

## **India-Switzerland Relations**

### **Political Relations**

India and Switzerland have had cordial and friendly relations since India's independence. The relationship is based on shared values of democracy, multiculturalism and the rule of law. Independent India's policy of non-alignment and Switzerland's traditional policy of neutrality helped to develop a close understanding between the leaders of the two countries. A Treaty of Friendship between India and Switzerland was signed at New Delhi on August 14, 1948, one of the first such treaties to be signed by the independent India. The Treaty provided for the establishment of diplomatic missions between the two countries and missions were opened in Berne and Delhi soon after its conclusion. Switzerland established its Consulates General in Mumbai and Bangalore. India has a Consulate General in Geneva. During the course of 2008, India and Switzerland celebrated the 60th anniversary of the signing of the Friendship Treaty, an important milestone in the annals of Indo-Swiss bilateral relations. In recognition of the growth of multi-faceted bilateral relationship over six decades and to outline the future areas of mutual interest and cooperation, India and Switzerland have decided to elevate the bilateral relationship to a new and higher level by agreeing to establish a Privileged Partnership between them.

### **High level visits**

Exchange of high level visits in the recent past has provided an impetus to strengthen bilateral cooperation. The visit of the then Swiss President, Mr. Flavio Cotti in 1998 was the first ever visit of a Swiss President to India. Later, President of the Swiss Confederation, Mr. Pascal Couchepin, paid a State Visit to India from 6-12 November, 2003. The last high-level visit to India has been that of the Swiss President, Mrs. Micheline Calmy-Rey from 5-7 November, 2007. After the State Visit of President, Dr. A.P.J. Abdul Kalam, in May 2005, Smt. Pratibha Devisingh Patil, President of India visited Switzerland from September 30 to October 4, 2011.

In addition, there have been regular bilateral ministerial exchanges. Swiss Federal Councillor for Economic Affairs Mr. Johann N. Schneider Ammann visited India from 7-9 April, 2011, along with a high level business delegation. Swiss Federal Councillor Alain Berset visited India from October 1-3, 2012 and met Minister of Health & Family Welfare Shri Ghulam Nabi Azad, Minister of Culture Kumari Selja and Minister of S&T, Shri Vayalar Ravi to expand scope of bilateral cooperation in health, culture and S&T. Swiss Federal Councillor Doris Leuthard visited India from October 18-20, 2012 primarily to represent Switzerland at the UN Conference on Biological Diversity in Hyderabad. She met Smt. Jayanti Natarajan, Minister for Environment & Forests; Dr. Farooq Abdullah, Minister of New & Renewable Energy; Shri C.P. Joshi, Minister of Road Transport & Highways, Shri Kamal Nath, Minister of Urban Development; and Shri Ajit Singh, Minister for Civil Aviation and discussed issues of mutual interest and cooperation. A Protocol to the revised Double Taxation Agreement was also signed between the two countries during the visit of Foreign Minister Calmy-Rey in August 2010, which entered into force on 7th October, 2011. Swiss Foreign Minister Didier Burkhalter visited India from December 11-12, 2013 in connection with ASEM-FMs Meeting in New Delhi. During this visit, Mr. Burkhalter made a courtesy call on EAM.

From Indian side, there have been several important ministerial visits. Shri Kamal Nath, Minister for Road Transport & Highways led a 5-member delegation to Switzerland on 11-12 August, 2009. A 4-member delegation led by Minister of Textiles, Mr. Dayanidhi Maran, visited Switzerland from 25-28 October, 2009. An 18-member Indian Parliamentary Goodwill

delegation led by Minister of Parliamentary Affairs and Water Resources Shri Pawan Kumar Bansal visited Switzerland from 1-4 April, 2010. Smt. Meira Kumar, Speaker, Lok Sabha, led an delegation to Switzerland from 16-17 July, 2010 to attend the Inter Parliamentary Union (IPU) Sixth Annual Meeting of Women Speakers of Parliament in Berne. Later, she visited Berne to participate in the 125th IPU Meeting from 16-19 October, 2011. An Investment Round Table was held in Geneva on 8 April 2013 during the visit of Shri Anand Sharma, Minister of Commerce & Industry. Minister of State (IC) for Sports & Youth Affairs Shri Jitender Singh visited Lausanne from 14-15 May 2013 in connection with the meetings with the International Olympic Committee. The Indian delegation led by EAM Shri Salman Khurshid participated at the Geneva II Conference on Syria held in Montreux on January 22, 2014.

Hon'ble Speaker of Lok Sabha, Smt. Sumitra Mahajan, led a high-level Parliamentary delegation to the 131<sup>st</sup> session of the Inter-Parliamentary Union (IPU) Assembly, held in Geneva from 12-16 October 2014. The delegation included Prof. P.J. Kurien, Hon'ble Deputy Chairman, Rajya Sabha and five MPs, apart from senior officials of Parliament Secretariat. Earlier, Hon'ble Speaker had visited Geneva for attending the 9<sup>th</sup> Annual Meeting of Women Speakers of Parliament from 4 & 5 September 2014.

Shri Shaktikanta Das, Revenue Secretary, led an Indian delegation to Switzerland on 15 October 2014 for talks on information sharing on tax issues with the Swiss State Secretary for Finance, Mr. Jacques de Watteville.

High-level Indian delegations have participated in the World Economic Forum (WEF) since the early 90s. At WEF 2014 (January 2014), the official Indian delegation was led by Shri P. Chidambaram, Finance Minister. Other members of Indian delegation were: (i) Shri Kamal Nath, Minister for Parliamentary Affairs and Urban Development, (ii) Shri Anand Sharma, Minister for Commerce & Industry; (iii) Shri Jyotiraditya Scindia, Minister of State for Power; (iv) Shri Montek Singh Ahluwalia, Chairman, Planning Commission and (v) Shri Prithviraj Chavan, CM, Maharashtra. A strong representation from the Indian industry and a delegation from Confederation of Indian Industries (CII) also participated at the Forum. On the sidelines of WEF, Swiss Economy Minister Johann N. Schneider-Ammann and Shri Anand Sharma, CIM, held a bilateral meeting on 22 January 2014. At earlier occasions, Shri Anand Sharma had visited Switzerland on 24-25 March, 2011 for BaselWorld 2011, during which he also visited Berne for a bilateral meeting with his counterpart Mr. Johann N. Schneider Ammann.

India has been participating regularly at annual trade exhibitions held in Basel and Geneva. India was the guest country at Geneva Festival in August 2011. In April 2012, India participated at the MUBA Fair in Basel as the guest country. The Swiss Federal Councillor Ueli Maurer was present at the inauguration of India Pavilion at MUBA 2012. In February 2013, India participated at MUBA Fair under the aegis of ITPO. In April 2013, over 40 Indian Gems & Jewellery companies participated in the BASELWORLD 2013.

## **Bilateral Institutional Arrangements**

[i] **Foreign Office Consultations (FOC)** began in January 1996. Since then, eight rounds of consultations have been held alternately in Berne and New Delhi in February 2000, January 2003, September 2005, November, 2006, January, 2008, December, 2009 and December, 2012 respectively. The last FOC at Joint Secretary level was held in New Delhi on November 17/18, 2014.

[ii] **Indo-Swiss Joint Economic Commission** was set up in 1959 to intensify economic and commercial relations. The 13<sup>th</sup> session of JEC meeting was held in New Delhi from October 4-5, 2012.

[iii] **Swiss-India Chamber of Commerce** was set up in 1985 in Zurich. It regularly holds seminars, symposia and meetings to promote investments, trade and business in both the countries. In July 2009, SICC signed two separate MOUs with CII and FICCI. An Investment Round Table was organized by CII and SICC in Geneva in April 2013.

[iv] **Indo-Swiss Joint Committee on S&T:** 1st Meeting of the Indo-Swiss Joint Committee on S&T was held on 23 September, 2011 in Berne. The main objective of the meeting was to assess the ongoing S&T cooperation between India and Switzerland under the Indo-Swiss Joint Research Programme. On October 1, 2012, the Committee held discussions in New Delhi.

[v] **India-Switzerland Financial Dialogue:** The MoU was signed on October 3, 2011 during the State Visit. The first Financial Dialogue was held in Berne on July 6, 2012. Indian delegation was led by Shri Gopalan, Secretary, DEA and the Swiss delegation was led by Amb. Michael Ambuhl. The second Financial Dialogue was held in New Delhi in June 2013.

[vi] An **MoU on Mutual Cooperation in Local Governance:** The MoU was signed between India and Switzerland on 12 December, 2011.

[vii] An **MoU between Indian Ministry of Power and Swiss Agency for Development Cooperation** was signed on 8 November, 2011 for cooperation in energy efficiency.

[viii] An **MoU establishing the 'Rabindranath Tagore Chair'** on Indian Studies was signed on October 4, 2011. The second session of Tagore Chair on Hindi language was successfully completed at University of Lausanne from January-June 2013. The third session (January-June 2014) is just over, for which ICCR had deputed a professor.

[ix] Besides the above, India and Switzerland have signed Agreements on Promotion and Protection of Investments, Air Services, Collaboration in Biotechnology and Cooperation in Disaster Management.

[x] An MoU was signed in February 2012 between the Indian Council of Social Science Research and the University of Lausanne, for institutional cooperation.

## **Commercial Relations**

Commercial contacts between India and Switzerland date back to the early 19th century when in 1851 the Volkart Trading Co. established its offices in Basel and Mumbai. It expanded its network, diversifying its activities in India, soon becoming the backbone of Switzerland's economic presence in India. The Indo-Swiss Treaty of Friendship laid the foundation for a strong economic content to the bilateral relationship. Article 3 to 6 of this Treaty secured the "most favoured foreign nation treatment" to Switzerland. As provided by the Treaty itself, it has set the pace for further treaties like Double Taxation Treaty in November, 1994, followed by Amendment to protocol in 2010, Promotion and Protection of Investment Treaty in July 1997. The first major investment by Swiss companies in India came in mid-50s. Switzerland is an important trading partner for India outside the EU.

## **Bilateral Trade**

(In Million Swiss Francs)

<b>Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014 Jan-Jul.</b>
<b>India's Exports</b>	<b>1101.2</b>	<b>800.1</b>	<b>1010.4</b>	<b>1303.4</b>	<b>1400</b>	<b>1524</b>	<b>960.7</b>
<b>India's Imports</b>	<b>2406.4</b>	<b>2156.1</b>	<b>2156.4</b>	<b>2986.4</b>	<b>2600</b>	<b>2010</b>	<b>1013.9</b>
<b>Total Trade</b>	<b>3507.6</b>	<b>2956.2</b>	<b>3166.8</b>	<b>4289.8</b>	<b>4000</b>	<b>3534</b>	<b>1974.6</b>

Indo-Swiss bilateral trade stands over 3.5 billion (excluding software, IT services and bullion), showing a decline by 15% over 2012. The Swiss-India bilateral trade nearly tripled from USD 1.6 billion in 2004 to USD 4.5 billion in 2011. Swiss exports to India has declined in recent years due to adverse currency rate movements and slowdown in the Indian economy. While Swiss exports to India has declined in the first three quarters of 2014, the Indian exports to the Alpine nation continued to soar in 2012 and 2013, as also in the first three quarters of 2014.

India's trade figures do not include the software and service exports. Swiss export figures do not include gold bullion imported by India. In the year 2012, according to Electronic and Computer Software Export Promotion Council (ESC) US \$ 434 million were exported from India to Switzerland. In the year 2013, India imported bullion worth approximately CHF 29 billion from Switzerland.

The balance of trade has remained in favour of Switzerland. The major items of Indian exports to Switzerland are textiles and garments, organic chemicals, precious stones and jewellery, dyestuffs, machinery and parts, leather products, shoes and shoe uppers, cotton, plastics, coffee, tea and hand-knotted carpets. Besides bullion, Swiss exports to India consist of pharmaceuticals, machinery, transport equipments, chemical products and watches.

From April 2000 to June 2014, Switzerland invested approximately USD 2.85 billion in India, thus becoming the tenth largest investor. As a large part of foreign direct investment in India, is routed through other countries, the actual Swiss direct investment in India is much higher, the overall Swiss investment inflows into India could be pegged at above USD 7 billion till June 2014. More than 200 Swiss companies have presence in India through their own subsidiaries and joint ventures. Most of the Swiss multinational companies like ABB, Novartis, Roche UBS and Credit Suisse etc. have their offshore software development projects with major Indian companies or through their subsidiary operations in India. Pharma companies headquartered in Switzerland viz., Novartis, Roche have been expanding their activities in India. As per Switzerland government data, Swiss enterprises have created over one lakh jobs in India. Indian companies invested USD 1.2 billion between 2012 and 2014 in Switzerland, placing it among the top five European investment destinations and top-ten places globally for Indian investors. Major Indian IT companies including TCS, Infosys, Tech Mahindra, etc. provide services to major pharma companies, banks and insurance firms. Recently, Swiss luxury goods firm Lux was taken over by Eureka Forbes and earlier in 2010 M/s. Steiner, a construction company was taken over HCC Ltd. At least 120 Indian firms are present in Switzerland.

At their meeting in Davos on 26 January 2008, Commerce/Trade Ministers from India and the European Free Trade Area (EFTA, which includes Iceland, Liechtenstein, Norway and Switzerland, agreed to launch negotiations on a comprehensive Trade and Investment Agreement as per the recommendations of the Joint EFTA-India Study Group established on

1 December 2006. 13 rounds of India-EFTA trade negotiations have been held, latest being in November, 2013 in New Delhi.

## **Cultural Relations**

A performance and lecture-demonstration on Kathak was organised in Zurich on May 16 2014 by an ICCR sponsored 6-member Kathak troupe led by Ms Rujuta Soman to Switzerland.

At the Luzern Travel Expo 2014, held from 31 Oct to 2 Nov. 2014, "India-India" was the Guest theme with participation of India Tourism, Paris. Workshops and performances of Indian dance, yoga, etc. and stalls of Indian Ayurvedic and herbal products, spices, textiles, and Indian food were arranged at the Expo. About 23000 visitors visited the Indian stalls. .

## **Indian Community**

The Indian community in Switzerland comprises of approximately 18,000 Indians including over 6300 persons of Indian origin (Swiss passport holders). Most of them are professionals in Engineering, IT, pharmaceuticals and paramedical fields. Few are deployed in the International Organisations like UN, UPU and other prestigious Swiss institutes like Federal Institute of Technology, Zurich and EPFL, Lausanne. The Indian community is concentrated in Zurich, Geneva, Basel, Baden, Berne and Lausanne in that order. A number of Indian associations actively organise cultural activities and celebrate Indian national days. An Honorary Consul General of India is based in Zurich.

## **Useful Resources**

Embassy of India, Berne website: [www.indembassybern.ch](http://www.indembassybern.ch)

Information about Switzerland: <https://www.news.admin.ch/>

Swiss Ministry of Foreign Affairs: <http://www.fdfa.ch/eda/en/home.html.html>

Swiss Embassy in New Delhi: <http://www.eda.admin.ch/newdelhi>

\*\*\*\*\*

**December 2014**