



Switzerland.

Market situation India.

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1 MARKET SITUATION AND OUTLOOK.

1.1 Economic situation

According to the Economic Survey 2021–22 tabled in the Parliament on 31 January, GDP growth is likely to remain at between 8% and 8.5% in 2022–23. This projection is based on the assumption that there will be no further debilitating pandemic-related economic disruption, the monsoon season will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the range of \$70–\$75 per barrel, and global supply chain disruptions will gradually ease over the course of the year.

Political stability in the country continues to remain very strong, and the Modi government clearly remains the best bet when it comes to countering the country's challenges. A leader to whom there seems to be no threat politically, even after more than seven years in power, and with the opposition parties having little to challenge him.

2022 will witness the biggest elections in Indian democracy. Assembly elections will take place in seven states, five of which will be held in the spring season (February/March) and two of which will be held in the last quarter of 2022. Presidential and Vice-Presidential elections are also set to take place in 2022.

As of 27 January 2022, the first dose of the Covid-19 vaccine has been administered to 95% of India's eligible adult population, while 74% have had both doses of the vaccine. Vaccination for the age group between 15–18 years began in January 2022, while administration of booster doses to those aged 60 years and over and for health and frontline workers began on 10 January.

While the Omicron-led third wave in India has been highly transmissible, it also seems to be less severe compared with the previous variants. With improving vaccination rates, herd immunity and our greater ability to cope, potential harm to life and livelihoods has been limited. The following months are expected to see recovery getting back on track.

To contain and control the spread of Covid-19, India's civil aviation regulator, the DGCA, banned the operation of scheduled international commercial flights as of 23 March 2020 and has now extended the ban up to 28 February 2022. However, flights under air bubble agreement will not be affected. Luckily for us, SWISS has started operating flights under the air bubble agreement. As of 10 January, SWISS started operating two flights a week from Mumbai, and will gradually increase flights to four times a week and will also resume the Delhi / Zurich flights.

After the World Health Organisation (WHO) gave its nod to India's indigenously made vaccine Covaxin, Switzerland started allowing Indian travellers vaccinated with Bharat Biotech's Covaxin. This has been extremely beneficial since a huge percentage of the population as well as the corporate fraternity has taken this vaccine.

In a survey conducted by MakeMyTrip, a leading online travel agency, corporate India is back to travelling for work with 100% recovery across pharma, healthcare, real estate and biotech sectors. There has been significant recovery in other sectors including manufacturing, defence and space, as well as logistics. Sectors including financial services, IT, consumer goods and automotive will



see relatively slower recovery, and are likely to be the last to see a complete recovery. The study further indicates that two thirds of the corporates who returned to travelling were sales representatives, followed by professionals in consultant and leadership roles. Currently, 50% of the travel bookings are being made for client meetings, followed by visits to vendors and distributors, and factories or manufacturing plants. Data indicates nearly 90% of travellers prefer staying at hotels near the office – which also follow adequate safety and hygiene protocols – followed by 10% who prefer booking a guest house or service apartment. Travelling by air continues to be the most preferred means of travel, with only 10% of professionals willing to travel in their personal vehicles for work.

Key factors influencing India bouncing back sooner than other countries:

- More and more Indians are getting vaccinated, and willingness to get vaccinated is very high.
- It has stable governance.
- India has the largest consumer base, with 1.3 billion people aspiring to climb the social ladder and be in the middle class or above.
- India's comparative advantage with highly talented individuals is second to none.
- Young demographic composition. 50% are under 25 years old, 65% are under 35 years old, and the average age of the population is 29 years old.
- Cheaper interest rates to help spur local consumption.
- The "Make in India" initiative in 25 sectors continues to attract foreign investment to India in sectors that are important not only for India but also for the country as a manufacturing base serving the rest of the world.

Below are some of the core industries that are crucial to India's growth. These industries have also contributed to outbound incentive travel, especially to Switzerland.

Automotive industry: The automobile industry in India is the world's fifth-largest. India was the world's fifth-largest manufacturer of cars and seventh-largest manufacturer of commercial vehicles in 2019. The Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16–18.18 trillion (USD 251.4–282.8 billion) by 2026.

- In the quarter from July to September 2021, the luxury car market registered sales of 8,500 units.
- In October 2021, the total production volume of passenger vehicles (except for BMW, Mercedes, Tata Motors & Volvo Auto), three-wheelers, two-wheelers and quadricycles reached 2,214,745 units.

The Indian government has also set up an ambitious target of having only EVs being sold in the country. EV sales, excluding e-rickshaws, in India witnessed growth of 20% and reached 156,000 units in FY20, driven by two-wheelers. The Government of India expects the automotive sector to attract USD 8–10 billion in local and foreign investment by 2023.

Pharmaceutical industry: India ranks third worldwide for pharmaceutical production by volume and 14th by value. India is the largest provider of generic drugs globally. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. Pharmaceutical hubs are spread across 13 states of India. The Indian pharmaceutical sector is expected to grow to USD 100 billion, while the medical device market is expected to grow to USD 25 billion by 2025.



Key Indian pharma companies:

- Sun Pharmaceuticals is the largest pharmaceutical company from India and the fifth-largest specialty generic company in the world.
- Cipla is a leading pharmaceutical company from India with presence across the world.
- Lupin Ltd. is a leading pharmaceutical company from India and is amongst the top 10 generic companies in the world.

Insurance industry: The Indian insurance sector is basically divided into two categories – life insurance and non-life insurance. The insurance sector in India consists of a total of 57 insurance companies; 24 companies are the life insurance providers, and the remaining 33 companies are non-life insurers, seven of which are public sector companies. The country's life insurance industry is expected to grow by 14% to 15% annually for the next three to five years.

- In March 2021, health insurance companies in the non-life insurance sector increased by 41%, driven by rising demand for health insurance products amid the surge of COVID-19.
- In September 2021, new premiums of life insurers registered growth of 22.2%, up from 2.9% in September 2020.

Going forward, demographic factors – such as the growing middle class, young insurable population, increasing life expectancy, and a growing awareness of the need for protection and retirement planning – will support the growth of Indian life insurance. Likewise, strong growth in the automotive industry over the next decade would be a key driver for the motor insurance market. Motor insurance accounted for 32.59% of the non-life insurance premiums earned, followed by health insurance at 28.9%, in November 2020.

Aviation industry: India has become the third-largest domestic aviation market in the world and is expected to overtake the UK to become the third-largest air passenger market by 2024. India is expected to overtake China and the United States as the world's third-largest air passenger market in the next ten years, by 2030, according to the International Air Transport Association (IATA). To cater to the rising air traffic, the Government of India has been working towards increasing the number of airports. As of 2020, India had 153 operational airports. India has envisaged increasing the number of operational airports to 190–200 by FY40.

Key investments and developments in India's aviation industry include:

- In March 2021, the government announced a plan to set up two water aerodromes in Assam and four water aerodromes in Andaman & the Nicobar Islands this year to boost tourism and connectivity.
- In October 2021, Tata Sons won the bid to acquire the state-run Air India by offering Rs. 18,000 crore (USD 2.4 billion) to acquire 100% shares.

Cement industry: India is the second-largest cement producer in the world, and accounted for over 7% of the global installed capacity. India's overall cement production capacity was nearly 545 million tonnes (MT) in FY20. The top 20 companies account for around 70% of total cement production in India. As India has a high quantity and quality of limestone deposits through-out the country, the cement industry promises huge potential for growth.

The Government of India is strongly focused on infrastructure development to boost economic growth, and is aiming for 100 smart cities. In the third quarter of FY21, Indian cement companies reported healthy growth in earnings, and demand for the industry increased on the back of construction activities being resumed again following on from the COVID-19 lockdown imposed by



the government.

Media and entertainment industry: According to an EY report, the Indian media and entertainment (M&E) sector stood at Rs. 1.38 trillion (USD 18 billion) in 2020, and is estimated at Rs. 1.79 trillion (USD 24 billion) in 2021. Furthermore, it is projected to grow to Rs. 2.23 trillion (USD 29 billion) by 2023, due to acceleration of digital adoption among users across geographical areas. Within the M&E sector, the animation, visual effects, gaming and comic (AVGC) sector is growing at a rate of 29%, while the audio-visual sector and services is rising at a rate of 25%.

- As of August 2021, television would account for 40% of the Indian media market in 2024, followed by print media (13%), digital advertising (12%), cinema (9%), and the OTT and gaming industries (8%).
- In September 2021, Netflix India signed a multi-year agreement with Excel Entertainment to strengthen its original series share in India.
- In October 2021, Star & Disney India signed advertising deals worth Rs. 1,200 crore (USD 160.16 million) for the ICC T20 World Cup, marking a three-time rise over the last tournament, which was held in 2016 in India.

1.2 Meeting industry situation & trends

An increasing number of corporate industries, government initiatives to promote SMEs (small and medium-sized enterprises), rapid urbanisation, industrial growth, infrastructural development, and continuous technological advancements are the major growth propellers for India's outbound MICE tourism market.

Although hit by the Covid-19 pandemic, and despite ongoing challenges, outbound MICE will see a considerable increase through economic growth in the second half of 2022. Corporate companies continue to be very cautious and continue to seek assurance from government bodies, tourism boards and the travel trade about travel to a specific country. Asking for recommendations, needing reliable reassurance about health and safety measures, reviews will be increasingly vital, both online and by word of mouth. These factors will largely influence a company's choice of destination.

Business travel will certainly take some time to return to what it was in 2019. Already, Zoom meetings have become the norm. Corporate advisories are out in most multinationals, negating travel. A significant proportion of companies are actively seeking to reduce business travel and to cut the number of employees commuting even to the workplace. Businesses will also consider video conferencing as a viable alternative to business travel.

The travel industry will bounce back, and it is only a matter of time before it does. However, MICE agencies, planners and service providers that move with the changing times and display adaptability will stand to gain the most in this "new normal". MICE planners now need to move beyond being service providers and emerge as advisors and facilitators.

1.2.1. Trends

Talking specifically about Switzerland, the validity of the Covid-19 vaccine certificate has now been reduced to nine months – which is a problem for non-Schengen countries, whose certificates expire nine months after the second dose. For the Indian market, this is a problem at the moment, as there are no precise indications yet as far as the booster in India (which for now is only being offered to



the over-60s and high-risk categories), high air fares due to lower availability of commercial flights, self-quarantine upon arrival in India as well as an RTPCR test upon arrival (differs from state to state), and constant changes to SOPs and regulations, which are deterring corporate companies from travelling overseas. Corporate companies are eagerly waiting for more stability with respect to regulations and starting of international commercial flights.

A trend that has emerged during the pandemic is the wide acceptance of corporate gift cards (e-gift cards), in the form of rewards and sales incentives, to recognise employee, dealer and channel partner performances. Digital gift card adoption has been increasing in Tier 2 and Tier 3 cities, though it is still dominated by Tier 1 cities. Another approach taken by corporate companies to incentivise their end client has been to offer domestic hotel stay vouchers with meals for three to five nights. These rewards aim to ensure loyalty and show empathy to their dealers, distributors and channel partners.

Technological evolution has been happening for a while, but Covid-19 accelerated the entire process and pushed everyone head-first into a world dominated by digitalisation. MICE agencies with the resources to stay afloat in these difficult times are diversifying and using this time to increase their skillset and learn how to live-stream, produce digital content, post event video editing – all essentials for working in the virtual and hybrid events world. Some agencies have been smart enough to adapt as corporate companies are requiring the services of a full-service agency to organise virtual conferences, hybrid meeting and virtual networking events.

The strict lockdown accelerated the need to get out and travel among rich and upper middle-class Indians. As destinations slowly opened again, Indians were the first to get out and enjoy the freedom that travel can afford.

1.2.2. Destination weddings

There's a joke in Indian wedding planning! The wedding is a celebration for the couple. No, no, it's for our families!

There's no more exciting time than wedding season for rich Indians and upper middle-class Indian families. Weddings are an opportunity to catch up with extended family and friends; there is a plethora of food, sweets and drinks, music and dance; tradition and culture are celebrated, and even business deals are struck. But, of course, if there is one thing Indians are known for across the world, it's our obsessive hospitality.

And you'll never see hospitality more evident than the Big Fat Indian wedding. As a result, it's no secret that these days couples and their parents are constantly looking for the perfect Indian destination wedding experience.

1.3 RFP situation in India

As of 7 February, India's single-day infections dropped below 1,000,000, while the daily rate of people testing positive is 7.25%. This, along with the high vaccination rate, is having a positive effect on corporate clients. SCIB has started getting queries on possibilities for travel from May/June onwards. In fact, if things go well, we should have our first MICE group at the end of March 2022. The group size will be 160, and it will take place in St. Moritz.

India has always displayed its ability to come out of a crisis even stronger and better than before.



And this pandemic is no different. As in all other nations, Indians are concerned about health, wellness, safety and hygiene. Switzerland has all of this and more to offer to Indian MICE clients. So far, the vaccination drive has eased some of the fear gripping the world. Things will slowly get back to normal, and it is hopefully only a matter of time before the travel and tourism sector returns to pre-pandemic strength.

2 TARGETS.

- Tap MICE agencies in Tier 2 and Tier 3 cities and build up a network with them.
- Develop existing partnerships with MICE agencies, pan India.
- Connect with new MICE agencies, event planners and wedding planners.
- Develop new itineraries and provide local support to MICE agencies.
- Regular product updates & sales call to MICE agencies.
- Establish contacts with corporate clients through various channels and build a good working relationship with them.
- Target and tap new opportunities to increase MICE business to Switzerland.

3 DETAILED MARKETING ACTIVITIES.

Further details of past, present and future marketing activities can be found at www.stnet.ch, which can be accessed using your personal username and password.