

Weekly China Insight

Beijing, 17 October 2025

China Insight - Special Edition on China-Sweden Engagement

After years of strained relations, a notable thaw appears underway between China and Sweden, as political dialogue, industrial collaboration, and green innovation converge once again. The following key developments illustrate this multifaceted re-engagement.

Swedish foreign and European affairs ministers visit China in the same week

A week of significant diplomatic activity saw high-level visits to China by both Swedish Foreign Minister Maria Malmer Stenergard and Minister for EU Affairs Jessica Rosencrantz. The visit by Minister Stenergard—the first by a Swedish foreign minister in 16 years—was particularly symbolic and yielded a key result: China's announcement that it is ready to grant visa-free travel to Swedes, a tangible move to deepen people-to-people ties.

During talks, Stenergard reaffirmed Sweden's One-China policy and openness to enhanced cooperation in trade, innovation, and the green transition, premised on alignment with Swedish interests and values. In response, Minister Wang Yi, acknowledging past strains, urged a renewal of bilateral trust and encouraged Sweden to adopt an independent strategic and long-term view in developing relations with China.

Scania inaugurates €2 billion industrial hub in China

On 15 October, Scania officially inaugurated its new manufacturing and R&D hub in Rugao, Jiangsu Province – its third global industrial hub, alongside those in Sweden and Brazil. The facility creates around 3,000 new jobs with an annual production capacity of 50,000 vehicles. It will supply both the Chinese market and selected export markets across Asia and beyond. Two commercial offerings are planned: the global Scania range and a new tractor product range – NEXT ERA – developed specifically for China's competitive long-haul and volume segment.

“Our establishment in Rugao is more than a factory; it will be part of China's dynamic innovation landscape and fuel Scania's own development,” says Christian Levin, President and CEO of Scania and TRATON Group, “By also producing and innovating locally, we can tap into China's speed and creativity, strengthen our global capabilities and accelerate the shift towards sustainable transport.”

Dellner deepens China-Europe rail ties with new innovation push from Hubei province

On 15 October, at the 2025 China–Nordic Economic and Trade Cooperation Forum in Wuhan, Dellner reaffirmed the company’s commitment to deepening local innovation and supply chain integration in China’s rail sector. Dellner will scale up its localized operations in Hubei to better serve both domestic and European markets. The company plans to involve Hubei-based suppliers in the digital infrastructure initiative, positioning central China as a contributor to Europe’s next-generation rail system.

Stena Line names next-generation hybrid vessel in China to boost Irish Sea freight

On 16 October, Stena Line officially named its newest vessel, Stena Connecta, at the CMI Shipyard in Weihai, China, ahead of the ship’s delivery voyage to the Irish Sea. The vessel is the second of two new freight ferries built to increase capacity and sustainability on the Belfast–Heysham route. Together with a sister ship, the new vessels will raise freight capacity on the route by 40%, meeting rising customer demand and reinforcing Stena’s 30-year operational presence in the region.

SEB Marks 20th Anniversary of Shanghai Branch

On 10 October, SEB commemorated this milestone together with its clients and business partners. Mr. Jacob Wallenberg, Chairman of the Board of Investor AB, highlighted SEB’s long history and sustained long-term dedication to the Chinese market.