COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S
INDIA-SWEDEN BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Kingdom of Sweden is located in Northern Europe and occupies approximately two-thirds of the Scandinavian Peninsula. It shares borders with Finland to the northeast and Norway to the northwest and west. Approximately 15% of Sweden's territory lies north of the Arctic Circle. The country is bounded by the Baltic Sea and the Gulf of Bothnia to the east, and by the Skagerrak and Kattegat straits to the southwest. Sweden is characterized by a predominantly flat landscape, with thousands of inland lakes and numerous small coastal islands. The northwestern region is traversed by the Kjölen Mountain Range, which forms much of the natural border with Norway. Sweden is a member of the United Nations (UN), the European Union (EU), and the North Atlantic Treaty Organization (NATO).

2. Sweden is one of the world's high-income, export-oriented economies, characterized by a high standard of living, advanced industrial capabilities, and a strong innovation ecosystem. Timber, hydropower and iron ore constitute the country's principal natural resources, while engineering, telecommunications, automotive, pharmaceuticals and other high-technology industries form the backbone of its manufacturing sector. Agriculture accounts for only a small share of GDP and employment. According to **Table 1**, Sweden's real GDP contracted by **0.3% in 2023** but is projected to recover to **0.2% in 2024**, **2.3% in 2025**, and stabilize at around **2.1–2.2% during 2026–2029**. Average HICP inflation is estimated to decline from **5.9% in 2023** to **2.6% in 2024** and return to the **2.0% target from 2025 onwards**. The unemployment rate is projected at **8.4% in 2024** before gradually easing to **7.5% by 2027–2029**, while the current account surplus is expected to moderate from **6.1% of GDP in 2023** to around **4.0% by 2028–2029**, reflecting a gradual normalization of economic conditions.

A snapshot of Sweden's selected economic indicators is presented in Table 1.

TABLE - 1

Table 1. Sweden: Selected Economic Indicators, 2021–29

			Est.	Projections 4/					
	2021	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Real Economy (percent change)									
Real GDP	6.1	2.9	-0.3	0.2	2.3	2.2	2.2	2.1	2.1
Final domestic demand	5.7	2.4	-0.6	0.5	1.9	1.8	1.8	1.8	1.8
Private consumption	6.3	1.8	-1.7	1.1	2.2	2.3	2.2	2.2	2.2
Public consumption	3.3	-0.1	2.2	1.2	1.1	1.0	1.0	1.0	1.0
Gross fixed investment	7.1	6.0	-1.5	-1.2	2.0	1.7	1.7	1.7	1.7
Net exports (contribution to growth)	0.2	-0.6	1.7	0.7	0.2	0.3	0.5	0.5	0.5
Exports of G&S	11.1	7.3	2.9	2.0	2.7	3.2	3.5	3.5	3.5
Imports of G&S	11.6	9.2	-0.4	0.9	2.6	2.9	3.0	3.0	3.0
HICP inflation (average) 1/	2.7	8.1	5.9	2.6	2.0	2.0	2.0	2.0	2.0
HICP inflation (Q4 on Q4) 1/	3.9	10.3	3.0	2.4	2.0	2.0	2.0	2.0	2.0
HICP core inflation (average) 1/	1.6	5.5	7.4	3.5	2.2	2.0	2.0	2.0	2.0
HICP core inflation (Q4 on Q4) 1/	1.9	7.8	5.3	3.0	2.0	2.0	2.0	2.0	2.0
Unemployment rate (percent) 2/	8.9	7.5	7.7	8.4	8.2	7.7	7.5	7.5	7.5
Gross national saving (percent of	32.9	34.2	33.1	32.6	33.0	33.3	33.5	33.4	33.6

GDP)									
Gross domestic investment (percent of GDP)	25.9	28.3	27.0	26.6	27.7	28.6	29.1	29.4	29.6
Output gap (percent of potential)	1.2	1.5	-0.2	-1.5	-0.9	-0.4	-0.1	0.0	0.0
Public Finance (percent of GDP)									
Total revenues	48.1	48.1	47.1	47.4	47.9	48.9	48.9	48.9	48.9
Total expenditures	48.1	46.8	47.2	48.0	48.1	48.6	48.6	48.6	48.6
Net acquisition of nonfinancial assets	1.3	1.4	1.4	1.4	1.6	1.6	1.5	1.5	1.5
Net lending	0.0	1.3	-0.1	-0.7	-0.2	0.3	0.3	0.3	0.3
Structural balance (as a percent of potential GDP)	-0.5	0.7	0.0	0.0	0.2	0.5	0.4	0.3	0.3
General government gross debt, official statistics	36.5	32.9	34.0	34.5	33.5	32.4	31.3	30.3	29.4
Money and Credit (year-on-year, percent change, eop) 2/									
M3	10.7	2.7	-1.4	...	...	...	...	...	...
Bank lending to households	6.7	3.5	0.3	...	...	...	...	...	...
Interest Rates (percent, end of period) 2/									
Policy rate	0.0	2.5	4.0	...	...	...	...	...	...
Ten-year government bond yield	0.3	1.5	2.5	...	...	...	...	...	...
Mortgage lending rate	1.4	3.4	4.7	...	...	...	...	...	...
Balance of Payments (percent of GDP)									
Current account	7.1	5.8	6.1	6.0	5.3	4.7	4.4	4.0	4.0
Foreign direct investment, net	1.3	2.6	2.4	2.1	1.8	1.6	1.4	1.1	1.1
International reserves, changes (in billions of US dollars)	6.0	7.8	...	...	...	...	...	...	...
Reserves coverage (months of imports of goods and services)	2.8	2.6	2.7	2.6	2.5	2.3	2.2	2.1	2.0
Net international investment position	19.0	30.9	31.7	32.4	33.0	33.6	34.1	34.6	35.1
Exchange Rate (period average, unless otherwise stated) 2/									
SEK per euro	10.3	11.0	11.2	...	...	...	...	...	...
SEK per U.S. dollar	9.1	10.4	10.3	...	...	...	...	...	...
Nominal effective rate (2010=100)	93.7	88.0	83.0	...	...	...	...	...	...
Real effective rate (ULC) (2010=100) 3/	96.8	89.9	84.4	...	...	...	...	...	...
REER ULC long run average deviation	-5.5	-11.9	-16.8	...	...	...	...	...	...
Real effective rate (CPI) (2010=100)	90.3	84.8	83.1	...	...	...	...	...	...
Fund Position (December 31, 2023)									
Quota (in millions of SDRs)	4,430								
Reserve tranche position (in percent of quota)	28.2								
Holdings of SDRs (in percent of allocation)	105.2								

Memorandum Items									
CPIF inflation (average)	2.4	7.7	6.0	...	...	...	...	...	...
Sources: IMF WEO, Riksbank, Swedish Ministry of Finance, Statistics Sweden, and IMF staff calculations.									
1/ Inflations represent actual figures in 2023, core HICP defined as the HICP excluding energy and unprocessed food.									
2/ The unemployment rate, money and credit, interest rates, and exchange rate represent actual figures in 2023.									
3/ OECD based Unit Labor Cost (ULC) real effective exchange rate indicator.									
4/ Staff projections based on data as of January 31, 2024.									

Source: **IMF Executive Board Concludes 2024 Article IV Consultation with Sweden March 11, 2024.**

FOREIGN TRADE

3. As per the latest available data from the World Integrated Trade Solution (WITS), Sweden's five major merchandise export destinations are Germany, Norway, the United States, Denmark, and Finland. Conversely, Sweden's five principal import partners are Germany, the Netherlands, Norway, Denmark, and China. Sweden's five leading export commodities are: (i) Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations [271000]; (ii) Motor cars and other motor vehicles, n.e.s., including those powered by gas turbines [870390]; (iii) Human and animal blood; microbial cultures; toxins and similar products [300290]; (iv) Motor cars and other motor vehicles with reciprocating piston engines [870323] and (v) Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses [300490]. On the import side, Sweden's five major imported commodities are: (i) Petroleum oils and oils obtained from bituminous minerals, crude [270900]; (ii) Motor cars and other motor vehicles, n.e.s., including those powered by gas turbines [870390]; (iii) Petroleum oils and oils obtained from bituminous minerals (excluding crude); preparations [271000]; (iv) Transmission apparatus for radiotelephony, radiotelegraphy, radio broadcasting, or television [852520] and (v) Fresh or chilled Pacific, Atlantic, and Danube salmon [030212].

4. Sweden’s total merchandise exports amounted to **US$ 154,936 million** in **2020** and increased to **US$ 195,760 million** in **2024**. During the period **2020–2024**, exports recorded the highest annual growth of **22.40%** in **2021** over the previous year. Thereafter, export growth moderated, with a marginal increase in 2022, remaining almost unchanged in 2023, before declining slightly by **0.90%** in 2024. The **Annual Compound Growth Rate (ACGR)** of Sweden’s exports during **2020–2024** stood at **6.02%**.

5. Sweden’s total merchandise imports increased from **US$ 149,436 million** in **2020** to **US$ 188,973 million** in **2024**. Imports registered the highest annual growth of **25.35%** in **2021** over the previous year, followed by a further increase of **8.37%** in 2022. However, imports declined by **4.81%** in 2023 and by **2.21%** in 2024. During the period **2020–2024**, the **Annual Compound Growth Rate (ACGR)** of imports was **6.04%**.

6. Sweden recorded a **trade surplus** in **2020, 2021, 2023 and 2024**, while it experienced a **trade deficit** of **US$ 5,469 million** in **2022**. The trade surplus increased from **US$ 4,293 million** in **2023** to **US$ 6,787 million** in **2024**. During the period **2020–2024**, the **Annual Compound Growth Rate (ACGR)** of the total volume of trade was **6.03%**.

A snapshot of Sweden’s overall Trade Statistics is presented in Table 2 and Figure 1 below.

TABLE - 2

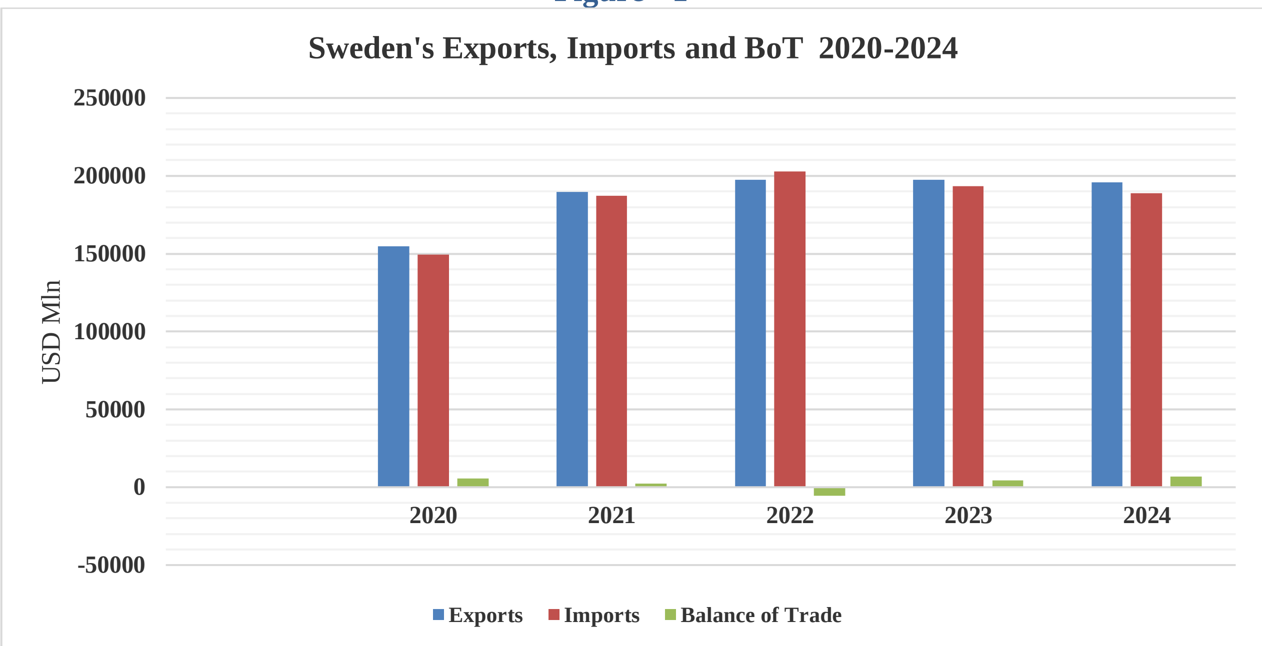
SWEDEN'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE BETWEEN 2020 TO 2024

(Value in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	154936		149436		3,04,372		5500
2021	189635	22.40	187320	25.35	3,76,955	23.85	2315
2022	197528	4.16	202997	8.37	4,00,525	6.25	-5469
2023	197534	0.00	193241	-4.81	3,90,775	-2.43	4293
2024	195760	-0.90	188973	-2.21	3,84,733	-1.55	6787
Annual Compound Growth Rate		**6.02**		**6.04**		**6.03**	

NOTE : Figures relate to calendar year (January to December)
SOURCE : UN COMTRADE PUBLICATION

Figure - 1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. During **FY 2024–25**, bilateral merchandise trade between India and Sweden amounted to **US$ 3,382.28 million**, comprising India's exports to Sweden of **US$ 1,262.05 million** and imports from Sweden of **US$ 2,120.23 million**. Compared to **FY 2023–24**, India's exports to Sweden increased by **23.88%**, while imports from Sweden rose by **21.23%**. Consequently, the total bilateral merchandise trade expanded by **22.20%** during the year. Despite the significant growth in trade, India continued to record a merchandise trade deficit with Sweden, which widened from **US$ 730.15 million** in FY 2023–24 to **US$ 858.18 million** in FY 2024–25.

8. During the period from **FY 2020–21 to FY 2024–25**, India–Sweden bilateral merchandise trade increased from **US$ 1,768.60 million** to **US$ 3,382.28 million**, registering an **Annual Compound Growth Rate (ACGR) of 17.60%**. Exports from India to Sweden increased from **US$ 763.84 million** to **US$ 1,262.05 million**, recording an **ACGR of 13.38%**, while imports from Sweden rose from **US$ 1,004.76 million** to **US$ 2,120.23 million**, registering a comparatively higher **ACGR of 20.53%**.

9. India recorded a **merchandise trade deficit with Sweden throughout the period FY 2020–21 to FY 2024–25**. During this period, India's exports to Sweden registered the highest annual growth of **35.63%** in **FY 2021–22**, followed by a decline of **7.15%** in FY 2022–23, before recovering with growth of **5.91%** in FY 2023–24 and **23.88%** in FY 2024–25. Imports from Sweden recorded their highest annual growth of **44.33%** in **FY 2021–22**, followed by increases of **19.27%** in FY 2022–23, **1.12%** in FY 2023–24 and **21.23%** in FY 2024–25. As a result, India's merchandise trade deficit with Sweden widened to **US$ 858.18 million** in FY 2024–25.

A snapshot of India's merchandise trade statistics w.r.t. Sweden is presented in Table 3 & Figure 2.

TABLE - 3

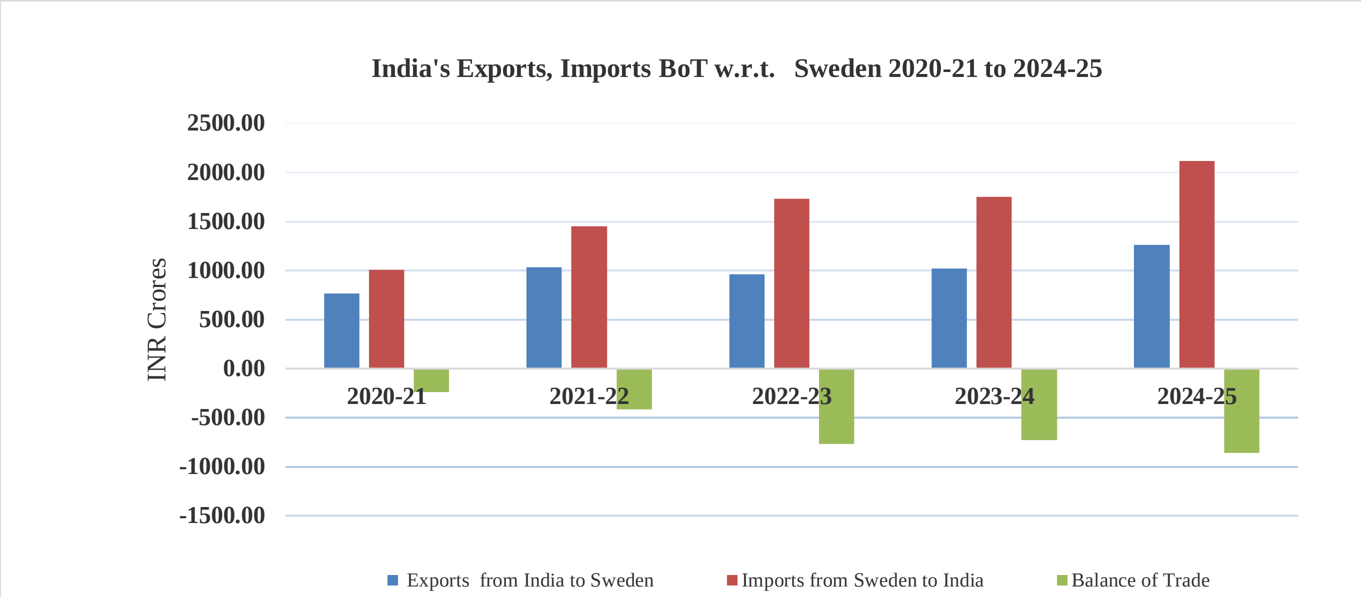
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. SWEDEN
FY 2020-2021 to 2024-2025

(Value in USD Million)

Year	Exports from India to Sweden	Percentage Growth in Exports	Imports from Sweden to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	763.84		1004.76		1768.60		-240.92
2021-22	1035.97	35.63	1450.13	44.33	2486.10	40.57	-414.16
2022-23	961.93	-7.15	1729.61	19.27	2691.54	8.26	-767.68
2023-24	1018.80	5.91	1748.95	1.12	2767.75	2.83	-730.15
2024-25	1262.05	23.88	2120.23	21.23	3382.28	22.20	-858.18
Annual Compound Growth Rate		**13.38**		**20.53**		**17.60**	

NOTE : Figures relate to Financial Year (April to March)
SOURCE : DGCI&S, M/oC&I

Figure 2



10. **Additionally, from Tables 4 & 5 presented below the following are stated:**

a. During **FY 2024–25**, **Telecom Instruments**, **RMG Cotton Including Accessories** and **Electric Machinery & Equipment** emerged as the **three principal merchandise export commodities** from India to Sweden among the selected items, with **Telecom Instruments** accounting for the highest share (**18.53%**) of India's total exports to Sweden.

b. During **FY 2024–25**, **Copper and Products Made of Copper**, **Iron and Steel** and **Pulp and Waste Paper** emerged as the **three principal merchandise import commodities** from Sweden to India among the selected items, with **Copper and Products Made of Copper** accounting for the highest share (**13.25%**) of India's total imports from Sweden.

TABLE -4

INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO SWEDEN 2020-2021 TO 2024-2025 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	**TELECOM INSTRUMENTS**	**8.77**	**14.33**	**4.35**	**85.89**	**233.89**	**63.40**	**-69.64**	**1874.48**	**172.31**
	Share in total export	1.15	1.38	0.45	8.43	18.53				
2	**RMG COTTON INCL ACCESSORIES**	**64.27**	**88.27**	**90.46**	**80.46**	**94.66**	**37.34**	**2.48**	**-11.05**	**17.65**
	Share in total export	8.41	8.52	9.40	7.90	7.50				
3	**ELECTRIC MACHINERY AND EQUIPME**	**20.71**	**46.24**	**53.57**	**39.68**	**72.30**	**123.27**	**15.85**	**-25.93**	**82.20**
	Share in total export	2.71	4.46	5.57	3.89	5.73				
4	**AUTO COMPONENTS/PARTS**	**43.2**	**62.03**	**65.65**	**70.43**	**62.92**	**43.59**	**5.84**	**7.28**	**-10.67**
	Share in total export	5.66	5.99	6.82	6.91	4.99				
5	**PRODUCTS OF IRON AND STEEL**	**37.33**	**51.37**	**48.05**	**50.07**	**54.04**	**37.61**	**-6.46**	**4.20**	**7.93**
	Share in total export	4.89	4.96	5.00	4.91	4.28				
6	**COTTON FABRICS, MADEUPS ETC.**	**36.8**	**51.97**	**38.82**	**36.88**	**42.84**	**41.22**	**-25.30**	**-5.00**	**16.15**
	Share in total export	4.82	5.02	4.04	3.62	3.39				
7	**DRUG FORMULATIONS, BIOLOGICALS**	**27.27**	**20.47**	**19.62**	**25.87**	**37.99**	**-24.94**	**-4.15**	**31.86**	**46.84**
	Share in total export	3.57	1.98	2.04	2.54	3.01				
8	**CARPET(EXCL. SILK) HANDMADE**	**33.88**	**48.04**	**32.27**	**28.34**	**35.04**	**41.79**	**-32.83**	**-12.18**	**23.63**
	Share in total export	4.44	4.64	3.35	2.78	2.78				
9	**OTHER MISC. ENGINEERING ITEMS**	**26.31**	**34.15**	**31.89**	**34.53**	**31.81**	**29.80**	**-6.62**	**8.28**	**-7.88**
	Share in total export	3.44	3.30	3.32	3.39	2.52				
10	**IC ENGINES AND PARTS**	**15.02**	**26.45**	**27.98**	**31.42**	**30.84**	**76.10**	**5.78**	**12.29**	**-1.83**
	Share in total export	1.97	2.55	2.91	3.08	2.44				
	Total exports to SWEDEN	**763.84**	**1035.97**	**961.93**	**1018.80**	**1262.05**	**35.63**	**-7.15**	**5.91**	**23.88**

NOTE : Figures relate to each Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I

TABLE -5

INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM SWEDEN 2020-2021 TO 2024-2025 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Import					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	**COPPER AND PRDCTS MADE OF COPR**	**23.50**	**29.47**	**39.70**	**40.20**	**280.98**	**25.40**	**34.71**	**1.26**	**598.95**
	Share in total import	2.34	2.03	2.30	2.30	13.25				
2	**IRON AND STEEL**	**115.49**	**186.97**	**274.83**	**253.14**	**186.90**	**61.89**	**46.99**	**-7.89**	**-26.17**
	Share in total import	11.49	12.89	15.89	14.47	8.82				
3	**PULP AND WASTE PAPER**	**59.51**	**115.65**	**198.59**	**159.88**	**180.77**	**94.34**	**71.72**	**-19.49**	**13.07**
	Share in total import	5.92	7.98	11.48	9.14	8.53				
4	**AUTO COMPONENTS/PARTS**	**56.66**	**65.60**	**87.65**	**117.71**	**141.68**	**15.78**	**33.61**	**34.30**	**20.36**
	Share in total import	5.64	4.52	5.07	6.73	6.68				
5	**INDL. MACHNRY FOR DAIRY ETC**	**89.22**	**81.71**	**81.63**	**98.35**	**129.01**	**-8.42**	**-0.10**	**20.48**	**31.17**
	Share in total import	8.88	5.63	4.72	5.62	6.08				
6	**PAPER, PAPER BOARD AND PRODUCT**	**68.47**	**84.05**	**111.77**	**98.83**	**117.21**	**22.75**	**32.98**	**-11.58**	**18.60**
	Share in total import	6.81	5.80	6.46	5.65	5.53				
7	**PROJECT GOODS**	**4.98**	**21.77**	**29.38**	**14.14**	**115.32**	**337.15**	**34.96**	**-51.87**	**715.57**
	Share in total import	0.50	1.50	1.70	0.81	5.44				
8	**DRUG FORMULATIONS, BIOLOGICALS**	**17.86**	**54.27**	**34.60**	**63.69**	**82.47**	**203.86**	**-36.24**	**84.08**	**29.49**
	Share in total import	1.78	3.74	2.00	3.64	3.89				
9	**MEDICAL AND SCIENTIFIC INSTRUM**	**22.95**	**56.16**	**72.75**	**82.28**	**76.34**	**144.71**	**29.54**	**13.10**	**-7.22**
	Share in total import	2.28	3.87	4.21	4.70	3.60				
10	**ELECTRIC MACHINERY AND EQUIPME**	**53.90**	**78.61**	**53.94**	**71.11**	**69.32**	**45.84**	**-31.38**	**31.83**	**-2.51**
	Share in total import	5.36	5.42	3.12	4.07	3.27				
	Total import from SWEDEN	**1004.76**	**1450.13**	**1729.61**	**1748.95**	**2120.23**	**44.33**	**19.27**	**1.12**	**21.23**

NOTE : Figures relate to each Financial Year (April to March)
SOURCE : DGCI&S, M/o C&I