



Background information: Swiss-Indian relations

January 2022

Switzerland and India share close and dynamic relations rooted in 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 diverse areas including diplomacy; economy, trade and investment; education, research and innovation; skill development, vocational education and training; development, climate change and environment; and culture.

Diplomacy

India is a priority country for Switzerland in Asia. This is underscored in Switzerland's Foreign Policy Strategy 2020-2023 that seeks to further strengthen ties with India. The relationship between the two countries has been reinforced over the years with regular high-level visits. 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 meeting in January 2018. Swiss President Mrs. Doris Leuthard paid a State visit to India in August/September 2017. In Autumn 2019, Switzerland hosted President Ram Nath Kovind for a State visit. Switzerland and India have been regularly conducting foreign office consultations since 2005.

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. The two countries signed the Treaty of Friendship 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 promote its interests, 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.

Economy

India is a country of high importance for Swiss foreign economic policy and is one of Switzerland's key trading partners in Asia.

Switzerland is the 12th largest investor in India. As per the figures from the Indian Ministry of Commerce and Industry, Swiss companies have made investments worth CHF 9'147 million approximately in India between April 2000 and June 2021. They have created over 135'200 jobs in India so far. With 316 subsidiaries, joint ventures, branches or liaison offices, the number of Swiss companies active in India has increased over the years.

The companies have successfully taken advantage of business opportunities to grow within the 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 portion of Swiss investments in India since the 1950s has been in machine, electrical engineering and metals (MEM), as well as precision industry, pharmaceuticals, banking, financial services and insurance (BFSI), construction, and fast moving consumer goods (FMCG).

According to Swiss foreign trade statistics and foreign trade performance analysis (FTPA) of the Indian Ministry of Commerce and Industry, Swiss exports to India amounted to CHF 1.8 billion (7.9%) in 2020-21. In the same period, Swiss imports from India amounted to CHF 1.2 billion (5.1%). The import of gold amounting to USD 1.6 billion stands out and continues to dominate the imports of India from Switzerland. Among major items of import from India to Switzerland are basic chemical products, textiles and clothing as well as precious stones, precious metals and jewellery. In 2020, the decline in trade was mainly due to the pandemic and disruptions in the supply-chain management which is now gradually improving.

The Indian service sector too is growing in importance for the Swiss economy, particularly in the areas of life sciences as well as new age-technologies such as artificial intelligence, robotics, blockchain and spacetech. Tourism plays an important role in trade in services between Switzerland and India. Switzerland remains one of the most popular destinations for Indian tourists. In the last decade, the number of Indian tourists in Switzerland has increased 145.7%. An important growth was measured especially between 2015 and 2019 (+ 33.9%). However, the Covid-19 pandemic has adversely impacted the tourism sector in 2020 as well as in the first half of 2021 (because of the inability to travel to Switzerland).

Several well-established intergovernmental dialogues exist between the two countries. The Joint Economic Commission meets regularly to discuss economic issues of mutual interest. Its 18th session took place virtually on September 9, 2021. 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. The fourth round of the Financial Dialogue between the two countries was held virtually in May 2021. The fifth round of the financial dialogue is planned for Q1 of the year 2022.

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. Talks are

currently ongoing at the technical level to prepare for the next round of negotiations. Further, negotiations between Switzerland and India on a Bilateral Investment Treaty (BIT) are ongoing.

In December 2017, Switzerland and India signed 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 exchanged in autumn 2019. 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.

According to the Indian Ministry of Finance, Switzerland is the 7th largest recipient of Indian direct investment, amounting to USD 1.42 billion over the last three years. Currently, 120 Indian companies are present in Switzerland. From April 1 to June 30, 2021, Switzerland received USD 2.42 million in investments from India. The majority of these companies are in the "Information & Communications Technology and Software" and "Life Sciences" sectors.

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 150 Swiss companies, both new and those with an existing presence in India, on a yearly basis. With an experienced team of in-house consultants and its network of specialized experts, the SBHI provides services such as overview of industry sectors, business partner search, market entry information, and virtual interactions with relevant stakeholders. Most of these services are free, and some specially tailor-made ones are offered on a mandate basis. The SBHI regularly identifies business opportunities in India and carries out physical as well as virtual 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

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 19 million in this cooperation, which has been matched by the Indian Government. Projects on translational medical research, medical technology, blue sky research in biotechnology, renewable energy research, systems medicine, as well as in the social sciences have been supported. Calls for proposals in climate research and in the social sciences have also been announced in 2021. Since 2017, the Zürcher Hochschule für Angewandte Wissenschaften (ZHAW; Zurich University of Applied Sciences) is 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 until the year 2024.

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Swissnex in India was established in Bangalore in 2010. It facilitates collaborations between Swiss and Indian institutions of higher education and research and acts as an information hub on developments in the education, research and innovation landscape in India and Switzerland.

Swissnex India is the 'go-to' partner for cooperation with Switzerland in the areas of Academic Relations and Education (building academic collaborations between Swiss and Indian universities); Innovation and Entrepreneurship (bringing Swiss entrepreneurship and innovation to India) and Corporate Innovation (finding open innovation solutions tailored to the needs of its corporate partners). The focus areas for Swissnex in India include renewable energy, sustainability, data sciences, lifesciences and healthtech and science for society. Since 2013, Swissnex in India has coached and facilitated over 500 deep science and hi-tech Swiss startups and researchers to validate and enter the Indian market, of which 50 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 in 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. Eight camps with 152 participants (74 Swiss and 78 Indian) have taken place. In the first seven camps about 63% of the participants (57% Swiss and 73% Indian) have successfully commercialized their research work (the eighth camp is taking place in November and December 2021).

India is a priority country for the Swiss Government Excellence Scholarships. 165 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 1243 in 2020. In addition, it is estimated that there are currently about 400 Indian students studying management and courses related to the hospitality industry.

Skill development, vocational education and training

The Swiss Vocational Education and Training Initiative India (SVETII), launched on the occasion of the 60th Anniversary of the Indo-Swiss Friendship Treaty in 2008, 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. While the MoU is no longer in force, contact is maintained with relevant stakeholders, both in Switzerland and in India. 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, climate change and environment

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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 field of climate change mitigation, the focus is on supporting India's effort towards energy transition enhancing energy efficiency of buildings, research on low carbon cement, addressing air pollution in cities, promoting solar irrigation and supporting climate resilient cities action plans which will enable India to achieve its Nationally Determined Contribution. In the field of climate change adaptation, SDC focusses on measures in the Himalayan states and cities with a focus on water and springshed management, disaster risks reduction and early warning systems. 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, antibiotic-resistance through the Responsible Antibiotics Manufacturing Platform, Covid-19 tracking in wastewater, as well as humanitarian aid according to the needs of the Government and people of India.

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

Culture

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.

The Embassy continues to engage itself broadly in the field of architecture, design, film promotion, languages and literature, contemporary arts and artistic exchanges, art in education, as well as innovation in traditional art initiatives. Our engagement in arts follows primarily a dual approach - looking for fulfilment of Switzerland's foreign policy goals, as well as relevance for local conditions and values. While looking to promote gender equality, intercultural dialogues and mutual understanding, peace, security, independence and welfare as well as international solidarity, we often work with local partners, who are guided by similar values. As we move towards a new world, our projects in the field of arts and culture too move more and more towards innovation and digitalization.

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.
