

SWEDEN AND INDIA- A NOBEL BONDING

With their common values and strengths, the two countries are looking to ramp up bilateral trade ties like never before, reports Joymitra Rai from Stockholm

Beauty with brains is the best way to describe Sweden. This Scandinavian beauty boasts of the who's who of MNC giants such as Volvo cars, Volvo AB, SAAB, Geodis, Ericsson, ABB and Astra Zeneca, just to name a few, and is one of the easiest to do business with. No wonder, despite a population of just about 9 million, it is one of the most developed and technologically-advanced nations in the world. And the good news is that, Sweden is betting big on India.

Even though India and Sweden share a long history in trade and investments, bilateral trade is still quite low at around \$2.3 billion for 2008-09. But both sides are now waking up to the huge potential that's waiting to be tapped, and Indian commerce and industry minister Anand Sharma recently said India and Sweden should work towards doubling their goods trade to \$5 billion in the next five years.

Indian ambassador to Sweden Balkrishna Shetty said, "What drives both India and Sweden are the values. Both believe in democracy and people-oriented policies, and realise that internationally they must cooperate. Another advantage is both countries speak English, which makes it easy to communicate. That's the foundation for our cooperation. Big MNCs such as Volvo, Astrazeneca, ABB, Ericsson are doing very good work in India, and now even a lot of small and medium enterprises are showing a keen interest in India. Lot of Indian companies are also buying up Swedish firms like Bharat Forge and Wipro... all the top IT companies are here such as TCS, Infosys, Wipro and HCL."

But the level of networking between Sweden and India is still very low, and this is where organisations such as the Indo-Swedish Business Council and Invest in Sweden Agency can make a difference. Robin Sukhia, Secretary General, Sweden India Business Council says, "We help companies in establishing operations, and provide them knowledge on where and how to establish them. We look at India as a continent and not just as a country. We connect peo-

ple to the right people they want to meet."

Invest in Sweden Agency vice-president-strategy and research, Magnus Runnbeck, says, "We're building competencies in the Indian market. In a few years, many Swedish companies that identify China as their future market will start going to India. And hence there is a lot of potential to bump up trade between India and Sweden. There's fantastic potential in India. Processes are much more rapid in India than in China. In terms of decision-making, Indian



companies are more on their toes. Language is one of India's biggest strength."

There is also a semi-government, non-profit organisation called Swecare Foundation that provides a platform for cross-sectoral collaboration between public organisations, associations, government agencies, research and business in the healthcare and life science sector with a view to developing international business. Says Nina Rawal, marketing director of Swecare, "Smaller companies find it hard to understand the Indian market. They come to us for help to deal with bureaucracy, market dynamics, urban-rural sanitation and healthcare."

Sweden Inc is particularly gung ho on India's automobile, infrastructure, telecom and agro processing markets.

Rune Lundberg, senior veep of Volvo Bus Corporation, says, "India is growing and living standards are rapidly changing. With improved infrastructure and roads, there will be need for more and better transportation. And we see a huge opportunity for us there."

Par Ostberg, senior VP & president trucks Asia, AB Volvo, adds, "We've great plans for India. We have a very good base to build upon. We can supply a whole chain of transport solutions, but improving infrastructure is imperative."

Says David Orth, country manager, Semcon, "We're very new in India, but see a huge potential there. It's one of the few markets that's growing. There are cultural differences but the education level and English-speaking population is a big strength. We're planning to expand more rapidly in India and looking at Pune and Chennai for opening offices."

However, one sector that is still to warm up to India is the Swedish banking industry. While SEB openly said it hasn't planned much for India in the near future (apart from a representative office set up in New Delhi in 2007), Handelsbanken said it was earlier looking at setting up a branch in India, but after doing its calculations, the bank found that it would be difficult to operate in India. "The priority sector lending norms for foreign banks were a hindrance. Also, our clients would not be Indian corporates. We were looking at catering to Nordic corporates with India presence... that was a narrow scope. So we will be operating from our representative office for a couple of years till banking norms are simplified or the number of Nordic companies with a presence in India goes up," says Ashish Gupta, Chief Representative India, Handelsbanken International.

Despite some hiccups, there's a lot coming up between India and Sweden on the trade front in the near term, and business giants from both sides are going all out to grab a piece of the pie.

A GRIPEN TALE OF DEFENCE TECHNOLOGY

With its eyes on the multi-billion-dollar MMRCA deal, Saab is working out big plans for India, reports Joymitra Rai from Stockholm

Saab is a global provider of defence and civil security solutions, services and products. In the defence market, the company focuses on air, naval, land and joint operations while in the civil market, it specialises in civil security and commercial aeronautics.

The Swedish company has major operations in several countries in Europe, as well as in South Africa, Australia and the US with 13,300 employees and annual sales of SEK 23 billion in 2008.

In India, Saab is one of the six companies vying for supplying 126 multi-billion-dollar medium multi-role combat aircraft (MMRCA) to the Indian Air Force. It has offered the next-generation Gripen, which includes increased combat range and endurance, a more powerful engine and super cruise capability, additional weapons carriage capability and increased payload, for the much-awaited contract.

Jan Widerstrom, vice-president, Saab International India AB, says, "The MMRCA is the biggest project for us in India that is not just about selling fighter jets—we're also going to build up the know-how in India to build the next generation of defence technology... it's a different game plan; the deal has the potential to change the Indo-Swedish business model altogether. But even if the deal does not work out, we are here to stay in India. We're looking at a long and sustainable relationship with India, and have set up an office in Delhi with this in mind. We also have employees working in Bangalore. Apart from MMRCA, mar-



itime patrol could be a big business opportunity for us in a growing market like India. On the civilian side, we're looking at providing civil security during the Commonwealth Games. We're providing support to NAL and HAL for civilian programmes and also outsourcing pro-

duction of parts in India."

Saab International senior vice-president Thorbjorn Gustafsson says, "It's a tough game. We've moved a bit late. But still it's a good timing. India, after recession, has taken the lead and is considered as the superpower for the future. India is special with its huge setup of local industry and with its English-speaking, highly-educated population. India today is the most important market from us apart from Australia."

Asked about their interaction with Indian industry, Mr Gustafsson said, "We're focusing on building relationships with Indian industry, which is very important to start with. The public sector companies in India are very strong on domain knowledge, but are restricted due to government intervention. The private firms, on the other hand, are very aggressive and are hungry for a share of the global pie."

On the challenges in the Indian market, Mr Widerstrom says, "The business culture is very different. Things take time, but that happens in other countries too, especially in defence deals, where the stakes are very high... We're also hoping for 49-51% FDI in our sector. But with the liberalisation of business and economy, and a 6% plus growth rate, India is the place to be."