

‘India-Sweden economic corridor positioned for robust expansion’

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Business Sweden -- the Swedish Trade and Invest Council -- expects its investments in India to grow sharply over the next five years, potentially doubling from current levels.

“India-Sweden economic corridor is set for a robust expansion,” Heinonen said.

This optimistic outlook builds on the fact that Swedish companies invested a total of \$2.5 billion in India over the last six years, highlighting the expanding economic corridor between the two nations.

Swedish companies continue to expand in India as well led by Volvo, Ericsson, and IKEA with sustainability emerging as a major area of collaboration. Heinonen said Sweden’s value system, particularly around clean energy and responsible production, aligns closely with India’s long-term priorities.

“The foundations are in place. The complementarities are strong. The only direction we see is upward,” Heinonen said. While referring to the soaring Indian investments in the European nation, Heinonen said that the last two to three years have marked a shift in how Indian firms view Sweden not just as a European entry point but as an innovation hub.

“We only see the beginning of the promise of Indian investments in Sweden,” Heinonen said, adding that the investment flow is now entering a “sweet spot” where capabilities and ambitions on both sides align.

Around 70 Indian companies are currently present in Sweden, employing more than 7,000 people, with new entrants such as KPIT and UST Global adding momentum.

Historically dominated by IT services giants like TCS, Infosys, and L&T, the profile of Indian investors is now expanding into automotive, life sciences, AI, and advanced manufacturing.

Recent successes include Tata Autocomp, which this week launched a new Swedish venture, Artifex, after acquiring distressed assets from a bankrupt US owned firm. Tata Autocomp already runs TitanX in southern Sweden, a model Heinonen described as a “responsible, innovation-oriented” investment that has preserved jobs and expanded capabilities.

Although Heinonen avoided putting a specific number on future inflows, he said current trends point to strong, sustained growth and that doubling Indian investment in Sweden over the next five years is well within reach, provided geopolitical conditions remain stable.

“Each Indian investment becomes an ambassador for Sweden,” he said. “There is a domino effect. As companies succeed, they demonstrate why Sweden makes sense as an innovation partner.”

Heinonen said Sweden’s open business environment, strong R&D ecosystem and leadership in sustainability make it an attractive investment destination particularly for companies seeking technological competitiveness.

Sweden offers a compelling proposition for global investors, anchored by its advanced manufacturing strengths across automotive, heavy engineering and industrial technologies, and supported by a deep innovation ecosystem built around leading universities, research institutes and a long tradition of industrial reinvention.