

MISSP

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

**MISSP BROCHURE ON
INDIAN TEXTILE MACHINERY 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

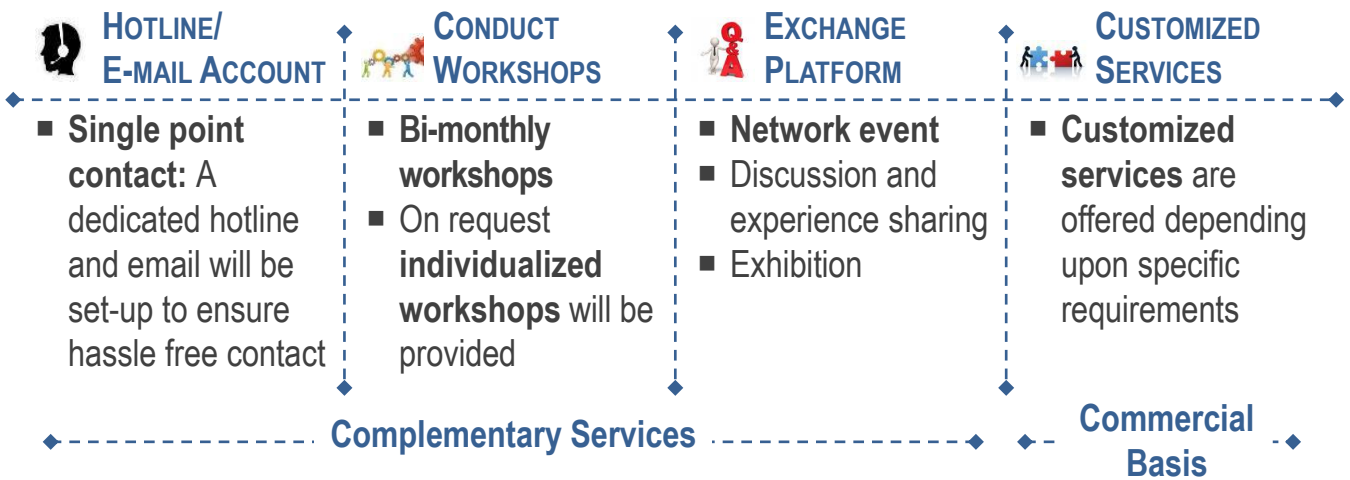
*Banking – Project and
Trade Finance – Forex
Management*



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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

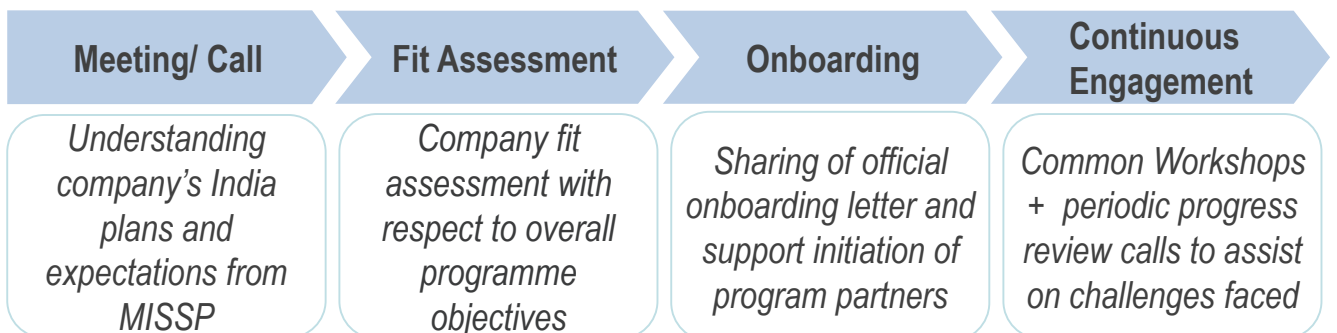


Setting up joint ventures in India



Company Incorporation

Programme – Member Engagement Process

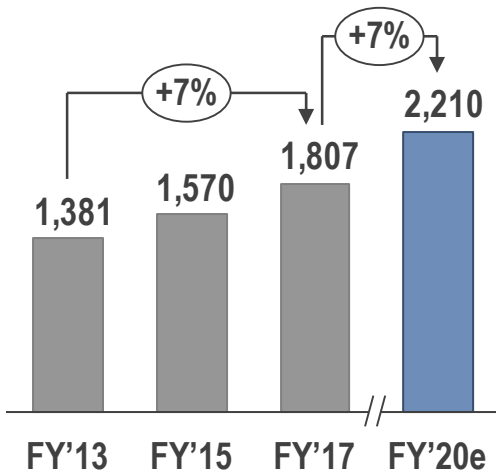




INDIA MACRO ECONOMIC PERSPECTIVE

GDP GROWTH AND OUTLOOK

India GDP (bln CHF)



- 3rd 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





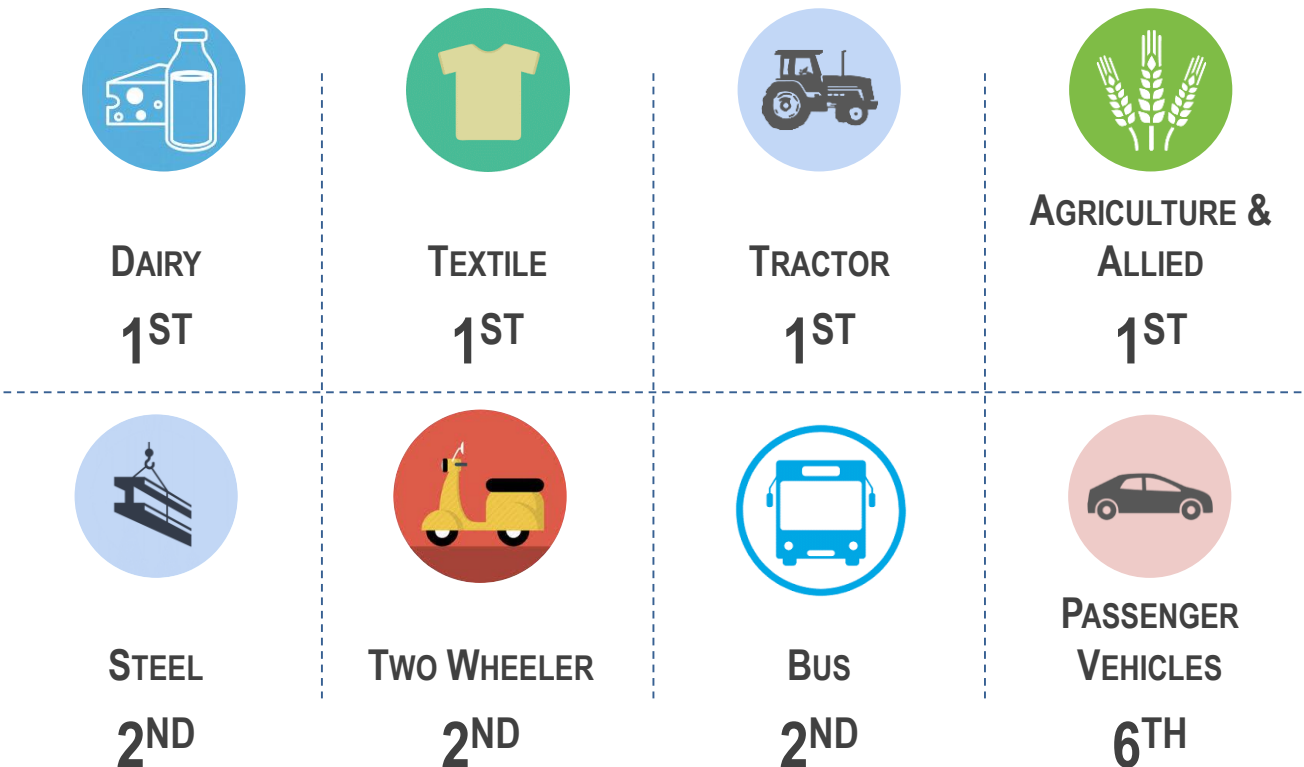
INDIA MACRO ECONOMIC PERSPECTIVE

IMPACT OF REFORMS AND POLICY INITIATIVES

GLOBAL INVESTOR'S CONFIDENCE ON A HIGH



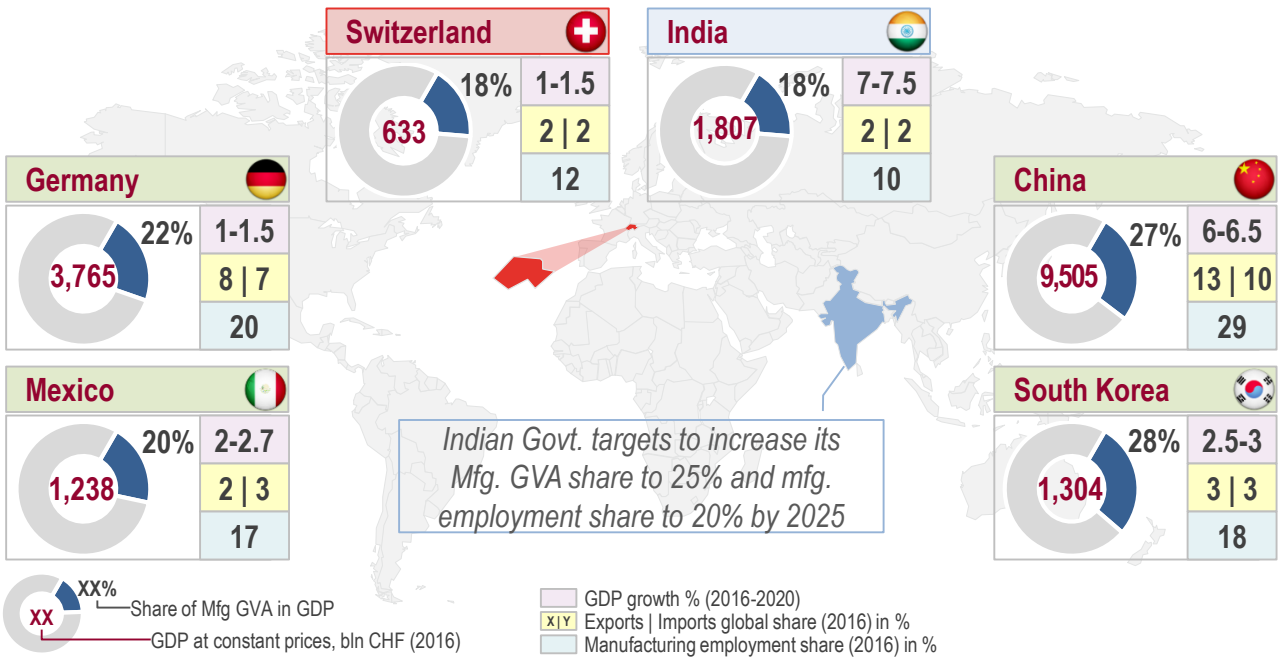
LEADING GLOBAL PRODUCER IN KEY INDUSTRIES (INCL. AUTOMOTIVE)



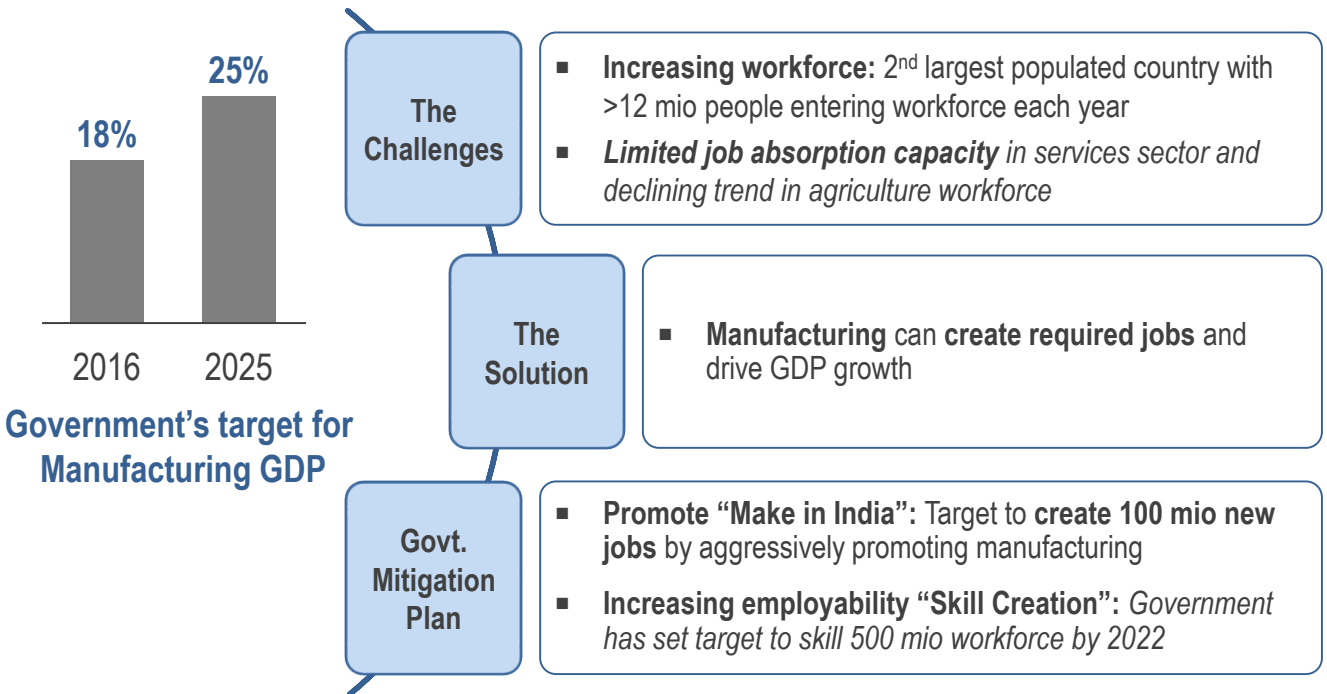


INDIAN MANUFACTURING SECTOR PERSPECTIVE

COMPARISON WITH GLOBAL PEERS



WHY FOCUS ON MANUFACTURING?

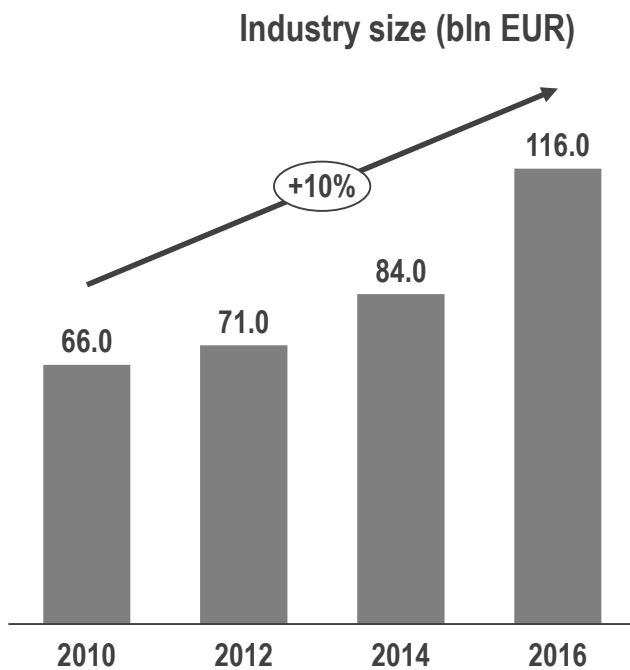


Source: World Bank, IMF, WTO, OECD, EAC research



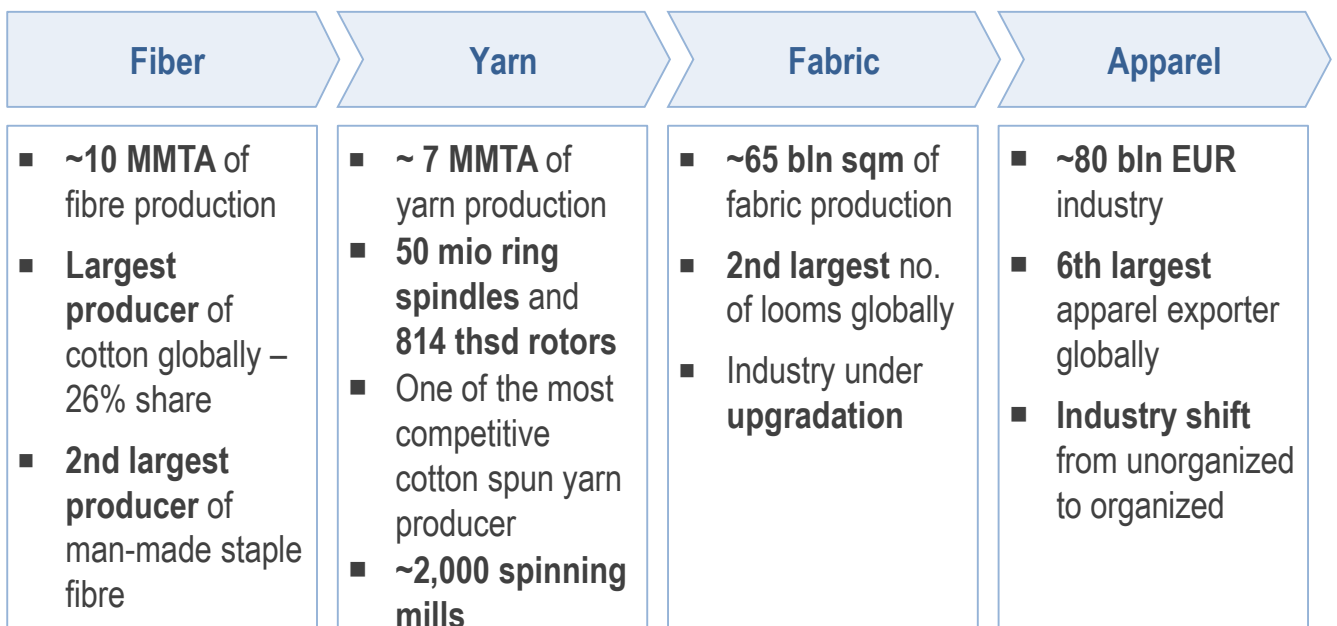
OVERVIEW – INDIA TEXTILE INDUSTRY

INDUSTRY SNAPSHOT



- Textile and apparel industry contributes approx. **5% of Indian GDP** and **~14% of industrial production**
- Largest source of **employment** (45 mio) in India after agriculture sector.
- **2nd largest producer** of textile products and **6th largest** apparel exporter globally
- Increasing **government support** for industry development through initiatives and policies – e.g. technology upgradation scheme, relaxed FDI norms, integrated textile parks

STRENGTH ACROSS ENTIRE VALUE CHAIN



Source: Ministry of Textile, Industry Reports, EAC Research

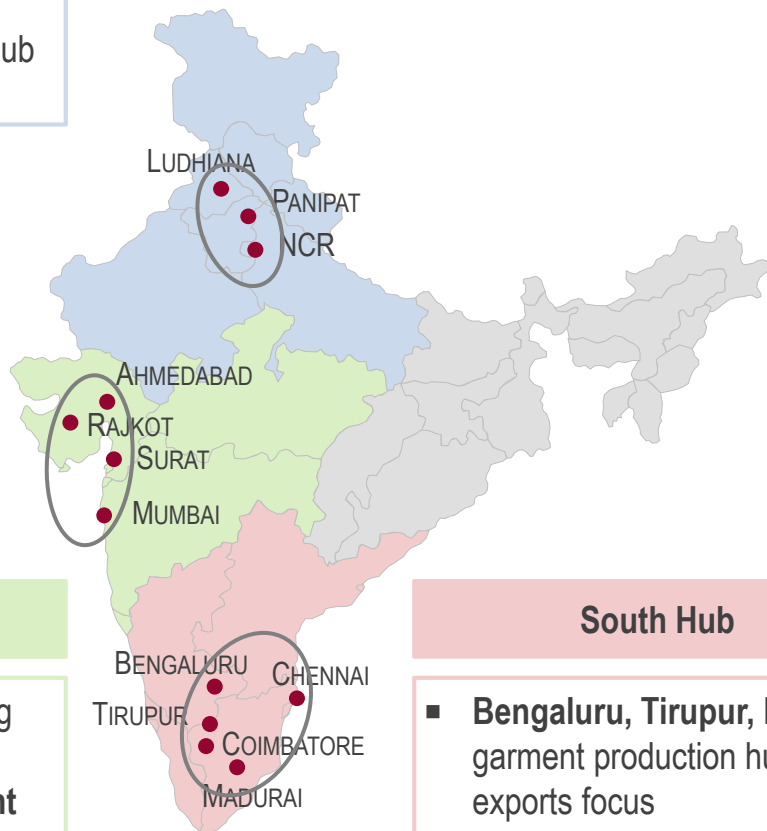


KEY CLUSTERS

3 primary clusters across north, west and south India; western region strong across value chain and machinery manufacturing; north and south strong on garment production

North Region

- **Ludhiana and Panipat** account for 80% of woolen garment production
- NCR garment production hub with strong export focus



West Region

- Ahmedabad, Rajkot leading **cotton producing belt**
- Surat and Mumbai **garment production hub**
- ~60% of **man made staple fiber** production in western region

South Hub

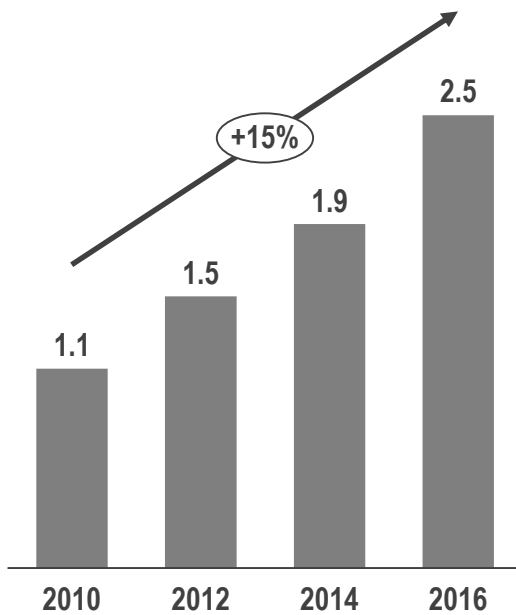
- **Bengaluru, Tirupur, Madurai** garment production hub with exports focus
- **Coimbatore** has high presence of machinery manufacturers
- **Chennai** silk industry hub



TEXTILE MACHINERY INDUSTRY

INDUSTRY SNAPSHOT

Demand (bln EUR)



- Around 3/4th of machinery demand in India is import dependent
 - Germany, Switzerland, Italy, Belgium leading suppliers to India
- Limited local manufacturers in spinning and weaving machines. Most of **domestic players** are **components and accessories suppliers**
- Around **80% of local production** is coming from the **six clusters** namely Ahmedabad, Bangalore, Coimbatore, Ludhiana, Mumbai and Surat

PRESENCE OF GLOBAL MACHINERY MANUFACTURERS INCLUDING SWISS COMPANIES

Domestic



BAKUBHAI AMBALAL

A division of Oriental Enterprise Private Limited

International





TEXTILE INDUSTRY: ADVANTAGE INDIA

Low per capita spend and projection of 3X increase over next 10 years, raw material advantage, strong government support will drive industry growth

STRONG DEMAND GROWTH

- **Low per capita spend at approx. 40 EUR** in 2016 compared to ~170 EUR in China, ~950 EUR in US, ~690 EUR in EU. India spend expected to reach 125 EUR by 2025
- Strong **export demand** due to increased sourcing of garments, home textiles from India

POLICY SUPPORT & INITIATIVES

- **100% FDI** allowed through automatic route in textile sector
- Promotion of **modernization and up-gradation** of the textile industry through **Technology Upgradation Fund Scheme**
- Scheme for **Integrated Textile Park** with supporting infrastructure

Attractive Sector- WHY?

COMPETITIVE ADVANTAGES

- Strength in **raw material** availability - largest cotton producer, 2nd largest synthetic fibre producer
- Presence across entire **value chain**
- Availability of skilled **manpower**

EMERGING TRENDS

- **Industry shift towards technology upgrade**
 - Leverage technology upgrade scheme from government
- Focus on **sustainable and eco friendly** manufacturing
- Rising penetration of **organized retail** and shift towards premium apparel



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