

The Indian MICROELECTRONICS & PRECISION COMPONENTS INDUSTRY

MISSP is a facilitative platform led by Embassy of India, Berne, to connect Swiss SMEs, making up more than 99% of Swiss companies, with the vibrant New India. For further information, please write to missp2@missp.ch

ABOUT MOMENTUM IN INDIA: SWISS SMES PROGRAMME (MISSP)

India has made a jump of 79 positions to 63 in 2019 from 142 in 2014 in World Bank's Doing Business rankings. The World Bank has hailed India as one of the top 10 improvers for the third consecutive year. The Government of India is targeting US\$ 1.4 trillion infrastructure investment over 2020-25 to enable economic growth. Switzerland is an ideal partner for India as it is amongst the leaders in the world in innovation, international competitiveness and environmental performance.

India provides a great opportunity for the Swiss SMEs sector to invest and grow.

The Embassy of India, Berne, has been promoting India as an active economic partner and investment destination for Swiss SMEs, which make up 99% of the Swiss companies. In line with this, the Embassy of India, Berne, launched the 'Momentum in India: Swiss SMEs Programme' (MISSP) to facilitate Swiss SMEs explore, enter, and expand in the Indian market.

The MISSP programme responds to the need for an organized platform dedicated to assist Swiss SMEs establish successful business models across the value chain in India. The Business support services provided by the MISSP programme to Swiss SMEs India entry/expansion strategy include the following:

- Strategy consulting
- M&A
- Operational market entry support
- Tax & legal support
- Financial services
- Project financing
- Location services
- Technology collaboration
- Partner Search and Due diligence

As you would have noticed, the MISSP is a true one-stop source for Swiss SMEs requiring support services, with the additional benefits of:

- Participation in Specialized Common Workshops by subject matter experts
- Regular tax & legal updates
- Access to the MISSP Network and Exchange Platforms to facilitate member companies to share their experiences, best practices, success stories and network among themselves

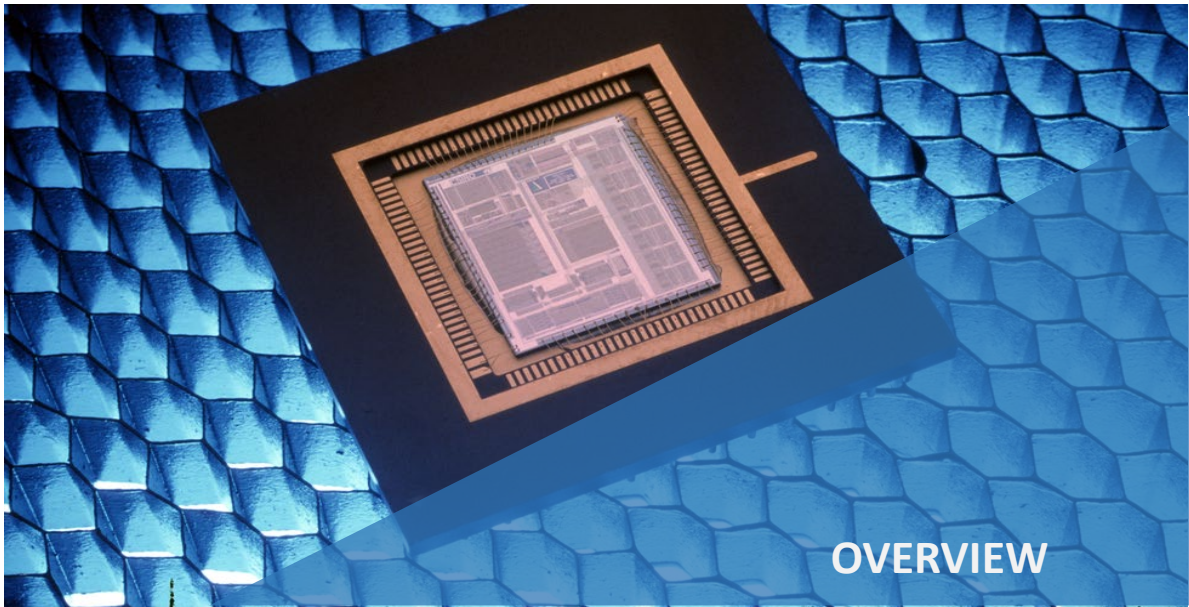
The program is implemented with the support of Central and State Governments in India and other key Indian and Swiss industry partners, who assist the Swiss SMEs have a smooth experience in various aspects of doing business in India.

As on date, 83 Swiss companies from various sectors have onboarded on the MISSP programme.

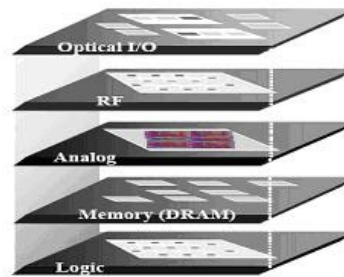
The MISSP programme is implemented and monitored by the Embassy of India, Berne, with T&A Consulting as Knowledge Partner responsible for the day-to-day management of the program and Rödl & Partner as the Legal & Tax Partner.

The MISSP team wishes you a great read of this teaser and looks forward to having you join us as the next MISSP member company.

We also invite you to visit our website www.missp.ch and follow us on Twitter at @misspeoi



Industry Snapshot



Key characteristics of the Indian Microelectronics market

- Microelectronics industry is segmented into basis of application : Digital Signal Processors (DSP), Microprocessor and Microcontroller.
- Microelectronics industry is categorized into broad end user segments: Consumer Electronics, Defense, Automotive and Industrial.
- The broad thrust area identified under Microelectronics are:
 - RF and Analog Mixed Signal Technologies
 - Embedded Systems
 - EDA Tools and related Software
 - VLSI and Processors
 - Micro Sensors, Detectors
 - Integrated MEMS and VLSI Design

Key characteristics of the Indian Precision Components market

- Precision components is largely a import driven industry with majority of imports from Japan, U.S. and Europe.
- Majority of precision components suppliers in India are small and medium enterprises with limited capability to deliver high quality precision components consistently.
- Demand for high quality precision components is primarily driven by industries such as automotive, electronics, industrial and construction equipment industry.
- Gujarat has emerged as a leading hub for precision turned parts , followed by Maharashtra and Karnataka (Mangalore and Bangalore).

Market Segment

Microelectronics Industry

Consumer electronics accounts for the largest share of the microelectronics market.

Source: Ministry of Electronics and Information Technology

Precision Components Industry

Chassis components and connector for fibre optics constitute the major precision components market.

Source: T&A Analysis

Automotive and Defence are other major end users of microelectronics.

Drug delivery systems, Hearing Aids and Micro plugs are other major end users.

Product development and M&A is the market expansion strategy.

Low value precision components are imported from China

Source:

1. Data Bridge Market Research
2. Ministry of Electronics and Information Technology

Current Market Space

35%
market share of Japan in international patent filing for microelectronics.

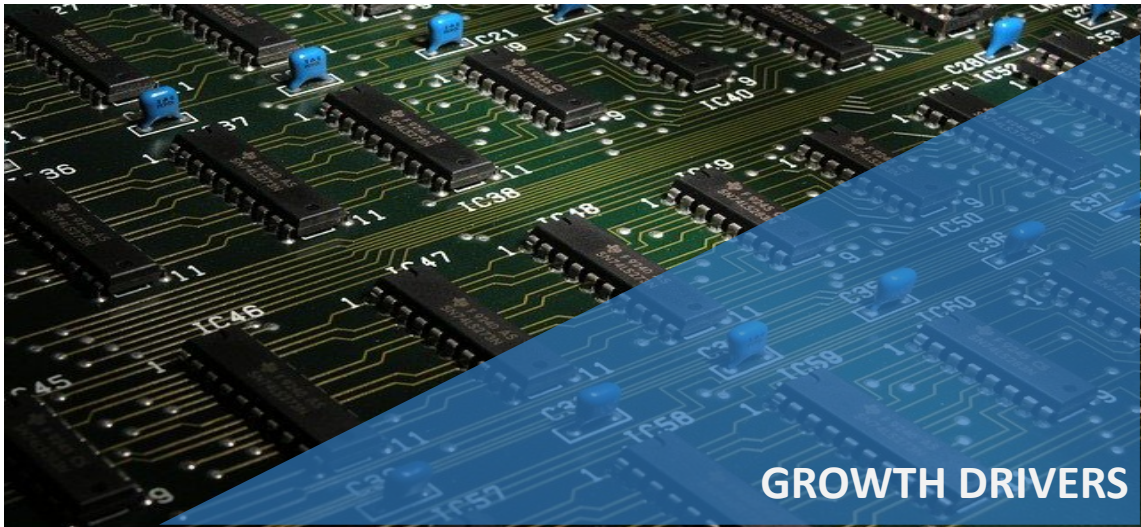
In May, 2018 Microchip Technology acquired Microsemi Corporation to strengthen its market position in microelectronics.

Microelectronics is highly fragmented industry dominated by large foreign multinational corporations.

Demand for IoT and wireless devices in both consumer and industrial applications is driving the microelectronics market.

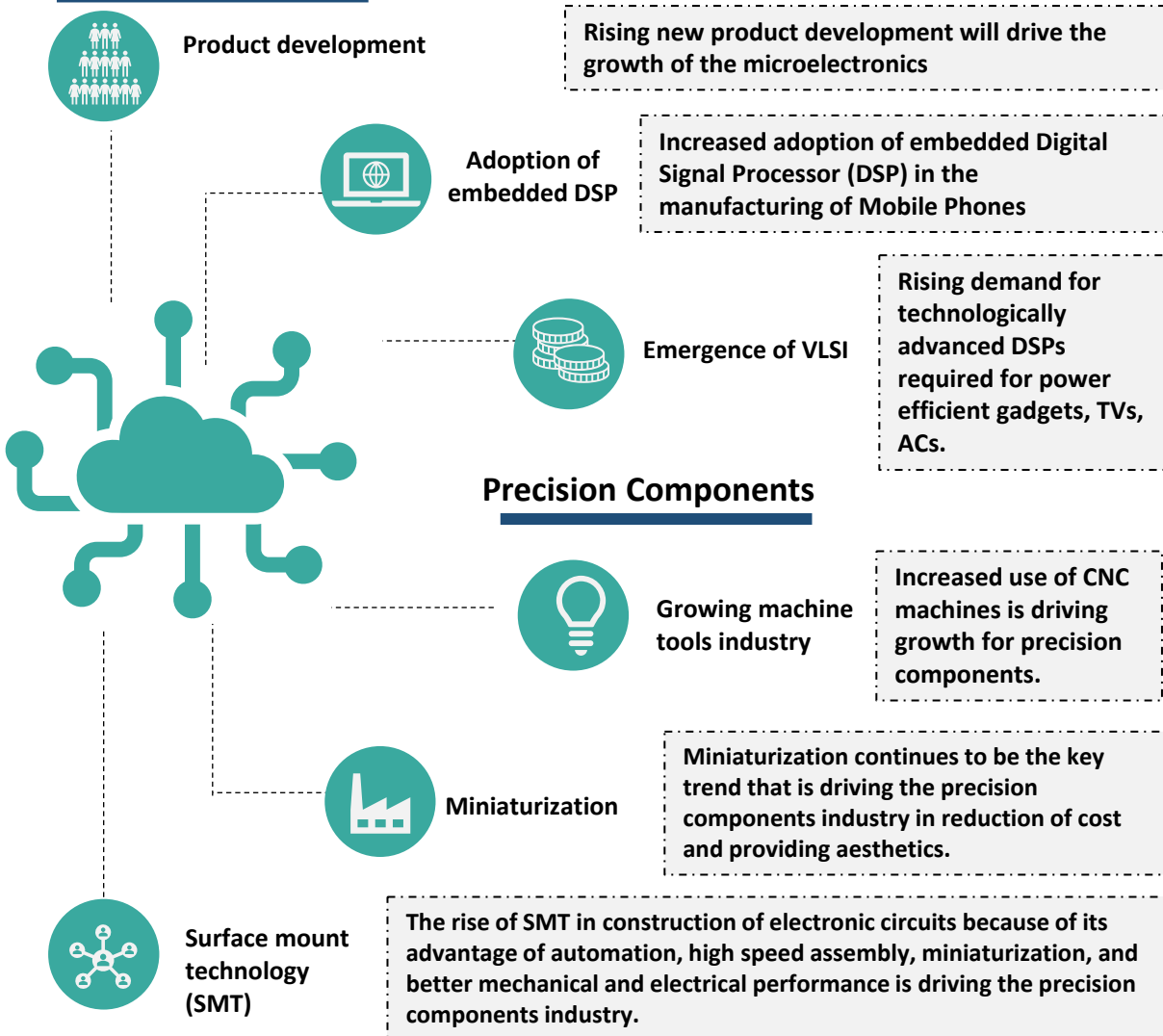


Source: Transparency Market Research, Data bridge Market Research, T&A Analysis



GROWTH DRIVERS

Microelectronics





OPPORTUNITIES

Opportunities



Low power analog front end ICs for medical equipment's, ASICs for assistive devices like respiratory aids will provide opportunity in medical and healthcare sector. ASICs for strategic and graphics accelerators and for advanced flight stimulators are the areas of opportunity in defence sector for microelectronics industry. .



The demand for consumer electronics, smart grid appliances, smart energy meter expected to grow at a CAGR of 30% in India will spur the demand for Microelectronics components.



Precision components industry is facing pricing pressure and , companies are always on the lookout to replace imports with locally manufactured products provided the same are available without any compromise on quality

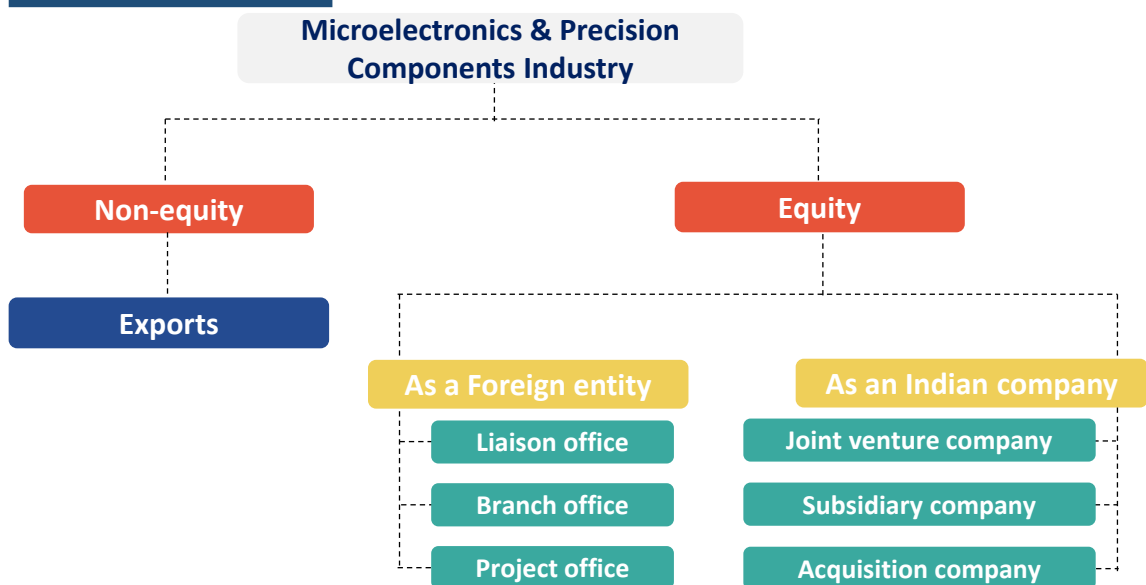


Growing Indian machine tool industry and increased use of CNC machines is playing major role in transformation of sub-component industry and driving growth for precision turned parts in India.

T&A Analysis:
The growth prospects of precision turned parts depends on the growth of the manufacturing sector. Prominent users of precision turned parts in the intermediate goods sector manufacturers include auto components, ball and roller bearings and electronic components segments. Most of these segments have recorded robust growth in recent years. Domestic consumption is also increasing due to indigenization initiatives taken by Government of India.



Market Entry Route



The best possible route for a microelectronics company to enter the Indian market would be to set up a manufacturing unit in Electronics Clusters of India such as NCR, Andhra Pradesh, Tamil Nadu, Karnataka and Telangana. Microprocessor, microcontroller and digital signal processor industry is set to grow at a rapid pace in India due to increased adoption of IoT, growth in consumer electronics, smart grid and smart meters for transmission infrastructure.

The best market entry for a precision components company would be to set up a manufacturing unit in India as there are few Indian companies who have the necessary scale and the financial wherewithal to invest in quality infrastructure and millimetre level accuracy are still met by imports



About Us

Business with India starts here

T&A Consulting is a global advisory firm, with extensive experience of working with overseas enterprises towards achieving successful and accelerated entry into India.

We work with various international Investment Attraction agencies where India is a key market and have been delivering a range of programmes to identify outward investment opportunities from India.

Incepted in 2006 in the capital city of New Delhi, T&A currently has 4 offices in India and global operations in Toronto, Canada, and Zurich, Switzerland.

Today, within its different verticals, the company caters to international economic development agencies, overseas enterprises, higher education institutions, and tourism boards.

+ India Market Entry:
Opportunity assessment, feasibility studies, targeted market research reports, competitor analysis, price bench-marking, location identification & Partner identification

+ Outward Foreign Direct Investment (OFDI):
Targeted analysis of outward investment, trends and opportunities to assist international inward investment agencies with lead generation.

+ Client Engagement and Business Development:
Relationship management with foreign Economic Development and Trade Promotion Organizations, organizing trade and reverse trade missions

+ Tourism Representation:
Promoting Indian outbound tourism and providing representation to tourism boards and destination management companies

+ Education Representation:
Student recruitment support and representation to international education institutions and assisting in forging partnerships for research and student and faculty exchange

Looking at India market?

Get in touch

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