

INDIA-SWEDEN STRATEGIC COMPASS

A BI-MONTHLY NEWSLETTER BY ISDP'S STOCKHOLM CENTER FOR SOUTH ASIAN AND INDO-PACIFIC AFFAIRS

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INDIA-SWEDEN

Growing India-Sweden Technology Partnership

The Sweden-India Technological Partnership took the stage at Techarena 2026 in Stockholm, one of the world's premier events for innovation and entrepreneurship. Held on February 11th and 12th at the Friends Arena, the summit attracted approximately 12,000 participants and 2,000 investors to explore global megatrends and lessons for the next generation of "unicorns." Attendees heard from a high-profile lineup of speakers, including football icon Zlatan Ibrahimović, former UK Prime Minister Boris Johnson, and Swedish Prime Minister Ulf Kristersson.



Stockholm The Capital of Scandinavia 11/2 13:00-13:30

Bridging Stockholm and India Through Tech, AI & Capital

 H.E. Amrith Bhushan Ambassador of India to Sweden	 Erik Kruger Deputy Director, Stockholm Business Region				
 Gayatri Kupferfraddy Founder and Co-founder NYU Venture Studio (Singapore)	 Nehraj Gupta Founder, Chapter AI and LeverLabator (Calgary/Bangalore)	 Sid Khullar Co-founder Arik Markets (Stockholm)	 Pranav Kori Co-founder Branch (Stockholm)	 Cecilia Odne Investor and Chief India Representative, Sweden India Business Council (Mumbai/Stockholm)	 Shameek Ghosh Co-founder and CEO TrustGate (Stockholm/Combatone)

SPECIAL FEATURE



Deputy PM Ebba Busch represents Sweden at AI Impact Summit

Deputy Prime Minister Ebba Busch represented Sweden at the AI Impact Summit, signalling high-level political commitment. On the sidelines of the summit, she engaged in high-level discussions with Indian and international leaders, including Prime Minister Modi and President Macron, and held bilateral exchanges with Piyush Goyal, India's Minister of Commerce and Industry, and Jyotiraditya Scindia, Communications Minister. The Swedish delegation was one of the most notable at the summit.

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An Indian Tech Delegation visited the Stockholm Techarena summit. This was the largest tech delegation to date, with companies exploring Sweden as part of their global growth plan. This was an important moment for investors to engage with the Swedish Tech ecosystem and become stronger partners building a Tech and AI corridor between the two countries.

While the summit covered critical sectors such as defense and AI, the Sweden-India Business Corridor



emerged as a key focal point, with Business Sweden identifying India, alongside Korea and Japan, as a market ‘at the forefront of global digital transformation’. In a joint session with the Stockholm Business Region, the Sweden-India Business Council (SIBC) emphasized that this corridor is no longer just a vision but is “happening in real time.”

Ambassador Anurag Bhushan addressed the Stockholm Techarena on ‘Bridging Stockholm and India through Tech, AI & Capital’, aligning with the theme ‘New Era, Next Mindset.’ The Ambassador highlighted India’s robust economic growth, the rapid expansion of its consumer market, its evolution into a global R&D and production hub through GCCs, a vibrant startup ecosystem, and the transformative potential of the India–EU Free Trade Agreement in deepening technology and investment linkages. India’s scale, stability, and reform momentum offer significant opportunities for collaboration with Sweden’s innovation-driven economy.

Featuring leading voices such as the Ambassador of India to Sweden, Gayathri Kuppendra Reddy (Investor & Founder, Now Venture Studio), Siddharth Khullar (Founder & CEO, Aris Machina), and Noi Cecilia Oldne (Investor & Chief India Representative, SIBC), the event explored how Stockholm’s startup ecosystem connects with India’s immense scale and growth capital. Ultimately, the session reinforced the goal of building a permanent Stockholm-India Tech & Investment Bridge under the rallying cry: “Let’s connect Stockholm and India—through tech, AI, and capital.”

Discussions focused on strengthening India–Sweden collaboration in AI, innovation, and emerging technologies, and the role of business networks in advancing responsible and future-ready partnerships.

Sources: Sweden-India Business Council, LinkedIn, February 2026; Embassy of India to Sweden, LinkedIn, February 2026

Widening SME Outreach

Ambassador Anurag Bhushan participated in a full-day programme in Hillerstorp, including a seminar and company visits to HangOn Global, Bufab, and Axelent Group — three impressive companies with strong capabilities and significant potential for deeper engagement with the Indian market.

The fact that most products manufactured in this region are covered under the EU–India FTA highlights the immediate and tangible opportunities ahead — from increased trade and resilient supply chains to long-term partnerships and local manufacturing in India.

The Gnosjö Region’s SME-driven manufacturing ecosystem is a powerful reminder of how competitiveness, innovation, and collaboration can thrive



beyond major metropolitan centres.

The event was organized by Business Gnosjöregion AB, HangOn Global and Sweden-India Business Council (SIBC) for their excellent organisation, and supported by the municipalities of Vaggeryds Kommun, Gnosjö, Värnamo and Gislaved.

Source: Anurag Bhushan, LinkedIn, January 2026

Collaboration on AI and Innovations

The Ambassador of India to Sweden, Mr. Anurag Bhushan, met with the IIM Alumni community on February 5, 2026, to discuss the deepening ties between the two nations. Representing the graduates of the Indian Institutes of Management often referred to as the “Harvard Business Schools of India” this influential global network plays a vital role in Sweden’s professional landscape.

The meeting focused on collaboration in artificial intelligence, innovation, and emerging technologies, identifying significant opportunities for cross-border partnerships and AI deployment. Serving as a strategic precursor to the upcoming AI Impact Summit in India, the exchange highlighted the increasingly critical role of diaspora networks in driving technology-led cooperation and international knowledge exchange.



Source: Anurag Bhushan LinkedIn, February 2026

S&T Delegation visits Sweden

A high level delegation led by Prof. Abhay Karandikar, Secretary of Department of Science & Technology (DST) visited Stockholm from January 18-21.



During his visit, Secretary Prof Karandikar had interactions with Ms. Maria Nilsson, State Secretary to the Minister for Upper Secondary Education, Higher Education and Research and Ms. Sara Modig, State Secretary to Minister for Energy, Business and Industry to discuss strengthening India–Sweden cooperation in science, technology, innovation, and sustainable development.

He also visited Ericsson Imagine Studio and KTH Digital Futures Centre where he discussed emerging technologies on 5G/6G, robotics. Prof. Karandikar highlighted India’s strong interest in expanding collaboration with Sweden in key areas such as telecommunications, artificial intelligence, healthcare, sustainability, and smart cities.

At the Karolinska Institute, he participated in a roundtable discussion with Prof. Thomas Perlmann, Secretary General of the Nobel Prize Committee for Physiology and Medicine. He also had productive engagements with Vinnova, Swedish Energy Agency, the LeadIT (Leadership Group for Industry Transi-

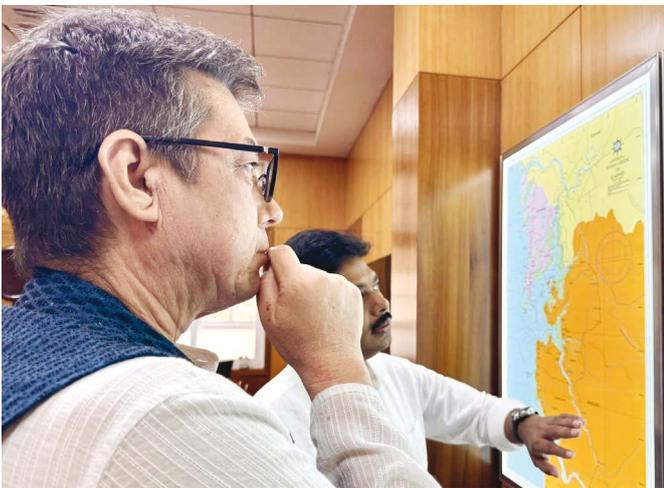


tion) Secretariat and the Royal Swedish Academy of Engineering Sciences (IVA). The delegation also visited IVL Swedish Environmental Institute and received useful insights on environmental research and climate-smart solutions.

Sources: *India in Sweden; Digital Futures, January 2026*

Maritime Collaboration Takes Off

The maritime sector has emerged as a cornerstone of the India-Sweden partnership, driven by a strategic blueprint for sustainable global shipping that seeks



to redefine modern infrastructure. This collaboration began in 2024 with the India-Sweden Ports Program under Business Sweden Asia-Pacific, which was designed to facilitate partnerships between Swedish technology providers and Indian port authorities to modernize hubs like Mundra and Chennai through electrification, AI-based automation, and sustainable logistics. The momentum accelerated in March

2025 when the Government of Maharashtra signed a Memorandum of Understanding with the Swedish company Candela Technology AB.

Following high-level talks between the Consul General of Sweden in Mumbai, Sven Östberg, and the Maharashtra Maritime Board, a comprehensive roadmap was established for electric water taxis and the modernization of port facilities. These initial services are planned to connect the Gateway of India to Elephanta, Alibaug, and the Navi Mumbai International Airport, offering a high-tech solution to bypass road congestion.

Beyond transport, the partnership explores the development of “Model Port” infrastructure, with the Consul General inspecting Sassoon Dock to evaluate how Swedish expertise in port cleanliness and facility management can be applied to create leading maritime hubs. This relationship was further strengthened in October 2025 during India Maritime Week, which saw a successful delegation of Swedish players including Candela and Echandia. Consul Östberg has noted that Maharashtra remains a primary focus for Swedish investment due to its massive coastline and the state government’s “Green Transition” plans.

On February 12, 2026, a pivotal meeting in Mumbai between the Swedish Consul General and Mr. Pradeep, CEO of the Maharashtra Maritime Board, marked the official transition of the project from the planning phase to the procurement phase. During this session, the final logistics for the Electric Hydrofoil Water Taxi project were reviewed, including the estimated arrival timelines for the Candela P-12 vessels. The transition also involved finalizing the creation of dedicated “Green Channels” at the Gateway of India and Belapur to prioritize electric vessels over traditional diesel ferries. To ensure the project’s long-term success, the leaders discussed commuter-friendly pricing models where the state might support initial operational costs to remain competitive with road transport.

Finally, as the Navi Mumbai International Airport nears completion, they reviewed specific infrastructure needs to ensure that Swedish charging standards

are fully compatible with the local grid, signaling a move toward a highly technical and administrative execution of this green maritime vision.

Sources: Candela; Sweden in Mumbai, Linked In, February 2026

New Dimensions in Bilateral Trade

Indian-Swedish economic ties are taking on new dimensions as bilateral trade, currently valued at approximately 75 billion Swedish Kronas, is expected to double by 2030 according to *Business India Magazine*.

Data shows that there are already over 280 Swedish companies present in India across fields ranging from manufacturing and innovation to sustainability and digital sectors. This number is set to increase in 2026 due to a combination of government support, a large talent pool, and increasing bilateral cooperation; as of early 2026, these companies collectively employ around 220,000 people.

The key sectors noted for Swedish firms in 2026 include automotive, clean energy, industrial technology, and retail. India continues to be recognized as a global investment hub, offering a thriving business environment and a robust framework for innovation, collaboration, and market expansion. Indeed, India's abundance of highly skilled talent, combined with the lower cost of hiring remote professionals, makes the Indian market an attractive prospect for foreign businesses.

The Swedish government has shown specific interest in India's employable youth and skill development programs as part of its commitment to expanding business opportunities for Swedish firms. Furthermore, India now stands as Sweden's third-largest trading partner in Asia, following China and Japan.

Highlighting this potential, the Swedish Trade Commissioner in India, Cecilia Oskarsson, noted investment opportunities across sectors including defense, aviation and space, IT and telecom, railways and ports, healthcare and pharmaceuticals, and renewable energy. Finally, business expansion



in India is increasingly perceived as a strategic investment opportunity to access several other countries in East Asia.

One month ago, the Consul General of Sweden in Mumbai, Joakim Gunnarsson, received the Pragat Bharat Puraskar. The Pragat Bharat Puraskar is a national honor celebrating leaders, innovators, and organizations whose contributions shape India's pathway toward Viksit Bharat (Developed India). Standing as a symbol of excellence, ethics, impact, and nation-building values, the award is presented to those who demonstrate an unwavering commitment to India's growth, sustainable development, and social transformation.

This honor reflects the strong new Swedish movement, #MadeWithSweden, a concept illustrating that the Nordic country stands for free trade and international cooperation. As the Consulate General of Sweden in Mumbai shared on LinkedIn: "When others say 'Made in', we say 'Made with'."

Sources: Sweden in Mumbai, LinkedIn; Remunance, January 2026



IKEA Launches Operations in Tamil Nadu

Dr. TRB Rajaa, Minister for Industries, Investment Promotion & Commerce of the Government of Tamil Nadu, has officially announced the “much-awaited” launch of IKEA’s e-commerce operations in Tamil Nadu. The launch event took place on January 22, 2026, at the Madras Club, gathering the Honorary Consul General of Sweden, IKEA India CEO Patrik Antony and his team, local media, and partners from Chennai. This online commerce platform serves as a strategic precursor to the physical retail store scheduled to open soon. For now, online delivery is enabled across major Tamil Nadu cities including Chennai, Madurai, Coimbatore, and Salem, offering over 6,500 products via the app, website, and phone services, with the additional option of booking professional assembly services.

The Swedish Chamber of Commerce India noted that IKEA’s presence in the region will significantly strengthen the state’s supply chain and create new job opportunities. Local enthusiasm is already high, with over 25,000 people signing up for the “IKEA Family” program prior to the official launch.

Looking ahead, the Swedish giant is expected to double its investment in India to \$2.2 billion, with plans to open four to five new stores annually ! The result of these initiatives puts India in Ikea’s fastest-growing markets globally.

Sources: Hindu Business Line, January 2026; Dr TRB Rajaa, LinkedIn, January 2026

Celebrating World Hindi Diwas in Stockholm

World Hindi Day (Vishwa Hindi Diwas) is celebrated annually on January 10 to promote the language on a global scale. First officially observed in 2006, this date commemorates the anniversary of the first World Hindi Conference, which was inaugurated in Nagpur in 1975 by the then Prime Minister of India, Indira Gandhi. That historic conference included 122 delegates from 30 countries and featured the then Prime Minister of Mauritius, Seewoosagur Ramgoolam, as the chief guest. While often confused with Hindi Diwas, which is celebrated within India on September 14, World Hindi Day specifically highlights the language’s cultural, literary, and diplomatic importance as an international medium.

The 2026 observance focused on the theme “Promoting Hindi on Global Platforms,” marking not only the 1975 conference but also the legacy of 1949, when Hindi was first spoken at the United Nations General Assembly. Over the years, the global reach of the language has been reinforced by international milestones, such as the Ninth World Hindi Conference held in Johannesburg, South Africa in 2012, inaugurated by Indian Minister of State for External Affairs Preeti Kaur and South African Finance Minister Pravin Gordhan.

Celebrating this global spirit in Stockholm, the Embassy of India hosted an event filled with poetry and powerful conversations. As highlighted in their recent community outreach, the celebration in Sweden showcased Hindi as a language that transcends borders, connecting hearts, cultures, and communities worldwide.

Source: India in Sweden, January 2026



SPECIAL FEATURE

EU and India conclude historic Free Trade Agreement

On January 27, the 16th EU-India Summit was held in New Delhi, India. The landmark outcome of the Summit was the conclusion of the EU-India Free Trade Agreement. Additionally, the two nations concluded the new Security and Defense Partnership and agreed on the Joint Comprehensive Strategic Agenda toward 2030.

The Free Trade Agreement (FTA) was termed as a “mother of all deals”, marking a new era in bilateral relations. The FTA creates a historic framework for trade, investment, and economic cooperation between two of the world’s fastest-growing large economies: the second and fourth largest economies, with a nominal GDP of \$22.52 trillion and \$4.3 trillion.



EU-India Trade before FTA

Negotiations for the FTA first began in 2007, were suspended in 2013, and relaunched in 2022. Alongside the FTA, the EU and India are still negotiating Geographical Indications (GI) and Investment Protection Agreements. The EU-India bilateral merchandise trade has expanded steadily, reaching approximately \$136.5 billion in 2024–25, with Indian exports at \$75.85 billion. Trade in services stood at \$83.1 billion, reflecting growing economic integration.

The EU was India’s largest trading partner, accounting for \$132 billion in goods trade in 2024, or 11.5% of India’s total trade. India was ranking as the EU’s 9th largest trading partner, representing 2.4% of EU goods trade, behind the USA (17.3%), China (14.6%), and the UK (10.1%).

EU imports from India include machinery, appliances, chemicals, base metals, mineral products, and textiles. EU exports to India are dominated by machinery, transport equipment, and chemicals. Trade in services reached \$65.7 billion in 2023, including \$28.6 billion in EU exports.

The EU’s FDI stock in India rose to \$154.1 billion in 2023, up from \$90.5 billion in 2019, making the EU a leading investor. India’s FDI in the EU was \$11.3 billion, and around 6,000 European companies operate in India.

Opportunities for Indian Companies

Along with the Free Trade Agreement with the EU, India gains preferential access to European markets across 97% of tariff lines, covering 99.5% of trade value.

Key labour-intensive sectors, or 70.4% of tariff lines, including textiles, apparel, marine, leather, footwear, chemicals, plastics/rubber, sports goods, toys, gems, and jewellery, entered zero duty immediately with the enforcement of the FTA, thus enhancing the competitiveness of the Indian manufacturers on the European market. India’s key labour-intensive sector covers 90.7% of the nation’s exports, generating more than \$33 billion.

Processed foods, arms, and ammunition, or 20.3% of tariff lines, which cover 2.9% of exports, will have a zero duty access in the next 3-5 years. Cars, steel,



and certain products, or 6.1% of tariff lines – 6% of India's export, will gain preferential access by tariff reductions.

The FTA is expected to deliver a significant boost to India's agricultural and processed food sectors. The agreement enhances the competitiveness of Indian exports in the EU market, which will strengthen farmers' realised incomes, support rural livelihoods, and elevate the global standing of Indian agricultural and food products.

Opportunities for European Companies

The EU received tariff reductions from India unmatched by those granted to any other trading partner.

India is offering 92.1% of its tariff lines, covering 97.5% of EU exports. In particular, 49.6% of Indian tariff lines will have immediate duty elimination, 39.5% of tariff lines will gain duty elimination over 5, 7, and 10 years, and 3% is under phased reductions.

For instance, tariffs on cars will decrease from 110% to as low as 10%, while duties on car parts will be phased out over the next 5 to 10 years. Machinery, chemicals, and pharmaceuticals with tariffs up to 44%, 22%, and 11%, respectively, will also largely disappear. The agreement cuts prohibitive tariffs (over 36% on average) on EU agri-food exports, such as wine and olive oil tariffs.

This liberalisation will diversify India's import sources, reduce input costs, benefit consumers, and help Indian businesses integrate into global supply chains. For European industrial and agri-food sectors, this trade opening is an absolute competitive advantage, giving access to a fast-growing market and economy.

The agreement provides a high level of protection and enforcement of Intellectual Property rights, grants EU companies privileged access to the Indian services market, including financial services and maritime transport. Furthermore, along with the Agreement, the EU will provide \$550 million of assistance in the next 2 years to help India reduce greenhouse gas emissions and accelerate sustainable industrial transformation.

Sweden and the Role of MSMEs

Swedish Prime Minister Ulf Kristersson has described the newly negotiated India EU-FTA as marking a 'new era of cooperation', designed to strengthen prosperity, competitiveness, and security. Sweden views the deal as a vital strategic partnership that goes beyond trade to foster long-term, sustainable economic growth between the two sides.

Finance Minister Maria Malmer Stenergard in her Facebook post highlighted that Sweden is the EU's biggest free trade partner and was pleased that the

India and EU have reached a political agreement to conclude a FTA.

Foreign Trade Minister Benjamin Dousa is hopeful that with this FTA, trade between India and Sweden could be doubled.

Sweden has been a key EU partner in leveraging the FTA to support small and medium-sized enterprises. Jan Thesleff, Swedish Ambassador to India, said: "I believe it will benefit them enormously. The very act of concluding this agreement sends a strong signal of mutual confidence, especially to small and medium-sized companies. Sweden already has around 400 companies operating in India."

The agreement promises stable and predictable conditions for Swedish SMEs and Indian MSMEs, creating opportunities for cross-border trade and market expansion.



"India represents the 'Next Mindset' for global growth — combining scale, stability, innovation, and reform in a way few economies can," Ambassador Anurag Bhushan said at Stockholm Techarena on 'Bridging Stockholm and India through Tech, AI & Capital', highlighting the opportunities emerging from the India–EU Free Trade Agreement.

Mobility Pact: Easing the Movement of Students and Professionals

The EU-India Mobility Pact, signed at the summit by Prime Minister Narendra Modi, European Commission President Ursula von der Leyen, and European Council President Antonio Costa, opens new avenues for students, workers, and professionals in Europe.



Prime Minister Modi said: "This pact will open new opportunities in the European Union for Indian students, workers, and professionals. We have

long-standing cooperation in science and technology, which we now strengthen further." The agreement facilitates safe, regular migration, skill development, and movement of highly skilled workers, researchers, students, and seasonal employees. The pilot European Legal Gateway office provides information and support for workers, starting with the ICT sector. The pact enables circular migration pathways, strengthens cooperation on countering irregular migration, and aligns with domestic legislation and national competencies.

Defense Partnership: Enhancing Shared Security

A Security and Defense Partnership was also signed, launching an annual dialogue on security issues, with the first meeting scheduled within a month. The partnership deepens cooperation in maritime security, cyber issues, counterterrorism, and explores Indian participation in European defense initiatives.

Kaja Kallas, Prime Minister of Estonia, said: “When two major democracies act together, we build stronger shared security. It was a great pleasure to sign a new EU–India Security and Defence Partnership with Dr. S. Jaishankar today.”

The partnership builds on an already extensive framework of EU-India security cooperation. India has recently participated in joint maritime activities with EU naval forces, including counter-piracy operations with EUNAVFOR in June 2025. New Delhi also continues to engage with the EU-led project ESIWA+, which focuses on enhancing security cooperation, including counterterrorism, in and with Asia and the Indo-Pacific.

In addition, the EU and India hold annual Security and Defence Consultations and launched a Strategic Dialogue on Foreign and Security Policy in June 2025. Both sides also participate in dedicated sectoral dialogues covering maritime security, cyber security, counterterrorism, and non-proliferation.

The new Security and Defense Partnership consolidates and elevates this cooperation by providing a structured, long-term framework for further development. It will form an integral pillar of the Joint EU-India Comprehensive Strategic Agenda, reinforcing the role of the EU and India as partners in promoting stability and security in Europe, the Indo-Pacific, and beyond.

Sources: Government of India – Commerce Ministry (FTA Factsheet); European Commission – Press Release (FTA Conclusion); European Commission – EU–India Trade Agreement Overview; European Commission – EU Trade Relations with India, January 2026

SPECIAL FEATURE

India Marks 77th Republic Day

India marked its 77th Republic Day on January 26, commemorating the day in 1950 when the country adopted its Constitution and formally became a republic. The annual celebrations combined military pageantry, constitutional symbolism, and diplomacy.



The centrepiece of the celebrations was the grand Republic Day parade along New Delhi’s Kartavya Path. Military columns, armoured vehicles, and marching contingents rolled past as fighter jets thundered overhead, watched by thousands of spectators and millions more across the country.

The celebrations were concluded with the Beating Retreat ceremony on January 29th. The event featured performances by the Indian Army, Navy, Air Force, and CAPF bands, including drone displays and precision military drills attended by top leadership.

Ursula von der Leyen, President of the European Commission, and António Costa, President of the European Council, were invited as Chief Guests for the celebrations.



EU during the India Day Celebrations

The invitation to the EU's top leadership followed closely on the heels of the 16th EU-India Summit, which delivered a trio of landmark outcomes: the conclusion of the EU-India Free Trade Agreement, the launch of a Mobility Pact, and the signing of a Security and Defense Partnership (SDP).

The Security and Defence Partnership signed during the summit is the EU's third such partnership in Asia, following similar agreements with Japan and South Korea. These partnerships are non-legally binding and without mutual defense obligations, aligning well with New Delhi's preference for strategic autonomy and flexibility.

EU and the Indo-Pacific Security

The EU-India Security and Defense Partnership creates a framework for deeper cooperation across maritime security, cyber security, counterterrorism, and defence industrial collaboration. It also opens the door to potential Indian participation in European defence initiatives such as the Security Action for Europe (SAFE) instrument, valued at \$165 billion and selected Permanent Structured Cooperation (PESCO) projects.

For India, this represents a long-term opportunity for its rapidly growing defence industrial ecosystem to integrate into European defence supply chains, while gaining access to advanced technologies and capabilities. For the EU, it strengthens engagement in the Indo-Pacific through a trusted democratic partner with significant regional influence.

Both sides also launched negotiations on a Security of Information Agreement, a key enabler for exchanging classified information and conducting more advanced forms of operational cooperation.

Republic Day of India in Sweden

India's Republic Day was also celebrated far beyond New Delhi. In Stockholm, the Embassy of India in Sweden marked the occasion with a Flag Unfurling Ceremony, joined by members of the Indian diaspora and friends of India.



Ambassador Anurag Bhushan and H.E. Ms Maria Malmer Stenergard, Minister for Foreign Affairs of Sweden, addressed the gathering, underscoring the ever-expanding partnership between the two countries, rooted in shared democratic values, innovation, and robust people-to-people ties.



The celebrations highlighted India's democratic ideals, unity in diversity, and the close bonds of friendship between India and Sweden. The enthusiastic participation of the Indian community added warmth and pride to the event, further reinforcing people-to-people connections that underpin bilateral relations.



A special cultural performance of “Vande Mataram”, organised by the Embassy in collaboration with members of the Indian diaspora, provided a deeply symbolic and emotional highlight to the evening.



Sources: BBC News – Republic Day Coverage, January 2026; Observer Research Foundation – EU–India Economic Potential, January 2026

SPECIAL FEATURE

New Delhi's AI Impact Summit 2026

India reinforced its ambition to shape the future of artificial intelligence on global terms as it hosted the India AI Impact Summit 2026, bringing together world leaders, technology pioneers, policymakers, industry executives, and civil society from across continents.

The summit, inaugurated by Prime Minister Narendra Modi, marked a defining moment in India's technology diplomacy, placing the country firmly at the center of global conversations on innovation, responsibility, inclusion, and AI governance.



Speaking at the inauguration of the India AI Impact Expo at Bharat Mandapam, Prime Minister Modi underlined the summit's theme: *"Sarvajana Hitaya, Sarvajana Sukhaya"* - welfare for all, happiness for all.

He described artificial intelligence as a transformative force that must be guided by human-centric values, stressing that India's approach combines technological ambition with social responsibility. "Thanks to the 1.4 billion people of India, our nation stands at the forefront of the AI transformation," Modi said, highlighting India's digital public infrastructure, vibrant startup ecosystem, and cutting-edge research capabilities.

According to the Prime Minister, the outcomes of the summit would enrich global discourse on AI innovation, collaboration, ethical deployment, and inclusive growth, particularly from the perspective of the Global South.

Global Participation and International Dialogue

The summit agenda featured keynotes, panel discussions, and closed-door roundtables across venues including Bharat Mandapam, Sushma Swaraj Bhawan, and Ambedkar Bhawan. Discussions focused on shaping national priorities, fostering international collaboration, and defining frameworks for responsible AI deployment.

Top executives from global AI leaders joined heads of government and policymakers, reflecting India's rising stature as a preferred destination for AI investment and innovation.

Among the prominent speakers were Sundar Pichai, Sam Altman, Dario Amodei, Mukesh Ambani, and Demis Hassabis. Global technology companies including Google, Microsoft, and Amazon have already committed a combined \$68 billion in AI and cloud infrastructure investments in India through 2030, underscoring confidence in India's digital ecosystem.

India's AI ecosystem has gained momentum through large-scale digital transformation, deep engineering talent, and ambitious public policy initiatives. With one of the world's largest pools of STEM graduates, India has emerged as a dynamic hub for applied AI.

Flagship initiatives such as the IndiaAI Mission, the National AI Portal, Startup India, and digital public infrastructure, including UPI and India Stack, have helped position India as the world's third-largest startup ecosystem, with tens of thousands of startups and over a hundred unicorns.

Sweden at the AI Impact Summit

One of the most notable international delegations at the summit came from Sweden. The largest Swedish AI delegation ever assembled participated in the event, led by the India Sweden Business Leaders' Roundtable (ISBLRT). Sweden's Deputy Prime Minister Ebba Busch represented Sweden at the summit, signalling high-level political commitment.

The delegation brought together CEOs, founders, chairs of major Swedish corporations, AI scale-ups, unicorns, universities, investors, public stakeholders, and leaders of Swedish Global Capability Centers in India. The India AI Impact Summit followed earlier



landmark global AI gatherings, including the AI Safety Summit at Bletchley Park (2023), the AI Seoul Summit (2024), and the AI Action Summit in Paris (2025), co-chaired by Emmanuel Macron and Prime Minister Modi.



Marcus Wallenberg, Chair of the ISBLRT, described AI as a general-purpose technology comparable to electricity, with the power to transform every sector of society.



During the second day of her visit, Deputy Prime Minister Busch engaged in high-level discussions with Indian and international leaders, including Prime Minister Modi and President Macron, and held bilateral exchanges with Piyush Goyal, India’s Minister of Commerce and Industry.

Discussions underscored shared priorities in green technology, research and development, and innovation-driven growth, as well as advancing cooperation under the India-EU Free Trade Agreement framework. Speaking at the Leaders’ and Ministerial Plenary Session, Busch remarked: “To define our path, let us redefine, a little bit, what AI stands for in the India–Sweden partnership. For us, AI also stands for Aspiring India.”

On the sidelines of the summit, Deputy PM Busch also met Communications Minister Jyotiraditya Scindia, and both affirmed their commitment to build a strong, future-ready digital and telecom partnership.

Later in the evening, she delivered a keynote address at the “Shaping an AI-Driven Tomorrow” India-Sweden Leadership Dialogue at the Embassy of Sweden, further deepening dialogue on innovation, technology, and shared leadership for a sustainable digital future.



Sources: Embassy of India in Sweden – Press Release, February 2026; Sweden India Business Council (SIBC) – Swedish Delegation at India AI Impact Summit

INDIA – NORDIC

Norway: Strengthening Bilateral Bonds

On February 17, 2026, Union Finance Minister Nirmala Sitharaman met with Norway's Finance Minister, Jens Stoltenberg, in Oslo to further strengthen the economic bonds between the two nations. During the meeting, both leaders reiterated their commitment to the India-EFTA Trade and Economic Partnership Agreement (TEPA), agreeing to deepen bilateral cooperation in high-growth areas. The discussions focused on expanding partnerships in renewable energy, specifically solar power, as well as rare earth processing and carbon capture and storage.



Minister Stoltenberg emphasized that India's rapid economic growth presents vital opportunities for Norwegian investment and expansion. To bolster these ties, both sides explored the potential for enhancing investments through sovereign wealth funds and pension funds. Notably, Stoltenberg also highlighted the highly anticipated visit of Prime Minister Narendra Modi to Norway, which is scheduled for later this year.

In parallel with these diplomatic efforts, a significant academic partnership was inaugurated between the International Institutes of Information Technology (IIIT) in Naya Raipur and Allahabad and their Norwegian counterparts, the Norwegian University of

Science and Technology (NTNU) and the University of Oslo. The institutions have launched a joint research project titled "ResCri", which is dedicated to strengthening cybersecurity across critical infrastructure sectors. This initiative was formally introduced during a webinar titled "*Resilient Digital Transformation in India-Norway: Critical Sectors*," marking a proactive step toward securing the digital future of both nations through shared expertise and cross-border innovation.

Sources: Nirmala Sitharaman, February 2026; Times of India, February 2026

Finland: In Step with Each Other

Prime Minister Narendra Modi held bilateral discussions with Prime Minister Petteri Orpo of Finland on the sidelines of the AI Impact Summit 2026 in New Delhi.



They discussed cooperation in sustainability and digitalization, AI research and ethical innovation and how Indian talent can strengthen bilateral collaboration.

Prime Minister commended Finland's efforts as an emerging innovation player in AI. The two leaders

reaffirmed their commitment to advancing responsible, talent-driven AI and harnessing tech-enabled solutions for a sustainable future.

In other events, the Embassy of Finland in New Delhi once again hosted Polar Bear Pitching India on January 20, 2026. This unique Finnish-born program celebrates entrepreneurial resilience and commitment by requiring startups to pitch from an unconventional stage: the *avanto* (Finnish for “ice hole”). The Indian edition challenged seven shortlisted startups to present their groundbreaking ideas to a panel of Indian and Finnish investors while standing in an ice-cold pool. With no set time limit, founders must endure the freezing water until their pitch is complete, after which they can recover in a traditional warm wooden Finnish sauna. The winners earn a spot to pitch at the global event in Finland, with the opportunity to secure a prize of 10,000 Norwegian Kroner.

Finland’s Ambassador to India, Kimmo Lähdevirta, spoke at the event’s red carpet, highlighting its vital role in connecting Indian startups with global markets and underlining the strengthening economic and innovation cooperation between the two nations. In an interview, Ambassador Lähdevirta detailed the jury’s criteria, noting that they look for pitches that are unique, memorable, and efficient in describing a startup’s core value.

Beyond the competition, the Ambassador pointed to the event as a foundation for broader trade, investment, and the search for high-tier talent. He expressed his hope that such initiatives would encourage the Indian diaspora and entrepreneurs to choose Finland as a destination to launch their business journeys. Finally, reflecting on the global trade landscape, the Ambassador noted that shifting American tariffs are likely to further strengthen EU-India ties. He cited the Free Trade Agreement (FTA) as a perfect example of a mechanism that will have a positive, lasting effect on bilateral relationships.

Sources: Ministry of External Affairs, India, February 2026; Embassy of Finland in India; Finland Abroad, January 2026

Denmark: Widening Outreach and Cooperation

The Confederation of Danish Industry (DI), Denmark’s largest and most influential business and employers’ organization, inaugurated its newly expanded office in Chennai on February 11, 2026. Originally opened in 2023 within the technology park on the Pallavaram-Thoraipakkam Radial Road, the hub focuses primarily on technology, manufacturing, and “Own Man” hosting services. This follows the success of DI’s first Indian office established in Mumbai in 2012, which introduced the “Own Man in India” concept—a unique model allowing Danish companies to have dedicated employees in the country without the legal complexity of setting up a full Indian subsidiary.

The rapid success of the initial Chennai regional office, which launched in 2022 with just 14 employees, has led to a workforce of approximately 140 people today. This growth has transformed the Chennai hub into one of DI’s largest workspaces outside of Denmark, necessitating the move to these brand-new, larger offices.

These facilities act as essential bridges for Danish firms that may lack the resources to establish a full subsidiary independently. Representing approximately 20,000 companies ranging from innovative startups to global giants like LEGO and Novo Nordisk DI provides critical market entry advice and manages local Indian talent on behalf of Danish businesses. Ultimately, their role is to ensure that these expanding business activities remain closely aligned with the 2020 Indo-Danish “Green Strategic Partnership.”

Source: *The Hindu*, February 2026

Iceland: New Opportunities

In an interview with Rajesh Mehta for the *South Asian Herald*, Logi Einarsson, Iceland’s Minister of Culture, Innovation, and Higher Education, shared his vision for the new year regarding the Indian diaspora, the upcoming Global AI Summit, and burgeoning investment opportunities.

Artificial Intelligence and the Global AI Summit

Minister Einarsson characterized the upcoming Global AI Summit in India as a pivotal moment for international cooperation, noting its significance as the first event of its kind held in the Global South. He highlighted the growing “global AI divide” that disproportionately affects developing nations, asserting that “AI is a generation-changing, global technology. As such, any single nation-state cannot dictate its future.” He emphasized that the summit is essential to ensuring the equitable, fair, and responsible development of AI while leveraging its potential to accelerate socioeconomic growth.

For Indian investors, Einarsson depicted Iceland as a unique ecosystem that blends stability with sustainability. He pointed to a secure communication infrastructure, a highly educated workforce, and an ideal climate for data-heavy activities—all underpinned by 100% sustainable green energy. Iceland, he concluded, offers a “stable, business-friendly environment” and serves as a strategic gateway for Indian companies looking to scale responsibly into European markets.

Innovation and the “Iceland Model”

Discussing the secret behind the “Iceland Model,” Einarsson credited a culture that supports innovation from the ground up, fostering global leaders such as deCODE Genetics and Kerecis. He advised Indian startups to look closely at Iceland’s specialized sectors, particularly biotechnology and medical technology, for collaborative opportunities.

The Indian Diaspora and Culture

The Minister described the Indian community in Iceland as a “vibrant and growing part of our society,” contributing across sectors from technology and healthcare to the culinary arts. He stated that the diaspora has enriched local culture and strengthened the economy, emphasizing that culture remains the bedrock of diplomacy.

TEPA and Bilateral Relations

Finally, Logi Einarsson noted that the signing of the Trade and Economic Partnership Agreement (TEPA)

between India and the European Free Trade Association (EFTA) marks a new chapter in bilateral relations. He highlighted a mutual interest in sustainable development initiatives in India, alongside Iceland’s expertise in green technology and geothermal energy. Given the energy-intensive nature of modern technology, he established that Iceland’s green energy expertise will be a vital component of this evolving partnership.

Source: South Asian Herald, January 2026

INDIA-EU

Greece: Burgeoning Strategic Partnership

After numerous symbolic diplomatic visits between the two countries, the relationship between India and Greece has evolved into a strategic partnership. On February 9, 2026, the defense ministers of both nations agreed to solidify a long-term roadmap by signing a Joint Declaration of Intent to strengthen defense industrial cooperation, focused primarily on co-production and joint research. Both nations have committed to a structured five-year plan for defense collaboration, including joint exercises for the army, navy, and air force, as well as interoperability training to ensure forces can operate together effectively, particularly in maritime environments. The agreement also covers future cooperation in innovation and special operations.

Furthermore, the two countries agreed to deepen their industrial synergy by linking the Indian initiative “Aatmanirbhar Bharat” (Self-reliant India) with Greece’s “Agenda 2030” military service bill. These discussions regarding defense and industry have involved major players such as Hindustan Aeronautics Limited (HAL) and Hellenic Aerospace Industry (HAI). Additionally, a final contract for hardware may be officially signed in the near future as Greece explores high-profile Indian systems to modernize its military, including BrahMos Cruise Missiles, the Akash-NG Air Defense system, and drones.



On a practical level, this deal includes the positioning of a Greek International Liaison Officer at the Information Fusion Centre in Gurugram, India. According to the educational institution Drishti IAS, this new partnership is seen as the emergence of a “Mediterranean-Indo-Pacific Axis,” bridging two vital geopolitical regions.

Source: Hindustan Times, February 2026

France: India opts for Rafales

While India was considering purchasing fighter jets from Sweden until very recently, it has changed its position drastically. This February at the Singapore Airshow 2026, Saab made a high-profile pitch for its Gripen E, attempting to showcase the jet’s advanced AI capabilities and modular software to India. However, India has made a strategic choice by moving toward the French-made Rafale from Dassault Aviation.

There are two main reasons for India’s shift toward France. The first is that the Indian Air Force is prioritizing “fleet commonality.” With the Rafale already in service and a naval version recently ordered for India’s aircraft carriers, adding the Gripen would create logistical complexities involving different spare parts, separate training simulators, and unique engine maintenance. In addition, while the Swedish proposal was part of a multi-vendor competition, the deal with France is being pursued as a Government-to-Government (G2G) agreement, which saves an enormous amount of time and streamlines the procurement process.

The deal for Saab’s Gripen E has not been officially declared over, but since the Indian Defence Acquisition Council (DAC) approved the Acceptance of Necessity (AoN) for 114 Rafale jets in February 2026, many see this as the end of the Swedish bid. The agreement, valued at approximately \$40 billion (₹3.25 lakh crore), includes 18 Rafales to be bought “off-the-shelf,” while the remaining 96 will be manufactured in India under the “Make in India” initiative.

On the contrary, Colombia has made the oppo-

site choice. Colombia had been in discussions with France since 2022 to purchase Rafales as well; however, those negotiations faced numerous hurdles regarding budget deadlines and fleet size. In April 2025, President Gustavo Petro announced a shift toward Sweden, and in November 2025, the deal with France was officially replaced by a €3.1 billion (\$3.6 billion) contract for 17 Swedish Gripen E/F jets.

Source: Le Monde, February 2026

INDIA-GLOBAL

US-India Announce Trade Deal

In February 2026, President Donald J. Trump and Indian Prime Minister Narendra Modi announced a landmark trade deal that opens India’s market of over 1.4 billion people to American goods, while advancing a framework for a broader U.S.-India Bilateral Trade Agreement (BTA).

Under the agreement, the United States will remove the additional 25% tariff on Indian imports, lowering the Reciprocal Tariff on India from 25% to 18%. In return, India will reduce or eliminate tariffs on a wide range of U.S. industrial and agricultural products, including dried distillers’ grains, red sorghum, tree nuts, fresh and processed fruit, soybean oil, wine, and spirits. India has committed to purchase over \$500 billion in U.S. energy, ICT, coal, and other goods, while addressing non-tariff barriers and negotiating robust digital trade rules. Both countries will enhance economic security alignment, supply chain resilience, and joint technology cooperation.

The deal marks a decisive step toward balanced and reciprocal trade, addressing decades of high Indian tariffs on U.S. goods, up to 37% for agricultural products and over 100% on certain automobiles, as well as restrictive non-tariff barriers. Implementation of the framework will begin promptly, with negotiations continuing to finalize the Interim Agreement and the broader BTA, ensuring long-term benefits for American workers and businesses.

Source: The White House, February 2026



EDITOR'S NOTE

India–Sweden relations are entering a new phase of strategic depth, driven by technology cooperation, expanding trade, and shared ambitions for sustainable growth. A key catalyst could be the proposed India–EU Free Trade Agreement, which has the potential to significantly strengthen technology and investment linkages between India and Sweden. The agreement would open new avenues for Swedish SMEs and Indian MSMEs to collaborate, expand cross-border trade, and integrate more deeply into each other's innovation ecosystems.

Recent high-level engagements underscore the growing momentum in this partnership. Interaction between Indian and Swedish technology communities has intensified, as seen at Techarena 2026 in Stockholm and the AI Impact Summit in New Delhi. The latter marked an important moment in India's technology diplomacy, positioning the country at the center of global discussions on responsible AI, innovation, and governance. Sweden's strong participation—led

by Deputy Prime Minister Ebba Busch—signalled high-level political commitment to deepening technological cooperation with India.

Economic ties are also broadening. Bilateral trade is expanding rapidly and is expected to double by 2030, reflecting growing interest among businesses on both sides. India's vast pool of highly skilled professionals and competitive cost structures make it an increasingly attractive destination for Swedish firms seeking talent and market access. Today, India ranks as Sweden's third-largest trading partner in Asia, after China and Japan—an indicator of the partnership's rising importance.

Beyond technology and trade, the maritime sector is emerging as another pillar of cooperation. Both countries are working toward a strategic vision for sustainable global shipping and modern maritime infrastructure, positioning their partnership to contribute to greener and more resilient supply chains. Together, these developments suggest that India–Sweden ties are steadily evolving into a forward-looking partnership built on innovation, talent, and shared economic opportunity.

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