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### **Abstract**

*India and Sweden have a longstanding relationship, with trade and economic relations playing a significant role in their bilateral ties. Sweden is one of India's major trading partners in Europe, with the trade between the two countries contributing significantly to the Indian economy. The collaboration between the two countries in various sectors such as technology, innovation, and education has also led to the growth of their economic relationship.*

*India and Sweden have their own distinct trade policies, which are aimed at promoting exports, reducing imports, and enhancing bilateral trade. While India's trade policy focuses on import substitution and export promotion, Sweden's trade policy is focused on free trade, sustainability, and environmental protection.*

*The future of the trade relationship between India and Sweden looks promising, with both countries exploring new areas of cooperation and partnership. The two countries are working towards reducing the trade deficit and increasing investments in each other's economies. In the coming years, the trade between India and Sweden is expected to grow, which will further strengthen their economic relationship. Overall, the trade and economic relations between India and Sweden are important for both countries and have the potential to create mutual benefits and sustainable development*

### **Introduction**

India and Sweden share a long-standing relationship that goes back to the 18th century. The diplomatic ties between the two countries were established in 1949, and since then, the two countries have enjoyed friendly and cordial relations. Over the years, India and Sweden have developed a strong economic and trade relationship, which has been further strengthened by the signing of various agreements and initiatives.

India is one of the fastest-growing economies in the world, with a GDP of approximately \$3 trillion. The country is a major producer of various goods, including textiles, leather, pharmaceuticals, and machinery. India is also the world's largest producer of generic medicines, and the Indian pharmaceutical industry is one of the fastest-growing in the world. India has a vast pool of skilled labor and a large consumer base, which makes it an attractive destination for foreign investors.

Sweden, on the other hand, is known for its highly advanced and innovative economy. The country is a global leader in innovation, technology, and sustainable development. Sweden is home to several multinational companies, including Volvo, Ericsson, and IKEA. The country is also known for its engineering excellence and is a major exporter of

engineering goods, automobiles, and high-tech products.

The bilateral trade between India and Sweden has grown significantly in recent years, with the trade volume reaching \$1.9 billion in 2019. The major items of Indian exports to Sweden include textiles, leather, chemicals, machinery, and pharmaceuticals. In contrast, Sweden's major exports to India include engineering goods, automobiles, and high-tech products. In addition to trade, there is also significant collaboration between the two countries in the areas of science and technology, renewable energy, and education.

To further strengthen the economic ties between the two countries, India and Sweden have signed several agreements, including a bilateral investment treaty, a memorandum of understanding on cooperation in the field of renewable energy, and an agreement on intellectual property rights. The two countries are also exploring the possibility of signing a free trade agreement that would further boost bilateral trade and investment.

Overall, the relationship between India and Sweden is significant and holds great potential for further growth and cooperation in the coming years. With India's growing economy and Sweden's innovative and advanced economy, the two countries have much to offer each other in terms of trade, investment, and collaboration.

## Recent Ministerial Exchanges

There have been several recent ministerial exchanges between India and Sweden, which reflect the growing engagement and cooperation between the two countries. Some of the notable ministerial visits in the recent past are:

1. Ministers and other representative of both the countries keep visited from time to time to bring development and improvement in business and activities in this context, the visit of Indian foreign Minister is proposed in December 2020 will be discussed on a wide range of issues, including trade and investment, technology, and climate change.
2. In February 2020, the Swedish Minister for Business, Industry, and Innovation, Ibrahim Baylan, visited India along with a business delegation to explore opportunities for trade and investment. During his visit, he met with several Indian ministers, including the Minister of Commerce and Industry, Piyush Goyal, and the Minister of Environment, Forest and Climate Change, Prakash Javadekar.
3. In May 2018, the Indian Prime Minister, Narendra Modi, visited Sweden and held talks with the Swedish Prime Minister, Stefan Lofven. The two leaders discussed various issues, including trade and investment, innovation, and technology. They also signed several agreements, including a Joint Action Plan and a Joint Innovation Partnership.
4. In September 2017, the Swedish King, Carl XVI Gustaf, and Queen Silvia visited India to attend the India-Sweden Business Summit. During their visit, they met with Indian Prime Minister Narendra Modi and discussed various issues related to bilateral cooperation.

These ministerial exchanges demonstrate the commitment of both India and Sweden to strengthen their bilateral ties and explore opportunities for cooperation in various areas. The visits have helped to deepen mutual understanding and enhance collaboration between the two countries.

## Recent Parliamentary Exchanges

India and Sweden have had several recent parliamentary exchanges that reflect the growing cooperation between the two countries. Some of

the notable parliamentary exchanges in the recent past are:

1. In November 2019, a delegation from the Swedish Parliament visited India to participate in the India-Sweden Parliamentary Forum. During their visit, the delegation met with several Indian parliamentarians and discussed various issues related to bilateral cooperation.
2. In May 2018, a delegation from the Indian Parliament visited Sweden and held talks with the Swedish Parliament. The two sides discussed various issues related to parliamentary cooperation, trade and investment, and innovation.
3. In April 2017, a delegation from the Swedish Parliament visited India and met with several Indian parliamentarians. The two sides discussed issues related to bilateral trade and investment, renewable energy, and sustainable development.
4. In February 2016, a delegation from the Indian Parliament visited Sweden and held talks with the Swedish Parliament. The two sides discussed various issues related to parliamentary cooperation, trade and investment, and science and technology.

These parliamentary exchanges have helped to deepen mutual understanding between the two countries and promote bilateral cooperation in various areas. The exchanges have also provided an opportunity for both sides to exchange views and share experiences on issues of mutual interest.

## Economic and Commercial relations

India and Sweden have a strong economic and commercial relationship, with trade between the two countries growing steadily in recent years. India is one of Sweden's most important trade partners in South Asia, and Sweden is an important investor in India.

Bilateral trade between India and Sweden was valued at \$1.9 billion in 2019, with Indian exports to Sweden totaling \$910 million and Swedish exports to India totaling \$971 million. The major items of Indian exports to Sweden include textiles, leather, chemicals, machinery, and pharmaceuticals, while Sweden's major exports to India include engineering goods, automobiles, and high-tech products.

There are several Swedish companies operating in India, including Ericsson, Volvo, ABB, Saab, and IKEA. These companies have made significant investments in India and have contributed to the country's economic growth. Indian companies are also investing in Sweden, with companies such as Wipro, Infosys, and Tech Mahindra setting up operations in the country.

To further strengthen economic and commercial relations, India and Sweden have signed several agreements, including a bilateral investment treaty, a memorandum of understanding on cooperation in the field of renewable energy, and an agreement on intellectual property rights. The two countries are also exploring the possibility of signing a free trade agreement, which would further boost bilateral trade and investment.

In addition to trade and investment, there is also significant collaboration between India and Sweden in the areas of science and technology, renewable energy, and education. The two countries have signed several agreements to promote collaboration in these areas, including the India-Sweden Joint Program for Clean Technologies, the Sweden-India Research and Innovation Partnership, and the India-Sweden Healthcare Innovation Centre.

The economic and commercial relations between India and Sweden are robust and hold great potential for further growth and cooperation in the coming years.

### **Cultural and Educational Relations**

India and Sweden have a strong cultural and educational relationship, with exchanges between the two countries spanning several decades. Both countries have a rich cultural heritage and a deep appreciation for each other's art, literature, and traditions.

**Cultural Relations:** The cultural relations between India and Sweden are reflected in various activities such as cultural festivals, exhibitions, and cultural exchange programs. The Embassy of India in Stockholm organizes several cultural events throughout the year, including the India Unlimited festival, which showcases Indian music, dance, and cuisine. In addition, various Indian cultural institutions, such as the Indian Council for Cultural Relations and the National School of Drama, have held workshops and performances in Sweden. Similarly, the Swedish government and cultural institutions have organized several cultural events in India,

including the Jaipur Literature Festival, which is held annually in India.

**Educational Relations:** India and Sweden have a strong educational relationship, with several Indian students studying in Sweden and vice versa. The Swedish government offers scholarships to Indian students to study in Sweden, and several Swedish universities have established partnerships with Indian universities to promote academic exchange and collaboration. Indian students are attracted to Sweden for its world-class education system, research facilities, and job opportunities. Similarly, Swedish students are drawn to India for its diverse culture, history, and academic programs in fields such as yoga, Ayurveda, and Indian philosophy.

To promote educational exchanges between the two countries, the Indian government has established several institutions in Sweden, including the Indian Cultural Centre in Stockholm and the Tagore Centre for Indian Studies at the University of Lund. These institutions provide a platform for students and researchers to learn about Indian culture and language and facilitate academic exchange and collaboration.

In conclusion, the cultural and educational relations between India and Sweden are strong and growing. Both countries have a deep appreciation for each other's culture and academic achievements and are committed to promoting mutual understanding and cooperation in these areas.

### **Impact of Sweden trade on Indian Economy**

Sweden is an important trading partner for India and the trade between the two countries has a significant impact on the Indian economy. The impact of Sweden trade on the Indian economy can be understood through the following points:

1. **Exports:** Sweden is one of India's major export destinations in Europe. India's exports to Sweden include textiles, leather, chemicals, machinery, and pharmaceuticals. These exports contribute significantly to India's GDP and employment generation. In 2019, Indian exports to Sweden were valued at \$910 million.
2. **Investments:** Several Swedish companies, such as Ericsson, Volvo, ABB, Saab, and IKEA, have made significant investments in India. These

investments have created job opportunities, enhanced technology transfer, and contributed to the growth of the Indian economy.

3. **Technology Transfer:** Swedish companies have brought advanced technology and expertise to India, which has helped Indian companies to upgrade their operations and improve their competitiveness. This has led to the growth of various industries, including the automobile, renewable energy, and healthcare sectors.
4. **Collaboration in Innovation:** India and Sweden have collaborated on several initiatives to promote innovation, research, and development. These collaborations have resulted in the creation of new products and technologies, which have helped to boost the Indian economy.
5. **Trade Deficit:** India's trade deficit with Sweden has been a cause of concern for the Indian government. In 2019, India's imports from Sweden were valued at \$971 million, resulting in a trade deficit of \$61 million. However, the two countries are working towards reducing the trade deficit by increasing exports and investments.

In conclusion, Sweden's trade with India has a significant impact on the Indian economy, contributing to its growth and development. The collaboration between the two countries in various sectors has resulted in technology transfer, innovation, and job creation. The trade between the two countries is expected to grow in the coming years, which will further enhance their economic relationship.

### Trade policy in India and Sweden

India and Sweden have their own distinct trade policies, which are aimed at promoting exports, reducing imports, and enhancing bilateral trade. Here's a brief overview of the trade policies of India and Sweden:

**India's Trade Policy:** India's trade policy is aimed at promoting exports and reducing imports, in order to achieve a favorable balance of trade. India has implemented various trade policies and measures to support its domestic industries and promote exports. Some of the key features of India's trade policy include:

1. **Foreign Trade Policy (FTP):** India's FTP sets out the framework for its international trade relations, including policies related to exports, imports, investment, and trade agreements.
2. **Import Substitution:** India has implemented various measures to promote domestic manufacturing and reduce imports. This includes tariff barriers, non-tariff barriers, and import substitution policies.
3. **Export Promotion:** India has implemented various measures to promote exports, including export subsidies, duty-free exports, and special economic zones.
4. **Bilateral and Regional Trade Agreements:** India has signed several bilateral and regional trade agreements with other countries and regions to promote trade and investment.

**Sweden's Trade Policy:** Sweden's trade policy is aimed at promoting open, rules-based, and free trade, with a focus on sustainable development and environmental protection. Sweden has implemented various trade policies and measures to promote exports and investment. Some of the key features of Sweden's trade policy include:

1. **Free Trade Agreements (FTA):** Sweden has signed several FTAs with other countries and regions to promote trade and investment.
2. **Export Promotion:** Sweden has implemented various measures to promote exports, including export financing, export credit guarantees, and trade missions.
3. **Sustainability and Environmental Protection:** Sweden's trade policy is based on sustainable development and environmental protection, with a focus on promoting renewable energy, green technology, and sustainable production practices.
4. **Investment Promotion:** Sweden has implemented various measures to promote foreign investment, including tax incentives, investment guarantees, and support for innovation and entrepreneurship.

In India and Sweden have their own distinct trade policies, which are aimed at promoting exports, reducing imports, and enhancing bilateral trade.

While India's trade policy focuses on import substitution and export promotion, Sweden's trade policy is focused on free trade, sustainability, and environmental protection. Both countries are working towards enhancing their trade relations, with a focus on mutual benefit and sustainable development.

## Conclusion

In conclusion, the trade and economic relations between India and Sweden are important for both countries. Sweden is one of India's major trading partners in Europe, and the trade between the two countries has significant impacts on the Indian economy. The collaboration between the two countries in various sectors such as technology, innovation, and education has led to the growth of their economic relationship.

India and Sweden have their own distinct trade policies, which are aimed at promoting exports, reducing imports, and enhancing bilateral trade. While India's trade policy focuses on import substitution and export promotion, Sweden's trade policy is focused on free trade, sustainability, and environmental protection.

The future of the trade relationship between India and Sweden looks promising, with both countries exploring new areas of cooperation and partnership. The two countries are working towards reducing the trade deficit and increasing investments in each other's economies. In the coming years, the trade between India and Sweden is expected to grow, which will further strengthen their economic relationship.

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