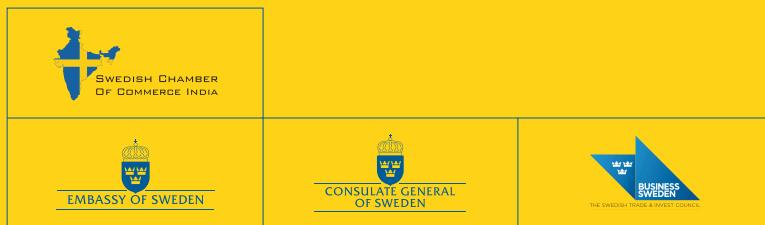


SAMBANDH

SWEDEN IN INDIA



BUSINESS
CLIMATE
SURVEY
2017/18



We build SAMBANDH.

This word means relationship and connection in both Hindi and Swedish. It incorporates what we believe in; building long-term partnerships with focus on innovation and sustainable growth, with transparency and equality between all stakeholders.

Swedish business have been present in India for over 110 years and today more than 180 companies are established here. Many more have long-standing business ties with the country.

The community now employs just under 200,000 people directly and more than 1,600,000 indirectly across the country. In the previous year, Swedish companies have come together to work strategically on women empowerment, skill training and to increase the number of women employed. A majority of the jobs created during this last year have gone to women.

Furthermore, the study we have done shows that companies are investing more into strategic innovation development here in India.

We are delighted to present you with an update of what Swedish companies think about doing business in India. This year's report is based on the views of more than 160 companies. One of the most important findings is that Swedish innovations and India's talents are a very good match!

Our sincere appreciation to all of you who contributed to the survey!

Mr Klas Molin
Ambassador
of Sweden to India

Ulrika Sundberg
Consul General
of Sweden in Mumbai

Mr Kamal Bali
Chairman
Swedish Chamber of Commerce India

Carsten Grönblad
Trade Commissioner
of Sweden to India

WE BELIEVE IN...

long-term relationship and collaboration

innovative, creative, and sustainable solutions for societies today

being open, caring, and authentic

integrated and (e)quality growth

... 'SAMBANDH'

Sambandh means relationship and connection both in Hindi and Swedish

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.

This booklet is based on the 2016/17 report and has been updated with fresh data from the 2017/18 survey

- 161 Swedish companies in India have contributed
- 1 out of 4, about 40 companies, is a SME
- About 25 companies were interviewed by Business Sweden to qualify the quantitative data



SWEDEN- SMALL BUT GLOBAL

Half the population of Delhi

About 45 percent of the GDP is export and Swedish export to India increased with 28 percent in 2017

The 15 largest companies have together a turnover of USD 280 Billion and employ close to 1,000,000 people globally (2017)*

12 of these are present in India: Volvo, Ericsson, IKEA, ABB, H&M, Vattenfall, Skanska, Volvo Cars, Electrolux, SCA, Tetra Pak, Atlas Copco, Ica Gruppen, Scania, Sandvik

The **Volvo Group** is one of Sweden's largest companies, with manufacturing units in 18 different countries and presence in over 190. In India, we aim high. We believe we can do more with less, and set new standards in a manner that is safer, friendlier and with care for environment. We seek to be catalytic in the way we work with urbanisation, infrastructure development and skill development while providing transport solutions that are sustainable and safe.

* Veckans Affärer, Nov 2017



The strength of our workforce is based on our commitment to one another. We are committed to diversity and inclusion as we help realise the networked society through our communication technology and services. The DNA of our own organisation is one of a transparent culture, strong work ethics and trust. **Ericsson** has been in India since 1903 and have over 22,000 employees. More than elsewhere. Sweden included.

ENGINEERING PRODUCTS
CONSULTING/ADVISORY
LIFE SCIENCE/MEDTECH/HEALTHCARE
PACKAGING MATERIAL ENVIRONMENTAL TECHNOLOGY
LOGISTICS/SHIPPING EDUCATION

~1900

The first Swedish
companies enter India

2005-2017

In the last 12 years more than 110
companies have come

FASHION/LIFE STYLE
RETAIL
AUTOMOTIVE/HEAVY VEHICLE
CHEMICAL

DEFENSE/SECURITY
IT/TELECOM

>180 SWEDISH COMPANIES PRESENT

~200,000

direct jobs are created by Swedish companies in India
and **1,600,000** indirectly

About 12,000 jobs were added in the last year

3 out of 4 new employees are women

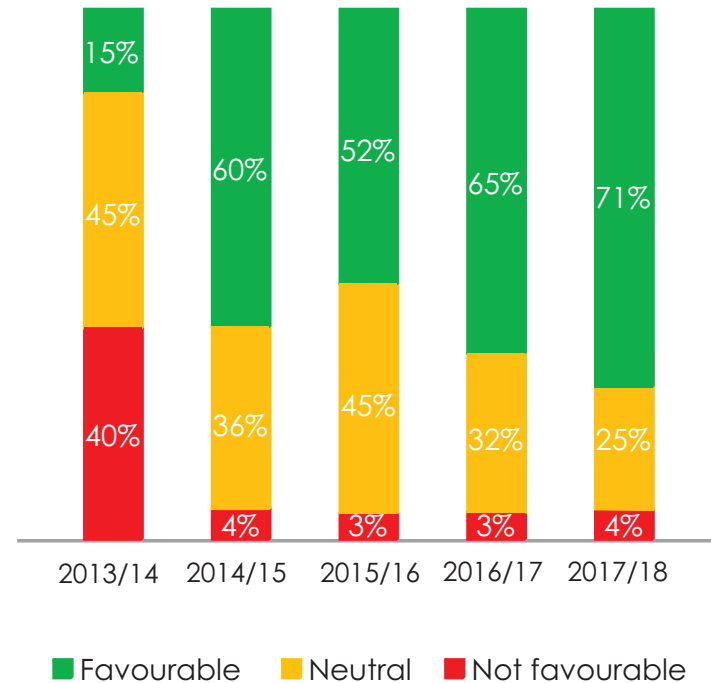
We believe men and women have equal value and
we want to see equitable opportunities for all



At **Tetra Pak**, our approach to sustainability derives from our brand promise to protect what is good. That means protecting food, through our processing and packaging activities. But it also means protecting people, both inside and outside the company. And it means protecting futures: our planet's, our customers' and our own.

POSITIVE OUTLOOK

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN INDIA?



More than 70 percent of the companies consider the current business climate favourable. This is the most positive result over the ten years we have measured

The 30 largest Swedish companies have invested more than USD 1.25 billion in the last three years and will invest another USD 1 billion in the coming two

What do we invest in? Footprint, skills, R&D, manufacturing, people, services

Companies are more apprehensive about the investment climate the coming three years

SATISFACTION

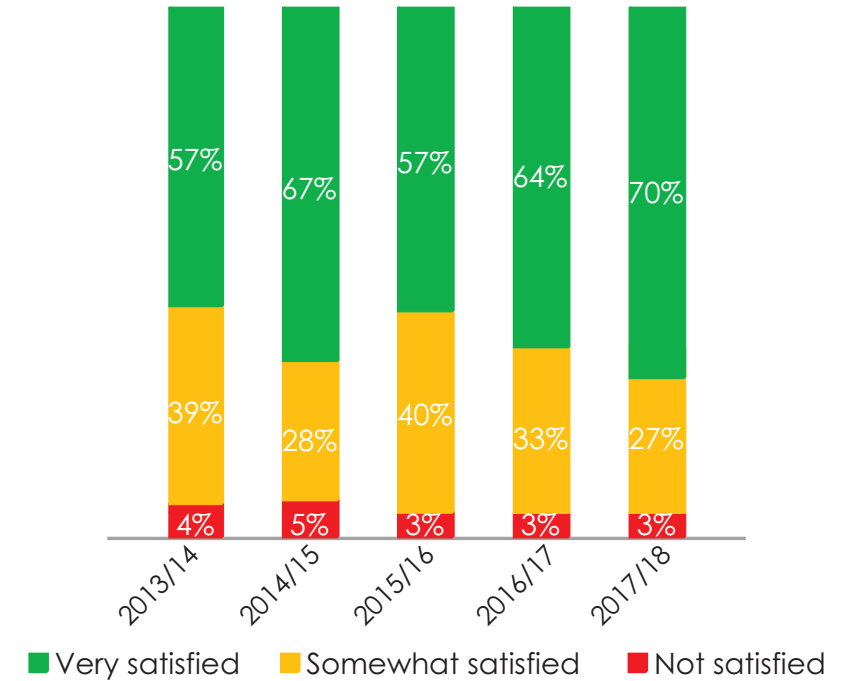
WHAT WOULD YOU SAY ARE THE TOP 3 FACTORS THAT HAVE HELPED YOU 'SEAL THE DEAL' FOR INVEST IN INDIA?

Local presence

Innovative technology and sustainable solutions

Reforms and responsiveness from authorities

HOW SATISFIED ARE YOU DOING BUSINESS IN INDIA?





Innovative models for sustainable transport solutions in “New India” are our focus. We make **Scania** buses and trucks on our two plants outside Bangalore. Our thinking permeates both the way we run factories, develop products and how we train people. That is why Scania Academy India was established along with the manufacturing units. We have trained 23,000 people in the last three years.

SWEDEN MAKES IN INDIA

45 Swedish companies “Make in India” today and keep investing

1 out of 3 invest in skills development and have done so over the years

1 out of 3 SME is looking to invest in manufacturing the coming years

3 out of 4 companies produce in India both for domestic and export markets.

Export facilitation, ‘Made in India’ needs focus

1 out of 2

companies invest in R&D and see India as important for their strategic innovation development

10 largest companies employ 6,800 people in R&D

Sweden ranked top 3 in the Global Innovation Index the last nine years



Innovation is in the DNA of **Sandvik**. With a presence in India of over 50 years, we have built our capability locally step by step.

We currently have five main R&D units in the country with a combined headcount of 300 engineers and scientists. This is roughly 15 percent of our global team.

Our customers' reality is our source for innovation and we are constantly launching game changing solutions.



EQUIPPING PEOPLE

Sweden and **Saab** have a proven track record of sharing critical technology and working closely with partner countries. We call it true transfer of technology.

This includes training, transfer of know-how, and development of a strong supply chain for cutting-edge technology systems.

A close partnership between Sweden and India will lead to the creation of several high-tech jobs in defence manufacturing, and increase avenues for education in engineering, through collaboration between Indian and Swedish universities.

7 out of 10 companies invest in skills development. Both as part of their business operations and/or through community development programs

This is needed, 2 out of 3 consider the skill gap as a top issue

At the same time, the companies think access to talent is one of the key capabilities of India

8 out of 10 companies work actively with gender equality

KRAFTSAMLA ...

“Kraftsamla” is about women and the aim is to practically promote gender equality and equity where Swedish companies are present.

The project has four pillars:

- Achieve gender equality and equity in the workplace
- Increase gender ratio through skill building and training women for job roles in industry
- Create and build sustainable value chains by supporting female entrepreneurs. Key approach is sustainability for investment, people, and environment
- Include gender equality in code of conduct throughout the value chain

...TO CHANGE ECO-SYSTEMS

“Kraftsamla” means to join forces in Swedish. It is an initiative by Swedish business community under the aegis of the Swedish Chamber of Commerce India and supported by the Embassy of Sweden and Consulate General in Mumbai

It is a multi-stakeholder program. For the pilot project we partner with Maharashtra State Skill Development Society (MSSDS), Pimpri Chinch wad Municipal Corporation (PCMC) and the United Nations Development Programme (UNDP) with their DISHA project supported by IKEA Foundation.

The first pilot project will skill 110 women from underprivileged background for suitable job roles in the industry in and around Pune.





Sustainability is one of **SKF's** strategic drivers with focus on business, environment, employees and communities.

We reduce environmental impact in our factories by minimizing Co2 emissions, generating power using solar panels and we have our own water treatment plants.

For our community, we focus on skill building, education and physical well-being. We train youth, support girls to pursue higher education and through our sports program help children develop physical and mental strength.

Last year, we at **Alfa Laval** celebrated 80 years in India! We 'Make in India' for both our domestic and export market.

Our aim is to help create better everyday conditions for people and therefore we develop technology for food, water, air, heating, cooling and waste.

We focus on R&D and launch close to 30 new products every year. The world is changing, resources are becoming scarce and we need to be smart in how we do things.

Both SKF and Alfa Laval are partners of Kraftsamla.



Blueair entered India 2014 and is growing rapidly. Our technology is innovative, our quality high and our design smart. Clean air is on our agenda.

The Clean Air India Movement is a 360°degree campaign to engage, encourage, and educate citizens to adopt air friendly measures in their own area of influence.

Clean Air For Everyone program give school children a pollution-free environment in classrooms.



~40 SME are established in India today
8 out of 10 have entered in the last decade

Companies that entered in the last five years have a more positive experience than the ones that came earlier

**WHAT IS YOUR
EXPERIENCE OF
SETTING UP
BUSINESS IN
INDIA?**

■ Very problematic ■ Neutral ■ Very easy

16%

35%

49%



Nature and ingredients from nature are an important part of Oriflame's product philosophy. We do not use materials derived from protected or endangered flora and fauna. All we make is measured on naturalness, environmental impact and ethicalness.

We are very proud of our 300,000 direct selling consultants here in India who are living proofs of the innovative, and entrepreneurial spirit we build our business on.

FOCUS: STATES

DELHI NCR

92 companies are present and employ more than 26,500 people

Half of them say they will continue to invest in the coming years
20 percent will increase their investments with more than 20 percent

Ten other companies are planning to invest in NCR the next year

MAHARASHTRA

94 companies are present in the state and directly employ more than 34,000 people

75 percent state they will keep investing the coming years
One third will increase their investments with more than 20 percent

Five new companies are planning to invest in the state this year

GUJARAT

26 companies employ close to 8,000 people in the state

65 percent plan to invest the coming years
One third will increase their investments with more than 10 percent

Another eight companies are looking to invest in Gujarat this year

Maharashtra and Gujarat are leading the development towards being investment friendly, according to the respondents



DeLaval is based out of Pune, but work with dairy farmers across the country. Commercial dairy farming is quite a new business process in rural India. The work we do requires holistic thinking and new solutions. We organise many training programs to enhance knowledge levels and equip farmers to make the change, both in mind and practice, to grow their business.

KARNATAKA

69 companies are present, employing more than 42,000 people

72 percent respond they will keep investing

Close to 40 percent will increase their investments with more than 20 percent

Karnataka is the third state companies say is changing positively at the moment to make investments interesting. Ten companies are looking to enter this year

TAMIL NADU

More than 22,000 people work for the 56 Swedish companies present in the state

50 percent say they will invest in the state the coming years

One third will increase their investments with more than 10 percent

Another nine companies are looking to enter the state this year

TELANGANA

23 companies are present and currently employ 3,500 people

61 percent of them will invest in the state next year

One out of four will increase their investments with 20 percent or more

Four new companies are on their way in

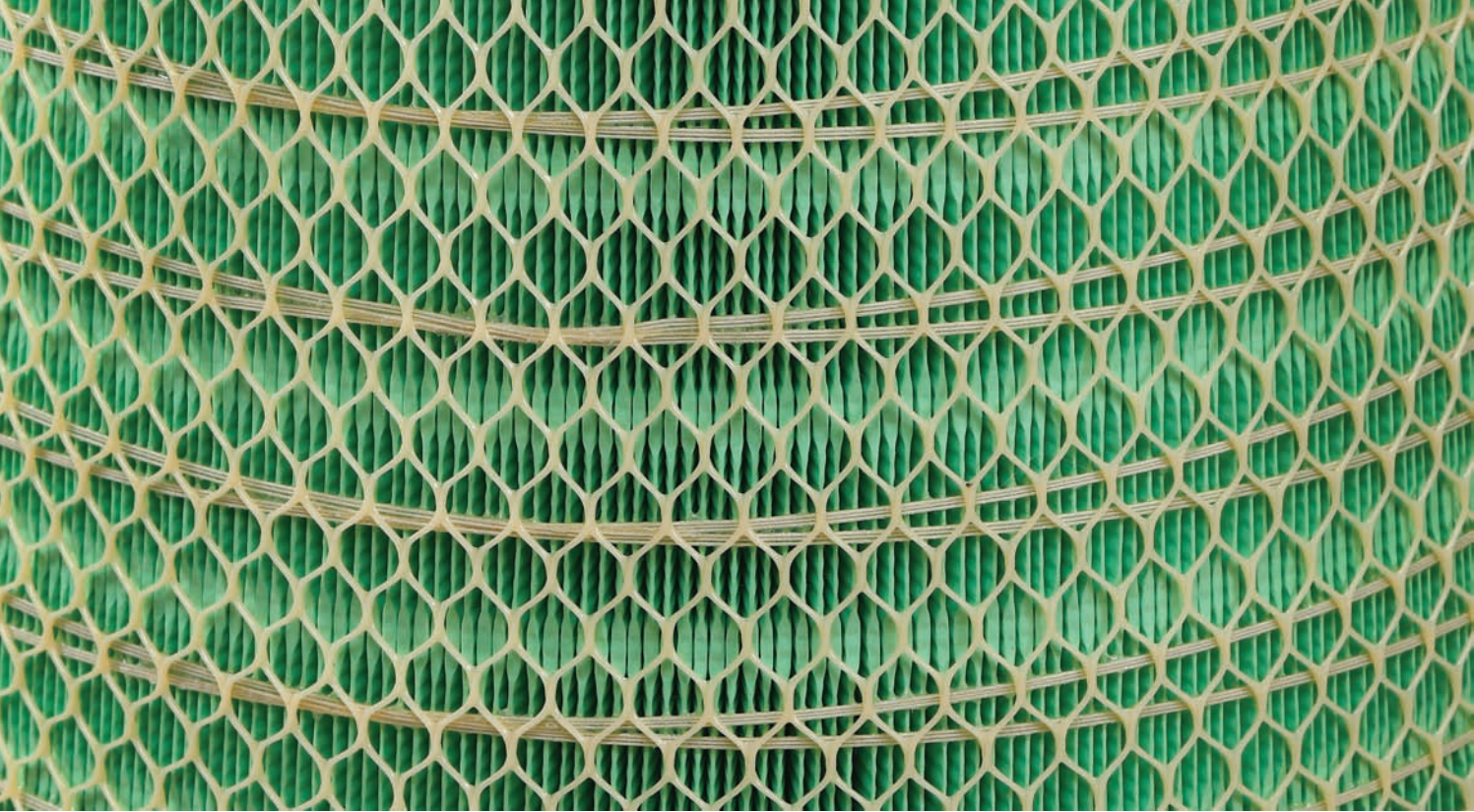
ANDHRA PRADESH

25 companies employ 5,000 people

A dozen of them will invest the coming years

20 percent will increase their investments with more than 50 percent

Another eight companies are expected to enter in the near future



NEED TO IMPROVE IN THE FUTURE

Clean air is becoming a scarce resource in many places today. Asthmatic and respiratory problems are increasing and millions die prematurely. We at **Camfil Air Filtration** work a lot with creating awareness about how bad air can effect us. We also make sure our indoor air purifiers can stop the micro particles (PM1) as these particles enter directly into the human blood stream when inhaled through the lungs. We need to secure the air for the next generation.

IMPROVEMENT FOR INVESTMENTS

Single window mechanism from initiation of investment until completion.
Both for business establishment and for exploring innovative and sustainable technologies

Federal and States' approach should be similar

Obtaining licenses, approvals to be process and outcome focussed, not events

"Digital India" to be implemented and institutionalised at local level as well

On ground tax administration needs to be predictable, transparent, fair and friendly

Protection of Intellectual Property Rights

Focus to be given to "Made in India"- export facilitation



We are building India's economic backbone, strengthening national capabilities and ensuring a bigger global imprint for ourselves and our country. **Bharat Forge**, the world's largest forging company with a manufacturing unit in Karlskoga, Sweden, is one example of the longstanding partnership between our businesses and "India in Sweden".



Caring for people is integral to our vision and values. Empowering and engaging women in India is one of our biggest priorities. First, we are committed to gender balance at all levels in all **IKEA** organisations in India. In the next five years, we will be more than 10,000 co-workers and half of them will be women. Second, we drive skill development projects through public and private partnerships. Our goal is to equip one million women in the next 8-10 years to either be employed or build their own business.

IMPROVEMENT FOR PEOPLE

Eradication of child labour

Gender equality

Equitable opportunities for women to join the workforce in all sectors.
Laws and regulations; Shops & Establishment Act, Factory Act,
parental leave, labour policies

Education, skills and health are keys to India's development

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

IMPROVEMENT FOR ENVIRONMENT

Holistic investments; life-cycle and impact cost matters

Incentives for innovative technologies

Sustainable practices to address waste management and scarcity of clean water

Urgent actions to curb the problem of air pollution

Harmonisation of standards in supply chain



Atlas Copco is all about the innovative spirit. From developing new technologies to revolutionising productivity, we know that there is always a better way to do things. But the breakthroughs that truly create value do not come automatically. They are the result of hard work, sound strategies, a well-run organisation and strong interaction with all stakeholders. Our commitment goes beyond business. We care for innovations that are sustainable; environmentally friendly and socially inclusive.

Nepa is one of the fastest growing Swedish companies in history. We are a new age Swedish Online Market Research, Analytics, and Consulting firm serving clients in over 50 countries.

By merging behavioural data with customer feedback data in the ActionHub® platform, clients can turn the voice and the traces of the consumer into financial KPIs and provide it to the right stakeholder in real-time.

Numbers are not everything.
People are.

PARTNER OF THE BUSINESS
CLIMATE SURVEY SINCE 2011



Handelsbanken set up office in Mumbai in 2006. We were the first Nordic bank coming here and we followed our customers.

Sustainability is our core value. For us it means we follow Principles for Responsible Investments, transparency and also set high internal standards.

We have actively chosen not to invest in areas of businesses that are harmful to environment and society. As a customer and stakeholder you should know that you can make sustainable and responsible choices through us.



The Swedish Chamber of Commerce India provides Swedish companies with unique opportunities for knowledge sharing, collaborations and exchange of experiences.

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.

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

LONG-TERM COMMITMENT TO
MEANINGFUL BUSINESS
THROUGH SUSTAINABILITY
AND INNOVATIONS

Thank you