

India, 15.05.2020

Country	Gov measures for Swiss subsidiaries	Economic Outlook 2020	Movement of goods	Movement of people
India	✓			

Red = critical situation / expected GDP decline bigger than 5% compared to previous year

Yellow = difficult situation / expected GDP decline up to 5% compared to previous year

Green = normal or almost normal situation / remaining GDP growth compared to previous year

1. General Situation

DESCRIPTION OF THE CURRENT SITUATION

The Indian government imposed a nation-wide lockdown on March 24, divided the entire country into red, orange and green zones, and further into containment zones defined as a specific geographical area with positive cases of coronavirus. The situation is being closely monitored, with gradual relaxations vis-à-vis movement of people and economic activity in orange and green zones, and restricted activities being permitted in red zones. Major Indian cities including Delhi and Mumbai fall under the Red category. [Full order](#)

Covid-19 overview India:	States with the highest number of cases:
Active Cases: 51401	Maharashtra: 27524
Cured Cases: 27919	Gujarat: 9591
Deaths: 2649	Tamil Nadu: 9674
	Delhi: 8470

- [Government of India](#)
- [Ministry of Health and Family Welfare](#)
- [Ministry of Home Affairs](#)

GOVERNMENT MEASURES

- The Government of India has recently launched [Aarogya Setu](#), India's Covid-19 tracker app
- The Government of India helplines: +91 11 2397 8046, Toll Free 1075 and ncov2019@gov.in
- Nation-wide lockdown phases:
 - Lockdown 1.0: March 25 to April 14 (21 days)
 - Lockdown 2.0: April 15 to May 3 (19 days)
 - Lockdown 3.0: May 4 to May 17 (14 days)
 - Lockdown 4.0: PM Modi announced on May 12 that lockdown 4.0, which will be under the purview of the different state governments, is expected to have [more relaxations and eased restrictions](#).
- [Coronavirus cases in India likely to peak in June-July](#)

ECONOMIC OUTLOOK (ECONOMIC DEVELOPMENT, EFFECTS ON INDUSTRIES)

The strict lockdown restricted all movement of goods and people, and put an initial stop to all industrial production. For units producing essential goods, activity was permitted in restricted manner. Further, the government imposed export restrictions on certain essential pharmaceutical products, which created supply chain disruptions both domestically and for international companies, including for Swiss companies (see point 2). While there has been a gradual ease in restrictions, the Indian economy has been adversely hit.

Key sectors such as automotive, IT, power, FMCG, healthcare and telecom are projected to have negative growth. More details on the impact on industries in the below links:

- [Coronavirus impact: Industrial output contracts by a record 16.7% in March](#)
- [Auto component industry likely to witness double-digit degrowth in FY21](#)
- [Covid blow results in steep fall in April services activity](#)

The current outlook on the economy is bleak as reflected in several sovereign ratings:

- [Is India's sovereign ratings downgrade risk higher than peers?](#)
- [Moody's slashes India's GDP growth to 'zero' in FY21](#)
- [India to grow between 0 to -2%: Economists lower forecast as 3rd lockdown delays revival](#)
- [India's Real GDP Growth Likely To Contract 5.2% In FY21, Says Nomura](#)

Special Economic package: Self-reliant India Movement *"AtmaNirbhar Bharat Abhiyan"*

On May 12, Prime Minister Modi announced a special economic package of INR 20 trillion (USD 265 billion), nearly 10% of India's GDP. Half of the announced package includes liquidity measures taken by India's central bank, the Reserve Bank of India, from February 2020 until date, and the fiscal package announced by Finance Minister Nirmala Sitharaman in March 2020.

The PM, in his speech, laid emphasis on the following five areas: growing new economy, state of the art infrastructure, tech-based delivery services, demand and supply chains and leveraging demography. He also announced that reforms in areas governing land, labor, liquidity and laws would be an integral part of this package. [Full speech](#).

Following the PM's address, Finance Minister Nirmala Sitharaman, on May 13, announced the first tranche of measures especially aimed at Micro Small and Medium Enterprises in order to kick start production, and bring labor back to the factories. Also announced were special schemes for Non-Banking Finance Institutions, Housing Finance Companies and Micro Finance Institutions. Other highlights included liquidity measures for the power sector, and relief for the real estate sector and contractors. [Full presentation](#).

Reactions from industry bodies and markets:

- [Leading industry bodies \(FICCI, CII and ASSOCHAM\) welcome the economic package](#)
- [5 reasons why FM Nirmala Sitharaman's stimulus failed to impress stock market](#)

Focus on 'Make in India'/ domestic market:

- [Apple to shift a part of iPhone production from China to India?](#)
- [Production Linked Incentive Scheme \(PLI\) for Large Scale Electronics Manufacturing \(Ministry of Electronics and Information Technology\)](#)
- [India offers land twice Luxembourg's size to firms leaving China](#)
- [No global firms in government tenders below INR 200 crore](#)

2. Movement of goods

During lockdown 3.0, which ends on May 17, rules were relaxed for movement of goods and people, especially in green and orange zones that had no or lower cases of Covid-19. In order to restart economic activity, further relaxation can be expected during lockdown 4.0 (likely to be announced in the next few days).

However, companies continue to face issues - supply chain bottlenecks still persist, they face liquidity crunch and are hit by lack of labor availability because most migrant workers have left/ are leaving for their villages. They are also treading cautiously due to mechanisms such as safe distancing that have to be implemented in the factories. Under current rules, entrepreneurs face direct liability for any cases that may come up in their offices/ plants.

Defense of Swiss interest cases:

In the first phase of the lockdown, Swiss companies primarily from the pharma and medtech sectors contacted SECO as well as the Embassy/ Consulate in order to seek intervention to resolve time critical supply chain problems that included transport of goods within the country, exporting goods to Switzerland as well as enabling partial production. Relevant contacts with various government authorities, and with Invest India's [Business Immunity Platform](#), was established in order to obtain special exemptions and permissions. In recent weeks, there are also similar request from Swiss companies regarding movement of non-essential goods. In total, 21 Swiss companies have contacted us so far.

The government has issued several notifications to regulate the export of goods in Covid-19 times. These are available on the website of the [Directorate General of Foreign Trade](#).

Links to select government notifications concerning amendments of export policies:

- [Sanitizers](#)
- [Formulations made from Paracetamol](#)
- [APIs and Formulations made from these APIs](#)
- [Hydroxychloroquine](#)
- [Diagnostic Kits](#)

News from the industry:

- [India's leading commercial vehicles makers Tata Motors, Ashok Leyland resume operations](#)
- [Covid lockdown stifles manufacturing; cash crunch, labour woes bite](#)

3. Movement of people

RESTRICTIONS ON ENTRY FROM SWITZERLAND

Below considerations are relevant in the context of Swiss companies wanting to deploy employees to India but also with respect to Swiss citizens/residents traveling for business purposes to India

[Restrictions as per Bureau of Immigration](#), Ministry of Home Affairs, Government of India
[Gratis visa extension/exit permit](#) has been granted by the Government of India till May 17

- All incoming international passenger traffic is currently prohibited (no international flights until further notice)

- Switzerland is on the list of restricted countries, i.e., Swiss nationals or foreigners traveling from Switzerland are currently not allowed entry in India with the following exceptions
 - Holders Employment and Project visas. Children of this category whose parents are in India can travel (provided flights are available), but are required to get a fresh visa from the Indian Embassy/Consulate. However, other dependents of exempted visa categories are not allowed entry. There is no clarity if short-term or long-term visas, single or multiple entry visas, etc. will have different conditions.
 - People employed with diplomatic, official and UN/international organizations and having visas relevant to this category. Dependents of this category are not allowed entry
- Any foreign national who needs to travel to India for compelling reasons needs to contact the nearest Indian Mission for fresh visa. There are no specific indications of what constitutes 'compelling reasons' and whether nationals of restricted countries will be considered under this category
- There is no indication of when the government intends to lift travel restrictions

RESTRICTIONS ON ENTRY FROM INDIA

Below considerations are relevant in the context of Indian companies wanting to deploy employees to Switzerland for Swiss client projects (in particular ITC sector) but also with respect to Indian entrepreneurs/investors traveling for business purposes to Switzerland (eg to incorporate a subsidiary),

Restrictions as per State Secretariat for Migration

- Provided they are able to get flights from India, only Indian nationals with the following permits can enter Switzerland
 - valid travel documents and Swiss residence permits (L, B, C, Ci permits)
 - Valid C and D visas granted for consultation as healthcare specialists or professional reasons
 - Valid F permit
 - Valid and official documentation that confirms work related reasons for presence in Switzerland up to 90 days.
 - Valid permission to enter another country by direct transit through Switzerland
- Holders of business and tourist visas are currently not allowed entry
- Switzerland has announced that no new Schengen visas will be issued until June 15, 2020. Therefore, Indian business people / investors cannot travel to Switzerland at least till this date (plus subject to availability of international flights)

Related to fee refund:

As per the guidelines issued, the Swiss Embassy cannot provide a fee refund or modifications on the existing visa if your visa application has already been processed.

In case you have postponed your trip to Switzerland for a later date, we request you refer to this [link](#).

This is valid, only if:

- You were previously issued a visa for the duration between 15.03.2020- 30.09.2020.
- You apply for postponed trip until/on 30.09.2020

RESTRICTIONS ON MOBILITY WITHIN THE COUNTRY (INDIA)

- [Partial resumption of passenger trains on select routes commenced from May 12](#)
- [Suspension of domestic and international flights till May 17](#)
- [Lockdown 3.0: No flights, trains, inter-state road movement allowed](#)