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# DIPLOMACY & BEYOND



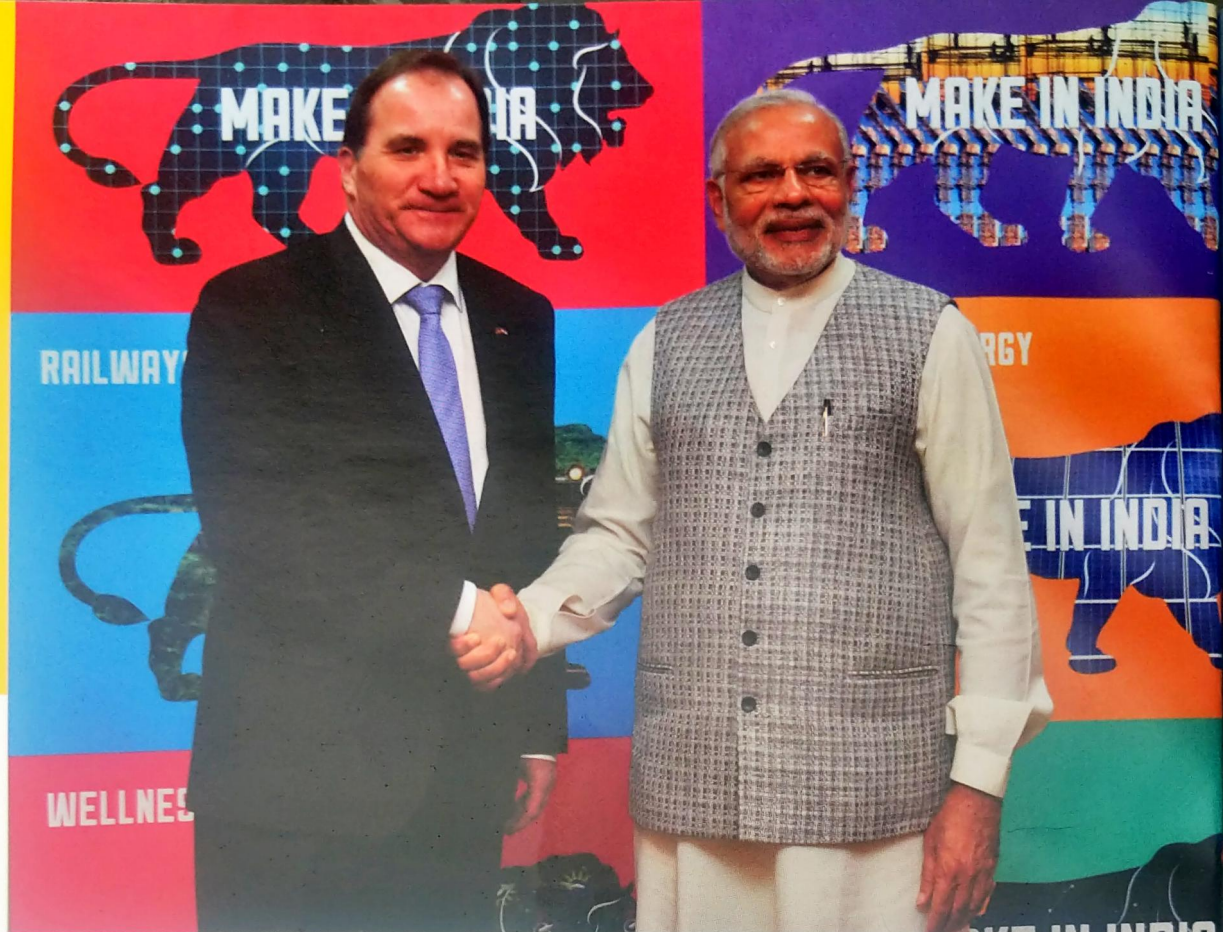
# INDIA-SWEDEN



## HISTORIC FRIENDSHIP







The Prime Minister, Narendra Modi and the Prime Minister of Sweden, Stefan Löfven, at the inauguration of the Make in India Centre, in Mumbai on February 13, 2015

# India-Sweden Relations

Dr Sheetal Sharma

**W**ith a population of near 10 million people, Sweden is located in the Northern Europe between Finland and Norway, bordering the Baltic Sea, Gulf of Bothnia, Kattegat, and Skagerrak. The relationship between India and Sweden is almost seven-decade old now. The relationship between India and Sweden was established in 1949, after India gained independence. Although Sweden was a military power during the 17th Century, it did not participate in any of the wars in the last two centuries. It maintained an armed neutrality in both the world wars. Sweden joined the European Union in 1995, but the introduction of euro as currency was not accepted by public in a referendum in

2003. Sweden is famous for its innovations that have changed the world in significant ways. These innovations have defined the nature of safety standards, health, living, nature of technology, and gadgets forever. Some of the benchmark innovations include, adjustable wrench; automatic identification systems (AIS), now widely used in the shipping industry for tracking ships and vessel traffic; the HIV tracker: a sensitive device used for mapping out and detecting the spread of HIV and other viruses; tetra pack; the three-point seatbelt which is now a standard feature and requirement in every passenger vehicle saving around one life every six minutes; Ultrasound/ECG and many more.



It is interesting to note that in 1958, Rune Elmqvist developed a battery-run artificial pacemaker, which was used for the very first pacemaker operation done by surgeon Åke Senning at Karolinska University Hospital in Stockholm. The pacemaker is placed under the heart patient's skin and the electrical pulses it generates ensure that muscles expand and contract normally, regulating the heart.

The relationship between India and Sweden is supported by shared values, which are, democratic government and institutions of governance, respect for human rights, principle of equality and justice, and rule based on law. The bilateral relations between the two countries started to grow stronger with High-level visit of the state premiers from both the sides. It started with India's First Prime Minister Jawaharlal Nehru's visit to Sweden in June 1957. The most recent high level visits from India was the first-ever State Visit by the President of India Sh. Pranab Mukherjee, from May 31-June 3, 2015, which has taken the relationship between the two nations to new heights. From the Swedish side the most recent visit to India by Head of State/Government was that of Prime Minister Stefan Löfven from 13-14 February, 2016 for the 'Make in India Week' in Mumbai, which followed the visit of former Prime Minister Fredrik Reinfeldt in November 2009 for the India-EU Summit and bilateral talks. Along with these recent visits, there have been a number of visits between the two countries in the past that have had significant impact on the relationship between the two nations. In the year 2016 itself, a number of significant visits were made to Sweden in order to explore potential areas of cooperation and strengthen existing areas of bilateral relationships. The Minister of State for Power, Coal, Mines, and New & Renewable Energy, Shri Piyush Goyal, visited Sweden from November 1-3, 2016, along with a delegation that included senior government officials from the Ministry of Power, Ministry of New and Renewable Energy and a large business delegation and representation from CII and FICCI. The Minister of Communication & Information Technology, Shri Ravi Shankar Prasad visited Sweden from May 15-18, 2016. Chief of Air Staff and the Chairman of Chiefs of Staff Committee Air Chief Marshal Arup Raha paid a goodwill visit

to Sweden from June 7-11, 2016. From the Swedish side, Justice and Migration Minister Morgan Johansson visited India from May 12-14, 2016. Swedish Policy Coordination and Energy Minister Ibrahim Baylan along with a business delegation visited India from October 4-8, 2016. The two countries have been constantly exploring and strengthening the areas of cooperation with each other. Apart from these visits in June 1997, Avoidance of Double Taxation Agreement was signed between India and Sweden, and Bilateral Investment Protection Agreement (BIPA), signed in July 2000. Some of the significant high level visits are mentioned below.

- 1959 - Swedish Prime Minister Mr. Tage Erlander's visit to India.
- June 1972- Prime Minister Mrs. Indira Gandhi attended the UN Conference in Stockholm and met Prime Minister Olof Palme.
- January 1985 & 1986- Prime Minister Olof Palme visited India
- January, 1986- Prime Minister Rajiv Gandhi visits Sweden.
- 1988- Prime Minister Rajiv Gandhi participated in the Six Nations Summit in Sweden.
- October 1993- King Carl XVI Gustaf and Queen Silvia visited India.
- November 2000-Mr. Kjell Larsson, Minister of Environment visited India.
- 2001- Swedish Presidency of the EU, External Affairs Minister & Defence Minister, Shri Jaswant Singh visited Sweden for India and EU Troika.
- October, 2002-CII delegation visits Sweden.
- April, 2003- Mr. Leif Pagrotsky, Minister for Trade & Industry visited India. He led an official and business delegation for the Indo-Swedish Joint Commission Meeting held at New Delhi. An MoU was signed between CII and its Swedish counterpart CSE.
- May, 2003-Presentation and unveiling of Rabindranath Tagore Statue at the Nobel Museum, Stockholm by former President K.R. Narayanan.
- 9-11 Jan, 2004- Swedish Prime Minister Göran Persson visited India. This was the first visit of a Head of Government from Sweden to India in 17 years since the visit in 1986 by late Swedish PM Olof Palme.
- The Swedish Development Cooperation





Minister Ms. Carin Jamtin visited India from 22-23 January 2004.

- Mr. Lars Olof Lindgren, Director General of Trade Policy in Swedish Ministry of Foreign Affairs led a 32 member business to India from October 25-29, 2004.
- Hans Dahlgren, State Secretary in the Foreign Ministry visited India from 8-10 December, 2004.
- A 17-member delegation from the Swedish Parliamentary Committee on Constitution paid a study visit to India on 19-25 February, 2005.

These visits have helped in identifying and promotion of cooperation in large number of areas such as green technologies, renewable energy, smart infrastructure, healthcare and defence,

\$2.2 billion in 2015-16. Most of the major Swedish companies entered India decades ago but in recent years their investments have increased and Indian companies have also begun to invest in Sweden.

The bilateral trade between the two countries crossed \$2 billion in the year 2009-10. It stood at nearly \$2.2 billion in 2015-16, but it registered decline of nearly 12 percent as compared to the year 2014-15. The following table presents the data regarding the trade between the two countries.

India is Sweden's 19th largest export market and third largest trade partner after China and Japan in Asia. The data presented in the table indicates that India imports more from Sweden as compared to the items it exports. Some

*The Prime Minister, Shri Narendra Modi meets the Prime Minister of Sweden, Mr. Stefan Lofven, in New York City on September 25, 2015.*

Year	2011-12	2012-13	2013-14	2014-15	2015-16
India's Exports to Sweden	825.00	686.1	733.4	740.5	683.62
India's Imports from Sweden	1992.00	1681.4	1679.5	1748.0	1484.89
Total	2817.00	2367.5	2412.9	2488.5	2168.51

*Source: Department of Commerce, India. Figures ARE in US \$ million and year refers to financial year, i.e, April-March*

where both countries can enhance bilateral collaboration. Mutual economic interests between India and Sweden have been one of the fundamental force behind the relationship. Bilateral trade crossed \$2 billion in 2009-10. It stood at nearly

of the main items that Sweden exports to India are pharmaceuticals, paper & pulp products, chemicals, engineering products and telecom equipment. The main items that India exports to Sweden are chemical products, food products, and



A number of known IT companies from India have established their representative offices in Sweden. Pharma and Biotech companies from India are also registering their presence in Sweden. Aditya Birla Group, Wipro and Bharat Forge are some of the major Indian investors in Sweden

semi manufactured and manufactured goods. However India stands in a better position in Service exports. According to the International Trade Centre, in 2015, Indian service exports to Sweden were \$797 million and Swedish service exports to India were \$598 million. A number of known IT companies from India have established their representative offices in Sweden. Pharma and Biotech companies from India are also registering their presence in Sweden. Aditya Birla Group, Wipro and Bharat Forge are some of the major Indian investors in Sweden. As per the estimates, the cumulative Indian investment in Sweden is in the range of \$700-800 million. On the other hand a number of international Swedish companies and brands such as Ericsson, Swedish Match (WIMCO), SKF and ASEA (later to become ABB) have been operating in India for decades now. Swedish companies like Atlas Copco, Sandvik, Alfa Laval, Volvo, Astra Zeneca, SAAB, etc., have invested in India and are operating successfully operating. The Companies such as transport solution provider Scania, the hygiene and forest products company SCA and retail giants IKEA and H&M have entered Indian market recently. At present there are over 170 Swedish joint ventures wholly owned subsidiaries in India and according to Swedish Statistics, the size of investment is about \$1.2 billion (April 2000 to March 2016).

Apart from Trade relations, a MoU for Defence Cooperation between India and Sweden was signed in 2009 and a Joint Working Group was established. Within the framework of the MoU, there exists an India-Sweden Joint Working Group under the co-chairmanship of a JS level officer in the Department of Defence Production in MoD. The last meeting of the JWG was held in September 2015, in New Delhi. The main focus of the JWG is on 'Make in India' programme in defence sector and to identify more areas for cooperation in research and development for production and coproduction of some of the equipment in India. As Sweden is known for its international standards in the field of research and development and inventions, India can benefit immensely by collaborating with Sweden to boost its flagship program of 'Make in India'. India can also look forward to cooperation in other projects and programs such as Smart City Development, Digital India, Swachh Bharat, Infrastructure Development and modernization of Indian Railways.

Although percentage of Indian Diaspora is a small figure, there are approximately 22,800 persons of Indian origin, including 9000 PIO/OCI card holders, and 12,800 Indian passport holders residing in Sweden. These people are engaged in a range of professions from academic to health care and services sector to business. People in Sweden enjoy Indian culture, food, music and movies. The cultural ties between the two countries are promoted through various programs and events that are organised regularly. India Chair has been established in major universities (Gothenburg and Uppsala). Scholars engaged in research in higher education in both the countries have academic interest in social cultural, political and economic issues of both the nations. Leading Indian Universities have functional tie-ups and MoUs/AoUs with educational institutions in Sweden.

A number of bilateral Institutional Dialogue Mechanisms and Agreements between India and Sweden are in place and operating smoothly in order to foster cooperation in different areas. India and Sweden have been having cordial and harmonious relationship for decades now. Both countries are working for strengthening, deepening and widening the relationship so that it benefits both of them. ■