

IN MOMENTUM

#SWEDENINDIASAMBANDH



2023/24 BUSINESS
CLIMATE
SURVEY

“Sweden and India’s bilateral cooperation is strong and poised to grow further. After 75 years of bilateral relations, and over 120 years of presence of Swedish companies in India, our common story has just begun.

This year’s Business Climate Survey testify to this, as over 200 Swedish companies have shared their perception of doing sustainable, meaningful, and long-term business in India.

Meaningful business is a key word. We live in turbulent times, where individuals, industry, civil society, and governments, must work in tandem and across borders to address the challenges of today.

Much happens during 75 years, we remember with gratitude those who went before us. We take it on ourselves to be the fore-runners for the next generation, for the coming 75 years.”



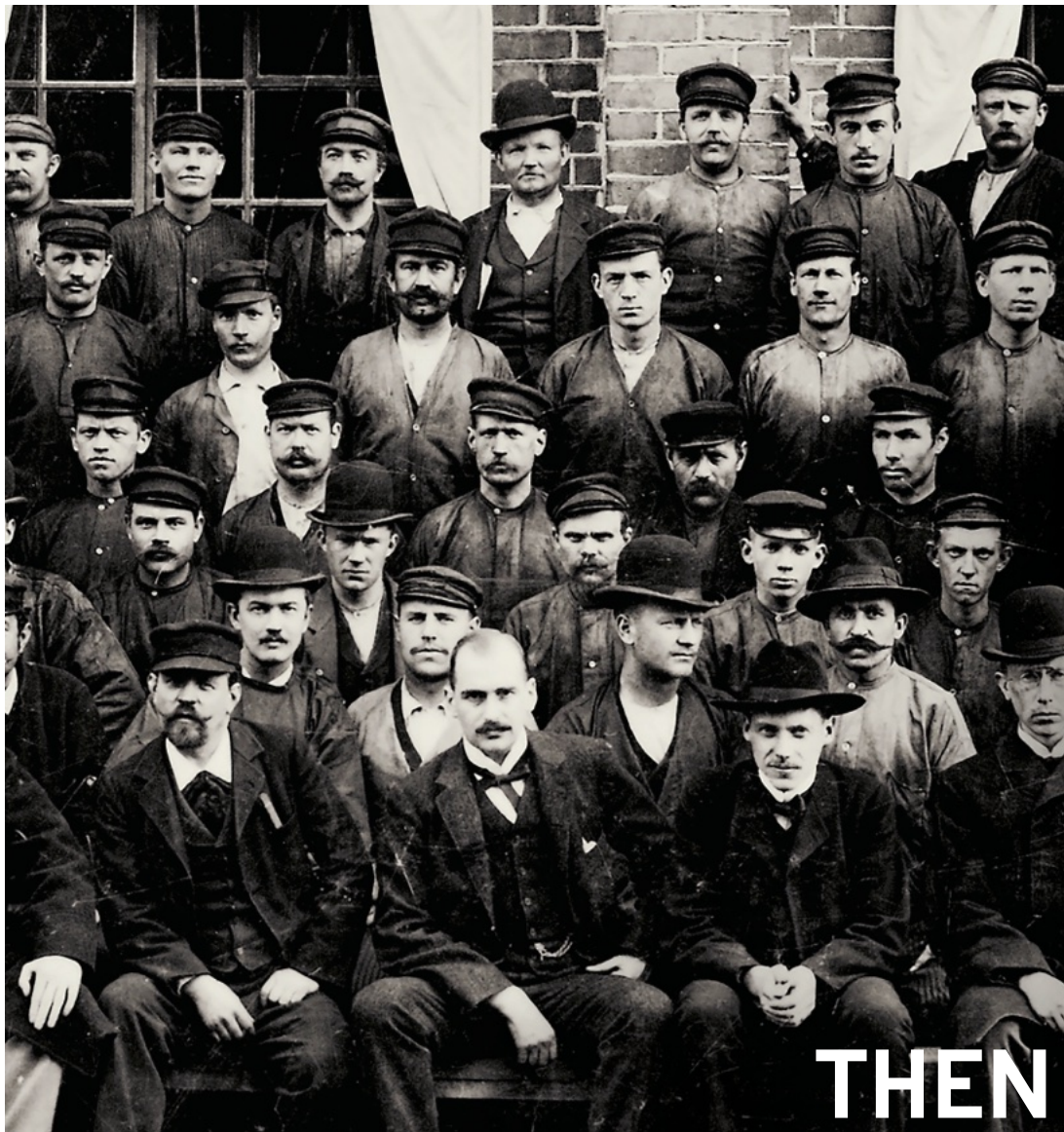
Johan Forssell

Minister for International Development Cooperation
and Foreign Trade
Government of Sweden

75 YEARS

We now count over 260 companies in the Swedish business community in India.

This report is based on the sentiment of 214 companies. The survey was sent out to 245, reflecting a response rate of 87%.



THEN



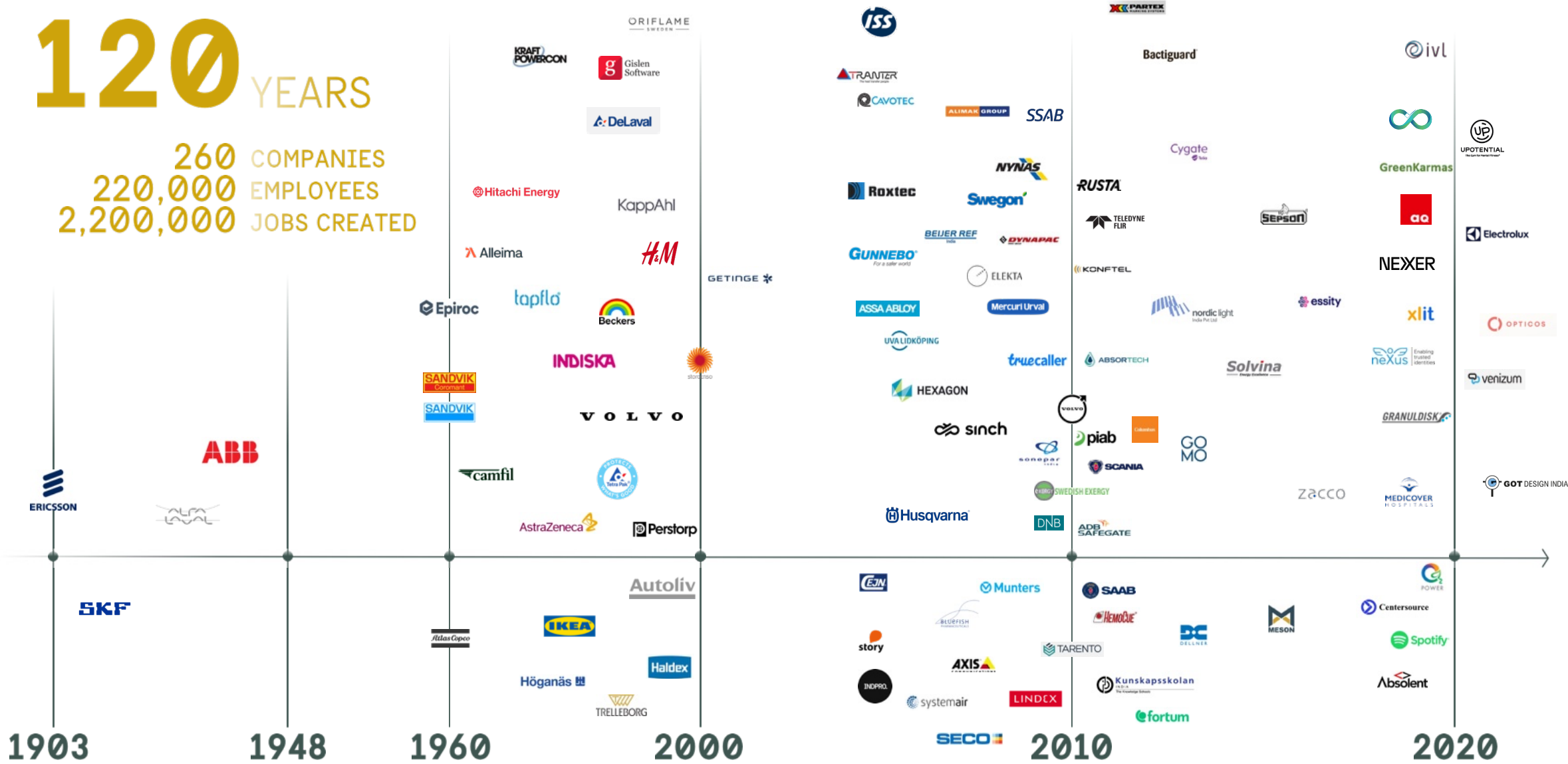
NOW

For 150 years Atlas Copco has been the home for industrial ideas. No one exists in a vacuum.

A timeline of when many Swedish companies entered India.

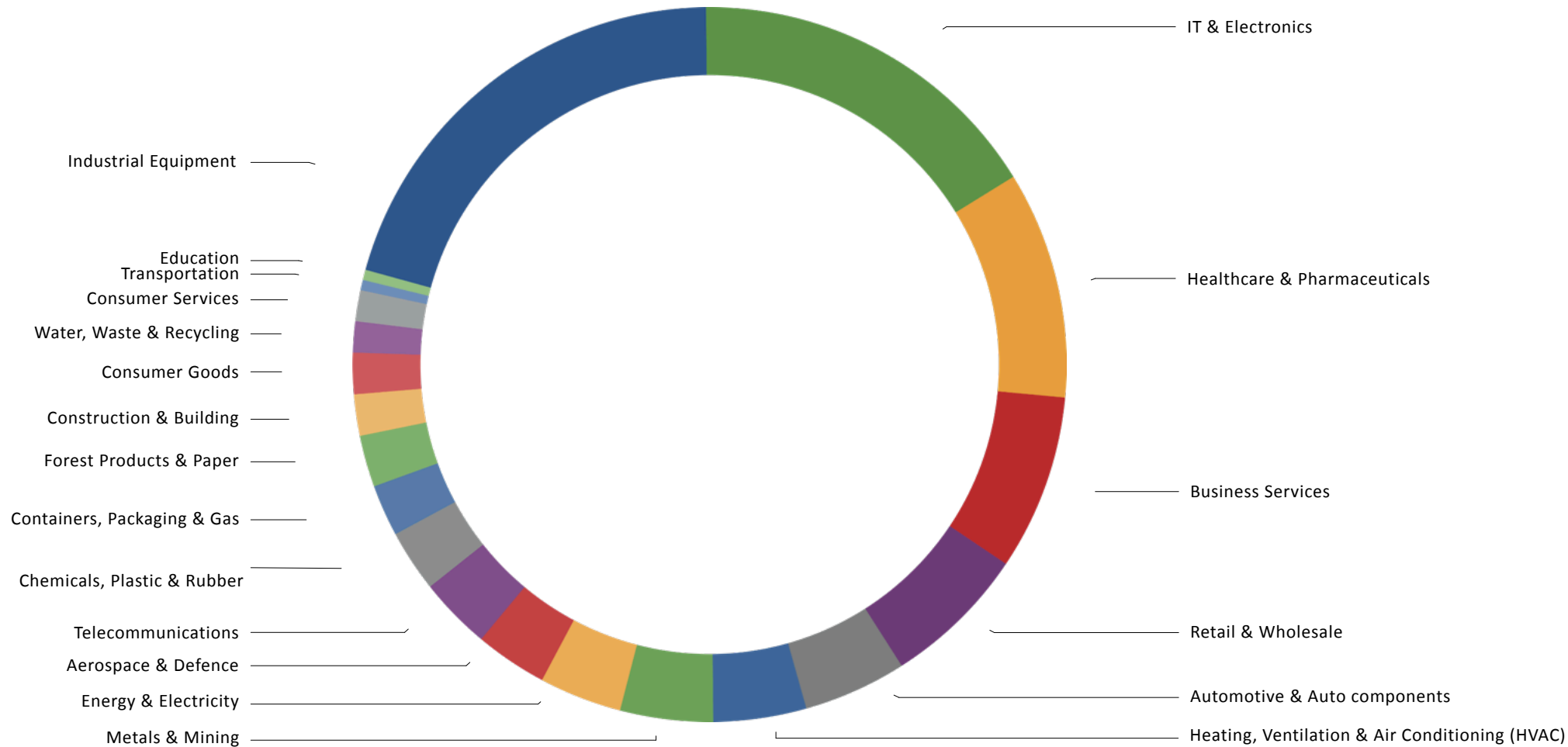
120 YEARS

260 COMPANIES
220,000 EMPLOYEES
2,200,000 JOBS CREATED



SPAN OF KNOW HOW

Business sectors Swedish companies operate in.

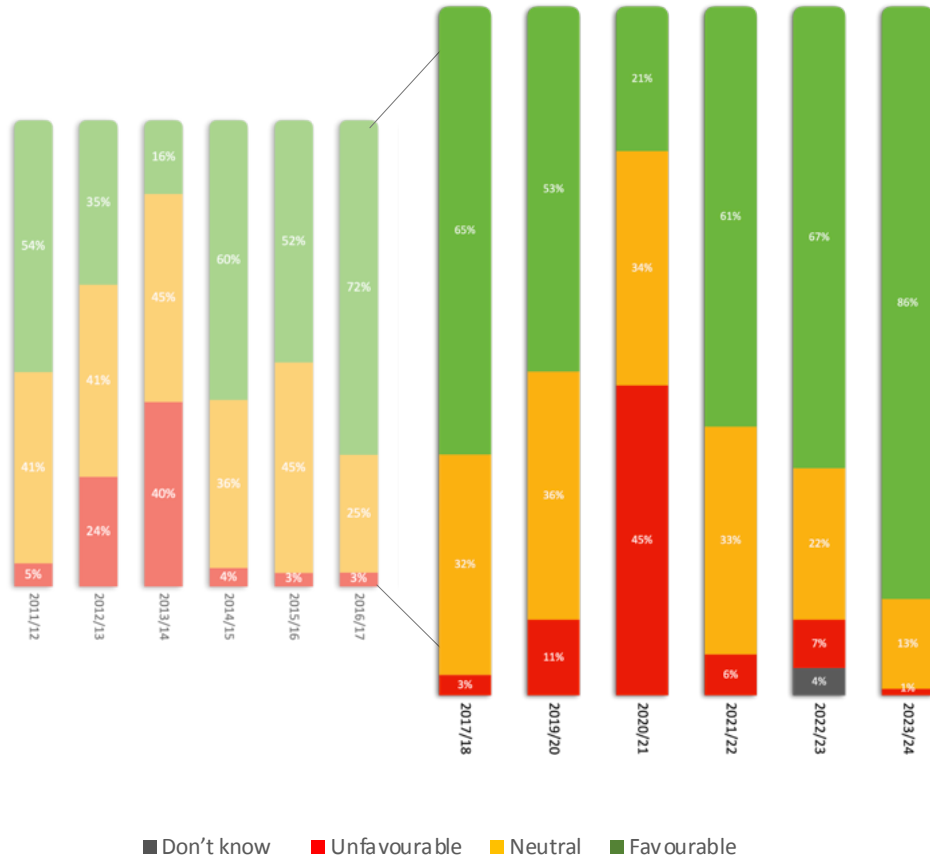




ACCELERATE

Alleima is a
fusion of
technology,
process and
material.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN INDIA?



CLIMATE POSITIVE

Swedish companies' perception of the business climate in India is the highest recorded in the dozen years we have measured.

86% of the companies consider the climate favourable/very favourable.

Market growth, diverse and innovative opportunities, rule-based regime, maturity of processes and ease of doing business, along with hope for an India-EU FTA at the earliest, are factors that play in.

Potential dampers are India specific quality control orders, remaining regulatory challenges, legacy tax matters still lingering on, and impact of global slowdown on exports.

78% of the companies are satisfied/very satisfied with doing business in India, compared with 65% in 2022.

SOLID GROUND

70% OF THE COMPANIES REPORT PROFITABILITY- A SIGNIFICANT INCREASE FROM 52% IN 2021.

To do business in India is profitable. The pandemic brought business disruption as well as opened new avenues. Profitability is seen across the sectors.

For the coming twelve months, 80% of the companies expect turnover in their industry to increase significantly (38%) or slightly (42%). This is similar figures to the expectations in 2021.

However, considering the slowdown of the economy on a global scale, some companies exporting out of India to other markets see a decrease in demand.



Camfil makes
air clean.
There is no
mountain too
high.



Hexagon MI is
literally driving the
future.

60% OF THE COMPANIES PROJECT AN INCREASE OR SIGNIFICANT INCREASE OF INVESTMENTS IN THE COMING TWELVE MONTHS.

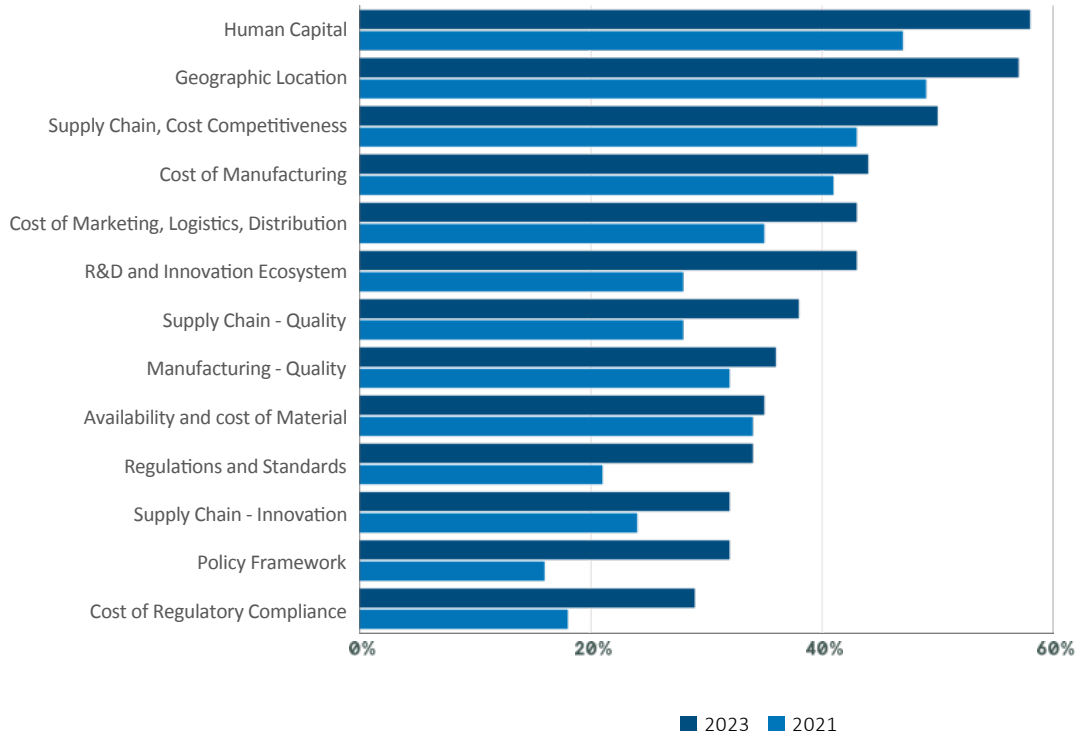
Pace is accelerating. 25% project a significant increase compared to 15% in 2021.

Overall, 65% of the companies report they will be investing in the next two years, compared to 55% in 2021.

Companies in Automotive & Auto Components, Healthcare & Pharmaceuticals, Telecommunications, and Heating, Ventilation, & Air-Conditioning (HVAC) have the most aggressive investment plans.

RAPID GROWTH

HOW DO YOU RATE INDIA RELATIVE TO GLOBAL VALUE CHAINS?



Percentage of companies considering India competitive relative to global value chains.

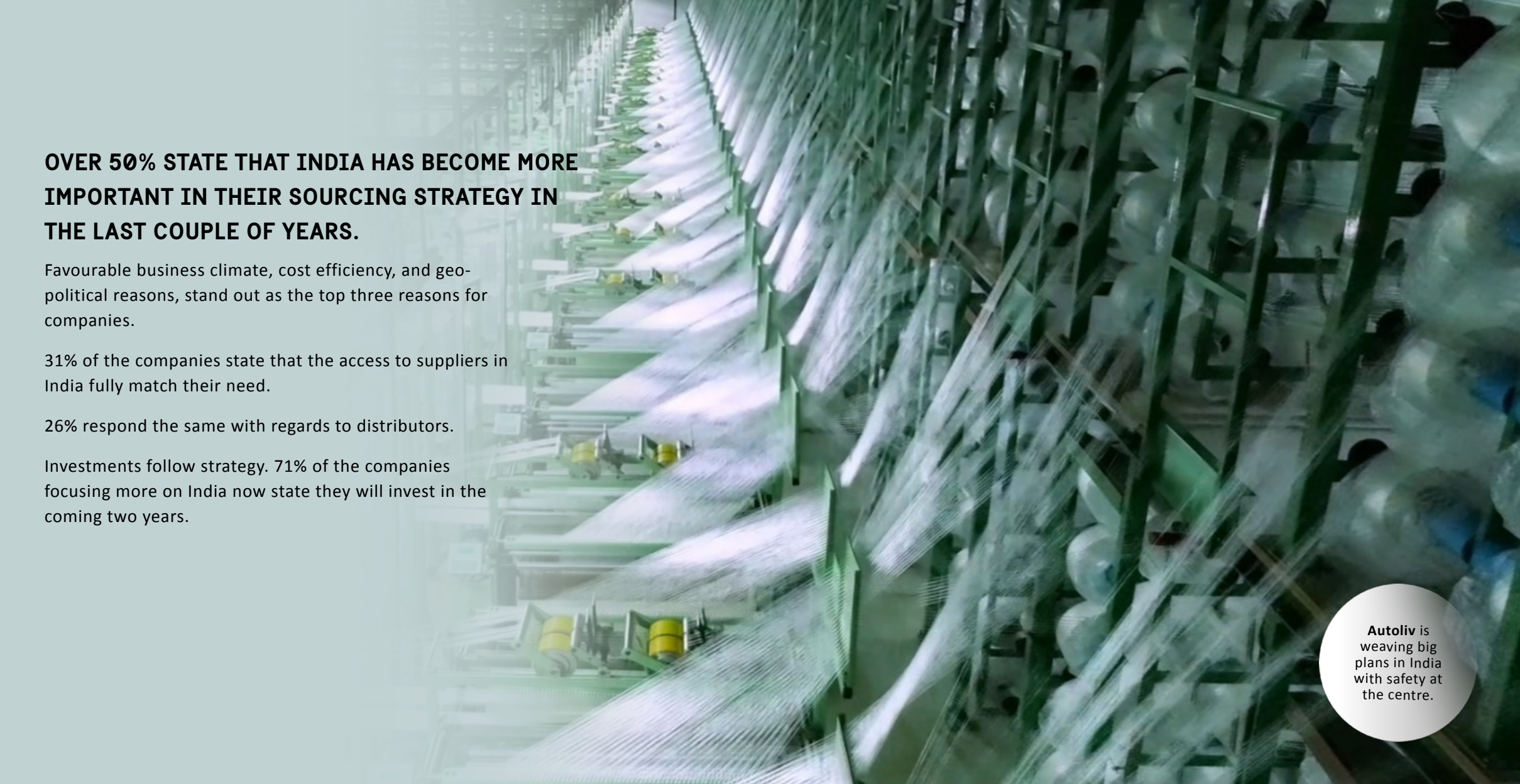
41% COMPANIES CONSIDER INDIA VERY COMPETITIVE IN GLOBAL VALUE CHAINS AS COMPARED TO 32% IN 2021.

The world is changing. Global macro developments, on political, trade, environmental, and social level, bring shifts to companies' strategies and operations.

India is emerging as a focal point and growing in importance.

Key competitive advantages as companies rate India relatively global value chains are human capital, geographical location, and supply chain cost competitiveness.

INTEGRATING



OVER 50% STATE THAT INDIA HAS BECOME MORE IMPORTANT IN THEIR SOURCING STRATEGY IN THE LAST COUPLE OF YEARS.

Favourable business climate, cost efficiency, and geopolitical reasons, stand out as the top three reasons for companies.

31% of the companies state that the access to suppliers in India fully match their need.

26% respond the same with regards to distributors.

Investments follow strategy. 71% of the companies focusing more on India now state they will invest in the coming two years.

Autoliv is weaving big plans in India with safety at the centre.



Electrolux is building presence in India since 2021. Both in the market place and communities.

114 SWEDISH COMPANIES HAVE ENTERED INDIA SINCE 2011.

They operate in diverse sectors; IT & Electronics, Industrial Equipment, Healthcare & Pharmaceuticals, Business Services, Retail & Wholesale, Automotive & Auto Components, and Heating, Ventilation & Air-Conditioning (HVAC), etc.

Of the 15 companies that entered India in the last two years, 60% found the process to set up business easy/very easy.

MAKING A WAY

UNLOCKING

India is strengthening its position in global value chains.

To further enable integration, seamless transition over borders for import and export is important.

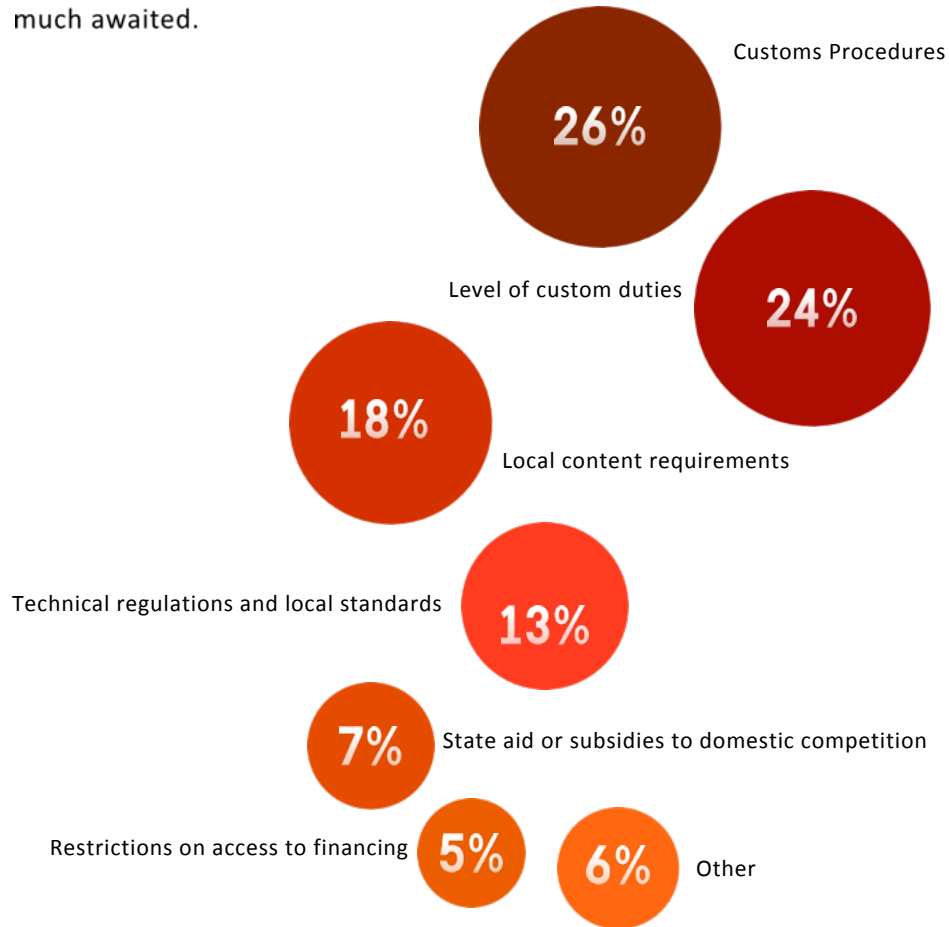
Policy predictability, both in introduction and retroactive application are key stabilisers for a conducive business climate.

Alignment between local and global standards, including quality, safety requirements, and certification and testing shall promote efficient and congruent value chains.



WHAT TRADE BARRIERS AFFECT YOUR OPERATIONS?

India and EU are currently negotiating a Free Trade Agreement (FTA). This is very much awaited.



Percentage of companies that experienced each trade barrier in the last year.



SYNTHESIS



Epiroc knows how to work in unknown spaces. They bring light to the tunnel.

EVOLVING

45% OF THE COMPANIES INVEST TODAY IN R&D AND PRODUCT DEVELOPMENT.

19% HAVE THEIR OWN R&D OPERATIONS IN INDIA. THIS RATIO HAS DOUBLED SINCE 2018.

In 2018, India and Sweden entered an Innovation Partnership. This is now maturing.

71% consider the innovation eco-system in India positive/very positive as compared to 60% in 2021.

Relatively global value chains 43% of the companies consider the R&D and innovation ecosystem very competitive. This is a notable increase from 28% in 2021.



Sandvik Coromant has a great legacy of providing cutting edge technology for over 60 years in India.

Tetra Pak
preserves all
that is good.




50% REPORT THAT THEIR INNOVATION PARTNERSHIP HAS RESULTED IN BUSINESS OPPORTUNITIES.

ONLY 27% DID IN 2021.

ANOTHER 24% THINK IT WILL.

Companies partner most fruitfully with suppliers (47%) and other industry players (38%).

TEAM UP

A group of people, including a woman in the foreground and a man in the middle ground, are actively planting mangrove saplings in a coastal area. They are wearing red shirts and are focused on their work. The background shows other people and a clear blue sky. The ground is muddy and covered with green vegetation.

Ericsson
connects the
world with India
since 120 years.
Root networks
though unseen,
are essential.

THRIVING

**64% PLAN TO INCREASE THEIR WORKFORCE
IN THE COMING YEAR.**

58% of the companies rate India as very competitive relatively global value chains in terms of skills and availability of competent team members.

This is an increase from 47% in 2021.

BUILDING




YEARS IN INDIA

A century of quality innovation,
leadership and building



SKF is in the
centre of systems,
making everyday
functions more
reliable.



Hitachi Energy
(em) powers the
future. Energising
mobility, systems,
and people.

While access to specialists and key personnel in India is to a higher degree meeting the needs of the companies today, upskilling to meet the needs of tomorrow continue to be important.

26% of the companies invest in Skills Development & Training.

75% of the manufacturing companies invest. The leap towards Industry 5.0 and even 6.0 drives this, along with closing skill gaps in existing processes.

AUGMENTING

GENSITIVITY

50% HAVE FEMALE LEADERS ON ALL MANAGEMENT LEVELS COMPARED TO 30% IN 2019.

55% HAVE INCREASED THE RATIO OF WOMEN IN THEIR WORKFORCE SINCE 2021.

Swedish companies are catalysing a Task Force on gender sensitisation to learn how to build truly diverse, safe, and inclusive, organisations for the future.

Over 100 leaders from 30 plus Swedish companies and nine countries in the APAC and Oceania region are now becoming ambassadors for change.

Gensitivity (gender sensitivity) is coined by Kraftsamla.





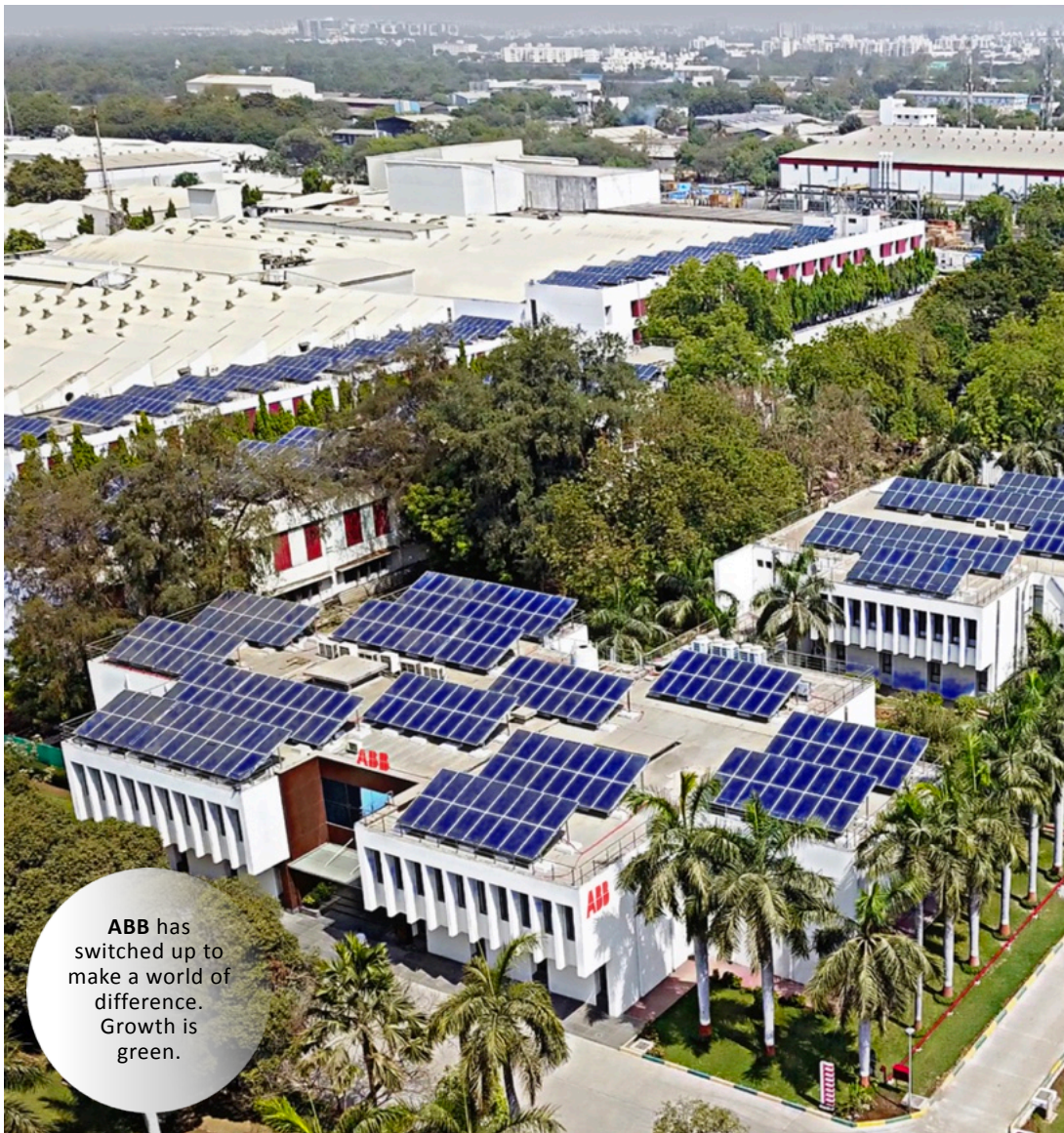
RE-VISION



For IKEA all colours are shades of green, and all shapes are circular.

57% ARE ON/AHEAD TARGET TO MAKE THEIR PRODUCT DESIGN SUSTAINABLE.

63% ESTIMATE THEIR PRODUCT RANGE IS RECYCLABLE TO MORE THAN 50%.



34% HAVE SET A TARGET TO ACHIEVE NET-ZERO.

45% ARE WORKING TOWARDS IT.

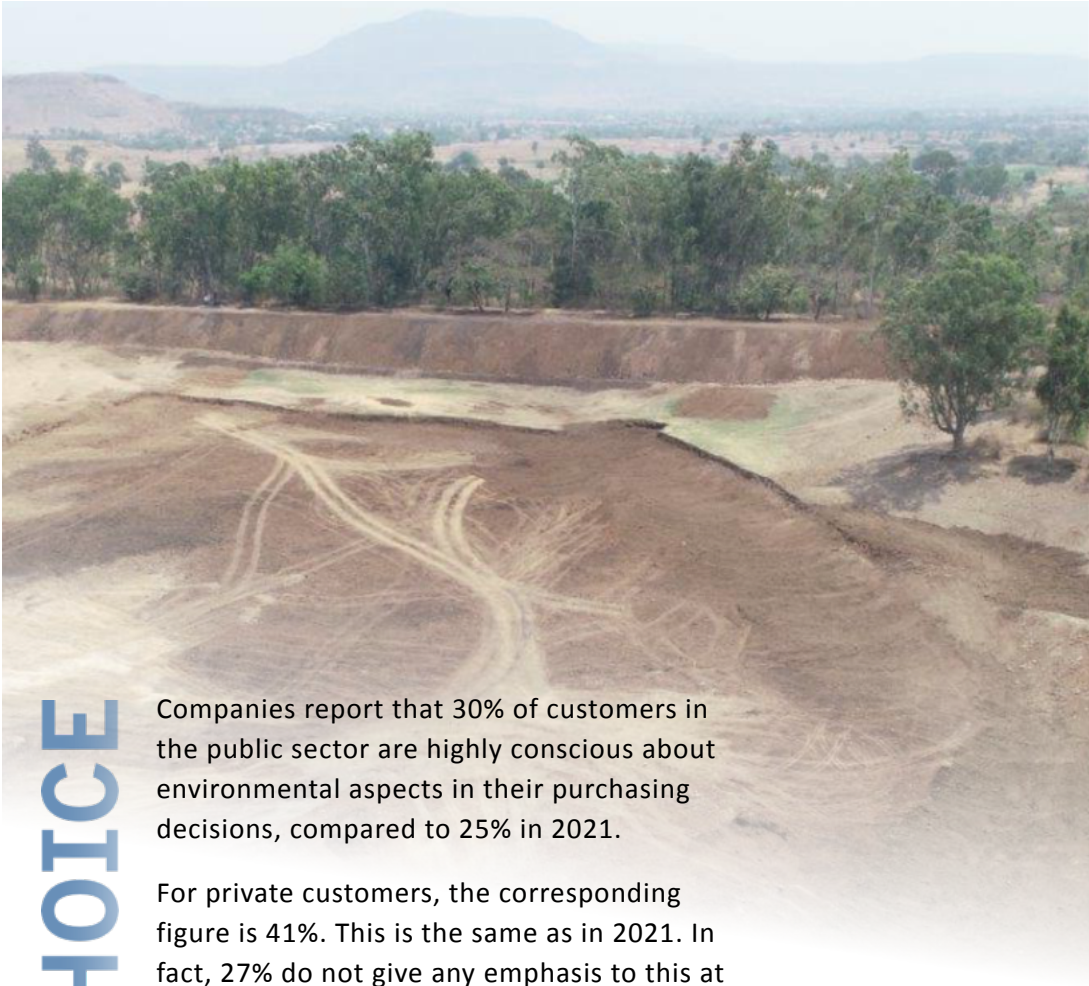
53% ARE ON/AHEAD OF THEIR ENERGY REDUCTION TARGETS.

Companies invest increasingly in environmental sustainability.

A supportive regulatory framework is a key to drive change. This is an area where companies ask for more.

26% believe that the framework supports the sustainability approach very well. This is an increase from 2021, when only 14% thought the same.

23% state that the framework very much supports the economic approach to sustainability in terms of centring on life-cycle cost, compared to 14% in 2021.

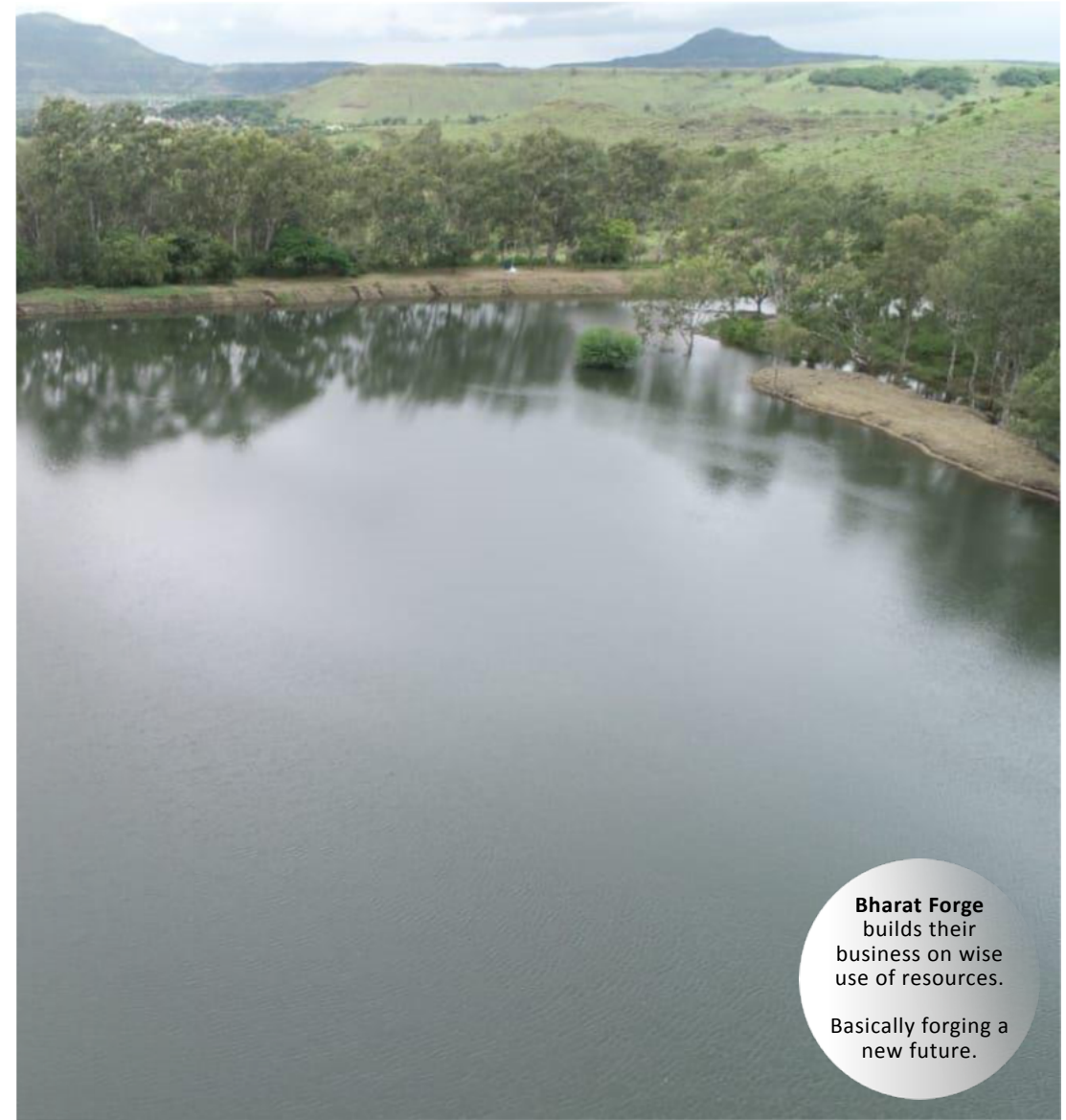


CHOICE

Companies report that 30% of customers in the public sector are highly conscious about environmental aspects in their purchasing decisions, compared to 25% in 2021.

For private customers, the corresponding figure is 41%. This is the same as in 2021. In fact, 27% do not give any emphasis to this at all.

A mindset shift is needed.



Bharat Forge
builds their
business on wise
use of resources.

Basically forging a
new future.

IMAGING

Sustainability is at the core of India and Sweden relations. We can accelerate the green transition:

- Precedence to long-term and holistic sustainability in the evaluation of proposals.
- Accelerate clean energy transition through greater policy incentives and streamlined approval processes.
- Leverage collaboration and partnership for know-how and policy development.
- Harmonise, standardise, unify, and strengthen regulation.

#LEADINGREEN



Teledyne FLIR
sees things
differently so that
others know what
to do better.



Volvo are on a roll, powering a transformation of movement.

It is electrifying.

78% OF THE COMPANIES STATE THAT 'BRAND SWEDEN' CONTRIBUTES MUCH TO THEIR BUSINESS IN INDIA.

46% SAY IT CONTRIBUTES TO A GREAT EXTENT. THIS IS UP FROM 31% IN 2019.

Brand awareness is brand commitment and include integrity of action, sustainability, innovation, safety, quality, fairness, and people in focus.

Make business meaningful.

LOCAL COMMUNITY



GUJARAT

DELHI NCR

68

19

79

TELANGANA

14

TAMIL NADU

53

16

MAHARASHTRA

KARNATAKA

The map represents where Swedish companies are headquartered.



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 successful business.

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

Let's build together!



Kamal Bali

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

Download BCS report



We are Team Sweden in India.



Jan Thesleff

Ambassador of Sweden to India



Sven Östberg

Consul General of Sweden in Mumbai



Sara Larsson

Head of the Swedish Chamber of Commerce India



Cecilia Oskarsson

Trade Commissioner of Sweden to India &
Head of Business Sweden

SWEDEN INDIA
JUBILEE YEAR 2023

Swedish Innovation made in India

**THE FRUITS OF OUR STORY ARE
REFLECTED IN THIS REPORT.**

THIS IS JUST THE BEGINNING.