



Economic relationship between India and Switzerland

by Larry D'Souza, CEO SICC (Swiss Indian-Chamber of Commerce) Zurich

Switzerland and India have developed a strong economic relationship over the years, 2018 marked the 70 years of the Swiss-Indian Friendship since the 1948 signing of the friendship treaty between both countries. Over the decades both countries have forged new perspectives with strong and robust economic alliances from various Industries. As a chamber we have born witness to that economic development since our foundation in 1985. We have been operating bilaterally since 2008 and now have a robust management team between both Switzerland and India dedicated to growing business between companies and individuals in both countries. SICC is widely recognized as a key player in advancing Indo-Swiss economic relationships. As an independent organization, the Chamber co-operates with all public and private institutions that pursue similar goals.

SICC has offices in Zurich, Switzerland and Mumbai, India. In India, SICC is represented by Regional Presidents in Bangalore (SICC Southern Region); Delhi (SICC Northern Region) and Mumbai (SICC Western Region) and Pune (Pune Chapter).

SWISS-INDIA BILATERAL INVESTMENT FLOWS 2017-18

Switzerland is ranked among the top foreign investors (11th position) in India. As per the cumulative FDI inflows data available for April 2000-March 2018, Switzerland has invested some USD 4.3 billion in diverse sectors. As part of foreign direct investment in India, including investment from Switzerland, is presumably routed through other countries, the actual Swiss direct investment in India is probably higher. As per the

latest Swiss National Bank data, by end of 2016, the total of stock capital invested by Swiss companies in India amounted to CHF 4.6 billion, creating over 82'000 jobs.

There are more than 250 joint ventures / wholly-owned subsidiaries of Swiss companies operating in India. A major part of Swiss investment in India has gone into engineering and industrial equipment, services (tourism, financial, logistics etc.), precision instruments, chemical and pharmaceutical, electrical and electronics, construction and consumer goods sectors.

Switzerland continues to attract more investment from Indian companies looking for a gateway to Europe. Currently, about 140 Indian companies have a presence in Switzerland.

Switzerland remains within the top 10 investment destinations for Indian companies. Recent Indian investments in Switzerland have come from sectors such as ICT, analytics, fintech and pharmaceuticals. The activities conducted by Indian companies in Switzerland range from business development to R&D and IP management.

Switzerland as a financial center: Indian companies engaged in external trade have been using the Swiss banking system for business transactions.

APRIL 2000 – MARCH 2018

Rank	Country	Direct Investment (US\$ mill.)	%Share	% Variation	Inflows over past year (US\$ mill.)
1	Mauritius	127,578	34	12.5	15,941
2	Singapore	66,771	18	18.2	12,180
3	Japan	27,286	7	5.9	1,610
4	UK	25,438	7	3.3	847
5	Netherlands	23,482	6	11.9	2,800
6	USA	22,417	6	9.3	2,095
7	Germany	10,845	3	10.5	1,146
8	Cyprus	9,573	3	4.4	417
9	France	6,237	2	8.2	511
10	UAE	5,754	2	18.2	1050
11	Switzerland	4,313	2	12.0	515
	Total	376,848	100	11.9	44,857

Source: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry

SWISS-INDIAN BILATERAL TRADE

According to the Department of Commerce, Ministry of Commerce and Industry, Government of India, exports from India to Switzerland increased (from USD 979 million in April-March 2017 to USD 1,084

million in April-March 2018) registering a positive trend of 10 % rise increasing the share to 0.36 %. On the other hand, Imports by India from Switzerland has also shown marginal increase to USD 1.8 billion (+9.71%). Gold imports amounting to USD 1.7 billion out of the total share of imports. In 2017, the trade balance continued to be positive for Switzerland, amounting to a surplus of CHF 17.8 billion. The total volume of goods traded with India stood at CHF 19.5 billion, up +33.7 % YoY.

Rank	ITEMS	2016 (% of Total)	2017 (% of Total)
1	Gold, precious metals & jewelry	88.7	91.6
2	Machinery	3.9	2.6
3	Chemicals	2.3	2.0
4	Pharmaceutical	1.7	2.0
5	Optical instruments & medical devices	1.2	0.9

According to Swiss foreign trade statistics India is newly ranked as the 4th largest destination (8th largest in 2016) for Swiss exports in 2017 (including gold and other precious metals and precious stones etc.), after Germany, USA and China.

Exports increased by +36.2 % YoY and imports by +9.4 % YoY. Exports of fertilizers, dyes and pigments increased by 70.6% YoY, precious stones, precious materials and jewelry by +40.6% YoY. Exports in ammunition/ weapons decreased by -38% YoY. On the other hand, imports of basic chemical products increased by 23.3% YoY and amounted to almost 30% of Swiss imports from India.

SWISS EXPORTS TO INDIA

Rank	ITEMS	2016 (% of Total)	2017 (% of Total)
1	Chemical	28.9	32.5
2	Textiles, clothing, shoes and umbrellas	23.1	23.3
3	Gold, precious metals & jewelry	14.1	10.8
4	Agricultural products	7.9	6.9
5	Machinery	6.5	6.6

On the import side, India was ranked 26th whilst total trade with India was ranked 9th. As in the previous year, the major items that Switzerland exported to India in 2017 were gold, precious metals and jewelry (+40.6%), machinery (-8.4%), chemicals (+25.7%), pharmaceuticals (-5.0%), watches (+7.9%) as well as optical instruments and medical devices (+7.4%). The main items imported by Switzerland from India during the same period were chemical (+23.2%), textiles, clothing, shoes (+10%), gold, precious metals and jewelry (-15.9%), agricultural products (-4.3%) and machinery (+11.3%).

TRADE IN SERVICES

Switzerland and India have a strong relationship in terms of trade in services. With regard to tourism, the overnight volume of Indian tourists in Switzerland has been growing steadily for the last decade by 119%. Switzerland remains among the top destinations for outbound Indian tourists. In 2017, the Indian tourists generated 739'185 overnights, a growth of 23.4 % YoY, which is one of the highest growth rates registered for Asian tourists. The export of software and other IT-enabled services from India to Switzerland is estimated to be around USD 2 billion annually.

INDIA'S TRADE PARTNERS - FY 2017-18

Exports during 2017-18 are at USD 303 billion registering a growth rate of 9.78 % vis-à-vis 2016-17. Major commodity groups of export showing positive growth are engineering goods (14%), Petroleum products (52%), Gems and Jewelry (2.72 %), Organic and Inorganic chemicals (30%), Drugs & Pharmaceuticals (14%). With Switzerland, India had trade worth USD 1'083 million (with gold) during April 2017-March 2018.

Cumulative value of **imports** for the period April-March 2017-18 was USD 465 billion as against USD 384.36 billion registering a positive growth of 19.59% over the same period last year. Major commodity groups of import showing high growth Petroleum, Crude & products (56.61%), Electronic goods (14.28%), Machinery, electrical & non-electrical (32.83%), Coal, Coke & Briquettes, etc. (26.98%), and, Organic & Inorganic Chemicals (24.28%). India's imports from Switzerland (USD 18'923 million - inclusive of gold bars and other precious metals, coins, precious stones and gems etc.).

Rank	Country	Exports (US\$ mill.)	% Share		Rank	Country	Imports (US\$ ill.)	% Share
1	USA	48,878	16.0		1	China	76,271	16.0
2	UAE	28,145	9.2		2	USA	26,611	5.7
3	Hong Kong	14,690	4.8		3	UAE	21,739	4.6
4	China	13,336	4.3		4	Saudi Arabia	22,069	4.7
5	Singapore	10,202	3.3		5	Switzerland	18,923	4.1
6	U.K.	9,690	3.1		6	Indonesia	16,438	3.6
7	Germany	8,687	2.8		7	South Korea	16,361	3.5
47	Switzerland	1,083	0.35		8	Iraq	17,615	3.7
					9	Germany	13,295	2.8
	EU	49,121	19.0			EU	44,356	14.0
	Total	303,376	100.0			Total	465,577	100.0

For further information or SICC membership in Switzerland or India

MANAGEMENT SWITZERLAND

Carina Steiner Langeneke, Executive Director, carina.steiner@sicc.ch

Suki Dusanj - Lenz

Executive Director - Corporate Relations, suki.dusanj-lenz@sicc.ch

MANAGEMENT INDIA

Larry D'Souza

CEO, SICC India, larry.dsouza@siccindia.in

Darshana Thaker

Assistant Manager, darshana.thaker@siccindia.in.

www.sicc.ch