



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN INDIA 2025

A REPORT FROM TEAM SWEDEN IN INDIA 2025

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KEY CONTRIBUTORS TO THIS REPORT

Business Sweden India
Swedish Chamber of Commerce in India
Embassy of Sweden in India

FOREWORD

Welcome to the 2025 Business Climate Survey Report, an essential resource for understanding how Swedish companies perceive and perform in the dynamic Indian market. Conducted under the umbrella of the Global Business Climate Survey, this study is a collaboration between Business Sweden and the Swedish Chambers of Commerce in partnership with the Embassy of Sweden and the Consulate General in Mumbai, offering valuable insights to support strategic decision-making.

In today's rapidly evolving economic landscape, understanding the business environment is more critical than ever. Organisations, policymakers, and stakeholders must stay informed about the opportunities and challenges companies face in order to make data-driven decisions that foster growth and resilience. The Business Climate Survey is designed to provide a comprehensive snapshot of current business sentiments, operational realities, and future expectations across industries. By capturing insights from the Swedish business community in India, the survey aims to highlight key trends, encourage strategic planning, and support the development of policies that nurture a thriving business ecosystem.

India is home to around 280 Swedish companies across diverse sectors, including automotive and heavy vehicles, telecommunication, engineering and industrial goods, healthcare, aerospace, defence, and IT. The country is undergoing a significant transformation in its business environment, actively fostering a digitally enabled and sustainable manufacturing ecosystem. Additionally, Sweden and India share mutual interests and are continuously collaborating in areas such as smart manufacturing, green technology, advanced healthcare, fintech, digitech, and space exploration.

The business climate in India is viewed positively by 77 per cent of surveyed companies, indicating strong potential for future collaboration. Sixty per cent of the companies also plan to increase their investments over the next twelve months. These ambitions are driven by India's large consumer base, robust economic growth, skilled workforce, strategic location, and vibrant innovation ecosystem.

We are grateful to all the participants who have taken the time to share their perspectives. Your input is invaluable not only for shaping the findings of this report but also for contributing to a deeper, collective understanding of the factors that influence economic performance and innovation. We hope the insights contained within this survey serve as a meaningful resource for businesses, government agencies, and community leaders alike. Together, through shared knowledge and collaboration, we can build a stronger, more adaptive, and prosperous business environment.



Sofia Högman
Trade & Invest Commissioner of
Sweden to India



Sara Larsson
General Manager – Swedish Chamber
of Commerce India

209 respondents in India

Current business climate

77%

of Swedish companies perceive the current business climate to be good/very good

Industry turnover

78%

of Swedish companies expect their turnover to increase

Future investments

60%

of Swedish companies plan to increase their investments slightly or significantly in the next 12 months

Globally valued success factors

Cost efficiency
Product development
Brand awareness

Brand Sweden

91%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Distributors
2. Service providers
3. Level of digitalisation

Local conditions with low satisfaction

1. Customs
2. Licences, permits and approvals
3. Physical infrastructure

ABOUT THE SURVEY

Participating companies

The Business Climate Survey is a well-established tool used by Team Sweden to gain perspectives into the existing business climate, identify growth opportunities, and highlight challenges being faced by Swedish companies while doing business across the world.

Team Sweden in India carried out this survey in February-March 2025 to track how Swedish companies operating in India perceive the business environment, economic situation, and market development opportunities in the country.

Team Sweden reached out to 269 companies about participating in this survey, and 209 companies responded to it, resulting in a response rate of ~78 per cent. The companies rated their experience of economic prospects, key success factors, opportunities, and challenges of doing business in India.

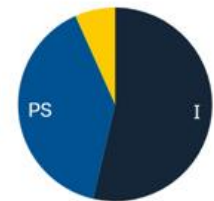
This report consists of four main sections. The first section provides insights into the financial performance of Swedish companies in India, including their outlook and investment plans for the coming year. This is followed by companies' views of the Indian market and the current business environment. The third section covers perceived success factors in the market, while the last section explores governance, social and environmental aspects.

In terms of business areas, the majority of the respondents are industrial companies with a 54 per cent share, followed by professional services companies with a 40 per cent share and seven per cent consumer companies.

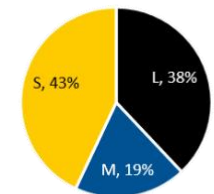
Thirty-eight per cent of the respondent companies are considered large with a global turnover exceeding USD 50 million and/or 1,000+ global employees, while 19 per cent of the companies are medium-sized with a global turnover of between USD 11-50 million and/or employees numbering between 250-1,000. The remaining 43 per cent are categorised as small companies.

Recent entrants, i.e. companies established in India after 2020, constitute 14 per cent of the respondents, compared to 65 per cent of companies that were established during 2004-2019 and are equipped with an experience of being in India and 21 per cent with a deeper understanding of the landscape and were established before 2003.

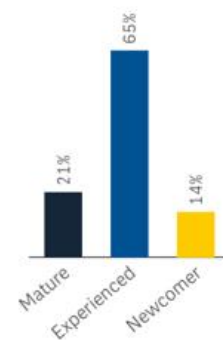
Please note that the survey responses were collected before US President Trump announced reciprocal tariffs on selected countries.



Professional Services: 40%, Consumer: 7%, Industrial: 54%



Small: 0-249, Medium: 250-1000, Large: >1000



Mature (<2003), Experienced (2004-2019), Newcomer (2020-)

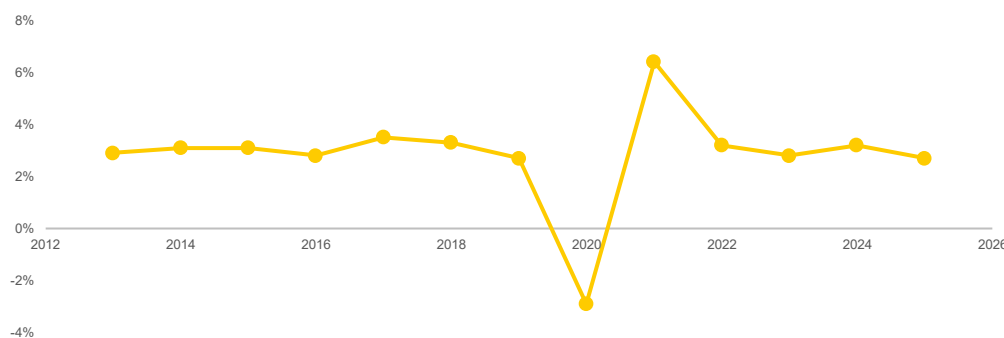
ECONOMIC OUTLOOK

We are witnessing a subdued world economy

The global GDP growth rate has become more subdued since 2021, when it touched a momentary peak of 6.4 per cent. The growth rate has almost halved since then and is anticipated to advance at the tempered rate of 2.7 per cent in 2025-26. Several factors contribute to the reduced economic activity. The major causes expected are elevated inflation levels, higher interest rates that decelerate spending and investments, geopolitical uncertainty caused by conflicts, and volatility caused by the US economic policy. In these times, the global economy needs to safeguard itself against the following key risks:

- **Growing protectionism in the USA:** The USA is the world's second-largest trading partner and holds trading relations with more than 200 countries. The imposition of increased tariffs could exacerbate trade tensions and disrupt trade flows.
- **Geopolitical conflicts:** Sustained geopolitical conflicts cause disruptions in supply chains and elevate commodity prices, such as those of energy, raw materials and food items, thereby furthering inflation in countries reliant upon imports of these commodities.
- **Weak global investments:** Global FDI flow fell eight per cent in 2024 over 2023. Heightened uncertainty about the economic outlook has diminished companies' willingness to invest, further exacerbating subduing economic growth.
- **Climate change:** The world has endured record-breaking heat conditions, drought, wildfires and flooding. As the acute and chronic impacts of climate change unravel, economies need to adapt to the changing climate and implement mitigatory mechanisms.
- **Other risks:** Other risks pertaining to political instability, terrorism, etc., continue to be relevant and must be dealt with.

HISTORICAL AND FORECASTED GLOBAL GDP GROWTH RATE

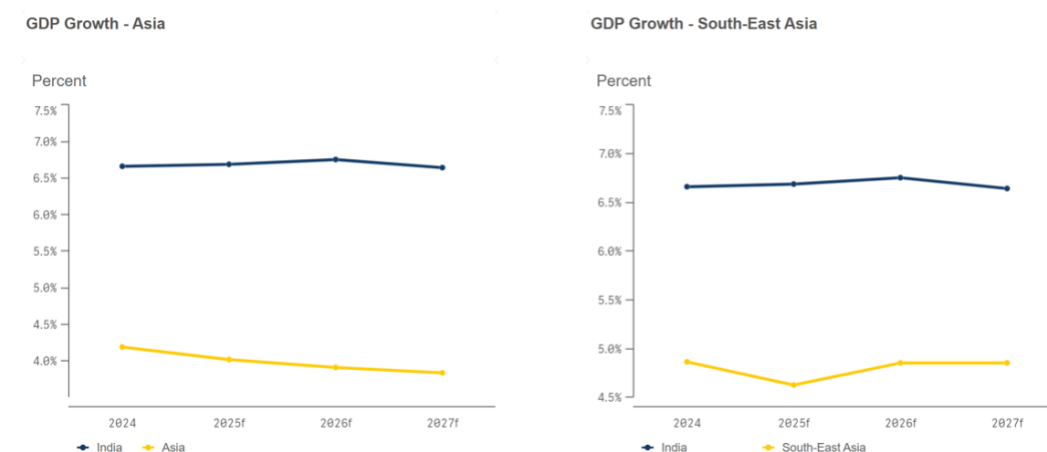


SOURCE: World Bank Group, World Bank National Accounts Data and OECD National Accounts Data Files, Global Economic Prospects, January 2025

Indian economy continues to be resilient despite global headwinds

While India is not untouched by global economic shocks, the Indian economy has shown remarkable resilience. India is the fifth-largest economy, with a nominal GDP of USD 4.27 trillion at current prices. It is expected to surpass Japan and Germany to become the third-largest economy by 2028. India's GDP is forecasted to grow at a healthy rate of close to 6.5 per cent, surpassing the expected growth rate in Asia and South-East Asia.

PROJECTED GDP GROWTH IN INDIA



NOTE: Constant prices.

SOURCE: Oxford Economics 18 March 2025

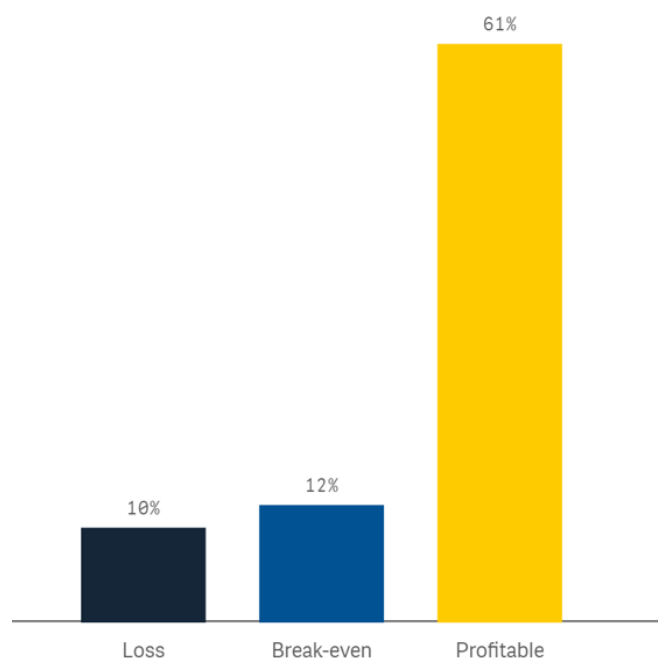
India's resiliency is enabled by several contributing factors, such as capital expenditure by the government on infrastructure, optimistic investor sentiment, coordinated focus to strengthen the manufacturing sector, robust growth in the services sector, balanced inflation projections, and controlled fiscal deficit.

India's services sector accounts for close to 55 per cent of Gross Value Added (GVA) in the economy. Software technology giants such as Capgemini, TCS, Infosys, Wipro and more have a presence in India. However, India remained less competitive in the manufacturing sector due to the slow pace of reforms directed at expanding India's manufacturing footprint. Since 2014, there has been a shift in focus to augment India's manufacturing capabilities.

Globally, there is a strong emphasis on diversifying manufacturing locations, and India has emerged as one of the alternatives due to its large and young workforce, large consumer base, and strategic location. Furthermore, India's expanding domestic market and advancements in technology and infrastructure make it an alternative for companies looking to explore new opportunities. For instance, Foxconn plans to produce 25-30 million Apple iPhones in India in 2025. It further aims to invest USD 1 billion to establish a smartphone display module assembly unit in Tamil Nadu, focusing on Apple's iPhone. Micron Technologies, a global leader in memory chips, is developing a semiconductor facility in Gujarat with an estimated investment of USD 2.75 billion.

India's per capita net national income has doubled, in nominal terms, between 2014-15 and 2022-23. Growing disposable income levels, supported by affordable internet connectivity in metro and tier-one cities, make India an attractive market for B2C companies. India has seen a massive surge in online B2C businesses, with several of them, such as Zepto, Flipkart, Zomato, Cars24, CRED, **and others**, achieving 'unicorn' status. Despite a large number of trade obstacles (as reported to the EU Access to Market system), a majority of Swedish companies (61 per cent) find it profitable to do business in India and hold optimistic sentiments about the future. India's resilient economic growth, accelerating manufacturing capabilities, digitally equipped citizenry and growth in the middle class are likely contributing factors to these trends.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN INDIA IN 2024?

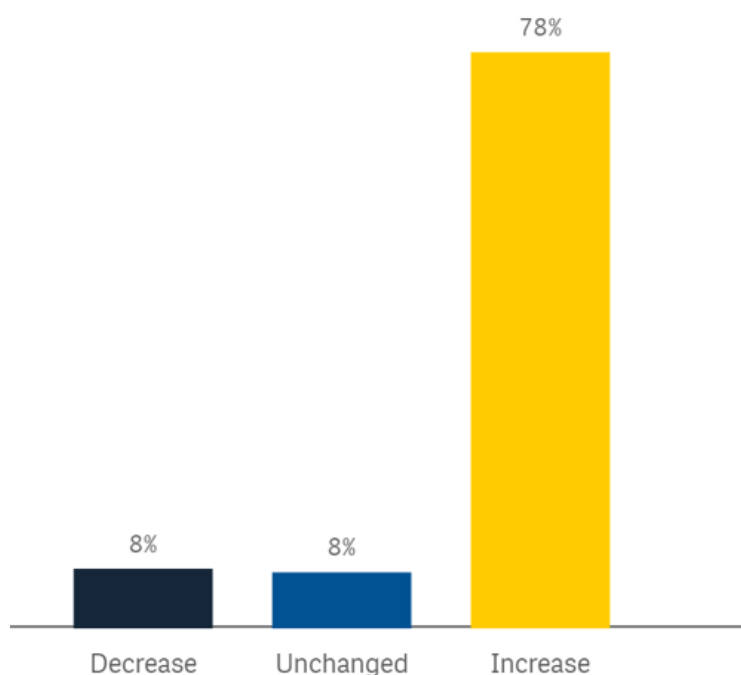


NOTE: The number of respondents for this question was 209. "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

Sixty-one per cent of the surveyed companies responded that their business is profitable, with only 10 per cent reporting a loss and 12 per cent reporting a break-even. We observe that 77 per cent and 62 per cent of large and medium-sized companies, respectively, are profitable, while only 48 per cent of small companies reported profit last year. Across age brackets, 77 per cent and 62 per cent of 'mature' and 'experienced' companies, respectively, are profitable. In contrast, only 37 per cent of 'newcomer' companies are profitable, indicating that profitability is linked to the maturity of the companies in the country.

The positive economic outlook in the Indian economy also synchronises with the optimistic outlook of the surveyed Swedish companies in terms of expectations of growth in turnover in the next year. Seventy-eight per cent of companies expect an increase in their turnover, while only eight per cent expect it to stay unchanged, and eight per cent expect a decrease in turnover. Also, only nine per cent of small companies and seven per cent of newcomer companies expect a decrease in turnover.

COMPARED TO DEVELOPMENTS OVER THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR YOUR INDUSTRY IN INDIA REGARDING TURNOVER OVER THE NEXT 12 MONTHS?



NOTE: The number of respondents for this question was 209. "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

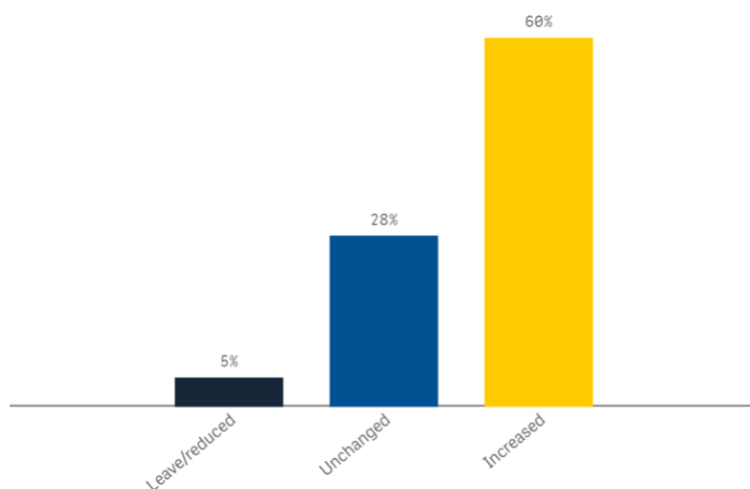
Investment outlook

Foreign direct investments have decreased since 2020, but India still places around the top 20 countries in terms of foreign direct investment net inflows. According to the World Investment Report 2024, India ranked as the fourth largest recipient of greenfield projects, with 1058 project announcements. Countries such as Singapore, the USA, the Netherlands, the UK, and Japan are the biggest contributors to FDI in India.

According to India Briefing, Sweden is the 21st largest investor in India, with cumulative equity FDI inflows amounting to USD 2.59 billion from April 2000 to December 2024. Key sectors of investments include metals, industrial machinery, engineering and electrical equipment, auto components, and software services. Further details of Swedish investments in India are discussed in the next section of the report titled 'The Market.'

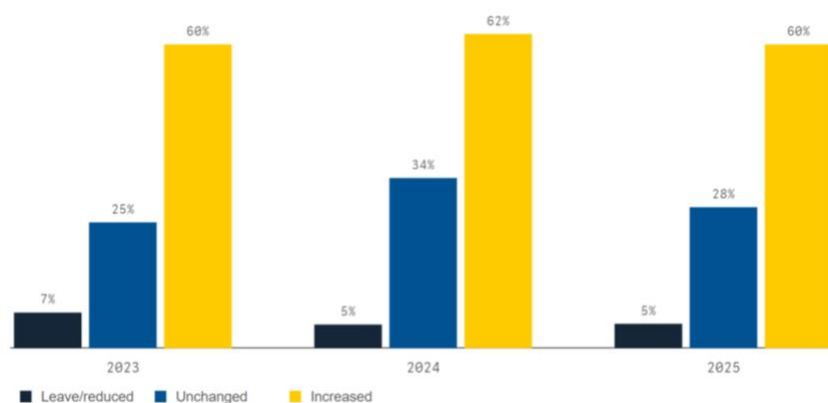
Sixty per cent of companies expect to increase their investments in India in the coming year. The percentage remains close to 60 per cent for companies across size, industry and tenure of operations in India.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN INDIA COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 209. "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025

A year-over-year comparison reveals a continuing trend of optimistic investment plans by Swedish companies, reflecting their confidence in the Indian market.



NOTE: The number of respondents for this question was 209. "Don't know/Not applicable" responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025

THE MARKET

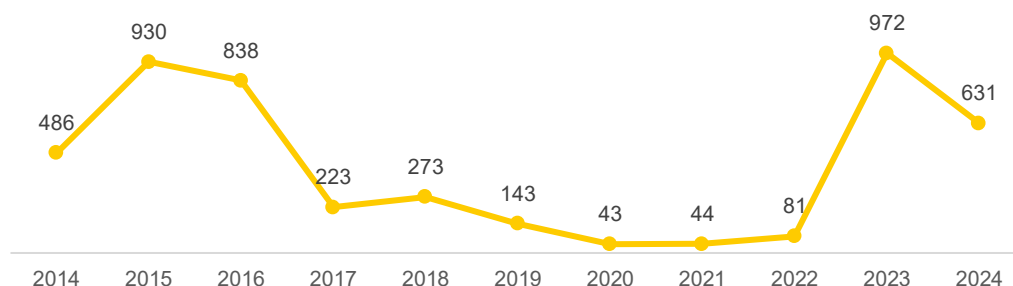
Investments between India and Sweden have rebounded after COVID-19-induced disruptions

India is the third-largest trading partner for Sweden in Asia. Bilateral trade between Sweden and India has risen from USD 2.86 billion in 2016 to USD 6.96 billion in 2024, growing at a CAGR of ~11 per cent. Around 280 Swedish companies have established a business presence in India, although a slight decrease has been noted in the last year. The number of Indian companies considering Sweden as an investment opportunity has grown. Some 70 Indian companies have a business presence in Sweden.

Some of the recent Swedish entrants to the Indian market include **Westermo** (telecommunications), **SyntheticMR** (healthcare), **Brokk** (demolition robots), **Marine Jet Power** (propulsion) and **Crunchfish** (digital cash platform). As can be seen, the entrants encompass a variety of industries, from healthcare to telecommunications to fintech.

A review of the FDI trajectory from Sweden to India reveals that investments saw a sharp dip around 2020-22, understandably due to the impact of Covid-19. However, it witnessed a strong rebound in the following years. Investments in 'metallurgy' and 'automotive OEMs' alone account for close to 63 per cent of total FDI inflows. This is followed by investments in 'industrial equipment' and 'software and IT services'.

YEAR-WISE FDI INFLOWS FROM SWEDEN TO INDIA (ALL VALUES IN USD MILLION)



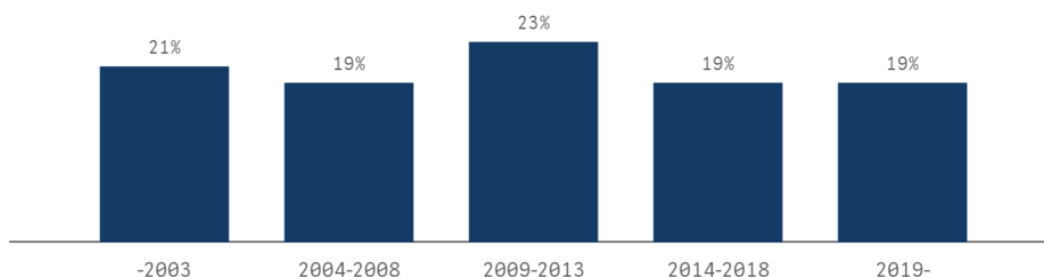
SOURCE: FDI Markets, Financial Times, 2025.

Some of the recent investment plans of Swedish companies focused on India are detailed below:

- **IKEA:** Swedish furniture company IKEA is planning to source 50 per cent of its goods locally and open small format stores in the national capital region of India. IKEA is investing ~USD 877 million in this region.
- **SAAB:** Defence major SAAB is the first company to receive approval for 100 per cent FDI for setting up a manufacturing facility to produce Carl-Gustaf M4 weapon systems in Haryana. The facility would be Saab's first facility outside Sweden for the production of Carl-Gustaf M4 weapon systems.
- **Trelleborg:** Engineered polymer and sealing solutions company Trelleborg plans to open a new facility in Bengaluru and aims to invest USD 30 million between 2023 and 2026.
- **Volvo Group:** Volvo Group has announced the expansion of its manufacturing facility at Hoskote, on the outskirts of Bengaluru, with an expected investment of USD 163 million.

The results of the survey also indicate India's growing attractiveness as an investment destination. Close to 40 per cent of surveyed companies established operations in India in the last decade.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN INDIA?

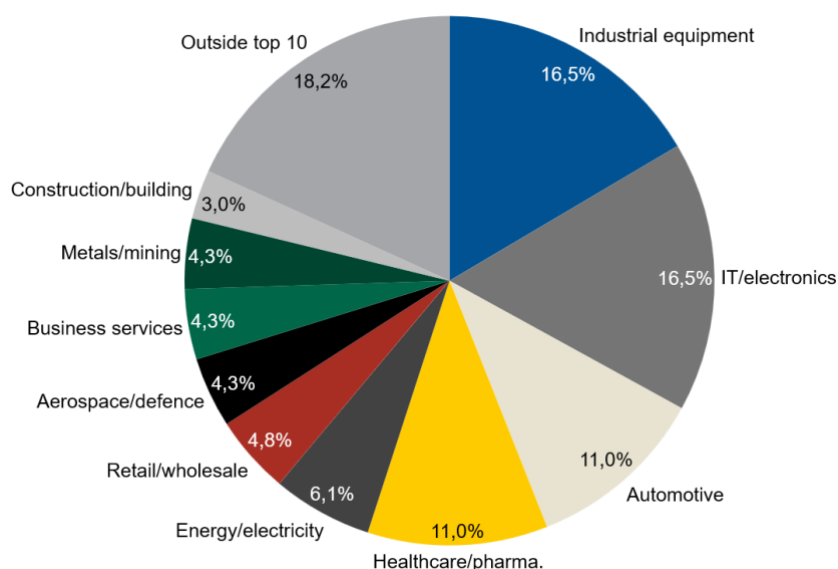


NOTE: The number of respondents for this question was 209. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in India 2025.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN INDIA?

As can be inferred, surveyed companies are mainly present in core sectors such as industrial equipment, IT/electronics, automotive, healthcare and energy.

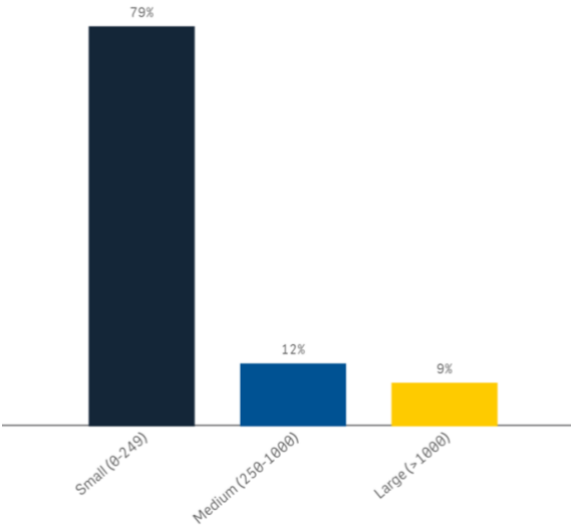


NOTE: The number of respondents for this question was 164. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in India 2025.

SWEDISH COMPANIES' LOCAL NUMBER OF EMPLOYEES IN INDIA IN 2024

A majority of the surveyed companies in India have fewer than 250 employees. However, certain sectors – particularly those with manufacturing operations, such as automotive and auto components, as well as industrial equipment manufacturing tend to employ a larger workforce, typically 250 employees or more. Overall, Swedish companies collectively employ approximately 220,000 people across various industries in India.

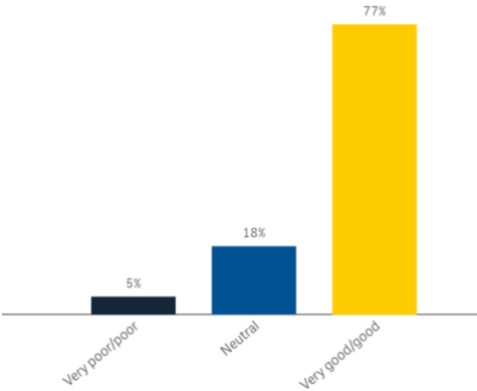


NOTE: The number of respondents for this question was 209. “Don’t know/Not applicable” responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

The perception of India’s business climate

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN INDIA?

Seventy-seven per cent of surveyed companies find the business climate very good/good in India.



NOTE: The number of respondents for this question was 209. “Don’t know/Not applicable” responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

Seventy-seven per cent of surveyed companies rate the business climate as very good or good. This confidence is likely underpinned by India’s strong GDP growth, which continues to position the country among the fastest-growing major economies globally.

Distributors, service providers and digitalisation are key trade enablers

The logistics sector in India has undergone significant transformation with the introduction of Goods and Services Tax (GST) in 2017. GST has helped to simplify taxation and improve supply chain efficiency, enabling faster cross-border movement of goods. Furthermore, the National Logistics Policy, which was launched in 2022, has spurred the development of multi-modal logistics parks to foster a smoother movement of goods. A platform such as the Unified Logistics Interface Programme offers a single window of end-to-end visibility to multiple stakeholders. The logistics industry has embraced IoT devices, with over 200,000 transport vehicles now utilising them for real-time goods tracking. Automation technologies, including warehouse robots and AI-based route optimisation, are helping to cut operational delays by up to 20 per cent. Third-party logistics providers are leveraging technology to share real-time updates on delivery status.

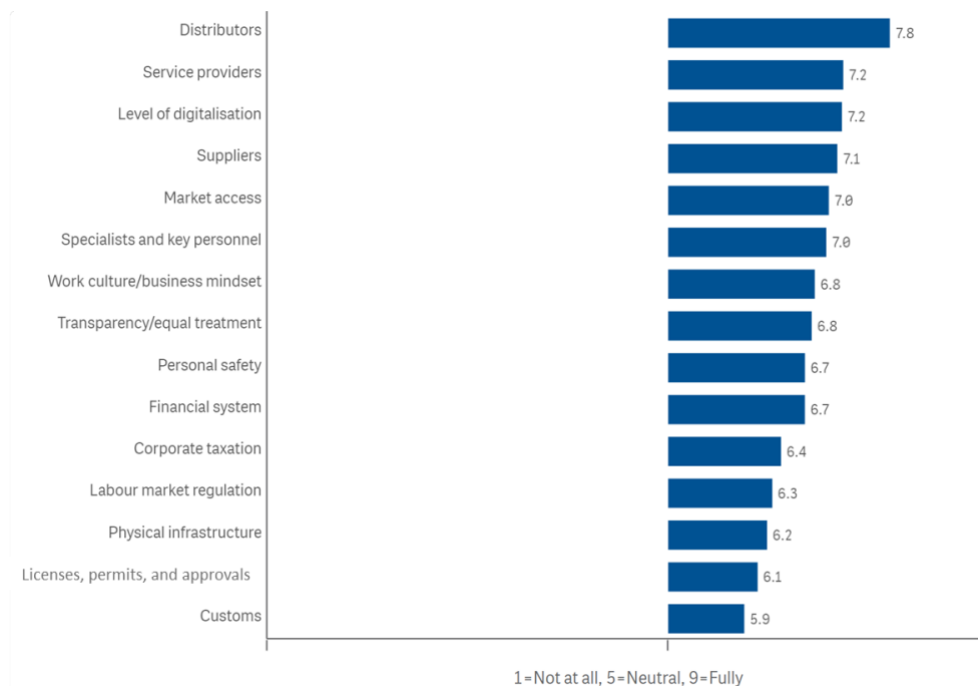
India's distributorship ecosystem for international companies is diverse and dynamic, spanning sectors like automobiles, FMCG, pharmaceuticals, industrial equipment, and e-commerce logistics. Swedish companies use direct, indirect, and hybrid distribution models, often forming strategic partnerships with Indian companies to leverage market knowledge and navigate regulatory complexities. Technological advancements in e-commerce and digital payments have streamlined operations, while networking platforms facilitate connections with reliable local distributors. Overall, the ecosystem is designed to support efficient and compliant distribution of Swedish as well as international products across India.

India has also witnessed the rise of software agencies and startups providing new-age solutions such as cloud services, enterprise solutions, digital marketing, user experience, interface design focused on the logistics industry, and more.

The companies surveyed reported satisfaction with working with distributors and service providers. The scores have also improved on the level of digitalisation, complementing the emphasis on 'Digital India' and 'Industry 4.0.'

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN INDIA?

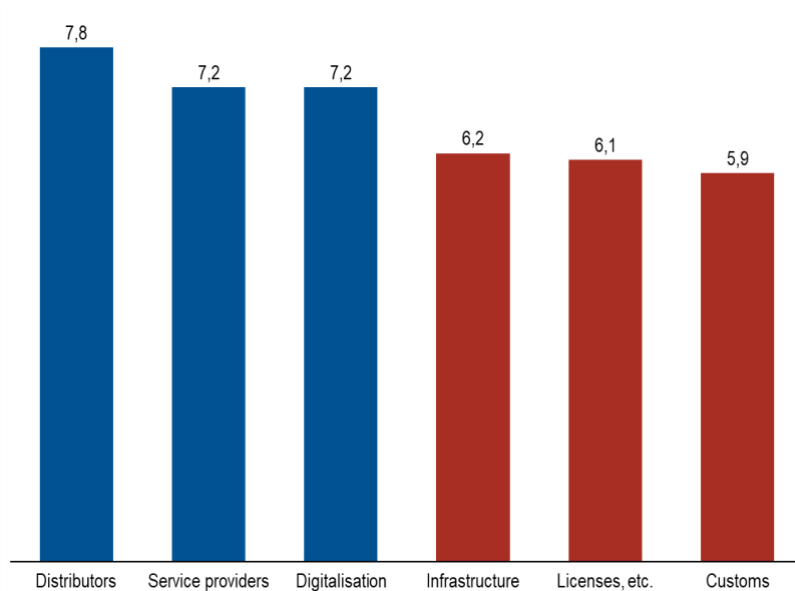
The surveyed companies have responded with some level of satisfaction on a majority of the parameters aimed at assessing the local conditions of doing business in India. The companies report greater satisfaction in working with distributors and service providers and a higher level of digitalisation.



NOTE: The number of respondents for this question was 209.

SOURCE: Business Climate Survey for Swedish companies in India 2025.

Despite ongoing reforms, India's business environment continues to face challenges such as high logistics costs and inadequate physical infrastructure, fragmented and inconsistent implementation of licensing and permit processes across states, and procedural complexities in customs—particularly under schemes like MOOWR and valuation of used capital goods—which collectively hinder operational efficiency and investor confidence.



NOTE: The number of respondents for this question was 209.

SOURCE: Business Climate Survey for Swedish companies in India 2025.

Regulations and customs continue to be major trade barriers

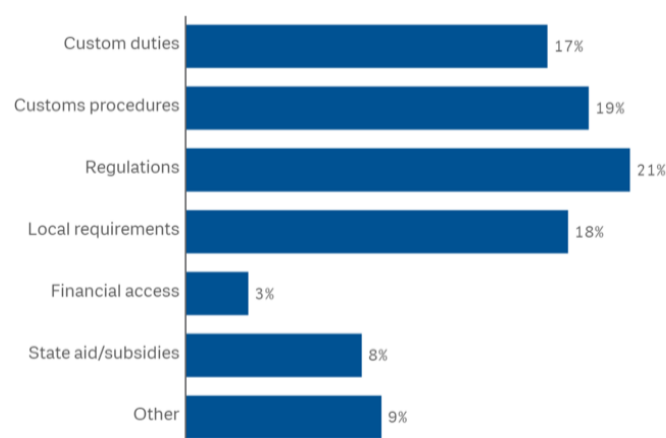
Regulations are a major trade barrier highlighted by 21 per cent of surveyed companies, followed by customs procedures, customs duties, and local requirements. Swedish companies find the Indian regulatory environment challenging due to the following reasons:

- **Complex and fast-changing regulations:** India's regulatory framework is intricate and constantly changing. Companies must stay updated with frequent changes in laws and regulations, which is resource-intensive. Many companies report that dedicated staff and the use of external consultants for this purpose are essential.
- **Sector or state-specific regulations:** Different industries are governed by specific regulatory bodies and compliance requirements, and on similar lines, regulations can vary significantly between states. Companies must navigate both central and state-specific laws, which can complicate compliance efforts.
- **Taxation:** The corporate tax rate in India is currently around 25 per cent for domestic companies and 30 per cent for foreign companies, excluding surcharges and cess. Although the Goods and Services Tax (GST) has streamlined indirect taxation, companies are required to stay updated with frequent changes.

Custom procedures and duties in India have seen improved ratings from companies from 42 per cent and 27 per cent in 2024 to 17 per cent and 19 per cent this year, reflecting the government's significant reforms over the past two to three years. Key initiatives such as the implementation of the Faceless Assessment System have streamlined customs processes by reducing human intervention and expediting clearances.

The most pressing regulatory challenge for Swedish companies is the implementation of Quality Control Orders (QCOs). Around 190 orders have been issued to date, covering around 900 products across a wide range of sectors. These QCOs will require Swedish firms to reassess their product compliance with Indian standards under the Bureau of Indian Standards (BIS) framework. The Indian government aims to expand QCO coverage to over 2,000 products in the coming years, with the broader goal of ensuring product quality, reducing import dependency, and aligning with the vision of making India a developed, self-reliant economy by 2047.

HAS YOUR COMPANY, IN THE PAST YEAR, ENCOUNTERED TRADE BARRIERS IN INDIA WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS IN ANY OF THE FOLLOWING AREAS?

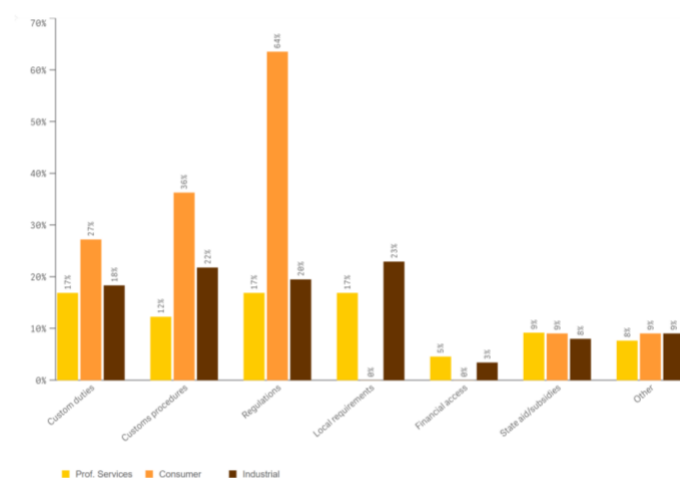


NOTE: The number of respondents for this question was 209.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

A noteworthy observation is that regulations, customs procedures and local requirements are the top three barriers that Swedish companies encountered collectively in the past year, whereas if broken down by industry, the majority of consumer companies have reported stringent regulations,

complex customs procedures, and high customs duties as top three barriers for their industry in India. The regulatory environment includes diverse product standards and safety requirements, while customs processes can be lengthy and unpredictable, often involving extensive documentation. High tariffs on consumer goods increase costs, making imported products less competitive in the price-sensitive Indian market. Additionally, non-tariff barriers like import licensing and technical certification add to compliance challenges, collectively making it harder for consumer companies to operate efficiently in India compared to their B2B counterparts.

Industrial companies engaged in manufacturing operations in India reported regulations, local content requirements, and customs procedures as trade barriers in the country. India's regulatory framework, while evolving to support economic growth, can be complex due to variations across sectors and states. Local content requirements, which are aimed at promoting domestic manufacturing and self-reliance, often require adjustments in sourcing strategies for Swedish companies. Customs procedures, though improving with digitalisation and reforms, still require detailed documentation and varying timelines.



NOTE: The number of respondents for this question was 209.

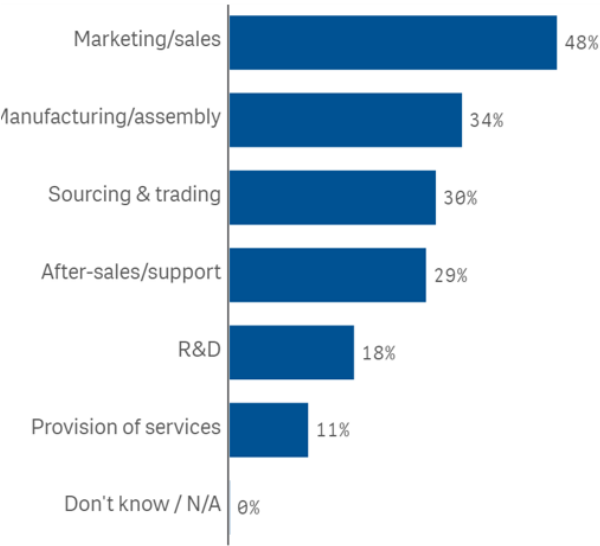
SOURCE: Business Climate Survey for Swedish companies in India 2025.

HOW SWEDISH COMPANIES SUCCEED IN INDIA

Sales and marketing continue to be the major operating activities

Overall, sales and marketing, manufacturing and/or assembly and sourcing and trading are the top three operations carried out by Swedish companies in India. Swedish companies prioritise sales and marketing operations in India due to the country’s vast consumer base and growing demand across sectors. Establishing these functions allows firms to enter the market with relatively low investment while building brand presence and understanding local preferences. Meanwhile, manufacturing and/or assembly is the second biggest operation of Swedish companies in India.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



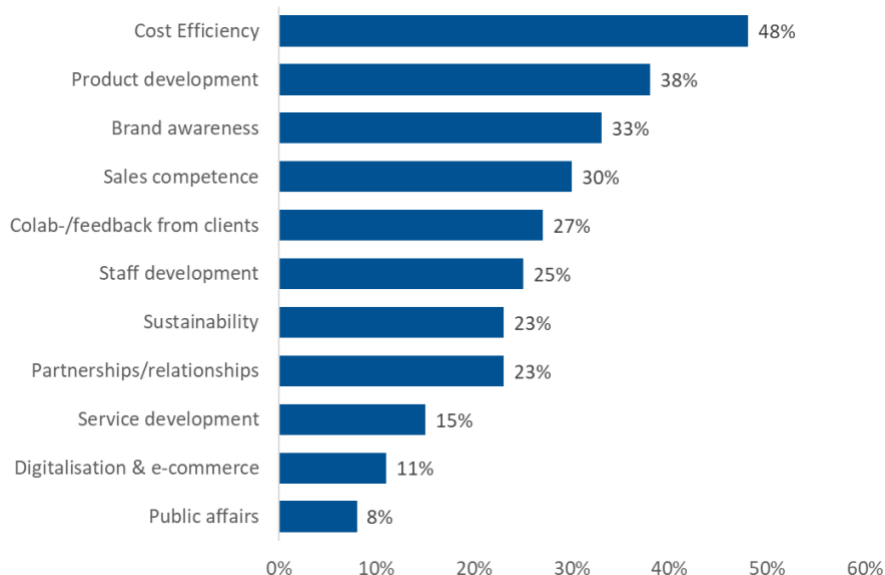
NOTE: The number of respondents for this question was 209. “Don’t know/Not applicable” responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

Cost efficiency continues to be a critical factor in sustaining competitiveness in the Indian market

India continues to be perceived as a cost-sensitive market, and survey results reaffirm that cost efficiency remains a crucial factor for companies striving to maintain competitiveness. However, a notable trend this year is the decline in the percentage of companies citing cost efficiency as a key factor – from 58 per cent last year to 48 per cent – suggesting that other strategic priorities are gaining prominence. Among these, sales competence, collaboration and feedback from clients, sustainability, and product development have seen a marked increase in importance. This shift highlights the growing need for companies to understand client needs deeply and develop products that reflect customer feedback and expectations. Additionally, the continued rise in the importance of sustainability over the past two years underscores the increasing value placed on environmentally responsible products within the Indian business ecosystem.

An analysis of industry-wise responses reveals that cost efficiency remains a consistently important factor across all three sectors – industrial, professional services, and consumer. However, the second and third priorities vary by industry. For industrial companies, sales competence in India is identified as the second most important factor for maintaining competitiveness, followed by product development and collaboration or feedback from customers. In the professional services sector, the emphasis shifts to tailored services and adaptation as the second key factor, with brand awareness ranking third. Meanwhile, consumer companies prioritise collaboration with or feedback from customers and brand awareness after cost efficiency, with partnerships and local industry relationships following closely behind.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN INDIA?



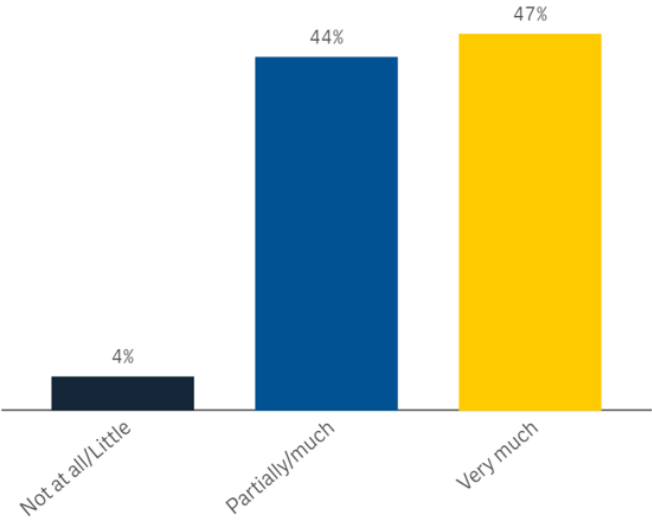
NOTE: The number of respondents for this question was 209. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in India 2025.

The Swedish brand continues to be important

Around 91 per cent of the surveyed companies believe that the Swedish brand contributes to their business in India. This is in conformity with the generally accepted notion that Swedish businesses develop quality-compliant products. The percentage remains high, irrespective of company size, industry, and tenure of operations in India.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE ‘SWEDISH BRAND’ CONTRIBUTES TO YOUR BUSINESS IN INDIA?



NOTE: The number of respondents for this question was 209. “Don’t know/Not applicable” responses are included but not shown in this figure.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

ACTING SUSTAINABLY

Taking strides towards sustainability

India is the seventh most vulnerable country to climate change, as per the Economic Survey 2024-25. The country is highly susceptible to extreme weather events, rising sea levels, biodiversity loss, and water insecurity. On average, during 2022-2024, India experienced heatwaves on 18 per cent of days compared to five per cent of days in 2020 and 2021. Additionally, India is the third largest emitter of CO₂, accounting for seven per cent of global CO₂ emissions.

The Indian government has been taking measures to curb this. India aims to achieve net-zero emissions by 2070. As a party to the United Nations Framework Convention on Climate Change (UNFCCC) and Paris Agreement, India submitted its Nationally Determined Contribution (NDC) in the year 2015 that commits to reducing the emissions intensity of its GDP by 33 to 35 per cent by 2030 from 2005 level, and achieve about 40 per cent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030.

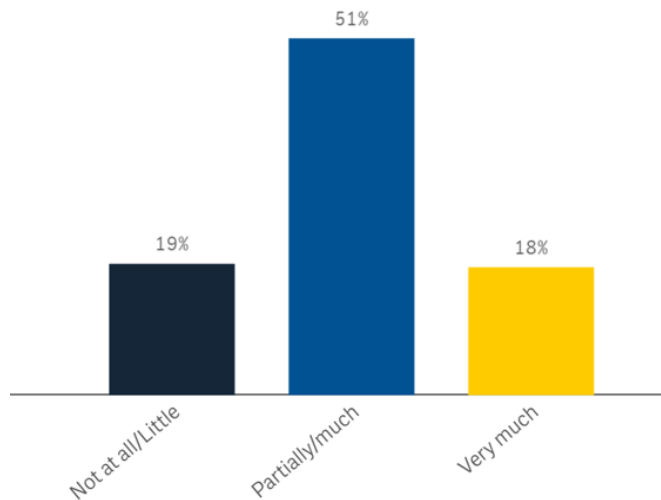
India has already achieved a 33 per cent reduction in the emissions intensity of its GDP by 2023 and now strives to realise a more ambitious target of reducing the emissions intensity by 45 per cent by 2030. To realise its clean energy goals, India aims to install 500 GW of renewable energy by 2030. India has shown progress in this commitment as well. It has already achieved 220 GW of renewable energy capacity as of 2024, signifying concrete progress in this aspect. With an existing electricity generation capacity of 452 GW, renewable energy contributes roughly 50 per cent to the cumulative capacity.

A welcome trend is the growing significance of environmental, social, and governance (ESG) reporting. It commenced with the Securities and Exchange Board of India (SEBI) mandating that the top 1,000 listed companies report ESG compliance under Business Responsibility and Sustainability Reporting (BRSR) as part of SEBI (LODR) Regulations in 2015. With ESG reporting in place, the companies are recognising and addressing scope 1, 2, and 3 emissions and identifying pragmatic measures to curb each of these emissions. This has spurred the adoption of renewable energy in the companies' energy portfolio, and circular economy practices centred around resource efficiency, use of energy-efficient products and equipment, green manufacturing technologies, and partnerships with green suppliers to address scope 3 emissions.

Financial instruments such as green bonds, sustainability-linked loans, transition bonds, etc., are playing a crucial role in providing the required funding to help industries implement the green transition. The Carbon Credit Trading Scheme (CCTS) is a market-based mechanism to regulate and trade carbon credits under the Indian Carbon Market (ICM). CCTS offers carbon credit certificates for each tonne of CO₂ equivalent reduction. Furthermore, global regulations such as the Carbon Border Adjustment Mechanism (CBAM) are providing impetus for the aluminium and steel industries to undergo the green transition.

The findings from the Business Climate Survey reveal that over 69 per cent of surveyed companies believe that their customers consider environmental aspects of their product/service while making purchasing decisions. This could be partly attributed to the efforts of Indian companies to reduce their scope 3 emissions and collaborate with sustainable partners.

TO WHAT EXTENT DO CUSTOMERS IN INDIA CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



NOTE: The number of respondents for this question was 209. "Don't know/Not applicable" responses are included but not shown in this figure.

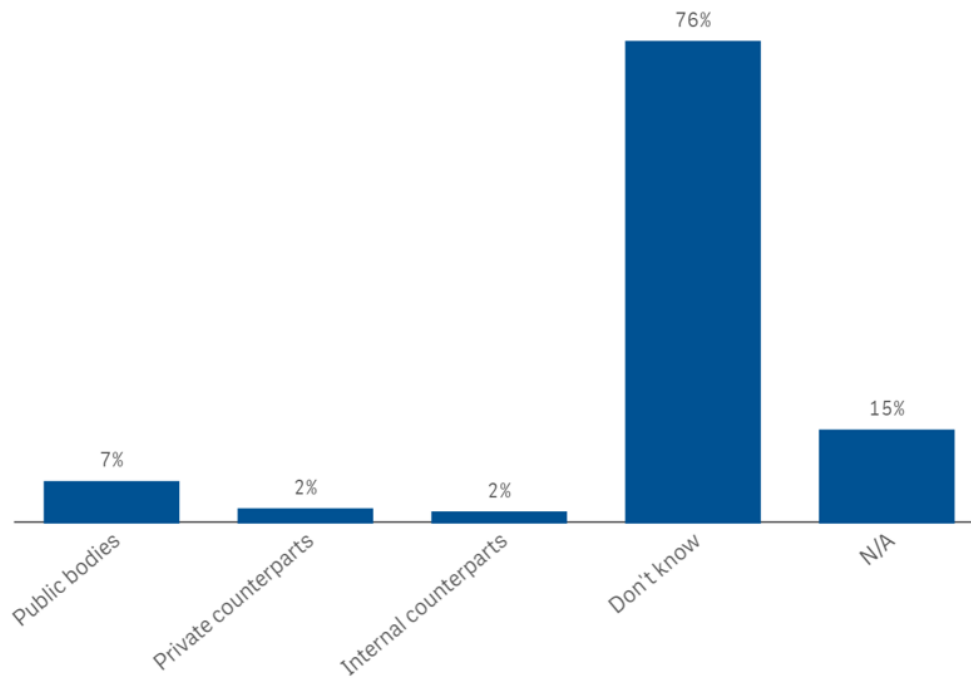
SOURCE: Business Climate Survey for Swedish companies in India 2025.

While India has taken strides to reduce corruption, it needs closer monitoring

While a vast majority of the surveyed companies have marked "Don't know" or "Not Applicable" as their response, seven per cent of them have encountered corruption when dealing with public bodies, while four per cent of companies have encountered corruption when dealing with private and internal counterparts. Transparency International scores India at 38 out of 100 on its *Corruption Perceptions Index* and ranks India 96 out of 180 countries.¹ The Indian government has implemented several initiatives to curb corruption that are particularly relevant for companies. The introduction of e-governance and e-tendering in public procurement processes has increased transparency and reduced opportunities for corruption. The Government e-Marketplace (GeM) facilitates transparent and efficient procurement of goods and services by government departments. Amendments to the Prevention of Corruption Act in 2018 criminalise the act of giving bribes and create vicarious liability for senior management in cases of corruption. The Central Vigilance Commission (CVC) has adopted a multi-pronged strategy, including punitive, preventive, and participative vigilance, and recommends the adoption of Integrity Pacts in major procurement activities. Additionally, the Right to Information (RTI) Act empowers citizens and companies to access information held by public authorities, promoting transparency and accountability. These initiatives collectively aim to create a more transparent and accountable business environment in India.

¹ Transparency International's *Corruption Perceptions Index* ranks 180 countries and territories worldwide by their perceived levels of public sector corruption. The results are given on a scale of 0 (highly corrupt) to 100 (very clean).

HAS YOUR COMPANY IN INDIA BEEN EXPOSED TO CORRUPTION, SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACT WITH ANY OF THE FOLLOWING AREAS?

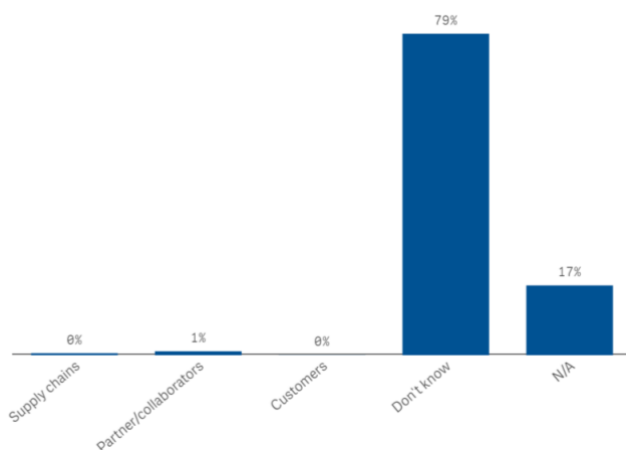


NOTE: The number of respondents for this question was 209.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

Human rights and labour rights violations are not commonly encountered by surveyed companies

Here, 96 per cent of respondents have chosen “Don’t know” or “Not applicable” options, which may indicate a lack of direct experience with such issues. At the same time, one per cent of the surveyed companies have faced some form of violation with a partner/collaborator in India. Also, India has implemented a robust framework to protect human and labour rights, encompassing constitutional provisions, comprehensive labour codes, and adherence to international conventions. The Constitution guarantees fundamental rights such as equality, freedom of association, and protection against exploitation. The four major labour codes – Code on Wages, Industrial Relations Code, Social Security Code, and Occupational Safety, Health, and Working Conditions Code – ensure fair wages, safe working conditions, and social security benefits. India is also a signatory to key international conventions like the Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, and International Labour Organisation conventions, which shape its policies. Judicial precedents further reinforce these rights, ensuring dignified and humane treatment for all workers.

HAS YOUR COMPANY IN INDIA ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN CONTACT WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 209.
SOURCE: Business Climate Survey for Swedish companies in India 2025.

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