



FDI Mapping Study

Indian Investments in Switzerland



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Consulate General of Switzerland
Swiss Business Hub India



Swiss-Indian Chamber of Commerce

 **SWITZERLAND
GLOBAL
ENTERPRISE**

enabling new business

Digitalization is emerging as a relatively new area of engagement with enormous potential for Switzerland and India. Switzerland plays a leading role in researching new technologies and is home to many innovative and world-leading technology companies.

“As one of the most innovative countries of the world, Switzerland seeks to engage with India, the leader of the Industry 4.0 revolution, in areas ranging from digital governance to digital self-determination.”

Livia Leu
Swiss State Secretary for Foreign Affairs

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Foreword



Dear Reader,

The simultaneous establishment of Volkart Brothers in Winterthur, Switzerland, and in (then) Bombay, India, in February 1851 laid the foundation of a trade and investment legacy between the two countries which has only strengthened over the past century and a half. Democratic governments and diverse societies with shared values have further deepen this partnership. In 2023, Switzerland and India will observe the 75th anniversary of the Treaty of Friendship signed between the two countries in 1948 – the first for independent India.

India continues to be a strategic partner for Switzerland in Asia, wherein trade & investment, tourism, and scientific & technological collaboration underline this partnership.

Over the years, the Swiss business presence has gradually increased in India. Today, around 320 Swiss companies have a presence across India, having invested in various industry sectors and creating more than 135,000 jobs in the bargain.

On its side, Switzerland is an attractive investment location with a future and certain advantages which differentiates it from other locations. For example, Switzerland is politically and economically stable, has a highly skilled manpower, a liberal labor market, excellent infrastructure, close academia-industry collaboration and a moderate tax burden. These advantages allow domiciled companies, both domestic and foreign, to grow steadily and expand successfully.

Although a few Indian investments in Switzerland began in the 1960s, it was only at the turn of the century that Corporate India began to recognize the advantages of Switzerland as a European location. As per India's central bank data, Indian investments in Switzerland totaled CHF 2.3 billion between 2019 and 2021, equaling 4% of the total Indian overseas investment outflow. This places Switzerland at 7th position among the countries attracting Indian investments. By dealing with high-end technology companies in Switzerland, India gets access to one of the most innovative ecosystems worldwide.

Start-ups to Tier 1 companies (companies with an annual turnover of CHF 100 million) invested primarily in technology, life sciences, engineering and pharmaceuticals in the vibrant industry clusters of the Greater Zurich Area, Lake Geneva Region, and Basel Area.

New initiatives such as the Corporate Tax Reforms and the establishment of Swiss Innovation Parks further bolster Switzerland's location advantages, ensuring the interest of foreign companies - including from India - to consider the country as a base for European operations.

To map out the number of Indian companies and their presence in Switzerland, the Swiss Business Hub India, in association with the Swiss India Chamber of Commerce (SICC), curated a list of 140 Indian companies to understand their existing presence in Switzerland and their expansion plans.

The analysis shows that these 140 Indian companies made 179 investments in Switzerland and created around 5,600 jobs. The last decade between 2010 and 2020 saw the highest number of investments, which can be attributed to the proactive approach

undertaken by the Swiss Business Hub India and the concerned Cantonal authorities from Switzerland.

While this is an ongoing exercise, there is no doubt that Switzerland and India have a solid trade and investment relationship bound by complementary economies which offer stimulus to each other. However, it is not time to rest on these laurels – the show must go on.

I wish you happy reading.

Sincerely yours,

Dr. Ralf Heckner

Key Highlights

Insights from secondary research of 140 companies

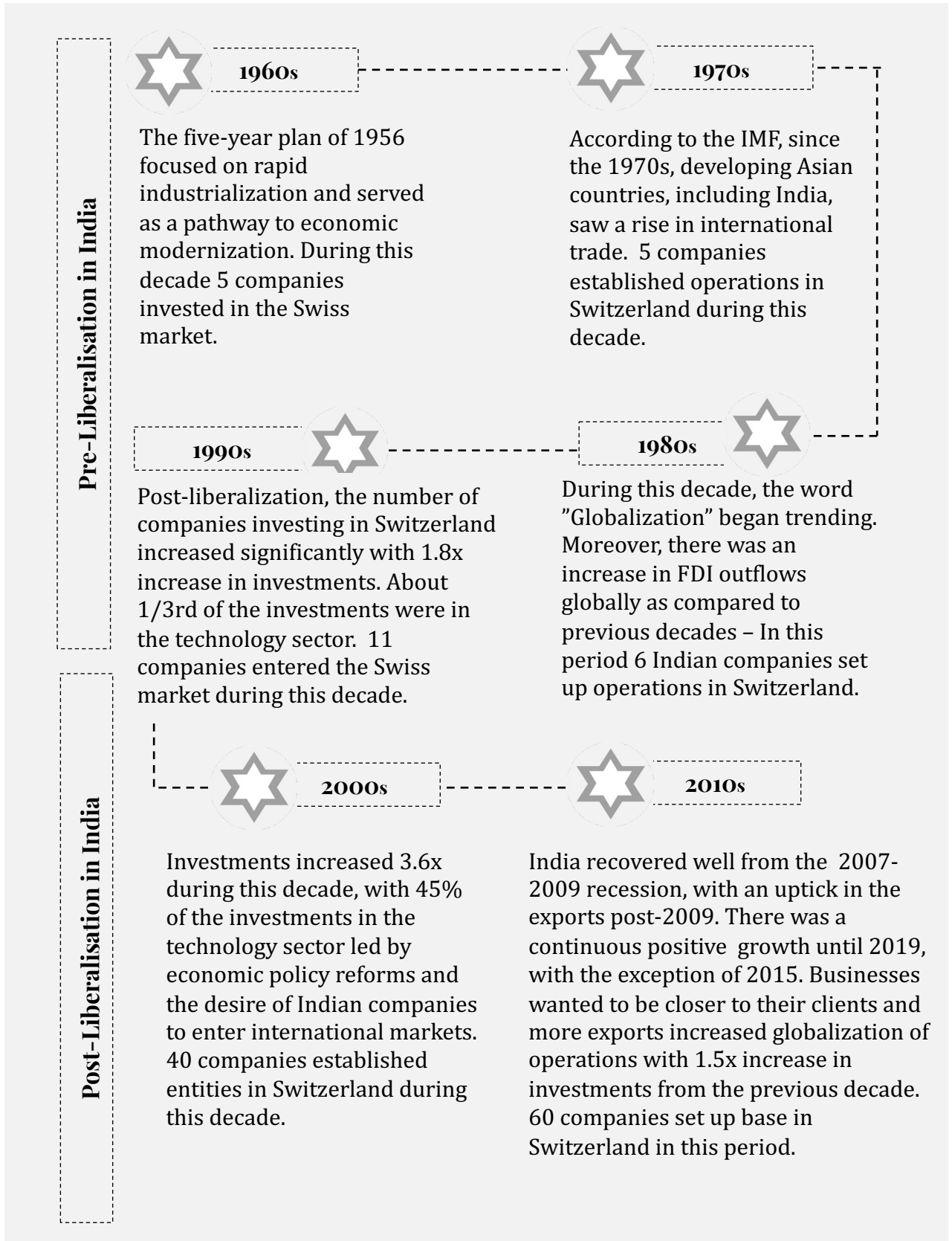
- **140** Indian companies have invested in **179** entities in Switzerland, creating about **~5,000** jobs.
- **2010–2020** was the decade that saw the highest number of Indian investments into Switzerland.
- **>50%** investments contributed by the technology and the life sciences sector
- Zurich region (Zurich + Zug) accounts for **50%** of the total investments and contributes **28%** of the total number of jobs.

Insights from the survey of 42 companies

- **68%** of the companies have an average annual revenue of ~CHF 1 to 10 million.
- **58%** of the Indian companies in Switzerland are exporting products to other European countries.
- **26** Indian companies export more than **CHF 250 million** from Switzerland.
- **67%** of companies have their Sales/Marketing operations and **36%** have their Design & Development operations in Switzerland.
- **61%** of the companies found EFTA Free Trade Agreement relevant to Switzerland's business presence and future expansion plans.
- **60%** of the companies plan to expand further in Switzerland, creating **~400 new jobs** and investing more than **CHF 50 million**.

Historical Timeline of Indian Investments in Switzerland

129 out of 140 Indian companies entered the Swiss market post-liberalization in 1991.

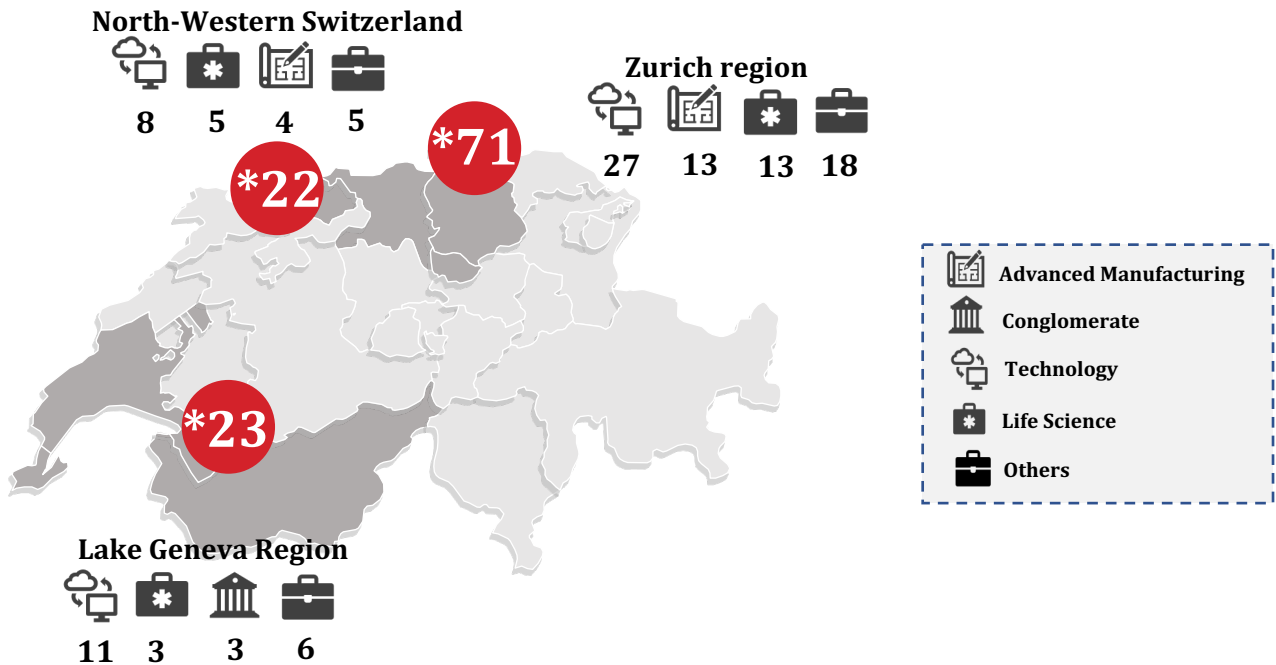


Indian Investments In Switzerland :

Geographical View

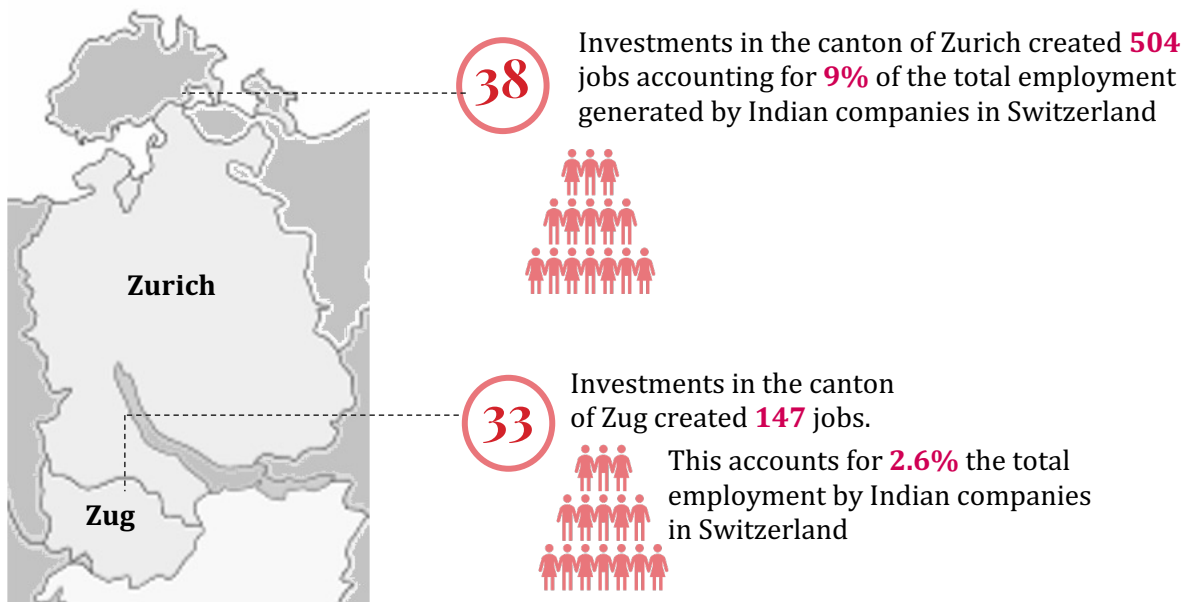
About 3/4th of the total number of investments are spread across six cantons: Zug, Zurich, Basel-Stadt, Geneva, Bern and Neuchâtel.

Regional view of Indian investments in Switzerland



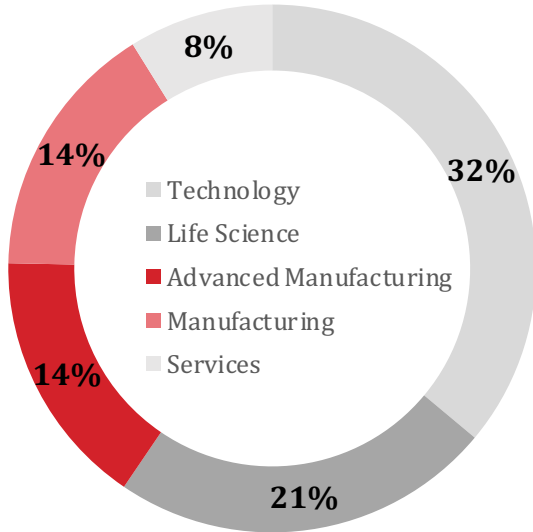
*The top 4 sectors with the maximum number of companies have been mentioned for each region.

Insight into the region with the highest investments - Zurich region



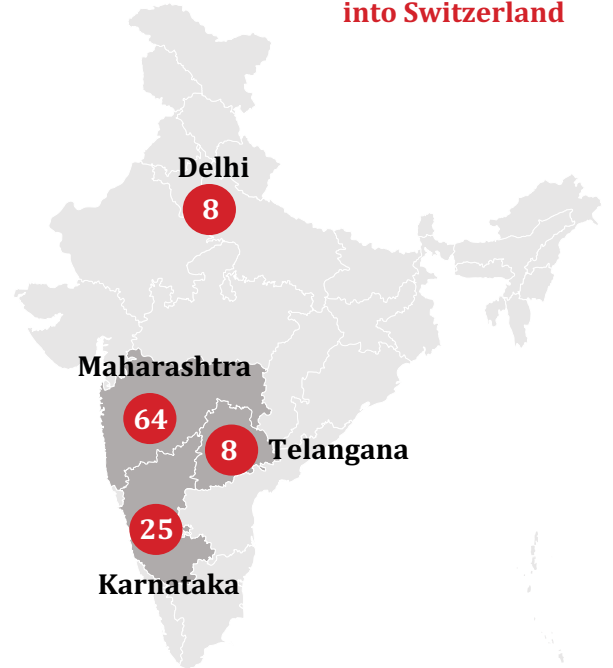
Indian Investments in Switzerland: Complete Overview

Sector-wise distribution of number of investments made



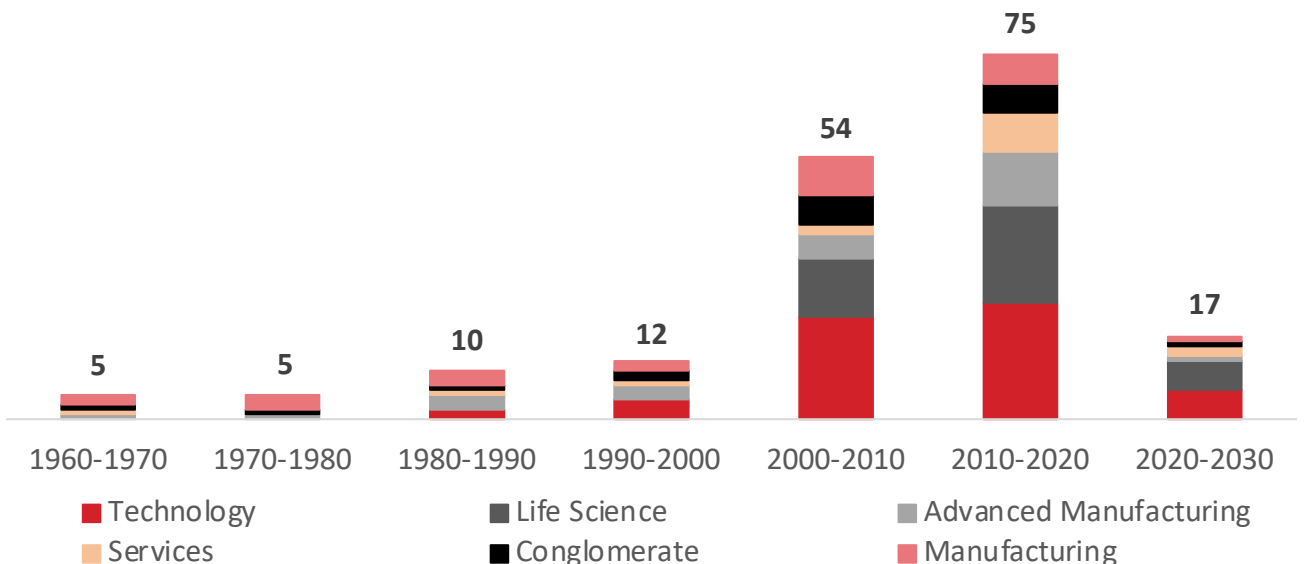
11% companies were conglomerates

Indian states with highest investments into Switzerland



Indian companies have been investing abroad since 1960s. However, Indian Outward Foreign Direct Investment (OFDI) was restricted for scarcity of capital and considerations on foreign exchange. In the initial years of permitting OFDI, Indian investors were allowed to invest only in JVs with minority shareholding. OFDI from India increased considerably after 2004 when restrictions on OFDI were liberalised substantially.

Sector-wise # investments into Switzerland over the decades



Indian Investments in Switzerland: Sectoral View

Technology Sector

58 out of 179 investments made in Switzerland are in technology sector

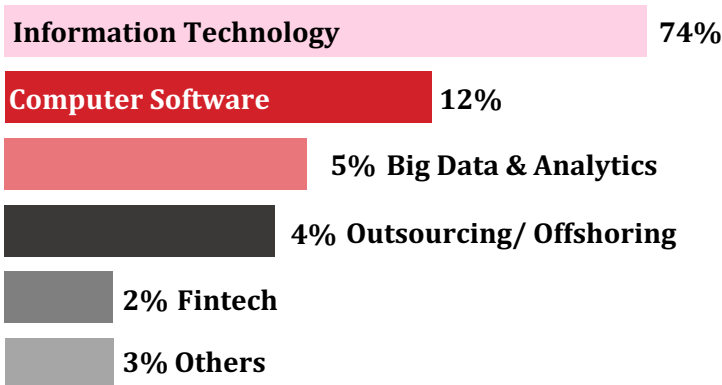
49 Indian companies have invested in **58** subsidiaries in Switzerland

49 Indian companies have created **2,030** new jobs in the technology sector

Top cantons in terms of number of investments

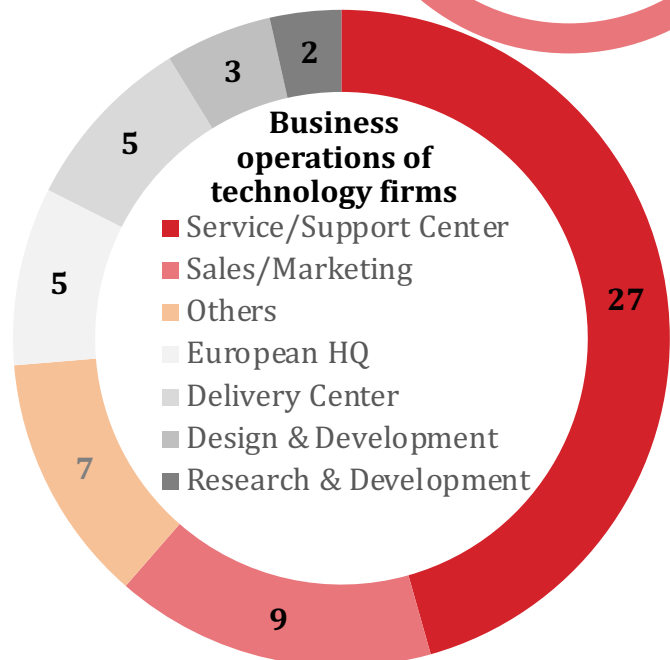
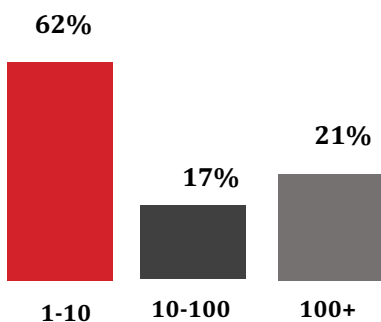


Sub-sectoral view of the technology sector in Switzerland



77% of the technology firms export products and services to European countries generating a total revenue of **CHF 163 million**

% Share of companies according to revenue generated (CHF million)



Note: Companies and/or subsidiaries have multiple operations/business functions

Life Sciences Sector

38 out of 179 investments made in Switzerland are from the life sciences sector

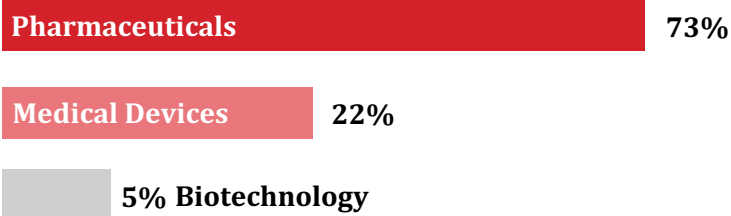
33 Indian companies have made 38 investments in Switzerland

33 Indian companies have generated 708 new jobs in the life science sector

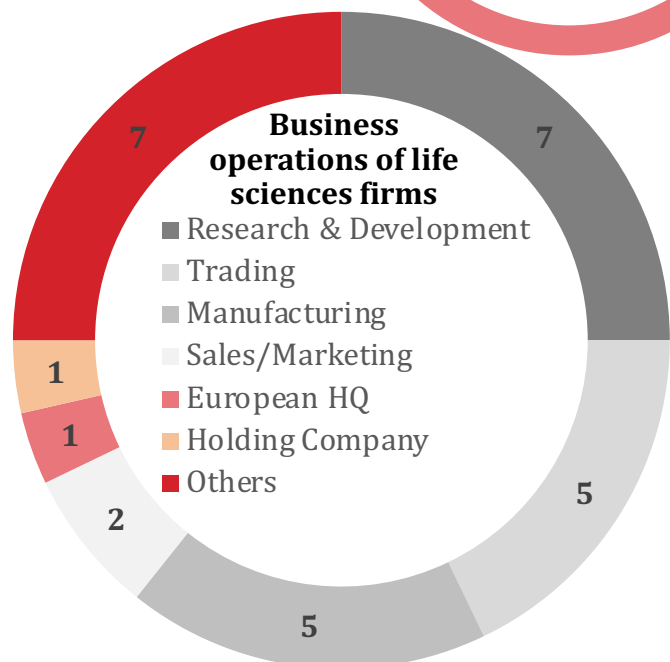
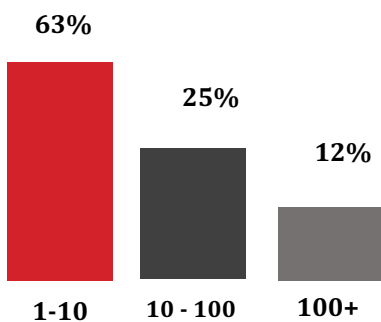
Top cantons in terms of number of investments



Sub-sectoral view of the life sciences sector in Switzerland



% Share of companies according to revenue generated (CHF million)



Note: Companies and/or subsidiaries have multiple operations/business functions

Advanced Manufacturing Sector

25 out of 179 investments made in Switzerland are from the advanced manufacturing sector

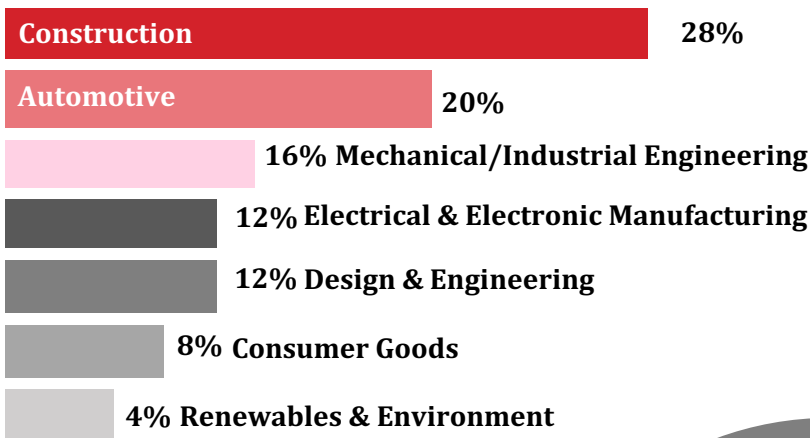
19 Indian companies have made 25 investments in Switzerland

19 companies have created 843 new jobs in the advanced manufacturing sector.

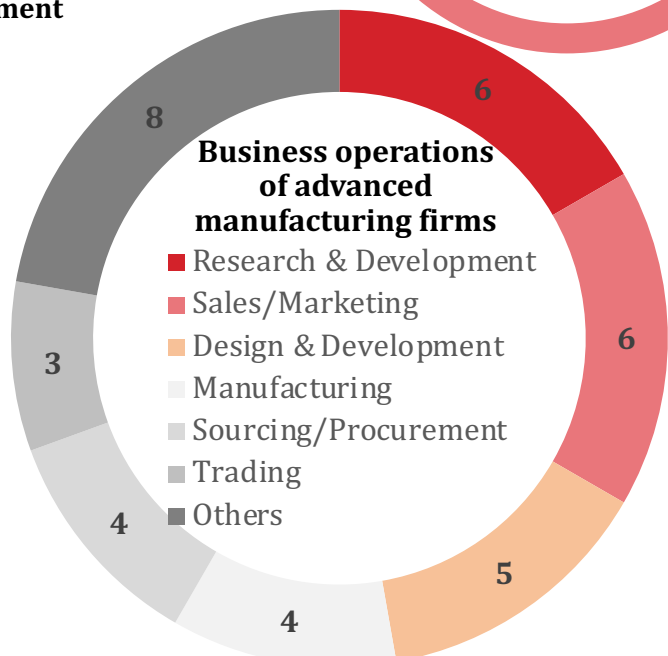
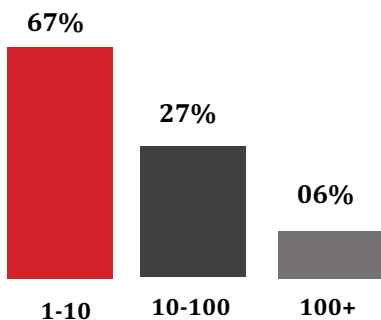
Top cantons in terms of number of investments



Sub-sectoral view of the advanced manufacturing sector in Switzerland



% Share of companies according to revenue generated (CHF million)



Note: Companies and/or subsidiaries have multiple operations/business functions

Manufacturing Companies

25 out of 179 investments made in Switzerland are from the advanced manufacturing sector

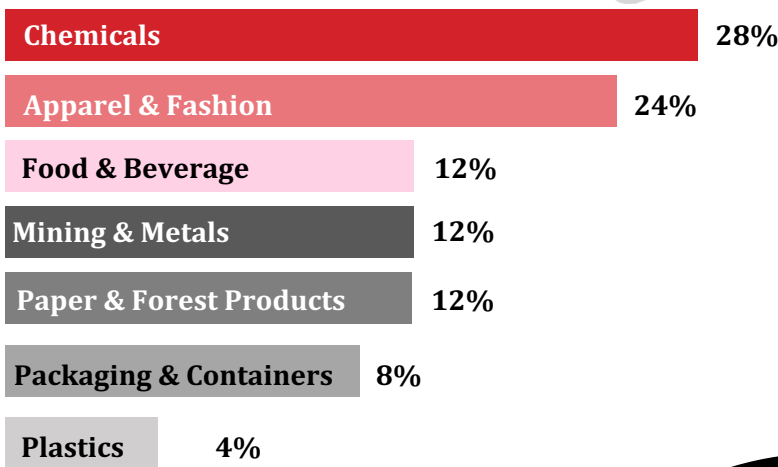
21 Indian companies have made **25** investments in Switzerland

These 21 Indian companies have generated **402** new jobs in the manufacturing sector.

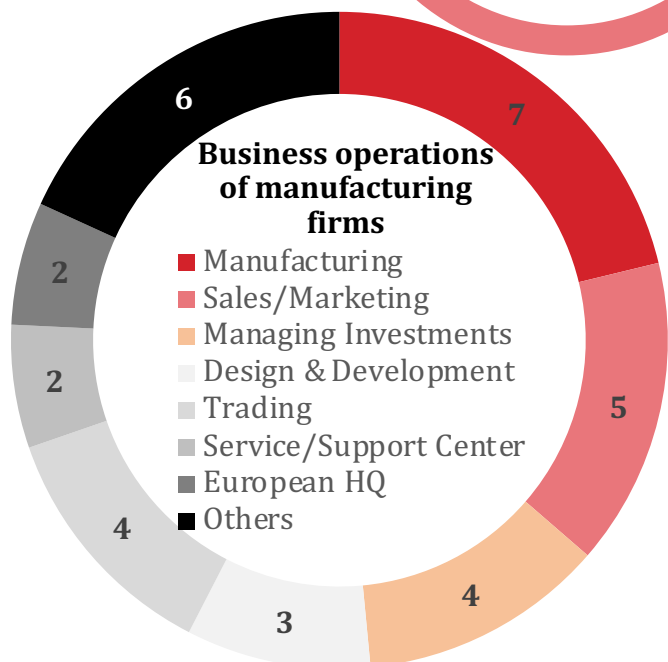
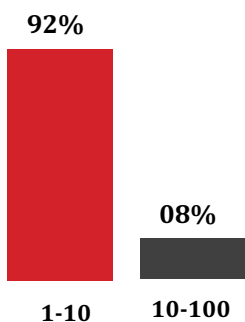
Top cantons in terms of number of investments



Sub-sectoral view of manufacturing sector in Switzerland



% Share of companies according to revenue generated (CHF million)



Note: Companies and/or subsidiaries have multiple operations/business functions

Services Sector

15 out of 179 investments made in Switzerland are from the services sector

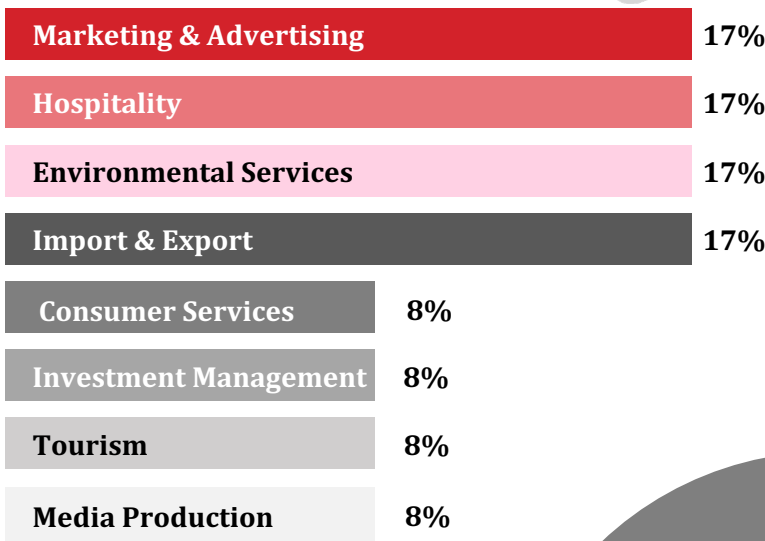
12 Indian companies have made **15** investments in Switzerland

They have created **241** new jobs in the services sector

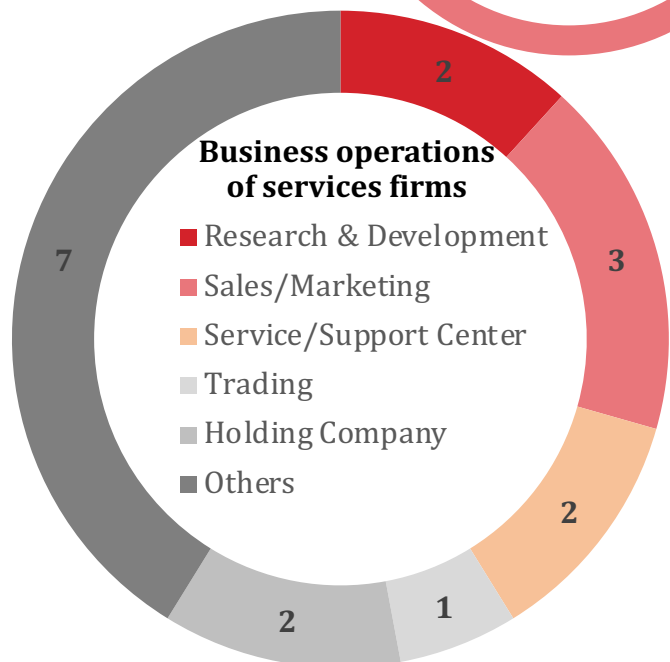
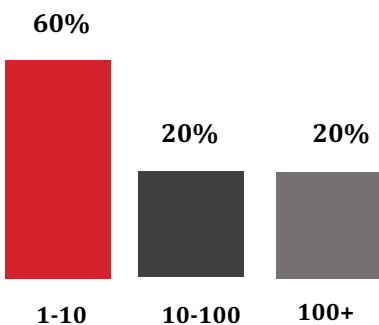
Top cantons in terms of number of investments



Sub-sectoral view of services sector in Switzerland



% Share of companies according to revenue generated (CHF million)



Note: Companies and/or subsidiaries have multiple operations/business functions

Conglomerates

18 out of 179 investments made in Switzerland are from conglomerates

7 Indian companies have made **18** investments in Switzerland

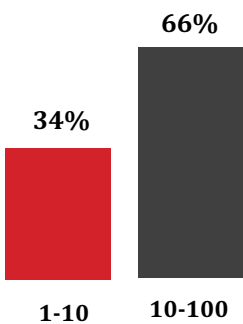
7 Indian conglomerates have generated **887** new jobs

Top cantons in terms of number of investments



Conglomerates which participated in the survey are also involved in generating exports worth **CHF 17.5 million**

% Share of companies according to revenue generated (CHF million)

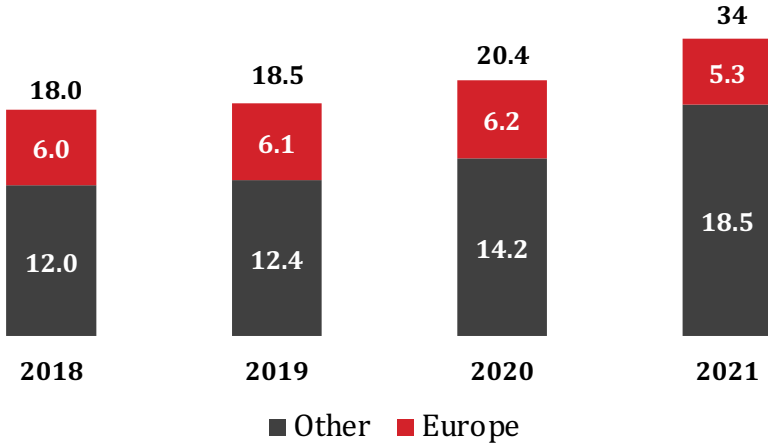


Note: Companies and/or subsidiaries have multiple operations/business functions

Trends in Indian Overseas Investments

Indian companies in sectors such as software, technology, and life sciences are gradually tapping international markets with an increasing focus on Europe

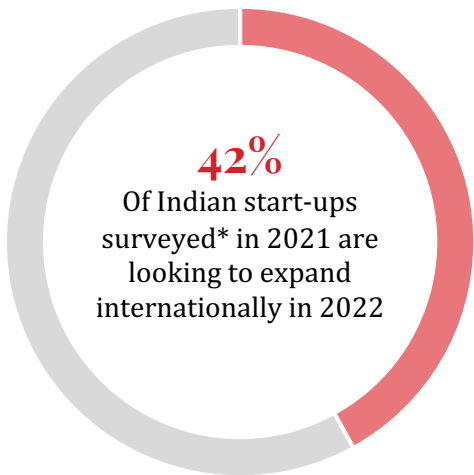
Outward FDI from India (CHF million)



Europe has been the largest recipient of Indian companies' investments between 2018-20 with more than 30% share of total outflows. In 2021, Europe moved to second place as the Asia Pacific became India's top investment region.

- ❖ Europe has become an increasingly important market for Indian IT and pharmaceutical companies, as they have witnessed slower growth in North America.
- ❖ Despite the Covid-19 pandemic, Indian IT and life sciences companies have expanded their footprint in continental Europe, primarily through inorganic means.
- ❖ In addition to market access, Indian companies are also more open to hiring talent in these markets as client requirements become more complex.

- ❖ Indian technology start-ups have witnessed a surge in funding over the previous 3-4 years. Many of these companies have global-oriented products and solutions. A majority of such start-ups are AI/Software and biotech-related companies. In addition to the product-market fit, ease of access to funding in recent years has allowed rapid international expansion.
- ❖ Evidence of this international path is companies moving their headquarters out of India. Approximately 20% of India's unicorn start-ups i.e., with a valuation of above USD 1 billion, have shifted their headquarters overseas.



Select Cases - Successful Indian Companies in Switzerland



- Dishman Pharmaceuticals and Chemicals is a leading outsourcing partner for pharmaceutical companies.
- In 2006, the company made a major acquisition of the pharmaceutical business of Solutia Europe for CHF 73 million, forming Carbogen Amcis. In 2017, the combined company became Dishman Carbogen Amcis.
- ❖ In Switzerland, the company manufactures APIs and manages its European operations.

CHF ~ 154 mn

Record-breaking revenue achieved from Swiss business in 2020-21

4 Sites, >600 Employees

In Switzerland

CHF 100 mn

Investment for expansion in Switzerland and France started in 2020

- Tata Consultancy Services (TCS) is the largest Indian IT services company, with more than CHF 25 billion in revenues. Europe accounts for ~32% of the company's total revenue. The company formed its Swiss subsidiary in 2006 after acquiring a majority stake in its Swiss partner at the time TKS-Teknosoft
- TCS today has a substantial base in Switzerland with large Swiss clients such as Swiss Re, La Mobilière, and Generali Switzerland.



CHF ~ 454 mn

Revenue from Swiss subsidiary in 2021-22

11.3% CAGR

Growth in Revenue since 2015-16

>500

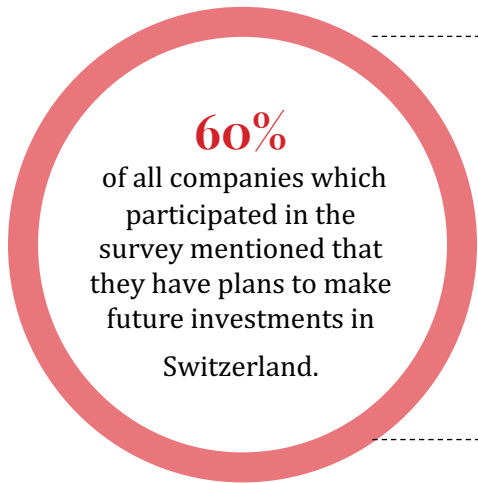
Employees in Switzerland



>200
Employees in Switzerland

- Glenmark, an Indian bio-pharma company has established its base in Switzerland for its biologics segment through its US-based subsidiary Ichnos Sciences.
- The company entered Switzerland in 2006 through the biologics research center in Neuchâtel. In 2014, it opened a manufacturing facility in Neuchâtel to produce Monoclonal Antibodies (MABs).
- In 2018, the company also announced a new translation research center at the Biopole Campus in Lausanne.

Future Investments in Switzerland

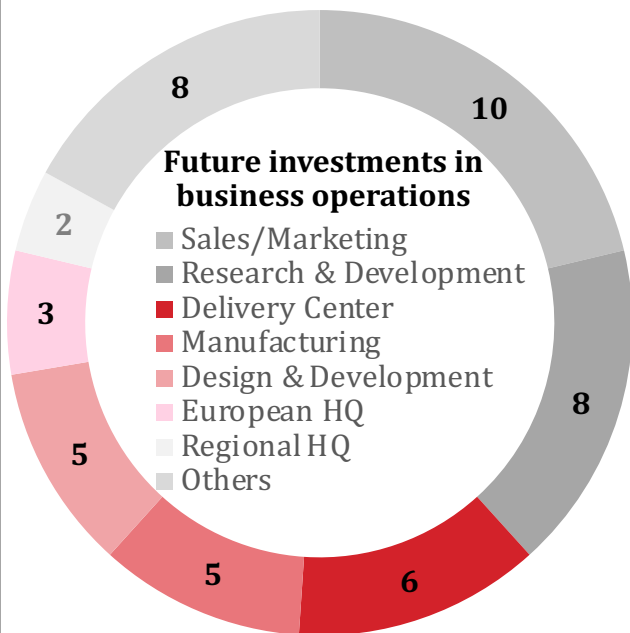


37% companies are planning to set up sales & marketing operations*

30% companies are planning to set up research & development operations*

19% companies are planning to make Switzerland their European HQ/Regional HQ*

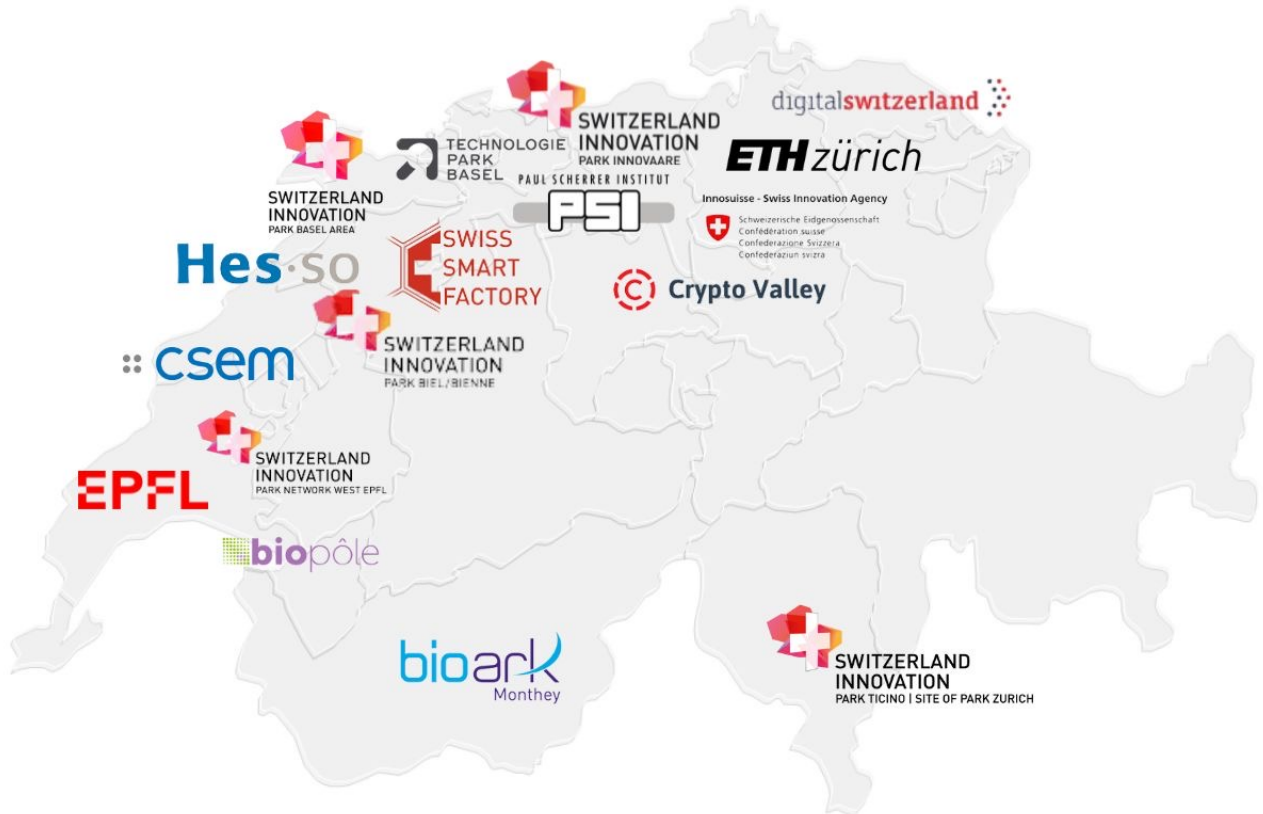
~400 jobs to be created ~CHF 50 million to be invested



With the economic activities recovering, companies plan to strategize according to the assumed pent-up demand and global recovery, ensuring enough workforce to capture new business.

* Companies and/or subsidiaries have cited multiple plans for further investments, subject to finalization
 Note: Companies and/or subsidiaries have multiple operations/business functions

Swiss Innovation Ecosystem



Switzerland has a high level of innovation output in proportion to its population and is most effective in transforming innovation investment into results.

The Swiss Innovation Park network fosters collaborations between academia and industry, allowing companies to jointly use their competencies to develop their next ground-breaking and highly profitable products.

Switzerland Innovation offers a network in which companies, SMEs, start-ups, and PSI can work together optimally profitably to optimize production processes and advance the development of innovative products and bring them to market.

The close exchange between Switzerland Innovation and technology parks and the companies creates an ideal basis for fruitful collaborations. Indian technology companies that develop new products and services, research groups, and deeptech start-ups can benefit from a wide range of services and infrastructure that has been designed to ensure the full potential and operational effectiveness of the R&D staff.

January 2023