

Cross-Border Opportunities: Switzerland & India

IndStrat  International

By Dr. Christoph Sievers

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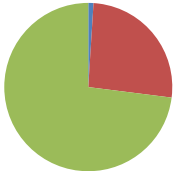
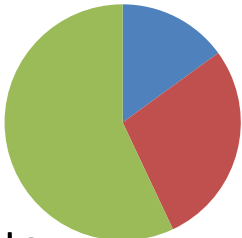
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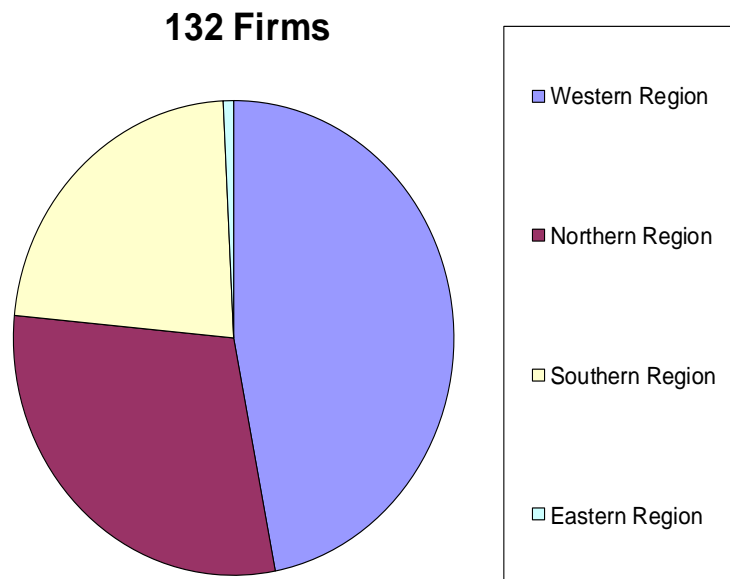
Switzerland: What Is It Compared To India

- Small country with a population of 8 Mio. People, approx. 25% foreigners, 1.1% population growth
- 4 Cultures – Variety (German, French, Italian, Romantsch)
- 35% arable plains and populated, 65% mountains
- Age structure:
 - 0-19 years 20.6 %
 - 20-39 years: 26.7 %
 - 40-64 years: 35.5 %
 - 65 years and older 17.2 %
- GDP by Sector 2010:

	Switzerland: USD bio 636	India: UDS bio 1845
■ Primary	1%	Primary 15%
■ Secondary	26%	Secondary 28%
■ Tertiary	73%	Tertiary 57%

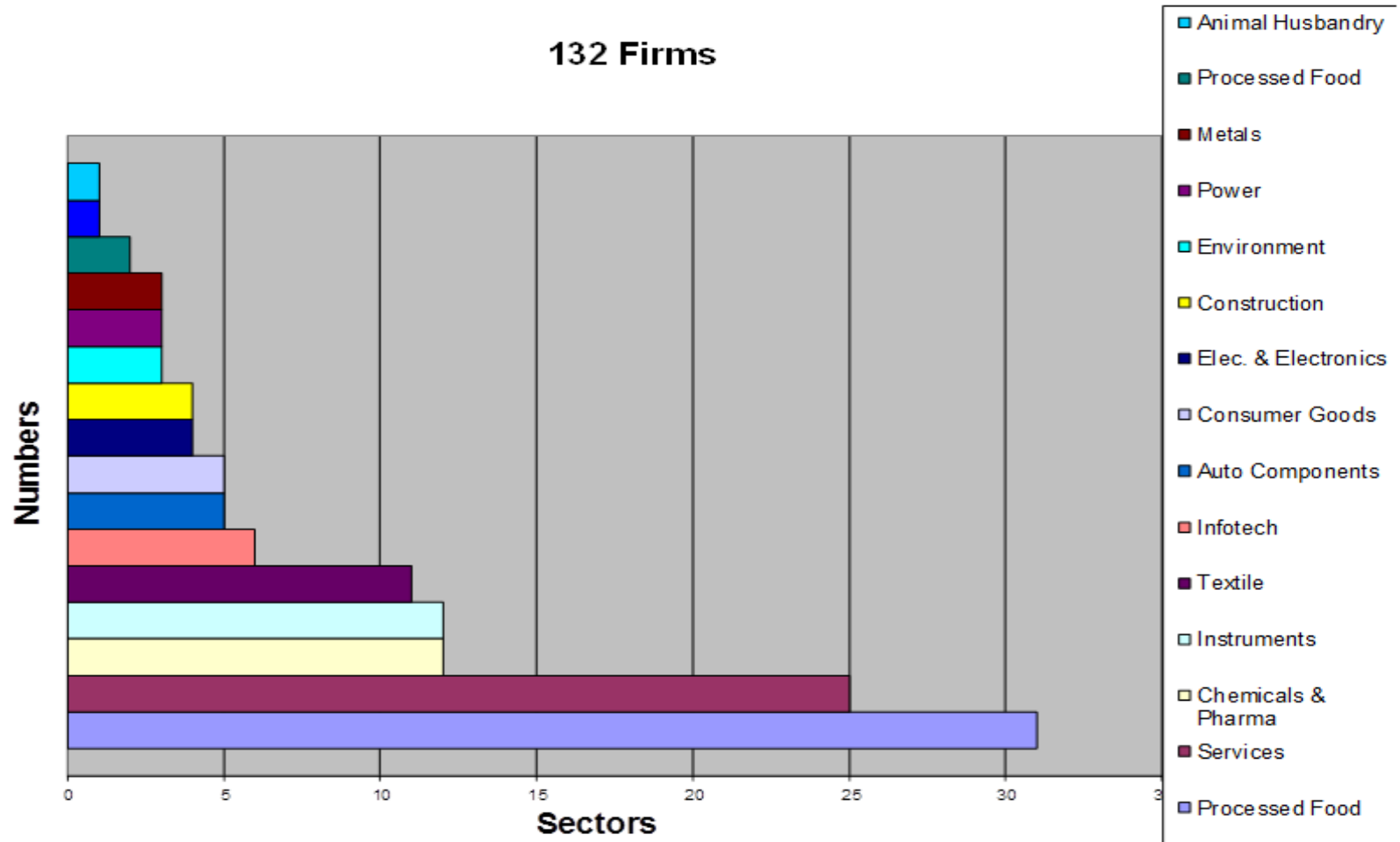


- GDP Growth Rate 81-12 : +1.7% /38'059.75 +8.1%/ 837.5 per capita

Swiss Companies in India and trade



- Volkart Brothers established 1856
- India priority country for Switzerland
- Bilateral trade Agreement signature
- Vocational Educational Training Initiative
- Two way trade close to 4 Bio USD:
 - Swiss Exports:
 - Machinery, pharma, jewellery/ stones, precious instruments, chemicals, fertilisers, watches, metals
 - Swiss Imports:
 - Chemical Products, textiles, agriculture, precious stones, transport equipment, fertilisers, metals, machinery, leather products

Swiss - Indian Cooperation in Industry



Switzerland: Business Friendly Environment

- Largest and most successful life science cluster in Europe (Basle area)
- Highly developed machinery and metal based industries (all over Switzerland)
- Modern Clean-Tech and Med-Tech industries and research labs
- Financial services of all kinds (Zurich, Basle, Geneva)
- A very competitive tax environment with little if any tax on commercial and financial services btw. Switzerland and Europe and btw. Switzerland and India
- Home to regional/ global headquarters of many international industrial and services firms
- Leading educational institutes (technical and vocational learning based)
- A world economic forum, gathering government and top management of many global firms for a week in February
- A cross-cultural environment in the centre of Europe with a educated, friendly and supportive population.
- A stable currency and high employment environment in the center of Europe
- A hub for tourism and natural beauty for visitors and film makers
- According to the World Economic Forum, the most competitive country in the world

Switzerland: Competitive Export Approach

- Study related to Export Industry (2006) and Swiss Entrepreneurship Survey (2010)*
 - Through specialisation, the most important export industries are oriented towards high capital investment, promoting continuous quality and technology improvement
 - Swiss export has been capable to expand comparative advantage as compared to foreign competitors
 - Switzerland , given the nature of its products and price sensitivity has to concentrate on quality enhancement in products rather than a price sensitivity strategy
 - Marketing and Distribution from Switzerland or Germany is still the predominant pattern, given technological advantage and skill base at home

*Credit Suisse studies

Switzerland: Competitive Investment Approach

- Parts of machinery & automotive production transferred; this includes R&D units; other industries just started to outsource
- The currency impact (weakness of the Euro) enhances moves
- Outsourcing from Switzerland to Europe, China and India
- An experienced, international management team is needed to be successful in international establishment
- Investments go towards interaction in an international value chain, taking advantage from competitive advantages and labor skills, available on site
- SMEs have started to become very active in establishing a second production off-shore. Their managers often are born globals
- Good site establishment results from careful analysis of local skill base available, infrastructure development and location of proposed local/ international clients

Switzerland: Perfect Partner for Indian Firms

- In India, SME's play a pivotal role in the overall industrial economy of the country
- Indian government is aware of their importance and wants to enhance their development
- enhanced support measures in fields of credit, technological upgradation, marketing, entrepreneurship
- Competitive SMEs have developed a culture of success through successful international capital transfers, to secure them a technological advantage
- SMEs are beginning to move from reliance on bank credit to a variety of other specialised financial services and options*
- Indian companies have a need to market their products in India and Europe
- To be able to do this, they need investment, customers and know-how.
- Europe and Switzerland are attractive and growing markets for them
- Some are inexperienced to work with Europeans, possibly as opposed to their knowledge about the USA
- Besides Business relationships, Europe offers opportunities for leisure and cross-cultural relationships.

IndStrat International Consultants, LLP

Switzerland

*Toedisstrasse 3,
P.O. Box 8810 Horgen,
Switzerland*

E-mail: chris.sievers@bluewin.ch



India

*IndStrat International Consultants, LLP
"Shree" , K ¾ Erandwane Housing Society
Opp. Deenanath Mangeshkar Hospital
Erandwane, Pune 411004*

India

*E-mail: sanjyot.joshi@indstrat.co.in,
sanjyotjoshi.indstrat@gmail.com*

