

# MISSP

**MOMENTUM IN INDIA: SWISS SMEs PROGRAM (MISSP)  
BUSINESS FACILITATION SUPPORT PROGRAM**

**MISSP BROCHURE ON  
INDIAN AUTOMATION INDUSTRY**

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## “MOMENTUM IN INDIA: SWISS SMEs PROGRAM (MISSP)”

### MISSP INTRODUCTION

“MISSP” is a business facilitation support programme launched for Swiss SMEs by the Embassy of India, Berne, Switzerland on 1st November 2017. The objective of MISSP is to boost the momentum of Swiss-Indo business relations by facilitating efficient build-up of intelligent business models capable of utilizing the inherent advantages of Indian economic structure

### Advantage

- MISSP is a unique platform that combines services rendered by government, non-for-profit and private entities – **“one stop source for business support”**
- **“Non Political and Non bureaucratic Program”**
- Compliments the **“ease of doing business” in India**
- Delivers **comprehensive know-how** about diversified and dynamic Indian business ecosystem

### Service Offering Through Extensive Partner Network

The MISSP programme offers wide range of business support services under a single platform through a consortium of programme partners focused on providing requisite facilitation services for Swiss companies

#### Knowledge Sharing/ Networking

*Common Workshops –  
Networking Events*

#### Collaboration

*Research and Development –  
Technology – Skilling*

#### Market Entry Strategy Consulting

*Market Assessment – Sales and  
Distribution – Localization – M&A*

#### Tax & Legal

*Company Incorporation – Taxation  
– Due Diligence – Audits – Dispute  
Resolution*

#### Liasoning

*Indian Central and State  
Government Authorities/  
Organizations*

#### Financing

*Banking – Project and  
Trade Finance – Forex  
Management*



## “MOMENTUM IN INDIA: SWISS SMEs PROGRAM (MISSP)”

### PROGRAMME ROLLOUT AND IMPLEMENTATION

The programme is designed to provide case-by-case support to all companies in four different ways



### MISSP Workshops – Key Topics Planned, 2018 (Preliminary)



Distribution Strategies



Cross Border Tax Challenges



Supply Chain Challenges



Goods and Service Tax

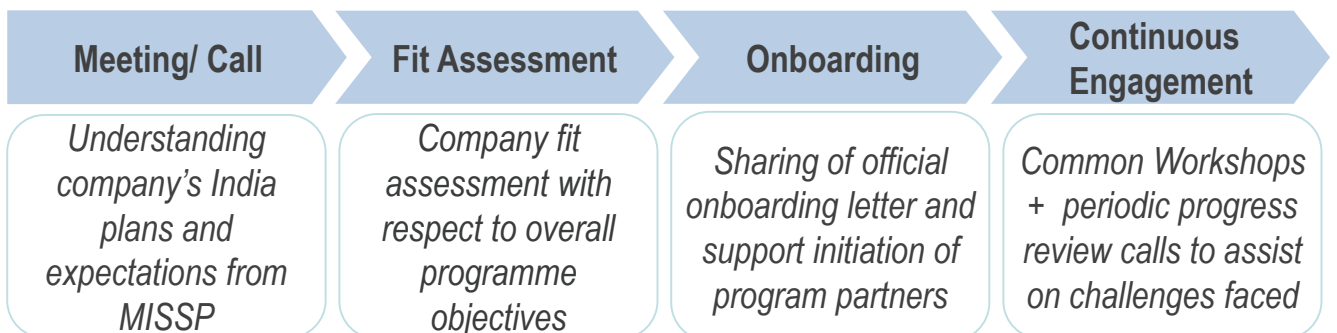


Setting up joint ventures in India



Company Incorporation

### Programme – Member Engagement Process

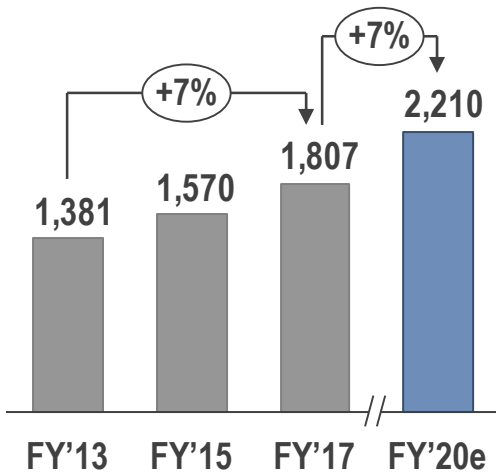




## INDIA MACRO ECONOMIC PERSPECTIVE

### GDP GROWTH AND OUTLOOK

India GDP (bln CHF)



- 3<sup>rd</sup> largest economy in the world by Purchasing Power Parity (PPP)
- India emerged as fastest growing major economy globally overtaking China in last 2 to 3 years and is expected to outpace world's economic growth by 2X till 2020
- Improving macroeconomic fundamentals – inflation falling from high of 10 to 4.7%, declining interest rate, fiscal deficit moving towards 3% target and current account deficit under control

### GOVERNMENT IMPETUS FOR GROWTH

#### BUSINESS

- GST - unified national tax
- Further Relaxation of FDI Norms
- Initiatives: Make in India, Skill India

*“FDI doubled since 2014 to reach 43.4 bln USD in FY 17”*

#### INFRASTRUCTURE

- 1.5-2x increased government spend
- On verge of becoming power surplus
- Key projects: Smart cities, Delhi Mumbai Industrial Corridor

*“~880 bln EUR infra investment planned for next 5 years”*

#### GOVERNANCE

- Digitalizing government approvals
- Implementation of bankruptcy law to simplify exits + End retrospective taxation for cross border investments

*“Highest ever increase in - Ease of Doing Business Rank”*

#### SOCIAL

- Focus on financial inclusion + eliminating corruption
- Key Initiatives: Demonetization, subsidies linkage to bank accounts

*“180 mio bank accounts opened since Jan. 2015” under govt. scheme*





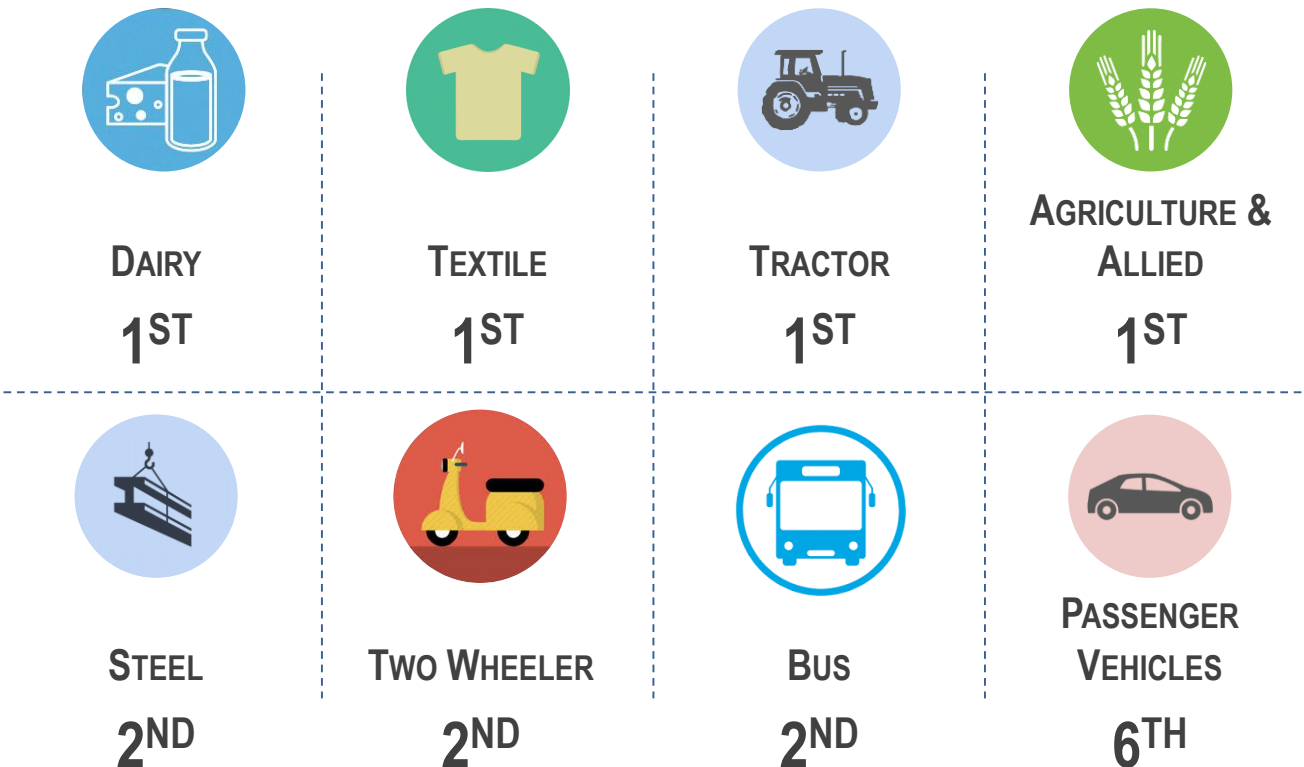
## INDIA MACRO ECONOMIC PERSPECTIVE

### IMPACT OF REFORMS AND POLICY INITIATIVES

#### GLOBAL INVESTOR'S CONFIDENCE ON A HIGH



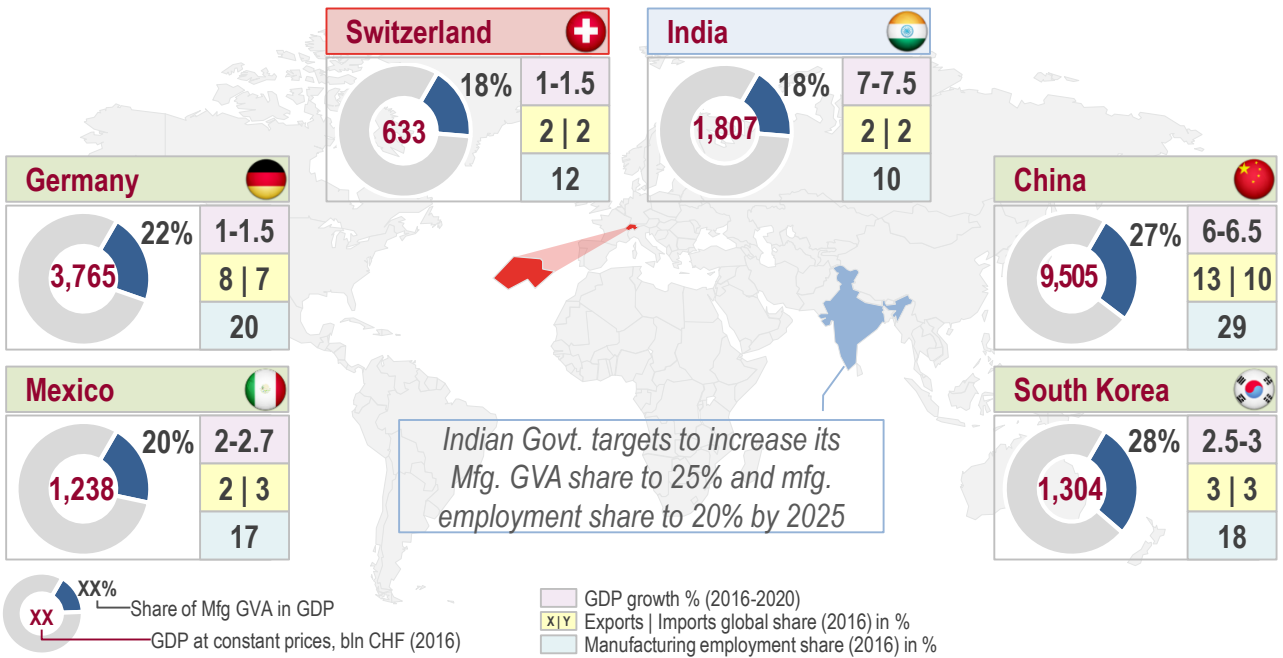
### LEADING GLOBAL PRODUCER IN KEY INDUSTRIES (INCL. AUTOMOTIVE)



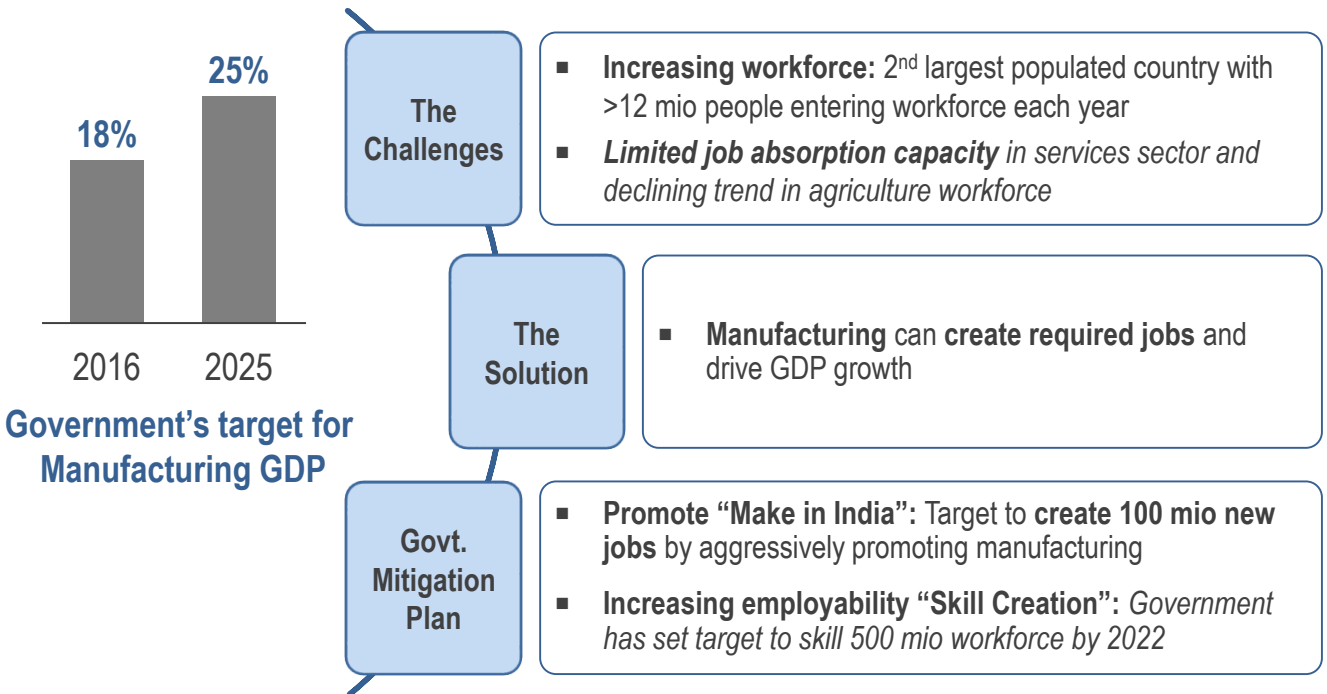


## INDIAN MANUFACTURING SECTOR PERSPECTIVE

### COMPARISON WITH GLOBAL PEERS



### WHY FOCUS ON MANUFACTURING?



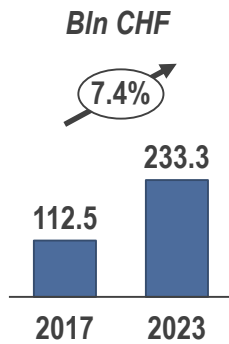
Source: World Bank, IMF, WTO, OECD, EAC research



## QUICK GLANCE AT THE INDUSTRIAL AUTOMATION INDUSTRY

**Indian Industrial Automation industry expected to grow to 3 bln CHF by 2020 at CAGR 13.6%; foreign players focused on offering turnkey solutions while Indian players focused subsystem integration**

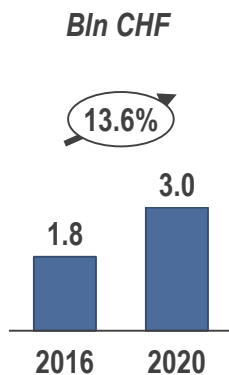
### Global Industry Size



Source: MarketsandMarkets

- Global market driven by the increasing use of enabling technologies in manufacturing and continuous innovation in robotics
- Mass manufacturing need to cater to growing population requirements also pushing the adoption of Industrial Automation globally
- Siemens, ABB, Emerson, Mitsubishi, Schneider, Rockwell, Honeywell, etc. are some of the globally prominent players

### India Industry Size



Source: CII, EAC research

- Factory Automation fastest growing segment (~15-20% share) while Process Automation (~80-85% share) largest contributor to the Industrial Automation market
- Western and Northern regions largest markets due to presence of SEZs and automotive hubs
- Factory Automation market dominated by Siemens due to technology and industry need aligned products
- Process Automation market dominated by ABB due to large product offering and ability to provide solutions across industries quickly

### Industry Structure

- Highly segmented sector with many players present across segments like equipment manufacturing, control system manufacturing, software & analytics
- Foreign players present mainly through subsidiaries and offer turnkey solutions customized to customer requirements
- Larger Indian companies L&T and Forbes Marshall operate on a big scale while other companies restricted to the SME space with focus on subsystem integration and interoperable systems



## MARKET PLAYERS, GROWTH DRIVERS & INHIBITORS

### Key Market Players

#### DOMESTIC



#### INTERNATIONAL



### Growth drivers

- Increasing focus on operational excellence, improving productivity and quality, and maintaining six sigma standards in production to improve global competitiveness
- Government's policies and incentives to push manufacturing and increase its contribution from current 16-18% to 25% by 2025
- Percentage share of exports in annual sales (automation) currently <5% and restricted to Middle East, South East Asia- aim to achieve 20%
- Growth in key industries like Automotive, Logistics, Pharmaceuticals

#### AUTOMOTIVE<sup>1)</sup>



CAGR: 5%

20.7      25.3

FY13      FY17

Key demand sector  
Factory Automation

#### PHARMACEUTICAL<sup>2)</sup>



CAGR: 10%

30.0      45.0

2016      2020

Key demand sector  
Process Automation

#### WAREHOUSING<sup>2)</sup>



CAGR: 9-10%

8.1      11.5

2016      2020

Growing demand sector

- Industry trend is to integrate manufacturing processes with IT by way of MES (Manufacturing Execution System) and PLM (Product Lifecycle Management) to extend efficiency improvement to the complete value chain of the organization rather than just the manufacturing process
- Rising urbanization, middle class and disposable incomes propelling consumerism and demand for products

### Inhibitors

- High initial capital expenditure requirement coupled with low awareness
- Worker displacement and relatively lower labour cost in India. However, loss of labour due to adoption being compensated by training of labour for higher- end jobs ultimately resulting in "up-placing" labour

1) Production in mio units    2) Industry size in bln CHF





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