Systems, Eletta Instrumentation India, Elof Hansson India, Emmvee Spowdi, Envac Environment Technology, Epiroc Mining India Limited, Ericsson India Global Services, Ericsson India Limited, ESAB India Limited, Essity India, Exergy Dryers, FLIR Systems India, Forest X India, FOV Biogas India, GAC Shipping Inida, GCE India, GEODIS India, Getinge India, Gislen Software, GO MO Marketing Services India, Granges India, Granuldisk India, Gunnebo India, H&M Hennes & Mauritz India, H&M Hennes & Mauritz Retail, Habia Cable India Limited, Hakansson Saws India, Haldex India, Hang On Smart Solutions India, HemoCue India, Hexagon Geosystems India, HMS Industrial Networks India, Höganäs India, HP Tronic Pune, Husqvarna India Products, I.A.R. Systems India, ICA Global Sourcing India LLP, IKEA India, IKEA Services India, Indiska India Export Services, Indpro, Industrial And Financial Systems India LLP, Interspiro Safety Equipment , IPMovers IT, ISS Facility Services India, Josab India, KAN-THT India Private Limited, KappAhl Far East Limited, Kraftpowercon India Limited, Kunskapsskolan Schools India, Layer5 India Consulting, Leine & Linde India, Lindex India, Maksus Mimer Energy Solutions India, Meccanotecnica India, Medicovert Hospitals India, Mentor Printing and Logistics, Mercuri Urval Business Consulting, Meson Valves India, Mobile Climate Control Thermal Systems India, Modelon Engineering, Molnlycke Healthcare India, Munters India Humidity Control, Nederman India, Nefab India, Nepa India, Newwave Group India Buying, Nexer Enterprise Applications, Nexer, Nilorn India, Nitin Lifesciences Limited, Nord-lock India, Nordic Light India, NorthAlp India, Northern Marine Management India, NovaCast India, NS Ventures, Native Super Venture, Nynas Naphthenics India, O2 Power, ORIFLAME INDIA, OSM India, Ostberg India, Outokumpu India, Pagero E-Business Networks, Partex Marking Systems India, Pergo India, Perstorp Chemicals India, Perstorp Industries India, Piab Vacuum Technology, PKL Limited, Prasad Wemo Robot System, Planview India, QlikTech India, Ramboll India, RaySearch India, Recipharm Pharmaservices, Regin Controls India, Regula Systems AB, Roxtec India, Rusta AB – India Liaison Office, RVM Systems, Saab India Technologies, Saint Gobain Ecophon, Sandvik Asia, Sandvik Materials Technology India, Sandvik Mining and Rock Technology India, Sapa Extrusion India, Scania Commercial Vehicles India, Seco Tools India, Securitas India, Sepson India, Signifikant Infotech, Siri AB India, Skandinaviska Enskilda Banken AB, SKF India Limited, Solvina India, Sonepar India, Sonetel Software Services, Spotify India LLP, SSAB Swedish Steel India, Stora Enso Oyj, Storytel India, StruEngineers India, Sweco India, Swegon Blue Box, Systemair India, Tapflo Fluid Handling India, Tarento Technologies , Techxus Secured Business Solutions India, Tele Radio India, Tetra Pak India, TietoEVRY, Tranter India, Trelleborg India, Trelleborg Marine Systems India, Troax Safety Systems India, Truecaller International LLP, UVA Lidköping, V E Commercial Vehicles, Venizum Landangen Software, Veoneer India, Volvo Auto India, Volvo Group India, XLIT, Ymer Technology India, Zbee India, Zinzino Health Products India

BUILDING SAM BANDH

GROWING PRESENCE IN MANY STATES...

DELHI NCR

188 (+12 since last survey) companies are present in the state, 60 have their head-offices here. The companies employ close to 26,000 people.

14 (+1) companies have production plants in the area.

MAHARASHTRA

65 companies have their head quarter in the state. In total 108 companies are present. The direct employment created is more than 34,000 people.

This is the manufacturing hub for Swedish companies as 27 companies have production plants here; the majority are in Pune.

GUJARAT

46 companies have presence in Gujarat and employ more than 8,000 people. 10 (+4) companies have production set up in the state.

KARNATAKA

96 companies are present, employing more than 42,000 people. 40 companies have set up their head-office here.

14 companies are manufacturing in the state.

TAMIL NADU

More than 22,000 people work for the 66 (+4) Swedish companies present in the state. 9 (+1) are manufacturing companies.

TELANGANA

41 (+18) companies are present whereof 5 have head-offices in the state. The companies employ close to 6,000 people together.

6 (+2) companies have production plants here.



Energy efficiency is a top priority for **Atlas Copco**. In our 19 000 sqm factory in Pune we make industrial and portable compressors for the Indian and global market and have installed solar panels. 80% of the energy used at the facility is renewable, reducing the carbon dioxide emissions with 600 tons annually

PARTNERSHIP FOR GROWTH

The Swedish business community meets regularly with stakeholders from central and state governments through the Investment Facilitation Mechanism, to discuss partnership in policy. This has been a fruitful collaboration.

Through Team Sweden, we interface with government to funnel and facilitate ideas and areas of interest for growth and partnership opportunities.

The Swedish business community is aligned and intertwined with national level priorities for development of sustainable technologies, policy framework, and new business concepts.

Our journey towards sustainable growth is through partnership.

IMPACT SWEDEN

FLIR Screen-EST™ is an efficient and accurate software for performing skin temperature screenings in high-traffic areas. When connected to a **FLIR** thermal camera, the software automatically detects individuals and, within seconds, locates a hot spot and measures the skin surface temperature. It can be a vital tool for maintaining employee health and reducing the risk of work interruptions in the time of pandemic.

76% OF RESPONDENTS STATE THAT THE BRAND "SWEDEN" POSITIVELY CONTRIBUTE TO THEIR BUSINESS IN INDIA. THIS IS SIMILAR TO THE FINDINGS IN 2019.

42% FELT THAT IT CONTRIBUTES TO A GREAT EXTENT. THIS IS UP FROM 31% IN 2019.

SWEDISH COMPANIES REMAIN COMMITTED TO MEANINGFUL BUSINESS THROUGH SUSTAINABLE AND INNOVATIVE SOLUTIONS.



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.

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

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



THANK YOU

Our Patrons