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COUNTRY DOSSIER

Switzerland

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Country Dossier – Switzerland

India is one of Switzerland's key trading partners in Asia and the latter is the 12th largest investor in India. As per the figures from the Ministry of Commerce and Industry, Swiss companies have made investments worth CHF 5'038 million approximately (USD 51 billion) in India and have created over 135,000 jobs in India so far. With more than 300 subsidiaries, joint ventures, branches or liaison offices, the number of Swiss companies active in India has increased over the years. The focus areas of the Swiss Business Hub, the body responsible for implementing Swiss export strategies in India and for promoting Switzerland as a business location, include Personalized Health, Advanced Manufacturing, Artificial Intelligence, Blockchain, Robotics & Drones, Foodtech, Medtech, Cleantech, Fintech, Spacetech and Infrastructure. Switzerland and India have signed numerous bilateral agreements covering a range of areas including trade, development cooperation, education and vocational training, visas, migration, air traffic, investment, finance, taxation and scientific and technological cooperation. Bilateral trade between Switzerland and India stood at around 11 billion Swiss francs. While money parked by Indians in Swiss Banks jumped to a 14-year-high of CHF 3.83 billion on the back of rise in holdings and customer deposits, latest data from Zurich-based Swiss National Bank (SNB) showed.

G2G initiatives

The Swiss Government, primarily through the Swiss Business Hub India, supports SMEs for market entry into India. In 2023, the Swiss Business Hub plans to bring a Swiss railway delegation to India and connect them to relevant Indian stakeholders to initiate partnerships.

Swiss Agency for Development and Cooperation SDC has signed several MoUs with Indian authorities such as the Ministry of Power, Ministry of Environment, Forest and Climate Change, and NITI Aayog. Furthermore, India and the European Free Trade Association EFTA, of which Switzerland is a key member, started evaluations for a Free Trade Agreement, which, once concluded, would strengthen the Indo-Swiss partnership considerably.

Indo-Swiss Building Energy Efficiency Project (BEEP)-- through their partnership and innovative technologies have resulted in a 30% gain in energy efficiency at very moderate additional costs. Today in India, 5,000 people have benefited from better housing (living in 1,200 thermally comfortable housing units) due to energy efficient design measures in buildings, avoiding 1,500 tonnes of CO_2 emissions.

The negotiations on the Free Trade Agreement (FTA) between India and Switzerland will resume in February 2023 when the Swiss trade secretary will be on a visit to New Delhi. The FTA will be a great opportunity for Swiss investments in India to grow triple-fold.

According to Swiss Ambassador to India Ralf Heckner, Black money is not an issue anymore in financial relations between Switzerland and India, as both sides have already exchanged several batches of information.

Sectoral Synergies

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Food Processing

- Swiss multinational food and beverage company Nestlé wants to invest USD 613 million in India by 2025. According to Nestlé CEO Mark Schneider, "rapid investment plans" will allow for the company's product line to be expanded, new manufacturing facilities to be established, brand enhancements, and prospective acquisitions. Nestle, which operates 9 plants employing roughly 6,000 people across the country, is looking at new locations to expand manufacturing capacity.
- Nestle India Ltd, and other strategic and financial investors are in talks to buy a significant stake in nutritional snacks startup Yoga Bar. Yoga Bar, backed by venture capital funds such as Elevation Capital and Fireside Ventures, is being valued at around Rs 4.50-5 billion. The company has also held talks with private equity firms to raise primary capital of around US D 20-25 million.

Renewable Energy

- Swiss investment firm Partners Group will acquire a majority stake in Gurgaon-headquartered renewable energy company Sunsure Energy for USD 400 million. The investment in Sunsure Energy, which has historically built solar plants for commercial and industrial users, is to help transform the company into an independent power producer which will have 3 gigawatt of operational capacity and sell power directly to commercial and industrial customers.

Insurance

- The Piramal group and Zurich Insurance have decided to jointly bid for Reliance General Insurance, a subsidiary of Reliance Capital. They had earlier submitted separate bids for the general insurance business of the bankrupt Reliance Capital. Both Piramal and Zurich will hold 50 % each in the proposed special purpose vehicle (SPV). The SPV would make the bid for the company, with Rs 750 million earmarked as deposits. Bankers said the success of the proposed SPV in buying RGIC will mark Zurich Insurance's entry into India's general insurance business.

Pharma

- Roche Pharma has set up a Global Analytics and Technology Centre of Excellence (GATE) in Hyderabad, its second centre in the country. The facility will work with the global affiliates of Roche to advance knowledge and understanding of healthcare space, thereby helping improve customer engagement, patient experience and business outcomes.

Sectoral Synergies

Manufacturing

- Of the 300-odd Swiss companies in India, around 100 are engaged in manufacturing, which will remain the backbone of Swiss investments in the country. Switzerland is engaged in discussions with Indian stakeholders relating to collaboration in the development of railways. For e.g., ABB will continue to make significant investments in India in R&D and shared services. India hosts several of ABB's centres of expertise that use new-age digital and analytics tools.
- Hyderabad-based Medha Servo Drives Pvt Ltd has entered into a joint venture with Swiss railway rolling stock manufacturer Stadler Rail for its rail coach manufacturing facility that is coming up at an investment of over Rs 10 billion in Telangana.

CleanTech

- Swiss cleantech expertise is helping make Indian infrastructure more sustainable. One example is the new carbon neutral Noida International Airport which is being built by Zurich Airport.
- Switzerland has several projects in climate change and environment implemented in India by the Swiss Agency for Development and Cooperation (SDC). SDC works on both climate change adaptation and mitigation, and all its programmes are aligned with India's medium and long- term climate objectives, whether it is the reduction of emissions intensity of GDP by 45%, or the increase in renewable energies.

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