

INDIA, Date 01.07.2020

Country	Gov measures for Swiss subsidiaries in SBH/TP country	Economic Outlook 2020	Movement of goods	Movement of people
India	✓ / ✗			

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

Background: 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 has been closely monitored, with gradual relaxations vis-à-vis movement of people and economic activity. Update: Possibly due to increased testing, major Indian cities such as Delhi, Mumbai and Chennai have been reporting a surge in the number of cases. Although attempts are being made to manage the situation, healthcare facilities continue to remain inadequate and overburdened. The daily life and work routine of the residents of cities with higher incidences to Covid-19 positive cases remains disrupted.

On June 29, the government issued fresh guidelines extending the lockdown in containment zones till July 31, and the further calibrated reopening of activities in areas outside of these zones. For detailed guidelines, [read Unlock-2](#).

Covid-19 overview India on July 01:

Active Cases: 220'114
 Cured Cases: 347'979
 Deaths: 17'400
 Total cases: 585'493 (4th highest cases in the world)

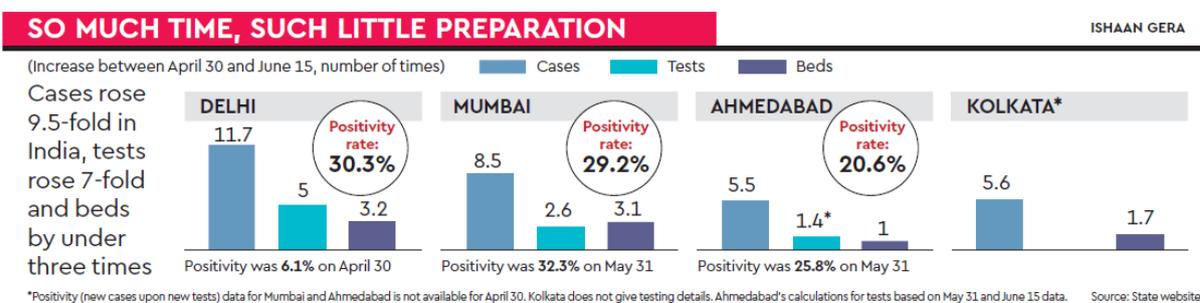
States with the highest number of total cases on July 01:

Maharashtra: 174'761
 Tamil Nadu: 90'167
 Delhi: 87'360
 Gujarat: 32'557
 Uttar Pradesh: 23'492

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

Healthcare facilities in the country

Lifting of the lockdown has coincided with a surge in the number of cases in Maharashtra, Tamil Nadu, Delhi, Gujarat and Uttar Pradesh. This development has firmly put the spotlight on the state of healthcare facilities in the country, specifically in Mumbai and New Delhi. News reports indicate that there is shortage of hospital beds, ICUs, equipment such as ventilators, as well as doctors and nurses. Railway coaches, banquet halls, stadiums, hotels and specialty nursing homes are in the process of being converted into Covid-19 treatment centers.



Source: Financial Express

- [Panel says rope in post-grads, pool hospital resources to deal with staff shortage](#)
- [India opens one of the world's largest hospitals to fight coronavirus](#)

GOVERNMENT MEASURES

- The Government of India Covid-19 tracing app: [Aarogya Setu](#)
- 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 03 (19 days)
 - Lockdown 3.0: May 04 to May 17 (14 days)
 - Lockdown 4.0: May 18 to May 31 (14 days)
 - Lockdown 5.0: June 01 to June 30 (30 days) and Unlock 1
 - Unlock 2: July 01 to July 31 + Lockdown in containment zones until July 31

ECONOMIC OUTLOOK (ECONOMIC DEVELOPMENT, EFFECTS ON INDUSTRIES)

The strict lockdown restricted all movement of goods and people, and put an initial stop to 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. Recently released GDP figures indicate that the economy nose-dived to an 11 year low, growing at 4.2% during FY 2019-20, compared to 6.1% in the previous year, suggesting that growth had significantly slowed even before lockdown 1.0 was announced in end-March. The current outlook on the economy is bleak as reflected in several sovereign ratings. Several rating agencies and international institutions have predicted a contraction in GDP growth with SBI Research at -6.8% and the latest by [World Bank](#) at -3.2%. Recently, Fitch has also revised its outlook on India from 'stable' to 'negative'.

- [India's economy slumps, worst yet to come amid lockdown](#)
- [Covid-19 impact: India set for deepest recession yet in FY21, warn economists](#)

- [RBI's monetary policy statement on the basis of an assessment of the current and evolving macroeconomic situation](#)
- [Moody's downgraded the Government of India's ratings to "Baa3" from "Baa2" \(outlook "negative"\)](#)
- [India's exports decline 36.5% in May](#)
- [India risks junk status as economy faces 10% contraction](#)

Key sectors such as automotive, IT, power, FMCG, healthcare and telecom are projected to have negative growth. However, there are green shoots of recovery on both the industries and the jobs front.

- [Pharma, life sciences companies scale up hiring as production increases](#)
- [Fashion brands partner with Myntra for the first online sale post lockdown with deep discounting to woo back shoppers](#)
- [Plants open, workers line up, Manesar autohub starts moving](#)
- [Economy re-opening, firms charter aircraft to fly back workers](#)
- [India's June jobless rate falls to 11%: CMIE](#)

Special Economic package: Self-reliant India Movement “Aatma Nirbhar 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.

May 13 onwards, for five successive days, Finance Minister Nirmala Sitharaman announced the details of the economic package in five tranches. These are outlined below along with relevant highlights:

Part 1: Businesses including Micro Small and Medium Enterprises

Collateral free automatic loans for businesses, new definition of MSMEs, special liquidity scheme for NBFCs/HFCs/MFIs, liquidity injection for DISCOMs, direct tax measures, relief for the real estate sector and contractors.

Part 2: Poor including farmers and migrant workers

Direct support and liquidity support for farmers, rural economy, migrants and urban poor. Benefits for Workers (Labour Codes).

Part 3: Agriculture, animal husbandry, fisheries

Emergency working capital, measures to strengthen infrastructure logistics and capacity building.

Part 4: New horizons of growth

Policy reforms to fast track investment, upgradation of industrial infrastructure, airports through PPP, boosting private participation in space activities, atomic energy related reforms, tariff policies reforms in the energy sector and enhancing self-reliance in defense production.

Part 5: Government reforms and enablers

Reforming governance for ease of doing business, technology driven education, public sector enterprise policy, health reforms and initiatives.

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](#)
- [FDI in defence limit raised to 74%; FM Sitharaman announces major 'Make in India' push for defence](#)
- [Cellphones, jewellery, textiles: Govt identifies 10 sectors to cut imports](#)
- [Global To Local: Applications invited under new mobile manufacturing policy](#)
- [India to step up FTA talks despite self-reliance mantra](#)
- Ministry of Commerce and Industry, has issued a notification regarding the changes to localization rules (i.e., 'minimum 50% localization requirement for public tenders less of than INR 200 Crore (CHF 26 million)'. [See notification for details.](#)

2. Movement of goods

Unlock 2, currently in force in non-containment zones till July 31, sees significant relaxation vis-à-vis movement of goods and people, and restarting of economic activities.

In the last few months companies faced issues such as supply chain bottlenecks, liquidity crunch and unavailability of labor. However, these are beginning to get resolved as restrictions ease but companies continue to tread cautiously due to mechanisms such as safe distancing that have to be implemented in offices and factories. However, reversing its earlier position, the government's new protocol states that [the entire office needn't be shut if 1 or 2 COVID-19 cases are reported.](#)

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. We have received 24 Swiss company cases till date.

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](#).

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

[Travel and Visa restrictions related to Covid-19 issued by the Bureau of Immigration](#)

- 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)

Workers from third countries to be permitted to enter Switzerland again:

Switzerland eases restrictions for non-EU/non-EFTA persons as per July 6. India is not on the list of mandatory quarantine countries, therefore Indian employees with Swiss working contract / work permit can enter Switzerland without mandatory quarantine (read [Recommendations for travelers](#)). Indian nationals with business visas and tourist visas are not allowed entry.

List of 15 countries included on Europe's "safe list", whose nationals will be allowed to enter Europe from 01 July 2020. (Note: Switzerland will adopt the list except of Serbia but only from 20 July onwards)

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)

There has been partial resumption of domestic flights, trains, buses and other forms of public transport, as well as private transport. However, some restrictions remain and new ones get implemented as and when the situation on the ground changes. Read:

- [Mumbai imposes Section 144 amid COVID-19: Swiggy, shops, Amazon, night curfew — what's allowed, what's not](#)
- [Maharashtra, Tamil Nadu States extend lockdown till July 31](#)

Relevant guidelines issued by the authorities and state governments:

- [Guidelines for domestic travel \(air/train/inter-state bus travel\)](#)
- [Guidelines for international arrivals](#)
- [Instructions to all major and minor ports for dealing with novel coronavirus](#)