



सत्यमेव जयते

Embassy of India  
Beme

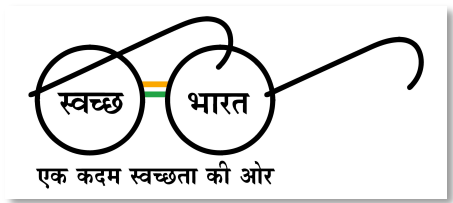
(Concurrently Accredited to The Principality of Liechtenstein)

## **Momentum in India: Swiss SMEs Programme**

## **The Journey**

**MISSP**





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## Message



**H. E. Ambassador of India to Switzerland**

**Ms. Monika Kapil Mohta**

Dear Friends,

It is with pleasure that I congratulate the Momentum In India: Swiss SMEs Programme [MISSP 2.0] team on completion of a year of successful outreach to the Small and Medium Enterprises in Switzerland. MISSP has certainly added 'momentum' to the India-Switzerland bilateral relationship. The testimony to it is the fact that close to 100 Swiss companies have onboarded on this programme till date.

The relations between India and Switzerland are referred to as a long-standing dynamic partnership. Recent years have witnessed engagements at the highest level. The Hon'ble President of India undertook a State Visit to Switzerland last year. Agreements were signed in the priority fields of Climate Change, Science & Innovation, and Culture. Switzerland is the 11th largest trading partner of India and the 12th largest investor into India. Culture of Innovation and Entrepreneurship is common to India and Switzerland. Many Indian students are pursuing higher education in prominent Swiss Universities.

Friends, the people of India have resolved to build an Aatma Nirbhar Bharat or Self Reliant India. It merges the local with the global. It ensures India's strengths act as a global force multiplier. It transforms India into an active manufacturing hub at the heart of global value chains. In the aftermath of COVID 19, our goal is not just to rebuild, but making growth environmentally and socially sustainable; India has also undertaken a trinity of reforms in the fields of education, labour and agriculture.

The New India of today has adopted a new governance model which is people centric and public friendly. Policy-based far-reaching reforms are taking place. More than 1,500 archaic laws have been abolished. India has emerged as one of the lowest tax destinations in the world. Efforts are being made to ensure that our tax system is Seamless, Painless, and Faceless. Business has been made easier. The overall approach has been of Minimum Government & Maximum Governance.

The reforms that we have made have ensured increased Competitiveness, enhanced Transparency, expanded Digitization, greater Innovation, and more Policy stability. It gets reflected in the fact that India has made a tremendous jump to the 63rd position on the Ease of Doing Business from the rank of 142 in 2014. This year, India has also for the first time entered in the list of top 50 innovative countries, while securing the 48th rank on the Global Innovation Index.

India has been moving steadfastly in the direction of pursuing Sustainable Development Goals. All the national campaigns that we have undertaken recently, such as Jan Dhan Yojana, Jal Jeevan Mission, Ayushman Bharat, Beti padao Beti bachao, Swachh Bharat Mission, Skill India, Digital India, Start Up India, contribute towards the SDGs. India has also been at the forefront of the global leadership in the field of Sustainable Development. It includes the International Solar Alliance and the Coalition for Disaster Resilient Infrastructure.

India is a young country with 65 percent population less than 35 years old. India has a skilled workforce. India has developed a business friendly and innovative ecosystem. India is an aspirational country. India is a responsible global player. We look forward to you being a part of India's journey.

(Monika Kapil Mohta)

# Momentum in India: Swiss SME's Programme:

## An Introduction

The Embassy of India, Berne, has been pro-actively promoting India as a dynamic business partner and investment destination for Swiss SMEs.

Today, India is among the top performers in the “Ease of Doing Business 2020” (World Bank Group) having moved 79 positions from # 142 in 2014 to # 63 in 2019 as also in the Global Innovation Index 2020 (World Intellectual Property Organization) where the country jumped to # 48 in 2020 from # 76 in 2014.

Taking advantage of this paradigm shift in India's world rankings and the global recognition of the country as an emerging economic power, the Embassy of India, Berne, launched the ‘Momentum in India: Swiss SMEs Programme’ (MISSP) to facilitate Swiss SMEs enter and expand in the Indian market to explore the multifarious opportunities on offer for their products and services.

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 by offering a gamut of business support services towards their India entry/expansion strategy .

MISSP is a true one-stop source realized 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.

The MISSP initiative 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 programme, and Rödl & Partner as the Legal & Tax Partner.

The MISSP team wishes you an interesting read of this brochure and looks forward to having you join us as the next MISSP member.

You are also invited to follow us on Twitter at @misspeoi.

The MISSP Team

### Sector Workshops conducted in 25 industry and service segments

<ul style="list-style-type: none"><li>• AI &amp; Robotics</li><li>• Automotive</li><li>• Biotech</li><li>• Blockchain</li><li>• Chemicals</li><li>• Defense &amp; Aerospace</li><li>• Electronics</li><li>• Factory Automation</li><li>• Fintech</li></ul>	<ul style="list-style-type: none"><li>• Food Processing</li><li>• Incubators &amp; Accelerators</li><li>• IT &amp; ITeS</li><li>• Machine Tools</li><li>• Medtech</li><li>• Micro-electronics &amp; Precision Components</li><li>• Packaging</li><li>• Pharmaceuticals</li></ul>	<ul style="list-style-type: none"><li>• Plastics &amp; Polymers</li><li>• Railways</li><li>• Blockchain</li><li>• Smart Cities</li><li>• Start-ups</li><li>• Technical Textiles</li><li>• Waste &amp; Water</li><li>• Wellness &amp; Nutraceuticals</li></ul>
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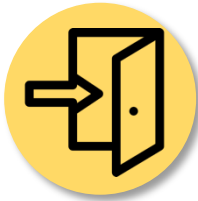
# Benefits of the MISSP Initiative

MISSP offers manifold value-added advantages to Swiss SMEs considering first steps into entering India or planning to expand their existing local set-up.

The multi-faceted trade and investment promotion assistance extended towards Swiss SMEs under the MISSP initiative cover:



Strategy Consulting



Market Entry Support



Partner Search



Technology Collaboration



Tax & legal Advice



Location Services



Mergers & Acquisitions



Project Financing



Financial Services



Networking



Digital Roadshows



Webinars

Other benefits of the MISSP comprise:

- Participation in specialized common workshops and webinars 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

Every presentation delivered during the workshops and webinars is easily accessible on the MISSP website ([www.missp.ch](http://www.missp.ch)) post the said event

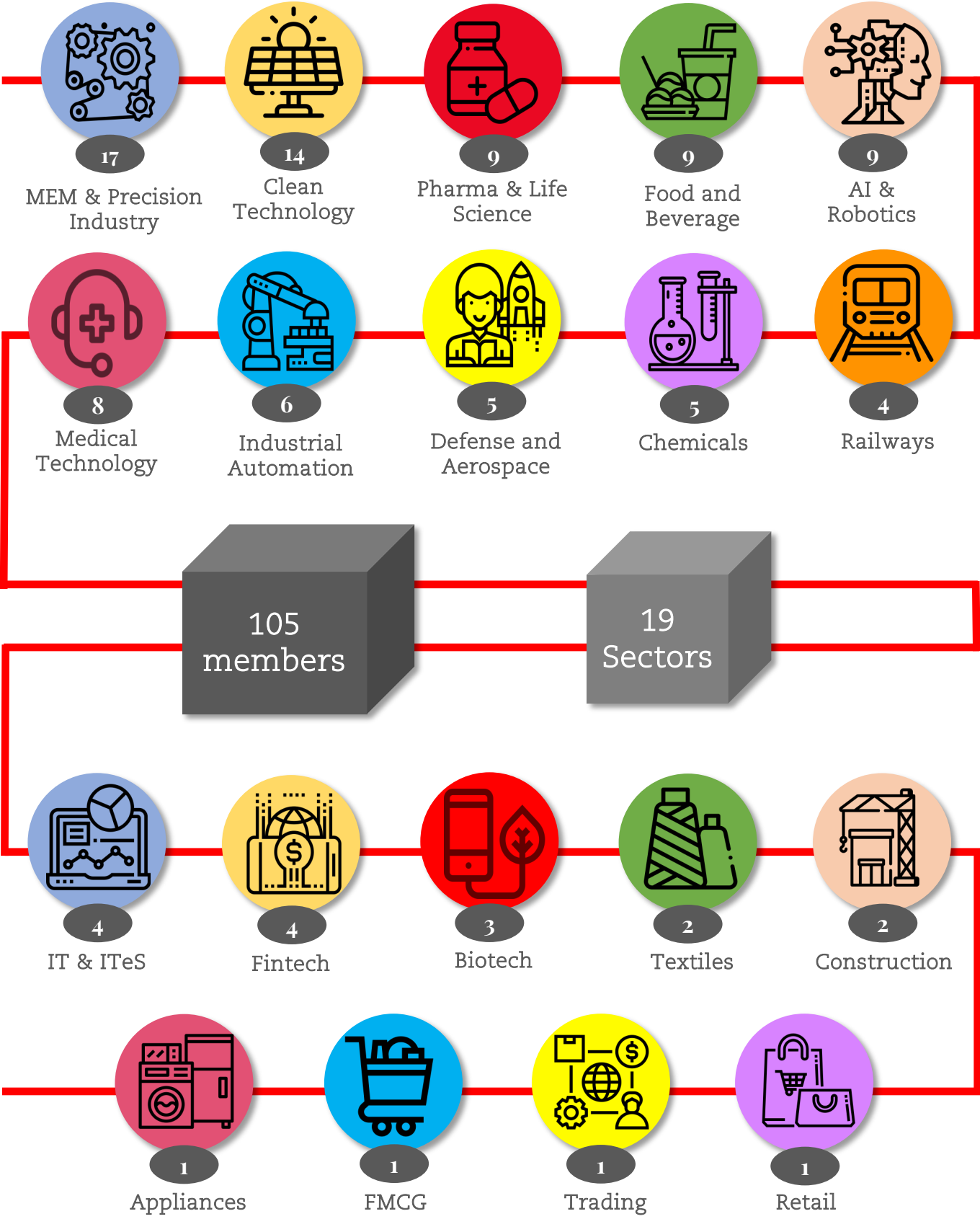
along with relevant Industry Snapshots.

## Become a MISSP Member

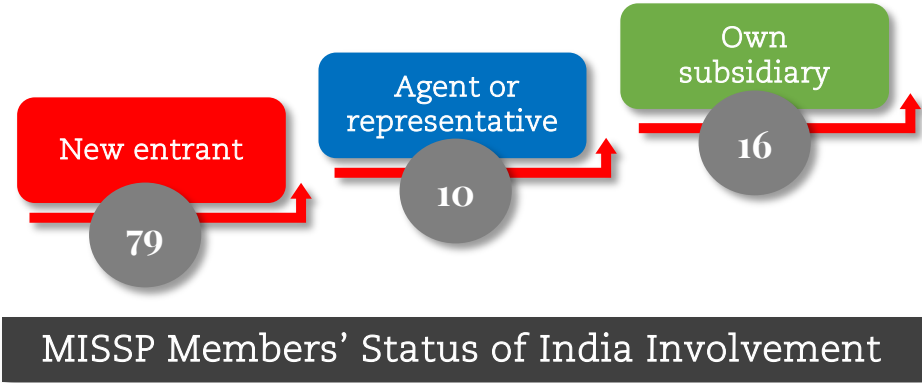
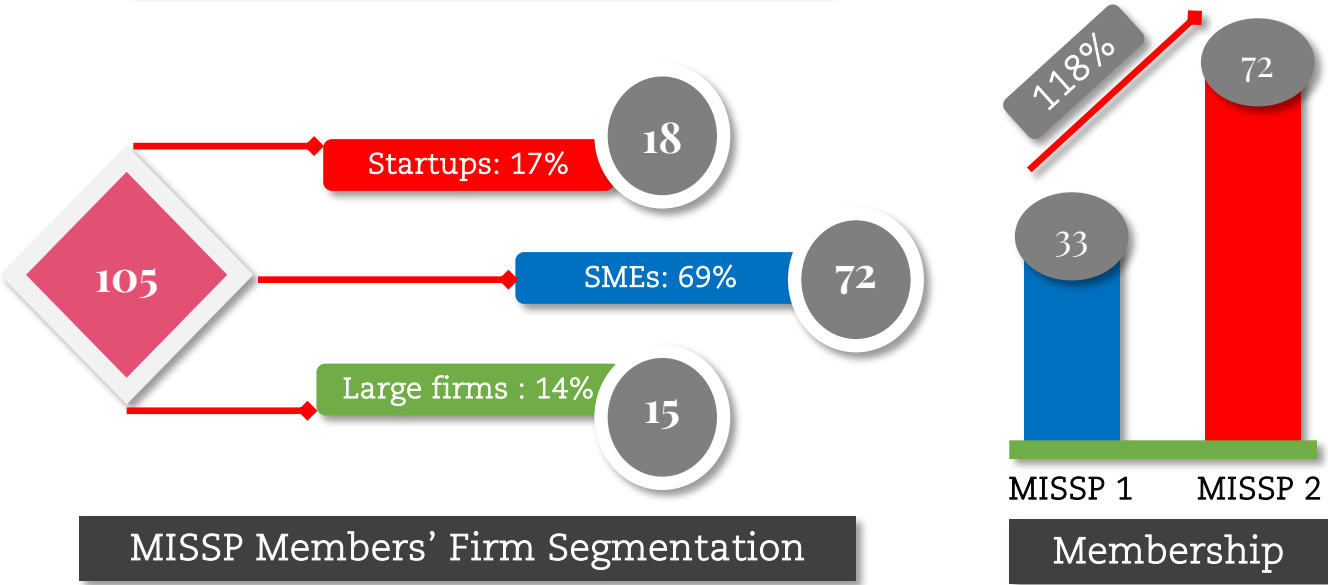
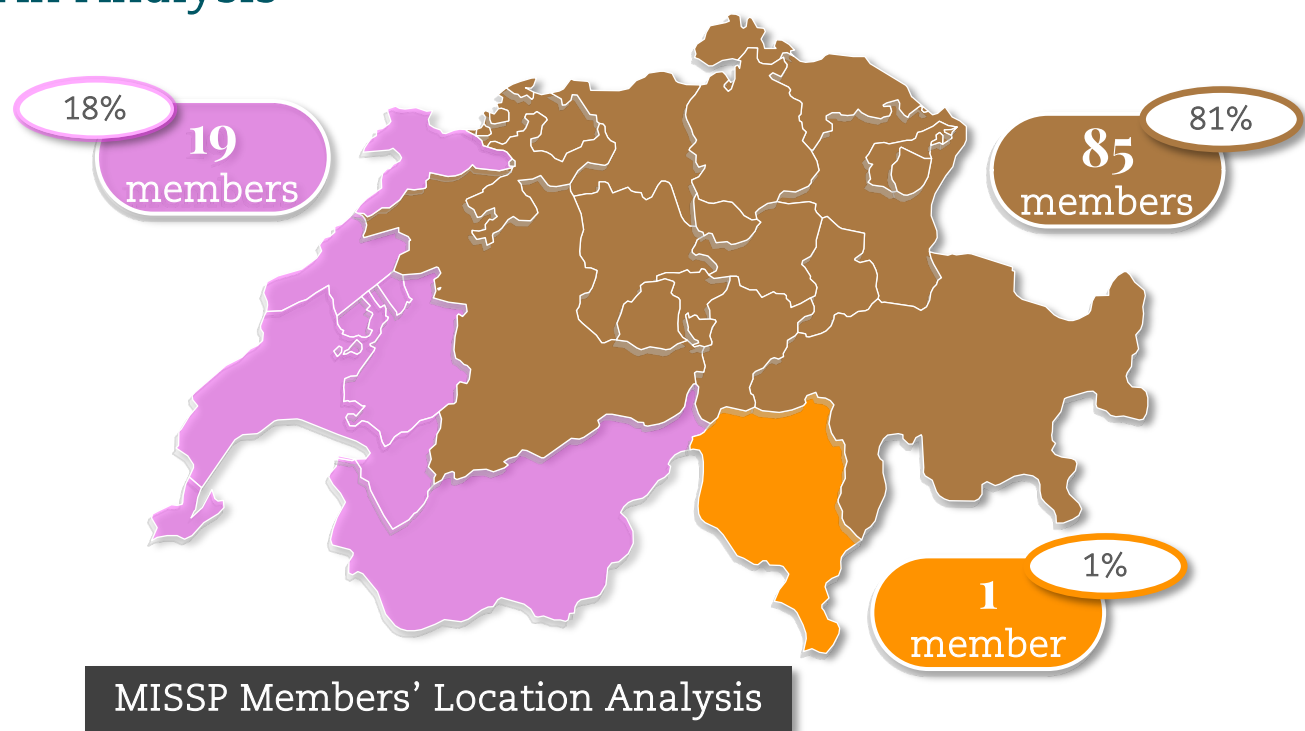
To avail of these many benefits all that is needed is to onboard in the MISSP as a member.

An e-mail communication to the MISSP Team ([missp2@missp.ch](mailto:missp2@missp.ch)) by the Swiss SME specifically expressing an interest to become a member is all that is needed – so simple and easy – with absolutely no financial obligations whatsoever.

MISSP Members:

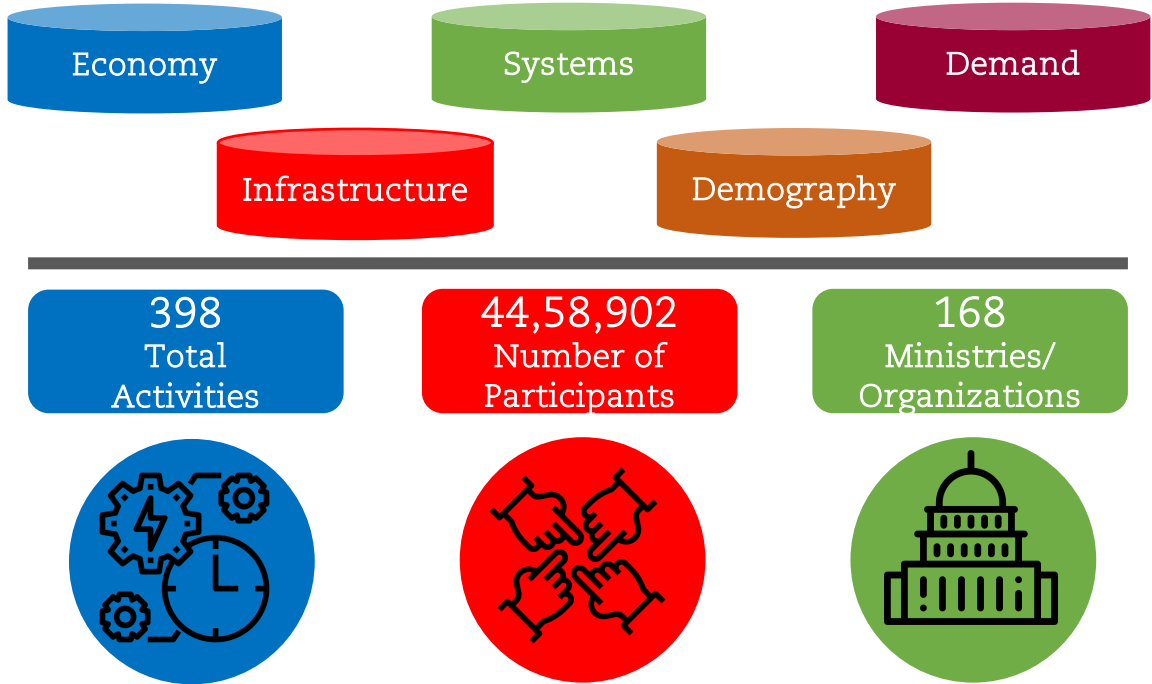


# An Analysis

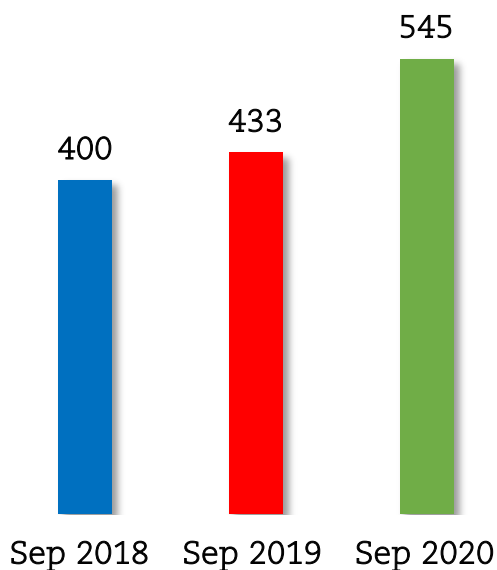


# The Indian Economy 2018 – 2020:

AatmaNirbhar Bharat Abhiyan  
A self-reliant India with 5 pillars



## Foreign Exchange Reserves (USD billion)



India remained among the fastest growing large economies in the last 10 years. Despite the shock received due to the Covid-19 pandemic, the Indian economy remains resilient. As per IMF estimates, the country is expected to rebound swiftly and projected to register a GDP growth of around 6% for 2021-22

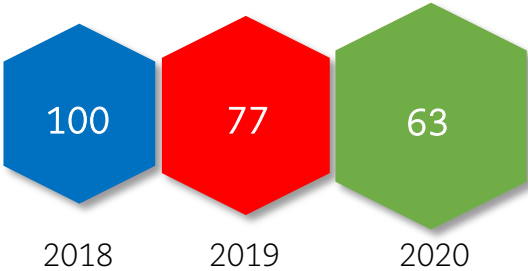
In the last six months, India's foreign reserves have increased by over 14% from USD 475 billion in March 2020 to USD 545 billion by September 2020. India has regularly clocked exports over USD 300 billion annually for the last three years. With the policy support for domestic manufacturing, the value and demand for Indian exports is expected to rise in the coming years

# An Updated Overview

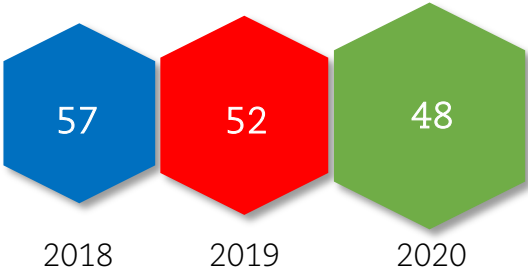
India has moved 79 places in the last 5 years in the Ease of Doing Business Rankings to reach 63 in 2020. India is the only country in the world to rank among the top 10 improvers for the third consecutive year

In the Global Innovation Index, India has entered the list of top 50 countries moving up four places to 48 in 2020

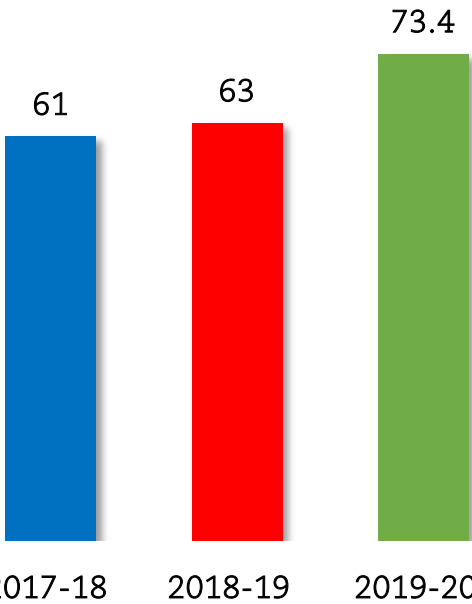
India: Ease of Doing Business Rank



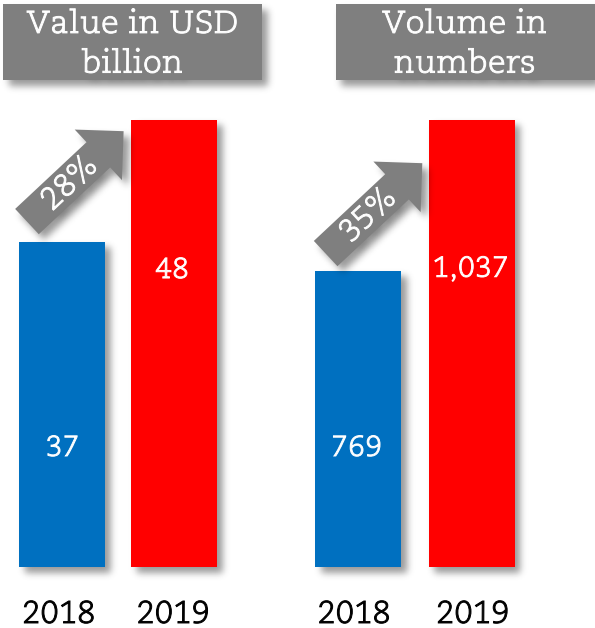
India: Global Innovation Index Rank



Foreign Direct Investment into India (USD billion)



Private Equity and Venture Capital Investments in India

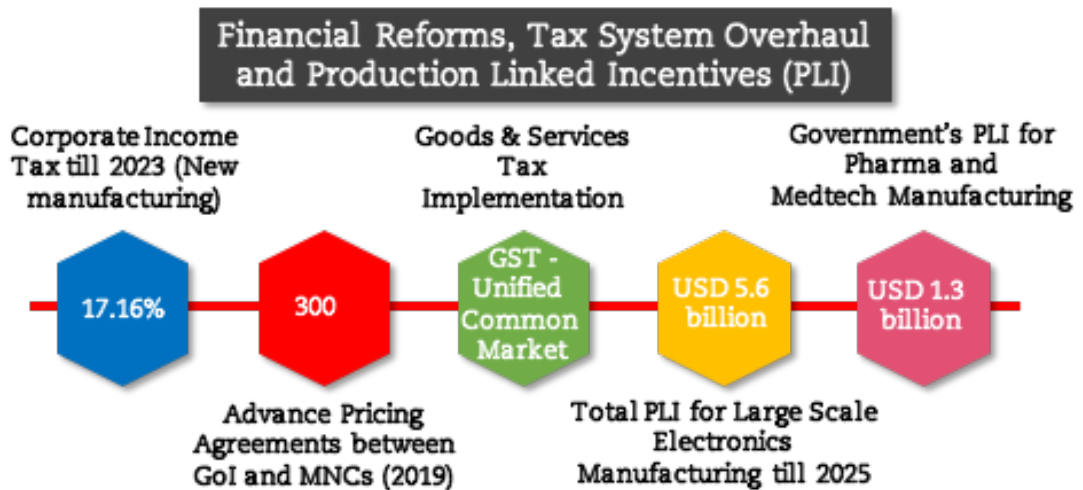


The improvement in business environment and steady strengthening of the innovation ecosystem has provided the opportunity to world-class Indian start-ups looking to build global businesses to grow. Start-ups accounted for 60% of 1,037 PE/VC deals in 2019. However, currently only 8% of nearly 80,000 start-ups in India are funded presenting a significant opportunity for investment

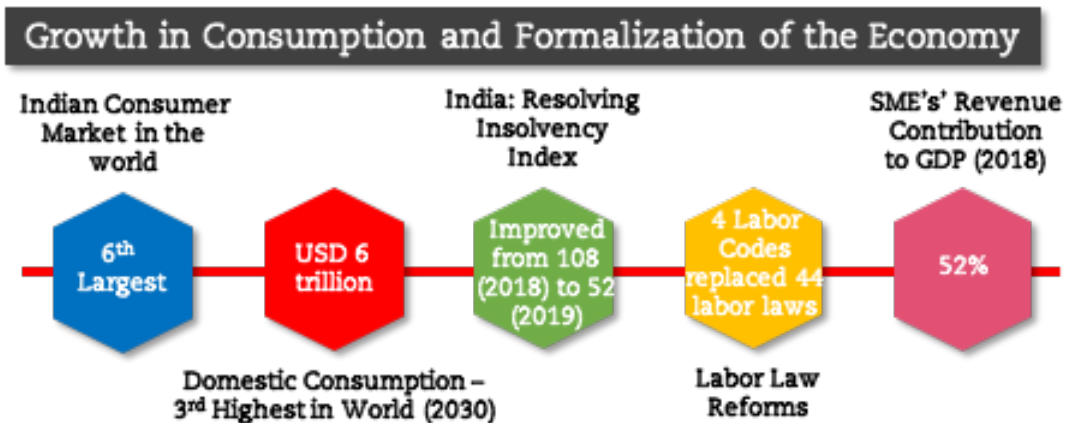
Segments including e-commerce, data analytics, AI, fintech, retail-tech, health-tech, and logistics attracted maximum transactions and interest from investors



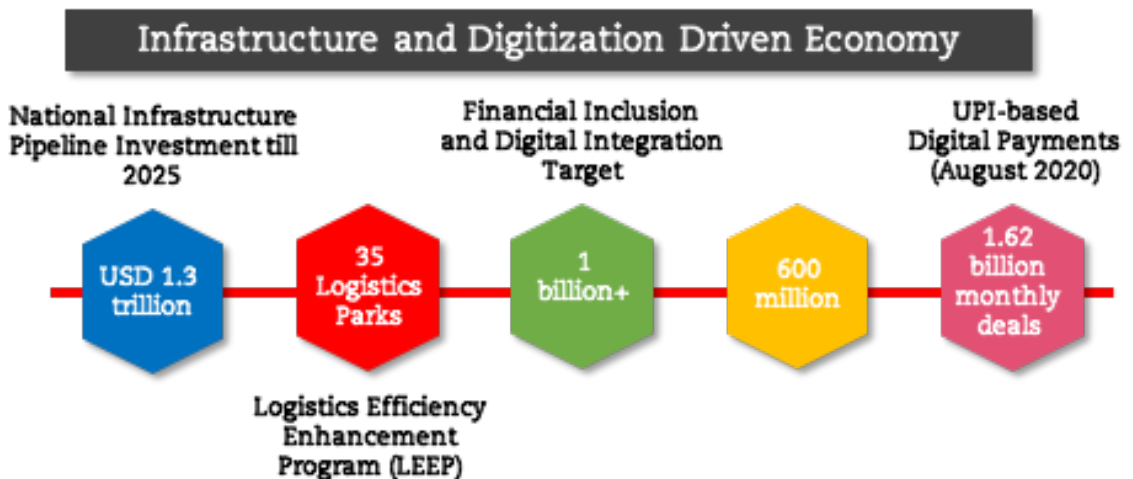
## An Updated Overview: Economic Transformation



To improve predictability, the government has simplified the indirect tax system with the introduction of GST removing cascading taxes. India slashed the corporate tax rate from nearly 35% to offer a very competitive rate of around 25%. The present pandemic has also resulted in faster adoption of commercial transactions over the internet led by a reliable and competitive telecon infrastructure, as well as the strong foundation of the Unified Payment Interface (UPI).



This will result in a more robust logistics sector including last mile delivery, emergence of new business models, formalization of the economy and new employment opportunities.

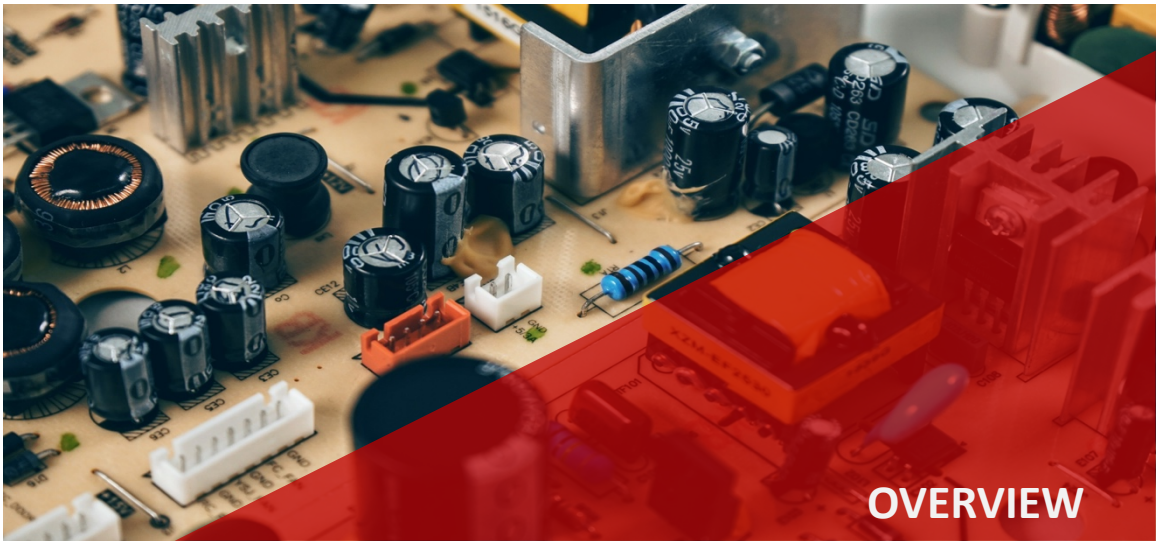


With the 7<sup>th</sup> largest patent filing office in the world and as host to 40% of the world's Global In-house Centers (GICs), India is emerging as a universal R&D hotspot





# Electronics



## OVERVIEW

### Industry Snapshot



Valued at **USD 200 billion**  
in 2019

Growing at a CAGR of **25%**



Consumer electronics is the  
largest segment in this  
industry



Electronic components is the  
fastest growing segment in  
this industry



Mobile phone is the fastest  
growing sub segment

The Indian electronics industry accounts for  
**10%** of the global market

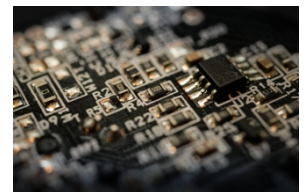
### Key characteristics of the Indian Electronics market

- The market size of the electronics industry in India is expected to reach USD 540 billion by 2025
- Electronics production in India accounts for 35% of the total electronics market size
- Electronics production in India is expected to reach USD 300 billion by 2025
- Electronic products and electronic components are the largest non-oil imports of India in 2019

# Electronics



India's mobile gaming market is expected to be worth USD 1 billion by FY2022. India has set a production target of 1 billion mobile handsets by FY2025. CCTV's, LED , mobile handsets, GPON and smart meter segment to register double digit growth and account for 70% of the total electronics market in India by FY2025



The huge demand for electronic goods in the Middle Eastern countries and in emerging markets such as the North Africa and Latin America provides an opportunity for 'Made in India' electronic goods for export



The government is promoting the development of Electronics Manufacturing Clusters to provide world class infrastructure facilities. This in order to make India an electronic manufacturing hub by subsidizing greenfield and brownfield projects



Government initiatives such as 'Make in India' and 'Digital India' and favourable FDI policy have simplified the process for setting up electronic manufacturing units in India

# Fintech



## Industry Snapshot



**USD 66 billion**  
of Fintech transactions in 2019

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



**>2,000**

Number of Fintech start-ups in India in 2019



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



**USD 3.7 billion** of VC funding in 2019

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%**

### 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



# Fintech



## 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



# Food Processing



## Industry Snapshot

Food processing is one of the fastest growing sectors in India. The sector accounts for 32% of the total CHF 544 billion Indian food market. Steady increase in the production of raw material and a growing consumer base contributed heavily to the growth of the industry

**USD 174 billion**

Indian Food Processing Sector  
(2020)

**USD 33 billion**

FDI in Food Processing Sector  
(by 2024)

The sector is highly labor-intensive employing approximately 1.77 million who are engaged in almost 40,000 registered units

**140,000**

Food Processing Units  
(registered and unregistered)

**35,000**

Food Processing Supply Chain Units  
(storage and transportation units)

## **Key Investments**

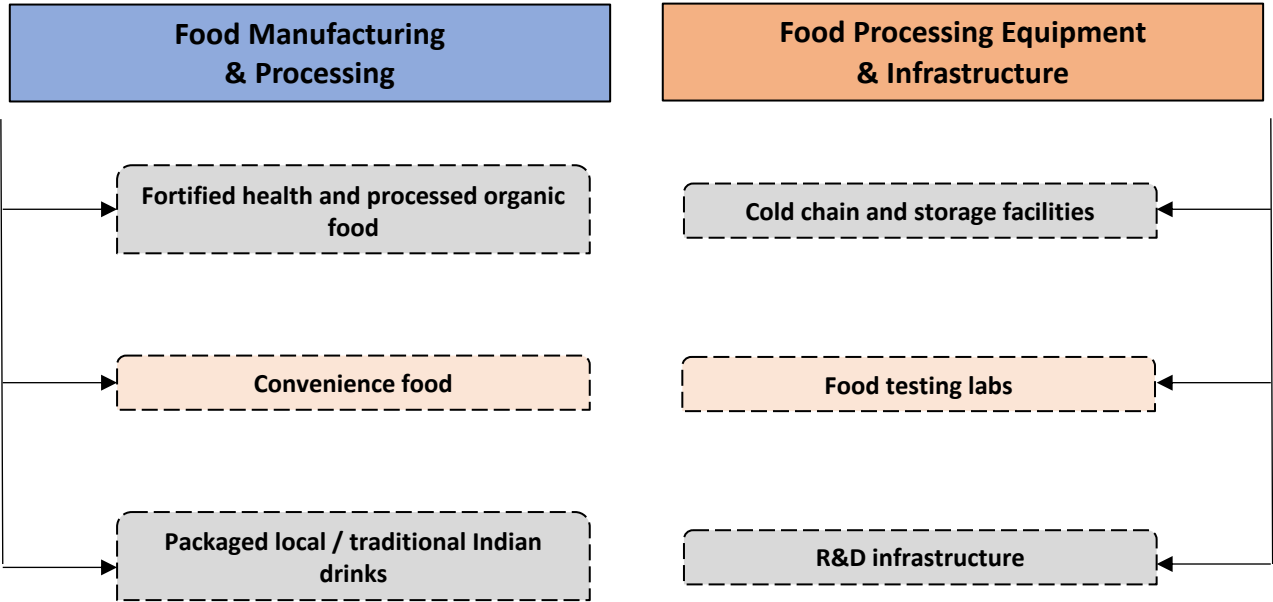
Nestle (Switzerland)  
Ferrero S.P.A (Italy)

Reitzel (Switzerland)  
Kerry Group (Netherlands)

# Food Processing



As the sector inclines towards innovation and looks to adopt modern technology to maximize capacity, the market for food manufacturing and processing plant and machinery is estimated to grow to CHF 51 billion by 2024-25



# Incubators & Accelerators



## Industry Snapshot



**3rd**  
Largest start-up programs in the world

**6,200 +**  
Start-ups can be enabled each year

**350+ Academia Based**  
Accelerators and incubators



**97%**  
of total incubators  
are sector agnostic

## Notable Trends

- Growth in programs outside established start-up hubs is primarily due to incubators set-up by academia, industry associations and government agencies
- Public and academic programs are more focused on idea & prototype stage, private and corporate programs are more suited for start-ups needing market access and funding
- Corporates and investors have a clear preference for start-ups with problem or solution fit. This is also reflective of market needs – for providing structured support for start-ups to achieve product/market fit



# Incubators & Accelerators



## Sourcing of Indian Start-ups

The cost of app development in India is ten times less than the US. Solutions which can be applied across geographies will help increase profit margins and valuations due to lower cost of development. Therefore international incubators and accelerators can incubate Indian start-ups with global products to make use of economies of scale

**Collaboration with Indian accelerators and incubators** can help foreign accelerators and incubators to expand their presence and run cross cultural programs for expansion. It also gives access to shared pool of resources and market expansion benefits to incubatees

## Collaboration with Educational Institutions

Foreign incubators and accelerators can collaborate with Indian educational institutions working towards development of new technology. Through this, the accelerators and incubators get benefit of technology transfer, especially in fields of biotechnology and drug discovery and can aid IP based startups to expand globally through their network



## Setting-up Shop

Several international accelerators and incubators have set up centres in India. This is done to ensure an increase in the global footprint and provide higher returns as compared to saturated markets. Accelerators and Incubators looking to expand can look at India

# Medical Technology



## Industry Snapshot



Valued at **USD 10 billion**  
in 2019

Growing at a CAGR of **15%**



**80%**  
Medial devices used in India  
are imported



**15%**  
of India's medical device  
imports comes from the USA.



**4th** Largest MedTech market in  
Asia

### Key characteristics of the Indian medical device market

- The medical device industry was accorded the status of an independent industry in 2014 when it was included as one of the focus sectors of the Make in India program.
- The per capita spend on medical devices in India is the lowest among BRIC countries at USD 3—when China is at USD 7, Brazil is at USD 21 and Russia at USD 42. This current under-penetration of medical devices in India represents a sizeable growth opportunity.
- The consumable segment account for 65% of medical devices manufactured by 800 domestic medical device manufacturers in India

# Medical Technology

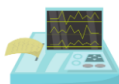


Existing clusters for consumables in Haryana, stent in Gujarat and Karnataka, and diagnostic in Tamil Nadu clubbed with Indian's Make in India and rising rank in the Ease of Doing Business list allows companies to consider India as a manufacturing hub



Nearly 50% of utilisation of devices in diagnostic is noted for MRI/CT scan machines across India. GE Healthcare, Phillips, Siemens are the companies which are most preferred in India. Indian healthcare market looks for quality and after sales support. Companies producing MRI and CT scans can hence find an opportunity to enter the Indian market

The growth of Medical Parks across states like Andhra Pradesh, Gujarat, Maharashtra and Telangana allows companies to invest in manufacturing along with R&D in India. Success stories of GE Healthcare, Phillips in the domain holds testament for the available prospects in India



India's impetus on Make in India and Heal in India induces a demand for automation industry, AI systems and precision industry in the Indian manufacturing ecosystem, creating a scope for foreign companies to enter the market

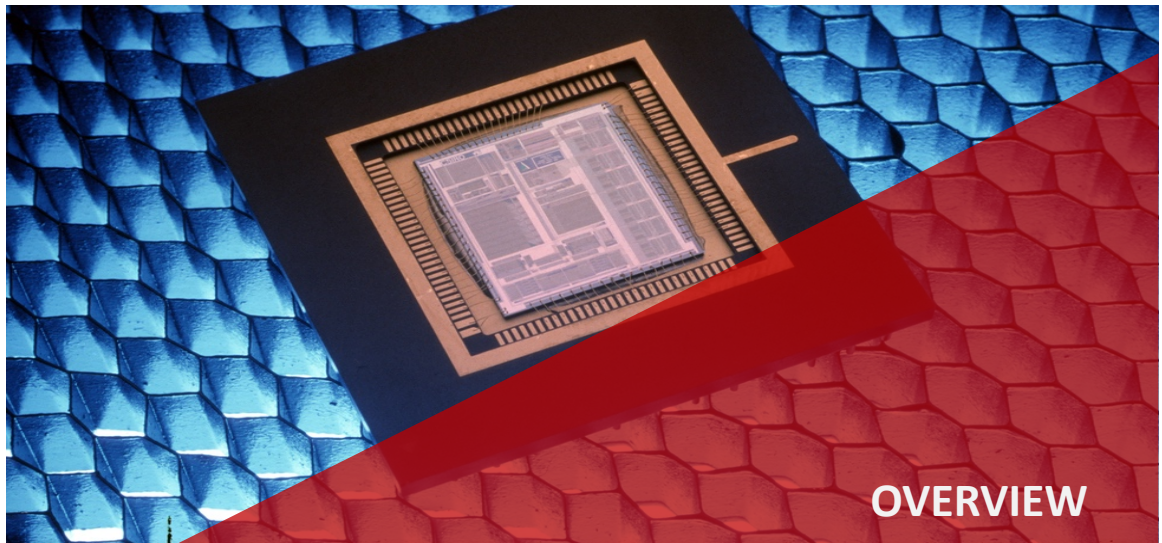
The growth of point-of-care testing induces an opportunity for companies producing portable instruments—blood glucose meters, nerve conduction study device—and test kits—CRP, HbA1c, homocysteine, HIV salivary assay—and plastic cartridge manufactures companies to enter the Indian market



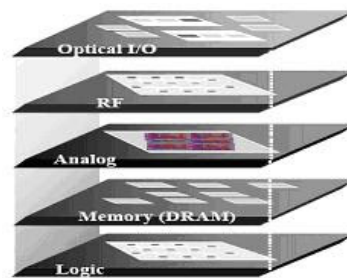
Healthcare delivery companies to see an option to enter the Indian healthcare market. With companies moving towards manufacturing high end products in the future, the demand for healthcare delivery companies will increase in the sphere of formulating new innovations, support manufacturing ecosystem, and improves accessibility and reach leveraging business models



# Microelectronics & Precision Components



## Industry Snapshot



### Key characteristics of the Indian Microelectronics market

- Microelectronics industry is segmented into basis of application : Digital Signal Processors (DSP), Microprocessor and Microcontroller
- Microelectronics industry is categorized into broad end user segments: Consumer Electronics, Defense, Automotive and Industrial
- The broad thrust area identified under Microelectronics are:
  - RF and Analog Mixed Signal Technologies
  - Embedded Systems
  - EDA Tools and related Software
  - VLSI and Processors
  - Micro Sensors, Detectors
  - Integrated MEMS and VLSI Design

### Key characteristics of the Indian Precision Components market

- Precision components is largely a import driven industry with majority of imports from Japan, U.S. and Europe.
- Majority of precision components suppliers in India are small and medium enterprises with limited capability to deliver high quality precision components consistently.
- Demand for high quality precision components is primarily driven by industries such as automotive, electronics, industrial and construction equipment industry
- Gujarat has emerged as a leading hub for precision turned parts, followed by Maharashtra and Karnataka (Mangalore and Bangalore)

# Microelectronics & Precision Components



Low power analog front end ICs for medical equipment's, ASICs for assistive devices like respiratory aids will provide opportunity in medical and healthcare sector

ASICs for strategic and graphics accelerators and for advanced flight stimulators are the areas of opportunity in defence sector for microelectronics industry



The demand for consumer electronics, smart grid appliances, smart energy meter expected to grow at a CAGR of 30% in India will spur the demand for Microelectronics components



Precision components industry is facing pricing pressure and , companies are always on the lookout to replace imports with locally manufactured products provided the same are available without any compromise on quality

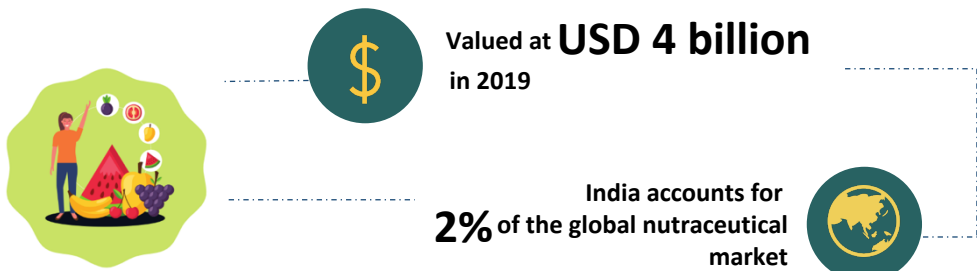


Growing Indian machine tool industry and increased use of CNC machines is playing major role in transformation of sub-component industry and driving growth for precision turned parts in India

# Nutraceuticals

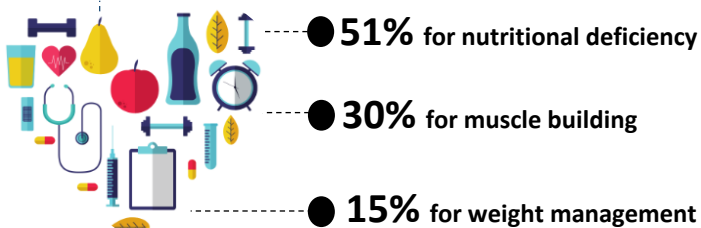


## Industry Snapshot



Growing at a CAGR of **21%**  
The Indian nutraceutical industry is expected to reach **USD 18 billion by 2025**

In India, in terms of application nutraceuticals are used



### Key characteristics of the Indian nutraceutical industry

- 60% of doctor's prescription include health and dietary supplements
- India has the largest number of US FDA approved plants located outside the USA

# Nutraceuticals



Exclusive outlets for functional food and beverages such as the likes of Neulife have provided more credibility to customers and aided in building better relationship. This allows companies producing fitness related products—protein powders, muscle weight gain powders—to enter the Indian market

The demand for wearable fitness devices such as Fitbits, MI Band and its likes is growing at a CAGR of 27%. This creates a market for companies manufacturing wearables health devices to tap the high demand present primarily in the urban Indian population

The success of online health supplement stores such as HealthKart in India has opened up opportunities for investments in e-commerce pertaining to nutraceuticals primarily



Nanoceuticals are nutrients that have been manufactured using nanotechnology. Dietary supplement manufacturers have transformed fat-soluble nutrients into water-soluble ones, providing complete and uniform nutrient absorption, and making supplements that pass-through membranes directly into human cells. Such advances create an opportunity for companies to invest in R&D in the sector

Organic products have become popular under the backdrop of healthy living, consumption of essential dietary supplements and functional foods and beverages. This has created a scope for companies dealing in organic products to tap the rising demand of the Indian market

The integration healthcare apps along with nutraceuticals market has created an opportunity for software companies to enter the market

Foreign companies looking to invest in manufacturing plants can leverage India's infrastructure base and government's Make in India policy





# Packaging

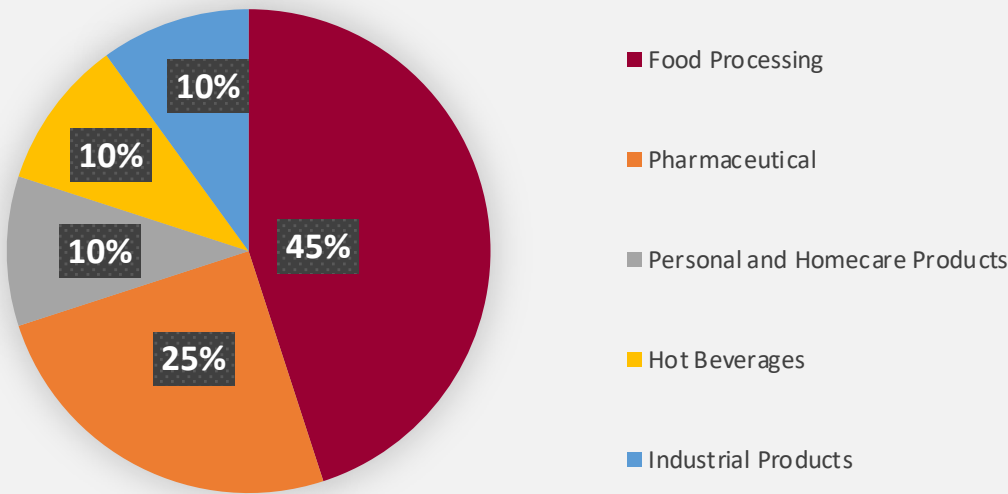


## Industry Snapshot

**USD 75 billion**  
Indian Packaging Sector  
(2019)

**USD 103 billion**  
Indian Packaging Sector  
(2025)

**Packaging Materials and Machinery  
End Users (by volume)**



## Key Investments

Hoffmann Neopac (Switzerland)  
Constantia Flexibles (Austria)

Schott (Germany)  
Huhtamaki (Finland)



# Packaging



## Leverage the sustainable packaging segment

Synthetic paper, jute, paper, and agricultural waste as flexible packaging material gaining popularity

## Supply to booming customer industries

Growth in Indian e-commerce, organised retail, FMCG, and online food aggregators to boost demand



## Drive innovation and technology

Smart packaging for product management and tamper protection are expected to become a norm

Note: FMCG – Fast Moving Consumer Goods

# Plastics & Polymers



## Industry Snapshot



**Over USD 30 billion**

Size of the Indian plastics and polymers industry in 2018

Expected CAGR till 2025 **8 - 10%**



**~16 million tonnes**

India's demand for major plastics in 2018-19.



In 2018, plastics export from India stood at USD 10.98 billion out of which exports of raw plastic materials stood at USD 4.53 billion.



**4 million**

The number of workers the plastics industry employs directly.



India stands third in polymer consumption globally after China and US.

## Key Characteristics

- Through technology innovation and increase in production capacity, Indian producers are targeting to achieve 3% of the global plastics and polymers market by 2025.
- There are currently over 30'000 plastic processing units, 85-90% of these are small and medium-sized enterprises employing less than 50 workers.
- The polymer consumption in India is expected to increase to about 20 million metric tons by 2020. This is majorly due to supportive government policies and use of polymers to replace traditional packaging in India.

# Plastics & Polymers



01

## REINFORCED PLASTIC & THE INCREASING DEMAND



Reinforced plastic has increasingly become an effective alternative to metal components. Sectors such as aerospace, construction, medical, military, and marine are utilizing reinforced plastics on a large scale owing to their versatility, lightweight and durability. This has raised the demand and opportunity

02

## INCREASING PER CAPITA CONSUMPTION



India's per capita consumption of plastics is 11 kilograms, which is one tenth of that of the US and less than a third of that of China. Current rapid urbanization in India is certain to increase the demand in consumption and need to address demand-supply gap

03

## TECHNOLOGY UPGRADATION



Indian plastic and polymer manufacturers are on the look-out to upgrade their technology to gain greater global market share. This provides an opportunity for machinery manufacturers, robotics & industrial automation as well as polymer research & development companies to target Indian manufacturers

04

## IMPORTS & CONSUMPTION

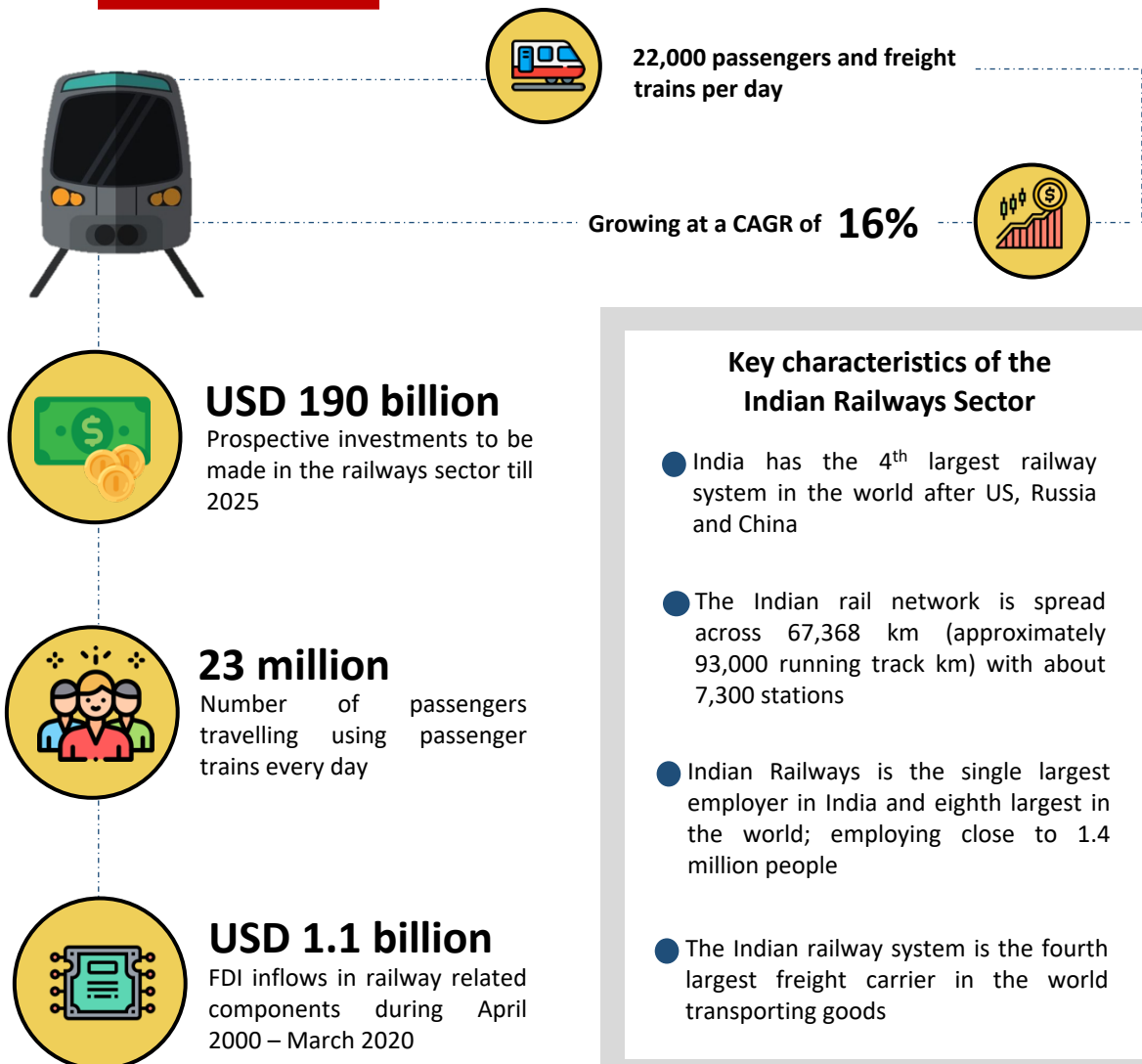


India's domestic plastic production meets only 50% of its demand, which is increasing with the growth of construction and infrastructure sector. Plastic components and parts are used wider applications such as electric wiring, flooring, wall covering and waterproofing. There exists a huge demand and supply gap which can be targeted by foreign companies

# Railways

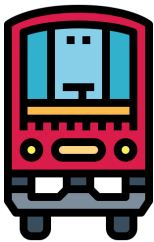


## Industry Snapshot





# Railways



## Infrastructure Development

The Indian railways plans to invest USD 720 billion by 2030 in building rail infrastructure. This includes electrification of railways and increasing the railway line as well as modernization of traditional systems



## Public Private Partnership

The government has approved public private participation in the railways sector. This includes participation of the government and private companies. Measures proposed under this include – Modern signaling equipment, construction of new lines, setting up of locomotive plants and joint ventures to fulfill requirement of new lines



## Modernization Drive:

The Indian government is taking steps to modernize the railways. These include:

- Track upgradation and welded rails
- Increasing operational efficiency
- Unreserved ticketing services
- Upgradation of train stations



## Metro Projects

Currently over 630 Kms of metro rail is present in 13 cities and over 24 metro projects are line up. This is expected to increase demand of the railways sector

## Some Specific Opportunities

- 1) Electrification
- 2) Signalling
- 3) E-ticketing
- 4) Rolling Stock
- 5) Highspeed trains
- 6) Passenger Stations
- 7) Mass Rapid Transport Systems



## Dedicated Freight Corridor

In order to improve the transportation of goods, the Indian railways is building DFCs with an outlay of USD 11.7 billion. The total length of the DFCs would be ~2,800 kms of railway lines

# Start-up Ecosystem



## 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

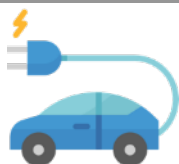
- It takes an Indian start-up on an average 7 years to become a unicorn company
- Sequoia capital is the most active venture capital investor in the Indian start-up ecosystem
- In 2018, the Indian start-up ecosystem accounted for 2.7% of the total jobs created that year
- Bangalore is the startup capital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

# Start-up Ecosystem



### 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



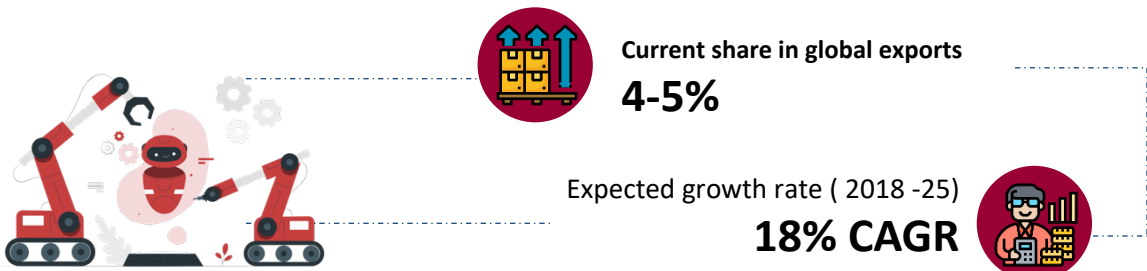
### Use of India as a development hub

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

# Technical Textiles



## Industry Snapshot



**2<sup>nd</sup>**

Largest textile producer In the world



**13 %**

Share of technical textiles in Indian textile value chain



**USD 28.7 bn**

Expected value of the Indian technical textile industry by 2021

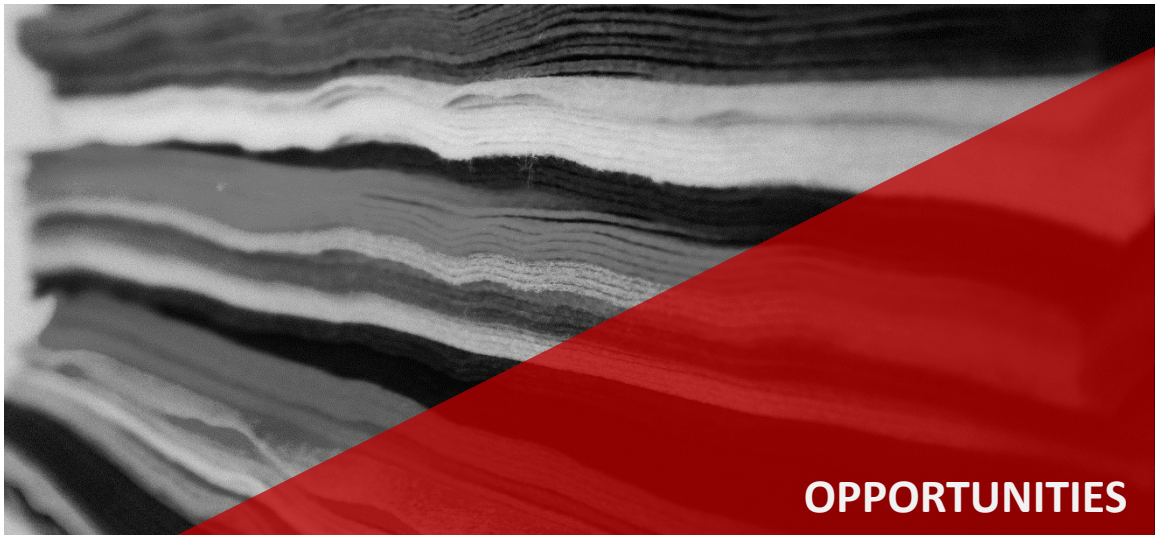
**The Indian technical textile industry is import dependent**

## Notable Trends

- Mobiltech, Indutech and specialty fibres are some of the products which are exported into India
- Exports from India increased by 17 % in Jan-June 2019 over Jan-June 2018 to USD 1.02 billion
- High-value product segments such as Indutech, Mobiltech, Sportech, Meditech, Buildtech have low market penetration
- In India, majority of intended end users of technical textile products are still unaware of the benefits of usage of such products, thereby leading to lack of adoption



# Technical Textiles



Focus of the Indian market in the technical textiles segment has been majorly towards Packtech, which is a low value technology. The production of Packtech accounts for 41.6% of the total technical textiles market. This leaves a gap for high value product segments such as Indutech, Mobiltech, Sportech, Meditech, Buildtech which currently have a low market penetration



Some of the products that are imported to India include, glass fiber, high tenacity nylon yarn, nonwoven man-made filaments and fabrics laminated and coated with PVC. Foreign companies producing the mentioned goods can look to export goods from their facilities to India



### Transfer of Technology

As this sector is capital and research intensive, foreign companies can set up JVs with Indian companies, where the foreign company brings in the technology and the Indian company brings in production expertise. This would help companies make use of India's cost efficient production practices



Institutional buyers such as railways, defense forces, hospitals, are heavily dependent on imports for high-value technologically intensive technical textile products. By the process of tendering, foreign companies can apply for tenders of these institutional buyers

## Sources:

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Inc42  
Wisconsin Economic Development Corporation  
Plastivision India, Plastasia

Media articles

Editor:  
Embassy of India  
Kirchenfeldstrasse 28  
3005 Bern  
Switzerland

Content and design:  
T&A Consulting  
Gurugram  
Haryana  
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Data compilation & analysis: T&A Consulting, Gurgaon

October 2020



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