



INDIAN IT AND ITeS 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.

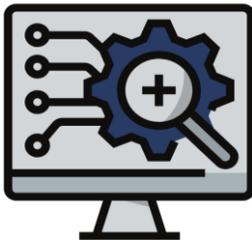
The MISSP programme is implemented and monitored by the Embassy of India, Berne, with T&A Consulting as Knowledge Partner responsible for the day-to-day management of the program and Rödl & Partner as the Legal & Tax Partner.

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



Valued at **USD 181 billion** in FY2019 and is expected to reach USD 191 billion in FY2020.

Source: Ministry of Commerce and Industry

CAGR **7.7%**

Source: Economic Times



55% The global market share in services sourcing is accounted by India.

Source: Ministry of Commerce and Industry



274 IT and ITES SEZs across the country, out of which 143 are exporting SEZs, as of November 2019.



USD 5.5 billion The value of transactions recorded by the Indian IT & ITES sector during FY2019.

Source: Grant Thornton

By 2020, India is estimated to have 730 million internet users with 75% of new internet users emerging from rural areas.

Source: NASSCOM

Key characteristics of the Indian IT & ITES market



Engineering firms will witness higher demand in coming years because of the boost in 5G deployment.



The exports of the sector stood at USD 136 billion with a growth of 8.3%. 640 offshore development centres are present in 80 countries.

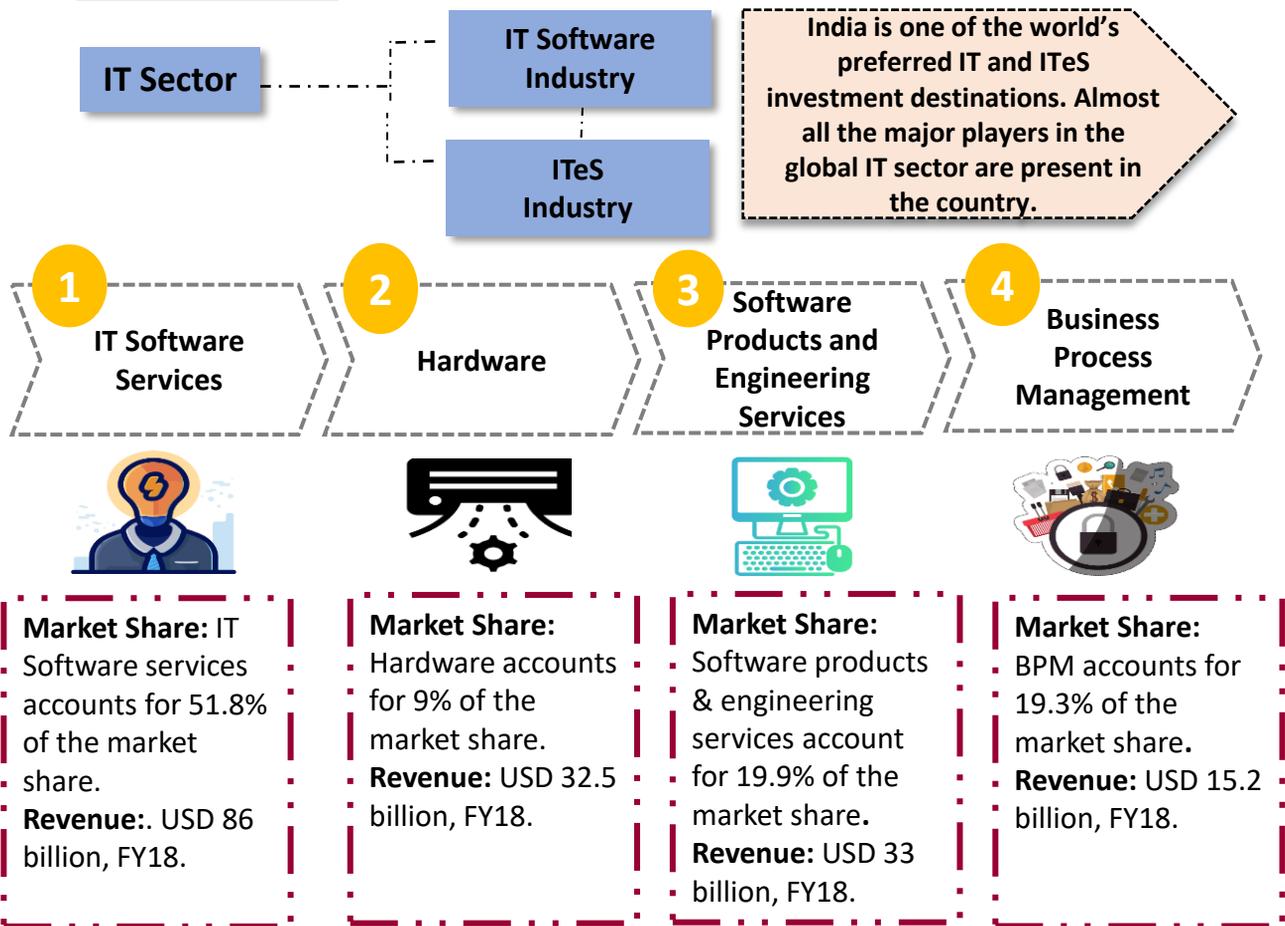


India is the fourth largest app-economy, the internet economy is expected to contribute 7.5% to India's GDP by 2020.



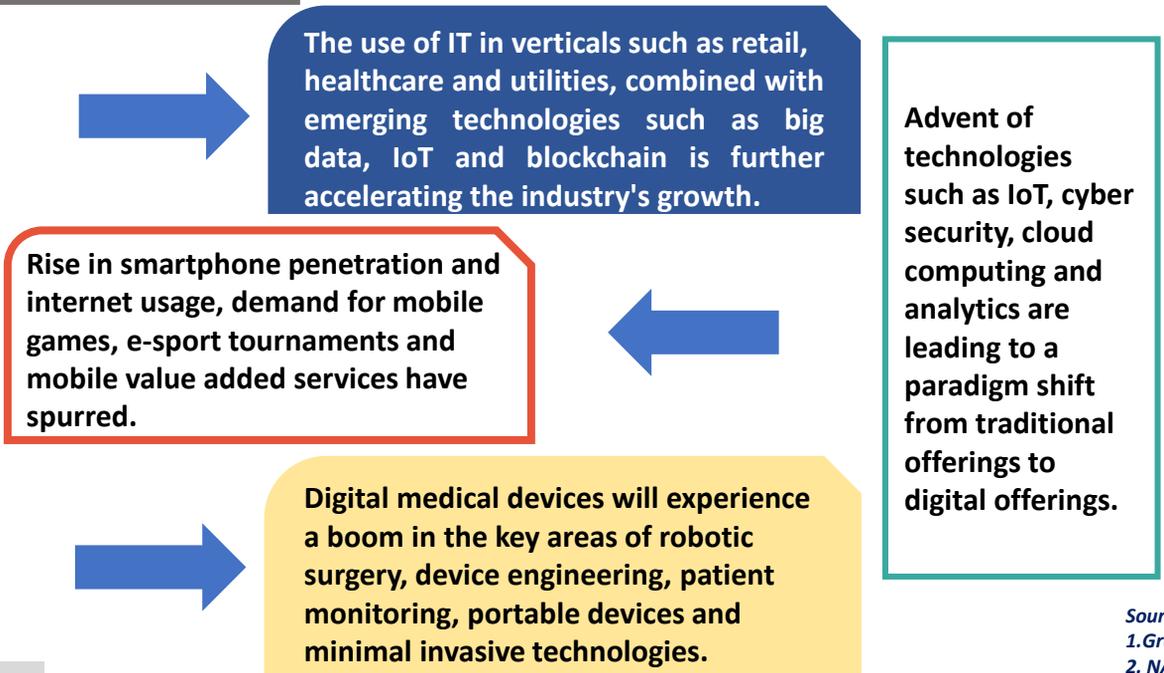
Industry is developing 'intelligent solutions' through IT services, engineering and R&D services, products (SaaS), global capability centres, and business process management (BPM).

Market Segment



Source: Ministry of Commerce and Industry

Current Market Space



Source:
1. Grant Thornton
2. NASSCOM



INDUSTRY CHANGES

Historical Scenario

1960's-

1

The industry emerged in 1960 and its export prospects were recognised in 1970's through export of programmers.

3

The economy was state-controlled which was acting hostile for the software industry depleting firms of any financial aid.



2

Policies were introduced, to aid domestic and foreign companies in setting autonomous offices.

Source: Indian Mirror

Current Scenario

4

India is a preferred offshoring destination for global investors. IT & ITeS contributes 7.7% to the country's GDP.



5

The demand has revived for IT services from the US and Europe in emerging vertical such as utilities, retail, and healthcare.

6

India offers cost effective:

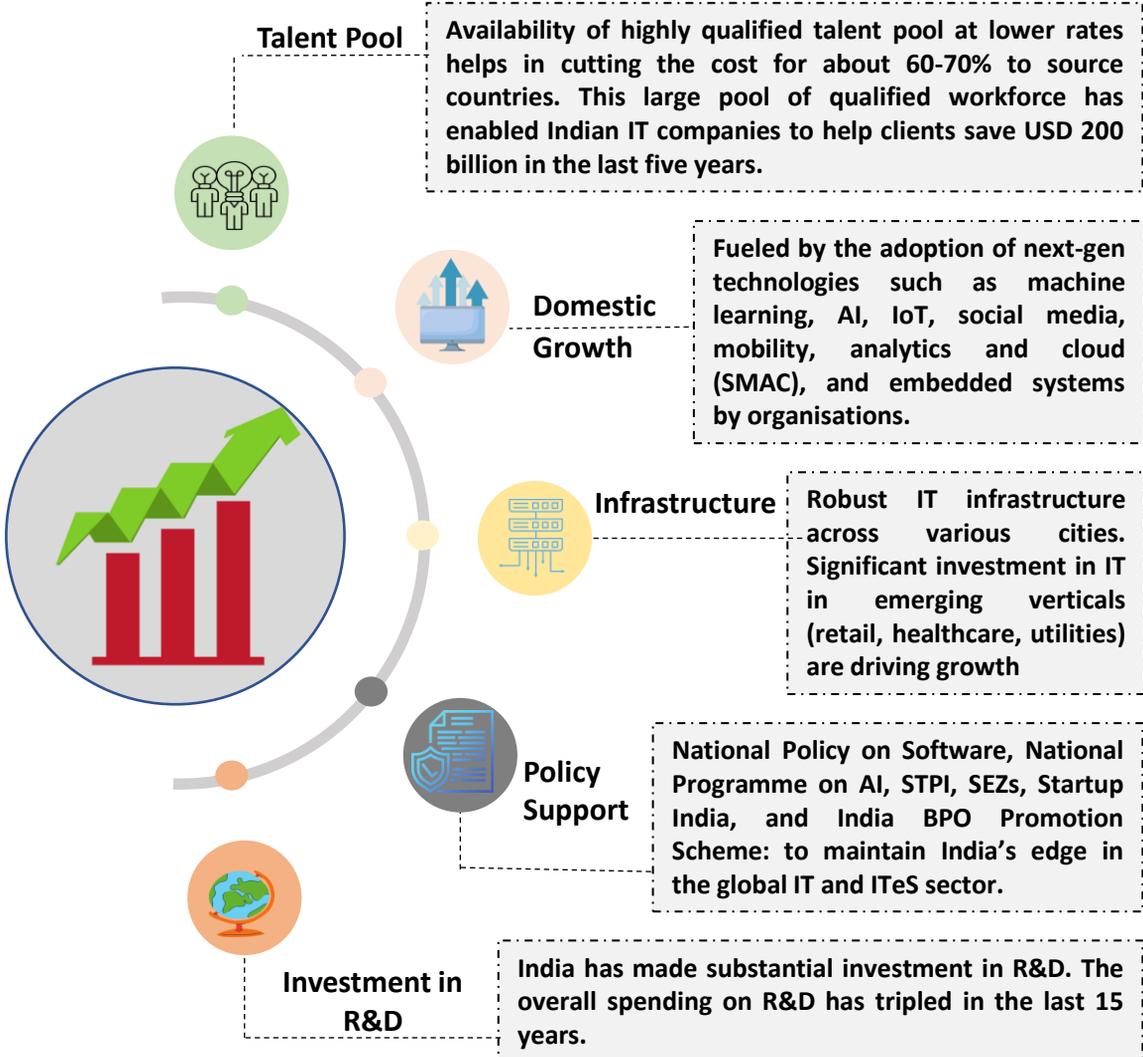
- Skilled workforce
- Advanced technology
- Infrastructure capabilities



Source: 1. Ministry of Electronics & Information Technology
2. Make in India

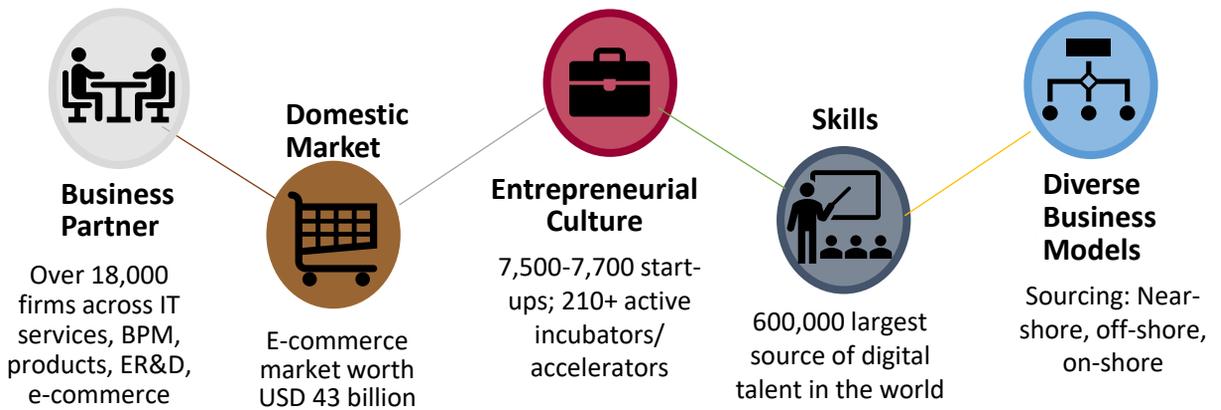


GROWTH DRIVERS



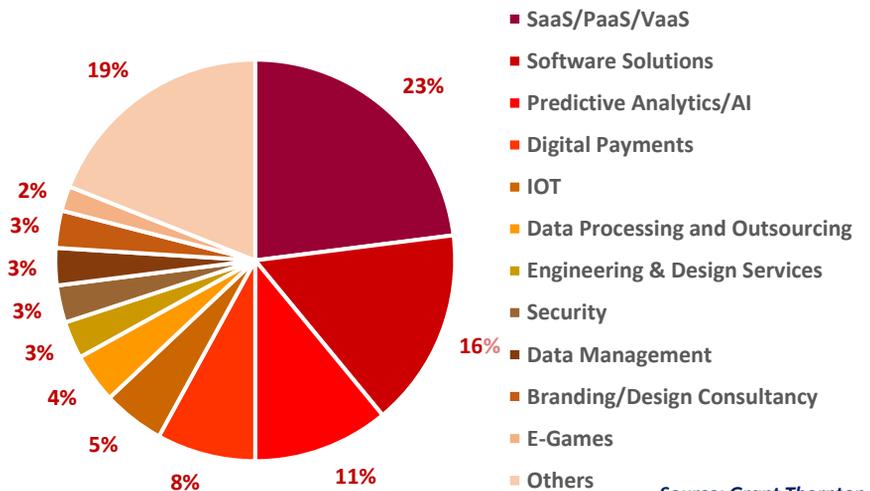


India's Value Propositions



An increase in the importance for cloud computing and cloud-based technologies has pushed transaction activity in SaaS and software solutions. Sectors within the BPM domain - data analytics, business process as a service (BPaaS), and cloud-based services will drive foreign investments. Furthermore, services around SMAC (social, mobile, analytics, cloud), IT consulting, and software testing present attractive opportunity to foreign firms. The demand in agriculture/ farm management, smart city, retail, and logistics sectors will continue to make these segment attractive for investment till 2025.

Acquisitions in Indian IT and ITeS industry (FY19)

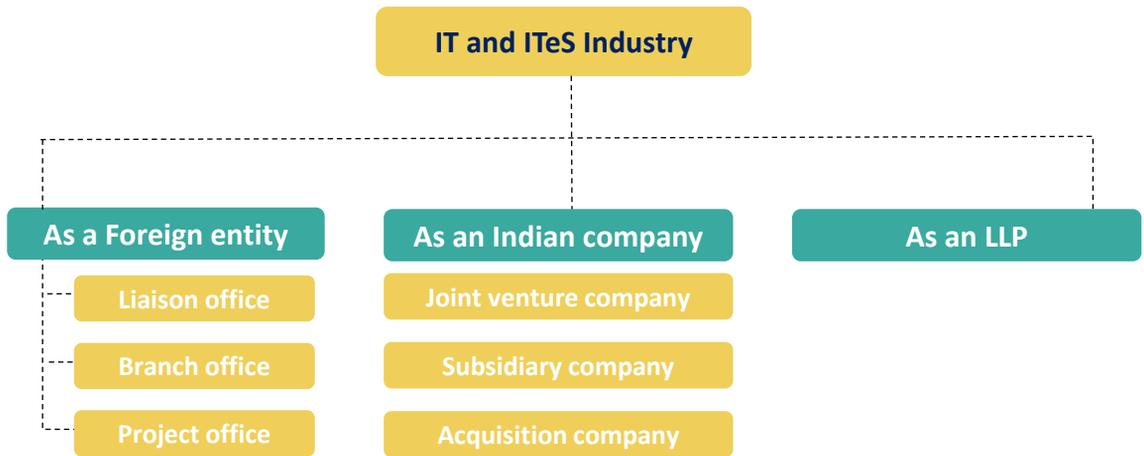


Source: Grant Thornton

Others include IT consultancy, blockchain technologies, HR solutions, system software, cloud communications, drone technology, network solutions and implementation services.



Market Entry Route



FDI – Routing Investment in India



T&A POINT OF VIEW



Indian IT and ITeS sector is an archetype of how an emerging country stands among global leaders in the IT field in an era of ubiquitous competition. Over the years, the industry has moved from providing cost-effective back office solution to building platforms and products.

Switzerland still has an overwhelming lead in design and manufacturing, but the lack of IT personnel presents a major hurdle. India, with its cutting-edge IT technologies, offers an abundance of human resources and the massive Indian market.

Although various possibilities exist for Swiss companies to leverage opportunities in the Indian IT and ITeS sector, strategic partnership with an Indian company could be an ideal option. They could form partnerships with Indian IT service companies to develop solutions for the Indian and global markets, use Indian startups with an eye to open innovation, and set up operations in India to make use of the Indian talent pool to create new products and services that fuse Swiss innovation with the latest Indian IT technologies.

Swiss firms can also acquire digital capabilities of Indian firms through acquisitions. Companies providing software solutions, SaaS, predictive analytics and digital payments segments have recently attracted both partnerships and acquisitions. Many foreign firms have simply chosen to invest in firms offering software products and IT services.



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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