



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN INDIA 2022

A REPORT FROM TEAM SWEDEN IN INDIA

KEY CONTRIBUTORS TO THIS REPORT

Business Sweden

Swedish Chamber of Commerce, India

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FOREWORD

Welcome to the 2022 Business Climate Survey report highlighting Swedish companies' experience of doing business in India and their perception of the local market conditions. This survey is conducted as part of the Global Business Climate Survey, a collaboration between Business Sweden and Swedish Chambers International.

Swedish companies have been operating in India for over 120 years; half of the current 240 Swedish companies in India have entered the country in the last twelve years. Together, the company group employs more than 200,000 people directly and 2,200,000 indirectly. The group is active in various strategic sectors, building long-term, sustainable, and meaningful businesses across the country.

In total, 172 companies (~72 per cent of total companies surveyed) participated in this survey. Thank you to all of you who took the time to participate in the survey and contributed with your thoughts and experience.

Sweden and India work together in key strategic areas with a growing emphasis on co-creating sustainable and inclusive growth leveraging innovation and entrepreneurial ecosystems across both countries. These topics were also on the top of the agenda when our two Prime Ministers met at the Second India-Nordic Summit, which was held in Copenhagen, Denmark in May 2022. LeadIT, the International Solar Alliance, and our innovation partnership are among the important initiatives, where India and Sweden are jointly leading the way in the post-pandemic environment. The recently reinitiated discussion on a Free Trade Agreement between the EU and India is another important step in the right direction.

We hope that this report will give you a useful overview of the business environment in India, especially for the companies that have not yet entered the Indian market. We in Team Sweden India stand ready to welcome you!



Cecilia Oskarsson
Trade & Invest
Commissioner of
Sweden to India



Sara Larsson
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Swedish Chamber of
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EXECUTIVE SUMMARY



COVERAGE

- **72** per cent of the Swedish companies in India answered the survey
- **46** per cent of the respondents are large companies followed by 34 per cent small companies and 20 per cent medium-sized companies



ECONOMIC OUTLOOK

- **62** per cent reported profitability in 2021
- **60** per cent plan to increase the investment in India during the upcoming year
- **81** per cent expects that their turnover in India would increase in the upcoming 12 months



BUSINESS CLIMATE

- **67** per cent describe the business climate in India as good or very good
- **Advantages:** easy availability of service providers, distributors, suppliers, specialists, and key personnel, improved market access, and positive work culture
- **Suggested improvement areas:** licenses, permits & approvals, and physical infrastructure



KEY SUCCESS FACTORS

- **75** per cent believe that the "Swedish brand" stands strong and contributes to their success
- **Important factors in maintaining competitiveness in the country** are cost efficiency and rapid action on customer feedback



SUSTAINABILITY

- **50** per cent of participants' customers consider environmental aspects of products/services while making purchase decisions

ABOUT THE SURVEY

Companies with varied sizes, industries, and age took part in the survey

The Business Climate Survey is a proven tool used by Team Sweden to gain insight into the current business environment, map opportunities, and highlight challenges being faced by Swedish companies while doing business across the world.

Spearheaded by Business Sweden and the Swedish Chamber of Commerce India, Team Sweden in India carried out this survey in March-April 2022 to track how the Swedish companies operating in India perceive the business climate, economic situation, and market development opportunities in the country.

All of the 240+ Swedish companies in India were invited to participate in this survey and 172 companies responded to the survey, resulting in a response rate of ~72 per cent . The companies rated their experience of economic prospects, key success factors, opportunities, and challenges of doing business in India.

This report constitutes of four main sections. The first section provides insights into the economic performance of Swedish companies in India, including their outlook for the coming year. It is followed by companies' views on the Indian market and the current business environment. The third section covers operations and perceived success factors in the market, and the last section explores sustainability-related aspects including country dynamics, customers' preferences, and the role sustainability plays in Swedish players' growth journey.

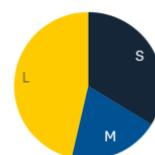
Around 46 per cent of the respondent, companies are considered large with a global turnover exceeding USD 50 million and/or 1000+ global employees, while 20 per cent of the companies are medium-sized with a global turnover of between USD 11-50 million and/or the number of employees between 250-1000. The rest 34 per cent are small companies.

In terms of business areas, the majority of the respondents are industrial companies (48 per cent), followed by professional services companies (31 per cent) and consumer companies (six per cent).

Recent entrants i.e. companies established in India after 2016, constitute 20 per cent of the respondents, compared to 46 per cent experienced companies that are established during 2006-2015 and 34 per cent mature that are established before 2005.

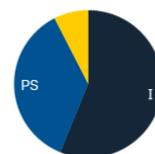
We hope that this report will provide valuable insights into how Swedish companies perceive the current business environment and ease of doing business in India.

SIZE OF COMPANIES



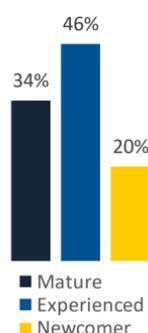
NOTE: Small: 0-249, Medium: 250-1000, Large: >1000

MAIN INDUSTRY



NOTE: Professional Services: 31%, Consumer: 6%, Industrial: 48%; others: 15%

AGE OF COMPANIES



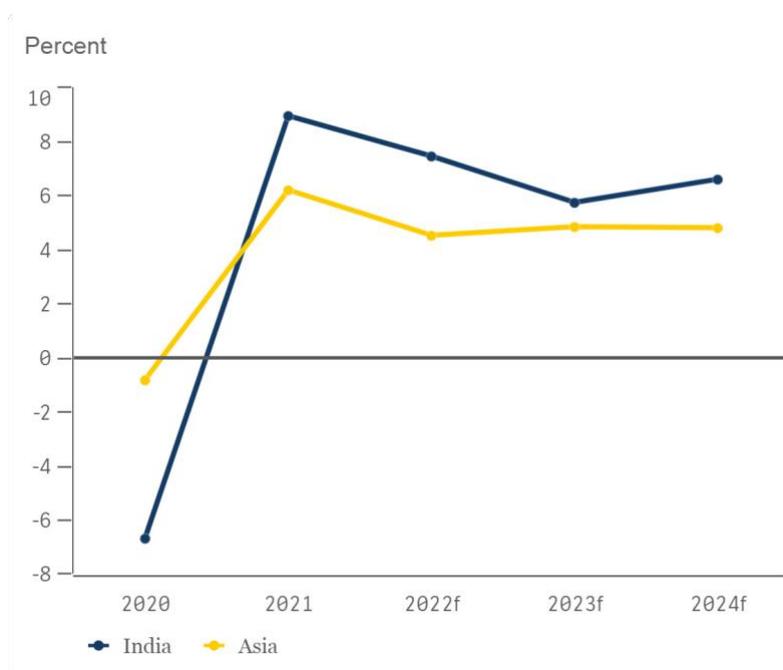
NOTE: Mature (-2005). Experienced (2006-2015). Newcomer (2016-)

ECONOMIC OUTLOOK

Rapid pace of economic expansion

India is the sixth largest economy globally, with a real GDP of USD 2.7 trillion as per the World Development Indicators (WDI) for 2020. The country is the third largest economy in Asia after China and Japan and is witnessing strong GDP growth (~8 per cent) driven by the rise in private consumption and an increase in infrastructural investment. Private consumption and investments together contribute up to 70 per cent of the Indian economic activity.

PROJECTED GDP GROWTH IN INDIA



SOURCE: Oxford Economics, GDP, real annual growth, Last update 28 Apr 2022

India was among the worst-hit economies during the pandemic led global economic slowdown. In 2020, India's GDP contracted by approximately 6.6 per cent, whereas the GDP of the whole Asia region contracted by only two per cent. However, with the efficient roll-out of vaccination across the country, along with government support, the Indian economy quickly rebounded and overtook Asia Pacific's GDP growth rate in 2021. The key government-initiated reforms and support for businesses included credit guarantee schemes, PLI schemes, Emergency Credit Line Guarantee schemes, and others. As a result, the country's economic output returned to the pre-pandemic level by the second quarter of 2021 and the GDP growth rate touched 8.9 per cent against Asia's GDP growth of ~6 per cent. As per the Reserve Bank of India's analysis of the top 10,000 listed companies, businesses have been witnessing consistent net profit to sales growth over the past year and have significant cash reserves.

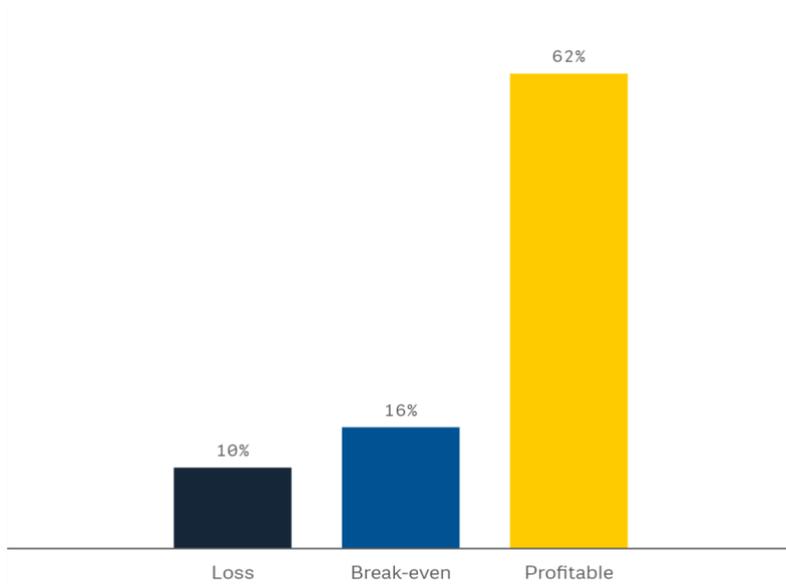
Indian economy is set for a growth phase in the coming years. As per the World Bank's national accounts data, India is poised to witness a GDP growth of 7-8 per cent over the next decade and is likely to become the world's third-largest economy by 2030, with a GDP of USD 8.4 trillion. Though India is witnessing sporadic investment growth partly due to supply chain disruptions and global uncertainties, industrial and services activities are anticipated to remain in the expansionary zone as per recent Purchasing Managers' Index (PMI) numbers for India (Source: CMIE). The growth of these two sectors indicates the overall growth of Indian GDP since the collective contribution of these two sectors' GVA is more than 75 per cent of the country's GDP.

Despite the impact of the pandemic fading on the economy, the Indian government has continued fiscal support to the economy. In the Union Budget 2022-23, the Indian Government has set goals to focus on growth and all-inclusive welfare, to promote technology-based development, energy transition, and climate actions, and to encourage private investment complemented by public capital investments.

The union budget also aims to strengthen the infrastructure with its focus on four priorities including:

- Leverage PM GatiShakti Program for infrastructure development – Launched in 2021, the program aims to integrate multiple standalone government infrastructure programs. Under the program, the Government of India is developing infrastructure projects under various Ministries of Roads & Highways, Energy, Waterways, Airports, Social & Commercial Infrastructure, etc. Currently, 9300+ projects are registered with an outlay of USD 2 Trillion.
- Inclusive development – High priority for taking along all sections on the path of development. The government ensured that agriculture & allied sectors and MSMEs would be given equal opportunities to grow in the coming future
- Productivity Enhancement & Investment, Sunrise opportunities, Energy Transition, and Climate Action – focussed to promote ease of living and doing business and attaining the vision of promoting energy transition and climate action in the country.
- Financing of investments – to focus on strong capital formation in the economy and also to build a robust incentives structure in the manufacturing sector.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN INDIA IN 2021?



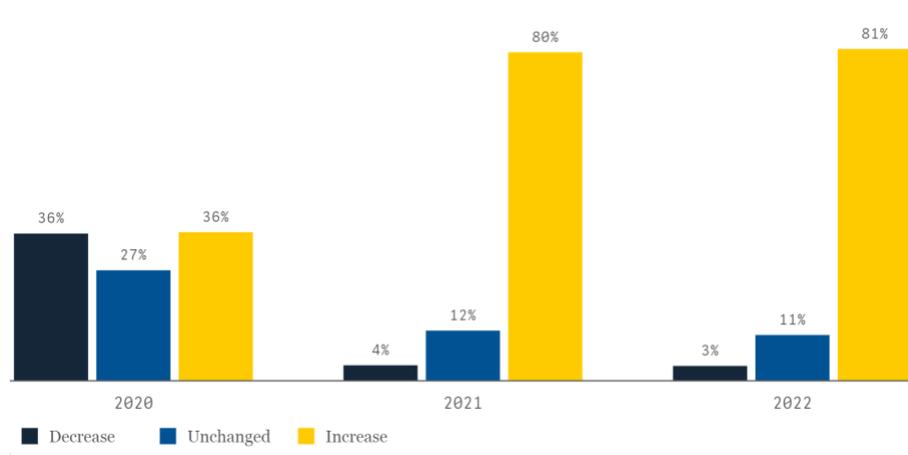
NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

Swedish companies operating in India have been witnessing steady growth in profitability year over year. In 2020, despite the decline in growth of the Indian economy and countrywide lockdowns, 52 per cent of companies reported profitability, which has further increased to 62 per cent in 2021 whereas, 16 per cent were able to break even. Only 10 per cent of respondents reported a loss in 2021 as depicted in the figure above.

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN INDIA REGARDING TURNOVER?

TURNOVER WILL BE...



NOTE: Decrease and increase represent aggregations of slight/significant development changes. The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

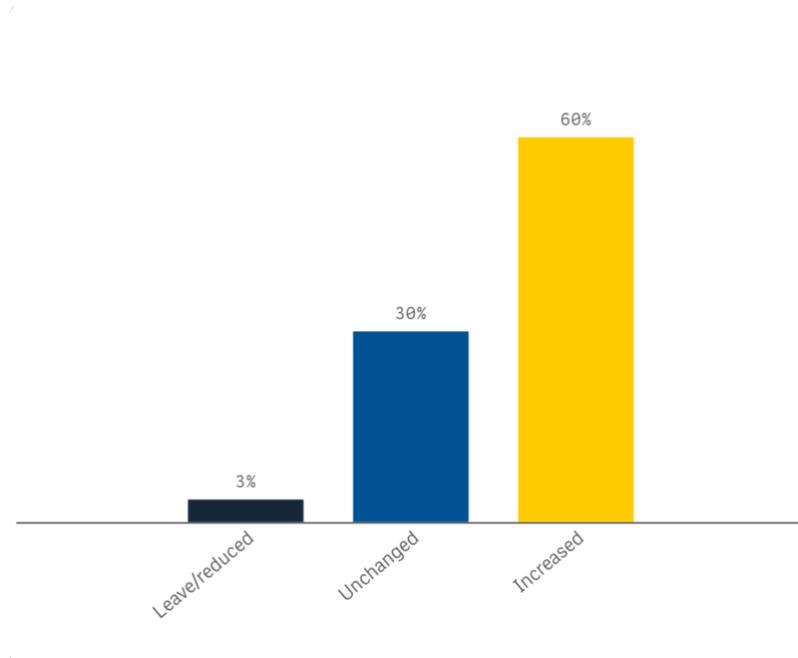
Swedish companies are becoming more optimistic about their financial performance improvement in the coming year. The BCS survey 2020 was conducted before the Covid pandemic struck the global market and despite this fact, the Swedish companies in 2022 anticipate a better financial growth rate in the coming year (2023) compared to the pre-pandemic year 2020. In 2022, 81 per cent of companies reported that their turnover is likely to go up slightly or significantly in the coming 12 months whereas, in 2020, only 36 per cent of respondents were expecting the increase in turnover.

Strong investment plans by international players in India

India has been a preferred destination for international companies for a long time, and the recent upsurge in the inflow of funds into the country is quite remarkable and encouraging. India jumped one position to seventh among the top recipients of foreign direct investment (FDI) in the last calendar year (2021) according to the United Nations Conference on Trade and Development (UNCTAD), with a total FDI inflow of USD 45 Bn. In terms of new international projects, the renewables segment witnessed the announcement of the maximum number of projects (23) in the same year. India remains a hotspot for investments for many countries and likewise attracts Swedish companies. Swedish companies collectively invested approximately USD 2 Bn in India between 2015 and 2020. It is anticipated that in the next two years i.e., 2021 and 2022, this investment would be approximately USD 1 Bn, which is half of the investment during the last five years.

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

INVESTMENTS WILL BE...



NOTE: Reduced and increased represent aggregations of slight/significant development changes. The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022.

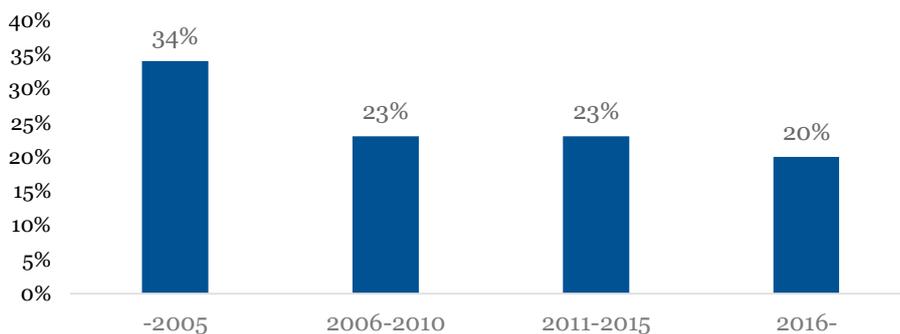
The majority of Swedish companies are very optimistic about the Indian market and plan to expand operations; 60 per cent are looking forward to increasing investments during the upcoming 12 months. Whereas, 30 per cent of companies reported they will neither increase nor decrease their investments in the Indian market. Meanwhile, only three per cent indicated they will significantly or slightly reduce their investment in the coming year, while only one per cent say they will leave the market.

THE MARKET

India emerging as a preferred destination for foreign investment owing to improving regulatory scenario and strong local demand

India accounts for 18 per cent of the global population at present and is likely to be the world's most populous country by 2023. The GDP per capita of the Indian population has quadrupled in the last 20 years to USD 2,277. Today, India is considered to be one of the major forces in the global economic market. Though India is a developing economy, its economy has a major impact on global trading. The huge market base and fast-developing spending habits of the middle-class population make India a preferred investment destination and a priority market for international companies.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN INDIA?



NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022.

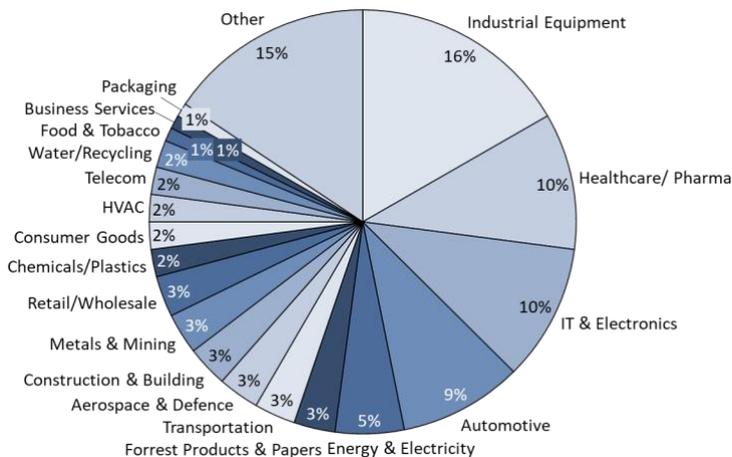
The business relations between India and Sweden were established at the beginning of the 20th century, when Ericsson, SKF, Swedish Match, and, ASEA entered the country. Whereas, the second wave of companies entered India in 1960-70 and made Pune an industrial hub; Alfa Laval, Tetra Pak, Sandvik, and Atlas Copco were among the major companies that entered during this phase. The third and fourth wave of companies entered India in 1980-90 and early 2000s respectively including Volvo Trucks & Buses, Perstorp, IKEA, Volvo Cars, and Scania.

Over 40 per cent of companies in this survey established operations on the Indian market in the past 10 years compared to 30 per cent in a decade before. These companies are predominantly small- or medium-sized and are active within industrial and professional services.

There has been a high level of activity when it comes to prospects of growth in India. The government is also working on various initiatives to promote the manufacturing industry in India. Ease of doing business is another area that is supporting and attracting investors into India.

Swedish Engineering Company in India

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN INDIA?



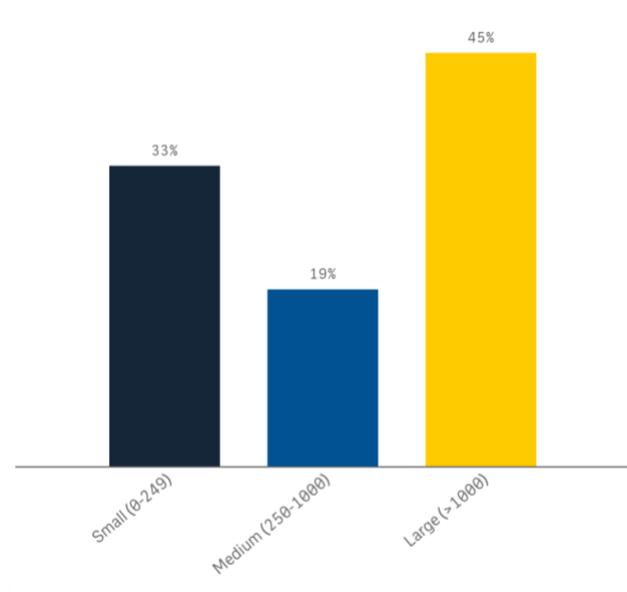
NOTE: The number of respondents for this question was 171. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022.

India encourages multinational partnerships, alliances & joint ventures to secure FDI across sectors and has been continuously opening sectors to propel GDP growth and improve ease of doing business. Healthcare/pharma, Industrial equipment, automotive and IT are among the preferred sectors for entry and growth of Swedish companies in India. Under the Industrial equipment sector, a diverse range of Swedish companies engaged in the manufacturing of machinery & equipment, construction material, metal and plastic products, and automation technology products are present in the country.

The industrial equipment sector (16 per cent) is followed by Healthcare/ pharmaceuticals (10.5 per cent), IT & Electronics (10.5 per cent), Automotive (8.8 per cent), and Energy/ Electricity (5.3 per cent).

THE NUMBER OF GLOBAL EMPLOYEES IN YOUR COMPANY IN 2022

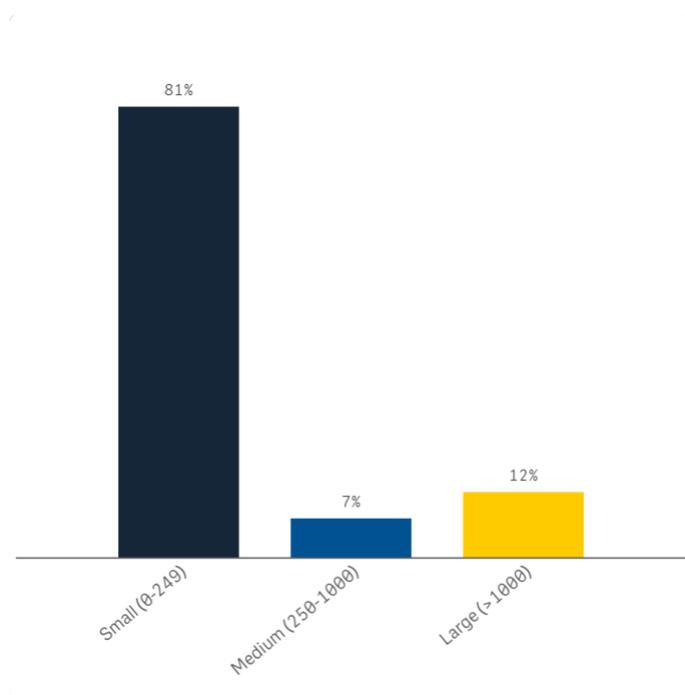


NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022.

Looking at the presence of Swedish players in terms of the size of the company, the highest share (45 per cent) is captured by companies with more than 1000 global employees. The recent surge in the number of Swedish startups and SMEs venturing out of Sweden to global markets, resulted in companies less than 250 employees accounting for the second largest share (33 per cent). Mid-tier companies with global employee strength between 250 and 1000 represent the lowest share (19 per cent) in terms of total respondents.

LOCAL NUMBER OF EMPLOYEES IN INDIA IN 2022



NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022.

India is gradually emerging as a key export market for Swedish companies, attributed to the improvement in ease of doing business, infrastructure development, and strong private consumption. Around 50 per cent of the current 240 companies have entered India in the last twelve years and have been strengthening their presence in the country. Hence, 81 per cent of the companies employ between 0-249 local employees, whereas seven per cent employ 250-1000 employees, followed by 12 per cent who have a local workforce of over 1,000 people.

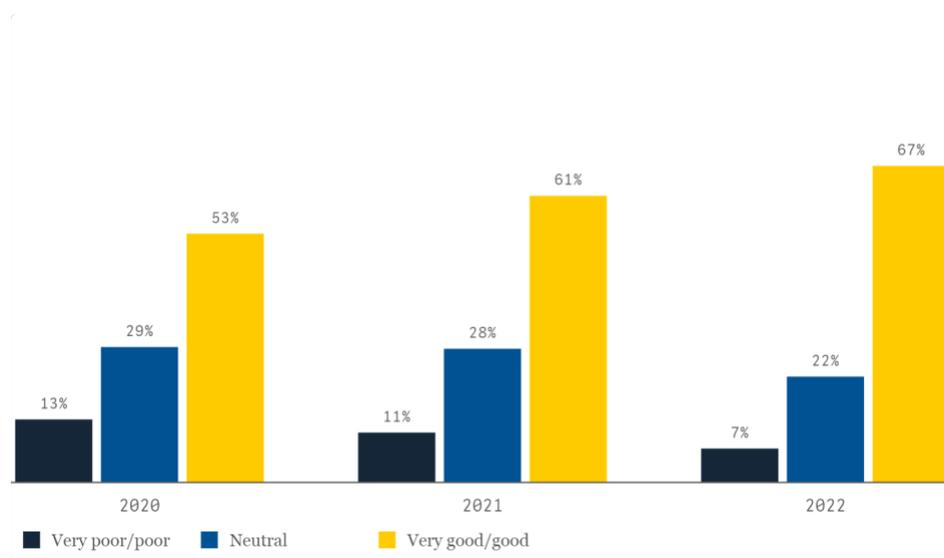
The current business climate in India is favourable for the Swedish companies

The majority of respondents (67 per cent) in the 2022 survey indicate that they perceive the business climate in India as Very Good/Good. This also highlights an increase from earlier years: in 2020, the equivalent figure was 53 per cent, and 61 per cent in 2021.

The percentage of companies that perceives the business climate as not good has gone down from 13 per cent in 2020, 11 in 2021 to only seven per cent this year.

Positive sentiments on the business environment are equally prevalent among large, medium, and small-sized companies across all industries. Companies in the industrial sector have the highest positive perception of the business climate, followed closely by professional services and consumer products companies.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN INDIA?



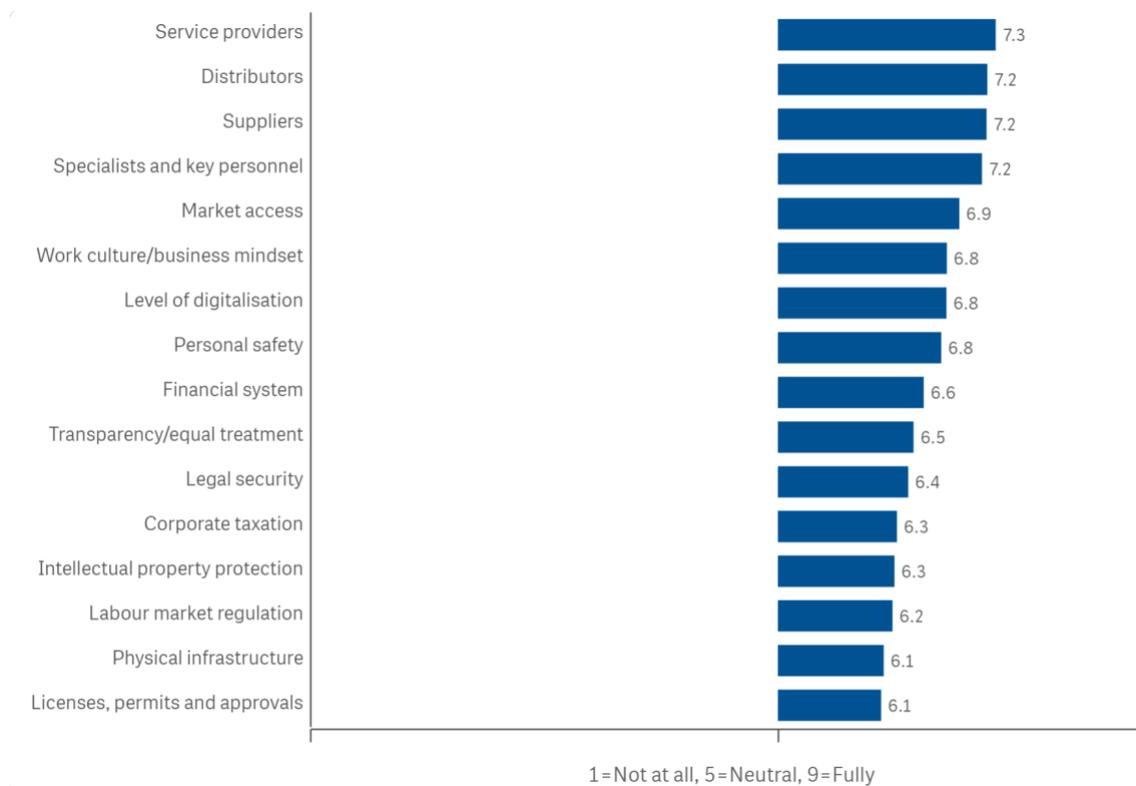
NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

▶ The business climate in India has improved a lot in the last five years. The corporate tax is reduced, and the introduction of GST made the local tax much simpler and clearer. In case of doubt, it can be easily verified through the respective portal

Swedish Industrial Component manufacturer in India

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



NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

As per the survey, the Swedish companies in India are overall satisfied with the presence of basic prerequisites for doing business in India. All different components of the business climate mentioned in the survey are rated above six on a scale of 1-9. Service providers, distributors, suppliers, specialists/ key personnel, and market access in India are rated the highest. Licenses, permits and approvals, physical infrastructure, and labor market are the least rated, rated still above neutral.

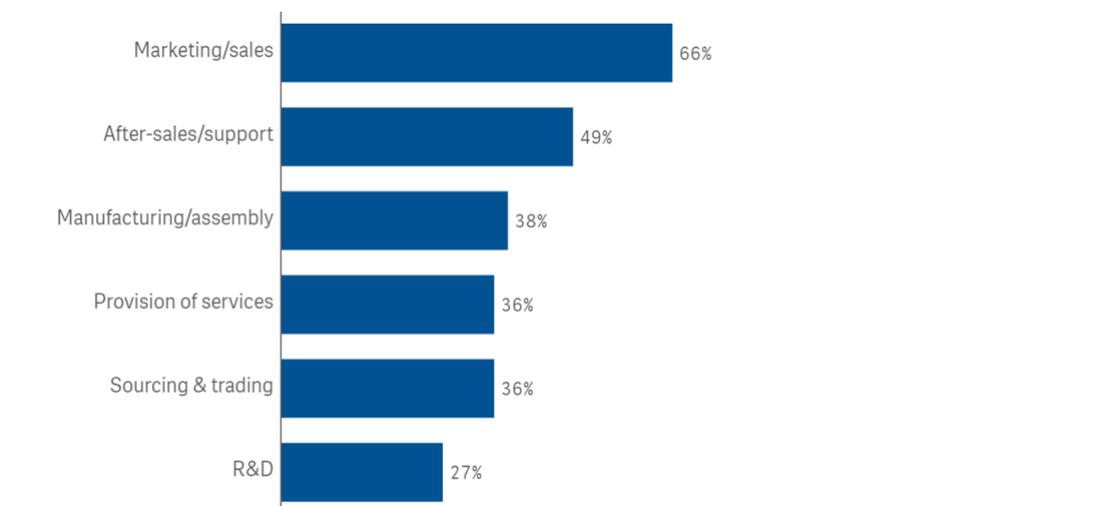
HOW SWEDISH COMPANIES SUCCEED IN INDIA

Marketing/sales, after-sales/support, and manufacturing/assembly are the top operations carried out by Swedish companies in India

Swedish companies prefer to enter the Indian market with marketing and sales operations, which is a common trend irrespective of company size and sector. 66 per cent reported marketing and sales activities, followed by 49 per cent reporting after-sales/support activities operations in India. As companies mature in the country, they start exploring manufacturing and assembly activities; 38 per cent of companies carry out manufacturing and (or) assembly operations in India. Key companies recently entering India with sales and marketing operations include Absolent, Enea Openwave, IAR Systems, and Meson Groups whereas recent manufacturing entrant include Ymer among others.

Around 36 per cent of respondents are involved in the provision of services in India; another 36 per cent are involved in sourcing & trading. Around 27 per cent of the companies utilise the Indian ecosystem for Research & Development.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



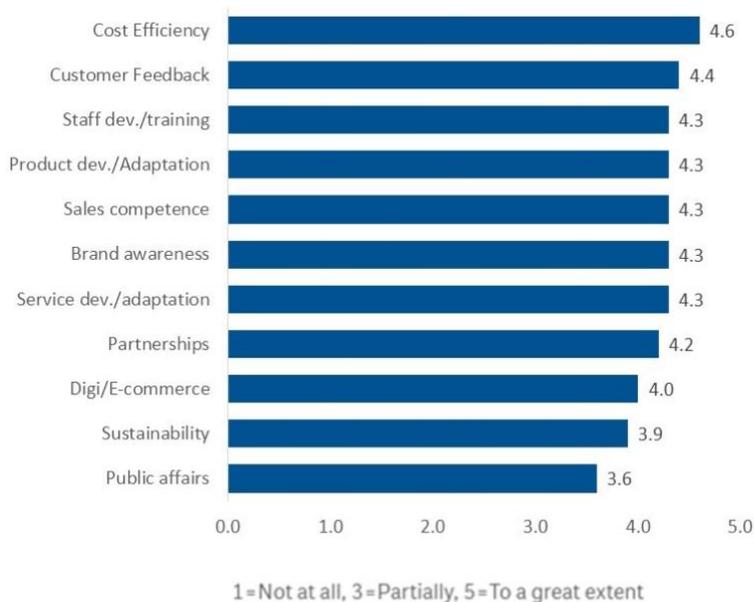
NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

Cost efficiency, customer feedback, and service development/adaptation are the main factors for competitiveness

India is a cost-sensitive market and cost efficiency is key for any organisation to survive in this highly competitive market. The Swedish companies should continue to innovate and advance their offerings while keeping costs under control to remain competitive in the region. Cost efficiency has been rated highest by Swedish respondents as one of the important areas to remain competitive in the market followed by customer feedback, product/service development/adaptation, and brand perceptions.

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

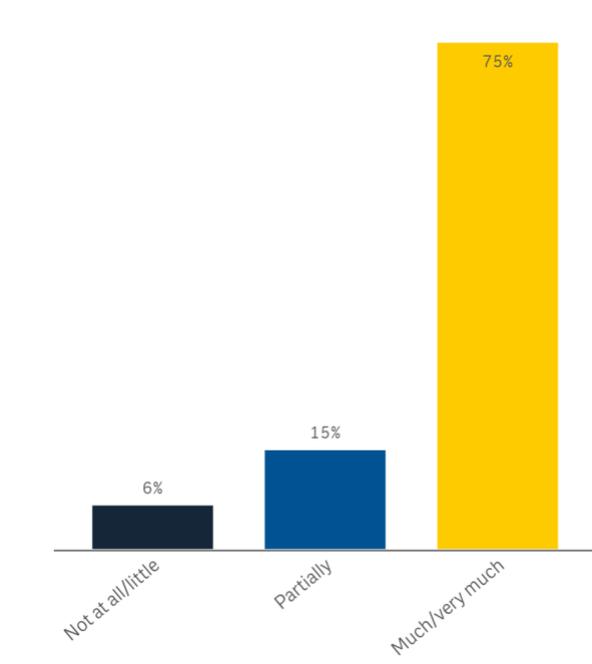


NOTE: The number of respondents for this question was 172 "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

Swedish brand is a supporting factor for the business

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 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

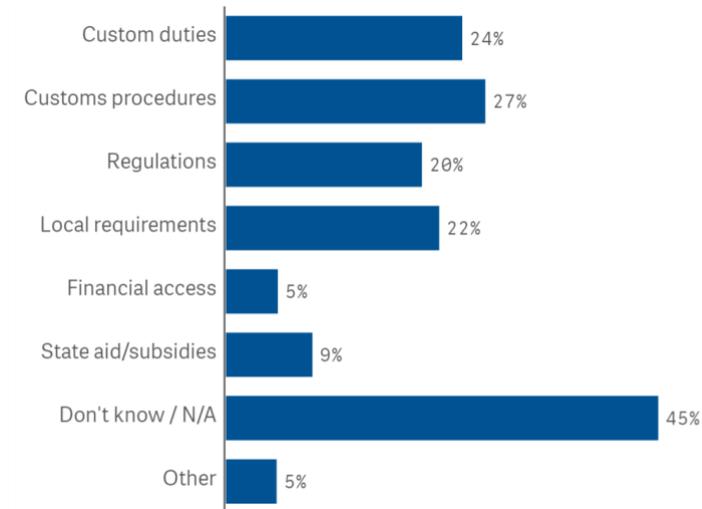
As per Global Innovation Index 2021, the country is ranked second globally after Switzerland. Also, Swedish brands are known to follow sustainability, health & safety, and high-quality standards, which in turn enhances their acceptance and visibility in the Indian market. As per the BCS survey, 75 per cent of the companies reported that the Swedish brand contributes much/very much to their business in India. Only six per cent of respondents report that it has no or only little impact on their business success.

Customs procedures and customs duties are considered the biggest trade barriers for operations in India

Keeping in line with the global trend of self-reliance, India is also focussing on the promotion of the domestic manufacturing base and has recently raised import duties on over 50 products by 5-10 per cent including furniture and electronics products segments to safeguard domestic manufacturers.

At present, there is no free trade agreement between India and EU countries. Hence, 24 per cent and 28 per cent of the respondents indicated witnessing trade barrier challenges in custom duties and customs procedures areas respectively.

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



NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

ACTING SUSTAINABLY

India progressing strongly through its decade of green sustainable transformation

India is the world's fourth biggest emitter of carbon dioxide after China, the US, and the EU. However, the emission per capita is much lower than other major world economies - India emitted only 1.7 tonnes of CO2 per capita in 2020, compared with 14.5 tonnes for the US; 8.4 tonnes for China; and 11.6 tonnes for Russia in the same year.

At the COP26 summit in Glasgow, India pledged to become a net zero economy by 2070. In addition to this, India has also set ten-year targets including:

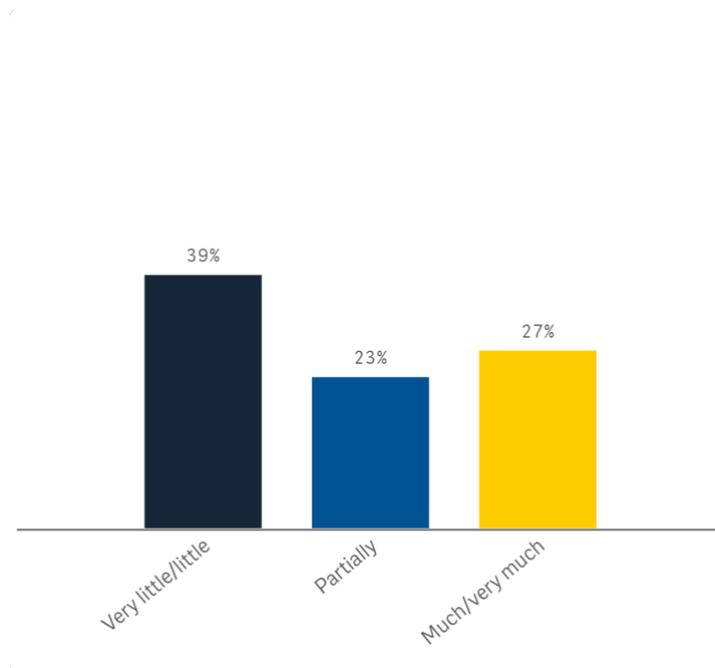
- By 2030, 45 per cent reduction in the emissions intensity of its GDP, compared to 2005 levels
- Non-fossil sources to account for 50 per cent of total electricity generation capacity by 2030
- Electrical vehicles to account for 30 per cent of total vehicles plying on Indian roads by 2030

The Government of India has already started implementing strategies to achieve this net zero target by launching multiple policies and regulations. Subsidies on renewable energy installations; PAT Framework under NMEEE, a flagship policy instrument to reduce the energy intensity of the economy; increased funding to the ministries to increase renewable energy capacity are a few of the initiatives taken by the Indian government.

In line with these initiatives, both the Indian players as well as Swedish players established in India have set their individual targets to achieve energy efficiencies and reduce emissions:

- Reliance Industries announced to turn carbon net zero by 2035 and plans to invest USD 10 Bn in clean energy by 2030
- Dalmia Bharat Cement group announced to become carbon neutral by 2040
- Atlas Copco aims to reduce the CO2 emission in operations and transport of goods by 50 per cent by 2030.

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



NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022.

Environmental aspects of products have started to emerge as one of the key factors impacting the purchase decision-making process of key customers. As per the survey, 50 per cent of companies responded that their customers in India consider (fully and partially) environmental aspects of a product or service in their purchasing decision.

Some thoughts from the companies on how to move forward on environmental aspects:

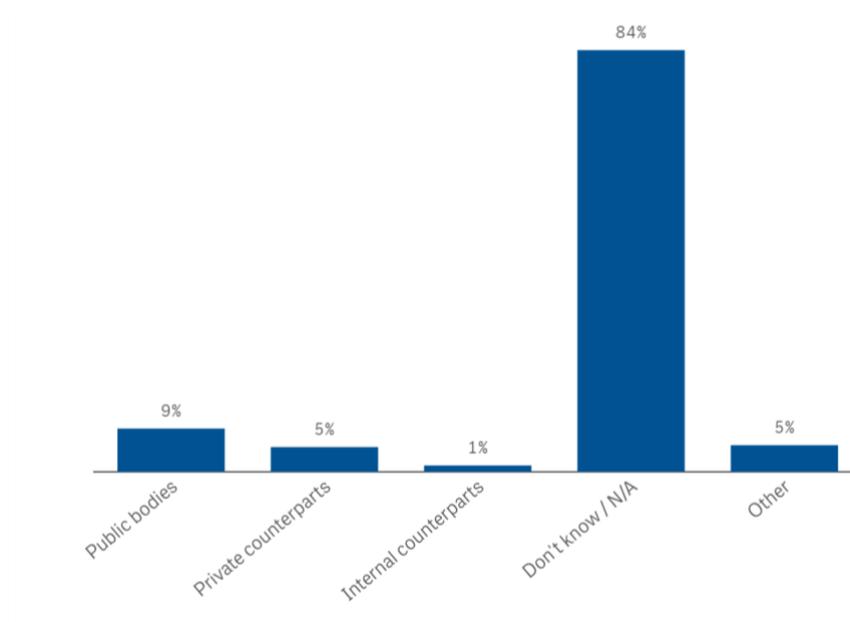
- The government can create more public awareness regarding the sustainability, quality, and safety aspects of products/services.
- Develop stricter regulatory frameworks for sustainability and incentivise companies manufacturing sustainable solutions/products and pursuing sustainable production practices.
- The entire value chain – from vendors to partners to distributors should be aligned to the sustainability goals.
- Knowhow on how to avoid wastage – both in the organisation, at suppliers, and with partners. A better understanding of sustainable use and savings in long term needs to be stressed both to suppliers as well as customers to avoid waste.
- Cost considerations and profitability on sales impact the companies to pursue sustainability in their products since the Indian market is price sensitive.

The majority of the respondents have chosen to not comment on corruption encounters in India

As per Corruption Perception Index by Transparency International, India ranks 85th on a list of 180 countries, which is slightly higher than 94th place in 2012. India has scored 40 on a scale of 100 (100 being the corruption-free country), which is slightly lower than the average score of the Asia Pacific region (45). The government, under its "Zero Tolerance Against Corruption" initiative, has taken several measures to combat corruption that include:

- Disbursement of welfare benefits directly to the citizens under various schemes of the Government in a transparent manner through the Direct Benefit Transfer initiative.
- Implementation of E-tendering in public procurements.
- Introduction of e-Governance and simplification of procedure and systems.
- Introduction of Government procurement through the Government e-Marketplace (GeM).
- Central Vigilance Commission (CVC), through various orders and circulars recommended the adoption of the Integrity Pact to all the organisations in major procurement activities.

IN THE PAST YEAR, HAS YOUR COMPANY IN INDIA BEEN EXPOSED TO CORRUPTION SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUDS IN CONTACTS WITH...?



NOTE: The number of respondents for this question was 172. "Don't know/Not applicable" responses are included but not shown in the figure.

SOURCE: Business Climate Survey for Swedish Companies in India 2022

Nine per cent of respondents have been exposed to some form of corruption while dealing with public bodies followed by five per cent of respondents who encountered corruption with private counterparts in the country. Around one per cent of respondents highlighted having been exposed to corruption while dealing with their internal counterparts in the country.

CONCLUDING COMMENTS

- ✓ Most of the surveyed Swedish companies expect their business to grow and plan to increase investments in India in the coming year, attributed to the rapid growth of the Indian economy, improvement in the regulatory scenario, and infrastructure development
- ✓ Most of the surveyed Swedish companies in India perceive the business climate in India as very favourable for doing business. The favourable conditions for their business in India are good availability of service providers, distributors, specialists, ease of market access, etc
- ✓ Marketing/sales & after-sales/support and manufacturing/assembly are the top operations carried out by Swedish companies in India. Swedish companies enter the Indian market with marketing and sales operations, which is the common trend irrespective of company size and sector. As companies mature in the country, they start exploring manufacturing and assembly activities in India
- ✓ Cost efficiency, customer feedback, service & product development/adaptation, brand awareness, staff training, and sales competence are the main factors for the competitiveness of Swedish companies in India
- ✓ Swedish brand is a positive contributing factor to the business of Swedish companies in India as it represents trust, innovation, and quality
- ✓ Customs procedures and customs duties are considered the biggest trade barriers for operations in India

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