

India-Sweden Ties as a Gateway to India-Nordic Engagement



Edited by

Jagannath Panda
Niklas Swanström
Mahima Duggal

Stockholm Paper
April 2025



Institute for Security &
Development Policy

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Foreword

I welcome this special edition on 'India-Sweden ties as a Gateway to India-Nordic Engagement' being brought out by the Stockholm Centre for South-Asian and Indo-Pacific Affairs (SCSA-IPA) of the Institute for Security and Development Policy (ISDP).

In an increasingly inter-dependent world, there are growing synergies between the deepening multi-faceted India-Sweden partnership and the broader India-Nordic ties for mutual benefit. These synergies are based on similar priorities towards joint innovation and technology co-development, especially for digital and green transition at scale; fostering investment, trade and supply chain resilience; and facilitating talent mobility among others. Their complementarities add strength to a trusted partnership, given our shared values of democracy, market economy and rule of law.

India and Nordic partners collaborate extensively in climate action and sustainability. India and Sweden co-chair the global public-private initiative Leadership Group for Industry Transition (LeadIT). There is increasing collaboration in fields of defence, space & geospatial, and polar research. India is an Observer at the Arctic Council. There is growing contribution of Indian talent to Nordic businesses.

India and the Nordics are the world's fifth and tenth largest economies. As the biggest, most diverse Nordic economy, and world's second most innovative economy, Sweden has an important role in facilitating India-Nordic economic ties and had hosted the first ever India-Nordic Summit in 2018.

Given this context in a fast changing and increasingly contested world, it is encouraging to note this timely and growing interest among Nordic and Indian think tanks in working to narrow the gaps in mutual understanding. We look forward to more such analytical studies and engagement with academia.

Shri Tanmaya Lal

Secretary (West)

Ministry of External Affairs

Government of India

&

Former Ambassador of India to Sweden & Latvia

Acknowledgements

The Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA) at the Institute for Security and Development Policy (ISDP) is privileged to present this collaborative work in partnership with the Embassy of India in Sweden.

This Special Paper represents the culmination of our joint initiative and features diverse scholarly perspectives from leading academics and experts. The views and analyses expressed herein are those of the individual contributors and do not reflect the official positions of the ISDP, the Embassy of India in Sweden, or the Government of India.

We extend our sincere appreciation to all participating scholars and experts for their valuable contributions to this project.

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Abbreviations

AI	Artificial Intelligence
AIB	Asian Infrastructure Investment Bank
AMCA	Advanced Medium Combat Aircraft
CBAM	Carbon Border Adjustment Mechanism
CCS	Carbon Capture and Storage
CCUS	Carbon Capture, Utilization, and Storage
CII	Confederation of Indian Industry
DAC	Defense Acquisition Council
DST	Department of Science and Technology
EFTA	European Free Trade Association
EPR	Extended Producer Responsibility
ESA	European Space Agency
EU	European Union
EUMETSAT	European Organization for the Exploitation of Meteorological Satellites
EV	Electric Vehicle
FDI	Foreign Direct Investment
FOC	Foreign Office Consultation
FTA	Free Trade Agreement
GDP	Gross Domestic Product
HADR	Humanitarian Assistance and Disaster Relief
IOR	Indian Ocean Region
IPR	Intellectual Property Rights
ISA	International Solar Alliance
ISRO	Indian Space Research Organization
ITP	Industrial Transition Partnership
JAP	Joint Action Plan
LCA	Light Combat Aircraft
MDA	Maritime Domain Awareness
MoU	Memorandum of Understanding

MRFA	Multi-Role Fighter Aircraft
NATO	North Atlantic Treaty Organization
NID	Nordic India Dialogue
R&D	Research and Development
SCRI	Supply Chain Resilience Initiative
SDG	Sustainable Development Goals
SIPRI	Stockholm International Peace Research Institute
TEPA	Trade and Economic Partnership Agreement
ToT	Transfer of Technology
TTC	Trade and Technology Council
UAE	United Arab Emirates
UN	United Nations
VOM	Venus Orbiter Mission
WHO	World Health Organization
WTO	World Trade Organization

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Executive Summary

Sweden and India engage on three interconnected levels: bilaterally, through the Nordic region, and through the EU—all of which require consistent political attention and a structured strategic approach. Although there is political intent on both sides to enhance cooperation, the partnership between Sweden and India—similar to India’s ties with the Nordics and the EU—has faced challenges in realizing its full potential. To overcome this, both states need a focused joint agenda for action, encompassing key areas like ensuring resilience of supply and value chains; fostering future talent through cooperation for innovation and research; green transition; and defence and maritime collaboration.

Building a Strategic Partnership

- India’s partnership with the Nordic countries has strengthened as New Delhi increased its presence in Europe. One example of this is the India-European Free Trade Agreement (EFTA), of which Norway is a crucial member.
- Sweden stands out as a key partner for India, as the first Nordic country to publish an independent Indo-Pacific strategy in 2024. Moving forward, India’s engagement with the Nordics must focus on two key strategies: First, leveraging the Nordic states’ growing disillusionment with China to better align their strategic interests. Second, closing the ‘India gap’ in Sweden’s Indo-Pacific strategy by making the Indo-Pacific a point of discussion in their bilateral engagement.
- As Sweden and India seek to establish a more action-oriented partnership, the maritime domain presents the most pragmatic and practical avenue for engagement. Both countries share similar approaches in this domain and can capitalise on these opportunities to enhance collaboration.
- Key areas for action can include: maritime defence cooperation; maritime domain awareness and undersea domain awareness; resilient coastal and infrastructure development; marine scientific research and related academic/capacity-building; shipbuilding, green shipping and port infrastructure development; and arctic cooperation.
- In considering India’s partnership with the Nordics, it is worthy to look the Nordic-Baltic Eight (NB8) grouping involving Denmark, Finland, Iceland, Norway,

Sweden, Estonia, Latvia and Lithuania. The grouping has become increasingly active (most notably due to its strong stance on the Ukrainian issue) and represents a small but attractive and innovative market under the EU.

- The most notable indication of the potential of a partnership between India and the NB8 is the delegation's participation in the Raisina dialogue in 2024 – the first such meeting for the delegation outside of Europe.
- Moving forward however, the current political and security situation could make collaboration on security issues more complicated. The NB8 has strong ideological commitments and has positioned itself as a staunch supporter of Ukraine's sovereignty and territorial integrity. While the NB8 view this as an opportunity for India to present itself as a valuable, reliable partner, India's position of proactive neutrality could make strategic collaboration more complex.
- Nevertheless, the NB8 is poised to be a critical player in European and Arctic security dynamics, and these regions will be immensely important for India's global positioning. Delhi must recognise the NB8 as central players in its European strategy and look to expand issue-based collaborations, such as on maritime and polar research, Arctic governance, sustainable resource management and blue economy initiatives.

Defence Cooperation: Need for a Pragmatic Approach

- India has emerged as a key player in the highly complex and competitive landscape of global arms trade. However, Sweden has found it difficult to tap into the Indian arms market. The India-Nordic defence relationship has been marked by fluctuating engagement, characterised by moments of cooperation juxtaposed against periods of reticence.
- In addition to historical controversies, such as the Bofors scandal in 1986 and Sweden's 2006 agreement to sell the Saab Erieye system to Pakistan, fundamental structural limitations and misaligned security priorities, have hindered more meaningful defence cooperation. At the core of these limitations lies a profound conflict in strategic priorities and threat perceptions that reduce incentives for substantive military-to-military collaboration and India's strong defence relationship with Russia.
- While defence ties have strengthened through agreements like the Memorandum of Understanding between the Society of Indian Defence Manufacturers (SIDM) and the Swedish Security and Defence Industry (SOFF) and Saab's investments in local manufacturing, including the Carl-Gustaf production facility, challenges

persist. The Nordic region's security architecture is overwhelmingly oriented toward the Russian threat, with defense planning, procurement, exercises, and alliances calibrated to address European territorial security. Nordic defense manufacturers will for the next five to ten years be fully occupied with meeting these defense requirements from Nordic and European defense forces.

- Despite these limitations, selective opportunities for mutually beneficial cooperation exist within certain parameters. These opportunities are most promising in specialized domains where commercial incentives align with (somewhat limited but genuine) areas of shared interest. Niche technology transfers offer viable pathways for engagement. For instance, while more traditional military cooperation faces significant obstacles, specialized capabilities, such as those found in counter-drone technology and communications, could potentially complement India's broader defense modernization without triggering interoperability challenges associated with major systems or unnecessary resource allocation.

Towards a Sustainable Agenda

- In the trade sector, India-Sweden economic ties have grown due to shared interests in key sectors like green technologies, IT and renewable energy. Sweden and India have already established strong commitments to sustainable development and innovation, with India focusing on renewable energy and sustainable urban development, while Sweden is renowned for its advancements in environmental technologies and circular economy practices.
- Together, they can develop and implement forward-looking solutions that address pressing environmental challenges, promote economic growth, and contribute to the global sustainability agenda.
- Glacial melt threatens both the Himalayas and Scandinavian mountains. Sweden's Arctic research can aid glacier protection, helping track melt patterns and develop carbon sequestration initiatives through afforestation and soil stabilization. Joint research on biodiversity conservation can further strengthen resilience in fragile mountain ecosystems.
- By prioritizing these areas, India and Sweden can lead global climate action, balancing development with sustainability while safeguarding natural resources for future generations. Their historic partnership and shared expertise make them ideal allies in addressing the pressing environmental challenges of today.
- With the NB8 too, India has a broad agenda for cooperation, driven by their

sustainable goals, and covering key areas like food processing, sustainability, the blue economy, maritime cooperation, renewable energy integration, information technology and AI collaboration. Particularly, both could cooperate on protection and expansion of maritime infrastructure in the Baltic Sea, investments in wind energy, and enhancing people-to-people exchanges.

- Under the Modi government, India has proactively focused on science and technology (S&T) diplomacy, with the view of emerging as the world's third-largest economy. It has sought to build on external partnerships to sustainably upgrade its energy sector, transport, ICT and maritime industry. It shares several complementarities with the Nordic nations in these areas, giving them immense impetus to build a more strategic arc to their partnership.
- Sweden's expertise in building public-private partnerships with India and its multisectoral innovation projects make it uniquely positioned to foster trilateral partnerships between India and other Nordic states, as well as India and the EU more broadly.
- Moving forward, Sweden can synergize India-Nordics partnerships with trilateral initiatives in areas like Arctic icecap monitoring—as it has already done in the green hydrogen sector. Further, to mobilise strategic cooperation, India and the Nordics should look to streamline their channels for collaboration by establishing sectorial bodies within the Indo-Nordic Summit.
- With the EU, India must look to foster better technology transfer and more convergent internet and ICT policies. Regulatory harmonization is critical for India to strengthen its position vis-à-vis China's Digital Silk Road.

India's Gateway to the Nordic

- As the third India-Nordic summit is set to take place later this year in Oslo, it is important to assess the state of India-EU security cooperation and the potential for enhanced coordination with the Nordic countries.
- From Norway's viewpoint, deepening political, economic, and diplomatic engagement with India extends beyond economics and intersects with geopolitics, geo-economics and national security interests.
- Dealing with the astronomical rise of an increasingly totalitarian and expansionist neo-imperial China is quickly becoming one of Norway's most pressing foreign policy issues. As the 'other Asian giant', India stands out as the only truly credible counterbalance to China in the Indo-Pacific, and Oslo's best bet to counter China's hegemonic aspirations and malign its influence in Norway.

- In particular, Norway views India as an important partner for achieving more robust supply chains; India's massive internal market, huge workforce, educated population, and geo-strategic location make it well-positioned to absorb strategic sectors moving out of China. This can help reduce geo-economic vulnerabilities linked to the world's current China-centric international trade regime. Oslo therefore has a geopolitical stake in India's successful modernization and democratic growth.
- Likewise, Sweden's long-standing economic ties with India and shared values on key global issues, including a cautious approach toward China as a regional and global challenge, position it well as a bridge between India and the Nordics.
- Engaging with the Nordic countries through Sweden provides India with access to key economic and political networks, enhancing its integration into the global economy. In areas like trade and technology, naval and maritime domain, space and land technology, energy and electric aviation, India-Sweden relations can lead to broader collaborations between India and the Nordics.
- Undersea cable network resilience and security could become centerstage in discussion between European countries and India. The Nordic States could contribute in a meaningful manner in developing a surveillance system and building a legal framework to confront threats.
- With regards to the blue economy, a Green and Strategic Maritime Partnership with evident economic windfall could build on the example of Green Strategic Partnership signed by India and Denmark in 2020 by focusing specifically on maritime cooperation.
- India's ties with the Nordics and the EU hold great potential but face challenges due to misunderstandings in foreign policy, India's lag in innovation compared to China, and complex geo-economic dynamics. Sustained political will and regular policy exchanges are essential to overcoming divergences and strengthening cooperation.



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INTRODUCTION

India-Sweden Ties: Forging a Cohesive Partnership

Jagannath Panda, Niklas Swanström and Mahima Duggal

Introduction

In May 2023, the Indian External Affairs Minister S. Jaishankar's visit to Sweden, which marked 75 years of diplomatic relations between India and Sweden, was a packed affair with multiple high-intensity meetings during both the second edition of the European Union (EU) Indo-Pacific Ministerial Forum and the inaugural session of the India Trilateral Forum (India, Europe, and the U.S.) that he attended with the then Swedish Foreign Minister Tobias Billstrom.¹

Importantly, Jaishankar's trip epitomized India's enhanced current and—more importantly—potential engagement with Sweden in technology, connectivity, and trade and finance.² Both countries are increasingly looking at new technologies like artificial intelligence (AI), digitalization, climate action, trade and investment, as well as European and Indo-Pacific strategic concerns such as inter-regional security. Concurrently, Billstrom's multiple trips (e.g., participation in the annual Raisina Dialogue – India's flagship conference on geopolitics and geo-economics co-organized by the Indian Ministry of External Affairs – successively in 2023 and 2024 or visit to the Indian state of Karnataka in early 2024) to India during his

tenure were also instrumental in elevating the strategic aspects of the partnership.³

As both nations navigate rapidly evolving geopolitical and economic landscapes, this chapter looks at how they can forge a more cohesive partnership. It delves into the critical challenges and opportunities that shape this dynamic partnership, exploring how India-Sweden collaboration can foster stronger institutional frameworks and unlock its full potential.

Challenges Ahead

While the India-Sweden partnership holds great promise, it also faces significant challenges. For one, Sweden's newly released strategic document for the region, titled "Defence Policy Direction for Cooperation with Countries in the Indo-Pacific Region," which was publicly launched in September 2024, does not directly mention India.⁴ On the other hand, the Policy Direction does clearly refer to cooperation with the North Atlantic Treaty Organization (NATO)'s Indo-Pacific partners. This indicates that Sweden's priority partners are Australia, Japan, New Zealand, and South Korea as well as the strategically important Southeast Asian powerhouse Singapore.

From areas like human rights and political differences to climate and sustainability, both countries often differ on certain points, sometimes causing friction in their bilateral relations. Despite their conceptual support for human rights and shared values, Sweden has voiced its disapproval of India's legislative changes in Kashmir⁵—which is often not welcomed by New Delhi. In the climate change domain, India's developmental priorities and differentiated approach, emphasizing historical emissions responsibility and the need for financial and technological support from developed nations like Sweden, can at times clash with Sweden's more ambitious climate policies. India, for instance, has criticized the EU's Carbon Border Adjustment Mechanism (CBAM), as being “unfair” and “detrimental” to a developing economy like India.⁶ These issues tend to carry over in the trade domain. India sees the EU's insistence on environmental measures, like the CBAM, and emphasis on labor standards in free trade negotiations as being protectionist.

Most prominently, India and Sweden differ notably in their approach to Russia. While New Delhi sees Russia as a historical partner and key supplier of defense equipment, Sweden (and the EU at large) view Russia as an imminent security threat.⁷ These distinct approaches are shaped not only by their historical lenses, but also by their different strategic priorities and geopolitical alignments.

Sweden has taken a firm stance against Russia's full-scale invasion of Ukraine, by providing consistent and increasing support to Ukraine, imposing sanctions in line with other EU

countries and, at the same time, working to strengthen its preparedness in the event of a direct conflict with Moscow.⁸ Notably, Stockholm reversed its decades-old policy of neutrality—meaning non-participation in military alliances and wars—by joining the NATO as a full member. This significant shift in policy is a clear indication of Sweden's recognition of Russia as a security threat and the changing landscape in its immediate neighborhood.

This divergence has created some friction between the two states, for instance in multilateral settings where Sweden advocates for stricter measures against Moscow while India prefers diplomatic engagement and strategic autonomy. Both countries have sought to manage these differences pragmatically while continuing to focus on other areas of cooperation. As the Russia-Ukraine conflict persists however, and the transatlantic alliance becomes increasingly stressed, the EU will be more focused on Russia. Already, there are some indications of this. Although few Indian companies were sanctioned by the EU for continued trade of embargoed goods with Russia, the recently enacted U.S. and EU sanctions have impacted several ships, carrying about 230 million barrels of crude oil to India.⁹ The goal of these sanctions is to push India and China back into the compliant oil market and seek more supply from the U.S., Africa and the Middle East.

Do Strategic Gains Outshine Challenges?

Despite these challenges, the India-Sweden relationship is marked by mutual respect and underpinned by robust economic relations. Both are regarded as natural partners in that

they share strong democratic values, pluralism, and institutional foundations. Although Russia remains a point of divergence, India and Sweden have thus far navigated the issue well. In fact, many voices in Europe would argue that the strategic value of EU-India relations outweighs disagreements, and there is a need to continue to interact and collaborate on points of convergence.¹⁰

While Sweden (and other Nordic countries) boast of high standards of innovation, green technologies, clean energy, and energy diversification, India complements these as a fast-growing economic powerhouse, a vast market and resourceful talent pool, and a growing clean energy infrastructure.

India's growing economic clout and status as an Indo-Pacific power, coupled with Sweden's enhanced role in the already interlinked European and Indo-Pacific security concerns after joining NATO in March 2024, presents the partnership with significant opportunities. Sweden's entry into NATO is certainly vital because it strengthens European collective security against Russia; more importantly, however, it "marks NATO's firm hold over not only the Baltic Sea region but also the Arctic."¹¹

Further, India's trade ties with the other EU and NATO members, including Nordic-Baltic states in general have received a fillip in the recent years, too. This will not only impact Sweden's ties with India but also help India's vision for a consolidated outreach with the broader European region, including the Nordics. This is primarily because of Europe's varied interests in the Indo-Pacific region, which after the release

of the European Indo-Pacific strategies has become not only a zone for fulfilling economic needs but also a strategic pivot for Europe.

Notably, the return of Donald Trump, a transactional and protectionist leader, brings uncertainty to European and Indo-Pacific politics, making it crucial for Sweden to strengthen its ties with India, a major Asian power. This is especially important for the sake of multilateralism, too. Two major issues include 1) the all-important climate challenge, which will be greatly impacted by America's exit from the Paris Agreement,¹² and 2) global health that is set to face further setbacks in the post-COVID era due to the U.S. withdrawal from the World Health Organization (WHO), giving a fillip to China's already rising influence in global health governance.¹³ Against such a scenario, India and Sweden, along with other like-minded democracies, will need to increase efforts to create better international solidarity than the one that exists today. Sweden is cognizant of these changing realities in the global landscape today.

This new geopolitical awareness, including the stance for collaboration for fighting multilateral challenges, was also reiterated by Sweden's new Minister for Foreign Affairs Maria Malmer Stenergard, at a lecture at the International Institute for Strategic Studies in Singapore in November 2024. Stenergard not only stressed on "strengthening cross-regional security" between Sweden and the Indo-Pacific, but also India's "essential role" addressing global challenges, including climate action and as a "defender of democracy, multilateralism, and the UN Charter."¹⁴ She added that India should

not be viewed as a “component of a de-risking agenda”, and that Sweden and the EU will need to adapt their strategy to work effectively with a more confident India on the world stage.

Such a characterization by Sweden’s Foreign Minister Maria Malmer Stenergard for India is a great boost for India-Sweden ties and bodes well for the immediate and long-term future, notwithstanding the lack of mention of India in Sweden’s latest defense policy paper. More than anything else, this points to a willingness in Europe to look at the relationship with fresh eyes and find ways to cooperate, even when they are not fully aligned and there exist certain frustrations on both sides with the other’s positions.

Positioning China

India’s relationship with European states like Sweden is often considered in context of Europe’s dynamics with India’s principal adversary, China. China is and will likely continue to be a crucial economic partner for the EU due to their deep trade ties as well as technological interdependence. Nevertheless, there are deep-rooted challenges to the relationship, which has forced the EU to recognize China as a partner, competitor, and systemic rival. In the Arctic, for example, the growing Russia-China cooperation amid a raging Ukraine war will not be without consequences, particularly for China (and to some extent, India) that may get “ostracized” for its growing camaraderie with Russia,¹⁵ as now seven out of the eight Arctic states (namely Canada, Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden, the United States) are now in NATO.¹⁶ This is of notable concern for Sweden, as it could pose

major economic, environmental and security challenges for Sweden.

That is not to say that similar challenges do not exist in the India-EU relationship. However, given India’s democratic framework, commitment to a multipolar, rules-based order, and shared security concerns in the Indo-Pacific, New Delhi is potentially a more politically aligned partner.

Importantly, India-Sweden (and EU) relations still remain grossly under their full potential – even as China’s ties with the EU and NATO member-states continue to grow. In 2023, EU-China trade amounted to Euro 739 billion while EU-India trade was merely Euro 122 billion.¹⁷ This points to the vast gap that still exists—as well as the potential for India and its European partners, like Sweden, to enhance economic ties. In this sense, India is not simply an alternative to China for the EU, but an important partner in its own right and one where there exists considerable potential for growth.

Moreover, not only is China set to emerge as a bigger technological and economic power,¹⁸ the China-U.S. strategic competition will only get tougher under Trump and his penchant for tariffs.¹⁹ Therefore, a stronger India-Sweden relationship, with both pushing for effective multilateralism amid sound, multifaceted bilateral ties that extend from climate action to defense and security, will be imperative for both the Indo-Pacific and Europe.

Therefore, keeping in perspective the extensiveness of the India-Sweden convergence on values and world views, it has become important for

both countries to raise their partnership to new strategic heights and consider how they can work together in a new, rapidly changing geopolitical environment.

This introductory chapter outlines a five-fold approach to deepen and expand this bilateral relationship, positioning it as a model for India-Nordic and India-EU ties.

Strategic Essence: Creating Bilateral & Regional Opportunities?

Over the past decade, the India-Sweden bilateral relationship has witnessed a sharp upswing through regular high-level and working level interactions, including 10 Head of State/Head of Government level meetings, as well as several new initiatives across sectors.²⁰ Prime Minister Narendra Modi's 2018 visit to Sweden was a key turning point in bilateral ties, providing them with new impetus. With the aim to build a “win-win” partnership, Delhi and Stockholm inked a Joint Action Plan and an Innovation Partnership for a Sustainable Future agreement which leverage India's development programs for mutual gains.²¹

Alongside this, both leaders also highlighted their extensive cooperation in the defense and security sector, as well as areas like climate change, high-tech and innovation, research and development, healthcare innovation, trade and investment, and broader industrial cooperation. The leaders of both countries agreed that they would look to further enhance their close cooperation on the regional and global levels.²²

In this context, 2018 marked the onset of a more strategically oriented India-Sweden partnership.

Subsequently, in 2023, both countries celebrated 75 years of diplomatic relations, an event that provided both countries an opportunity to review their bilateral ties and served as a crucial reminder of their longstanding friendship.²³ As a result, India and Sweden have deliberately, over the past decade, built a dynamic, more proactive and strategic relationship. In each of their focus areas, both countries possess a high degree of proficiency and/or resources. Working together can therefore allow them to leverage their strengths and further enhance capacity to achieve shared political, social, and economic goals.

The strategic essence of the India-Sweden relationship, therefore, draws on several elements.

Firstly, India's rising economic and strategic profile underscores its strategic importance for Sweden. India's rising economic and strategic profile is reshaping global dynamics, driven by its robust economic growth (it is expected to sustain a 6.5 percent growth in 2025 and 2026),²⁴ strategic geographic position, and active international engagement. As the world's fifth-largest economy, India is a hub for trade, investment, and innovation, attracting global attention with its thriving start-up ecosystem and ambitious digital transformation. It offers an ideal hub for businesses to efficiently manage their logistics and supply chain across the Asia-Pacific.²⁵

Strategically too, India occupies a pivotal location in the Indo-Pacific, serving as a key player in regional and global security. Its role in forums like the Quadrilateral Security Dialogue

(officially called the Quad, comprising Australia, India, Japan, and the United States) in the Indo-Pacific security architecture, BRICS (which has expanded to include Egypt, Ethiopia, Indonesia, Iran, and the United Arab Emirates (UAE) besides the core members Brazil, Russia, India, China, South Africa) as a key forum representing the so-called “Global South,” as well as the Group of Twenty (G20) showcases India’s commitment to multilateralism and rules-based international order.

India’s ambitious renewable energy targets and leadership in climate action through platforms like the International Solar Alliance (ISA)—of which Sweden is also a member—further enhance India’s global standing. It is therefore not only an economic powerhouse but also a strategic partner for addressing global challenges and ensuring sustainable development. Outside its traditional focus on China and Japan, Sweden’s growing interest in India reflects a strategic recalibration in Sweden’s outreach to the region. For Sweden, India represents a stable and reliable partner in the Indo-Pacific and beyond.

Secondly, Sweden is an important economic and strategic partner for India due to its advanced technological capabilities, focus on sustainability, and alignment with India’s developmental priorities. Some prominent Indian companies with a presence in Sweden include Tata Group, Aditya Birla Group, Bharat Forge, Wipro, HCL Technologies, Tech Mahindra, Larsen & Toubro Infotech, Cadila Pharmaceuticals, and Crompton Greaves, focusing on sectors like IT, automotive, pharmaceuticals, and biotechnology. Economically, Sweden’s expertise in sectors

like green technologies, renewable energy and advanced manufacturing complement India’s goals of energy transition, industrial modernization and sustainable growth. India ranks as Sweden’s third largest trade partner in Asia, with several Swedish businesses having a prominent presence in India.²⁶ These include Ericsson, Spotify, and Truecaller in the IT sector; automobiles Volvo and Scania in the automobiles sector; Alfa Laval, and Scania in the earth moving and mining sector; Sandvik in the process plant equipment sector; ABB and SKF in the electrical engineering and AI domain; AstraZeneca in the pharmaceuticals sector; Tetra Pak in the packaging sector; retail IKEA and H&M in the retail space; and Saab in the defense sector.

In particular, Swedish companies, with their innovation-driven approach, are key contributors to India’s “Make in India” initiative and its thriving start-up ecosystem.²⁷ Notably, as a pivotal step in this direction, Saab started the construction of a production unit for the shoulder-launched iconic Carl-Gustaf M4 weapon systems in India (state of Haryana) in March 2024.²⁸ It is a pivotal step toward enhancing strategic cooperation. Moreover, as per company reports, this will be the first Carl-Gustaf manufacturing facility outside Sweden.²⁹

Further, Sweden can serve as an indispensable partner and a pivotal gateway for India’s relations with the Nordic countries. As the largest Nordic economy in terms of overall gross domestic product (GDP),³⁰ it provides a natural entry point for India to engage more deeply and more comprehensively with the Nordic region—which ranks as the 10th largest

economy in the world.³¹ With an impressive 60 companies on Forbes World's 2000 largest publicly listed companies, the region boasts of high productivity (40 percent higher than the EU average) and one of the best purchasing power parity rates in the world (78 percent higher than the EU average). This, along with its innovation, early tech adoption, sustainability focus, and highly integrated model, make it an attractive trade and investment partner for India.

Sweden's active participation in regional platforms like the Nordic Council and its strong ties with Denmark, Finland, Norway, and Iceland—the other four Nordic states—would enable India to expand its partnerships across the Nordic states. By building on its strong bilateral ties with Sweden, India can effectively tap into the collective potential of the Nordic states, advancing mutual goals in trade, innovation, and climate action.

A Comprehensive Partnership in the Making: Will It Reach a High Point?

Despite such progress in bilateral engagements, there remains untapped potential in the strategic ties between Sweden and India. Even as the two states celebrated 75 years of bilateral cooperation and long-standing business ties,³² the lack of a sustained strategic push has been obvious until very recently. It would be not incorrect to posit that one of the major factors that enabled a reconnect between Sweden and India was the COVID-19 pandemic and the ensuing deficit of trust with China due to supply chain dependencies.

Looking forward, while collaborations in sustainability, innovation, and defense have grown, deeper engagement in areas like digital transformation, healthcare innovation, and advanced manufacturing could unlock new opportunities. Trade volumes, though increasing, still do not reflect the full potential of both economies. Greater investment and technology transfer, particularly in green hydrogen and renewable energy storage, could amplify outcomes. Furthermore, stronger people-to-people connections, academic exchanges, and cultural partnerships can enhance mutual understanding.

By addressing these gaps, the India-Sweden partnership can evolve into a more comprehensive and transformative collaboration.

Five Essential Areas of Focus/Convergence

To this end, there are five areas where India and Sweden should focus in order to further their partnership, namely innovation and technology, energy, sustainable development, defense, trade and investment, and climate action. Focusing on these dimensions can provide a structured and holistic framework for their bilateral relationship and foster it as a strategic and forward-looking partnership.

Innovation & Technology

Under Narendra Modi, the science and technology domain has been one of special focus and high prioritization, particularly as India has sought to reposition itself as a frontline nation, or a powerhouse, in the domain. Flagship programs like Digital India, Aadhaar (a unique proof of identity for Indian residents), Unified

Payments Interface (UPI, an Indian instant real-time payment system and protocol), eSign, and Government e-marketplace have sought to create a “tech-first” India; this is complemented by India’s advancements in the space and deep-sea sectors.³³

Considering Sweden’s strength in the domain—it has for long been recognized as a leading innovation economy known for its technological competences—India has sought to leverage its partnership to enhance its own ecosystem in the domain. In fact, India considers technology, innovation, investment and research and development (R&D) to be the bedrocks of the modern India-Sweden relationship.³⁴ Sweden leads the EU in terms of R&D intensity. In 2023, it spent 3.6 percent of its GDP on R&D;³⁵ by comparison, the EU average amounts to 2.2 percent. Furthermore, Sweden ranks third in innovation inputs and second in innovation outputs on the Global Innovation Index 2024 (it overtook the United States in 2023 as the world’s second most innovative economy)—an index where India is fast climbing.³⁶

To capitalize on this, India and Sweden signed a joint innovation partnership in 2018 in a bid to formalize bilateral collaboration mechanisms in the area. Figure 1 displays the rapid advancements in the partnership since the onset of this agreement. The partnership is based on the principles of co-funding, co-development, and co-creation, toward mutual benefits using the synergy between India’s burgeoning tech sector and Sweden’s R&D capabilities. Both countries are already working together to a certain extent in areas like smart cities, green energy and transportation; smart industry,

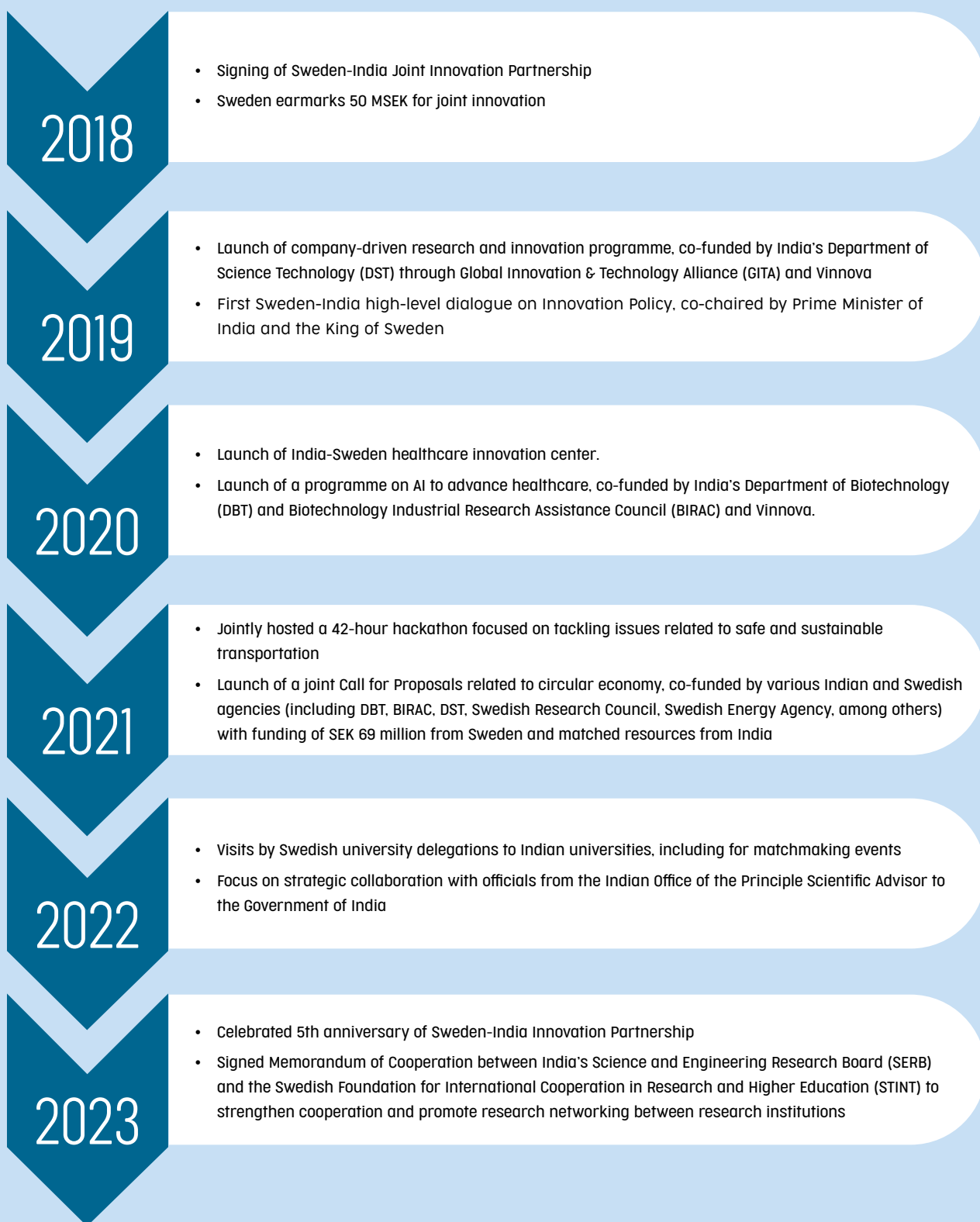
AI and digitizations and Intellectual Property Rights (IPR) issues; new materials and advanced manufacturing; space and aeronautics; circular and bio-based economy; and health and life sciences.³⁷ For instance, Sweden has officially joined ISRO’s Venus Orbiter Mission (VOM), launching in 2028, and will provide a Venusian Neutrals Analyser instrument for the same.³⁸

Since being re-elected in June 2024, the Modi government has unveiled a series of ambitious infrastructure and logistics projects, including a policy to boost bio-manufacturing and the launch of a new venture capital fund for incubating space technology. *This creates further avenues for both countries to deepen their partnership in the sector.*

Nevertheless, tech cooperation is a sensitive area. Issues like regulatory differences, IPR concerns, market access barriers, and digital security concerns lead to hesitancy on tech transfer, limiting deeper partnerships. By contrast, Japan, South Korea, and Taiwan align more closely with the EU’s digital framework, often making them more viable tech partners. Yet, India is one of the world’s fastest-growing digital economies and talent pool with complementary strengths in innovation. A stronger Sweden-India tech partnership therefore helps Stockholm balance its strategic portfolio without relying only on East Asia partners, for example.

Accordingly, much more can be done to take the partnership forward. There is currently limited commercialization of joint research, with most initiatives being led by government agencies on both sides. Still insufficient investments in pilot projects and slow bureaucratic processes also

Figure 1: **Timeline of the Sweden-India Innovation Partnership**



Source: Prepared by the authors based on Office of Science and Innovation (Embassy of Sweden in New Delhi), *Sweden-India Partners in Research and Innovation* (January 2024), <https://www.swedenabroad.se/globalassets/ambassader/indien-new-delhi/documents/sweden-india-partners-in--research-and-innovation-2-compressed-1.pdf>.

hinder scaling up of collaborative ventures. Both countries should now focus on expanding their innovation partnership by establishing dedicated India-Sweden R&D funds and innovation hubs. Promoting venture capital flows can further help energize start-up exchange programs to co-develop solutions in areas like healthcare, circular economy, and green energy. Alongside this, it will be vital to consistently expand people-to-people relations through academic and cultural exchanges in order to create an environment that promotes joint innovation.

Green Energy

Renewable energy cooperation, especially in solar and wind power, aligns with both countries' climate goals. Both countries first signed a Memorandum of Understanding on renewable energy cooperation in 2010.³⁹ To put greater impetus into collaborations on clean energy, both countries inaugurated the India-Sweden Sustainability Day on March 4, 2024. As Cecilia Oskarsson, Trade and Invest Commissioner of Sweden to India and South Asia stated, together with India, Sweden is committed to 'pioneering the possible' by providing innovative solutions and best-in-class technologies and expertise for the heavy industry through channels like the Sustainability by Sweden Ecosystem.⁴⁰

Although India has a much better record of per capita emissions than many developed nations⁴¹—India's global share of carbon emission is less than 5 percent despite being home to 17 percent of the global population—it surpassed the EU to become the third largest emitter of greenhouse gases globally in 2023 and its CO₂ emissions have tripled over the last two decades.⁴² New Delhi has further announced a

highly ambitious target of achieving net-zero emissions by 2070, transitioning 50 percent of the country's installed capacity to renewable energy sources, and reducing carbon intensity by 45 percent by 2030. This will require not only stringent measures and regulations to promote green transition strategies across sectors, but also industry-to-industry collaborations. India's manufacturing industries like iron, steel, cement, chemicals and fertilizers have some of the highest emission footprints. To achieve their carbon neutral targets while remaining competitive will require collaboration in developing and scaling fossil free solutions and technologies, such as green hydrogen.⁴³

The India-Sweden Green Industrial Transition Partnership (ITP), launched in 2024, seeks to help achieve this goal and accelerate the transition of the heavy industry in India.⁴⁴ It functions as a platform for various ministries, agencies, companies, research institutes and experts to open policy dialogue, promote mutual learning, generate more opportunities and enable co-development of technology. While still in its nascent stage, the ITP has already set up five working groups, defined deliverables and started identifying priority actions. Moving forward, they will look to implement flagship projects in the steel and cement sectors, mobilize multilateral technical and financial assistance, work on emerging market-based instruments, as well as support activities under the innovation partnership. This marks a significant step in the right direction for both countries.

In particular, the ITP should work to expand collaboration on green hydrogen production, storage and utilization. Sweden's

advanced research in hydrogen technology can complement India's ambitious National Hydrogen Mission, creating pathways for joint projects and technology transfer. Both can also work to develop cost-effective and scalable battery storage solutions is essential for integrating renewable energy into grids. Enhancing the efficiency of solar and wind energy systems through joint research on smart grids and energy optimization technologies can significantly improve renewable adoption in both countries. In addition, exploring carbon capture, utilization, and storage (CCUS) technologies can help both nations achieve their climate targets. Collaborative research can focus on industrial applications and scaling cost-efficient solutions.

Sustainable Development

Related to green energy, India and Sweden are also strengthening their ties for sustainable development.⁴⁵ Sweden's early adoption of progressive policies and innovations in the sector have made it a leader in sustainability. For instance, its Extended Producer Responsibility (EPR) regulations, which were established in the 1990s, remain a benchmark for managing packaging waste and promoting a circular economy. As sustainability partners, with regular dialogues on the issue, both countries have fostered a conducive environment for sharing knowledge and solutions.

Shared commitments to sustainable development goals (SDGs) open avenues for partnerships in circular economy models, waste management, and carbon neutrality. Areas like electric vehicle (EV) infrastructure, EV regulatory frameworks, technology transfer, solid waste and wastewater

management, and other circular production practices have emerged as key areas for collaboration. In the EV space for instance, companies like Volvo and Hitachi are working with Indian-Swedish university partnership between Indian Institute of Technology (IIT) Bombay and the University of Gothenburg on e-mobility to develop charging infrastructure and electric buses in India.⁴⁶ Many of the 280 Swedish companies present in India are also implementing circular production lines and helping their domestic partners and customers develop more efficient practices.

In several areas, however, cooperation has been underexplored and could be further expanded for greater impact. In sustainable agriculture, for example, India can leverage Sweden's expertise in precision farming, resource-efficient irrigation, and organic farming practices. Joint projects in wastewater management and water recycling systems could also help address acute water scarcity and pollution challenges. Both countries could also expand focus to joint projects on developing sustainable and climate resilient infrastructure.

Defense Trade and Security

In terms of their security partnership, Sweden's recent accession to NATO opens new doors for collaboration. In July 2024, shortly after becoming NATO's 37th member, the Swedish Ministry of Defense presented a defense policy direction for cooperation between Sweden and the countries of the Indo-Pacific region.⁴⁷ This was driven by the fact that Sweden, like many countries of the NATO, recognizes that the Euro-Atlantic and Indo-Pacific regions are inherently linked, and that China's authoritarianism and

cooperation with Russia, as well as the U.S.’ resource allocation between Ukraine and the Indo-Pacific impact Europe’s security situation. As a member of NATO, Sweden brings advanced defense expertise and robust multilateral networks, which complement India’s security interests in the Indo-Pacific and beyond. In other words, Sweden’s NATO membership thus amplifies its strategic relevance to India, fostering deeper ties in defense, innovation, and global governance.

Furthermore, Sweden’s reputation for cutting-edge defense technology aligns with India’s push for defense modernization and self-reliance through initiatives like “Make in India.” Collaborations in areas such as aerospace, cyber defense, and joint R&D can deepen their defense partnership while fostering technology transfer and innovation. Under the “Atmanirbhar Bharat” (self-reliant India) initiative, India increased the foreign direct investment (FDI) limit to 74 percent through the automatic route, encouraging foreign original equipment manufacturers to invest in India and collaborate with local industry. The Indian government further released three positive lists for indigenization—that is, lists of defense equipment with an import embargo—to pave the way for strategic partnerships between foreign and Indian companies.⁴⁸

Saab, a Swedish defense manufacturer which already has a massive presence in India, is a good example of such a partnership.⁴⁹ Besides the start of the aforementioned construction of the Carl-Gustaf weapon systems facility, as part of India’s initiative to acquire 114 Multi-Role Fighter Aircraft (MRFA), Saab has also

offered to delivering its Gripen fighter aircraft under an accelerated timeline of 36 months.⁵⁰ While the first 18 aircraft will be developed and assembled in Sweden, the remaining 96 will be manufactured in India; therefore, Saab is set to establish substantial domestic production capabilities in India. This facility would be an “independent industrial base that can design, develop, produce, upgrade and maintain the Gripen system, thereby going beyond just building subcomponents with Indian partners”.⁵¹ It will also offer technological support India’s Light Combat Aircraft (LCA) and Advanced Medium Combat Aircraft (AMCA). Saab has already displayed a full-scale replica of its Gripen E fighter jet at an inaugural security dialogue in India, ahead of the Aero India 2025, India’s premier hub for exploring new avenues and partnerships in the aerospace sector.⁵²

While India has not yet accepted the offer—it is still considering its strategic requirements—it is worthy to note that Saab is the only global company approved for 100 percent ownership of an India-based operation, and therefore a trusted partner for the Indian government.⁵³ Such measures create immense potential for defense industrial cooperation, particularly toward boosting India’s goals for facilitating indigenization as well as self-reliance in defense procurement.⁵⁴

Importantly, like in the technology sector, defense trade and security cooperation faces serious challenges due to Sweden’s strict export controls, India’s complex procurement processes and geopolitical misalignments on Russia. Sweden, as part of the EU and now NATO, adheres to strict security and export

control regimes, whereas India follows a non-aligned, multi-partner defense approach, which includes engaging with Russia. Their divergent threat perceptions naturally raise concerns in European security circles limiting strategic alignment. India's slower bureaucratic procurement system and preference for technology transfer and local manufacturing create further hurdles. Nevertheless, these barriers can be addressed by streamlining export policies, setting clearer tech transfer agreements and building greater trust between the two partners. For Sweden, building defense cooperation is a way for it to prompt India's defense diversification beyond the U.S., France, and (most importantly) Russia, as well as expanding its global defense footprint. By addressing the challenges and continuing to focus on security cooperation, both countries can unlock long-term strategic benefits.

Trade & Investment

India-Sweden trade and investment relations have rapidly grown in recent years. Nevertheless, India is only Sweden's 19th largest export market, with most growth driven by sharp increases in iron and steel, pulp and waste paper, and paper and paper products.⁵⁵ By comparison, Sweden shares a dynamic trade relationship with China, which is its largest trade partner. Swedish exports to China amounted to USD 7.03 billion in 2023 (a 7.8 percent year-on-year increase from 2022), with chemicals, machinery and transport equipment being key sectors. Sweden ranks as the 21st largest investor in India, with total FDI at USD 2.51 billion from April 2000 to March 2024. Clearly, there is immense scope for the bilateral trade relationship to grow further.

Most prominently, bilateral trade is limited by the lack of an India-EU Free Trade Agreement (FTA), which is currently being negotiated but is unlikely to be concluded in the short term future. Finalizing the FTA should be an active priority for both since it can help reduce trade barriers, facilitate smoother investment processes, and therefore unlock their trade potential. However, while the India-EU FTA remains elusive, both countries can work bilaterally to expand collaboration on high-growth sectors—like renewable energy and innovative technologies—as well as simplify regulatory frameworks. Ensuring consistent regulations can help address non-tariff trade barriers and improve the ease of doing business with each other, thus boosting bilateral trade volumes. At the same time, India and Sweden can leverage multilateral platforms like the United Nations (UN) and the World Trade Organization (WTO) to advocate for shared goals, such as those pertaining to equitable trade practices, reduced non-tariff barriers, and fair market access.

Conclusion

Each of the aforementioned areas demonstrate both progress and challenges. For instance, while trade volumes have grown, non-tariff barriers and regulatory hurdles need resolution. Similarly, while there is momentum in green energy collaboration, investments must scale up. Needless to say, the India-Sweden relationship is at a critical juncture. With the right mix of political will, strategic vision, and institutional frameworks, this partnership can evolve into a cornerstone of India's Nordic and EU engagements. A focus on the above-discussed five-fold agenda will ensure that both nations

reap mutual benefits while setting a global example of bilateral cooperation.

Importantly, by building their relationship into a strategic one, India and Sweden can act as a model for regional relations. For instance, by showcasing success in bilateral projects, India-Sweden ties can inspire similar engagements across the Nordic region. Similarly, Sweden's role as a facilitator within the EU can

enhance India's access to European markets and policymaking processes. Both nations share a commitment to multi-lateralism and a rules-based international order. A stronger India-Sweden partnership can contribute to a balanced global power structure, especially at a time when global leadership is marked by increasing polarization, geopolitical tensions, and the need for collaborative solutions to transnational challenges.

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SECTION - I

INDIA-SWEDEN STRATEGIC AND DEFENSE COOPERATION

India in Sweden's Strategic Lens: Partners for Enhancing Capabilities

Henrik Chetan Aspengren

Introduction

Recent ruptures in the transatlantic link and frictions associated with China's rise, may accelerate Europe's—and Sweden's—existing cooperation with India. A heightened sense of urgency to work together on shared priorities has emerged after the American voters returned President Donald Trump to the White House. Clearly, convergence on strategic interests regarding development of core economic and technology capabilities are increasing. These trends should be further built on, while differences in views on issues such as cooperation with Russia will remain.

The problem voiced by New Delhi for decades of smaller and middle powers being left out when consequential decisions concerning their own economy and security are taken, is now keenly felt also in European capitals. While India has continuously pointed to the shortcomings of the present global order, Europe has been at the beneficial end of this order and paid scant attention to the complaints. When European participation in critical negotiations concerning the security order of Europe is now being questioned by the U.S.—this order's main guarantor—Europeans are warming up to the idea of safeguarding independence of action and policy.

Sweden, a new member of NATO but historically weary of fiscal and defense integration of the European Union, has kept away from debates about a more prominent and united European positioning in world affairs underwritten by geopolitical and geo-economic capabilities. However, the fact that Europe urgently needs to improve its competitiveness, accelerate technological innovation, and revitalize economic growth—and at the same time dramatically increase defense spending, is sinking in, also in Sweden.¹

It is increasingly becoming clear to European—including Swedish—decision-makers that India could have a role to play in this equation, long term. The notion of Europe and India jointly building capabilities to enable a future policy space is emerging as a key point in the Europe-India conversation. Europe could assist India's economic modernization through technology and capital, and enable job creation. India could become a partner in mitigating risks in supply and value chains, enhance European research and innovation systems, and minimize shortages of skilled labor. A capable and autonomous Europe and ditto India would also hedge against uncertainty in American economic policies and help reduce value chain concentrations.² There

are obviously uncertainties associated with India's economic development trajectory, but indicators point India's way with regard to demography, historic growth patterns, access to domestic talent and strong connections to other growth regions.³

Pathways for Long-Term Cooperation

Currently Sweden and India engage on three interconnected levels: bilaterally, through the Nordic region, and through the EU.

Bilaterally, Sweden has been a committed partner to India since before independence. While early modern economic engagements were structured by the political economy of the British Empire, Swedish companies and commercial actors remained committed to contributing to the buildup of independent India's industrial base. Support for India's independence was widespread within Sweden's political and cultural elites.

Although India and Sweden converged on idealistic and value arguments in the decades following independence, converging economic interests have gradually become more foregrounded.⁴ Economic opportunity has been a main driver for Swedish engagements with India for almost three decades. India was highlighted in this regard in the Swedish Government's Strategy for Trade, Investment and Global Competitiveness.⁵ Interestingly, however, a recognition of India as a rising power—a "central actor in handling global challenges"—was made by the Swedish foreign minister in her declaration this year on direction of Sweden's foreign policy before parliament.⁶

Sweden's bilateral partnership with India rests on a Joint Action Plan (JAP) from 2018, which outlines particular areas of cooperation.⁷ The JAP is not a strategic document for the development of mutual long term capabilities, but a tactical instrument for cooperation.

The Nordic platform has political depth through irregular summit diplomacy. India's economic, research and geopolitical interests in the Arctic and High North regions are becoming increasingly articulated. However, although Nordic-India cooperation has potential, the Nordic region has yet to develop a well-defined and actionable agenda vis-à-vis India, and the Nordic-India Summit is still geared towards bilateral engagements between India and individual Nordic countries. The track 1.5 Nordic India Dialogue (NID), which gathers representatives from industry, governments, and academia from all six countries is an attempt to forge a stronger Nordic-India platform for engagement. The NID is convened by the Swedish Institute of International Affairs and the Ananta Centre.

As the EU-India strategic agenda is increasingly prioritized by both New Delhi and Brussels, as well as leading member-states, there is clearly scope for Sweden to become a stronger voice in a common European India policy. One area where Sweden could take a lead within joint EU frameworks is cooperation on critical technologies. Along with a handful of member-states Sweden has the most advanced cooperation in a range of emerging and critical technologies.

Developing a strategic approach to rising

India, where the three levels of engagement are identified and structured is essential. All three levels require consistent political attention. Sweden's tradition of leaving the implementation of the partnership to public agencies has provided mixed results as getting things moving requires high-level engagement. Sweden will need to update its modus operandi vis-à-vis India, to ensure continuous political attention from both sides.

Yet, despite the manifested political will to increase cooperation, the partnership between Sweden and India, as has been the case with the EU and India, has been somewhat struggling to reach its full potential. In fact, trade in goods and services between India and Sweden leaves room for improvement. Although there is a notable increase in Swedish exports of goods to India since 2019, the share of the total stands at 1.1 percent of the total, and India's share in Sweden's import basket is 0.7 percent. With regard to services the share of Sweden's imports from India is today 2 percent and share of service exports is 1 percent of the total.⁸ Lingering perceptions of India as unknown and foreign among the Swedish public and enterprises could partly explain the somewhat sluggish progress.⁹ India's partial and careful integration into world trade and value chains, and challenging tariff and regulatory environment, when seen from a European perspective, is also holding back a fuller engagement. The EU-India Free Trade Agreement for which negotiations were first initiated in 2007, and where there is now ambition to come to an agreement by the end of this year, would greatly enhance trade and supply chain integration.¹⁰

Devising an Agenda for Joint Action

But Sweden and India also need to focus their joint agenda of action, with a view to the future, and geopolitical and strategic consideration. Sweden and India could work to jointly mitigate risk in value and supply chains. The experience of long periods of lockdown and other disruptions connected to the COVID-19 pandemic, as well as risks associated with value chain concentration to singular geographies, show the need to mitigate risk through diversified and trusted partnerships, ensuring resilience in supply and value chains.

The two partners could also increase efforts to foster future talent through cooperation for innovation and research. Combinations of Indian and Swedish CET-talent, capital, and innovation infrastructure enable extensive joint research programs, as well as the establishment of capacity centers, test beds and incubators. Focus on exchanges and enhanced mobility for students, researchers and skilled workforce would further ease cooperation.

India is undergoing the world's largest green transition and is the first rising power in history to be propelled by a large share of green energy sources. At present India's renewable energy installed capacity has reached 200GW and the stated goal by the Government of India is to reach 500GW non fossil fuel based energy by 2030. This creates an opportunity for green economic growth and return on capital investment. Sweden and India should aim to expand cooperation for green growth through co-development of technology and joint investments. This could also enable an Indian transition away from Russian hydrocarbons.

Cooperation through LeadIT is showcasing one pathway forward.

There are openings for increased cooperation in the sectors of security and defense. This could involve production of particular products and platforms in India. The Swedish defense industry has come a long way in this regard and has established manufacturing presence in India. As the European defense industry is facing high internal demand, it is important to consider production in the country, and not only pursue big-ticket sales. India will also remain an indispensable partner for the EU as it

must now develop a more independent posture in the Indo-Pacific.

Sweden would do well to update its approach and proposition to India. The idea of Sweden's cooperation with India as an emerging market needs to be complemented with ideas about how to connect with the country as a rising power with a unique view on and particular contributions to world affairs. To begin to frame cooperation in ways of creating enhanced capabilities to preserve policy space in a world order in flux, would be a promising step forward.

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Sweden's Quest for a Foothold in India's Defense Market

Filip Borges Månsson

The global arms trade is a highly intricate and competitive landscape, where countries strive to secure lucrative defense contracts with nations seeking to bolster their military capabilities. In this complex web of arms exports and imports, India has emerged as a significant player. As one of the world's leading arms importers, India's quest for military self-sufficiency faces ongoing challenges, leaving the door open for Western arms suppliers. Sweden is one of the Western exporters with great interest in tapping into the Indian arms market, but a shaky arms history with India—combined with fierce competition—has made it difficult for Sweden's ambitions to actualize.

The question is if Sweden and India can overcome these hurdles and if Sweden can expand its share of exports and local (Indian) manufacturing despite great competition. Do the evolving dynamics of India's defense policy ambitions play into Sweden's hands?

India's Unquenchable Thirst for Arms

India's insatiable appetite for arms is driven by its commitment to fortify its defense capabilities and originates from tensions with neighboring countries, namely Pakistan

and China. According to SIPRI, India is one of the largest arms importers in the world with more than 80 percent of procurements between 2016 and 2020 being from foreign origin, despite its efforts to develop indigenous defense technologies through its 'Make in India' program.¹ The country's ambitions to design and manufacture its defense systems (in many cases through licensing with foreign partners) have encountered numerous roadblocks, resulting in a sustained dependence on foreign weaponry.

India's attractiveness as a defense partner extends beyond its appetite for arms. Politically, India aligns with Western democracies, making it an attractive strategic ally. Its pivotal role in the Indo-Pacific region further enhances its appeal as a partner for Western countries. This shift towards closer cooperation is partly due to Western nations' willingness to provide the technological support that India had been hesitant to embrace. In a discussion with the author on September 19, 2023, Siemon Wezeman, Senior Researcher with the SIPRI Arms Transfers Programme, argued that initiatives like 'Make in India' have also paved the way for collaboration with private companies, making it a more appealing option compared to India's historically problematic state-owned enterprises.

Sweden's Challenges in the Indian Arms Market

India and Sweden share a long history of diplomatic ties dating back to 1949 which has further been strengthened in recent years through defense and security agreements—with a recent India-Sweden Virtual Summit in March 2021 that highlighted the potential for increased collaboration in defense and security.² Sweden's position as the 15th largest arms exporter (2016-2020) offers multiple opportunities for collaboration, particularly in R&D, manufacturing, and technologies.³

Nevertheless, Sweden's attempts to enter the Indian arms market have been met with several challenges, as historical and ethical concerns continue to cast a shadow over the future potential of bilateral arms trade and manufacturing between India and Sweden. One significant hurdle is the lasting stigma from the Bofors Scandal in the mid-1980s, a scandal that was entwined with the Indian National Congress Party's history of corruption and has to this day significantly impacted Sweden's image and credibility in India.⁴ Ethical considerations are also at play: While Sweden adheres to UN embargoes and restrictions, it continues to export to countries embroiled in conflicts or disputes. With both India and Pakistan being clientele of Swedish arms, a critical voice not only locally but also institutionally has been present about Sweden's role in supplying arms to both sides of regional conflicts.

The risk of diversion adds another layer of complexity. Indian exports sometimes find their way into the hands of unintended recipients, as demonstrated in the case of Myanmar, in which

Swedish projectile fuses have been exported to Myanmar through India despite the EU's arms embargo.⁵ The inconsistent enforcement of agreements and pledges exacerbates this issue, and these intricacies influence India's willingness to procure Swedish weapons. Another complicating factor is India's close defense ties with Russia, especially as technology transfers have been on the agenda for both parties.⁶ Albeit India aspires to diversify away from Russia in the coming years, their historically close partnership may cause Sweden's security establishment to second guess their aspirations if India does not change course in that matter.

The competition in the Indian arms market is fierce as countries such as France, the UK, Russia, and the U.S. all have a big share of arms exports to India. In the aerospace sector where the Swedish Gripen aircraft tries to compete, strong contenders such as the French Rafale and the Russian Su-30 series are already well established in India's arsenal, with the U.S. also seeking to complement the Indian Air Force with its portfolio of aircraft.⁷ Moreover, in naval and maritime defense, countries such as France and Russia are well established and have collaborated with India on a range of technologically advanced naval vessels and submarines, making it extremely difficult for Sweden to enter that market segment. Looking at the bigger picture, these countries have quantifiably larger and well-established arms industries with larger production capabilities, more extensive global market shares, and a stronger ability to provide cost-effective solutions, notably to a big defense spender such as India. This makes it difficult for a small country like Sweden to enter the market and compete for a market share.

The aerospace industry is a prime example of this as Sweden's efforts to sell its Gripen fighter aircraft to India have faced various obstacles. Saab and the Adani group signed an MoU in 2017, wherein Saab expressed willingness to manufacture 96 of India's requested 114 aircraft. However, Saab withdrew from the deal in early 2023, citing the non-renewal of the MoU in 2019 whilst highlighting the fierce competition in the aerospace market.⁸ India has also since 2017 opted for the French Rafale as the viable option for the Indian Air Force, as the French can produce on larger scale and at a lower cost whilst providing robust support on their aircraft on a scale that the Swedes cannot match, thus serving as a stark reminder of the competitive challenges Sweden faces in that sector. More importantly, the risk of the Gripen becoming less of an option is underlined by the fact that India is interested in its own 5th and even 6th generation fighter aircraft, and with Sweden's potential participation in the GCAP (6th generation fighter) program remaining uncertain, the prospects for India are further constrained.

Is Sweden out of the Game?

Despite the competitive challenges in the aerospace sector, Sweden remains highly committed to establish itself in the Indian market and collaborate with Indian manufacturers to an extent that exceeds its biggest competitors, but the question remains how Sweden can overcome its current hurdles and challenges. A plausible avenue would be the prospects of establishing a joint production line between Swedish and Indian manufacturers, serving as an indirect accessway to the Indian market. With recent successive improvements in Sweden-

India ties, particularly in defense collaboration as India's Defense Minister Rajnath Singh actively invited Swedish defense majors to set up manufacturing bases in India in 2021,⁹ the actualization of such proposal would perhaps not be as far-fetched in the coming years.

However, for such an alternative approach to actualize, Indian manufacturers must become a more attractive alternative in terms of effectiveness and trust in joint development, which is something they have been historically lacking. Saab needs assurances from Indian companies like HAL (Hindustan Aeronautics Limited) that the risk of blame-shifting can be avoided. Furthermore, the heavy reliance on Russian equipment is an issue India is addressing and must overcome. As India continues to successively phase out their Russian assets,¹⁰ the Indian companies may be viewed as a more attractive alternative to Swedish manufacturers.

With that said, cooperation in the defense sector does exist between the parties, and bilateral relations between India and Sweden has been improving. An example of this would be the MoU inked between the Society of Indian Defense Manufacturers (SIDM) and the Swedish Security and Defense Industry (SOFF) in 2021, aiming to encourage and improve bilateral defense industrial relations.¹¹ As a result, Swedish manufacturers have been gaining ground in terms of local manufacturing compared to their competitors by focusing on local production mainly for the Indian Army. Saab announced in 2022 that they will set up a manufacturing facility for the shoulder-launched weapon system Carl-Gustaf in India and planned to start production in 2024.¹²

In accordance with this announcement, India announced on November 9, 2023, that the first 100% foreign direct investment (FDI) has been cleared in the defense sector and granted it to Saab, gaining them permission to set up a new facility under the name Saab FFV India.¹³

Saab have followed up on their initiative in India, and the groundbreaking of their new manufacturing facility in Jhajjar, Haryana was performed in March 2024.¹⁴ The subsidiary company named Saab FFVO India will partner with Indian-sub-suppliers such as Munitions India Limited (MIL) and Advanced Weapons and Equipment India Limited (AWEIL) to manufacture the shoulder-launched weapons system, making it the first manufacturing facility of its kind outside of Sweden.

Furthermore, BAE Systems Hägglunds, one of the Swedish subsidiaries of the British arms, security, and aerospace company, has jointly with L&T signed an agreement to offer the BvS10 Articulated All-Terrain Vehicle (AATV) to the Indian armed forces, making the Swedish manufacturer one of the main bidders to enter the Indian market under the ‘Make in India’ program. Albeit a joint effort, it further emphasizes the optimism in terms of Swedish exports to the Indian market—and more importantly, indicates that Swedish and Indian collaboration in the arms industry is still a possibility.

In terms of the aerospace market, Sweden’s reputation for simplicity and affordability in its weapon systems is still viewed as compelling. The Gripen is renowned for its low maintenance costs and can provide a cost-

effective solution for India long term. Sweden also offers export credit and government guarantees which further enhance its appeal. These mechanisms ensure that agreed-upon prices remain stable, even in the face of fluctuating market conditions. Brazil’s decision to select and continue to purchase the Gripen exemplifies the attractiveness of this option.¹⁵ Thus, even though Saab and Adani’s MoU deal never came into effect, the offer Saab has made is still on the table and the interest from Saab to enter the Indian market is still very present. And it will most likely continue to do so as the relationship between India and Sweden improves in the defense sector.

The Indian government’s revival of the initiative to acquire 114 Multi-Role Fighter Aircraft (MRFA) has sparked further interest in the Gripen,¹⁶ as Saab is confident it can deliver the first jet to India within 36 months while remaining confident in the possibilities of its exports aligning with the ‘Make in India’ initiative. Saab’s proposal revolves around a full technology transfer, allowing Indian companies to gain essential expertise in designing, developing, and producing advanced fighter jets.¹⁷ Apart from the domestic production of the aircraft, Saab also offers specialized training for Indian engineers and pilots in Sweden and plans to set up a network of simulators and training centers within India to support the long-term advancement of the country’s aviation industry. Despite this compelling offer, the competition remains fierce; many contenders, including the Gripen, offer benefits like technology transfer and local manufacturing, and the extent of these offers needs to be evaluated by India in a careful manner as factors such as life cycle

cost, technology transfer, compatibility with existing systems, and adaptation to the pre-existing diverse IAF fleet, will have a decisive role in the final decision.¹⁸

Nevertheless, Sweden-India bilateral relations have improved steadily in the past decade, with

India-Sweden trade and investment continuously growing with both nations establishing company presence in their respective countries at an increased rate.¹⁹ With this in mind, Saab's recent investments in India reflect not only the company's, but Sweden's growing confidence in India's defense sector.

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Avenues for India and Sweden Maritime Cooperation

Pooja Bhatt

India-Sweden bilateral relations have seen considerable alignment in the last few years. Sweden is an established manufacturing and export-based economy, while India aims to become one. Clean and green technologies, defense manufacturing, and innovation-based ecosystems have become the foundation of their partnership. Further, in recent years, the two countries have recognized the importance of the Indo-Pacific region, which has increased due to geopolitical developments. Sweden's approach towards the region converges with that of India's, i.e. building a rules-based order and commitment towards security and development. While the groundwork has already been laid, the two countries must start defining their detailed engagements for their action. In this regard, the maritime domain presents the most pragmatic and practical avenue where mutual concerns and interests meet at both the bilateral and regional levels. Further, their views align with the Nordic region's overall approach to engaging with India.

Much has been achieved in the last few years to broaden and deepen bilateral relations. At the political level, Prime Minister Modi and the Swedish King signed MOUs in polar science and the maritime sphere in 2019.¹ On

the diplomatic side, there have been several high-level visits from Sweden and India, and Foreign Office Consultations (FOCs) involving external/ foreign affairs top diplomats discussed cooperation in R&D, sustainability, trade and investment. The two sides are exploring cooperation in advanced technologies such as semiconductors, green steel, and batteries.² For exploring military cooperation, the maritime partnership exercise that the Indian Naval Ship *Tabar* conducted with the Swedish Navy Ship *HMS Munter* demonstrated the establishment of naval camaraderie between the two nations³ during its port visit to Sweden in 2024.⁴ The two sides have also discussed cybersecurity and counter-terrorism for increased collaborations in the defense sector.⁵

In addition to Sweden, other Nordic countries—Norway, Iceland, Finland, and Denmark—have also expressed a desire to deepen their engagement with India on various issues. The India-Nordic Summit held in 2022 discussed international peace and security, multilateral cooperation, green transition, climate change, blue economy, innovation and digitalization.⁶

This backdrop sets the stage for the next steps for maritime cooperation between India

and the Indo-Pacific, where several of these pillars converge.

Seeking Peace through Strength

Sweden's transition from neutrality to security has underpinned a paradigm shift and is understandable. It delineates U.S.-China dynamics, China's authoritarianism, and Russian regional belligerence that negatively impact Sweden's interests and the reasons for its involvement in the Indo-Pacific region. Following its release of the Indo-Pacific Strategy in 2024, it became the first Nordic country to have a policy paper for the region. It also supports the EU's Indo-Pacific Strategy. Sweden, with its 3000 km coastline, is an important maritime nation of Europe. Its regional approach to the maritime domain has also evolved its foreign policies beyond the transatlantic regions, such as in the Indo-Pacific.

However, the Indo-Pacific and Indian Ocean, although connected as a region, present a different set of concerns. While the former is witnessing great power competition in trade, infrastructure and multilateralism, the latter seeks infrastructure development such as ports and related infrastructure, green technologies, and innovation in education, science and technology. The IOR countries also deal with existential issues of climate change and its effects and interrelated effects of poverty, illegal migration, smuggling, and piracy. Therefore, Sweden will have to define the importance of the Indian Ocean in its larger Indo-Pacific vision.

On the other hand, the Indo-Pacific is witnessing threats to territorial integrity and national sovereignty. Further, the recent security dynamics in Europe, the Middle East and Asia

have led countries to seek *self-help* to safeguard themselves. This has led to increased investment by Indo-Pacific nations to bolster their militaries by either developing arms or importing them⁷. The high costs of technology have compelled nations to procure defense technologies for their security in the short to medium term while developing their own domestic manufacturing in the long term.

These issues required to be understood separately before developing different sets of solutions, both of which are low-hanging fruits in India-Sweden maritime cooperation. Therefore, Sweden needs a more nuanced Indo-Pacific strategy that can open practical areas of collaboration and cooperation with India and other regional countries.

The Normative Approach Towards Maritime Domain

Sweden's maritime approach essentially envisioned the social, environmental, and economic development of its maritime sectors. Its multifaceted approach focuses on considering the economic growth of all maritime-related industries (fisheries, shipping, tourism, offshore energy, aquaculture), minimizing impact on the environmental marine ecosystems and improving the lives of communities. This wide, inclusive, and interlinked approach towards achieving the Blue Economy objectives through innovation requires collaboration and knowledge sharing. Similarly, the Nordic countries have a long maritime tradition and their present maritime approach prioritizes collaborative efforts to promote sustainable maritime transport, green fuel infrastructure, and digitalization of the maritime sector.

India, too, seeks to develop its economy through the sustainable use of oceans. India's Sagarmala and SAGAR visions are based on the country's sustainable development in alignment with regional aspirations. In their respective maritime sectors, Sweden and India seek the development of various sectors such as transport, marine research and development, cleaner energy sources for ports and ships, the development of the tourism industry, and the improvement of maritime trade-related services. They also seek to address the regional challenges in a collaborative manner.

Not only do these two countries substantially overlap in their approach towards their engagement in the Indian Ocean region and beyond, but these objectives are also largely shared by most of the IOR countries. The two countries must leverage these opportunities to extend their collaboration.

Practical Areas of Collaboration

Sweden's Indo-Pacific Strategy has stated some formative approaches for cooperation in the maritime domain. It aims to "better understand the operative environment and challenges in the maritime security in the region". In this regard, Sweden has actively participated in the EU's anti-piracy operation, namely EUNAVFOR "Operation Atlanta". It further aims to participate in exercises and capacity-building initiatives in the Indo-Pacific region. Pursuant to that objective, India, Sweden and consecutively Nordic nations must translate their discussions into action plans in the following areas:

1. Defense Cooperation

With the aspirations of developing defense

manufacturing and production ecosystems, India and Sweden have several ongoing agreements and projects for land, air, and naval cooperation through joint research and requisite Transfer of Technology (ToT).⁸ Furthermore, the two countries have signed a space cooperation agreement for the joint development of the Venus Orbiter mission, *Shukrayaan*. As the Indian government has allowed for 74 per cent foreign direct investment (FDI) through automatic route and 100 per cent through government route in defense manufacturing, it allows more Swedish industries to invest and collaborate with Indian counterparts. However, Swedish defense industries will have to navigate a set of challenges in India regarding its established defense partners, such as Russia, France, and the U.S., as well as specificities in arms requirements and also bureaucratic delays. Some of these issues can be overcome by focusing on newer technologies/ sharing technologies, cost-effective platform systems, and joint manufacturing of a range of defense-related platforms. The maritime domain, consequently, provides newer opportunities for defense-related technologies.

2. Maritime Domain Awareness and Undersea Domain Awareness

In the Indian Ocean, the roles of the navies have enlarged from warfighting to fighting piracy, smuggling and illegal fishing, assisting in disaster management or HADR, conducting search and rescue, addressing dark shipping and so on. All these initiatives rest upon a well-spread and efficient Maritime Domain Awareness (MDA) for collating and dispersing real-

time information amongst partner states and navies. At the same time, the emerging challenges to undersea assets such as submarine cables, pipelines, submersible research vessels, etc., make it crucial to seek partnerships and collaborations amongst like-minded countries that willingly share information for better maritime governance. With science, technology, and innovation priorities in bilateral relations, India and Sweden can seek to develop jointly and exchange best practices or knowledge sharing in AI, quantum computing, underwater and satellite technologies.

3. Resilient Coastal and Infrastructure Development

is another concern for most of the nations in the Indian Ocean. The Indian Ocean Region is the most disaster-prone region, with an increasing number and intensity of typhoons, floods, and related destruction of lives and property each year. Swedish authorities and agencies, too, have been working on developing important information and decision-support systems in the country and region. Such initiatives must be applied globally for a wider impact. It is imperative for the countries to develop collaborative mechanisms to share research and innovation on mitigating climate change impacts with each other, as well as working towards supporting conservation, restoration and sustainable use of ecosystems.

4. Marine Scientific Research and Related Academic/Capacity-building Collaboration

are other areas where India can seek collaboration with Nordic nations. While the two countries have

ongoing collaboration on joint natural sciences and engineering programs, it can be extended to developing joint projects in the maritime domain. Sweden has leading courses in marine sciences and several advanced research facilities. Notably, the Swedish Coast Guard is also tasked with undertaking marine scientific research in its EEZ. In India's case, the Indian Coast Guard and Navy can further seek capacity building in areas where it aims to advance knowledge and research in marine sciences. The two countries can seek more exchanges with officers, scholars, and researchers who are working on different aspects of marine and maritime-related subjects.

5. Shipbuilding, Green Shipping and Port Infrastructure Development

Both India and Sweden seek innovation, technology development, and collaboration in R&D, making them good partners in the maritime domain, too. India's shipping and port developments have seen positive developments in recent times. India's Green Shipping Program⁹ envisions an "overall framework of promoting environmental sustainability and innovation within the regulatory compliance in the maritime domain". There are "several initiatives in the pipeline, such as green port developments, green shipping and transportation based upon green hydrogen for the entire coastal and inland waterways."¹⁰ These are both research- and resource-intensive areas that require developing a nearly full spectrum infrastructure—from developing green ships and transports and commercial production of green fuels to green infrastructure in the

ports such as cranes, etc. Moreover, R&D and innovative ship design and building are other areas where India can seek expertise from its Nordic partners.

On its part, Sweden has started to show some initial success in its Green Shipping projects. The 2500 km long Sweden-Belgium Green Shipping Corridor aims at achieving end-to-end near-zero emission transportation while connecting various countries through ports, rails and roads. It further explores technologies and innovation for using ammonia-fuelled vessels, electric trucks, and rail transport. Green initiatives such as these must be amplified to have the desired impact on the environment and people's lives. It is a required step to leverage collaboration and innovation, both at the technical and standards stages, to develop and expand green maritime technologies between the two countries.

6. Arctic Cooperation

India's interest in the Arctic region extends from that of the Himalayas, which

have direct climate change impacts and similarities with marine environmental issues—areas that remain under-researched. As an observer state, India, in its Arctic policy, focuses on R&D and international cooperation through the presence of polar stations. Despite geopolitical standoffs that exist with respect to the Arctic, the need for holistic Arctic governance through collaborative mechanisms cannot be stated enough and therefore, the Arctic nations need to support India's efforts on this front constantly.

Conclusion

India and Sweden have much to explore in their cooperation framework in the maritime domain. While these supranational challenges range from climate change to threats to maritime trade and pose difficult questions for any country to solve unilaterally, it is sure that answers can be sought with a pragmatic and realistic approach and cooperative mechanisms. But first, the action points need to be further detailed for stakeholders to align and work on.

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Trade Flows and India-Sweden Economic Cooperation

Mariya Krupach and Jagannath Panda

In 2023, India and Sweden celebrated 75 years of diplomatic relations and continue to be eager to enhance their business collaboration and partnership in the years ahead. This was very evident in February 2024, when Swedish Foreign Minister Tobias Billström addressed more than 100 industry leaders in Bengaluru, India's largest technology hub.¹ The event, organized by the Confederation of Indian Industry (CII) in collaboration with the Embassy of Sweden, emphasized Sweden's dedication to increasing its business presence in India and showcased the rising significance of Swedish companies in the Indian market.

Conducive Environment and Aligned Goals

As of today, Swedish companies have 120 years of presence in India, developed through three waves of expansion. That's how big brands like Ericsson, ASEA (now ABB), Volvo Trucks, and Tetra Pak entered India, and the process is still ongoing. A fourth wave of expansion is deepening Swedish companies' presence in India by opening new regional hubs in fields such as R&D, manufacturing, and sales. It has been estimated that more than 260 Swedish companies are present in India today.² Businesses like Ericsson and IKEA have significantly impacted India's growth,

with Ericsson advancing digital connectivity and network expansion. Similarly, IKEA promotes sustainability through eco-friendly retail practices and local sourcing initiatives.

These partnerships enhance market access and drive innovation and sustainable economic progress. One of the main actors in facilitating this process is the Swedish Chamber of Commerce India, an independent non-profit organization aiming to promote a sustainable long-term presence for Swedish companies in India. Another example is Business Sweden, an organization that is jointly owned by the Swedish government and the private sector. Its principal purpose is to provide strategic assistance, support companies, and create joint ventures in the international arena. They have been active in India for over 25 years, facilitating companies' market entry and expansion. Two additional noteworthy initiatives are the Sweden-India Business Council and the Sweden-India Innovation Partnership. They serve as a corridor between the two countries, encouraging the creation of start-ups and new partnerships and acting as incubators for future collaborations.

Given India's robust economy and impressive growth rate, Cecilia Oskarsson, the Swedish Trade

Commissioner in India, has emphasized a range of investment opportunities for Swedish investors and businesses.³ She identified several key sectors with significant potential, including defense, aviation and space, IT and telecom, education, railways and ports, automotive, healthcare and pharmaceuticals, and renewable energy. According to Invest India, the government's trade promotion agency, India has attracted significant foreign direct investment (FDI) inflows of \$2.38 billion from Sweden between 2000 and 2023. This investment has primarily flowed into sectors such as automobiles, industrial machinery, electrical equipment, and metallurgy, indicating a strong interest from Swedish companies in capitalizing on India's growing market and manufacturing capabilities.

In addition to these sectors, defense cooperation has gained momentum, exemplified by the clearance granted to Swedish firm SAAB to establish a 100% FDI manufacturing unit for producing Carl Gustaf M4 rockets. This substantial investment, totaling ₹5 billion, underscores the strengthened defense ties between India and Sweden, as both nations seek to enhance their military capabilities and collaborate on advanced technologies. Overall, the growing FDI from Sweden reflects not only economic interests but also a commitment to fostering deeper bilateral relations, paving the way for innovation and growth in various industries.

It is not surprising then that over the past decade, India has experienced a marked increase in the number of Swedish companies establishing a presence in the country. According to the India Business Climate Survey 2023, approximately

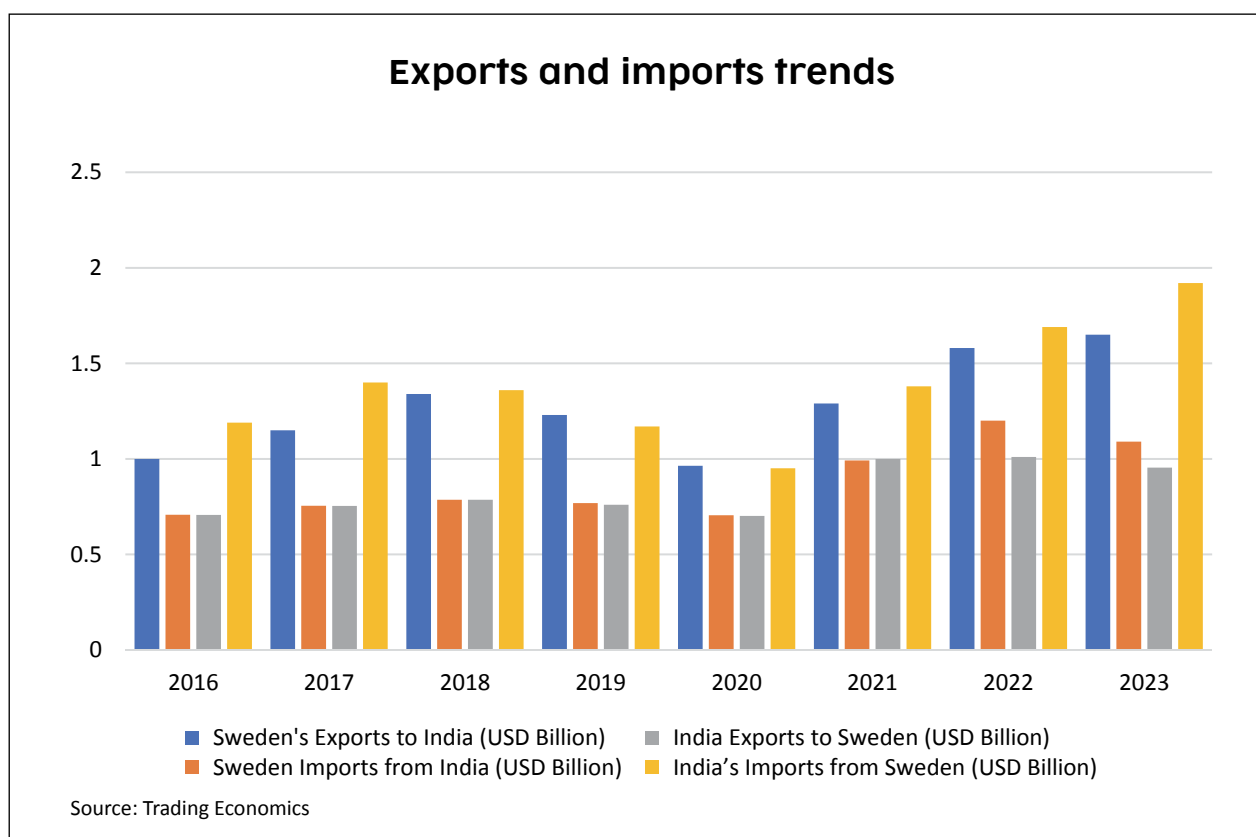
86 percent of Swedish companies perceive India's business ecosystem as encouraging and supportive.⁴ Additionally, various Indian government initiatives aimed at facilitating the flow of foreign direct investment (FDI) have played a vital role in generating substantial business opportunities for Swedish small and medium-sized businesses (SMBs). This positive climate bodes well for continued collaboration and investment between the two nations.

Growing Trade Flows

Economic ties between India and Sweden are driven by shared interests in key sectors such as green technologies, IT, and renewable energy. These relations are stronger today than ever, marked by growing trade flows and increasing two-way investments.

The combination of Sweden's first-class R&D and leading innovative technologies with India's dynamic growth and rapid development, along with their shared interests in areas such as renewable energy, IT, manufacturing, and healthcare, is creating a fertile ground for collaboration that fosters strong economic growth and, more importantly, provides a competitive advantage in sustainable progress and technological advancement on the international stage for both countries. Along with its diplomatic ties with India, which started in 1948, soon after Indian independence, Sweden possesses a strong industrial and innovation ecosystem, making it particularly attractive for Indian businesses. Sectors such as renewable energy, automotive, and telecommunications contribute to "Make in India," designed to foster innovation, skill development, and investment.

FIGURE 4.1



Bilateral trade reached \$2 billion in 2009-10 and increased to \$2.4 billion in 2014-15, quickly reaching \$3 billion in 2016 to \$5.5 billion in 2022.⁵ This process, although, has not been linear. Except for a fluctuation during the COVID-19 pandemic, trade quickly recovered in the next year: from 2020 to 2021, Swedish exports and imports to and from India respectively increased by 33.7 percent and 40.8 percent; on the Indian side, in the same period, Indian exports to Sweden increased by 42.4 percent, while their imports increased by more than 45 percent (see Figure 4.1).⁶

As of June 2024, key imports to Sweden from India included cotton garments, electric machinery, and auto components. The Indian government has identified Sweden as a new

market destination for drugs and pharmaceuticals and electronic goods. There will also be focused strategy and outreach efforts to promote export of agricultural and processed food products.⁷ On the export side to India, the main products were registered as iron and steel, pulp and waste paper, paper, paperboard, and products, auto components, and Industrial machinery for dairy and other sectors.⁸

India has now become Sweden's 19th-largest export market and its 3rd trading partner in Asia, demonstrating the strength and resilience of the economic relationship between the two countries thanks to their shared values and goals.

Indian presence in Sweden has also been growing since the beginning of the millennium.

Thanks to Sweden's technologically advanced markets, this expansion has primarily interested large IT companies searching for innovation and applied research in the Nordic countries. With increasing value and reach, more than 70 leading Indian IT industries have invested in Sweden and Nordic markets.

Nordic Focal Point

As the opportunities for business investment in India expand and top leaders from both nations make frequent bilateral visits, the relationship between New Delhi and Stockholm has never been stronger. Sweden's robust trade framework also makes it a focal point for broader India-Nordics relations, creating a multiplier effect and enhancing regional economic cooperation.

At the regional level, several initiatives have contributed to a better understanding and cooperation with India. One of the main ones is the India-Nordic Summit. Over the years, it has marked significant steps in fostering economic and diplomatic ties between the involved countries, especially in innovation and sustainability, smart cities and urban development, and trade and investment growth. Moreover, it has broadened its cooperation in the Arctic region under India's Arctic policy.

One of the main milestones that are about to be achieved is the India-EFTA Trade and Economic Partnership Agreement (TEPA), signed on March 10, 2024 between India and the European Free Trade Association (EFTA) countries (Switzerland, Iceland, Norway, Liechtenstein). Its fourteen chapters are meant to increase India's service exports, create new job opportunities, and address a series of

issues regarding technical barriers, sustainable development, and market access for goods and services. Notably, when such an agreement enters into force, EFTA countries will liberalize 92.2 percent of tariffs covering 99.6 percent of the total product categories imported from India; in the same way, India is offering 82.7 percent of its tariff lines on the 95.3 percent of imports from EFTA countries.⁹ India will also receive an investment of \$100 billion in the next 15 years. Today, the agreement is still pending ratification, but it is expected to boost such countries' economies and trade significantly.

Trade agreements lay a strong foundation, but it's equally important to recognize the bilateral initiatives that deepen these connections. Leaders from both nations concur that collaboration in research and development, technology exchange, and innovation, alongside investment, are essential pillars for enhancing the bilateral business landscape. By fostering these areas, Sweden and India can build a stronger economic partnership that leverages their respective strengths and propels mutual growth.

At the bilateral level, India-Nordics ties are also getting stronger. Many meetings have characterized the recent years. For instance, in September 2024, India's renewable energy minister, Pralhad Joshi, met Denmark's Minister for Industry, Business, and Financial Affairs, Morten Bodskov, in a bilateral meeting to enhance their collaboration in renewable energy, particularly in offshore wind development.

Similarly, India and Norway are strengthening their economic, trade, and investment relations thanks to the India-Norway Business Forum

initiative, held in December 2024 in Mumbai. It has been proposed that an India-Norway startup bridge be launched this year to foster entrepreneurship and innovation. This relationship is characterized, once again, by the countries' attention to green and circular economy and sustainability, elements which are essential nowadays, not only as a shared standard value on which they are relying but also as a critical component for our future generations.

Call for Multilateralism

Although India-Sweden relations remain strong, a global fall in trade in 2023 also interested the two countries (see Figures 4.2 and 4.3). According to WTO, this is attributable to worldwide economic insecurity dictated by geopolitical crises in many countries and a higher inflationary pressure, which is enhancing

the risk of trade fragmentation and disruption in the global supply chain.¹⁰

In such an environment, it is essential to strengthen the multilateral trading system within India and all the Nordic countries. From there, a more substantial economic framework must be implemented to secure the global supply chain. Multilateralism, instead of bilateralism, keeps barriers low, enhances predictability and non-discrimination, and, as economists suggest, minimizes the risk of policy-induced supply chain disruptions, keeping the market more open and more unrestricted to adjust when different sources of supply are required. Supply chain diversification is essential for its overall resilience: India and the Nordics should build their economic future on that by, for instance, expanding green energy projects.

FIGURE 4.2

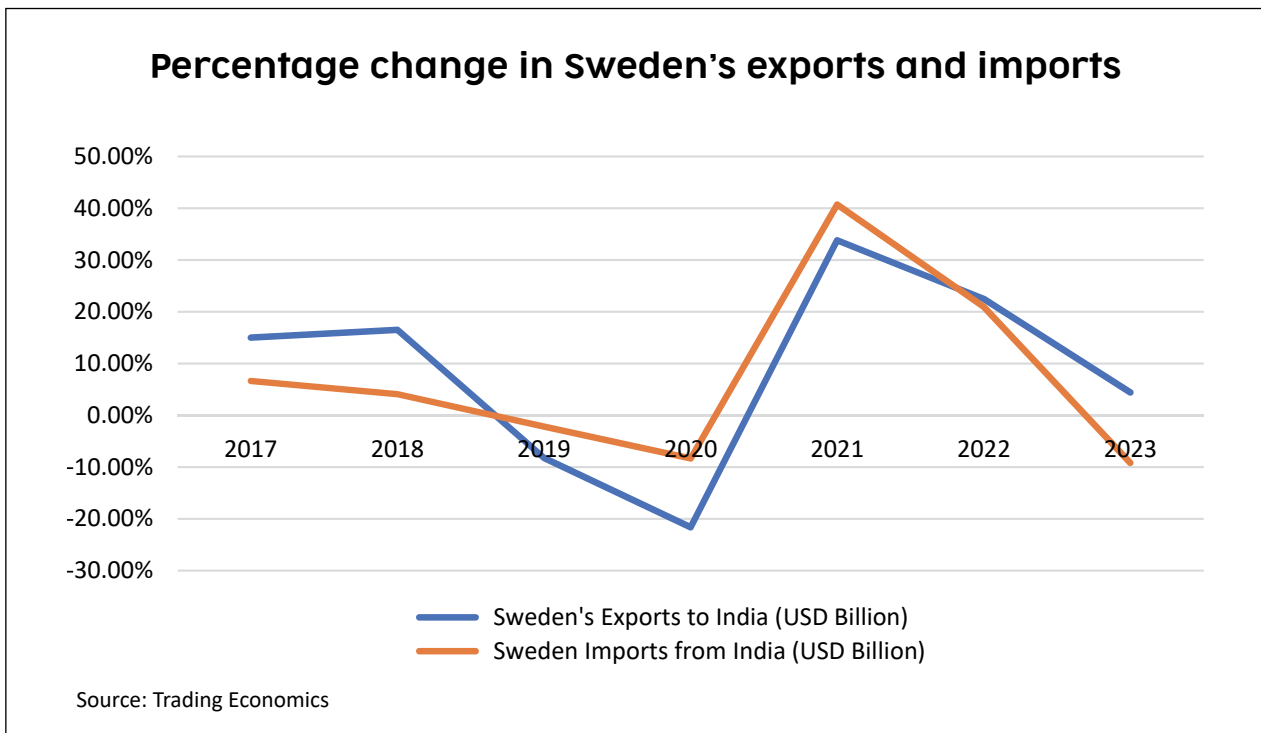
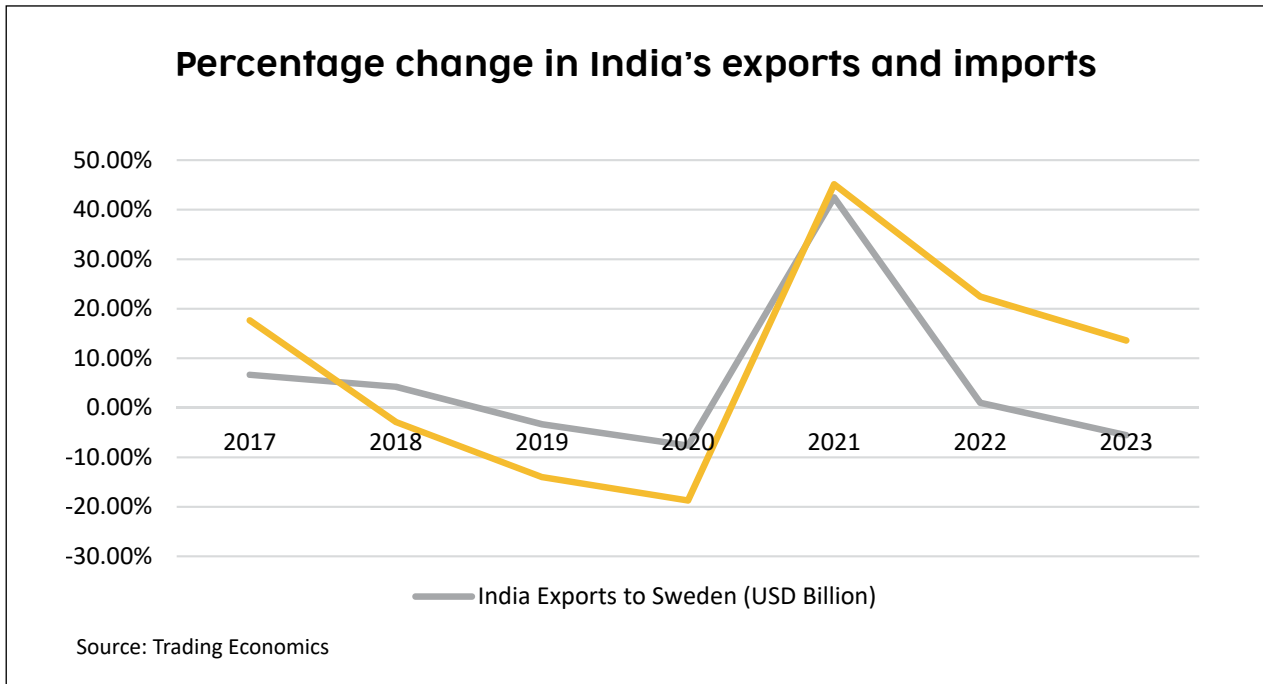


FIGURE 4.3



Some key barriers were discussed during the Nordic-Baltic 8 (NB8) visit to India in February 2024. Apart from supply chain diversification, there’s a need for more straightforward regulatory frameworks and bureaucratic processes in market entry; it is also essential that policymakers focus on tariff barriers, which still exist and are sometimes quite significant. For instance, a faster ratification of the India-EFTA agreement is highly recommended. In the long period, this will ensure a solid and legal basis for their relations in such a changing global economic environment.

Conclusion

India has distinct cost and locational advantages. Lower labor, land, and utility costs, as well as favorable corporate tax rates make India a highly attractive destination for manufacturers in the Asian region. Additionally, the country’s burgeoning domestic market, supported by a

vast population, creates ample opportunities for businesses to cater to increasing consumer demand. These factors collectively position India as an ideal hub for manufacturers seeking to leverage cost efficiencies while tapping into the growing local market, ultimately driving business growth and expansion in various sectors.

India’s strategic location further enhances its appeal as an attractive destination for procurement and logistics. Positioned between Europe, Africa, and the Middle East, India offers businesses easy access to these significant markets. This geographical advantage allows for efficient supply chain management and expedited transportation of goods, making India a key player in global trade. Companies looking to optimize their logistics and distribution networks can benefit from India’s connectivity, which facilitates not only local operations but also access to wider international markets.

That's why it is vital that India and all the Nordic countries continue in such direction, fostering their economic cooperation through shared common grounds and initiatives and, most importantly, through partnerships and agreements. Nevertheless, this process should be accompanied by economic and environmental sustainability, one of the founding values of relations between India and the Nordic countries.

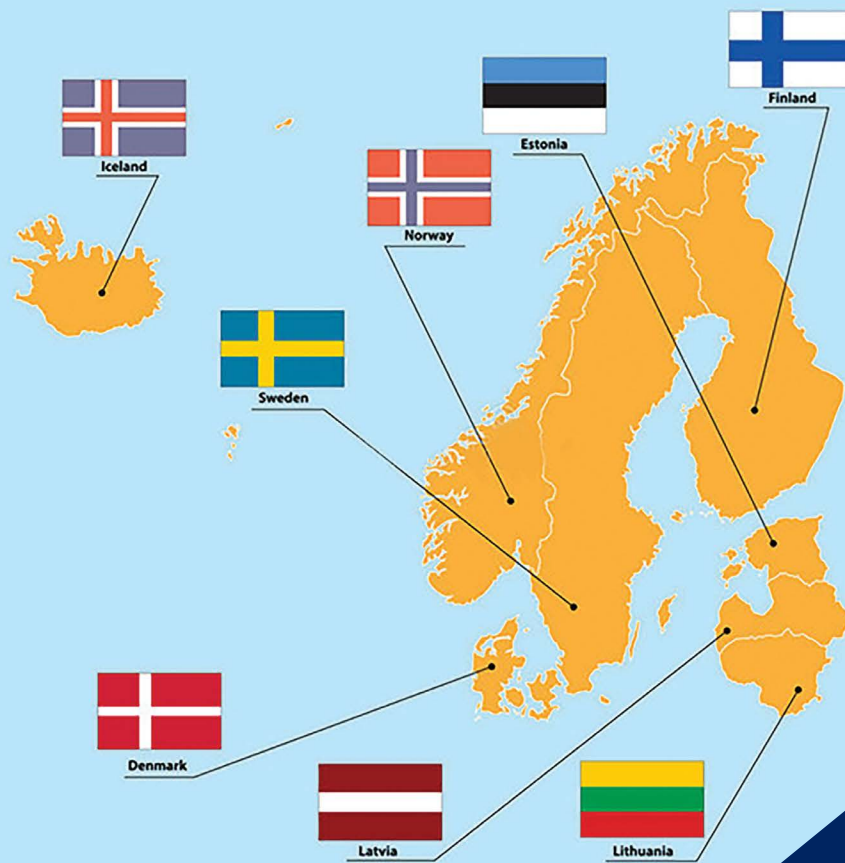
As sustainability becomes a central expectation for stakeholders globally, the potential for mutual learning and collaboration between the Nordics and India is immense. Sweden and India have already established strong commitments to sustainable development and innovation, with India focusing on renewable energy and sustainable urban development, while Sweden is renowned for its advancements

in environmental technologies and circular economy practices.

This partnership offers opportunities to exchange knowledge and best practices in areas such as clean energy, waste management, sustainable agriculture, and green technology and extend the same into the other Nordics. Collaborative initiatives can leverage India's burgeoning market and labor force alongside Sweden's expertise in sustainability. Together, they can develop and implement forward-looking solutions that address pressing environmental challenges, promote economic growth, and contribute to the global sustainability agenda. This synergy not only benefits both nations economically and environmentally but also sets a precedent for international cooperation in addressing climate change and promoting sustainable development.

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SECTION - II

THE NORDIC CONNECTION

India in Norway's Strategic Perception

Henrik S. Werenskiold

In a world that is becoming increasingly unstable and unpredictable, the robustness and longevity of Norway's traditional partnerships are more uncertain than ever. Not only do closer relations with India offer a way to hedge against growing geopolitical uncertainty in the turbulent times ahead, but it is also in Norway's economic interest to do so.

Norway's European neighbors are in relative decline—politically, economically, and even culturally. Norway's most important historical partners are thus bound to look increasingly inwards and focus on domestic political issues. As a result, Europe's capacity to influence and shape the future of the global system seems all but certain to decline.

Under the banner of "America First," the United States is also increasingly turning inwards and pursuing a much more transaction-oriented foreign policy. Furthermore, as Washington shifts its geopolitical focus away from Europe, becoming laser-focused on East Asia and containing China, its place within the Euro-Atlantic alliance is more uncertain than ever.

These developments already have—and will continue to have—important geopolitical

repercussions for the Western alliance and Norway's place in it in the decades to come. Combined with the resurgence of *realpolitik* in international affairs, Norway should aim to broaden its diplomatic, economic, and political horizons to adapt to a world undergoing cataclysmic changes.

Oslo must therefore increasingly look beyond its immediate Euro-Atlantic neighborhood to best safeguard its geopolitical and geo-economic interests. In this regard, New Delhi stands out as a natural partner for Oslo, with potential win-win cooperation across a wide array of economic and political issues, based on dignity, mutual trust, and respect for sovereignty.

India is the world's biggest democracy, thus sharing a wide range of values with Norway, making an intensification of cooperation easier. There are many areas where a mutually beneficial relationship between New Delhi and Oslo can take hold—not only in geopolitical and geo-economic matters, but also in India's path toward sustainable development.

From Norway's perspective, strengthening the political, economic and diplomatic ties with India and participating in the economic

modernization of the country is therefore more than mere economics. It transcends into the realms of geopolitics and geo-economics, and ultimately domestic economic resilience and national security.

Rise of China

Although on the other side of the globe, how to deal with the astronomical rise of an increasingly totalitarian and expansionist neo-imperial China is rapidly becoming one of Norway's most pressing foreign policy issues. Oslo had long hoped that Beijing would become a responsible stakeholder in the now-defunct international rules-based system, but it has become clear that China is a systemic rival seeking to overturn it, in order to establish a new system that better suits its own interests.

From a Western point of view, this development has long been in the making and can no longer be ignored. Indeed, Norway, the Nordics, and most of its European partners are diametrically opposed to Beijing on myriad policy issues, and there is a growing consensus that the current political status quo can no longer continue as before. Like many other Western countries, Norway is therefore slowly but surely recalibrating its relationship with the People's Republic of China, and everything suggests that this development will only accelerate in the future.

As the "other Asian giant," India stands out as the only truly credible counterbalance to China in the Indo-Pacific—economically, politically, diplomatically, and militarily—from Norway's perspective. Furthermore, with a democratic model of governance, a long history of interaction with the West, and a large diaspora community

across various Western countries, India stands out as Norway's natural partner in furthering its geopolitical interests in the Indo-Pacific region.

Accepting that political realism is the new name of the game and that the rules-based order is all but dead, Oslo has an interest in partnering with like-minded nations to counter China's predatory geopolitical behavior. As China aggressively carves out a sphere of influence in the Indo-Pacific—including in New Delhi's backyard—India stands out as Norway's best bet to counter China's hegemonic aspirations across the wider region, and ultimately malign Chinese influence in Norway itself.

Supply Chain Resilience

As for many other Western countries, the concentration of too many nodes in international supply chains in China has been a source of great concern for Norway, especially in the post-pandemic world. With geopolitical competition between China and the U.S. intensifying in East Asia and the prospect of a war over Taiwan increasing, the need to diversify supply chains has become more urgent than ever.

The Supply Chain Resilience Initiative (SCRI) between India, Japan, and Australia is an important step in that direction, and Oslo should wholeheartedly support it to the best of its capability. Resilient supply chains are increasingly viewed through the prism of national security, making the initiative's success a strategic priority for Norway, the Nordics, and the rest of Europe.

With its unique characteristics, India is arguably the most important country for achieving

more robust supply chains. With an immense internal market, a huge workforce, and a highly educated population, India is uniquely positioned to become the world's new factory by absorbing the massive investments needed to move strategic sectors out of China. Although this is a long and cumbersome process, capital-rich Norway could contribute by facilitating avenues through which its business community can funnel investments into the country.

Furthermore, India's geostrategic location—like an unsinkable aircraft carrier perched over the Indian Ocean—gives New Delhi dominance over crucial maritime trade routes along the East-West axis. This is an important factor as Norway, the Nordics, and the rest of Europe seek to reduce major geo-economic vulnerabilities linked to the world's current China-centric international trade regime.

Additionally, recent news from the Modi-Trump meeting about the development of a new hybrid sea- and land-based trade route—originating in Mumbai, passing through the port of Dubai, continuing via land in Saudi Arabia, Jordan, and Haifa, before ending in the port of Piraeus, Greece—is of great significance. It provides an extra layer of geo-economic redundancy and supply chain resilience by offering an alternative route that bypasses the tumultuous Red Sea and the strategic chokepoint of the Suez Canal in case of increased geopolitical instability in an already fragile region.

More India-centric supply chains are thus far less vulnerable to sudden geopolitical shocks stemming from deteriorating security situations in East Asia or rising instability in the Middle

East. Given the strategic geographical position of the Indian subcontinent, at the crossroads between East and West, the “Make in India” brand will increasingly carry a geopolitical premium that the West will be willing to pay.

Sustainable Development and Green Economic Ties

The development paths and innovative green technology capabilities of Norway coincide well with India's aspirations for sustainable growth and technological advancement. The potential of technology cooperation, common business ventures and profitable investments represents a true win-win situation for both countries.

There is thus a mutually beneficial economic relationship between Oslo and New Delhi to be harvested, with an all but perfect fit: There are many sectors where the expertise of Norway and India's development goals intersect, offering significant opportunities, win-win joint economic initiatives and knowledge exchange across a wide range of sectors.

Albeit a small country, Norway is highly developed and capital rich, with a lot of expertise in innovative solutions and green technologies for sustainable development. India, on its part, has a huge population and a capital deficit, and is facing vast environmental challenges on its development path. Norway's expertise in sustainability can thus provide valuable insights into India's goals for sustainable development and green initiatives. In particular, Norway's advancements in renewable energy—hydropower, solar, and wind energy—as well as carbon capture and storage (CCS) and environmentally friendly urban planning, can

support India's transition to a more sustainable, diversified, and resilient economy.

Norway's innovative green economy business sector can therefore significantly contribute to India's green energy transition and sustainable development. By adopting some of Norway's best practices, India can more easily achieve its environmental goals and realize its strategic ambitions. At the same time, India represents a golden opportunity for the Norwegian business community to find a huge market for their green technologies and climate change solutions, bringing about true win-win cooperation.

A Strategic and Holistic Approach

With the comeback of political realism in international affairs, Norway must adjust its foreign policy accordingly to best further its own interests, which remain the promotion of democracy, the rule of law, respect for human rights, and sustainable development across the world. But these goals can no longer be viewed in a vacuum and must be pursued in a much more strategic and holistic way.

As the world's biggest democracy, India is a natural partner for Norway in the Indo-Pacific to

further these goals. It thus makes strategic sense for Oslo to drastically increase its cooperation with New Delhi across a wide range of political and economic areas, including geopolitical and geo-economic questions, as well as challenges related to India's path toward sustainable development and economic resilience.

It's thus in Oslo's geopolitical interest to see India succeed in its modernization efforts and flourish as a democracy. As discussed above, not only can India's success become Norway's gain in the strategic realm of geopolitics and geo-economics, but Norwegian businesses can also benefit directly from the many opportunities that arise in India as the country continues to modernize rapidly.

Given that Norway is a small country and India is the world's most populous one, there is obviously an asymmetry of power between the two. But Oslo still possesses key expertise that can contribute to ensuring that New Delhi rises to the occasion and takes its rightful place as one of the world's most important powers.

True win-win cooperation is looming on the horizon. Now we just have to rise to the occasion!

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India-Nordic Defense: Managing Expectations against Evolving Security Paradigms

Mats Engman and Toby James Logan

A Complex Arrangement

In February 2024, the respective Minister of Foreign Affairs for each of the eight Nordic-Baltic countries (NB8) gathered in New Delhi for the Raisina Dialogue to collectively call for “a very productive and deeply valued cooperation with India”.¹ These nations jointly share a commitment to democracy, human rights, and an international order based on multilateralism and international law. India, as the world’s largest democracy abides by these same tenets. “Our message is clear: in times of turmoil and conflict, the world needs more trust, dialogue, and cooperation. Let us join forces to protect and defend peace and stability, to oppose aggression, to maintain a rules-based world order, and to strengthen a world economy based on free trade, sustainability, and long-term partnerships.”

However, the Indo-Nordic defense relationship has traversed a path marked by fluctuating engagement, but overall, on a smaller scale. Its evolution reflects this complexity, characterized by moments of cooperation juxtaposed against periods of reticence. This correlation reveals the tensions between political aspirations and realities that have defined the defense

relationship since India’s independence. While contemporary engagements signal potential for selective cooperation, a sober assessment reveals the significant structural limitations, alongside deviating strategic priorities, which have constrained the depth and breadth of military collaboration between the two regions.

A Legacy of Tentative Engagement

Nordic-Indian defense relations have predominantly been mediated through Sweden, establishing fragmented but noteworthy touchpoints across decades. For instance, the Indian Army maintains over 1,000 Swedish L-70 anti-aircraft guns, initially acquired in the late 1960s and subsequently manufactured in India under license.² Similarly, the Swedish-designed Carl-Gustaf system has faithfully remained operational in the Indian Army since 1974, while SIPRI records indicate the delivery of weapons systems for two Leander Nilgiri-class frigates in 1981.^{3,4}

The watershed 1986 Bofors Howitzer agreement—involving the unprecedented purchase of 410 field guns worth billions (SEK)—represents both the zenith and nadir of Indo-Sweden defense cooperation.⁵ Rather than catalyzing

deeper engagement, the subsequent corruption allegations and political fallout created a cautionary framework that has overshadowed defense diplomacy for decades, instilling institutional hesitancy on both sides.

Following a brief hiatus (likely from the aforementioned incident, and sanctions imposed in response to India's nuclear program in 1998), Sweden re-established substantive defense relations through the 2009 Memorandum of Understanding (MoU).⁶⁷ This diplomatic framework was subsequently emulated by Norway (in 2014) and Finland (in 2020). Notably, Denmark has yet to formalize a similar defense arrangement with New Delhi, illustrating the inconsistent development of Nordic engagement with India.

The period from 2009 to 2013 marked a strategic pivot toward India for Sweden, though official strategy documents from Sweden's Ministry of Foreign Affairs omitted defense, peacekeeping, and security from priority areas, focusing instead on social, economic, and climate initiatives.⁸ Despite this rhetorical absence, Sweden's material engagement remained substantial, with India emerging as the largest recipient of Swedish military equipment in 2012 (valued at approximately SEK 1.4 billion).⁹ This relationship was further strengthened with the Sweden-India Joint Action Plan in 2018, enhancing provisions for classified information sharing, technology cooperation, and opportunities for investment in defense production corridors in India.¹⁰

March 2024 witnessed yet another milestone with the establishment of Saab's Carl-Gustaf

manufacturing facility in Haryana—the first instance of Saab production outside of Sweden—signaling a move toward adaptation to India's industrial policy requirements to align with the “Make in India” initiative.¹¹ This development, alongside technical collaborations between Nordic defense firms and India's private sector, has created modest pathways for knowledge transfer in aerospace and defense systems.

Beyond Historical Incidents

While historical controversies such as the Bofors scandal and the 2006 agreement to sell the Saab Erieye system to Pakistan have undoubtedly created an atmosphere of political caution, more fundamental structural limitations constrain meaningful defense cooperation between Nordic countries and India. At the core of these limitations lies a profound conflict in strategic priorities and threat perceptions that reduce incentives for substantive military-to-military collaboration.

The Nordic region's security architecture is overwhelmingly oriented toward the Russian threat, with defense planning, procurement, exercises, and alliances calibrated to address European territorial security. This orientation has significantly intensified following Russia's invasion of Ukraine and Donald Trump's recent resumption of the Oval Office, consolidating Nordic threat perception around immediate regional challenges. Finland and Sweden's NATO accession further reinforce this European-centric security attitude, directing attention and resources toward NATO interoperability and regional defense coordination.¹²

Conversely, India's strategic calculus seems focused on managing complex regional dynamics with Pakistan and China, while simultaneously balancing relationships with competing global powers. India's continued cooperation with Russia—maintained even after Russia's unlawful invasion of Ukraine—presents a significant ideological and practical obstacle to deeper Nordic engagement. Irrespective of India's realpolitik approach to Russia, these divergent theaters of focus reflect fundamentally different interpretations of international relations and global security partnerships.¹³

The practical implications of these misaligned security priorities are substantial. With limited personnel, resources, and operational bandwidth, Nordic defense establishments must prioritize engagements that directly enhance European territorial defense capabilities. Similarly, India's military modernization efforts must balance multiple competing imperatives across domains and relationships, creating limited room for partnerships that lack immediate strategic relevance. While India may have the bandwidth and resources to achieve a more multipolar approach, the onus is on New Delhi to recognize Nordic concerns and work toward prioritizing their partners there to deepen cooperation, rather than simultaneously accommodating Russian interests.¹⁴

Beyond these strategic considerations, persistent challenges in technology transfer and intellectual property protection continue to hamper defense cooperation on an industrial level. The protracted and ultimately unsuccessful Gripen negotiations exemplify some of these tensions, revealing concerns between governments and

companies over issues like technology sharing protocols and quality assurance mechanisms. These difficulties are also exacerbated by India's entrenched relationship with Russian defense manufacturers, creating significant interoperability challenges and market entry barriers for Nordic companies.

Engagements Amid Strategic Differences

Despite these limitations, selective opportunities for mutually beneficial cooperation exist within certain parameters. These opportunities are most promising in specialized domains where commercial incentives align with (somewhat limited but genuine) areas of shared interest. Niche technology transfers offer viable pathways for engagement. For instance, while more traditional military cooperation faces significant obstacles, specialized capabilities, such as those found in counter-drone technology and communications, could potentially complement India's broader defense modernization without triggering interoperability challenges associated with major systems or unnecessary resource allocation.

Peacekeeping collaboration represents another avenue for still untapped potential engagement. Despite the overall decline in Nordic peacekeeping contributions, both regions maintain significant institutional expertise and longstanding legacies in this domain. Sweden's role in UNMOGIP (supervising the ceasefire between India and Pakistan along the Line of Control in Jammu and Kashmir since 1949) provides an established foundation for potential training and doctrinal exchanges related to peacekeeping operations.¹⁵

Maritime domain present modest opportunities for knowledge exchange. Finland’s expertise in ice-class vessel technology, Sweden’s advanced submarine and underwater capabilities, and Denmark’s sophisticated maritime surveillance systems could be selectively leveraged in dialogues with India’s expanding naval forces and focus on maritime surveillance. Moreover, the increasing strategic significance of both the Indo-Pacific and Arctic regions creates incentives for maritime security dialogues, particularly regarding asymmetrical security challenges.¹⁶

As mentioned, the recent establishment of Saab’s manufacturing facility in Haryana demonstrates the viability of carefully structured industrial cooperation when aligned with the “Make in India” initiative. Similar arrangements may be possible in other specialized domains, particularly where Nordic manufacturers can offer capabilities that complement rather than compete with India’s existing defense relationships. Emerging technology domains such as cyber defense and artificial intelligence present opportunities for knowledge exchange that are less encumbered by traditional political alignments and platform interoperability challenges. It is important to highlight that these opportunities represent potential for limited, transactional cooperation rather than deep strategic alignment. The underlying deviation in strategic priorities means that such engagements will likely remain isolated instances rather than components of a comprehensive defense relationship.

Competing Priorities and Resource Constraints

The current trajectory of Nordic-Indian defense relations must be understood within the broader

context of competing priorities and finite resources on both sides. For the Nordic region, the fluctuating European security environment has necessitated a fundamental reorientation of defense planning and international engagement. Sweden’s 2025 defense budget expansion (SEK 13 billion, representing a 10 percent increase) exemplifies this shift, with resources overwhelmingly directed toward territorial/regional defense and NATO interoperability.¹⁷

In the same vein, India’s defense modernization efforts (reflected by a 9.5 percent budget increase for 2025) remain primarily focused on addressing immediate regional challenges and balancing relationships with multiple international partners.¹⁸ While this expanded capacity creates theoretical space for new engagements, practical considerations and competing priorities significantly constrain the bandwidth available for partnerships that do not directly address core security concerns.

The rare instances of joint military exercises, such as the 2021 naval training between the Indian Talwar-class frigate *Tabar* and Norwegian forces, highlight both the potential and limitations of operational cooperation.¹⁹ Although such engagements demonstrate enthusiasm for interoperability, they remain isolated events rather than components of a sustained military relationship—a pattern likely to persist given the fundamental deviation in strategic focus and interpretation of relations.

A Framework for Realistic Engagement

Based on this assessment, we propose a pragmatic approach to Nordic-Indian defense

relations that acknowledges the limitations while capitalizing on selective opportunities. Individual Nordic countries should identify specific niches where mutual benefits exist without diverting significant resources away from primary security issues. Focus areas could include maritime domains, cyber-defense, and specialized technology where Nordic expertise offers distinctive capabilities, such as Saab's recent MoU with Hindustan Aeronautics Limited (HAL). This MoU signifies collaboration on the Electronic Warfare Land Laser Warning System-310 (LWS-310).²⁰

Nordic policy frameworks should explicitly acknowledge the structural limitations to defense cooperation with India, recognizing that commercial engagements will likely remain the primary vector of interaction rather than deep military-to-military cooperation. This realistic framing prevents misaligned expectations and resource misallocation. Unless, of course, India revises its stance toward Russia to align closer with their Nordic partners.

Nordic defense manufacturers will for the next five to ten years be fully occupied with meeting defense requirements from Nordic and European defense forces. To be better prepared for the Indian market, they should develop India-specific industrial strategies that account for its unique challenges, including alignment with "Make in India", intellectual property protection, and compatibility with India's existing defense relationships. These strategies should focus on smaller, specialized capabilities rather than major defense proposals.

Similarly to niche technology transfers, narrowly

focused knowledge exchange in mutual interest areas such as peacekeeping operations, humanitarian assistance, and disaster relief can also build cooperation without requiring significant resource commitment or triggering geopolitical sensitivities. This is mutually beneficial given the shared legacies of both regions in these domains.

Managing Expectations

The prospects for expanded Nordic-Indian defense ties remain constrained by fundamental differences in strategic priorities and international alignments. While selective opportunities exist in specialized domains, a realistic assessment suggests that defense industrial cooperation will need to stand on its own commercial merits rather than being embedded within a broader strategic partnership.

The coming decade will see Nordic defense industries primarily focus on supporting domestic and European security needs, significantly limiting capacity for complex new ventures. Similarly, India's ongoing relationship with Russia and focus on immediate regional challenges creates limited incentive for more substantive engagement with Nordic military institutions. Rather than pursuing unrealistic visions of comprehensive defense cooperation, for now, both regions would benefit from carefully calibrated engagement in specific domains where mutual interest intersect. By managing these expectations and focusing on viable opportunities, Nordic-Indian defense relations can develop along modest, realistic pathways that complement rather than compete with each party's primary strategic goal, lest they decide to align.

In sum, successful defense industrial cooperation benefits from close military-to-military cooperation, through exercises, joint education, and training, alongside a shared threat perception and strategic prioritization. The Nordics, maybe even more now than three years ago,

have a very clear strategic priority on Russia and the territorial defense of Northern Europe. For India the priority is very different and as a consequence the opportunities and incentives for more military-to-military interaction will be limited.

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Developing Sustainable Models Together: ‘Nordics are the Himalayas of India’

Interview with Janhavi Prasada

Festival Director, Himalayan Echoes

Janhavi Prasada is a cultural entrepreneur dedicated to the Himalayan region. As festival director of Himalayan Echoes, she fosters trans-Himalayan dialogue with India, Nepal and Bhutan as participating nations. A former journalist, she worked with The Pioneer, ANI/Reuters, BBC, and HTV Wales, before founding Porcupine Media Pvt Ltd to explore literature, music, textiles, regional cuisines, heritage, and the environment in the Northern Indian state of Uttarakhand. She has extensively researched M. K. Gandhi authoring *Tales of Young Gandhi* (Harper Collins).

Her interest in India-Sweden relations began two decades ago when she first visited Sweden. She saw similarities in soul, climate and nature between the Nordics and the Himalayas. She feels that “...the Nordics are the Himalayas of India.” Since then she has focussed on climate action, environment impact and sustainability in the Himalayan region and what the two regions can draw from each other’s best practices.

Q: Should climate change cooperation emerge as a lead area of cooperation between India and Sweden and India and Nordic? Why and how?

Janhavi: The natural world operates on ancient cycles of creation, destruction, and regeneration, dictated by the Earth’s own rhythms. These age-old patterns, which have sustained life since the era of Pangaea nearly 200 million years ago, form the foundation of what we now call the “slow life”— a system governed by the natural economy that has outlasted humankind.

In the 21st century, addressing climate change is not just imperative but urgent, necessitating enhanced collaboration between India and the Nordic nations in climate mitigation and sustainability. While their terrains, flora, and fauna may not be identical, both regions share a common need to focus on regenerative and circular economies to balance environmental goals with economic growth.

By fostering cooperation, India-Sweden and the Nordics can lead the way in developing sustainable models where sectoral growth progresses at an ideally measured pace, ensuring a harmonious balance between ecological responsibility and economic targets. A partnership built on shared expertise in clean energy, green technology, and climate-resilient infrastructure can be effective and impactful to steer the process

of climate mitigation in the right direction at the right pace. Time is less.

Q: Is there a strategic connection between the Himalayas, the Nordics, and the Arctic climate conditions? If yes, how could this be contextualized for a greater India-Nordic or India-Sweden partnership?

Janhavi: It is in the nature of great mountain terrains to nurture, protect, and sustain life within their vast expanse. The Himalayas, the Nordic mountain ranges, and the Arctic are all climate-sensitive regions that play a critical role in shaping global weather patterns, water resources, blue economies and economic sustainability.

The Himalayas (8,849 m), the youngest, highest, and fastest-growing mountains, are the lifeline of the Indian subcontinent, defining its climate, culture, and water systems. Acting as a natural barrier, they regulate monsoons, feed major rivers, and influence regional agriculture and biodiversity.

The Scandinavian Mountains (Scandes, 2,400 m), stretching across Norway and Sweden, and the Arctic, influence global water cycles, ocean currents, and climate systems. The Arctic, in particular, serves as a key regulator of the Earth's temperature, with melting ice impacting sea levels and weather patterns worldwide.

Nature can never be managed well unless the people closest to it are involved in its management. Indigenous communities play a crucial role in climate resilience strategies, making their participation essential in policy-making and mitigation efforts. However, true environmental change requires a shift in mindset, embracing sustainable and circular economies as the way forward.

The Chipko Movement of the 1970s in the

Himalayas highlighted the power of peasant communities in protecting forests, influencing India's forest policies to become more sensitive to ecological diversity and local livelihoods. Similarly, Denmark's Green Resistance (1980s) advocated for land conservation and opposition to chemical pollutants, while Sweden's anti-nuclear protests led to a national referendum on nuclear energy policy and Norway in 2016 being the first country in the world to ban deforestation.

These movements underscore the need for governance and communities to work together, ensuring that environmental policies are rooted in local knowledge, sustainability, and long-term ecological balance. All three regions can harness on these substantial commonalities of adequate knowledge and human resource exchange to achieve transformative environmental goals in the region.

Q: What specific areas on climate cooperation can both India and Sweden envision to strengthen the cooperation? How about the areas such as water, clean air, and glacier protection, which could be areas of learning for both sides, leading to greater cooperation?

Janhavi: India and Sweden share a long history of technological exchange, dating back to 1860 when Swedish metallurgists Julius Ramsey and Carl Gustaf Wittenstrom set up the Kumaon Iron Works in Nainital, a charcoal fed furnace manufacturing. Today's alternative for steel and heavy industry production would use hydrogen as the fuel. But other nations face urgent climate challenges, particularly in water management, clean air initiatives, and glacier protection.

As India, the world's third-largest carbon

emitter, targets net-zero emissions by 2070, Sweden's expertise in climate-resilient planning offer valuable solutions.

Prime Minister Narendra Modi's vision for promoting year-round Himalayan tourism, Indo-Swedish collaboration can drive sustainable urban and rural planning, integrating low-carbon architecture, eco-tourism, and cold-climate food preservation to curb migration and protect biodiversity.

Himalayan waterways sustain nearly half of India's 1.5 billion people, yet unplanned development has led to flooding and erosion. Indo-Swedish cooperation can enhance water management, leveraging Sweden's expertise in hydrological studies, satellite-based glacier monitoring, and flood mitigation strategies. Restoring natural river floodplains and integrating early warning systems will be crucial.

Glacial melt threatens both the Himalayas and Scandinavian mountains. Sweden's Arctic research can aid glacier protection, helping track melt patterns and develop carbon sequestration initiatives through afforestation and soil stabilization. Joint research on biodiversity conservation can further strengthen resilience in fragile mountain ecosystems.

By prioritizing these areas, India and Sweden can lead global climate action, balancing development with sustainability while safeguarding natural resources for future generations. Their historic partnership and shared expertise make them ideal allies in addressing the pressing environmental challenges of today.

Mahatma Gandhi once warned against the unchecked pursuit of modern civilization, stating, *"this mad desire to destroy distance and time, to increase animal appetites, and to go on to the ends of the earth in search of their satisfaction..."*

If modern civilization stands for all this, I call it satanic." His words remain relevant today, as the fragile Himalayan ecosystem faces threats from rapid and often unsustainable development.

Q: In which area of sustainability do India's manufacturing strengths and Sweden's sustainable practices work best together?

Janhavi: India and Sweden can drive positive change by converting Waste into energy, using technology to incentivise waste management across urban and rural sectors. Until zero-waste, composting, and recycling gain global adoption, *Drawdown* estimates 1.1 gigatons of CO₂ emissions can be avoided by 2050 by reducing landfill waste.

India, with its skilled workforce and strong software and hardware capabilities, can serve as a cost-effective hub for Swedish technology, enabling a two-stage automation process—development in India for affordability, followed by implementation in Sweden.

On the softer sectors like handicrafts, hand spun textiles, organic FMCG goods, India's skilled workforce can work in collaboration with Swedish technology to drive eco-designs and product innovation supporting the Government of India's "Make In India" initiative for MSME and a boost to the Startup culture for research, development and entrepreneurship. Also collaborations with Swedish bio-plastic innovation companies, for bio-plastic replacement technology will benefit sectors for eco-packaging of Indian FMCG and textile sectors.

Q: Which international forum do you regard as the most optimal for India-Sweden climate collaboration? Where could they assume a joint-leadership position, for instance?

Janhavi: Dialogue is the beginning of change. And with such deep synergies in the geographical context for India and Sweden it is an effective collaboration to represent a joint leadership at international forums like the UNFCCC (COP Summits & Paris Agreement Initiatives) can push for stronger commitments to net-zero emissions and green finance. It will strengthen the advocacy for climate adaptation funds and technology transfer for mountains and glacial regions.

Q: A key area of cooperation between India and Sweden is measures to ensure strong, sustainable, and inclusive growth. How are India and Sweden moving to ensure an inclusive and sustainable green transition? What are the limiting societal factors that are not often discussed?

Janhavi: I will address the limiting factors in the Indo-Sweden journey towards an inclusive and sustainable green transition. Foremost is the unequal access to Green technology in a country like India where purchasing power disparity is an aspect to consider. Green solutions are often designed for urban population and green infrastructures like EVs and solar energy access remains a costly proposition through Government of India has invested in subsidizing the rates for the rural consumers.

Policy on paper and local realities on the ground level sometimes fail to align with the needs of the grassroot consumer. It is a process that requires deep understanding and actionable goals with checks on target achievements. In India enforcing climate policies at the state level is complex, while in Sweden the regulatory framework must balance between industrial competitiveness and sustainability goals.

India supplies critical minerals like lithium etc. for creation of global clean tech at the cost of environmental degradation and displacement that is now referred to as “Green Colonialism”. Sweden too is undergoing a debate on efficacy mining impacts of Sami lands for battery production.

The way forward is actionable dialogue that brings in public-private partnerships for equitable access to green tech, community led decision making in green policies, and equity and fairness across communities.

Q: Given your experience, are there specific environmental practices of indigenous Himalayan communities that Sweden could adopt to empower local communities while protecting its mountainous ecosystem?

Janhavi: The Indigenous Himalayan community is a resilient lot and takes its life source from the natural world. The age-old practice of the sacred forests (Dev Van) where certain groves are protected as spiritual and ecological sanctuaries. The forests, rivers, groves are worshipped as deities enforcing a cultural conservation commitment. The Van Gujjars, our peasant pastoralists that practice rotational grazing maintaining the ecological health of the alpine meadows. Sweden’s Sami communities could harness traditional ecological knowledge and integrate their lands for reindeer husbandary and sustainable grazing policies for Sami herders.

Indigenous women of the Himalaya have been pioneers of the environmentalism of the peasant, tribal or the pastoralists households. The Chipko movement I mentioned above was spearheaded by Gaura Devi the tree hugger, a grassroots activist and a rural women community leader from the Himalayas. Both

India and Sweden need to identify women from the indigenous communities to lead the front for climate mitigation on the ground level as they are the first point of contact with the living world, it falls on women to gather fuelwood, collect water and harvest edible plants. They are thus able to easily perceive and respond to the drying up of springs or disappearance of forests.

There are many other practices that could be incorporated like terrace farming with its benefits of preventing soil erosion and water conservation. Sweden's landscape is particularly steep and could harness this age old tradition practice.

India's traditional water harvesting systems of having a well in each village, step wells, water mills energised by gushing natural springs coming down from Himalayan glaciers need to be put into more use by the indigenous communities. Sweden does face challenges of water management in certain regions and could use eco-friendly, simple decentralised, community-led water conservation methods. The Himalayan way of life is deeply intertwined with nature, emphasizing sustainability, conservation, and community-driven ecological stewardship—principles that resonate well with Sweden's environmental ethos.

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S&T Collaboration Key to Improved India-Nordic Cooperation

Giulia Saccone and Jagannath Panda

During the first term of Prime Minister Modi, India developed a more proactive S&T diplomacy and strengthened its innovation ecosystem by integrating education, R&D, technology scale-up, and advanced manufacturing.¹ Two main factors drove the shift. First, India broadly adopted cloud computing, AI, and green energy to drive economic growth and reduce trade imbalances, aiming to become the world's third-largest economy.² The second concerns the strategic counterbalance of China's global technology and energy distribution dominance.³ India positions itself as a transparent, reliable alternative to China. It combines low-cost manufacturing with an open innovation ecosystem where international stakeholders can be guided under 'Make in India', state corridors, and sectorial projects such as the Green Hydrogen Mission.⁴

India relies on external partnerships to offset the considerable costs of upgrading the energy sector, transport, ICT and maritime industry sustainably, ensuring technology and skill transfer, and upgrading the physical and digital infrastructure to bridge regional disparities. The internal upgrading program is not solely inward-looking but also export-oriented thanks to its industrial corridors that connect the inner

regions to the coast to channel export industries and improve national logistics.⁵ Furthermore, India is leveraging on its human capital to foster long-term innovation through international academic cooperation, start-up incubators, and business-to-business matchmaking events to accelerate R&D on its key priorities expressed in the flagship programs business and exchange complementary key expertise.⁶

India and Nordics: A Partnership Based On Complementarities

Geopolitical shifts, including U.S. disengagement and China's assertiveness, have only strengthened India's EU partnerships through shared commitments to international order and transparency.⁷

The India-Nordic Summit of 2018 marked a pivotal moment in strengthening ties between India and the Nordic countries, establishing a framework for enhanced collaboration across various sectors. The subsequent second Summit held in May 2022 reinforced this commitment, highlighting the increasing importance of this partnership in light of contemporary global challenges.

The two summits, organized with the help of

Sweden, focused on key areas such as cutting-edge technologies, environmental conservation, maritime infrastructure and development, military technology and engineering products, agriculture and food processing, health and biotechnology.⁸

India's engagement with the Nordic states is indeed a significant aspect of its evolving foreign policy priorities. The Nordics can address India's needs due to their expertise in innovation, already demonstrated by their human capital that made them rise in the Global Innovation ranking, their expertise in sustainability at the industrial and social level, and the high degree of their respective national connectivity.⁹ Furthermore, the Nordics need India's supply chain to diversify their production amid the fast-changing geopolitical landscapes, and India offers an emerging sourcing market for electronics, chemicals and new materials.¹⁰ Therefore, the Nordics started to engage with India on the basis of these complementarities.

The India-Nordic summits also signalled a critical stance against the rising tide of protectionism and tariff disputes that have characterized the global economic landscape in recent years. By reaffirming their commitment to free trade, India and the Nordic nations are positioning themselves as advocates for open markets, transparency and cooperation, recognizing that such approaches are essential for fostering inclusive growth and advancing the Sustainable Development Goals (SDGs).

However, so far, the India-Nordic summit has been mainly an institutional project, and it has been used as an occasion to advance separate

bilateral initiatives with India, such as the expansion of the India-Finland cooperation in new and emerging technologies.¹¹ There is a need to create more overarching sectorial forums to promote coordinated action, like the Indo-Nordic Water Forum.¹² The cooperation is effectively achieved bilaterally, with high-level meetings and initiatives within the EU framework, where there is an emphasis on key sectors for each Nordic country due to their different strategic importance and expertise.

India and Sweden

India and Sweden leverage strong historical ties and a robust startup ecosystem to foster innovation through incubators and events like India-Sweden Innovation Day and the Innovation Accelerator for SMEs.¹³ The 2005 MoU on Science and Technology operates through open calls under the Joint Declaration on Innovation, led by VINNOVA (Sweden) and DST (India), focusing on clean tech, smart cities, IoT, space, and new materials to address India's sustainability and connectivity needs and Sweden's need to de-risk its supply chain.¹⁴ The focus on human capital makes this bilateral cooperation omnipresent and could catalyze other bilateral initiatives in various sectors and give life to trilateral partnerships leveraging on the India-EU and international frameworks. Regarding academic cooperation, on the occasion of the 5th anniversary of the Sweden-India Innovation Partnership in 2023, the parties increased mobility funding opportunities in both countries for critical emerging technologies.¹⁵ The space sector is at its initial stages, with the first joint group work meeting of the India-Sweden Space & Geospatial Industry held in 2024 in Satellite Ground Station Network, and this could benefit

from trilateral cooperation with other Nordic actors that have an advanced stage of satellite and space cooperation with India.¹⁶

Sweden's emergence as one of India's closest European partners is a testament to the strength and depth of their bilateral relationship. This partnership has evolved across various dimensions, including trade, green technology, digital innovation, and defense.¹⁷ As the geopolitical and economic landscapes shift, Sweden's strategic position within the Nordic region becomes even more pronounced, providing multiple avenues for enhanced engagement between India and its Nordic counterparts.

India and Denmark

India and Denmark have focused their S&T endeavors in the field of sustainability with the 2020 Green Strategic Partnership, which is leading towards considerable projects in the development of green hydrogen.¹⁸ Notable examples are the 2024 bilateral research and innovation cooperation in the area of cutting-edge hydrogen technologies, promoted by the Danish Ministry of Higher Education and Science and the DST, and the Indo-Danish Green Fuels Alliance.¹⁹ Another green sector that is being developed is wind energy, based on the transfer and positioning of Danish best practices to enhance India's infrastructure and energy transport with the INNOWIND project, which could focus on developing Indian facilities and energy transport.²⁰ However, the Green Partnership could expand to other strategic areas, such as the Arctic. India's 2013 proposal for a base in Greenland remains unrealized, despite the region's green energy potential and existing Arctic provisions in the partnership.²¹

India and Norway

The India-Norway cooperation is operationalized by the Norwegian Initiative for Research Cooperation with India (INDNOR) with a mix of bilateral, unilateral and multilateral calls from both parties.²² Thanks to the 2022 Joint Working Group on S&T, the cooperation broadened to new emerging technologies, electric mobility, green hydrogen and blue economy, while deepening the consolidated ones on polar sciences, bioeconomy, renewable energy, nanoscience and anti-microbial resistance.²³ One of the leading sectors is indeed the blue economy, focused on sustainable maritime management, aquaculture, refrigeration, and ocean mapping through academic and industrial partnerships.²⁴

The blue economy cooperation is also extending to green hydrogen with the Center Excellence on Hydrogen that facilitates technology transfer and R&D.²⁵ However, the cooperation lacks significant initiatives on LNG infrastructure and shipping technologies, limiting maritime energy export. The partnership could benefit by developing new sustainable ways of transporting LNG.

The blue economy cooperation is also present in the Arctic, a region that holds strategic value in terms of climate and energy security, where India has deployed its first sub-surface moored observatory in the polar waters: IndArc.²⁶ Cooperation in this sector could be further advanced with ocean mapping in the region for the identification of potential hydrogen extraction sites and with the creation of sustainable transportation technologies suited for the Arctic region, to further align their projects with their respective sustainability commitments and

develop responsible means for the exploitation of new arctic routes and holding a comparative advantage towards China's Polar Silk Road. Additionally, the two should bring back the focus on space technology in the region,²⁷ this time for analysis of icecap masses and land surface changes, going beyond the actual initiatives on ship and aircraft monitoring.²⁸

India and Finland

The Indo-Finnish cooperation has received considerable momentum in the field of digitalization and connectivity, capitalizing the Finnish expertise in digitalization and India's increasing telecom equipment manufacturing capacity. A notable example is the 2022 decision of their S&T working group to launch the Indo-Finnish Virtual Network Centre for quantum computing.²⁹ The connectivity partnership is synergized with academic and industrial joint initiatives for the development of foundational 6G technologies and Finnish-India Consortia for Research and Education for higher education institutions, focused on biotechnology and materials, ICT, quantum computing, 6G, and AI.³⁰ However, there are still regulatory divergences between the EU states and India and the WTO dispute with India over tariffs on ICT goods that need to be addressed to fully leverage this sector.³¹ The Indo-Finnish cooperation is also focusing on renewable energies, with an innovation corridor between the state of Karnataka and Finland, the H2 PROJECT for sustainable green Hydrogen transition, and the Clean Energy International Incubation Centre.³²

India and Iceland

Iceland and India established diplomatic relations in 1975 but it only after 2005 that

the two countries began to strengthen their diplomatic and economic relationships. The two countries have signed a MoU for co-operation in the renewable energy sector. Iceland and India cooperate in hydrogen cells and fuel cells under the forum of International Partnership for Hydrogen Economy. Other areas of cooperation include biotech/pharma, fisheries and Arctic issues.³³

Strategic Gaps

The Indo-Nordic partnership received momentum with the 2018 and 2022 India-Nordic Summits, however, the initiative is still in the initial phases, and it necessitates more sectorial bodies like the Indo-Nordic Water Summit. There is also need to enhance multilateral cooperation in strategic areas such as critical technologies.

A key challenge is the growing divide between EU and Indian digital regulations, particularly on privacy, and India's cybersecurity vulnerabilities to breaches and ransomware. At this stage of the digital revolution, bridging this regulatory gap is crucial for the secure exchange of data and smooth technology transfer.

Furthermore, it is important to incentivize the people-to-people exchange to cultivate the early-stage human capital knowledgeable of the Indian and Nordic systems to facilitate future partnerships. Sweden is well-positioned to enhance India's human capital and should continue fostering business and academic exchanges through dedicated programs. Sweden has pursued innovation initiatives through the Innovations' Accelerator, however, it has never engaged in state corridors, which

could focus its intervention on key regions, such as Karnataka known for its technology industry.

Conclusion

S&T cooperation is key to India's goal of becoming the world's third-largest economy and a transparent alternative to China. This has been pursued with increasing cooperation with Nordic countries, enabled by the long-lasting ties between India and Sweden, based on complementary strengths. Currently, the Indo-Nordic cooperation is still in its initial phase, needing more sectorial forums for better coordination, while overcoming the divergences between the EU and Indian regulations to ensure an improved flow of information and secure technology transfer and to keep the upward trajectory of the trilateral initiatives under EU frameworks. Regulatory harmonization also strengthens India's position against China, which is expanding its global ICT influence through the Digital Silk Road.

The Nordic countries are leaders in research and innovation, particularly in sectors like information technology, clean energy, and health care. Collaborative initiatives in research and development can benefit India's own innovation ecosystem and contribute to technological advancement.

As a key interlocutor for India in the Nordic region, Sweden plays a crucial role in facilitating India's dialogue and engagement with other Nordic countries. This can lead to broader multilateral collaborations on pressing issues such as climate change, trade, and security. Sweden's integration with its Nordic neighbors also extends to cultural exchanges and educational collaborations. Initiatives such as student exchange programs and joint academic research can further strengthen ties between India and the Nordic region as a whole. Sweden with its multisectoral projects, finds itself in an optimal position to foster trilateral partnerships with India and other Nordic countries to expand their cooperation in other promising sectors, like smart cities, critical emergent technologies, and industrial sustainability solutions. One example of trilateral initiative is with Denmark in the field of green hydrogen. Furthermore, Swedish stakeholders could take advantage of other Nordic cooperation in the space sector and the Arctic, conducting joint initiatives on atmospheric sciences—similar to the ones engaged in Antarctica—at the Indian base in Himandri, at Spitsbergen, Svalbard or the joint launch of atmospheric satellites.

Given the like-minded nature of their democracies and complementarities, India and Nordics would do well to pool their strengths to each other's advantage.

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Strengthening India-Nordic Strategic Ties: Pathways for Deeper Cooperation

Swasti Rao

The Indian government, under Prime Minister Narendra Modi, has actively expanded its outreach to Europe across its diverse sub-regions and diverse sectors—including trade, investment, defense, technology, mobility, and maritime cooperation. This partnership has been further cemented by India's increasing presence in Europe through new strategic partnerships, indicating a comprehensive approach to defense diplomacy.

India and the Nordics: Strengthening Strategic and Economic Engagement

India has been actively expanding its engagements with the five Nordic countries—Denmark, Finland, Iceland, Norway, and Sweden—thereby strengthening its overall ties with Europe.¹ A key development in this regard is India's deepening economic and investment partnership with Norway, a crucial member of the European Free Trade Association (EFTA). This relationship has gained momentum following the recently signed India-EFTA Free Trade Agreement, which is set to boost economic cooperation between the two regions.²

On the strategic front, a significant milestone

was achieved when Swedish defense giant Saab secured approval for 100 percent Foreign Direct Investment (FDI) in a defense project in India. The Defense Acquisition Council (DAC), under the leadership of Defence Minister Rajnath Singh, approved Saab's proposal to establish a manufacturing facility for Carl-Gustaf M4 systems.³ This project aligns with India's 'Make in India' initiative and introduces cutting-edge technological advancements such as sighting systems and carbon fiber winding. Given India's usual restriction of FDI in the defense sector to 74 percent, this approval represents a landmark shift in India's defense investment policies.

Sweden also stands out as the first Nordic country to publish an independent Indo-Pacific strategy in 2024, reflecting its growing strategic focus on the region.⁴ This development presents an opportunity for India to strengthen its security and diplomatic ties with Sweden and the broader Nordic region.

To further enhance its partnership with the Nordic countries, this essay suggests that India should focus on two key strategies: First, leveraging Nordic disillusionment with China

and second, bridging Sweden's 'India Gap' in its Indo-Pacific Strategy. These strategies could contribute to a more resilient and dynamic India-Nordic partnership in the years to come.

Leveraging Nordic Disillusionment with China

In May 2022, Prime Minister Narendra Modi visited the five Nordic countries to participate in the 2nd India-Nordic Summit.⁵ This outreach comes at a time when the Nordic countries have been reassessing their international partnerships, particularly in light of shifting relations with China.

China once maintained strong ties with the Nordics, particularly when it pursued a foreign policy aimed at gaining admiration and fostering cooperation.⁶ They engaged in high-level discussions, signed numerous Memorandums of Understanding (MoUs), and even competed to attract Chinese investments. Institutions such as the Asian Infrastructure Investment Bank (AIIB), backed by China, were welcomed in the region. In 2013, when Russia introduced China as an observer in the Arctic Council, Nordic nations saw this as a positive development.

However, as Beijing adopted a more assertive and coercive approach, its once-close relationships with the Nordic countries began to strain.⁷ This transformation was accelerated by several factors, including China's deteriorating human rights record, its crackdown on protests in Hong Kong, aggressive diplomatic maneuvers, Arctic activities involving dual-use technology, and the economic repercussions of the COVID-19 pandemic. Controversies such as the Huawei security threats also strained China-Nordic relations.

In 2019, the European Commission officially labeled China a "systemic rival", a position swiftly adopted by Finland and Denmark. In January 2020, tensions escalated further when Denmark permitted the installation of the 'Pillar of Shame' sculpture outside its parliament in solidarity with Hong Kong, provoking Beijing's displeasure.⁸ By 2021, diplomatic relations between Denmark and China had worsened, culminating in China imposing sanctions on the Danish NGO, Alliance of Democracies.⁹

Concerned about Beijing's influence, Nordic countries have distanced themselves from Chinese Confucius Institutes, which are perceived as vehicles for political propaganda. By June 2022, universities in Finland, Sweden, and Denmark had shut down their Confucius Institutes, signaling a broader rejection of China's soft power initiatives. Recent Norwegian government reports have continued to adopt a more critical stance toward Beijing.¹⁰

Today, most Nordic countries classify China as a systemic rival, second only to Russia.¹¹ This shift has created an opportune moment for India to strengthen its partnerships with the region, aligning its strategic interests with those of the Nordics.

A Growing Divide

Although trade between China and the Nordics expanded between 2018 and 2021, this growth was accompanied by widening trade deficits, highlighting an imbalance in commercial relations. Despite this, China's overall share of trade with the Nordic region remains modest at 5-9 percent, with the exception of Norway, where China accounted for 13.1 percent of total

imports in 2021. While Norway and China continue to negotiate a Free Trade Agreement and have successfully updated their Double Taxation Avoidance Agreement, political tensions persist.¹²

China is also a key foreign investor in the Nordic region. However, Beijing's use of economic coercion to achieve political objectives has led Nordic governments to impose stricter investment screening mechanisms. Denmark introduced such measures in 2021,¹³ Sweden's framework came into effect in December 2023,¹⁴ while Finland (2020)¹⁵ and Norway (2023)¹⁶ have modified their existing laws in alignment with new EU regulations. These policy shifts indicate increasing resistance to China's economic influence in the region.

India's Expanding Nordic Engagement

India's engagement with the Nordic region has coincided with its increasing interest in Arctic affairs.¹⁷ The Nordics perceive India as a stabilizing force amid China's growing influence and have supported India's bid for a permanent seat on the United Nations Security Council.¹⁸ India enjoys positive relations with both the Western bloc and Russia. However, as Russia's global standing complicates due to geopolitical tensions, India may need to recalibrate its engagement with the region by focusing on innovative partnerships in blue economy initiatives, ocean governance, and green technologies.

Despite its status as the world's fifth-largest economy, India's trade volume with the Nordic countries remains relatively low at \$13 billion—significantly smaller than the \$70 billion trade between China and the region. However, with systemic factors hindering China-Nordic ties,

India and the Nordic nations have an opportunity to strengthen their cooperation based on sustainable trade practices and mutual trust.

Closing Sweden's 'India Gap' in Its Indo-Pacific Strategy

In 2024, Sweden became the first Nordic nation to release an independent Indo-Pacific strategy, demonstrating its commitment to the region.¹⁹ However, its engagement with India under this framework remains minimal despite considerable potential. There is still significant ground to be covered in strengthening this partnership.

Sweden has long been involved in Indo-Pacific affairs, playing a key role in shaping Europe's engagement through initiatives such as the EU-Indo-Pacific Ministerial Forum. During its presidency of the Council of the EU in 2023, Sweden hosted the Stockholm Forum to address crucial regional issues, including sustainable development, green transition, and security. This effort aligns with the EU's broader Indo-Pacific strategy and supports Brussels' Global Gateway initiative, which focuses on enhancing connectivity and infrastructure across the region.²⁰

Sweden's latest Indo-Pacific policy reflects a notable shift towards a stronger defense posture.²¹ Following its NATO accession, Sweden has significantly increased its defense spending and is now prioritizing military and technological collaborations with Indo-Pacific countries. A key aspect of this strategy involves securing critical resources such as technology, raw materials, and capital, all essential for strengthening its defense sector. The policy aligns with NATO's Strategic Concept 2022, which recognizes the interconnected nature

of global security threats.²² However, while NATO acknowledges the Indo-Pacific's growing importance, it has yet to formulate a concrete engagement plan for the region.

Sweden's Indo-Pacific strategy balances its domestic defense commitments with expanding its regional influence through three key approaches:

Enhancing Defense Cooperation

Strengthening diplomatic and military ties through dialogue and multilateral forums.

Expanding Military Presence

Increasing participation in peacekeeping efforts, maritime security, and countering hybrid threats, with a focus on EU-led operations like EUNAVFOR.

Leveraging Technological Expertise

Building partnerships with Japan, South Korea, Singapore, and Australia in areas of innovation and maritime security.

From India's standpoint, Sweden's Indo-Pacific strategy presents both opportunities and shortcomings. The strategy mainly focuses on alliances with traditional U.S. partners but does not explicitly acknowledge India as a key player. The Indian Ocean is mentioned three times in the policy, underscoring its strategic relevance, yet India itself is absent from Sweden's framework. In contrast, China is referenced twice, primarily in the context of U.S.-China competition and growing Russia-China ties.

Another notable shortcoming is the lack of concrete defense commitments or a clear roadmap for implementing Sweden's Indo-

Pacific strategy. With its NATO accession still reshaping its security framework, Sweden is in the process of restructuring its defense policy. While military spending is expected to rise to 2.4 percent of GDP by 2025 and 2.8 percent by 2028, specific allocations for Indo-Pacific initiatives remain undefined.²³

Sweden must allocate clear budgetary resources to its Indo-Pacific defense strategy and define both short- and long-term strategic objectives. While the current document serves as an initial framework, it requires further detailing, particularly regarding engagement with India at both bilateral and plurilateral levels. Strengthening partnerships and ensuring alignment with evolving defense priorities will be key to Stockholm's success in the Indo-Pacific.

Conclusion

India should accelerate defense collaborations within its two dedicated defense industry corridors²⁴ while fostering commercial investments under the TEPA framework. The success of Swedish defense giant Saab in India demonstrates that, despite the complexities of India's defense investment ecosystem, strong partnerships can thrive. By streamlining investment processes, India can enhance domestic manufacturing and strengthen ties with Nordic nations. Norway, with its vast sovereign wealth funds, is a crucial investor in India.²⁵

Combined with addressing gaps in Sweden's Indo-Pacific strategy and capitalizing on the Nordic countries' growing discontent with China, these investments can significantly reinforce India-Nordic strategic engagement in a shifting geopolitical landscape.

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India-NB8 Partnership Amid Global Shifts

Antonina Luszczkiewicz-Mendis

In recent years, the significance of the Nordic-Baltic Eight (NB8) has grown—most notably due to its strong stance on the Ukrainian issue and its substantial military support. As an informal regional cooperation format, the NB8 represents a relatively small yet highly attractive and innovative market under the European Union (EU) umbrella. This has increasingly drawn the interest of various partners from Europe and beyond, including India.

But how much potential do NB8-India relations truly hold? And what obstacles might NB8 and New Delhi encounter in their mutual engagements?

Priorities of the “Wise Men”

“NB8” stands for five “Ns”—the Nordic countries (Denmark, Finland, Iceland, Norway, and Sweden)—and three “Bs”—the Baltic states (Estonia, Latvia, and Lithuania), once nicknamed the “Baltic Tigers” for becoming the most developed countries among the former USSR republics.¹ Initially, the platform was known as “5+3”; however, in 2000, the Foreign Ministers of the Baltic and Nordic countries agreed to rename it NB8.²

This name change reflects the significant

developments of that time: the Nordic countries were among the strongest advocates for the Baltic states’ independence from the USSR in the early 1990s and supported their deeper integration with Europe.³ This arduous and challenging transformation culminated successfully in 2004, when the three Baltic states joined the EU.

The NB8 has also been expanding its partnerships. The most significant has been the Enhanced Partnership in Northern Europe (e-PINE), initiated by the United States in 2003.⁴ Additionally, the NB8 has engaged in dialogue and cooperation with the United Kingdom,⁵ the Visegrad Group (V4: Czechia, Hungary, Poland, and Slovakia),⁶ and Japan.⁷

Latvian Prime Minister and Foreign Minister Valdis Birkavs, along with Danish Minister of Defense Søren Gade, defined the priorities of the NB8. The Birkavs-Gade report, known as the “NB8 Wise Men Report,” was approved at the NB8 Ministerial meeting in 2011. It established key areas and introduced a range of practical recommendations regarding:

- a) foreign policy dialogue;
- b) cooperation among diplomatic representations;
- c) civil security, including cybersecurity;

- d) defense cooperation;
- e) energy; and
- f) the NB8 brand.⁸

NB8 in Face of Russia's Aggression Against Ukraine

The Russian war against Ukraine—which began in 2014—escalated into a full-scale invasion in 2022, shortly after the end of the Winter Olympics in Beijing.⁹ This dramatically altered the geopolitical landscape in Europe and forced NB8 to recalibrate its priorities.

The NB8 members have viewed the Russian aggression as a direct threat to European security and stability, particularly in the Baltic region, given its proximity to the ongoing war and long shared borders with Russia. Unsurprisingly, this threat triggered a grassroots response in Swedish and Finnish societies, pushing their traditionally neutral governments to seek NATO membership. As a result, the entire NB8 platform became composed solely of NATO members following the accession of Finland and Sweden in 2023 and 2024.

From a historical perspective, the NB8 members' anti-Russian stance has deep roots. This is most evident in the case of the three Baltic states, which suffered numerous atrocities during World War II and were forcibly incorporated into the USSR. However, the Nordic countries have also had their own conflicts with the Russian Empire and later the USSR. Finland fought a brutal war to defend its independence in the early years of World War II, while Sweden was engaged in wars with Russia for over three centuries. Additionally, the remaining three Nordic countries have faced tensions over access to and control of the Arctic

and remain highly concerned about Russian military activity in the region.¹⁰

In recent years, the Baltic region has become a hotspot for rising tensions and covert, hybrid warfare-like activities. This was most evident in mid-November 2024, when two undersea cables were mysteriously severed—one between Sweden and Lithuania and another connecting Finland and Germany. These incidents remain officially unsolved, though some evidence pointed to Russia¹¹ and even China; however, Beijing has denied any involvement in the sabotage.¹²

These challenges have pushed the NB8 platform to refocus its attention on the Russian threat and support for Ukraine. In a statement issued on February 14, 2025, the NB8 members jointly reaffirmed that they “stand fully and firmly behind Ukraine” and that their priority is “to strengthen Ukraine.”¹³ The timing of this declaration served as a not-so-Valentine’s-Day-like response to developments in Washington, which seem to signal a shift from “America First” to “America Alone.” In a veiled yet clear reaction, the NB8 further emphasized the need to “achieve peace through strength,” provide Ukraine with strong security guarantees, and establish a “just and lasting peace.”¹⁴

It appears that the NB8 is actively seeking potential partners who share its firm stance on Ukraine. This was best exemplified in November 2024 when Polish Prime Minister Donald Tusk participated for the first time as a special guest at an NB8 summit.¹⁵ On the public relations side, the photos of Swedish Prime Minister Ulf Kristersson rowing a boat with the Polish Prime Minister went viral.¹⁶ On the political

side, it was a clear signal that Stockholm views Poland as an important ally, further reinforced by the signing of a new strategic cooperation agreement between the two countries. This suggests that, with its unwavering support for neighboring Ukraine and its own access to the Baltic Sea, Poland aligns closely with the NB8 on security and defense issues.¹⁷

In this context, the NB8 may also be interested in expanding its cooperation beyond Europe. This is where a window of opportunity for India is opening up.

NB8 and India: A Growing Friendship?

The most recent significant event in India-NB8 relations was the Nordic-Baltic delegation's participation in the Raisina Dialogue in New Delhi in 2024. What underscores its importance is the fact that it was the first joint high-level NB8 delegation outside Europe, serving as a recognition of India's growing role in global politics.

Perhaps the most notable outcome of the meeting was an opinion piece written by all eight foreign ministers, published by *The Hindu* in February 2024.¹⁸ The ministers emphasized their countries' shared commitment to democracy and human rights, as well as the importance of a peace plan and continued support for Ukraine's defense. Furthermore, they acknowledged that Nordic-Baltic cooperation with India spans various fields—including innovation, the green transition, maritime affairs, healthcare, intellectual property rights, new technologies, space cooperation, artificial intelligence, student exchanges, culture, and tourism. Their

overarching goal is to foster a multilateral system based on dialogue and cooperation.

Among other notable events, two India-Nordic summits were organized—one in Stockholm in April 2018 and another in Copenhagen in May 2022¹⁹—as well as two CII India-Nordic-Baltic Business Conclaves: the first held virtually in November 2020 and the second in November 2023 in New Delhi.²⁰ Key focus areas for collaboration between India and the Nordic-Baltic region include food processing and sustainability, the blue economy and maritime cooperation, renewable energy integration, information technology and AI collaboration, and the future of regional cooperation.²¹

Addressing the second Business Conclave in New Delhi, S. Jaishankar, India's Minister of External Affairs, highlighted the strengthened relations with NB8 in recent years, particularly in fostering closer business-to-business cooperation.²² He also noted the growing strategic importance of the Baltic Sea and Arctic regions in global affairs.²³ Finally, the minister emphasized the development of bilateral relations with the NB8 members, highlighting the inauguration of Indian embassies in Tallinn in December 2021 and in Vilnius in March 2023 as well as plans to open a resident embassy in Latvia.²⁴

What India Needs to Know about NB8

NB8 offers a wide range of opportunities for potential cooperation with India. One example is the protection and expansion of maritime infrastructure in the Baltic Sea, including investments in wind energy.²⁵ Another area of collaboration could be people-to-people

exchanges, given the growing Indian diaspora across the Nordic-Baltic region and the approximately 3,500 Indian students pursuing education in NB8 countries.²⁶

However, in the current political and security situation, it is crucial to consider the NB8's ideological commitments. Since 2022, the NB8's stance has been largely encapsulated by the words of the Polish Prime Minister Tusk during the 2024 NB8 summit: "If Ukraine loses, we all lose."²⁷ In pursuit of its own security interests, the NB8 has been a staunch supporter of Ukraine's sovereignty and territorial integrity, guided by shared values such as democracy, the rule of law, and human rights protection in the region.

This commitment extends beyond Ukraine. The NB8 also supports those fighting for freedom and democracy elsewhere, as demonstrated by the meeting of the Nordic Ministers for Foreign Affairs (N5) with Sviatlana Tsikhanouskaya, the leader of the Belarusian democratic forces in exile, in October 2024.²⁸

This has become critically important amid dynamic changes in transatlantic relations

and the seemingly weakening commitment of Washington to engage in European affairs. The EU itself, on the other hand, is highly diverse, which often results in challenges in reaching consensus among its 27 member-states. This potentially creates space for other non-European partners whose principles and policies resonate with those of the NB8. Such partnerships could play a crucial role, not only in achieving peace but also in maintaining peace and rebuilding war-torn Ukraine, including supporting supply chains, food production, and maritime infrastructure in the Black Sea.

Conclusion

Given the current dynamics in world affairs, there are likely more questions than answers. Indeed, the future of the NB8 as a platform, and that of its individual members, depends heavily on securing Ukraine's sovereignty and territorial integrity. From the NB8's perspective, this presents a valuable opportunity for India to position itself as a reliable partner—one that is not only interested in trade, investments, and innovations, but also, as the world's most populous democracy, in protecting shared values as an inspiring global leader.

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India and the NB8: Building a Future-Oriented Strategic Convergence

Eerishika Pankaj

The Nordic-Baltic Eight (NB8)—comprising Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden¹—have long been viewed as crucial geopolitical actors in Europe’s northern flank. Historically aligned with transatlantic security structures, their engagement with major powers has been shaped by NATO commitments, European Union (EU) integration, and deep-seated concerns about regional security, especially in the wake of Russia’s assertive posture. However, as global power shifts accelerate and the Indo-Pacific assumes greater strategic significance, NB8’s engagement with India has become more pronounced.

Despite the strategic convergence, India’s engagement with the NB8 has historically remained on the margins of its European outreach. Much of New Delhi’s diplomatic bandwidth has been devoted to major European powers such as France, Germany, and even the UK, given their economic heft, defense ties, and influence within the EU and global decision-making institutions. The Nordic-Baltic region, though economically advanced and strategically significant within Europe, has often been overshadowed by these larger players in India’s geopolitical outlook. However, the shifting

contours of global politics, including the war in Ukraine, growing concerns over energy security, supply chain diversification, and the realignment of middle powers, have prompted both India and the NB8 to rethink their engagement. India is increasingly being viewed not just as an economic partner but also as a security collaborator, a technology partner, and a gateway to the larger Indo-Pacific theater. For India, the NB8 presents a unique opportunity to deepen its footprint in northern Europe and leverage its expertise in digitalization, green energy, and regional security.

India, however, must look at the NB8 from a broader strategic lens rather than through the narrow prism of economic engagement alone. While trade and investment have been growing steadily, as demonstrated by India’s combined trade in goods with the NB8 reaching approximately USD 7.3 billion in 2022-23, and the cumulative FDI from Nordic countries surpassing USD 4.69 billion since 2000,² these figures only scratch the surface of what is possible.

Moreover, as geopolitical challenges mount, NB8 nations are recognizing the necessity of diversifying their partnerships beyond traditional

Euro-Atlantic circles. This was evident during the Raisina Dialogue in 2024, where all eight Nordic-Baltic countries participated as a bloc, emphasizing the urgency of strengthening global partnerships to defend peace, maintain a rules-based order, and foster sustainable economic cooperation.³ This renewed outreach offers India an opportunity to position itself as a reliable strategic partner, not just for economic exchanges but for deeper security and geopolitical collaboration. The participation of Nordic leaders in high-profile Indian forums further indicates the growing alignment on issues such as fisheries, information technology, healthcare, and even Arctic policy.⁴ India's exports to the region have increased significantly, with Finland and Norway witnessing growth of over 100 percent and 80 percent, respectively, over the past five years.⁵ Despite these important economic strides, the NB8's strengths in innovation, green technology, AI, blockchain-led transformation, and supply chain logistics remain underutilized despite aligning closely with India's own aspirations for technological and economic leadership.

India's institutional investments in the NB8, including opening embassies in Tallinn and Vilnius and most recently a resident mission in 2024 in Latvia,⁶ underscore the recognition that this region cannot be an afterthought in India's foreign policy. With India's ambitious renewable energy targets of 450 gigawatts by 2030⁷ and over 800 plus port-led development projects under the Sagarmala program,⁸ there is ample scope for NB8 investors to play a crucial role. The food processing sector, with a projected USD 33 billion investment potential over the next decade, also presents opportunities for structured collaboration.⁹ Beyond business,

the NB8's active role in the Arctic and their emphasis on environmental sustainability align with India's expanding interest in polar research and climate action, further opening avenues for strategic cooperation.

Thus, while India's engagement with the NB8 is on an upward trajectory, it must not be limited to transactional economic ties. A comprehensive big-picture approach that integrates security dialogues, technological partnerships, and shared geopolitical interests will be key to realizing the full potential of this relationship.

Strategic Perception Gaps: The Great Power Dilemma

One of the core challenges shaping Nordic and Baltic strategic worldview has been the way great powers interact with smaller nations.¹⁰ Baltic countries¹¹ and Nordic states¹² have both sought their own identity creations outside the confined of a regional or European identity, and great power politics, whether between Russia-U.S. or China-U.S., have been a delicate line to maneuver bilaterally outside the EU dialogue forums. Incidents such as the Trump administration's proposition to 'buy' semi-autonomous Greenland—which is part of the Nordic Cooperation as per the Helsingfors agreement¹³—in 2019¹⁴ left a lasting impact on Nordic-Baltic strategic thought, reinforcing their need for diversified partnerships beyond the transatlantic alliance. The proposition has been reiterated by Trump on March 5, 2025¹⁵ in his first joint address to the Congress, once again underscoring a historical fear in the region—the treatment of smaller states as bargaining chips in great power rivalries or as expendable by great power in their individual

might. Denmark, a key player in the NB8, remains in crisis mode over Trump's outlandish ambitions, which dangerously give heft to the argument that external coercion can change European borders—a message no European state wishes to remotely promote amidst the Russia-Ukraine war.¹⁶

As a middle power, India's approach to the Ukraine war has been closely observed by the NB8, given their own security concerns stemming from Russia's actions. While India has maintained a neutral stance, emphasizing dialogue and diplomacy, its willingness to push back on external pressure—whether from the West or Russia—demonstrates its commitment to strategic autonomy.¹⁷ This should resonate with the NB8, which, despite its deep integration with NATO, has historically sought to maintain a degree of policy independence. India's approach to Ukraine signals to the NB8 that it is a country willing to defend its interests without becoming a proxy in great power politics.¹⁸ This ability to act independently while remaining engaged in global security conversations could make India a valuable partner for the NB8 as they seek to diversify their geopolitical options beyond traditional Western frameworks and advance peace¹⁹ in Ukraine—especially in the aftermath of Trump's meet with Ukrainian President Volodymyr Zelensky upending the U.S.-Ukraine alliance.²⁰ Post the meet, powers like Belgium have swiftly remade calls for strategic autonomy, citing defense cooperation with India as a need of the hour.²¹

India, unlike the U.S. or China, is not viewed as a revisionist power but rather as a stabilizing force in the international order. NB8 nations are

beginning to see India as a reliable partner that respects sovereignty, supports a rules-based order, and offers a credible alternative in economic and security cooperation.²² This shift in perception is particularly relevant as the NB8 seeks to hedge against overdependence on traditional Western allies while engaging new poles of power in a multipolar world. India's consistent stance on global governance reforms, emphasis on strategic autonomy as shown in the case of the Ukraine war, and its growing global stature as a balancing power within critical minilaterals like the Quad are seen as attributes that could foster greater Nordic-Baltic engagement.

NATO remains central to the Nordic-Baltic security architecture, particularly in light of Russia's aggression in Ukraine. With Finland and Sweden having joined NATO, the region's alignment with transatlantic security frameworks has deepened.²³ However, as NATO expands its partnerships in the Indo-Pacific,²⁴ including through closer cooperation with Japan, South Korea, and Australia, the NB8 has an opportunity to shape this outreach in ways that align with their own security and economic interests, especially as NATO's India focus remains limited due to Delhi's non-alignment policy. India's growing bilateral defense partnerships with European states, particularly in maritime security, cyber defense, and arms co-development, make it a logical candidate for greater Nordic-Baltic engagement beyond traditional economic cooperation. By leveraging their NATO memberships and strategic influence, the NB8 could advocate for structured security dialogues with India, particularly on hybrid threats, maritime stability, and resilience against cyber warfare.

Beyond NATO, the Indo-Pacific is becoming a region of interest for the Nordic-Baltic states. While they do not have direct stakes in the Indian Ocean Region (IOR), their increasing economic and technological investments in South Asia make India a natural partner. Denmark's active engagement in India's maritime sector with agreements on sustainable maritime practices;²⁵ Finland's interest in building collaboration on digital connectivity with India;²⁶ and India-Norway Blue Economy cooperation²⁷ are just a few examples of how the NB8 could broaden their footprint in the IOR. Given India's central role in shaping maritime governance in the region, a structured NB8-India dialogue on IOR security, particularly on issues such as maritime domain awareness, critical undersea infrastructure, and climate resilience, could be mutually beneficial.

Reframing India-NB8 Ties: A Strategic and Future-Oriented Partnership

India's engagement with the NB8 has seen a steady, albeit slow, rise. The convergence between India and the region is no longer just about trade and investments but increasingly about strategic convergence. The Ukraine war has reinforced EU's perception of the need for diversified global partnerships and strategic autonomy,²⁸ and India, with its long-established strategic autonomy and growing defense-industrial base,²⁹ has become an attractive partner. New Delhi, on the other hand, must see the NB8 as a vital component of its broader European strategy, especially given their technological advancements, climate leadership, and their strategic location as a gateway to the EU.

Yet, despite the increasing number of official visits, investment summits, and security dialogues, engagement remains slow. India's focus on major European powers like France and Germany has meant that deeper engagement with smaller European states has been gradual.³⁰ However, as the EU recalibrates its economic and security policies in response to global disruptions, the NB8's role as India's entry point into European markets and security dialogues is becoming more pronounced.

From an ideational and long-term perspective, India's engagement with the NB8 must evolve beyond pragmatic considerations of trade and investment. It should be framed within a larger vision of shared governance models, technological collaborations, and geopolitical realignments that will shape the global order in the coming decades. The Nordic-Baltic region has long been a proponent of multilateralism, sustainability, and human-centric innovation—values that align with India's own aspirations for a reformed global governance system. As India seeks to play a more prominent role in shaping international norms, working with NB8 states on issues such as digital governance, climate resilience, and regional security architecture will provide a foundation for deeper collaboration.

The NB8+Japan framework, which has focused on fostering technological innovation, sustainability, and security cooperation, could serve as a model for a similar mechanism with India.³¹ India's technological and industrial complementarities with the NB8, especially in AI, renewable energy, and digital governance, mirror the synergies seen in the Japan-NB8 relationship. A potential dedicated 'NB8+India'

platform for strategic, economic, and security collaboration could not only deepen engagement but also create an institutional framework that ensures long-term cooperation. If structured effectively, such a framework could serve as a prototype for how middle powers collaborate in an era of great power competition, ensuring agency and strategic maneuverability for smaller states while fostering a more resilient global order.

In the long term, India's strategic engagement with the NB8 could serve as a model for its broader European outreach. The Nordic-Baltic states, with their emphasis on rule of law, democratic governance, and high-tech industries, offer a template for partnerships that are innovation-driven rather than purely transactional. As India hopes to transition into a knowledge-based economy,³² leveraging NB8 expertise in artificial intelligence, green hydrogen, smart cities, and defense technology could create enduring linkages that extend well beyond economic cooperation.

Furthermore, the NB8's strategic location makes them crucial players in the evolving security dynamics of both Europe and the Arctic—regions that will be increasingly important for India's global positioning. As India expands its maritime and polar research ambitions, cooperation with the NB8 on Arctic governance, sustainable resource management, and blue economy initiatives could help diversify India's engagement beyond its traditional geopolitical arenas.

Ultimately, India must recognize that the NB8 are not just peripheral players in its European

strategy but key actors in the evolving multipolar world order. By fostering long-term, ideational partnerships based on shared values and strategic imperatives, India and the NB8 can co-develop frameworks for global governance, technological sovereignty, and sustainable growth, setting the stage for a partnership that is resilient, future-oriented, and geopolitically relevant for decades to come.

Moving Beyond Economics and Looking at Security Cooperation: NB8 as India's EU Gateway

Traditionally, NB8's security concerns have been largely Eurocentric, shaped by Russian aggression and transatlantic commitments. However, with growing cyber threats, hybrid warfare challenges, and maritime security concerns, security cooperation with India is emerging as an area of interest. India has built considerable expertise in countering hybrid warfare threats, including cyber intrusions, misinformation campaigns, and asymmetric security risks, areas where the NB8 is increasingly looking for partners.

While India and individual NB8 countries have engaged in defense dialogues and cyber-security cooperation, there remains vast untapped potential. India's capabilities in cybersecurity, counterterrorism, and maritime security align well with NB8's strategic priorities. The recent India-NB8 meetings have hinted at deeper collaboration in critical technologies and intelligence-sharing, which could mark the beginning of a more institutionalized security partnership.³³ The Baltic states, in particular, are at the forefront of cyber defense, and cooperation with India in this area could be

mutually beneficial given the scale of cyber threats emanating from hostile actors.

As the EU recalibrates its strategic and economic policies, NB8 countries are well-positioned to act as India's entry point into European markets and regulatory frameworks. India's engagement with the Nordic-Baltic region is no longer just about bilateral ties but also about leveraging their EU presence to shape trade, investment, and security partnerships. With the EU's renewed Indo-Pacific outlook and emphasis on economic diversification, India's ability to work closely with NB8 could enhance its leverage in EU decision-making structures.

Moreover, with China's economic footprint facing increasing scrutiny across Europe, India's value proposition as a stable, democratic, and economically viable partner is growing. The Nordic-Baltic region, known for its technological prowess and sustainable development models, aligns well with India's ambitions in green energy, digital infrastructure, and innovation-driven economic growth. The NB8, which has long maintained a cautious approach to China's influence in Europe, sees India as a potential counterweight, especially in critical

areas like supply chain resilience and digital governance.

While the trajectory of India-NB8 relations is promising, the challenge remains in sustaining and accelerating this engagement. There needs to be a greater push towards institutionalized cooperation, particularly in security and defense sectors, where India can offer its expertise while benefiting from the Nordic-Baltic region's advanced technological base. The slow pace of engagement, often constrained by bureaucratic inertia and competing diplomatic priorities, needs to be addressed if this relationship is to evolve into a significant pillar of India's European strategy.

India's evolving perception of the Nordic-Baltic 8 is shifting from viewing them as peripheral European actors to recognizing them as strategic partners in an increasingly multipolar world. The rising significance of India to the NB8, and vice versa, is not just an economic reality but also a geopolitical necessity. As both sides navigate global uncertainties, their engagement is poised to deepen, transforming this relationship from an underexplored opportunity to a key pillar of India's broader European strategy.

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SECTION - III

GATEWAY TO THE NORDICS

Need for a Multi-Pronged Approach

Interview with Lena Bäcker

Chairperson, Good Government Affairs, International Group

Lena is a global leader with over 30 years of experience at the international high-level arena. In the Swedish government, she was the Enforcement Director. For many years she was the Chairwoman for a high-level Government Think Tank for EU countries, the EU Commission, European Parliament, European Central bank, and European Investment-bank, at charge for the Swedish fiscals and rescue package “Task Force for Greece” by the international Troika IMF, European Central-bank, and European Commission. She has been advisor to several royal families, ministers as well as business leaders.

Over 30 years, she has had high-level board assignments in both the state and private sectors. Lena’s highest Swedish education level is Degree of the State where her internship was with Brussels, Minister of Council and The Swedish Armed Forces by Sweden’s former Commander in Chief Mr. Micael Byden. She has been bestowed several international awards and has been the keynote speaker and guest of honor at several international high-level events.

Q: Sweden plays a key role in shaping EU-India relations. What policy measures or diplomatic strategies should be prioritized to enhance India’s engagement not only with Sweden but with the entire Nordic region?

Lena: To enhance India’s engagement with Sweden and the wider Nordic region, India should prioritize the following policy measures and diplomatic strategies:

1. Strengthening Trade and Investment Ties

Focus on expanding bilateral trade and investment, particularly in technology, renewable energy, and innovation, which are key strengths of the Nordic countries. Trade agreements or trade facilitation mechanisms can help create a favorable environment for both Indian and Nordic businesses.

2. Collaborative Innovation and Research

The Nordic countries are leaders in sustainable development, clean technologies, and innovation. India should strengthen partnerships in research and development, particularly in areas like green technologies, AI, and healthcare, to foster long-term, mutually beneficial collaborations.

3. Expanding Strategic Partnerships

Strengthen with new strategic partnerships, focusing on regional security, tourism, climate change, and sustainable development. India's role in the Indo-Pacific, along with the shared democratic values between India and the Nordic countries, can be further emphasized in multilateral settings, such as the UN or climate summits.

4. Building Regional Connectivity

Focus on enhancing regional connectivity, both in terms of trade routes and digital infrastructure. India should explore opportunities for collaboration with Nordic nations to improve logistical and digital connectivity in the broader European and Indo-Pacific regions.

5. Sustainability and Climate Leadership

The Nordic region has been a global leader in sustainable development. India should align with Nordic countries on climate action, contributing to shared goals in addressing environmental challenges, such as through joint climate change mitigation initiatives and investment in clean energy. If India with a population of almost 1.5 billion people adopts sustainable development, it will affect the whole world.

This multi-pronged approach could maximize India's diplomatic and economic relationships with Sweden and the Nordic countries, fostering a deeper and more comprehensive engagement.

Q: Based on your experience in fiscal and economic governance, what lessons from past EU economic frameworks could be applied in order to strengthen trade and investments between the two countries first, and also between India and the other Nordic countries?

Lena: Drawing on lessons from past EU economic frameworks, several key approaches can be applied to strengthen trade and investments between India and Sweden, and extend this to the broader Nordic region:

1. Regulatory Harmonization and Standardization

One of the EU's most successful economic strategies has been the harmonization of standards, regulations, and procedures across member states. Similarly, India could work with Sweden and other Nordic countries to streamline regulatory frameworks, reduce barriers to trade, and simplify investment processes. A unified approach to standards in key sectors such as technology, healthcare, and manufacturing would make cross-border investments smoother and more attractive.

2. Public-Private Partnerships (PPPs)

The EU has consistently used PPPs to drive infrastructure projects and technological innovations. India can adopt this model to encourage private-sector participation in large-scale infrastructure and renewable energy projects with Nordic nations. These partnerships can bridge funding gaps, accelerate project execution, and foster long-term economic cooperation.

3. Investment Promotion and Protection Agreements (IPAs)

The EU's investment agreements have been essential in protecting investors' rights and encouraging long-term foreign investment. India should prioritize negotiating similar investment promotion and protection agreements with Sweden and the Nordic region, providing safeguards and incentives to make the region an attractive destination for Indian investors.

4. Trade Facilitation and Connectivity

The EU's single market is built on seamless physical and digital connectivity. For India, improving transport logistics, digital infrastructure, and cross-border financial systems would play a critical role in strengthening economic ties with Sweden and the Nordic countries. India can learn from the EU's success in building interconnected transport networks and digital platforms for trade facilitation.

5. Sector-Specific Cooperation

The EU has seen success in developing sector-specific frameworks that bring together industries across borders. India should look to establish similar frameworks for cooperation in areas where Nordic countries excel, such as Triple Helix in clean technologies, renewable energy, and green finance. India can leverage Nordic expertise while driving innovation and sustainability initiatives domestically.

6. Innovation and R&D Collaboration

The EU has used its framework to fund and support joint research and development initiatives, particularly in high-tech industries. India could create mechanisms for joint R&D partnerships with Swedish and Nordic firms, encouraging innovation in emerging sectors such as artificial intelligence, clean energy, and digital transformation.

7. Incentivizing Cross-Border SMEs

In the EU, small and medium-sized enterprises (SMEs) benefit from support mechanisms that encourage cross-border trade and investment. India can focus on creating similar programs for Indian SMEs to engage with Nordic markets, offering financial incentives, training, and market

access tools to expand their reach in the region.

By leveraging these lessons, India can enhance its economic ties with Sweden and the broader Nordic region, unlocking new opportunities for sustainable growth, innovation, and mutual prosperity. This approach provides a well-rounded roadmap for applying successful EU practices to India's engagement with Sweden and the Nordic countries, focusing on trade, investment, and long-term collaboration.

Q: Given Sweden's strong presence in India through companies like Ericsson, Volvo, and IKEA, what policy or structural improvements could further enhance Swedish investments and business expansion in India?

Lena: To further enhance Swedish investments and business expansion in India, there are several strategic policy and structural improvements that could be considered:

1. Simplifying Regulatory Processes

Streamlining the regulatory environment, especially for foreign investors, could reduce bureaucratic hurdles. This includes simplifying the approval process for Visa, permits, licenses, and clearances, ensuring that Swedish companies can navigate the Indian market more easily and efficiently.

2. Strengthening Bilateral Trade Agreements

Expanding existing trade agreements between Sweden and India to include more favorable terms for Swedish businesses would incentivize companies to invest in sectors like technology, manufacturing, and renewable energy. Enhanced

agreements could provide Swedish firms with greater access to the Indian market while also promoting mutual growth.

3. Fostering Innovation and R&D Collaborations

Sweden is known for its cutting-edge innovations, particularly in sectors such as technology, clean energy, and automotive. India's vast market and growing tech ecosystem provide ample opportunity for collaboration. Facilitating joint R&D ventures, especially in emerging sectors such as electric mobility, digital services, and AI, could strengthen ties and drive future growth for Swedish firms.

4. Improving Infrastructure for Ease of Doing Business

While India has made significant strides in improving infrastructure, continued investment in logistics, digital infrastructure, and supply chain efficiency is vital. Enhancing these areas would enable Swedish companies to operate with greater ease, improving profitability and reducing operational costs.

5. Skilled Workforce Development

India has a large, young, and growing workforce. Expanding international recruitments from India to Sweden and the Nordics in fields like healthcare, engineering, and digital technologies could create a deeper strategic critical talent pool for Swedish Regions and companies.

By addressing these key areas, India can further solidify its position as an attractive destination for Swedish investments, ensuring long-term business expansion and success for Swedish companies in the region.

Q: Given Good Government Affairs International AB Group's collaboration with Federation of Indian Chambers of Commerce & Industry (FICCI), and its access to high-level decision-makers, what challenges do you expect in advancing India-Nordic partnerships, and how can they be addressed?

Lena: Advancing India-Nordic partnerships presents both immense opportunities and inherent challenges. Key obstacles include navigating regulatory differences, aligning business cultures, and addressing sector-specific market entry barriers. However, Good Government Affairs International AB Group, through its collaboration with FICCI and access to high-level decision-makers, is well-positioned to mitigate these challenges. By facilitating direct government-to-business dialogues, streamlining regulatory insights, and fostering strategic matchmaking between Indian and Nordic stakeholders, we can create an enabling environment for sustainable and mutually beneficial partnerships. A tailored approach, leveraging both policy advocacy and private-sector engagement, will ensure that India-Nordic collaborations thrive in innovation, trade, and investment.

Q: Sweden and India have built a strong and evolving strategic partnership based on shared values like democracy, sustainability, and innovation. How have these shared values deepened cooperation in key areas such as green transition, digital transformation, and economic resilience? How this could create a lasting impact on both regions?

Lena: The Sweden-India strategic partnership, rooted in shared values of democracy,

sustainability, and innovation, is driving transformative cooperation in key sectors. In the green transition, joint initiatives in renewable energy, circular economy, and sustainable manufacturing are accelerating both regions' paths to net zero. In digital transformation, Sweden's leadership in AI, 5G, and smart technologies complements India's dynamic digital ecosystem, fostering cross-border tech-driven solutions. Economic resilience is further strengthened through increased trade, investments, and a focus on resilient supply chains. These synergies not only create sustainable growth and job opportunities but also position Sweden and India as global leaders in shaping a future-ready, innovation-driven economy. By deepening collaboration in these areas, both regions can build a lasting impact, setting a benchmark for strategic partnerships worldwide.

Q: Given your experience, what are the most essential policy interventions that could bring greater business synergy between India and Sweden in the next few years?

Lena: To enhance business synergies between India and Sweden in the coming years, key policy interventions should focus on:

1. Trade and Investment Facilitation

Streamlining regulatory frameworks, reducing trade barriers, and fostering ease of doing

business through bilateral trade agreements and sector-specific incentives.

2. Technology & Innovation Collaboration

Expanding joint R&D initiatives, fostering co-investment in AI, green tech, and Industry 4.0, and creating innovation hubs that bridge Swedish expertise with India's dynamic tech ecosystem.

3. Sustainability & Green Growth

Strengthening partnerships in renewable energy, circular economy, and sustainable infrastructure, leveraging Sweden's leadership in sustainability and India's ambitious green transition goals.

4. Talent & Workforce Mobility

Establishing fast-track visa and skill exchange programs to enable seamless movement of professionals in key sectors like IT, healthcare, and engineering.

5. Public-Private Partnerships (PPPs)

Encouraging government-industry collaborations to co-develop smart cities, sustainable transport solutions, and digital governance models.

By prioritizing these policy interventions, both nations can unlock new growth opportunities, drive innovation, and create a future-ready, resilient economic partnership.

Northern Exposure: How India-Nordic Ties Could Further Reinforce India-EU Security Cooperation

Olivier Blarel and Nicolas Blarel

The European Commission President Ursula von der Leyen's recent visit to New Delhi in February 2025 has highlighted the European Union's intent to further bolster strategic ties with India. While most observers have rightly focused on the mutual commitment of van der Leyen and Prime Minister Modi to conclude a long-pending free trade agreement by the end of the year, both leaders have also discussed the need to deepen security cooperation, explicitly recognizing shared interests and mutual concerns in a rapidly evolving geopolitical landscape.¹

President von der Leyen has therefore described India as a "trusted friend" and a "strategic ally," highlighting the importance of elevating the partnership to address contemporary geopolitical challenges, and to reduce their reliance on other global powers.² President von der Leyen also announced that India and the EU were exploring a future security and defense partnership. This initiative aims to address common threats such as cross-border terrorism, maritime security challenges, cyber-attacks, space security, and assaults on critical infrastructure.

What is generally less discussed in the context

of this strategic rapprochement is India's improving relations with the Nordic countries, notably in the security domain. As the third India-Nordic summit is set to take place later this year in Oslo, it is important to assess the state of India-EU security cooperation and the potential for enhanced coordination with the Nordic countries.³

Soaring EU-India cooperation

Maritime security has quickly emerged as the focal point of India-EU security cooperation. Both entities have conducted joint naval exercises to enhance interoperability and ensure the safety of vital sea lanes. Notably, in October 2023, India and the EU have held their first joint naval exercise in the Gulf of Guinea, focusing on counter-piracy operations and maritime domain awareness.⁴ This exercise underscored their commitment to maintaining maritime security in critical regions, notably in the Indo-Pacific region. In addition to joint exercises, the EU has initiated projects like the Critical Maritime Routes Indian Ocean (CRIMARIO) initiative, aimed at bolstering maritime domain awareness in the Indo-Pacific. This project has facilitated information sharing and capacity building

among regional partners, with India playing a pivotal role.⁵

Defense collaboration has also extended beyond maritime initiatives. Recognizing India's efforts to diversify its military supplies, discussions were held on potential collaboration in defense industrial projects under the EU's Permanent Structured Cooperation framework.

Furthermore, India has historically worked with various EU member-states in the area of defense procurement. For instance, France was India's second largest arms supplier to India (after Russia) in 2024, which has relied on its fighter jets for four decades. In January 2024, India and France have further agreed to work together on the joint production of defense equipment including helicopters and submarines for the Indian armed forces and production for third party countries.⁶ Germany and India have also engaged in discussions to strengthen defense ties and jointly developing submarines. During German Chancellor Olaf Scholz's visit to New Delhi in October 2024, both nations explored avenues to reduce India's reliance on Russian military equipment by enhancing cooperation in defense manufacturing and technology transfer.⁷

India and the EU have also intensified their collaboration in counterterrorism and cybersecurity to address new and evolving types of threats. Regular dialogues and information exchanges have been established to address challenges posed by terrorism and cyber threats. The EU-funded Enhancing Security in and with Asia (ESIWA) program illustrates this cooperation, focusing on capacity building in cybersecurity and counter-terrorism measures.

Additionally, both India and the EU have increasingly acknowledged the strategic importance of space and have initiated dialogues to explore collaborative opportunities. In April 2024, Richard Tibbels, the EU's special envoy for the Indo-Pacific, emphasized the potential for joint efforts in space security, highlighting the high stakes both India and the EU have in the domain of space security.⁸

Finally, to facilitate and institutionalize this multifaceted cooperation, India and the EU have established several high-level dialogues. In early May 2024, bilateral security and defense consultations were held in New Delhi, focusing on launching a new dialogue on space security and enhancing defense industry collaboration.⁹ These consultations were part of a broader effort to create structured mechanisms for continuous engagement on security issues. Additionally, the EU's deployment of a military attaché to its mission in New Delhi in November 2023 signifies a commitment to deepening defense ties and facilitating direct communication on security matters.¹⁰

This partnership will evolve further, with both parties exploring new areas of collaboration and reinforcing existing ties to address emerging global security challenges. Building on these bases, the India-Nordic Partnership also has the potential to further strengthen this dynamic of strategic convergence.

Arctic and Beyond: Nordic-India Ties on the Rise

First held in 2018 with a second iteration in 2022, the India-Nordic Summit opened new avenues of cooperation between these two far-

flung yet converging poles. While not at the heart of consultations, Arctic affairs could soon become a springboard for wider cooperation as India makes significant efforts to become a stakeholder in this much coveted polar region. At the forefront of Arctic dynamics, the Nordic countries have much to gain in cooperating with India, especially in the context of rising geopolitical tensions.

India being a rising Arctic actor might come as a surprise to many given the distance separating the subcontinent from the North Pole. Yet New Delhi's interest for the region can be traced back to British India's signing of the Svalbard Treaty agreement in 1920. Since the 2000s, India has ramped up its activities in the region. An exploratory mission was sent to the Svalbard archipelago in 2007, setting up a scientific research station the next year, before inaugurating an observatory and a laboratory in 2014 and 2016. India's cooperative approach stresses association with the Nordic States. The country's interest to the Arctic derives from its larger polar program interlinking activities in the Arctic, Antarctic and Himalayas, the latter often referred as the "third pole". In 2013, India was awarded an observer status at the Arctic Council.¹¹ The publication of a dedicated Arctic Strategy in 2022 has further aimed at streamlining these initiatives towards promoting India's strategic goals.¹²

Beyond the scientific endeavor, New Delhi also has eyes on economic prospects. India envisions using the Northern Sea route as an alternative to the southern route connecting India to Europe via the Suez Canal to diversify its maritime commercial passageways.¹³ New Delhi also

hopes to tap on the largely unexplored undersea mineral wealth in the Arctic region in view of sustaining its growing manufacturing sector.

For the Nordic States, India's involvement in Arctic affairs is a positive trend. The scientific contribution is a valuable input to better understand the global impact of the receding polar caps, which will have a deep impact on the Arctic riparian states. Cooperation with India also brings the benefit of offering an alternative to China, Russia and the United States. These States' rivalry is rapidly engulfing the Arctic region, portending increased militarization. The Nordic States are spearheading efforts to bolster a multilateral response to these unilateral tendencies towards militarization. India's approach to Arctic affairs focused on scientific and economic endeavors makes it compatible and complementary to the Nordic States' outlook.

From their shared approach on Arctic affairs, the Nordic States and India could dramatically increase cooperation on the maritime domain as well as coping with climate change and even look beyond the Polar region.

Taking a leaf out of the current emerging EU-India maritime cooperation in the Indo-Pacific, the Nordic States could value their own contribution to maritime security and blue economy management in dealing with New Delhi. In the domain of maritime security, the Nordic States have faced grey zone warfare, notably with the recent attacks on its undersea cables in the Baltic Sea. India is itself steadily becoming a major but also vulnerable undersea cable hub. Undersea cable network resilience and security could become centerstage in

discussion between European countries and India. The Nordic States could contribute in a meaningful manner in sharing their experience in responding diplomatically to these attacks, developing a surveillance system and building a legal framework to confront such threats. Infrastructure cooperation will surely climb the list of priorities within the agenda of the incoming Nordic States-India dialogues.

With regards to the blue economy, the extent of cooperation is promising especially in port-modernization, seabed mining, mapping, exploration and extraction of ocean resources through co-development of clean technologies and decarbonization of the fishing and maritime transportation industries.¹⁴ A Green and Strategic Maritime Partnership with evident economic windfall could build on the example of Green Strategic Partnership signed by India and Denmark in 2020 by focusing specifically on maritime cooperation.¹⁵

The Nordic States and India might be like-minded partners, but their interests are not entirely aligned. The Nordic States have taken a staunch stance against Russia following its full-scale invasion of Ukraine in 2022. India has carefully stood to its neutral posture on the conflict, drawing criticism from European chancelleries. This discrepancy between Nordic capitals and New Delhi was evident in the Joint Statement of the second India-Nordic Summit held in May 2022 in which the Nordic States alone condemn Russia's aggression.¹⁶ Since then, India's trade with Russia has dramatically increased, generating unease in Europe. Nordic-India ties will need to overcome the Russia factor to pursue common endeavors, especially in the

Arctic. Indeed, India is heavily investing on its Russian partnership as a linchpin towards the Arctic Sea. The Chennai-Vladivostok maritime corridor which became operational in late 2024 offers a logistical and transportational platform with access to the Arctic hinterland. Mindful of India's longstanding Russian connection and adherence to multi-alignment, Nordic countries ought to aim at extending an alternative to Russian conduits to the Arctic in the quest to prevent Indian over-reliance on Moscow.

Conclusion

As noted by both President von der Leyen and Prime Minister Modi, there is room for broader EU-India collaboration. The strengthening of India-EU security cooperation is motivated by a shared outlook on adverse geopolitical dynamics, including concerns over China's assertiveness in the Indo-Pacific and the ongoing conflict in Ukraine. During her visit to New Delhi, von der Leyen emphasized the importance of respecting international borders and the rule of law, noting that the outcome of such conflicts has global ramifications. Both India and the EU expressed a shared commitment to upholding a rules-based international order and collaborating to ensure regional and global stability.

As cooperation in key domains such as maritime domain awareness, connectivity initiatives and in a deeper technology partnership are emphasized, evolving India-Nordic ties have shown that EU's regulatory experience, technological expertise and investment capacity in areas such as trade facilitation, digital, green technology, or maritime security are relevant to India.

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India-Nordic Budding Dynamics: Sweden, a Vital Gateway?

Jagannath Panda, Niklas Swanström and Mahima Duggal

Introduction

Undoubtedly, the recent years have been remarkable for India's engagement with global powers, particularly with significant strides in diplomacy, technology, and economy. Additionally, India's strategic ties with the West, not just the U.S. and the European Union (EU), but particularly several EU members with which strategic engagement was traditionally lagging such as the Nordic states (namely Denmark, Finland, Iceland, Norway, and Sweden), have been noteworthy.

In this regard, it is important to mention that India's strategic relationship with the EU and its members benefitted immensely from India's closer trajectory with the U.S. India's strategic ties with the U.S., which no doubt took off under then U.S. President George W Bush with the "watershed" civil nuclear energy agreement that facilitated India's unprecedented access to U.S. technology, received impetus under the first Donald Trump administration and then the Joe Biden administration.¹ Certainly, one of the oft-quoted results has been the technology-oriented India-U.S. defense collaboration and India's place in strategic forums like the Quadrilateral Security Dialogue (officially

called the Quad, comprising Australia, Japan, India, and the U.S.). This India-U.S. bonhomie has had a bigger trickle-down impact on other Western partners as well. In other words, it has contributed to India's heightened/elevated positioning in Europe as a more reliable partner over the last decade especially.

Consequently, India and Europe have not only become closer trade partners, but their collaboration in high technology, renewable energy, and regional infrastructure projects has been a highlight in the last five years or so. India's multi-alignment diplomacy has been as much responsible as Europe's efforts in pivoting to the Indo-Pacific amid a growing China challenge and the fall-outs of supply chain dependencies, as evidenced starkly during the COVID-19 pandemic and the ongoing Russian full-scale invasion of Ukraine. For example, courtesy of European initiatives such as the EU's strategy for cooperation in the Indo-Pacific and the Global Gateway infrastructure project, the India-EU cooperation has spiked. In this context, India is the only nation, besides the United States, with which the EU has established a Trade and Technology Council (TTC).

But one region in Europe where India's position and status has changed considerably, for the better, is the Nordic-Baltic belt. The turnaround/reversal in leaders'-level visits evidenced by Modi's 2022 landmark visit to Denmark, as well as the spike in strategic/business delegations to and from Nordic states (e.g., the recent intensive four-day program for Norwegian companies in India), and the multitude of events organized by relevant embassies in the last few years have been revelatory.² Most notably, however, the two Indo-Nordic summits have set the stage for a greater partnership with this part of Europe.

Equally important has been the China factor. While China remains an attractive partner for the EU in these areas as well, the strides that Europe and India have made over the last few years show that New Delhi is becoming an increasingly relevant partner beyond the trade domain. A useful indicator of this is the way EU's investments in India have grown over the last two decades. The EU ranks as one of the largest foreign investors in India, with its share in foreign investment stock reaching Euro 108.3 billion in 2022;³ this is a sharp increase from less than Euro 5 billion during the 1991-2006 period.⁴ This number is still well below the EU's Foreign Direct Investment (FDI) outflows to China (Euro 247.5 billion) or Brazil (Euro 293.4 billion). However, while the EU's FDI in India have grown at a steady pace—including a massive 60 percent increase from 2018-2023⁵—its FDI inflows to China have been on a downward trajectory, with a decrease of 29 percent in 2023 (compared to 2022).⁶

Nevertheless, India-Nordic relations are complicated by the Russia factor. With Russia

becoming a primary threat for the Nordic-Baltic region, two of the Nordic states, namely Finland and Sweden have joined the North Atlantic Treaty Organization (NATO). This has also had an added impact on the Arctic Council—the leading intergovernmental forum promoting cooperation in the Arctic—with Russia stacked against the rest of the Council, all of which now are NATO allies. In fact, NATO is increasingly strengthening its eastern defenses, with permanent deployments in Finland, Lithuania, and Romania. Furthermore, the Nordic countries have been discussing the potential for enhancing military support for Ukraine—a debate that has gained greater urgency amid the United States' unilateral announcement for talks with Russia.⁷

This is also relevant for the Nordic states' relationship with China, which in Nordic-Baltic perspective has been abetting an unrepentant Russia.⁸ And China's convergence with Russia, not just via the "no limits" partnership or their common goal to upend the Western/U.S.-led liberal order but importantly their cooperation in the Arctic, as well as "increased competition and militarization" and accelerating climate change in the poles has rightly unnerved the Nordics.⁹

This is bound to cause increased friction between the Nordics and China, a non-Arctic state whose plans for the region's raw materials and other resources are a huge draw for its growing domestic needs.¹⁰ Such distancing from China might be good news for India: not only in terms of the Nordics as a gateway to further cooperation in the Arctic, but also in terms of India as a fulcrum of countering China in the Indo-Pacific, today's geopolitical and economic engine that is vital for European economic security.

Against an evolving geopolitical scenario, what could/would be the potential trajectory of this nascent partnership? Can Sweden, which has had a sustained, intense ministerial/high-level engagement with India among other geopolitical and geoeconomic upswing in ties,¹¹ lead these efforts? What would be the core areas of convergence?

Strategic Essence: Beyond Trade, Moving Toward Effective Multilateralism?

In 2018, the first-ever India-Nordic summit (titled the “Shared Values Mutual Prosperity”) was held in Stockholm, with India and Sweden as co-organizers. Besides the Prime Ministers of India (Narendra Modi) and Sweden (Stefan Löfven), the Prime Ministers of Denmark (Lars Løkke Rasmussen), Finland (Juha Sipilä), Iceland (Katrín Jakobsdóttir), and Norway (Erna Solberg) attended the summit. Importantly, this was an Indian prime minister’s first bilateral visit to Sweden in 30 years. Moreover, the summit facilitated India’s high-level bilateral engagements with the other four Nordic states as well.

Four years later, the second Indo-Nordic summit in Copenhagen included a mix of two continuing and four new prime ministers (with Mette Frederiksen of Denmark, Jonas Gahr Støre of Norway, Magdalena Andersson of Sweden and Sanna Marin of Finland as the new entries). However, the goals of the summit remained to expand strategic coordination between India and the Nordics.

Notably, the summits clearly outlined the strategic essence of this India-Nordic cooperation:

bilateralism dovetailing with plurilateralism keeping into account the inclusive ideals of multilateralism among like-minded partners.

Moreover, India’s trade and investment with the Nordic region is on the rise. In 2016-17, the annual India-Nordic trade was about \$5.3 billion and the cumulative FDI to India was \$2.5 billion.¹² The spike in trade between the two summit highlights the vitality in store. According to the Department of Commerce Export-Import Data Bank, total trade with the Nordic-Baltic region amounted to US\$8.32 billion in 2023-24.¹³

Purely in terms of trade, the breakup among the five countries is as follows for the same period (i.e., fiscal year 2023-24):

- Sweden was the leading trade partner, with a total trade volume of US\$2,763 million.
- Finland had a total trade value of US\$1,496 million.
- The respective bilateral trade volumes with Denmark, Norway, and Iceland stood at approximately US\$1,773 million, US\$1,197 million, and US\$18 million.

This showcases not only a healthy economic engagement, but also immense potential for the future both in terms of mutual growth and regional prosperity.

Yet, these summits not only focused on the trade and investment, as promised by the theme of the first summit, but also explored potential for expanding innovation-oriented cooperation in areas such as clean/green technologies, renewables, maritime security, energy security, digitalization, global health, infrastructure,

climate action, marine biodiversity, and rules-based democratic order. While there were (and continue to be) several challenges in the Nordic and EU's relationship with India, there are also areas of consensus. These summits sought to build on such areas by introducing more initiatives with practical collaboration. They are part of a broader strategy to foster long-term partnerships that go beyond economic ties; they serve as a foundation of stronger cooperation in multilateral forums, where both sides seek to address global challenges collectively.

The importance of effective multilateralism has been underlined by their long-standing respective global stances, including efforts toward creating a reformed balanced, equitably represented, and accountable United Nations. In this regard, notably, the Nordics have been open to the G4's (comprising Brazil, Germany, India, and Japan) model for the UN Security Council reforms.¹⁴

India and the Nordics should also funnel their engagement via new schemes by the Indian government like Smart Cities, Swachh Bharat (Clean India), Digital India, Start-up India, Skill India, India's Sagarmala (as part of the Blue Economy sectoral cooperation), and Make in India. Already, in 2023 India and Finland co-organized the "IndiaFinland Start-up Connect" event to encourage technology-sharing among start-ups for a green trade transition.¹⁵ Such events are also important for highlighting the opportunities for Nordic businesses and technically/technologically skilled Indian work force.

Another important aspect is that not only

does an enhanced EU-India convergence help India's relations with the EU member states, the India-Nordic ties will in turn also boost the relationship with the EU. This is particularly important against the background of the ongoing free trade agreement (FTA) talks between India and the EU that have experienced snags.

Going forward, a country most suited to act as an entry point to the Nordics for India is Sweden, the co-host for the first Indo-Nordic summit.

Shifting Sands: Sweden as India's Gateway to the Nordics

Undoubtedly, with its long-standing close economic ties and shared values-based interests on multiple global issues with India, including a cautious stance toward China as a regional/global challenge, Sweden is well-suited to coordinate the Nordic engagement. Moreover, in 2024, Sweden not only oversaw foreign and security collaboration among the Nordic countries (N5) and between the Nordic and Baltic countries (NB8), but also led the Nordic Council of Ministers, making it a central player in not only fostering regional cooperation but also as a liaison partner between India and the Nordics in the future too.¹⁶

Some of the key aspects for this are as follows:

Sweden's Strategic Positioning

Sweden's role as a bridge and mediator between India and the Nordic countries can be understood through its strategic positioning, economic influence, and diplomatic clout within the region. Its diplomatic efforts can help align the interests of the Nordic countries with

India's strategic objectives, fostering a cohesive approach to engagement.

Sweden's strategic decision to join NATO significantly enhances its geopolitical relevance, even as NATO's security role in the Indo-Pacific primarily remains limited to its partnerships with Australia, Japan, New Zealand, and South Korea – including these Asian countries into the alliance or being part of hard security decisions is certainly not on NATO's radar.¹⁷ This move, nonetheless, underscores Sweden's commitment to regional security and its alignment with broader Western defense strategies. It also allows Sweden, which albeit may no longer be the “front state,” but via its geographical location courtesy of the geopolitically important Baltic Sea, is a vital European state today.¹⁸

For India, engaging with Sweden provides an opportunity to collaborate on economic, diplomatic, security, and defense matters with a NATO member, thereby bolstering India's own strategic interests in the region. Moreover, Sweden can also facilitate defense and security dialogues between India and the Nordic countries, promoting collaborative efforts in these critical areas, given that Sweden and India have a long-standing defense cooperation that is on the upswing.

Sweden as a Lead Case

Sweden's expertise in nuclear, defense, technology, and space sectors further strengthens its role as a critical mediator and bridge between India and the Nordic countries. Furthermore, companies like SAAB offer advanced defense technologies that can complement India's defense modernization efforts. For example, SAAB has not only become

the first foreign company in India to secure 100 percent foreign direct investment (FDI) but is also set to producing weapon systems at its new facility in the Indian state of Haryana in the near future.¹⁹ Additionally, Sweden can act as a mediator in facilitating defense agreements, joint training programs, and collaborative research projects, thereby strengthening India's defense (and overall strategic) ties with the entire Nordic region.

Besides defense, space is another crucial sector that can benefit from Sweden's expertise and engagements with both India and the Nordics. Post India's success in the moon mission (“Chandrayaan 3” on which Sweden was a partner; India became only the fourth nation after the former Soviet Union, the U.S., and China to soft-land on moon), India's space sector has attracted global attention.²⁰ With countries like Norway also looking to collaborate, Sweden is well-poised as a partner-mediator.²¹

Sweden as a Financial Hub

Importantly, Sweden's robust financial markets and its status as a hub for major multinational corporations make it an attractive gateway for India to the Nordic economies. Companies like Ericsson (which has been in India since 1903), Volvo, and IKEA exemplify Sweden's industrial and technological prowess. As per Swedish government estimates, there are over 260 Swedish companies in India in diverse fields of automotive, healthcare, pharmaceuticals, retail, IT, and energy, including Swedish multinationals such as ABB, Volvo Group, and Astra Zeneca, employing about 220,000 people.²² In recent years, a number of India firms have also established their presence in Sweden, too,

including major IT firms such as TCS, Wipro, Infosys and L&T Infotech.

By forging strong economic partnerships with Sweden, India can gain access to cutting-edge technologies and innovations, fostering economic growth and technological advancement. Moreover, Sweden's leadership in sustainable development and green technologies aligns with India's own environmental goals, creating a mutually beneficial partnership.

India-Nordics: Core Convergences

Undoubtedly, the need for India and the Nordics to cooperate at multiple levels is imperative at a time when the China-U.S. trade war is showing signs of worsening and protectionism is on the rise. Given that India has already signed a Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA), of which two are Nordic states (Iceland and Norway) and that the EU-India FTA talks are moving at a steady pace, trade and investment is certainly a core area of confluence for economic security.²³ However, the importance of the Indo-Pacific as a geopolitical entity and Europe's interest in expanding its presence in this part of the world make it imperative that other non-traditional areas of security like maritime security, space, and energy are also part of the cooperation ambit. The importance of climate action and sustainable innovation can also not be overstated.

For India, engaging with the Nordic countries through Sweden offers access to influential economic and political networks, facilitating better integration into the global economy.

Partnership in Trade and Technology

The Nordic countries are integral partners in the India-EU Trade and Technology Council, focusing on green technology, sustainability, and innovation. The Nordic countries are leaders in innovation, sustainability, and the services sector. Sweden, in particular, excels in research and development, green technology, and electric aviation. The Nordic Free Trade model, characterized by fewer trade conditionalities, provides an ideal environment for fostering economic collaboration. For both India and the Nordics, free trade is a vital tool for providing momentum to *inclusive* growth.

The TEPA deal already has provided major benefits to Norway, for example, by boosting Norwegian businesses: As part of Norway's export initiative "Hele Norge eksporterer," Norwegian enterprises will be exempt from customs duties on most goods exported to India. In particular, for the Norwegian seafood businesses (e.g., salmon and mackerel) the tariffs would be reduced from 33 percent to zero after five years.²⁴ For India, the benefits include more European market access to manufacturers and exporters, especially within food processing, pharmaceuticals, and organic chemicals industries.²⁵ The deal with Norway and Iceland via the EFTA proposes 92.2 percent of its tariff lines to Indian exporters.

Such targeted trade and investment cooperation will enhance the India-Nordic economic and strategic influence in Europe and the Indo-Pacific. Moreover, India as an alternative manufacturing destination via the "China plus One" strategy offers significant opportunities for collaboration in various sectors, particularly

in high technology where China is leading the world.²⁶ India's firm stance on China and its strategic partnership with Western nations enhance its appeal as a reliable ally.

Naval and Maritime Aspects

The Nordic region offers significant advancements in naval and maritime aspects, which are crucial for India's aspirations to enhance its blue economy and maritime security. At the 2nd India-Nordic summit in 2022, both espoused collaboration in the maritime, marine, and offshore wind sectors. Collaborative efforts in maritime technology, port development, and ocean sustainability can greatly benefit India's coastal infrastructure and naval capabilities.

In this regard, the latest efforts with Norway in the maritime sector, with Norway's technical expertise and India's potential (e.g., as a big market for Norwegian maritime industries) and pool of talent in this sector as natural complementary partners, facilitate the conditions for "gender equality and green transition" in this sector.²⁷ With Denmark, India has already deepened strategic engagement in this sector especially in field such as shipbuilding, green shipping, quality shipping, research and development, maritime education and training, piracy, and green marine technologies.²⁸ Blue economy is another area that beckons consolidated collaboration as threats to the marine environment have increased and the need for creating sustainable livelihoods for littoral countries in the Indian Ocean region is an imperative, too.

Additionally, the Nordic expertise in Arctic research and exploration would provide valuable

insights into the strategic and environmental challenges of the Arctic Circle, an area of increasing geopolitical interest. Perhaps, it could also offer insights into India's climate action efforts in the Third Pole/Himalayan region.

Space and Land Technology

In the realm of space and land technology, Nordic countries, particularly Sweden, have made notable strides. Partnerships in satellite technology, space exploration, and land management systems can bolster India's capabilities in these critical areas. The integration of Nordic innovations in space and land technology with India's existing infrastructure can lead to significant advancements and efficiencies.

In the space sector in particular, India has already signed formal cooperative arrangements/instruments in the form of either Agreements or Memoranda of Understanding (MoU) or Framework Agreements with three Nordic states, namely Finland, Norway, and Sweden, as well as with European Commission, European Organization for the Exploitation of Meteorological Satellites (EUMETSAT), and the European Space Agency (ESA).²⁹ In 2024, a group of Danish parliamentarians, too visited the Indian Space Research Organization (ISRO), highlighting the Nordics keen interest in India's exceptional space programs.³⁰ Thus, the scope of advanced cooperation in the future is aplenty.

Energy and Electric Aviation

The Nordic countries are also at the forefront of developments in energy storage and electric aviation. Their pioneering work in energy batteries, which are essential for renewable energy storage and electric vehicles, aligns with

India's goals for sustainable energy solutions. Collaborations in this sector can help India enhance its energy security and transition to cleaner energy sources. For example, Norway, is not only looking to India as a major export market for its energy companies, but is willing to work with India to "secure energy supplies through trade and effective resource utilization."³¹

Moreover, India and Iceland are already working on a geothermal plan in Ladakh and have recently signed a memorandum of understanding with the Indian state of Uttarakhand.³² Denmark, a world leader in renewable energy and green solutions, can support India in its green transition. They already have a constructive energy partnership that focuses on offshore wind, integrated renewable power, energy planning and modelling, power system flexibility, integration of high share of renewable energy and electricity markets.³³ Such new measures are good for the India-Nordic engagement as a whole.

At the multilateral level, the International Solar Alliance, of which a number of European states are members (including Denmark, Sweden, and Norway), is a forum for enhancing cooperation for fighting climate change.

Furthermore, the Nordic advancements in electric aviation present opportunities for India to develop its own electric aircraft industry, contributing to greener and more efficient air travel. The Nordic countries have already signed a declaration to strengthen the development of commercial electric aviation, as well as to look into ensuring regulations, exchange of

best practices, and favorable conditions for electric.³⁴ In this context, there is convergence of interest: Not only is the Indo-Pacific region poised to become the largest aviation market by 2035, with over 3.5 billion passengers annually, India's aviation sector is experiencing rapid growth (India is the third-largest civil aviation market in the world).³⁵

Moreover, the Indian Ministry of Civil Aviation has taken a number of initiatives to promote sustainable development in the aviation sector and reduce carbon emissions at airports.³⁶ India is also looking toward advanced air mobility to revolutionize urban transportation.³⁷ This also includes the options of electric aviation, efforts on which are already moving forward.³⁸

For example, India is building infrastructure and guidelines for electric vertical take-off and landing aircraft with key projects such as the Bangalore Airport partnership. Further, Indian conglomerate InterGlobe Enterprises is looking to begin developing the "necessary infrastructure" in collaboration with the American air taxi manufacturer Archer Aviation in the near future, if all goes well.³⁹

Nordic states should therefore look into a collaboration in this sector. India and Sweden are reportedly considering investments on electric planes in the future, particularly on smaller planes.⁴⁰

Conclusion

In short, the Nordic region with its high-income societies and high Human Development Index (HDI) that is also known for its commitment to high quality products, "inclusive" education,⁴¹

and “fostering gender-equal, diverse, and inclusive societies,”⁴² as well as technological and green innovation is vital for a developing economy as India as a model for sustainable development.⁴³ This is majorly important given that India hopes to achieve its Sustainable Development Goals (SDG) target of “halving multidimensional poverty well before 2030.”⁴⁴

Moreover, for the Nordics, too, India also emerges as an attractive destination for trade and investments because India is on the precipice of exponential economic growth but lacks quality infrastructure, among other basic needs. Thus, the India-Nordic strategic and economic-based practical cooperation spanning multiple aforementioned avenues will also help in achieving multi-dimensional objectives.

Importantly, such aims will likely will include not only the domestic bilateral concerns but also sub-regional/regional development requirements, including in the strategic Bay of Bengal (Indian Ocean region) and the Arctic, as well as the crucial Third Pole region, which needs a consolidated global climate action. The hope is that amid a fractured global political landscape, India and the Nordics with their multilateralism-oriented cooperation measures

will both reverse years of strategic neglect of each other’s potential, albeit for multiple reasons, and chart a new course of constructive, effective, pragmatic, and values-based cooperation.

Despite such potential, several challenges remain. EU foreign policy is often misunderstood in India, and vice versa, requiring clearer engagement from both sides. This especially true vis-à-vis India’s relationship with Russia and this is an issue both sides will need to tackle head on in order to make sure it does not become a stumbling block in otherwise budding ties. Further, while India is emerging as a key economic and technological partner, it still lags behind China in innovation, which remains crucial for European interests. India is seen as a counterbalance to China, but the current geo-economic and geopolitical dynamics complicate this alignment. Despite progress in agreements and research collaboration, concerns persist. As Europe recalibrates its strategic focus, India is increasingly part of the conversation—offering promise but also uncertainty. In order for the partnership to be successful, there must be concerted political will from both sides as well as regular and open policy exchanges at working and high levels to resolve points of divergence and strengthen areas of convergence.

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Appendix 1: **Excerpts from Official Meetings Highlighting India-Swedish Commitment to Bilateral Ties**

Speech by **President von der Leyen** at the EU Ambassadors Conference 2025

(February 4, 2025)

“Dear Ambassadors,

The message that we need to pass to our partners around the world is: where it makes sense for Europe, Europe can make it work. If there are mutual benefits in sight, we are ready to engage with you. And a deal with us, comes with no hidden strings attached. Because our interests are transparent. If a partner country wants to invest in clean energy, like clean hydrogen infrastructure or in raw materials – we are ready to help, also because it will help us ensure our own energy security and independence and diversify our own value chains.

This is why we will continue to invest in Global Gateway. And this is why we are strengthening our trading partnerships. It is no coincidence that, in just two months, since the beginning of my second mandate, we have concluded new partnerships with Mercosur, Mexico and Switzerland, and restarted negotiations with Malaysia. Again, let me make the point that fair and free trade is not an end in itself. It is a means to deliver benefits, first and foremost for our Europeans. This is also why we are deepening our partnerships right across the Mediterranean region, for example with the multi-billion-euro partnership signed with Jordan last week. This will help develop local industries and tackle shared partnerships on both sides of the Mediterranean. Later this month we will travel for the first ever College visit to India to deepen our partnership right across the board. In March, we will have a Summit with South Africa, where we hope to discuss the first in a new kind of clean trade and investment partnerships. And we will have landmark events with partners in the African Union, Central Asia and far beyond. In times of rising tensions and barriers, countries are looking for opportunities to grow. In many cases they are looking for reliable partners to help fill a gap that may have opened up. And Europe is ready to do just that.”

Source: European Commission, “Speech by President von der Leyen at the EU Ambassadors Conference 2025, February 4, 2025, https://ec.europa.eu/commission/presscorner/detail/en/speech_25_404.

Excerpt from speech by
Prime Minister Shri. Narendra Modi
at the AI Action Summit, Paris

(February 11, 2025)

“Friends,

AI is already re-shaping our polity, our economy, our security and even our society. AI is writing the code for humanity in this century. But it is very different from other technology milestones in human history.

AI is developing at an unprecedented scale and speed. And being adopted and deployed even faster. There is also a deep inter-dependence across borders. Therefore, there is a need for collective global efforts to establish governance and standards, that uphold our shared values, address risks, and build trust.

But, Governance is not just about managing risks and rivalries. It is also about promoting innovation and deploying it for the global good. So, we must think deeply and discuss openly about innovation and governance.

Governance is also about ensuring access to all, especially in the Global South. It is where the capacities are most lacking - be it compute power, talent, data, or the financial resources.”

Source: Ministry of External Affairs, Government of India, “Opening Address by Prime Minister Shri. Narendra Modi at the AI Action Summit, Paris (February 11, 2025),” February 11, 2025, https://www.mea.gov.in/Speeches-Statements.htm?dtl/39020/Opening_Address_by_Prime_Minister_Shri_Narendra_Modi_at_the_AI_Action_Summit_Paris_February_11_2025.

HM The King of Sweden's speech
at high level dialogue on innovation
during the state visit to India

(December 2, 2019)

Mister Prime Minister,
Ministers,
Excellences,
Ladies and Gentlemen.

Thank you very much for the warm welcome. And, more importantly: Thank you for hosting this high-level dialogue here in Delhi.

I believe that this is the start of something fruitful and beneficial for both of our countries. And I am therefore very pleased to be able to participate today.

For centuries, innovation has played a crucial role in Sweden's economic growth and development. And it still does today: according to global rankings, Sweden is one of the most innovative countries of the world.

Meanwhile, India is an entrepreneurial hotbed, also with an enormous potential for innovation.

Speaking of innovation, let me also point out that Sweden is lucky to have around 50 000 Indians living in our country. They have come to work, study or conduct research – for example in leading universities such as the Royal Institute of Technology and the Karolinska Institute. And also in many Swedish tech companies. Your countrymen are a valuable asset to our society, and we are proud that they have chosen Sweden as their home.

Right now, both Sweden and India are investing in research and innovation ecosystems. It is gratifying to see such a strong focus on the future.

We need to make the most of the opportunities ahead. There is much to gain from doing this together, and in India we see not only a friend, but also a strong innovation partner.

The signing of the Joint Innovation Partnership last year marks a big step forward. The partnership promotes new knowledge, innovative solutions, new products and stronger competitiveness. It represents a unique opportunity to tackle global challenges, enable sustainable growth and create new jobs in our countries.

India and Sweden already have ongoing research cooperation in many fields. Today's high-level policy dialogue marks yet another step in the deepening cooperation between our countries.

I am confident that today's dialogue and the continued cooperation within this partnership will create great value – not only for our citizens today, but also for coming generations.

I wish you the best of success in this important work.

Thank you.

Source: Swedish Royal Court, "HM The King's speech at high level dialogue on innovation during the state visit to India," December 2, 2019, <https://www.kungahuset.se/english/archive/speeches/2019-12-02-hm-the-kings-speech-at-high-level-dialogue-on-innovation-during-the-state-visit-to-india>.

Excerpt from the Opening statement
at the conference on Norway-India collaboration
in research education and innovation.

Former Minister of Foreign Affairs Anniken Huitfeldt

(June 12, 2023)

“Friends,

Asia comprises 60 % of the world’s population and 45 % of the global GDP. India has the world’s largest population. The fifth largest and fastest growing economy.

Needless to say, Asian markets are increasingly important for Norwegian export and Norway’s economy. In shipping, oil and gas, seafood industries, renewables, and advanced technology. And in other areas as well.

Some voices argue that Asia’s rapid advancement and development poses a competition. A risk to European businesses. Well, I beg to differ. I believe that the rise of Asia is an opportunity. For Norway, and for Europe. We need more free trade, more cooperation, more dialogue. Not less.

Isolation and protectionism are not in anyone’s interest. Also, India’s and Norway’s business and research communities are largely complimentary.

In April last year I visited India for the Raisina dialogue. And I was accompanied by a large Norwegian business delegation. Norwegian energy companies, and companies operating with circular economy.

India is, and will be, a key player if we are to solve the climate crisis. And the prospects for cooperation in renewables are remarkable. During my visit, eight agreements were signed between Norwegian and Indian businesses. In areas such as hydrogen, fuel cells, and carbon capture- and storage. Areas where we have a lot of competence, and experience. Over 120 Norwegian companies are active in India. The value of our bilateral trade has doubled over the last two years.

Norwegian investors are also focusing more on India. The Norwegian Pension Fund Global is likely one of India’s largest single foreign investors. In 2021 they invested 17.1 billion U.S. dollars in India.

Since 2003 Norwegian governments have allocated 1,2 billion kroner, about 9 billion rupees, to 204 research cooperation projects. India matches this with its own funding.

Norway’s first national strategy was published in 2009. The new strategy, Norway-India 2030, was launched ten years later.

The strategy is a long-term roadmap. It is an integrated and coordinated approach for Norway's bilateral cooperation with India, across all government sectors.

The strategy recognizes research cooperation as a key tool in priority areas such as oceans, energy, climate, environment, digital public goods, democracy, and a rules-based world order.

In short, although we are very different in size, together we are almost 20% of the world's population. And we are truly solid partners. But I believe there is room for even more cooperation.

India is becoming a powerhouse for science and technology, and thus a preferred choice for many Norwegian institutions looking for partnerships.

And in addition to building on our existing programmes, we want to boost student mobility. Both ways. We want more of our students and researchers to experience India. And I hope to welcome even more Indian students and researchers to Norway.

Conferences such as this are important network venues in that respect.

I look forward to hearing the outcomes of your discussions on joint research projects at the conference today.

Friends,

I believe in a predictable world order, based on international law, cooperation, trade, and sound competition between companies. But I also believe in a knowledge-based world order. A world where decisions are based on knowledge, not prejudice. Where research and innovation will help us through the challenges in front of us.

And there is no lack of challenges. Climate, nature, oceans, poverty, diseases and pandemics.

And in today's world, it is increasingly difficult to navigate. We must find new ways in areas we have never been before. But as the baseball player Yogi Berra once said; "If you don't know where you're going, you might not get there".

And that is – perhaps – the most important contribution from the research community: To tell us where we should go, and what might happen when we get there.

Good luck with the conference. I am looking forward to our continued cooperation as we move ahead.

Thank you."

Source: Government of Norway, "Opening statement at the conference on Norway-India collaboration in research education and innovation," June 12, 2023, <https://www.regjeringen.no/en/aktuelt/opening-statement-at-the-conference-on-norway-india-collaboration-in-research-education-and-innovation/id2984012/>.

English translation of the Press Statement
by **Prime Minister Narendra Modi** in Denmark

(May 3, 2022)

“Your Excellency,
Prime Minister of Denmark,
Members of the Delegation,
Friends of the media,
Good evening and Namaskar,

Excellency Prime Minister, thank you and your team for a wonderful welcome and hosting me and my delegation in Denmark. This is my first visit to your beautiful country. In October last year, I had the opportunity to welcome you in India. With these two visits, we have been able to bring closeness and dynamism in our relationships. Our two countries not only share the values of democracy, freedom of expression, and the rule of law but we both also have many complementary strengths.

Friends,

During the India-Denmark Virtual Summit in October 2020, we gave our relationship the status of a Green Strategic Partnership. During our discussion today, we reviewed the joint work-plan of our Green Strategic Partnership.

I am happy that significant progress has been made in various fields, especially in the areas of renewable energy, health, ports, shipping, circular economy and water management. More than 200 Danish companies are operating in various areas in India – such as wind energy, shipping, consultancy, food processing, engineering. There are many such areas, they are getting the benefit of increasing 'Ease of Doing Business' in India and our macroeconomic reforms. There are plenty of investment opportunities for Danish companies and Danish Pension Funds in India's infrastructure sector and green industries.

Today, we also discussed a number of regional and global issues, including India-EU relations, Indo-Pacific and Ukraine. We hope that negotiations on the India-EU Free Trade Agreement will be concluded as soon as possible. We stressed on ensuring a free, open, inclusive and rules-based Indo-Pacific region. We called for an immediate ceasefire in Ukraine and adoption of dialogue and diplomacy to resolve the problem. We also discussed our cooperation in the field of climate. India is also committed to fulfilling the resolutions taken at the Glasgow COP-26. We have agreed to explore more opportunities for cooperation in the Arctic region.

Excellency,

I am sure that the relations between India and Denmark will reach new heights under your leadership. I also express my gratitude to you for hosting the 2nd India-Nordic Summit, which is going to be held tomorrow. And I thank you so much for joining the Indian Diaspora event today because you took the time to be there, it's a symbol of the love you have for the Indian community.

Thank you”

DISCLAIMER - This is the approximate translation of Prime Minister's remarks. Original remarks were delivered in Hindi.

Source: Ministry of External Affairs, Government of India, “English translation of the Press Statement by Prime Minister Shri Narendra Modi in Denmark,” May 3, 2022, https://www.mea.gov.in/Speeches-Statements.htm?dtl/35260/English_translation_of_the_Press_Statement_by_Prime_Minister_Shri_Narendra_Modi_in_Denmark.

Appendix 2: **List of Notable Recent S&T Joint Projects between India and the Nordics**

1. EU LEVEL

EU-India Trade and Technology Council (TTC)

- **Partners:** European Union, India
- **Focus Areas:** Trade, Trusted Technology, Security
- **Objective:** To tackle challenges at the nexus of trade, technology, and security through cooperation and transparent innovation.

2. INDIA-NORDIC COOPERATION LEVEL

India-Nordic Summit

- **Partners:** Sweden, Finland, Denmark, Norway, Iceland, India
- **Focus Areas:** Economic Growth, Global Security, Climate Change, Innovation, Digital Transformation

Indo-Nordic Water Forum

- **Partners:** Finnish Water Forum, Palavi Trust, India-EU Water Projects on Research and Innovation Initiative
- **Focus Areas:** Water Management, Innovation, and Sustainability

3. BILATERAL INITIATIVES

3.1 Sweden-India Innovation Partnership

- **Partners:** Sweden (VINNOVA, Swedish Energy Agency), India (DST)
- **Focus Areas:** Smart Cities, Clean Technologies, Digitalization, IoT
- **Notable Projects:**
 - Indo-Swedish Joint Innovation Partnership
 - DST and Swedish Energy Agency funding program on Smart Grids
 - India-Sweden Innovation Day
 - Industry Transition Partnership for Decarbonizing Heavy Industry (LeadIT)
 - Space & Geospatial Industry Collaboration

3.2 India-Sweden Space & Geospatial Industry

- **Partners:** Swedish Space Corporation, Dhruva Space (India)
- **Focus Areas:** Satellite Ground Station Network, Lunar Communications Support

3.3 Indo-Danish Green Strategic Partnership

- **Partners:** Denmark, India (DST, Danish Ministry of Higher Education and Science)
- **Focus Areas:** Green Hydrogen, Sustainable Development, Green Transition
- **Notable Projects:**
 - Bilateral Research and Innovation Cooperation on Hydrogen Technologies
 - Green Fuels Alliance
 - India-Denmark Energy Panel
 - INNOWIND
 - Innovation Center Denmark in Bangalore

3.4 Norway-India Cooperation

- **Partners:** Norway, India
- **Focus Areas:** Polar Sciences, Blue Economy, Renewable Energy, Green Hydrogen, Arctic Research
- **Notable Projects:**
 - Norway-India Ocean Dialogue on Maritime Pollution
 - Blue Maritime Cluster
 - Indo-Norwegian Centre of Excellence on Hydrogen
 - Arctic Scientific Expedition

3.5 India-Finland S&T Cooperation

- **Partners:** Finland, India (Academy of Finland, DST)
- **Focus Areas:** ICT, Clean Energy, Biotechnology, Quantum Computing, Green Hydrogen
- **Notable Projects:**
 - Indo-Finnish Virtual Network Centre
 - 6G Flagship Program (Aalto University, Oulu University, Reliance Jio)
 - Clean Energy International Incubation Centre
 - Finland-India Exchange Program for Green Hydrogen Research

4. SECTOR-SPECIFIC INITIATIVES

4.1 Smart Cities

- **Partners:** Sweden, India (DST, Swedish Energy Agency)
- **Focus Areas:** Energy, Cybersecurity, IoT, Waste Management
- **Notable Projects:**
 - Smart Grids and Sustainable R&D
 - India-Sweden Collaborative R&D Program

4.2 Green Hydrogen

- **Partners:** Denmark, Sweden, India (Reliance New Energy, Thyssenkrupp, Stiesdal)
- **Focus Areas:** Green Hydrogen Technologies, Sustainable Energy Solutions
- **Notable Projects:**
 - Green Hydrogen Development in India
 - EU-Level Collaboration on Hydrogen Technologies

4.3 Space & Geospatial

- **Partners:** Sweden, India (Dhruva Space, Swedish Space Corporation)
- **Focus Areas:** Satellite Ground Stations, Lunar Exploration
- **Notable Projects:**
 - Satellite Ground Station Network
 - Lunar Communications

4.4 Blue Economy

- **Partners:** Norway, India
- **Focus Areas:** Maritime Pollution, Decarbonization, Ocean Spatial Planning
- **Notable Projects:**
 - India-Norway Ocean Dialogue
 - Blue Maritime Cluster
 - MoU on Research between NTNU and India's DG Shipping

4.5 Quantum Computing & ICT

- **Partners:** Finland, India (Academy of Finland, IITs)
- **Focus Areas:** Quantum Computing, 6G, Connectivity, Digitalization
- **Notable Projects:**
 - 6G Flagship Program
 - Nokia 6G Lab in Bangalore

5. ACADEMIC COOPERATION

- **Partners:** Sweden, Finland, Denmark, Norway, India
- **Focus Areas:** Higher Education, Research Mobility, Emerging Technologies
- **Notable Projects:**
 - Increased Mobility Funding (2023)
 - Finland-India Research and Education Consortia
 - Indo-Norwegian Cooperation in Energy and Nanomaterials

6. SMART CITIES & DIGITALIZATION

6.1 India-Sweden Joint Innovation Partnership

- **Focus:** Smart Cities, Clean Technologies, Digitalization, IoT
- **Partners:** Sweden (VINNOVA, Swedish Energy Agency, SISP), India (DST)
- **Activities:**
 - Sales acceleration support through workshops
 - Sweden-India Innovation Day
 - Industry Transition Partnership for Decarbonizing Heavy Industry (LeadIT)

6.2 India-Sweden Innovation Day (Annual Event)

- **Focus:** Defense, Agritech, Energy, AI, Smart Mobility, MedTech, FinTech
- **Partners:** Sweden, India
- **Activities:**
 - Forum for Multistakeholder Cooperation

7. GREEN HYDROGEN & RENEWABLE ENERGY

7.1 India-Sweden Green Transition Partnership

- **Focus:** Green Transition, Decarbonization, Policy Engagement
- **Partners:** Business Sweden, Swedish Energy Agency, Indian Stakeholders
- **Activities:**
 - Sales acceleration workshops
 - Policy dialogue with State Governments
 - Networking with high-level stakeholders
 - Participation in Sustainability Day under Nobel Week

7.2 Indo-Danish Green Strategic Partnership

- **Focus:** Green Hydrogen, Sustainable Development
- **Partners:** Denmark, India (DST, Danish Ministry of Higher Education and Science)
- **Activities:**
 - Research and Innovation Cooperation on Hydrogen Technologies
 - Green Fuels Alliance
 - Innovation Center Denmark in Bangalore

7.3 Norway-India Cooperation in Green Hydrogen

- **Focus:** Green Hydrogen R&D, Renewable Energy
- **Partners:** Norway, India
- **Activities:**

- o Indo-Norwegian Centre of Excellence on Hydrogen
- o Green hydrogen projects for Arctic

8. SPACE & GEOSPATIAL

8.1 India-Sweden Space & Geospatial Industry Collaboration

- Focus: Satellite Ground Station Network, Lunar Communications
- Partners: Swedish Space Corporation, Dhruva Space (India)
- Activities:
 - o Satellite Ground Station Network
 - o Lunar Communications

8.2 India-Sweden-Denmark Arctic Potential Phase

- Focus: Space Technology, Arctic Cooperation
- Partners: India, Sweden, Denmark
- Activities:
 - o Collaboration on space technology
 - o Joint activities on environmental research in the Arctic

9. BLUE ECONOMY & MARITIME DOMAIN

India-Norway Cooperation in the Blue Economy

- Focus: Maritime Pollution, Ocean Spatial Planning
- Partners: Norway, India
- Activities:
 - o Ocean Dialogue on Maritime Pollution
 - o IndARC: India's first sub-surface moored observatory in the Arctic waters
 - o Joint research on sustainable vessels for Arctic

10. SUSTAINABILITY & CLIMATE CHANGE

India-Sweden Green Transition Partnership

- Focus: Climate Action, Policy Development, Corporate Engagement
- Partners: Business Sweden, Swedish Energy Agency, Indian Stakeholders
- Activities:
 - o Sales Acceleration Support for Swedish Companies
 - o Engagement with State Governments on Policy Issues

- o Networking with Indian Industry Leaders and Policymakers
- o Participation in Sustainability Day under Nobel Week

11. ARCTIC & POLAR COOPERATION

India-Nordic Arctic Collaboration

- **Focus:** Climate Security, Renewable Energy, Sustainable Resource Management, Arctic Research
- **Partners:** India, Norway, Sweden, Denmark, Finland
- **Activities:**
 - o **India's Arctic Strategy (2021):**
 - Scientific Research
 - Climate & Environmental Protection
 - Arctic Population Development
 - Sustainable Transportation
 - International Cooperation
 - o **India-Norway Arctic Cooperation:**
 - Himadri Arctic Base in Spitsbergen, Svalbard (since 2008)
 - Ocean mapping in the Arctic for potential hydrogen extraction
 - Joint space monitoring with ISRO on icecap masses and land surface changes
 - o **India-Sweden MoU on Polar Sciences (2019):**
 - Joint research on Antarctic pollution and atmospheric sciences
 - o **India-Norway-UK collaboration** on plastic contamination in Antarctica
 - o **Indo-Danish Green Partnership in Arctic:**
 - Collaboration on wind energy parks
 - Green hydrogen R&D

12. RESEARCH & INNOVATION

12.1 India-Sweden Innovation Partnership

- **Focus:** Entrepreneurship, R&D, Education, Innovation
- **Partners:** Sweden, India
- **Activities:**
 - o Joint Centre of Excellence in Innovation and Entrepreneurship between KTH Royal Institute of Technology and IIT Madras
 - o Sweden-India partnership in Space & Geospatial Industry Dialogue

12.2 India-Finland Research Cooperation

- **Focus:** ICT, Quantum Computing, Clean Energy, Biomedicine
- **Partners:** Finland, India (Academy of Finland, DST)
- **Activities:**
 - Indo-Finnish Virtual Network Centre on Quantum Computing
 - 6G Flagship Program (Aalto University, Oulu University, Reliance Jio)
 - Nokia 6G Lab in Bangalore

13. DEFENSE, SECURITY & TECHNOLOGY

Sweden-India Defense & Technology Collaboration

- **Focus:** Defense, Technology, Aerospace
- **Partners:** Sweden, India
- **Activities:**
 - Joint efforts to boost bilateral defense and security cooperation through shared technologies

14. EDUCATION & RESEARCH MOBILITY

India-Sweden Higher Education Cooperation

- **Focus:** Academic Mobility, Research Initiatives, Joint Studies
- **Partners:** Sweden, India (DST)
- **Activities:**
 - Increased Mobility Funding Opportunities (2023)

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