

**EMBASSY OF INDIA
STOCKHOLM**

INDIA-SWEDEN RELATIONS

Introduction

Diplomatic ties between India and Sweden were established in 1949. The two countries enjoy cordial relationship and excellent cooperation in regional and international fora. Sweden supports India's membership of the expanded United Nations Security Council (UNSC). Sweden supported India in its membership of the Missile Technology Control Regime (MTCR) and has extended full support in India's bid for its pending membership of the Nuclear Suppliers Group (NSG). The two countries have been supporting each other on reciprocity for their non-permanent memberships in the UNSC and various positions in different organs of the UN and other multilateral fora. Mutual economic interests have emerged as the driving force in the relationship.

Political Relations

2. **High level contact** between the two countries goes back to 1957 when Prime Minister Jawaharlal Nehru visited Sweden. Prime Minister Indira Gandhi visited Sweden for attending the United Nations Conference on the Human Environment in Stockholm in 1972. Prime Minister Rajiv Gandhi visited Sweden in March 1986 and January 1988. The first-ever State Visit by the President of India, Shri Pranab Mukherjee, was in 2015. This was followed by the visit of Swedish Prime Minister Stefan Löfven to India in 2016.

3. The landmark **State Visit to Sweden by the President of India** in 2015 has taken the relationship to new heights. He was accompanied by Shri Hansraj Gangaram Ahir, Minister of State for Chemicals and Fertilizers; Shri Ghulam Nabi Azad, MP, Rajya Sabha; Shri Ashwani Kumar, MP, Lok Sabha; senior Government officials; several Vice Chancellors and Directors of leading Indian Universities; and over 60 business leaders from India.

4. The momentum which the Presidential visit imparted to India-Sweden relations was maintained by the **visit of Swedish Prime Minister Stefan Löfven to India** in February 2016 for the 'Make in India Week' in Mumbai. He was accompanied by one of the largest Swedish high level official and business delegations. He met Prime Minister Narendra Modi on 13 February. The Joint Statement issued after the meeting laid down the vision for all round future cooperation. The statement identified defence, infrastructure, urban development, education, S&T, environment, health and space as key sectors for strengthening bilateral partnership. The two Prime Ministers endorsed the creation of an India-Sweden Business Leaders Round Table, comprising top business leaders from both countries, to facilitate two-way trade and investments. A Memorandum of Understanding for cooperation in Railways was signed on 15 February 2016.

5. Earlier VVIP visits from Sweden included a **State visit by His Majesty King Carl XVI Gustaf** and Queen Silvia of Sweden in 1993. Thereafter, the King led a Technology Mission to India in November 2005. Prime Minister Göran Persson paid a working visit to India in January 2004 and Prime Minister Fredrik Reinfeldt visited India for the India-EU Summit and bilateral talks in November 2009.

6. The most recent **Ministerial visits from India** included that of Minister of Commerce & Industry Suresh Prabhu who visited Sweden from 11-14 October 2017 for the mega 'Make in

India: Sweden 2017' event in Stockholm from 12-13 October 2017 and held talks with the Swedish Prime Minister Stefan Löfven. The Indian States of Maharashtra, led by Chief Minister Devendra Fadnavis; Karnataka; Manipur; Uttar Pradesh; and Andhra Pradesh were represented at the event. They also participated in the 2nd meeting of the India-Sweden Business Leaders Round Table in Stockholm on 11 October 2017, which was inaugurated by the Swedish Prime Minister. Earlier, other high level visits from India to Sweden included – Minister of State for External Affairs M.J. Akbar from 11-13 September 2017, who, among others, held talks with the Speaker of Riksdag and the Minister for Foreign Affairs; Minister of Road Transport, Highways and Shipping Nitin Gadkari from 14-17 June 2017; Minister of State for Parliamentary Affairs and Agriculture and Farmers Welfare Surenderjeet Singh Ahluwalia, who led a 10-member Parliamentary Delegation from 28-31 May 2017; Minister of State for Power, Coal, Mines, and New & Renewable Energy Piyush Goyal from 1-3 November 2016; Minister of Communication and Information Technology Ravi Shankar Prasad from 15-18 May 2016; Chief of Air Staff and the Chairman of Chiefs of Staff Committee Air Chief Marshal Arup Raha from 7-11 June 2016; Minister for Women & Child Development Maneka Gandhi in May 2015; Chief Minister of Maharashtra Devendra Fadnavis in April 2015; Governor of RBI Dr. Raghuram Rajan in June 2015; Comptroller and Auditor General of India Shashi Kant Sharma in September 2015; Minister of Health, Home, Power, PWD and Industries of Delhi Satyendar Kumar Jain in October 2015; Chief Secretary of Telangana Dr. Rajiv Sharma in October 2015; Uttar Pradesh Government MOS for Transport Yasar Shah in August 2016; Secretary from the Ministry of Drinking Water and Sanitation Parameswaran Iyer in August 2016; Secretary from the Ministry of Science and Technology Dr. Vijay Raghavan in August 2016; and Additional Secretary N. Sivasailam from DoT in October 2016.

7. The **important visits from Sweden to India** included – Minister for Rural Affairs Sven-Erik Buch in November 2017; Minister for Upper Secondary School and Adult Education and Training Anna Ekström from 1-3 November 2017; State Secretary to Swedish Defence Minister Jan Salestrand in December 2017; State Secretary to the Swedish PM for EU and International Affairs Hans Dahlgren from 3-4 October 2017; Minister for Foreign Trade and EU Affairs Ann Linde who visited India for the 18th Session of the Indo-Swedish Joint Commission for Economic, Industrial and Scientific Cooperation, which was held in New Delhi on 17 May 2017; Justice and Migration Minister Morgan Johansson from 12-14 May 2016; Swedish Policy Coordination and Energy Minister Ibrahim Baylan from 4-8 October 2016; Minister of Enterprise and Innovation Michael Damberg in November 2016; Minister for Upper Secondary and Adult Education and Training Anna Ekström from 10-13 January 2017; Defence Minister Peter Hultqvist in June 2015; State Secretary in Swedish Prime Minister's Office Hans Dahlgren in October 2015; Minister for Housing, Urban Development and Information Technology Mehmet Kaplan from 13-18 October 2015; and a six-member delegation from the India Friendship Group in Swedish Parliament in September 2013.

8. Several other important high-level contacts helped cement bilateral ties. **Prime Minister Narendra Modi and Swedish Prime Minister Stefan Löfven met in New York** on 25 September 2015 on the sidelines of the UN General Assembly. **Minister of State for External Affairs General (Dr) V.K. Singh (Retd) met Swedish Foreign Minister Margot Wallström** in Luxembourg in November 2015 on the sidelines of ASEM Foreign Ministers Meeting.

9. A number of bilateral Institutional Dialogue Mechanisms and **Agreements** are in place to foster cooperation in different areas. These include Avoidance of Double Taxation Agreement, Bilateral Investment Protection Agreement, MOUs for Cooperation in the field of Healthcare and Public Health, Defence, Environment, Science and Technology, Health, and Renewable Energy. Regular meetings are held to review and foster cooperation in these areas. During the Presidential visit in 2015, six intergovernmental Agreements/MOUs were signed, which

pertained to Sustainable Urban Development; Micro, Small and Medium Enterprises; Visa Exemption for Diplomatic Passports; Polar and Ocean Research; Ageing and Health; and Pharmaceutical products; in addition to another fifteen agreements signed between educational institutions of the two countries.

10. The leading **institutional mechanism** of inter-Governmental dialogue between India and Sweden is the Indo-Swedish Joint Commission for Economic, Industrial and Scientific Cooperation at the level of the Ministers of Commerce and Industry in India and the Swedish Minister for Foreign Trade and EU Affairs. The last 18th Session was held in New Delhi on 17 May 2017. An MoU for Defence Cooperation was signed in 2009, under which a Joint Working Group was established. The 6th round of the JWG on Defence was last held in Stockholm in January 2018. The first India-Sweden Joint Working Group meeting under the MoU on Sustainable Urban Development was held in New Delhi from 14-17 October 2015. There is a mechanism for regular dialogue between the two Foreign Ministries through Foreign Office Consultations. The fifth round was held in Stockholm on 26 April 2013. The sixth round was held again in Stockholm on 29 June 2017 for which Secretary (West), Smt. Ruchi Ghanashyam, visited Sweden. The India-Sweden Business Leaders Round Table (ISBLRT), created in February 2016 with CII and Sweden-India Business Council (SIBC) as its coordinating agencies, held its first meeting in New Delhi on 9 November 2016 and second meeting in Stockholm on 11 October 2017.

Economic and Commercial relations

11. During the visit of the President of India to Sweden in 2015, both sides had agreed to reach the ambitious total **trade** target of US \$5 billion by 2018. Though the bilateral trade fell to US \$1.9 billion in 2016-17, as compared to about US \$2.17 billion in 2015-16, Swedish investments and other economic activities in India were on the rise. According to available statistics, **the main items of Indian exports to Sweden** were articles of apparel, clothing accessories; textiles yarn, fabrics, made-ups; manufactures of metals; road vehicles; general industrial machinery and equipment. **The main items of Indian imports from Sweden** were pulp and waste paper; road vehicles; paper and paper board, articles thereof; general industrial machinery and equipment; iron and steel; machinery for particular industry; electrical machines, apparatus and appliances; miscellaneous manufactured articles; and power generating machinery and equipment. The major items of trade between the two countries remained unchanged.

12. The trade figures for the last few years are tabulated below:

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
India's Exports to Sweden	825.00	686.10	733.40	740.50	683.62	710.00
India's Imports from Sweden	1992.00	1681.40	1679.50	1748.00	1484.89	1160.00
Total	2817.00	2367.50	2412.90	2488.50	2168.51	1870.00

Source: Department of Commerce, India. Figures are in million US dollars and year refers to financial year from April to March

13. Sweden has a long history of investments in India. Many of the **major Swedish companies** – such as Ericsson, Swedish Match (WIMCO), SKF and ASEA (later to become ABB) – entered India even before it became independent. Since then numerous other Swedish companies – like Atlas Copco, Sandvik, Alfa Laval, Volvo, Astra Zeneca and SAAB – have invested in India. Other leading Swedish MNCs – namely, transport solution provider Scania, the hygiene and forest products company SCA and retail giants IKEA and H&M – are among the more recent entrants. As per

October 2017 data, there are over 170 Swedish joint ventures and wholly owned subsidiaries in India. Sweden is the 20th largest foreign investor in India with cumulative investment of US \$8.51 billion between January 2003 and January 2017. The low figures as compared to actual investments are for the reason that the data, available only from the year 2003-onwards, do not reflect the prior Swedish investments in India or investments of MNCs through third countries. The existing Swedish MNCs are now expanding not only in manufacturing but also increasingly on offshore IT operations and R&D in India. They are growing in numbers. This part of investments by existing Swedish companies is apparently not included either. Sectors that have received the largest shares of Swedish investments in India are Automobile Industry with US \$362.20 million (33%), Industrial Machinery with US \$162.09 million (15%), Miscellaneous Mechanical & Engineering Industries with US \$115.67 million (10%), Electrical Equipment with US \$80.99 million (7%) and Metallurgical Industries with US \$55.02 million (5%). The top FDI equity inflows have come from the following Swedish companies – Volvo; ABB; Atlas Copco, Ericsson; Alfa Laval; SAAB; Autoliv; Sapa (Aluminium solutions), Astra Pharmaceuticals; Electrolux; Quinn Hotels Sweden; Scania; Perstorp; H&M; IKEA; Recipharm; and Securitas.

14. Over the last decade, **Indian investment in Sweden** has also increased. There are over 70 Indian companies including IT companies currently present in Sweden. There are over 40 Indian IT companies in Sweden. Indian pharma and biotech companies like Dr. Reddys, Biocon, Kemwell and Cadila Pharma have formed collaborative relations in Sweden. Bharat Forge, acquired the Swedish firm ImatraKilsta AB in 2005 with a workforce of over 500 employees. In 2006, Wipro acquired 100% equity of the Sweden-based Hydraulauto Group AB which produces hydraulic cylinders. In May, 2011 India's Crompton Greaves acquired Emotron which develops electric motors in Helsingborg. In April, 2011 Aditya Birla Group acquired the Swedish specialty pulp maker and bio refinery company Domsjo Fabriker for SEK 2.1 billion. In July, 2012, Indian Telecom co. Altruist Technologies has purchased Swedish Telecom company Teligent. In October 2015, Volvo Trucks had reached an agreement to divest its external IT operations to HCL Technology for a cash payment of US \$138 million. According to rough estimates the cumulative Indian investment in Sweden is currently in the range of US\$ 700-800 million.

15. There is significant **potential for enhancing bilateral collaboration** in key areas like green technologies, renewable energy, smart infrastructure, healthcare and defence.

16. Trade in services is large and growing, especially in areas of IT, business services, travel and transportation. According to the International Trade Centre figures, in 2016, the total **bilateral trade in service** was worth US \$1.23 billion, which included Indian service exports of US \$767 million to Sweden and Swedish service exports of US \$458 million to India. With growing technological advances in IT sector, Swedish demand for Indian IT professionals will naturally grow.

Cultural and Educational Relations

17. Indian music, dance, art, literature, films and cuisine are widely appreciated in Sweden. In the absence of a Cultural Exchange Agreement between the two countries, cultural ties are promoted mainly by local associations and by the Embassy with the support of the Indian Council of Cultural Relations.

18. The establishment of Chairs on India Studies from time to time at major Swedish Universities – Lund (now discontinued), Gothenburg and Uppsala – have given an impetus to the academic interest in India. Several Swedish universities have established links with Indian educational institutions and have regularly been sending students to India for different programmes. Many Indian students study in Swedish Universities. However, the number has

declined after fees were introduced for non-EU foreign students in 2011.

19. A prominent annual cultural event, Namaste Stockholm Festival, was started by the Embassy of India in collaboration with the India Unlimited. The first Festival was held in 2015. Second Namaste Stockholm Festival was organized on 21 May 2016, which attracted more than ten thousand visitors. The event includes day-long festivities involving Yoga, Indian cultural performances, cuisine, crafts and choice of travel destination that India offers. In 2017, **India's Independence Day celebrations** became part of a larger Stockholm Cultural Festival of which India was a central theme, a first for a non-European country. Independence Day celebrations were followed by Namaste Stockholm, a day-long Indian cultural event, to mark India@70. The India theme at the **Stockholm Cultural Festival** featured a feast of performing arts events (including maestro Zakir Hussain, Bharatanatyam artist Geeta Chandran, Kathak artist Shivani Sethia, Bollywood Musical, Barmer Boys, etc.) and an Indian Street Bazaar with celebrated craftsmen and weavers with the support from the Indian Council of Cultural Relations, Ministry of Culture, HHEC & several Indian associations in Sweden. A direct Air India flight between New Delhi and Stockholm was also launched on 16 August 2017.

20. An annual **Sweden-India Nobel Memorial Week** is held every year in India under which a number of events are held. In 2016, it was held from 1-7 October under the theme of 'Sweden Makes in India'. Swedish Minister for Policy Coordination and Energy Ibrahim Baylan visited India to participate in the Week. This year it was Swedish Minister for Upper Secondary School and Adult Education and Training Anna Ekström who visited India for this purpose in November 2017.

21. In 2013, Embassy of India, along with several partners, created an '**India Unlimited**' platform to promote India-Sweden cultural and economic ties through series of events which are held annually highlighting current and future partnerships between the two countries and showcasing Indian culture, cuisine, business opportunities, science and innovation among others and to provide an interactive platform for stakeholders from both the countries. In 2016 the topics and themes of events held were: Energy Collaboration – Smart Grid Pilot Projects; Reimagining India 2030; Defence & Security; Gender & Diversity; Smart Cities; Smart Manufacturing & Industrial Corridors; Life Science & Innovation; Sustainable Textiles; Digital India & Innovation; and Indian Consumer.

Indian Community

22. As per latest statistics, there are about 25,720 members of **Indian Diaspora** in Sweden. This includes about 15,250 Indian passport holders and about 10,370 foreigners of Indian origin. Most of them are skilled professionals in IT companies, professors, research scholars in universities and other institutes.

23. The number of **Indian students** has increased in Sweden in recent years. At present, more than two thousand Indian students are studying in different Swedish institutions. The main problem that the Indian students are facing in Sweden is that their **student visas are not coterminous with the duration of courses** they have joined. Every year, and in some cases every six months, students would go for the same time-consuming exercise for extension of their visas that had gone through at the time of grant of their first visa. In many cases, visa extension is rejected on flimsy grounds and students are asked to go back to India as they were unable to submit their Master Programme thesis due to delays from their supervisors only. Such a situation hugely burdens students who usually come for studies after obtaining a loan from bank.

24. India has begun to dominate **work migration** into Sweden from outside EU. Till December 2017, 16,891 work permits were granted to Indians. The number of Indians coming to

Sweden for business and leisure has also gone up significantly in recent years. The growth is expected to continue, now with the establishment of direct air-link between the two countries. Persons coming on work visa or permit face **inordinate delays in obtaining visa** especially for their dependent family members. The process for extension of their visa is also lengthy and cumbersome and there have been cases where extension is rejected on flimsy grounds. In almost all the cases of rejection, persons are asked to appeal against the decision of the Migration Board and hire a lawyer but in almost 99 per cent cases, the verdict favours Migration Board decision.

21 March 2018

Useful online resources:

- Mission's Website: www.indianembassy.se
- Facebook: <https://www.facebook.com/EmbassyofIndiaSweden>
- Twitter: <https://twitter.com/indiainsweden>
- YouTube: <https://www.youtube.com/user/eoistockholmsweden>
- Newsletter: <https://issuu.com/eoistockholm>
- Government offices of Sweden: <http://www.government.se>
- Swedish Ministry of Foreign Affairs:
<http://www.government.se/government-of-sweden/ministry-for-foreign-affairs>
- Swedish Statistics Agency: <http://www.scb.se/en>
- Sweden Abroad: <http://www.swedenabroad.com>
- Swedish Armed Forces: <http://www.forsvarsmakten.se/en/>
- Global India Episode on Sweden: <https://www.youtube.com/watch?v=b1fPppfAja8>