



The Indian FINTECH 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



USD 66 billion
of Fintech transactions in 2019

Growing at a CAGR of over **20%**



Source: 'Emerging technologies disrupting the financial sector' by PwC and ASSOCHAM



>2,000
Number of Fintech start-ups in India in 2019

Source: India Fintech Report 2019



10.8 billion UPI transactions in 2019, up from 3.7 billion transactions in 2018

Source: NPCI



USD 3.7 billion of VC funding in 2019

Source: Accenture

India is currently tied with China for the highest FinTech adoption rate globally at **87%**, which is significantly higher than the global average of **64%**

Source: EY Global FinTech Adoption Index 2019

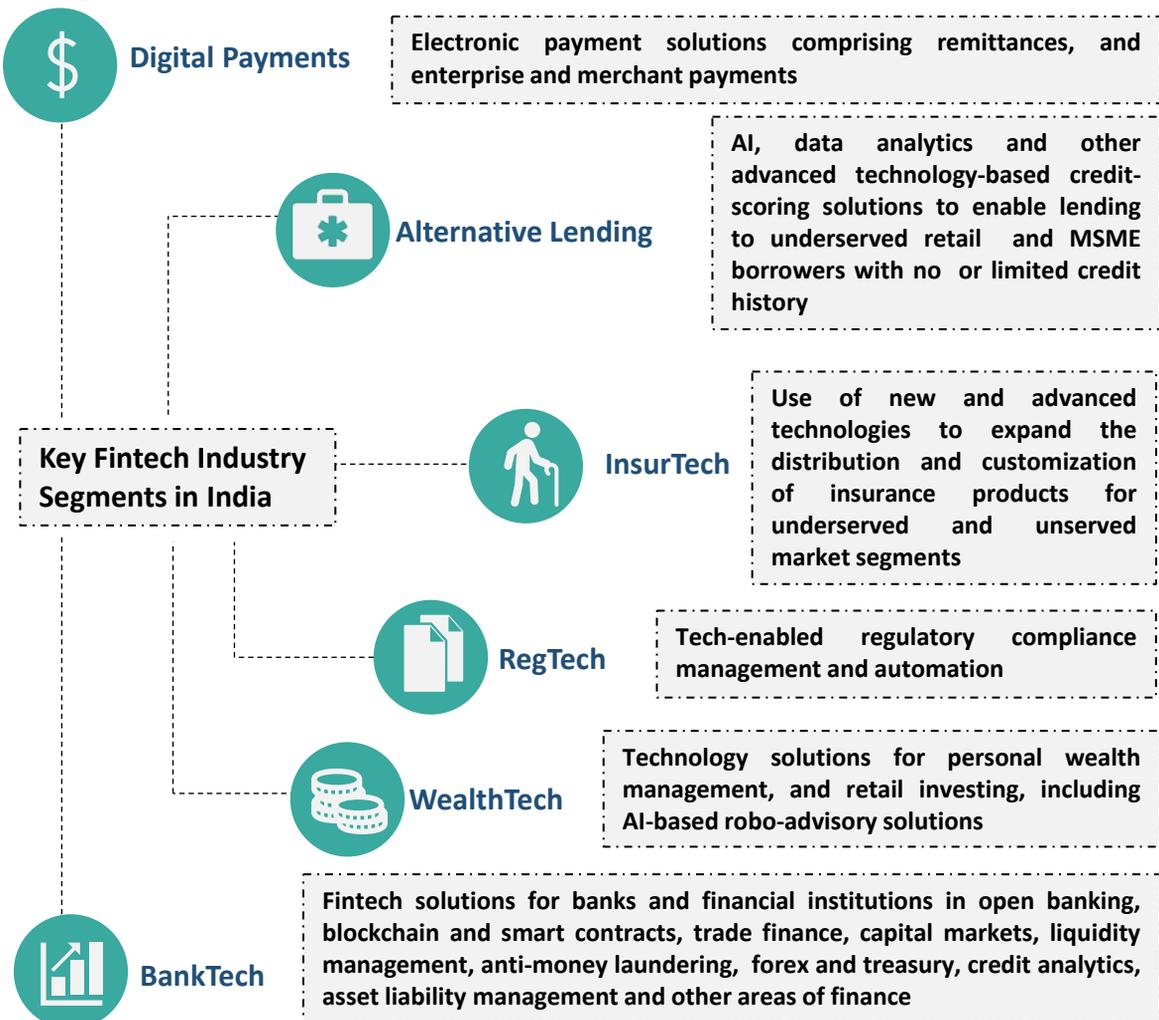
Funding Trends in the Fintech Sector in India

- VC Funding in India doubled from USD 1.9 billion in 2018, to USD 3.7 billion in 2019
- In total, 198 deal were made in the year 2019 as compared to 193 of 2018.
- The payments industry accounted for around 58% of the total funding raised in 2019
- The InsurTech industry accounted for around 14% of the funds raised
- 10.8 % of the funding went to Fintech lending startups

Source: Accenture



MARKET AND INDUSTRY SEGMENTS





INDUSTRY GROWTH DRIVERS

Changing Demographics



As the demographic landscape in the country evolves, so do the channels of communication with consumers, and modes of provision and consumption of financial services. 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 financial services and products on digital platforms. Both Fintech startups and financial service incumbents are competing and collaborating to meet the digital needs and expectations of the evolving demographics.

Unmet Financial Needs

Large swathes of the Indian population still have limited access to the formal financial services ecosystem in India, largely due to the lack of awareness of various financial services. Among the financially underserved population, and the inability of the traditional financial services sector to effectively reach out and cater to the underserved segments. This gap in the market has created an opportunity for Fintech startups to build innovative technologies and business models to profitably serve the underserved population in ways the incumbents could not.



Availability of Funding

The Fintech industry has been one of the biggest recipients of risk capital in India in the last few years, which has fueled continued innovation and growth in the sector.

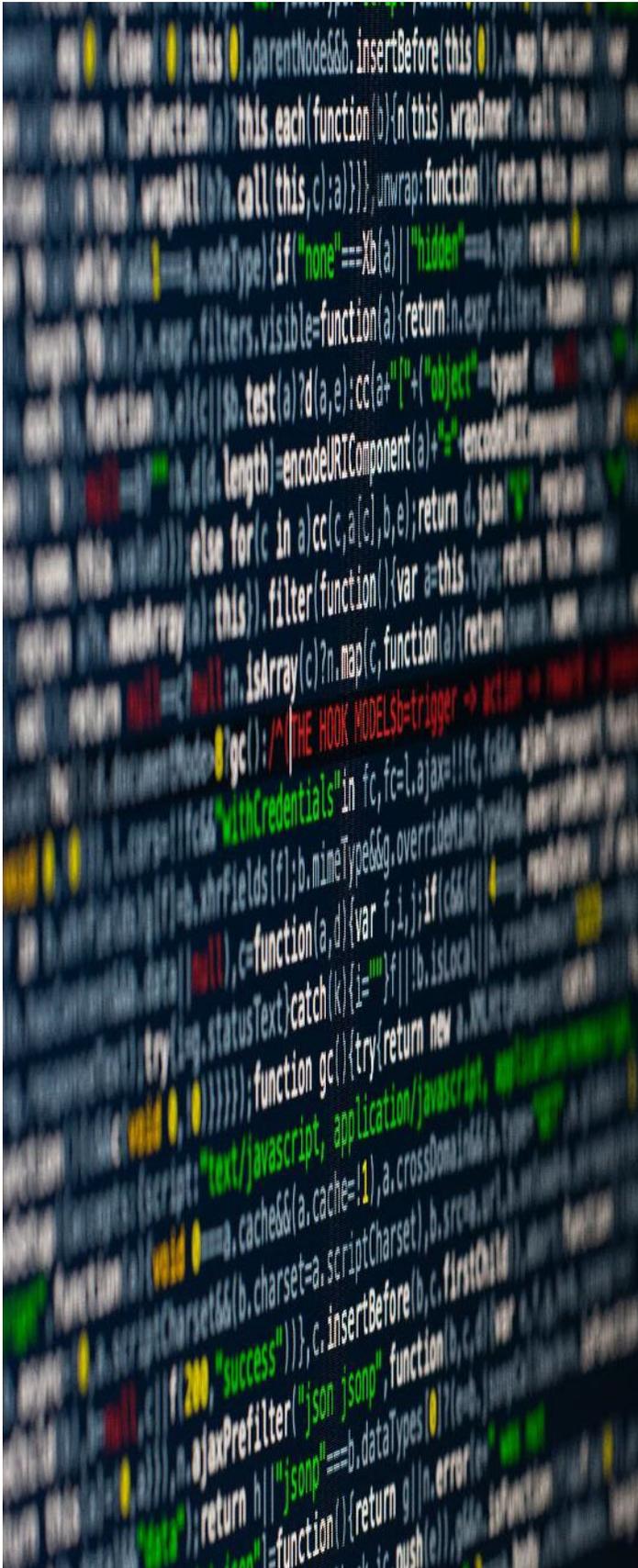
Government Policies and Initiatives

The Government of India has arguably been the biggest patron of the Fintech industry in India and has played a vital role in accelerating the growth of the sector. The Indian Government has not only adopted some of the more progressive regulations in the world with respect to the Fintech sector, but it has also actively created institutions and initiatives, such as the recently conceived Fintech sandbox, to further the development of the sector.



Collaborative Innovation

A telling feature of the Fintech ecosystem in India is the synergistic collaboration observed between financial service incumbents, such as banks and other large financial service providers, and the Fintech startups. Capital from the incumbents often support the innovation and efficiency of the Fintech startups, in developing new technologies, business models, and revenue streams, for mutual gains or for the common good of the industry.



T&A's POINT OF VIEW

The Fintech industry in India has three generic growth avenues ahead of it:

1. To reduce operating costs and improve efficacy of the traditional financial services, by replacing the legacy systems of the Indian banking and financial services sector, thereby both reducing service costs for the end-customers and improving profitability for the financial service providers.
2. To create and improve access to unbanked and underserved demographic segments in India, primarily through the development of advanced credit-assessment systems based on advanced machine learning, big data and alternative data.
3. To create new variants of traditional financial products or services to compete with incumbent financial service providers, thereby adding to the diversity, innovativeness and competitiveness of the financial services sector.

However, one area that the Indian Fintech industry currently lacks in, is niche technological expertise. In order to become a true world leader in Financial Technology, India might need to pivot from being a jack-of-all-trades to a technology specialist.



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

Contact: missp2@missp.ch

+41-31-528 08 37

MISPP 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