

INDIA-SWEDEN STRATEGIC COMPASS

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

March-April 2026 • Vol.5 • No.2

INDIA-SWEDEN

Swedish Climate Ambassador visits New Delhi

From late February through early March, Sweden’s Climate Ambassador and Head of Delegation to the UNFCCC, Mattias Frumerie, conducted a high-level visit to India to strengthen bilateral ties and explore new frontiers in climate action. Engaging with a broad spectrum of leaders, including Dr. Arunabha Ghosh of the Council on Energy, Environment and Water and Ms. Rajasree Ray from the Ministry of Environment, Forest and Climate Change, Mr. Frumerie focused on fostering resilience and deepening the strategic cooperation between the two nations. A major highlight of his itinerary was the World Sustainable Development Summit, where he served as a panelist to discuss global climate pathways. During the summit, he

advocated for the vital integration of climate action into national budgets and reaffirmed that Sweden “stays committed to working with India to advance sustainability, climate resilience, and green transition together.”

The visit addressed several critical pillars of the India-Sweden climate partnership, most notably the opportunities presented by the recently concluded India-EU Free Trade Agreement. This landmark agreement is expected to catalyze “decarbonized value chains,” providing a streamlined path for Swedish green-tech firms to scale their solutions within the Indian market. Furthermore, Mr. Frumerie met with Indian officials to advance the second phase of the Leadership Group for Industry Transition (LeadIT), a joint initiative dedicated to decarbonizing “hard-to-abate” sectors such as steel and cement. Throughout these dialogues, the Ambassador expressed Sweden’s enthusiastic support for India’s upcoming Nationally Determined Contributions, describing India as a premier “hub for expansion” for the next generation of green innovations.

Source: Sweden in India LinkedIn



India chairs International IDEA meet in Stockholm

India chaired the Council of Member States meeting of International IDEA in Stockholm. As the Chair in 2026, India is steering the work of the organization under a thematic focus on strengthening democratic resilience, inclusive participation, and responsive institutions. The meeting brought together Member States to exchange views and advance collective efforts in support of democratic governance.



The Ambassador also welcomed a delegation led by Mr. Swapnil M. Naik, Chief Electoral Officer, U.T. Chandigarh on an official visit to Sweden (4–12 April 2026).

The team is engaging with Swedish institutions to exchange best practices in electoral management and democratic processes.



India, a founding member of International IDEA since 1995, assumed the Chairship at the Council meeting in Stockholm on December 3, 2025, with Chief Election Commissioner of India, Gyanesh Kumar, representing the country.

Earlier, a delegation from the Election Commission of India, led by DG (IIIDEM) Shri Rakesh Verma, held a productive and forward-looking discussion with the team at International IDEA. The interaction focused on finalizing priorities for India’s Chairship at the Council of Member States of International IDEA in 2026. India aims to contribute meaningfully and further strengthen the work of International IDEA during its Chairship.

India’s approach will be guided by two key pillars: digital innovation in electoral processes, and promoting inclusive, accessible, and participatory elections.

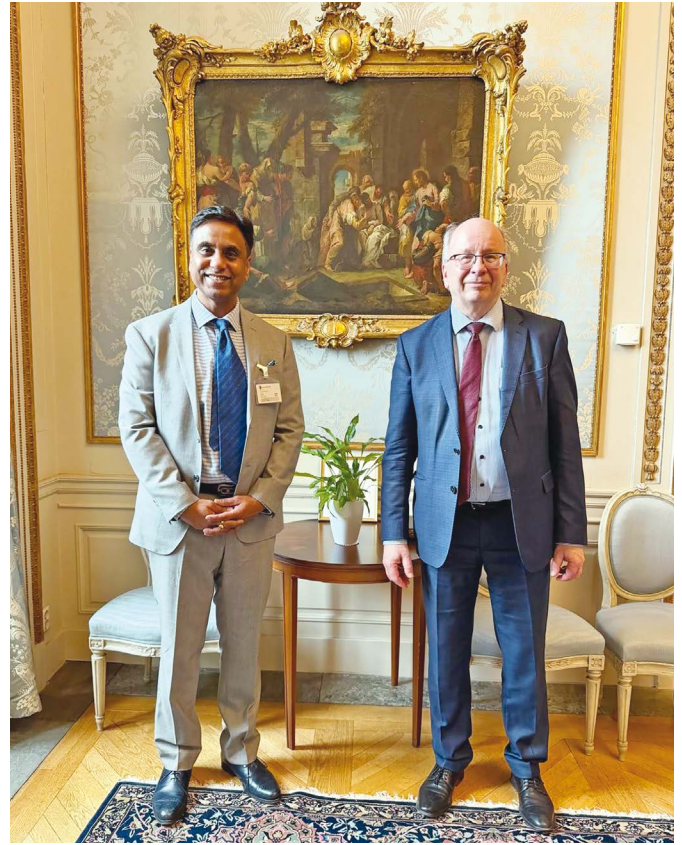
The delegation interacted with officials from International IDEA in Stockholm. The interaction focused on the “Guide to Knowing and Using the Integrated Framework for Protecting Elections”, with discussions on strengthening electoral integrity and safeguarding democratic processes. The delegation also discussed India’s priorities during its Chairship of International IDEA in 2026.

Source: India in Sweden Facebook1; India in Sweden Facebook2



India-Sweden Foreign Office Consultations held

The 8th India–Sweden Foreign Office Consultations were held in New Delhi on April 9, co-chaired by Secretary (West) Sibi George and Dag Hartelius, State Secretary for Foreign Affairs, reviewing the full spectrum of bilateral ties and agreeing to deepen cooperation across key sectors.



Earlier, Ambassador Anurag Bhushan met with H.E. State Secretary for Foreign Affairs Mr. Dag Hartelius in Stockholm, on March 21. They exchanged views on the socio-economic landscape of IN & SE, key economic parameters, and flagship initiatives shaping growth in both countries.

Source: India in Sweden Facebook1; India in Sweden Facebook2

India’s CEA meets with Swedish Ministers, SEB

Dr. V. Anantha Nageswaran, Chief Economic Advisor, Government of India, met with State Secretary Erik Eldhagen, Deputy Minister for Financial Markets, Ministry of Finance during his visit to Stockholm. In the context of the evolving EU–India FTA, discussions focused on India’s economic outlook and avenues to further strengthen IN–SE bilateral economic ties.

Another meeting of Dr. V. Anantha Nageswaran with Mr. Marcus Wallenberg, Chair of the Swedish

Both sides noted that the India–EU FTA would open a new phase in economic engagement, strengthening trade, investment, and technology linkages, while also exchanging views on regional and global issues.



presentation by Dr. V Anantha Nageswaran, Chief Economic Adviser to the Government of India, on India’s macroeconomic outlook.

The roundtable discussion and Q&A, moderated by Mr. Jens Magnusson, enabled a meaningful dialogue on strengthening India–Sweden economic engagement and exploring new avenues for collaboration.

Source : India in Sweden Facebook

Idea exchange with Nordea

A constructive roundtable discussion was held with Nordea, bringing together senior leadership and key stakeholders for an in-depth exchange on economic trends and partnership opportunities.

The session began with welcome remarks by Mr. Erik Ek, Head of Group Business Support and Member of Executive Management at Nordea, followed by introductory remarks by Ambassador Anurag Bhushan.




Enterprise Board (SEB), proved to be a valuable exchange on strengthening India-Swden economic and financial cooperation, and exploring new avenues for partnership in a rapidly evolving global landscape.

The productive roundtable discussion held with SEB and the Confederation of Swedish Enterprise brought together key stakeholders for an insightful exchange on economic cooperation. The session featured welcome remarks by Mr. Jens Magnusson Chief Economist, SEB and Mr. Jan-Olof Jacke CEO, Confederation of Swedish Enterprise, followed by a



Dr. V. Anantha Nageswaran, Chief Economic Adviser to the Government of India, shared insights on India’s macroeconomic outlook and policy priorities. The discussion covered key themes including evolving geopolitical dynamics, India–Sweden and EU–India economic relations, and avenues for enhanced collaboration, including how Nordea can support growing engagement.



A productive and engaging roundtable was also held with the Stockholm Chamber of Commerce. The session began with opening remarks by Ambassador Anurag Bhushan, followed by an insightful address by Dr. V. Anantha Nageswaran.

Discussions focused on strengthening India–Sweden trade relations, navigating regulatory landscapes, and India’s economic policy outlook in the coming years. Mr. Jonas Hellman, Senior Advisor at Geelmuyden Kiese, moderated the session facilitating a dynamic exchange of ideas.

Dr. V. Anantha Nageswaran also met Mr. Erik Thedéen, Governor of the Riksbank (Central Bank of Sweden). The discussions covered socio-economic developments in India and Sweden, key economic parameters, and major policy initiatives and government schemes driving growth and resilience. The interaction provided a valuable platform to exchange perspectives and further strengthen India–Sweden economic engagement,

Source : India in Sweden Facebook1; India in Sweden Facebook2

New B2B collaboration: Intelligence and Security

In March, the Sweden-India Business Council (SIBC) proudly expanded its network by welcoming IIRIS Consulting into its growing community of collaborating businesses. As an intelligence-led organization with over a decade of high-impact experience across more than ten countries, IIRIS Consulting Pvt Ltd. sets a global standard in risk governance, security strategy, and digital innovation. The firm provides comprehensive end-to-end support, ranging from risk advisory and forensics to specialized training and security design. , Mr. Garry Singh, President of IIRIS Consulting, expressed his enthusiasm for the partnership : “We are proud to partner with Sweden-India Business Council at a time when economic and strategic ties between Sweden

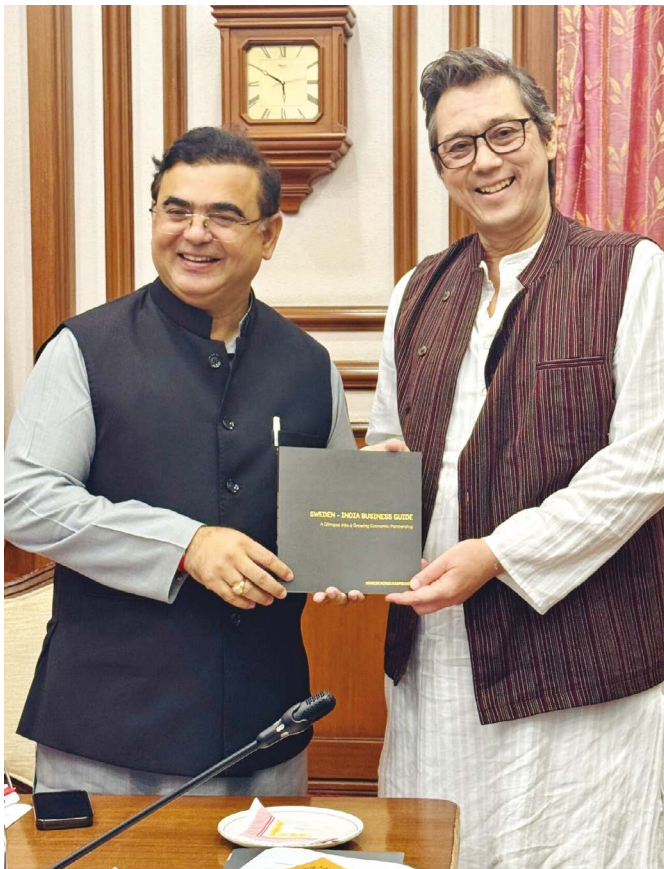
and India are strengthening, particularly in the areas of technology collaboration and digital innovation.” He specifically highlighted a shared focus on AI and technology development, emphasizing that IIRIS aims to empower organizations with advanced intelligence and security solutions that allow them to operate with greater confidence and agility in an increasingly digital landscape.

Source : Sweden India Business Council linkedin

Made With Sweden: New projects, new heights

Launched in 2025, the Swedish Government’s “Made with Sweden” campaign is a strategic global initiative designed to champion free trade, innovation, and international collaboration. This marks a significant shift in the country’s market strategy, moving from “Made in Sweden” to “Made with Sweden”, to emphasize the power of partnership. Rather than simply exporting finished products, Sweden is positioning itself as a key collaborator in sustainability, green tech, and digitalization. On the digital front, the campaign highlights “co-creation” success stories like Minecraft, with extensive promotion across LinkedIn, Swedish Embassy platforms, and other national institutions. To support this vision, Sweden is strengthening eight foreign missions in key partner countries across the Indo-Pacific and North America, transforming them into “Defense and Innovation Hubs.” This two-way strategy aims to attract global researchers and companies to Sweden while encouraging Swedish businesses to expand globally. A prime example is SpinChem’s recent expansion into India; rather than just shipping technology, they are building a long-term presence with a local partner, Smart Labtech, combining Swedish innovation with deep Indian market expertise.

The practical impact of the “Made with Sweden” initiative was recently demonstrated during the Liquefied Petroleum Gas (LPG) crisis in India,



triggered by tensions in the Strait of Hormuz. With India depending on imports for over 60% of its LPG demand (90% of which passes through the Strait) the recent conflict led to immediate domestic shortages and price surges. As part of a global diplomatic and technical response, Sweden has pivoted its trade strategy to help India reduce its “Hormuz dependency.” Following meetings between the Swedish Deputy PM and Indian ministers, the two nations are accelerating a “Green Tech” partnership to replace imported LPG with Swedish-backed electric cooking solutions and biogas infrastructure. Sweden is also sharing technical expertise in waste-to-energy systems to help Indian cities produce cooking gas locally, alongside world-leading expertise in underwater mine detection and clearance to secure trade routes. Furthermore, the India-EU Free Trade Agreement negotiated this January will provide vital tariff reductions on European machinery for gas exploration and storage. These efforts were

reinforced during the Consular Corps Dialogue in Mumbai, where Swedish Consul General Sven Ostberg, alongside the Consuls General of Japan and Korea, met with the Hon’ble Minister for Marketing and Protocol to further cross-border collaboration in overcoming the energy crisis.

Sources: SpinChem LinkedIn ; Sweden in Mumbai LinkedIn

India-Sweden Business Leaders’ Roundtable

As a follow-up to the successful and highly discussed India AI Impact Summit, a high-level roundtable was organized on March 21st, bringing together key economic stakeholders for meaningful interactions and an exchange of views on India-Sweden cooperation. The India-Sweden Business Leaders’ Roundtable featured an esteemed guest list, including the Guest of Honor, Ebba Busch (Sweden’s Deputy Prime Minister and Minister for Energy, Business and Industry), alongside Marcus Wallenberg (Chair of SEB and ISBLRT), Leif Johansson (Co-Chair of ISBLRT), and various CEOs and executives from Swedish giants such as Ericsson, Volvo, and ABB. The delegation was hosted by the High Commissioner of India, Vikram Doraiswami, at the India House in Stockholm.

The conversation centered on the execution phase of the India-EU Free Trade Agreement (FTA),



particularly the 90 percent reduction in customs duties intended to facilitate the integration of Swedish SMEs into Indian supply chains. Building on the momentum of the New Delhi AI Summit, leaders also discussed the creation of a “Tech Corridor” between Stockholm and Bengaluru, focusing on AI applications for healthcare and manufacturing. Deputy PM Ebba Busch emphasized Sweden’s commitment to fossil-free steel and green hydrogen, seeking to align Swedish technical “know-how” with India’s immense “scale.” The overarching conclusion of the dialogue was that the partnership has evolved into a phase of “Strategic Innovation,” focusing not just on trade volume, but on R&D and sustainability. This momentum continues through April with several key events on the horizon. A subsequent roundtable will be held in Gothenburg, hosted by Business Region Göteborg, to further discuss the integration of Swedish businesses into Indian supply chains. Additionally, a focused session in Stockholm will address “China Plus One” strategies among prominent supply chain and logistics leaders.

Source: Anurag Bhushan LinkedIn

Internationella Handelsdagen 2026 in Göteborg!

Strong interest was seen in the India Pavilion at the Internationella Handelsdagen 2026 in Göteborg. The India Pavilion recorded one of the highest footfalls from businesses, academia and startups exploring opportunities in India.

Remarks by Minister of Development Cooperation and Foreign Trade H.E. Benjamin Dousa further highlighted the growing momentum in India–Sweden economic engagement. The Embassy also shared India’s strong economic fundamentals and government-led incentives, reinforcing confidence among global investors, including from Sweden.

The Embassy of India team also had a productive meeting with Business Region Göteborg, discussing



opportunities to further strengthen India–Sweden collaboration across innovation, trade, and sustainable development. The interaction highlighted growing interest in partnerships that leverage India’s scale and Sweden’s innovation strengths, particularly in sectors such as green technology, manufacturing, and startups.

Source: India in Sweden Facebook

Interaction with Swedish think-tank

A delegation led by the Chief Electoral Officer, U.T. Chandigarh, interacted with the team at the Stockholm Center for South Asian and Indo-Pacific Affairs, Institute for Security and Development Policy (ISDP), a leading think tank. The interaction discussed ‘Electoral Reforms and Administrative Practices and Experiences of Sweden and India’. It also featured a presentation by Amb. Lars Vargo



on Sweden’s administrative structure, followed by a productive exchange of views on governance and democratic practices.

Source: India in Sweden Facebook

Celebrating Holi in Sweden

On March 3–4, India celebrated its famous Hindu Festival of Colors, Holi. This vibrant festival marks the arrival of spring, the end of winter, and the symbolic triumph of good over evil. The two-day celebration begins on the evening of the full moon, when communities gather to light large bonfires, sing, dance, and offer grains to the flames. On the second day, the streets burst into color as participants smear one another with colored powder (gulal) and drench each other with water balloons.

This joyous ceremony is now celebrated around the world, including in Sweden’s capital. In an interview with Swedish actor Börje Lundberg, Reshmi Ghosh explored the recent festivities in Stockholm. Organized by Icon Events, the celebration featured numerous stalls offering traditional food and jewelry. Mr. Lundberg described the event as a happy gathering filled with dancing, noting how much he enjoyed the experience and expressing a wish for more celebrations in Sweden that bring people closer together. Similar Holi celebrations were held in other Swedish cities, including Malmö, where events were organized by the Indian Association in Sweden.

Sources: Indian Embassy Sweden Facebook; Youtube Video Reshmi Ghosh



Consular camp held in Gothenburg

The Embassy of India in Gothenburg organized an engaging interaction with members of the Indian diaspora and representatives of Indian associations in the city.

A consular camp was held to assist members of the Indian diaspora for consular related services such as passport, OCI, Attestation, surrender of passport, etc., and address their queries.

The meeting also focused on preparations for



The discussion highlighted the important role played by community organisations in strengthening people-to-people ties and fostering a deeper appreciation of India’s rich cultural heritage in Sweden.

On the occasion, Ambassador Anurag Bhushan presented Certificates of Appreciation to the participating cultural associations in recognition of their dedicated efforts in spreading Indian art, music, dance, and cultural traditions in Sweden.

the upcoming International Day of Yoga, with discussions centred on collaborative efforts, community participation, and organising impactful yoga events across Gothenburg.

The celebration also featured a special yoga session with members of the Indian diaspora and friends of India. The session highlighted the spirit of “wellness, harmony and cultural connection”, reflecting the values promoted by the Indian Council for Cultural Relations (ICCR) in strengthening cultural bonds and people-to-people ties across the world.

The Embassy looks forward to working closely with the vibrant Indian community to celebrate shared traditions and values, while promoting wellness, harmony, and deeper cultural connections across all occasions.

Source: India in Sweden Facebook

Source: India in Sweden Facebook



ICCR Day in Stockholm

The Embassy of India in Stockholm organised a special event to celebrate ICCR Day on April 9, bringing together local cultural associations in Sweden for an interactive session on their experiences in promoting Indian culture and arts across the country.

SPECIAL FEATURES



77th foundation day

Raisina Dialogue : Stubb delivers keynote address

The Raisina Dialogue continues to cement its place as one of the world’s leading forums on geopolitics and geo-economics. Held in New Delhi from 5–7 March 2026, the 11th edition brought together 2,700+ in-person participants from over 110 countries, alongside millions of virtual viewers.





The Dialogue was inaugurated by Narendra Modi, with Alexander Stubb delivering the keynote as Chief Guest.

Hosted by the Observer Research Foundation in partnership with India’s Ministry of External Affairs, the Dialogue convenes global leaders across government, business, academia, and civil society, thereby positioning itself alongside forums like the Munich Security Conference and Shangri-La Dialogue.

The Raisina Dialogue is held annually in New Delhi since 2016. It has emerged as India’s flagship conference on geopolitics and geo-economics.

This year’s theme was “Saṃskāra: Assertion, Accommodation, Advancement,” which reflects a world where nations assert sovereignty while navigating cooperation through flexible coalitions.



President Stubb’s state visit to India underscored deepening bilateral ties, with discussions spanning trade, innovation, and global security. A joint statement reaffirmed cooperation across economic and technological domains, highlighting India’s growing importance as a strategic partner for Europe.

“As the leader of a small European country, I greatly value the opportunity to exchange views with Prime Minister Modi and hope that our dialogue will continue,” Alexander Stubb.

The President emphasized that Finland and India share democratic values. “Relations between Finland and India have always been good, and our aim is to further intensify them”, the President said after the meeting. During the state visit, a joint statement was issued outlining cooperation in areas such as trade, economy, science and innovation.

On March 6th, the state visit continued in Mumbai. The President's programme featured meetings with the business sector and a lecture at the University of Mumbai. Representatives of eighteen Finnish companies participated in the state visit, four of which signed commercial agreements.

"India is one of the world's largest and fastest growing economies," the President said, and emphasised the significance of Finland's trade relations with India.

As highlighted by participants and observers including Varda Taneja, the India-EU partnership

The End of Western Dominance

President Stubb emphasized a transition toward a multipolar world, with the Global South led by India playing a decisive role in shaping the next global order.

A "New Delhi Moment" for Global Governance

A call to reform global institutions, including support for India's bid for a permanent seat at the United Nations Security Council, highlighting the need for more representative global governance.

Pax Silica & the Tech-Geopolitics Nexus

Semiconductor supply chains emerged as central to geopolitical stability. Discussions around "Pax Silica" and India's Digital Public Infrastructure (DPI) positioned technology as both a strategic asset and public good.

India as a "Bridge Power"

Indian External Affairs Minister S. Jaishankar highlighted India's unique role in connecting the West and Global South balancing strategic autonomy with active global partnerships.

Values-Based Realism

A shared India-Finland perspective: combining democratic values with pragmatic, interest-driven diplomacy in an increasingly complex world.

is quietly gaining depth across technology, clean energy, connectivity, and security.

A strong Nordic presence reinforced Europe's growing engagement with India. Mr. Robin Sukhia represented the Sweden-India Business Council and Mr. Henrik Chetan Aspengren the Swedish Institute of International Affairs. Other Swedish dignitaries included Mr. Stefan Löfven, former Prime Minister of Sweden and Mr. Carl Bildt, former Prime Minister and Foreign Minister of Sweden.

Beyond plenaries, Track 2 discussions, particularly the India-US dialogue, focused on translating strategic intent into implementation. Key themes included:


- Moving from buyer-seller dynamics to co-development models
- Advancing the Initiative on Critical and Emerging Technology (iCET)
- Building resilient supply chains and sovereign tech capabilities

For stakeholders across the India-Europe ecosystem, the Raisina Dialogue highlights a critical opportunity: to actively shape the bridges between two of the world's most influential democratic and economic regions.

Sources: Modi's X page; Embassy of India in Sweden; India's Foreign Ministry

Middle East Conflict: The Indian Perspective

The intensified Iran-Israel conflict since March 2026, alongside Iran's blockage of the Strait of Hormuz, continues to send significant shockwaves through global energy markets, trade supply chains, and maritime security. Although Iran has approved a 'completely open' passage through the Strait of Hormuz for selected countries, in practice, the Strait of Hormuz remains tightly controlled by the Islamic Revolutionary Guard Corps (IRGC) on one side and the US on the other side.



The longer the Strait of Hormuz remains unsafe for passage, the more severe the implications on the global economies will be. Asian nations, including India, are the most exposed to the consequences of the crisis. In this special feature, we observe why safe and open passage through the Strait of Hormuz is vital for India, how the crisis is affecting the country and people, and what the response from New Delhi is.

Why is ensuring safe and open passage through the Strait of Hormuz vital for India?

1. Energy

The Strait of Hormuz is one of the vital global energy corridors. In the first half of 2025, according to EIA, it accounted for about 20% of global oil consumption and 26.2% of maritime oil flows (20.9 million barrels per day), while also facilitating roughly one-fifth of global LNG trade.

India is deeply dependent on this route. Saudi Arabia and the UAE are India's primary crude suppliers, while Qatar and the UAE dominate LNG exports to India. Overall, India has been relying on Hormuz for around 41% of its crude oil, 55% of LNG, and up to 90% of LPG imports during 2026.

Stable energy supplies is crucial for the Indian population, simply by considering that over 96% of India's 378 million vehicles still run on petrol or diesel, with electric vehicles making up just 1.3%. Any disruption in Hormuz therefore directly threatens energy security, pricing stability, and industrial activity.

2. Trade

As the sixth largest economy in the global GDP ranking, Indian national economic security is highly dependent on stable trade chains. Furthermore, India's trade is heavily maritime, constituting about 95% by volume and 70% by value. Therefore, any disruption at key trade chokepoints significantly affects India's economic security.

The crisis in the Strait of Hormuz caused longer sea routes, with reroutings as far as in the Cape of Good Hope in South Africa. This is further constrained by rising marine insurance costs and India's main trade partners remaining in the Middle East – accounting for roughly 15% of India's exports and over 20% of imports in 2025.

High dependence on trade and especially, on trade with the Gulf countries, thus puts a heavy economic burden on India's business sector. India's small and medium-sized enterprises (SMEs), especially those operating on tight margins and delivery schedules, are bearing the brunt.

The impact is already visible across India's key sectors, especially spice, rice, agriculture, and textiles.

3. Economy

The vulnerabilities in energy and trade supply chains is already challenging India's national economy. The most immediate pressure is on the currency. The Indian rupee has weakened sharply, falling nearly 10% against the US dollar over the past year. In a prolonged conflict scenario, analysts warn it could depreciate beyond ₹110 per dollar.

The prolonged crisis might there lead to higher energy costs, rising inflation, pressure on corporate margins, increased fiscal strain due to subsidies, and reduced foreign capital flow.

Therefore, considering these three key factors, ensuring safe and open passage through the Strait of Hormuz is now even more crucial than ever.

How is New Delhi responding to the crisis in the Strait of Hormuz?

1. Diplomatic attitude and immediate domestic response

India has maintained a consistent stance in favour of open sea lanes. As Prime Minister Narendra

Modi stated: “We stand for safe and free navigation through the Strait of Hormuz.”

India continues to strengthen cooperation ties globally to enhance regional economic and energy security.

Domestically, as an immediate response to the crisis, the government has been playing a role of an “absorber” of the fuel price shock. The main measures are targeted on solving the fuel price shock, and reinforcing supply and trade stability. Officials note that nearly 70% of India’s crude imports are now routed outside the Strait of Hormuz, helping maintain overall energy security despite disruptions.

However, vulnerabilities remain, particularly in LPG, where India imports about 60% of its consumption, with roughly 90% of those imports typically transiting through the strait. In response, domestic LPG production has been ramped up by 25%.

At the same time, maritime and trade operations are under close watch. Indian-flagged vessels in the Persian Gulf are being continuously monitored. The government is also keeping a close eye on the welfare of the roughly 10 million-strong Indian diaspora in the Gulf region.

Another essential immediate response from the government is given as a proposed \$6.2 billion economic stabilisation fund to prevent broader macroeconomic impacts. The immediate response gives also a positive forecast, as a weaker rupee may actually assist the Indian economic growth by improving export competitiveness in various domestic sectors.

2. Diversifying energy sectors and energy suppliers

In the long term, since 2025, India has been putting a great emphasis on diversifying its energy sector and energy suppliers.

According to the IEA, the bulk of investment in the sector has shifted toward clean energy, with renewables accounting for the overwhelming majority of new capital flows in 2024. Solar photovoltaic (PV) in particular has emerged as the backbone of this transition, driving much of the expansion in non-fossil capacity. As a result, non-fossil sources now constitute a substantial and growing share of India’s electricity generation capacity, bringing the country closer to its 2030 targets.


Alongside its push for clean energy, India has also adopted a pragmatic approach to securing its immediate energy needs by diversifying its sources of supply. In the context of ongoing geopolitical instability, imports from Russia have risen sharply, both in terms of energy supplies and trade, such as fertilizers – critical for the Indian agricultural sector.

Sources: DW; The Print; BBC; IEA; IEEFA; CNBC; Modi’s X page



Middle East Conflict: Sweden and the Strait of Hormuz

The crisis in the Strait of Hormuz is bringing severe implications on the overall global economic security and stability, not only on the Asian part. Since March 2026, international alliances, particularly the EU and NATO, have already been driving public



attention on the conflict's resolution. Sweden is one of the countries that has been jointly responding to the crisis, despite its relative distance from the conflict zone and energy self-reliance.

In this special feature, we observe why safe and open passage through the Strait of Hormuz is important for Europe and particularly for Sweden, and how the EU and Sweden are responding to the crisis.

Why is the Strait of Hormuz important for Europe?

Europe's vulnerability to external shocks is rooted in its energy structure. In 2024, the EU's energy mix remained heavily dependent on fossil fuels, with oil and petroleum products accounting for the largest share, followed by natural gas.

While domestically produced energy has expanded significantly to 43%, the EU still imports around 57% of its total energy needs.

Crucially, these imports are dominated by fossil fuels. Petroleum products alone make up 67% of EU energy imports, while natural gas constitutes around 24%. This reliance on external suppliers exposes Europe to disruptions in global transit routes, particularly maritime chokepoints such as the Strait of Hormuz.

For Europe, which has already undergone a difficult energy transition after reducing dependence on Russia following the Russian invasion of Ukraine, instability in the Middle East risks triggering yet another energy shock, according to Euronews. Rising prices, supply uncertainty, and market volatility could once again affect both households and industrial production across the continent.

Beyond oil and gas, according to the European Commission, the Strait of Hormuz is also a critical conduit for global fertiliser trade. Approximately 13% of global fertiliser exports pass through this corridor, making it essential not only for energy

security but also for agricultural production and food systems. Disruptions, therefore, have effects that extend well beyond the energy sector.

In this sense, the crisis in the Strait of Hormuz does not affect the EU immediately, but it creates long-term implications for European energy security and economic stability.

Why is the Strait of Hormuz important for Sweden?


Around 70% of Sweden's electricity production comes from hydroelectric (approximately 40%) and nuclear power (around 29%), providing a stable domestic energy supply.

However, as a deeply integrated economy within the EU, Sweden is not immune to the ripple effects of the crisis. The country is exposed to price fluctuations, supply chain disruptions, and broader market instability.

This concern has been clearly articulated by Ebba Busch, who described the current situation as “the worst energy crisis in modern history – worse than 1973 and 1979 oil crisis, and worse than the 2022 energy crisis in Europe – combined.” Her remarks highlight a key reality: even if the Strait were to reopen quickly, energy markets would take time to stabilise, and the economic pressure on households and businesses is already being felt.

The consequences of the Strait of Hormuz disruption are already visible in Swedish industry, particularly among export-oriented companies. One notable example is LKAB, a major producer of iron ore in northern Sweden.

A significant share of LKAB's exports is destined for markets in North Africa and the Middle East, with over 10% linked directly to customers reliant on shipping routes through the Strait of Hormuz. Since the outbreak of the crisis, shipping traffic in the region has slowed dramatically,



leaving vessels delayed at sea and disrupting delivery schedules.

The company has already been forced to cancel shipments, with expectations of further cancellations amounting to hundreds of thousands of tonnes of cargo. The financial implications are substantial, running into hundreds of millions of Swedish kronor. Beyond immediate losses, the disruption also threatens long-standing commercial relationships built over decades, underscoring how geopolitical instability can directly affect even geographically distant industries.

How are the EU and Sweden responding to the crisis?

In response to the crisis, European powers have taken a leading role in mobilising international action to safeguard secure and stable passage through the Strait of Hormuz. France and the United Kingdom recently convened a high-level summit involving 51 countries, signalling broad international concern over the situation.

Participants called for the immediate and unconditional reopening of the Strait of Hormuz and emphasised the importance of maintaining open sea lanes for global energy flows and supply chains,

“The right of transit passage without restrictions or tolls is the bedrock of international trade. Freedom of navigation means navigation must be free. We therefore welcome the announcement today that the Strait will re-open and underline that this must endure. The disruption to global energy security, supply chains, and economic and financial stability must end, for the benefit of communities right across the world, in particular for the poorest and most vulnerable.”

In parallel, efforts are underway to support the work of the International Maritime Organization in ensuring the safety of vessels and seafarers, especially commercial vessels. Particularly, France and the

United Kingdom have announced plans to establish a defensive multinational maritime mission aimed at protecting merchant vessels and conducting mine clearance operations in the region.

Speaking on the issue, Ebba Busch welcomed the EU’s efforts to respond to the crisis. Sweden’s Minister for Energy and Business emphasized the need for “swift, targeted measures to stabilise energy markets and protect European economies” and strengthening energy sovereignty.

She also expressed support for the European Council’s conclusions on allowing more flexible use of congestion revenues, noting that such flexibility must be reflected in the Grids Package. Without sufficient flexibility, she emphasized that Sweden stands ready to act to protect its households, businesses, and energy security.

Sources: European Commission; Swedish Institute; Government of Sweden; Euronews; High North News; Joint Statement ; Foreign Policy Institute

INDIA – NORDIC

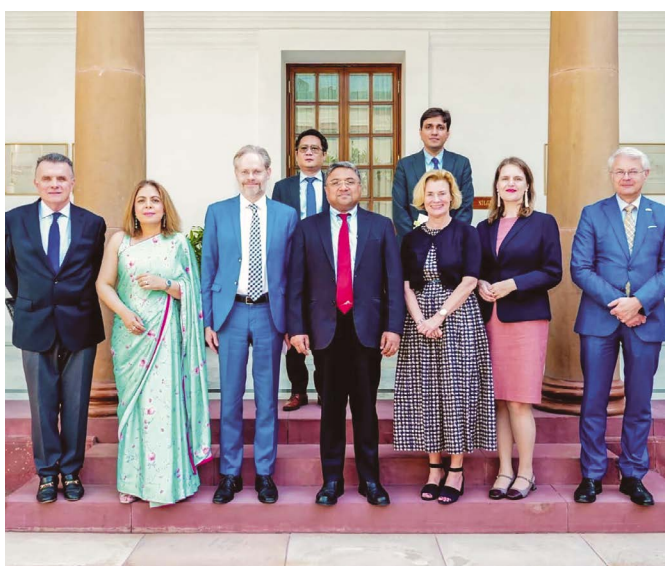
Continued diplomatic efforts to strengthen the relationship between India and Nordics

On March 12, Secretary (West) Sibi George hosted a strategic luncheon for the Nordic Ambassadors in New Delhi, marking a significant step in deepening the “India-Nordic” partnership following the visit of Finnish President Alexander Stubb earlier in the month.

The discussions focused primarily on high-tech and sustainable collaboration, emphasizing the alignment of India’s massive scale with Nordic innovation. Key areas of interest included emerging technologies such as AI, quantum computing, and digital infrastructure, alongside a shared commitment to the Green Transition. India highlighted its ambitious

infrastructure goals to the Nordic ambassadors, whose nations are global leaders in sustainability. A fresh dimension of the partnership also emerged regarding cooperation in Space and the Arctic, where India aims to expand its scientific footprint through collaborative research. Danish Ambassador to India, H.E. Rasmus Abildgaard Kristensen, captured the potential of this alliance, noting that a "4 trillion dollar economy (India) meeting a 2 trillion dollar economy (the combined Nordic bloc)" creates a formidable powerhouse for global innovation and sustainable growth. It is clear that this gathering was more than a diplomatic formality; it served as a vital preparatory session for future strategic accords.

Ultimately, the diplomats underscored the importance of the upcoming third India-Nordic Summit later in May 2026 in Oslo. This summit will bring together heads of government of Nordic countries and Prime Minister Narendra Modi himself to finalize multilateral agreements. The agreements will span from the India-EFTA investments, to energy security with Norway, to Arctic Policy projects and digital innovation. Finally, leaders during the Summit are said to discuss the on-going Ukraine war and its impact on Nordic security and global supply chains.



Sources: IANS Live, Newsonair, Indian Embassy Facebook

Supply Chain partnership between India and the Nordic region. - Denmark

There is significant momentum in trade between India and the Nordic nations of Denmark, Sweden, Norway, and Finland. In this thriving economic climate, strategic alliances are more crucial than ever. A prime example is the partnership between Jeena & Company, a pioneer in Indian supply chain and logistics since 1900, and Scan Group, a Danish shipping and logistics leader with an extensive European network.

This strategic collaboration allows both companies to deliver premium, high-quality services by merging their industry expertise in specialized fields such as pharmaceuticals, engineering, renewable energy, textiles, and chemicals. By leveraging their combined strengths, the partnership offers enhanced end-to-end visibility, faster transit times, and technology-enabled logistics. Furthermore, customers will benefit from greater multimodal connectivity, providing seamless air and sea freight solutions across global trade lanes, all while moving toward more sustainable logistics pathways.

“We feel pleased to partner with Jeena & Company to widen our reach into the Indian market. This collaboration combines strong local expertise with global network capabilities to deliver consistent, high-quality logistics services.” — Mr. Jesper Hvid Nielsen, CEO, Scan-Shipping.

Sources : Jeena & Company LinkedIn

India and Norway work on enhancing bilateral engagements

On March 27, Additional Secretary of the Ministry of External Affairs, Pooja Kapur, and State Secretary of Norway’s Ministry of Foreign Affairs, Andreas Motzfeldt Kravik, met in Oslo to further strengthen bilateral engagement. Their discussions spanned a wide array of strategic sectors, including innovation, shipping, tunneling, sustainability, and climate

action, with a specific focus on cooperation in the Arctic.

In a post on X from the Indian Embassy in Norway, Mr. Kravik recalled his recent visit to India for the Raisina Dialogue, affirming that he views India as an essential partner for Norway in addressing the complex challenges facing the global community.

While this meeting focused primarily on bilateral ties, there remains a strong emphasis on facilitating deeper business engagement through the India-EFTA TEPA agreement. These high-level interactions between Norway and India have become increasingly frequent; just a month prior, Secretary (West) Sibi George met with Ragnhild Sjoner Syrstad of the Norwegian Ministry of Trade and Industry to discuss boosting investments in the green and blue-tech sectors. Similar dialogues were also held in January during the India-EU FTA negotiations.

Official bilateral ties between India and Norway date back to February 1947. Since then, the two nations have maintained a cordial and friendly relationship rooted in shared values of democracy, human rights, and the rule of law. Today, this partnership is stronger and more active than ever, evolving into a robust alliance for the future.

Source : OMMCOM NEWS.

Iceland World Geothermal Congress

This spring, Iceland took center stage as the host of the World Geothermal Congress (WGC), the premier global triennial event that assembles thousands of scientists, engineers, and government leaders to shape the future of renewable energy. Utilizing this influential platform, the "Iceland Geothermal Delegation" engaged in high-level negotiations with several Indian Public Sector Undertakings (PSUs) to solidify green energy frameworks. These discussions transcended traditional power generation, delving into cutting-edge "Magma Drilling" techniques and

integrated Carbon Capture, Utilization, and Storage (CCUS) strategies.

A focal point of the partnership is India's interest in adopting Iceland's proprietary Carbfix technology, a revolutionary process that dissolves captured \$CO_2\$ in water and injects it into basaltic rock, where it mineralizes into stone in less than two years. This momentum is further backed by significant capital: the Icelandic firm Reykjavik Geothermal recently secured a \$20 million funding round, explicitly earmarked to provide technical expertise and support for India's burgeoning geothermal projects.


Source: Economic Times

INDIA-EU

German solution to shortage of workers

The initiative to recruit young talent from India to Germany first took shape in 2021, when Indian representatives reached out to Dr. Handirk von Ungern-Sternberg at the Freiburg Chamber of Skilled Crafts. Recognizing a unique opportunity, Dr. Ungern-Sternberg connected with Joachim Lederer, Head of the Butcher's Guild. Mr. Lederer noted that butchery is demanding work and that interest among young Germans had been steadily declining for 25 years. Partnering with the Magic Billion employment agency in India, they successfully recruited 13 young people to begin butchery apprenticeships in Germany in 2022.

Today, Dr. Ungern-Sternberg is the co-founder of India Works, an agency that continues to collaborate with Magic Billion. According to the BBC, there are now 200 young Indians working in German butcher shops as of 2026. The program is expanding rapidly, with plans to bring 775 more Indian apprentices to Germany this year to specialize in mechanics, baking, carpentry, and other trades.



This movement is driven by both aspiration and necessity. For young Indians, Germany offers the chance to improve their living standards, access robust social security, and experience the world. For Germany, this migration is vital for economic survival as the "baby boomer" generation enters retirement. In fact, many small-village shops remain open today specifically because of Indian recruits, while similar businesses lacking new staff have been forced to close.

The scale of this shift is significant: the number of Indian workers in Germany has surged from 23,320 in 2015 to 136,670 in 2024. For individuals like 25-year-old Ajay Kumar Chandapaka, who struggled to find work in India despite holding a bachelor's degree in mechanical engineering, a German apprenticeship has become an attractive and viable solution. These stories, recently highlighted by Tim Mansel for the BBC, reflect a growing trend of professional migration that is reshaping both the German workforce and the lives of thousands of young Indians.

Source: BBC.

UK universities set up branches in India

Representing the reverse flow of educational exchange, an emerging phenomenon is taking hold: prestigious British universities are establishing physical campuses directly on Indian soil. In an article published on March 24, 2026, the BBC's Nikhil Inamdar highlights York University, which is currently finalizing a brand-new campus on the shores of Powai Lake near Mumbai. The university is already recruiting for the 2026-2027 intake, expecting an initial cohort of 270 students, with plans to scale to 3,000–4,000 students in the coming years.

This shift follows India's 2020 National Education Policy, which first invited foreign universities to the country. Following the formal notification of rules in 2023 and several strategic announcements by Sir Keir Starmer during his visit last year, the momentum has accelerated. The University of Southampton led the

way by opening its Delhi campus in July 2025.

Key aspects of this educational expansion include:

- **Cost and Accessibility:** Tuition at York's Indian campus is expected to be roughly 50% of the cost of studying in the UK. While higher than the average Indian university, it meets a growing demand for global standards at a more accessible price point.
- **Strategic Selection:** Success in this market requires "cost discipline and programme selectivity," with universities focusing on high-employability disciplines and early collaboration with Indian industry.
- **Future Growth:** A total of nine UK institutions are currently listed as opening in India, including the University of Bristol, University of Liverpool, Coventry University, and Queen's University Belfast.

This development is set to redefine the UK-India relationship, with British university expansion projected to provide a \$67 million boost to the UK economy while simultaneously transforming India's higher education landscape.


Source: BBC

INDIA-GLOBAL

Japan deepens economic focus on India

Japan has taken a significant step to strengthen economic ties with India by establishing a dedicated Japan-India Economic Affairs Division within its Ministry of Foreign Affairs on April 1, 2026. The move reflects India's rapid economic growth and its rising importance in Japan's foreign and economic policy.

The new division aims to accelerate public-private collaboration, supporting Japanese companies in expanding investment and business operations



in India. It will also play a key role in advancing cooperation on economic security, an increasingly critical area amid global supply chain shifts and geopolitical uncertainty.

This institutional upgrade signals a long-term strategic commitment by Japan to deepen engagement with India—not only as a major market, but also as a key partner in shaping resilient and secure economic frameworks in the Indo-Pacific.

Source : MOFA, Japan

Free and Open Indo-Pacific Summit held in Philippines

On March 6, the Philippines hosted the ‘Safeguarding the Maritime Domain for the Free and Open Indo-Pacific’ (FOIP) summit in Manila. The event gathered “Quad-plus” partners (including Japan, the Philippines, India, and the United States) with the goal of reinforcing the rule of law in the South China Sea and the broader Indo-Pacific. The participants represented a strategic mix of national institutes, diplomats, and military officials.

India’s role is increasingly crucial to the FOIP concept, as it moves beyond the Indian Ocean to take an assertive stance in the Western Pacific in support of the Philippines. Following strategic agreements signed last August by Prime Minister Modi and President Marcos Jr., India has become a primary security provider for the Philippines through defense exports and maritime capacity building. During the summit, India prioritized the matter of “Actionable Intelligence,” working to integrate the Philippines

into the Information Fusion Centre - Indian Ocean Region (IFC-IOR) to track “dark shipping” and unauthorized Chinese maritime militia. Another critical topic was India’s delivery of the BrahMos supersonic cruise missile system, which provides the Philippines with a “minimum credible defense” to protect its Exclusive Economic Zone. By linking its own security initiatives with the ASEAN Outlook on the Indo-Pacific, India is shifting its role from a silent supporter to a vocal security partner for Southeast Asian nations. This symposium was followed by further collaborative action, including the first joint military training between Japanese, Filipino, and U.S. forces on Tuesday, April 7.

The Swedish government and defense sectors are also actively engaging with FOIP initiatives. Sweden has been a vocal supporter of the summit’s core principles, with officials frequently endorsing the “rules-based maritime order” central to the FOIP strategy. Beyond diplomatic statements, Sweden has moved toward practical assistance; high-level delegations from the Swedish Ministry for Foreign Affairs met with the Philippine Coast Guard (PCG) ahead of the summit, and Sweden continues to provide specialized training for PCG officers at the World Maritime University in Malmö. Additionally, Sweden has praised the FOIP “transparency policy” regarding South China Sea incidents, aligning with India’s goal of exposing coercive tactics and dark shipping. Finally, the Swedish private defense sector is actively participating in discussions to modernize the Philippine Navy, offering green technology and maritime hardware support to enhance regional stability.



EDITOR'S NOTE

The relationship between India and Sweden has steadily evolved from traditional trade links to a more comprehensive partnership encompassing innovation, sustainability, and technology. Sweden's strong focus on clean energy, smart cities, and advanced manufacturing aligns well with India's development priorities.

Prime Minister Narendra Modi's upcoming visit to Sweden marks an important step in strengthening the already cordial ties between India and Sweden. This visit is likely to deepen collaboration in sectors such as green technology, defense manufacturing, and digital transformation. Swedish companies have shown increasing interest in India's growing market, while India benefits from Sweden's expertise in research and innovation. Initiatives like joint research programs and startup partnerships

can further boost economic engagement.

Additionally, shared values such as democracy, multilateralism, and a commitment to climate action provide a strong foundation for cooperation on global issues. As both nations seek resilient and sustainable growth, this visit could pave the way for new agreements and long-term partnerships.

Overall, Modi's visit is expected to not only enhance bilateral trade and investment but also reinforce strategic cooperation, making India-Sweden relations more dynamic and future-oriented. Modi will also be visiting Norway, the Netherlands and Italy. This follows his landmark April 2018 visit, which included the 1st India-Nordic Summit to boost innovation and bilateral trade.

CONTACT DETAILS:

For inquiries about the newsletter or ISDP's Stockholm Center for South Asian and Indo-Pacific Affairs (SCSA-IPA) activities, please contact Dr Jagannath Panda at: jpanda@isdip.eu

Disclaimer: The views expressed here are as published in the original sources and not of the ISDP or the SCSA-IPA.

CONTRIBUTORS: This newsletter was prepared by SCSA-IPA.

ABOUT ISDP

The Institute for Security and Development Policy is a Stockholm-based independent and non-profit research and policy institute. The Institute is dedicated to expanding understanding of international affairs, particularly the interrelationship between the issue areas of conflict, security and development. The Institute's primary areas of geographic focus are Asia and Europe's neighborhood.

www.isdp.eu