



# Indian Start-up Ecosystem

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](mailto: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](http://www.missp.ch) and follow us on Twitter at @misspeoi



**OVERVIEW**

**Industry Snapshot**



**OVER 49,000** Start-ups in India

Y-o-Y increase in start-ups per year **12-18%**



The Indian start-up ecosystem is one of the fastest growing in the world



**3<sup>rd</sup> Largest** Start-up ecosystem in the world



**USD 12.9 billion** Funding received by tech start-ups in 2019



**34** Total number of unicorns in India



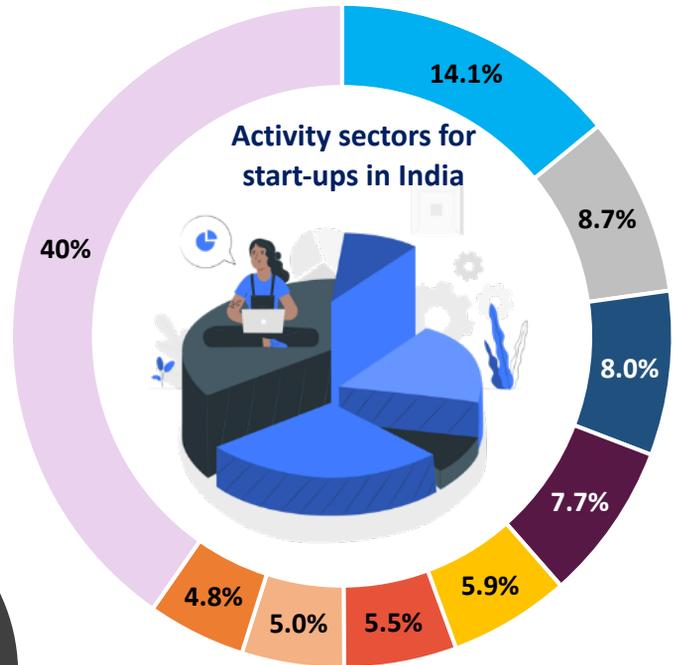
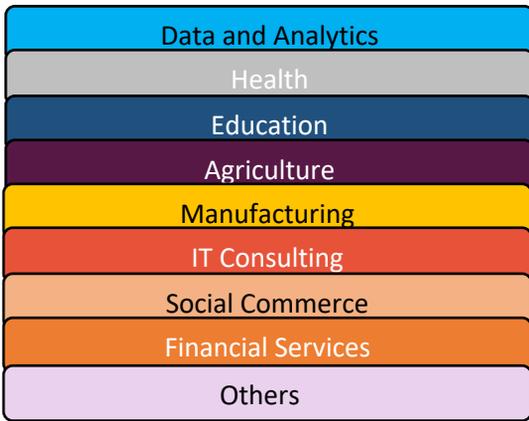
**18%**

Share of all technology start-ups leveraging deep tech in India

**Notable trends in the start-up ecosystem**

- It takes an Indian start-up on an average 7 years to become a unicorn company.
- Sequoia capital is the most active venture capital investor in the Indian start-up ecosystem.
- In 2018, the Indian start-up ecosystem accounted for 2.7% of the total jobs created that year.
- Bangalore is the startup capital of India and is ranked as one of the world's five fastest growing startup cities

## Market Segments and Share



The online grocery segment is expected to grow by 45-60% CAGR & reach \$15-23 Bn by 2025.

India's fintech startups in the first six months of 2020 have raised USD 1.7 billion, double of USD 730 million raised in H12019

## Growth Forecasts

Year on Year increase of 15 – 20 % has been observed in the numbers of tech start-ups in India. From 2014 - 2017, start-ups were concentrated in the metropolitan cities of India, but a recent trends indicates an increasing number of start-ups coming from tier 2 cities.

## Start-up hubs of India



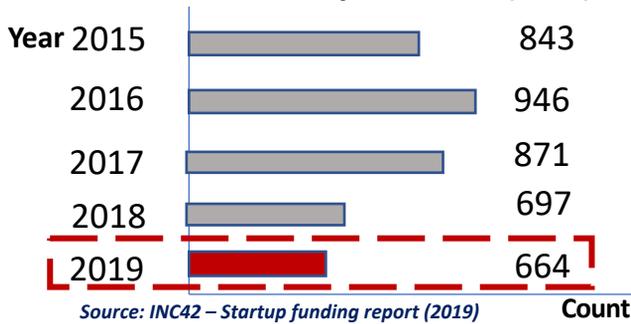
## Growth in the number of tech start-ups in India





## Funding Statistics

### Number of Start-ups Funded (Year)

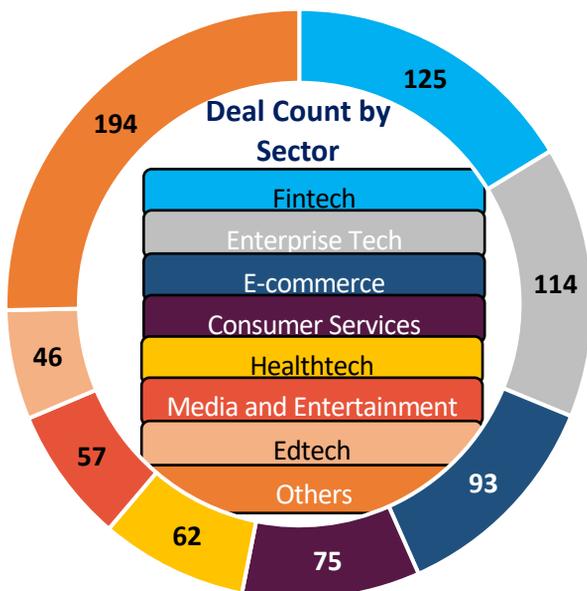
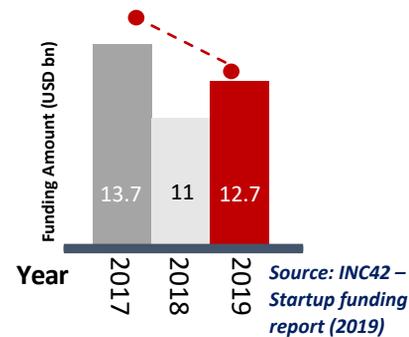


- A declining trend is observed in the past few years in number of startups funded.
- The median ticket size has been increasing every year indicating an increase in the size of investments.

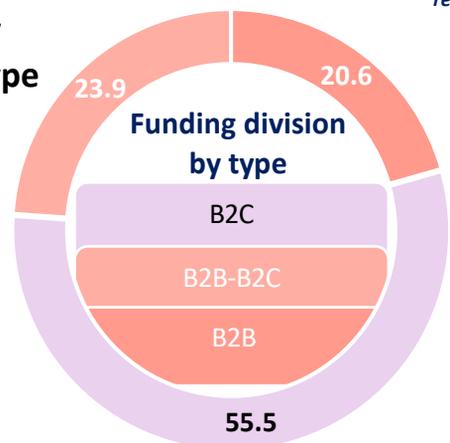
### Funding amount (bn)

Funding amount for the year 2019 stood at USD 12.7 billion. While there has been an uptick in the funding amount, it remains erratic in nature. Fintech received maximum funding in the year 2019 because of higher adoption rates. It has been observed that the investors have a preference towards B2C start-ups.

### Start-up Funding Amount (USD Bn)



### Funding by Sector and Type





## GROWTH DRIVERS



### Changing Demographics

With a median age of around 28 years, and a growing common internet and smartphone userbase, the average tech-savvy young professional in India seeks access to services and products on digital platforms. This has led to a growth in the start-up ecosystem with higher adoptability of products.



### Increasing disposable income

The rise of the middle-income group with a higher discretionary income along with increasing need for convenience has given a push to the e-economy.



### Availability of funding

With over 500 incubators and accelerators and several global VCs, there has been no lack of funding for Indian startups. In 2019, ~664 unique companies were funded across different stages of investment and across varied sectors.



### Policy support from the government

'Startup India' is a popular initiative launched by the Government of India. This initiative offers incubation services, lab facilities, funding support, tax exemptions



### Digital adoption

India has the second highest number of smartphones in the world with data costs as low as USD 0.03 per GB and highest per capita usage of data in the world (9.8 GB per month). Total mobile data traffic per month is expected to grow at a CAGR of 23% from 4.6 exabytes in 2018 to 16 exabytes in 2024. Low data costs are leading to increasing digital adoption, paving way for tech enabled startups.



**Opportunities in India**



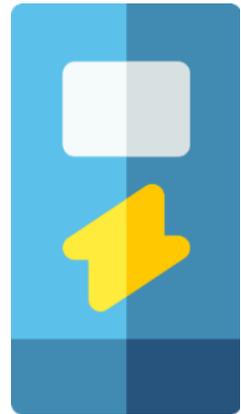
**Partnership with Indian companies**

Several Indian companies have ventured in the space of AI & big data and have made applications for the western markets. International start-ups can collaborate with Indian start-up which by way of partnership, licensing agreement or an outright purchase to make use of the technology of Indian start-ups.



**Expansion in the Indian market**

Global startups have looked at India for expansion due to the high growth potential. At present, India lacks modernization/ technology for Industrial production, therefore startups in the industry 4.0, robotics segment can look to explore India.



**Use of India as a development hub**

India is considered 10 times cheaper than the US for app development. At present, several companies in India work on a teleworking model, wherein development of the application is outsourced to India while the ideation part takes place in the source country. This helps reduce the start-up capital required and increase budgets for other organisational functions.



## 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 a 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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