

'Sweden-ing' India's vision for the long-haul economy

Talking business: PM Narendra Modi and Swedish PM Stefan Lofven at City Hall in Stockholm, Sweden on Tuesday. PTI

When Indian Prime Minister Narendra Modi held a bilateral summit here on April 17, he must have recognised that there was something unique in the Swedish approach to partnership: they do not, unlike certain other nations that trade with India, focus solely on short-term deals, but take a much longer strategic view.

Certainly, some deals matter greatly to the Swedish economic and strategic calculus, such as the sale of fighter aircraft, given the interest generated in New Delhi in considering the Saab Group's Gripen as an entrant into its single-engine fighter jet tender.

Yet even in the defence sector, just as in space and aeronautics, clean technologies and smart cities, and bio-materials and advanced manufacturing, Sweden is hoping to bring to bear in its engagement with India its long tradition of setting up research and operation centres in the partner-nations.

There is a philosophical underpinning to this view, which was eloquently stated by Swedish Minister for Enterprise and Innovation, Mikael Damberg, in an interview with *The Hindu*.

'Co-creating for success'

He said, "We do that because Sweden has learned that co-creation is a way of building long-term relationships in the global market. We also understand that if you want to succeed in local markets you have to understand the customers..."

"If we succeed in doing good things together we can even export to other markets, to a third country, and then the production will increase in India and also in Sweden."

While Mr. Modi's visit here, which included candid dialogues with 40 CEOs of Sweden's top companies, served as a powerful sales pitch to up the ante on investments into even more innovation-based ventures in India, it would hardly be overstating matters to say that Sweden already has a robust track-record of industrial partnerships with Indian entities.

2 lakh jobs created

Despite having a population of just around ten million, which is half the size of New Delhi's, nearly 200,000 direct jobs are created by Swedish companies in India, and 16,00,000 jobs are indirectly created.

In 2017, Swedish exports to India increased 28%, and 12 out of Sweden's 15 largest companies, which together have a turnover of \$280 billion and employ close to a million people globally, are present in India.

While the first Swedish firms entered India as far back as 1900, during 2005-2017 more than 110 Swedish companies have set up shop in the country, bringing the total to 180.

The ten largest among these employ 6,800 people in research and development activities.

With Mr. Modi's visit, what has been proceeding apace quietly for many decades in the

background has now emerged firmly front and centre: the Swedish government has promised to contribute 50 million kroner towards helping India along with its project on smart cities and other ventures in sustainable development.

While the shared vision of the two countries, rooted in democratic, nonaligned values and built on an ambitious economic dream, has got a boost from Mr. Modi's discussions here with his counterpart Stefan Löfven, there could be some bumps in the road ahead that will require sustained attention from policymakers on both sides.

IPR protection

As Mr. Damberg said regarding the need for Intellectual Property Rights protections, "I think there is room for improvement here, and it's important because if you want to build your own economy and your own smart manufacturing or new economy, especially in the digital field, the IP issues will be very important.

"Otherwise you cannot build any value, you cannot build your own industries... Of course, this is worrying. Also, the kind of red tape that is involved especially in some sectors is a concern."

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