



Background information: Swiss-Indian relations

July 2019

Switzerland and India share close and dynamic relations rooted in common democratic values. The close relationship is reflected in a large number of agreements and treaties, and in frequent high-ranking diplomatic visits between the two countries. The broad-based and multi sectoral cooperation between Switzerland and India covers several areas including economy, science, development, vocational education and training, migration and culture.

Political and diplomatic relations

India is one of Switzerland's key partners in Asia. Regular high-level visits have strengthened the relations between the two countries. In addition to Presidential and ministerial visits, the two countries hold yearly political and thematic consultations and dialogues. Following the State visit to India by Swiss President Mrs. Micheline Calmy Rey in November 2007, Indian President Mrs. Pratibha Devisingh Patil visited Switzerland in September 2011. Indian Prime Minister Mr. Narendra Modi travelled to Switzerland on an official visit in June 2016 and on a working visit in January 2018. Swiss President Mrs. Doris Leuthard paid a State visit to India in August/September 2017. Switzerland and India have been regularly conducting foreign office consultations since 2005. Since 2012, the two countries have also been involved in a dialogue on migration and consular matters.

Switzerland and India have signed numerous bilateral agreements encompassing several sectors including trade, development cooperation, vocational education and training, visas, migration, air traffic, investments, finance, taxation, disaster management, and cooperation in science and technology.

This year, Switzerland and India are commemorating the 70th anniversary of the Swiss-Indian Treaty of Friendship, signed on 14th August 1948. This was one of the first such treaties signed by independent India and an important milestone in Swiss-Indian relations.

In order to facilitate easy accessibility and to render services to Indian and Swiss citizens, companies, scientific partners and cultural actors, Switzerland maintains a wide network of representations across India. Besides the Swiss Embassy in New Delhi, there are Consulates General of Switzerland in Mumbai and Bangalore, Honorary Consulates in Kolkata and Chennai, a Swiss Business Hub in Mumbai, a swissnex office in Bangalore and a Switzerland Tourism office in Mumbai.

Bilateral Economic Relations

India is a country of high importance for Swiss foreign economic policy. It is Switzerland's fourth largest trading partner in Asia, and its first in South Asia. India, one of the fastest growing emerging economies, offers a plethora of business opportunities for Swiss companies.

Switzerland is the 11th largest investor in India¹. As per the latest figures from Indian Ministry of Commerce and Industry, Swiss companies made investments worth CHF 4'633 billion (US\$ 4.64 billion) in India between 2000 and March 2019.² Swiss companies have created over 82,000 jobs in India so far. Over the last years, the number of Swiss companies active in India has further increased, with currently around 250 subsidiaries, joint ventures, branches or liaison offices present.

The companies have successfully taken advantage of business opportunities to grow within a promising Indian market environment. Numerous Swiss companies have established new manufacturing plants in order to mitigate the consequences of the strong Swiss franc and high import duties in the value conscious Indian market. 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.

According to Swiss foreign trade statistics (provisional data), Swiss exports to India in 2018 amounted to CHF 17'439.41 Mio (+36.2%), while Swiss imports from India in 2018 amounted to CHF 1'834.52 Mio (+9.4%).

Switzerland and India have a strong relationship in terms of trade in services. Tourist arrivals from India have been growing steadily for many years, with 780'815 overnights spent by Indians in Switzerland during 2018 (+41,630)³. A good number of Swiss companies are active in India in the field of engineering services, either as independent service providers or as part of high-tech machinery suppliers. Switzerland is a major market for Indian companies engaged in IT related services. The export of software and other IT enabled services from India to Switzerland is estimated to be around US\$ 2 billion annually.

Several well-established intergovernmental dialogues exist between the two countries. The Joint Economic Commission meets regularly to discuss economic issues of mutual interest. The last meeting took place in New Delhi in February 2018. In addition, a Financial Dialogue between the Swiss State Secretariat for International Financial Matters and the Indian Ministry of Finance was initiated in 2012 and since then the officials from both sides have met on a number of occasions.

With regard to a Free Trade Agreement - Trade and Economic Partnership Agreement (TEPA) - the negotiations between EFTA member states and India were reactivated in 2016. The 17th round of India-EFTA negotiations took place in September 2017 in New Delhi, negotiations are ongoing. Further, negotiations between Switzerland and India on a Bilateral Investment Treaty (BIT) are ongoing.

Switzerland and India signed, in December 2017, a mutual agreement related to the introduction of the Automatic Exchange of Information (AEOI) in tax matters, on a reciprocal basis. It is implemented as of 1st January 2018, with a first exchange of data in autumn 2019.

¹ https://dipp.gov.in/sites/default/files/FDI_Factsheet_27May2019.pdf

² https://dipp.gov.in/sites/default/files/FDI_Factsheet_27May2019.pdf

³ https://www.swissinfo.ch/eng/tourism_swiss-yatra/41294356

The signing of the Mutual Agreement with India confirms Switzerland's international commitment to implementing the AEOI standard, and that it is moving forward to strengthen its network of AEOI partner states.

Switzerland is also the 7th largest recipient of Indian investments (US\$ 1.42 billion received over the last three years 2016-17, 2017-18, 2018-19 (March)).⁴ About 140 Indian companies have a presence in Switzerland.

Facilitating Bilateral Trade and Investment

The Swiss Business Hub India (SBHI) represents Switzerland Global Enterprise, the official export and investment promotion agency of the Swiss government, mandated by the State Secretariat for Economic Affairs. Set up in 2001, the SBHI is located at the Consulate General of Switzerland in Mumbai and the Embassy of Switzerland in New Delhi.

The Export Promotion team of the SBHI has been supporting over a 100 Swiss companies, both new and with existing presence in India, on a yearly basis. With an experienced team of in-house consultants and its network of local experts, the SBHI provides services such as market information, business partner search, business model identification and so on. Most of these services are free, and some specially requested ones are offered on a mandate basis. The SBHI regularly identifies business opportunities in India and carries out activities to present these to Swiss companies.

Further, the Investment Promotion team of the SBHI promotes Switzerland as a competitive business location and facilitates investments of Indian companies by providing free advisory services to potential Indian investors. Collaborating closely with cantonal and regional economic development agencies, the SBHI assesses projects, and connects prospective investors with relevant stakeholders and experts in Switzerland. Focused events and meetings are organized to attract Indian investors.

Link: www.s-ge.com

Cooperation in education, research and innovation

In 2003, Switzerland and India signed an agreement for scientific and technological cooperation. A MoU on cooperation in the social sciences was signed in 2012. So far Switzerland has invested circa CHF 15.1 million (US\$ 15.4 million) in this cooperation, which has been matched by the Indian Government. In the latest funding rounds, projects on translational medical research, medical technology and renewable energy research, as well as in the social sciences have been supported. Following a new call for proposals, 12 blue sky research in the life sciences (biotechnology related or biotechnology inspired) will be funded in the coming year. Since 2017, the Zürcher Hochschule für Angewandte Wissenschaften (ZHAW; Zurich University of Applied Sciences) is new Leading House for South Asia in Switzerland. Mandated by the Swiss State Secretariat for Education, Research and Innovation (SERI), the ZHAW promotes and fosters scientific cooperation with key institutions in India during the funding period 2017-2020.

⁴ <https://dea.gov.in/sites/default/files/ODI%20Fact%20sheet%20April%202016%20to%20March%202019.pdf>
(<https://dea.gov.in/overseas-direct-investment>)

swissnex India was established in Bangalore in 2011. swissnex India facilitates collaborations between Swiss and Indian institutions of higher education and research and acts as an information hub on developments in the science, innovation & education landscape in India and Switzerland. swissnex India also brings exciting projects combining science and arts into the spotlight and provides a lively platform of showcasing creativity in all art forms. Between 2013 and 2017, swissnex India has coached and facilitated over 350 deep science and hi-tech Swiss startups and researchers to validate and enter the Indian market, of which 42 startups are conducting business with India. These Swiss startups are from artificial intelligence/machine learning, fintech, medtech, material sciences, robotics and similar hi-tech domains.

Further, swissnex India conducts the 'Academia Industry Training Camp', co-funded by both Switzerland and India, where top 10 Indian and Swiss applied scientists respectively, are selected and coached in the market application of their research project. Three camps with 55 participants have taken place so far and about 50 percent of these participants have successfully commercialized their research work.

India is a priority country for the Swiss Government Excellence Scholarships. 167 scholarships have been awarded to applicants from India to pursue post graduate research in Switzerland in the past 10 years.

Switzerland is becoming an important destination for Indian students seeking higher education abroad. The number of Indian students registered in the Swiss public university system has grown from 268 in 2005 to 978 in 2017. In addition, it is estimated that there are currently about 400 Indian students studying management and courses related to the hospitality industry.

Cooperation in skill development and vocational education and training

The Swiss Vocational Education and Training Initiative India (SVETII) and a successor project, the Quality Assurance Project India, reflected a specific demand of companies in India for qualified workers as well as Switzerland's interest in positioning its vocational education and training (VET) system internationally. Considered a success, the pilot project has by now been implemented by a dozen Swiss and Indian companies, in the states of Karnataka, Maharashtra, Gujarat, Haryana and Tamil Nadu.

In June 2016, Switzerland and India signed a MoU on cooperation in the area of skill development and vocational and professional education and training. Under this MoU, curriculum development, training of trainers, familiarization visits to Switzerland and research have been identified as possible areas in which to initiate cooperation.

Inaugurated in April 2016, the Bharatiya Skills Development University in Jaipur, an initiative of the Switzerland based Rajendra & Ursula Joshi Foundation, offers various courses based on the Swiss dual training system. The Rajasthan legislative assembly passed a bill incorporating the BSDU in Jaipur, thereby setting up the first Skill University in India.

Development cooperation

The Swiss Agency for Development and Cooperation (SDC) is implementing climate change and environment related projects in India. The projects focus on enhancing resilience (adaptation) and reducing emissions (mitigation).

SDC has been supporting development programs in India since 1958. Classical bilateral development cooperation was phased out in 2010, but SDC remains active in India with projects in the area of climate change and environment. In the climate change adaptation domain, the focus is on supporting States action plans in specific sectors (water, forest, disaster risk reduction), building resilience of mountain population and ecosystems and improving farmers' smart agriculture strategies.

In the climate change mitigation domain, focus is on supporting India's effort towards energy transition enhancing energy efficiency of buildings, research on low carbon cement, promoting solar irrigation and supporting climate resilient cities action plans which will enable India to achieve its Nationally Determined Contribution. Impact of environmental pollution will be addressed through a clean air initiative. SDC disburses CHF 6-7 million per year for the implementation of these projects. They are aimed at supporting India's climate-compatible development. The projects are contributing towards the implementation of the Government of India's flagship national missions such as the National Mission for Sustaining the Himalayan Ecosystem, the National Programme on Energy Efficiency in Buildings, implementation of the State Action Plans on Climate Change, Crop Insurance Scheme, National Clean Air Programme and contribution towards the Smart City Mission. SDC's approach is to foster partnerships between Swiss and Indian experts and institutions towards introducing innovative solutions, generating and sharing knowledge and informing policies. SDC is taking lessons from its interventions in India to regional (such as Himalayan University Consortium of International Centre for Integrated Mountain Development ICIMOD and Asia Low Emissions Development Partnership for Cities) and global platforms such as Global Alliance for Building and Construction (GABC) and Energy Efficiency for Emerging Economies (E4) programme of the International Energy Agency (IEA).

SDC further supports cooperation activities on other global issues such as food and water security, as well as humanitarian aid according to the needs of the Government of India. In addition, the Swiss Cooperation Office in New Delhi is home to the secretariat of the Local Governance Initiative and Network (LOGIN), a network bringing together partners from 10 countries in South Asia and South-East Asia.

Links: <http://ihcap.in/> <https://www.lc3.ch/> <http://www.loginasia.org/> <http://www.beepindia.org/>
<http://capacitiesindia.org/>

Cultural ties

Switzerland and India have a long history of cultural ties. Numerous Swiss artists, architects, and researchers have been active in the Indian subcontinent. In the late 19th and early 20th century. Le Corbusier (architect), designed the city of Chandigarh and Alice Boner (painter, sculptor, art historian) contributed to the discovery of Indian architectural, sculptural studies as well as to reviving Kathakali.

In recent years famous Swiss architects like Mario Botta and Herzog & De Meuron have designed buildings for well-known Indian institutions. Famous performers like Masha Dmitri, Gilles Jobin have left their footprints in India by mentoring young Indian artists. On the Indian side, film producers such as late Mr. Yash Chopra brought Switzerland and India closer through popular Hindi movies filmed in the Swiss Alps. Similarly, the Locarno International Film

Festival has served a breaking ground for Indian film makers like Satyajit Ray who spread out their wings in the world from here on.

In the field of contemporary art and artistic exchanges the Swiss networking evening on occasion of the India Art Fair, led by MCH Basel and an Indian counterpart has been established as a Swiss brand, ever since its launch in the year 2014. These years were also testimonies to collaborations of the Museum Rietberg with the Bhau Daji Laad Musueum in Mumbai, the National Museum in Delhi. On several occasions the Embassy collaborated with other government institutions and cultural partners like the National Gallery of Modern Arts, the Government Museum in Chandigarh and others.

Since the opening of Pro Helvetia – Swiss Arts Council, in New Delhi in 2007, cultural relations between the two countries have further intensified. Pro Helvetia focuses its efforts on contemporary literature, visual arts, dance and design. Moreover, several Indian and Swiss artists had the opportunity to profit from the residency programs in Switzerland as well as in India offered by Pro Helvetia.
