

1 MARKET SITUATION AND OUTLOOK

1.1. Political situation.

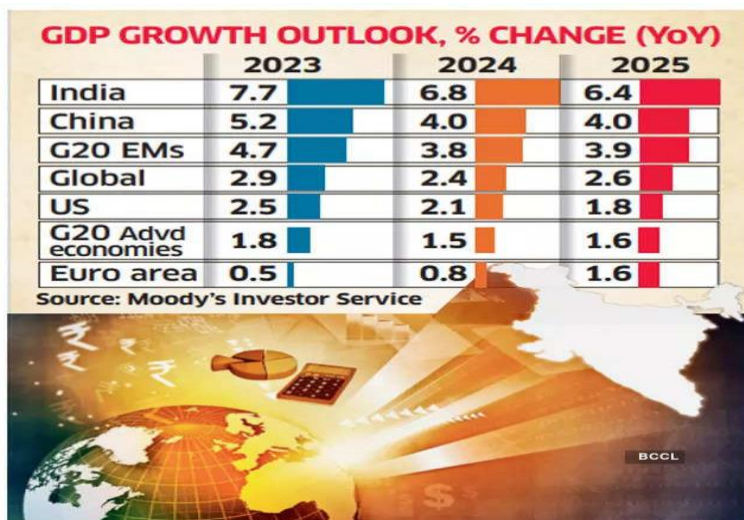
India is scheduled to hold general elections in April or May of 2024 to choose 543 participants in the Lok Sabha. India has a multi - party system, with two major parties, National Democratic Alliance (NDA), led by the Bhartiya Janata Party (BJP) and the Indian National Congress, dominating the national politics. Since 2014, the BJP has been governing the country with Mr. Narendra Modi at the helm. The previous general elections were held in April–May 2019. Should the NDA win the upcoming election, Mr Narendra Modi will take over as prime minister of India, third time in a row.

The Implications of elections can go beyond borders and economic and public policy in today's increasingly fractious world. Leaders elected this year will influence domestic and foreign policies for the next four to five years. Businesses are accordingly responding to evolving geopolitical dynamics by reorganizing supply chains and capital sources. Geopolitical realities will be influencing international trade flows, capital flows, international migration trends and international organizations in the years to come. Domestically, industrial and trade policies of several countries are intertwined with foreign policy.

1.2. Economic situation.

India is ranked 5th in world's GDP rankings in 2024. India's economy boasts diversity and swift growth, fuelled by key sectors such as information technology, services, agriculture, and manufacturing. The nation capitalises on its broad domestic market, a youthful and technologically adept labour force, and an expanding middle class.

Global rating agency Moody's raised India's GDP growth projection for 2024 calendar year to 6.8 per cent, up from the 6.1 per cent earlier. The increase in estimate was attributed to India's robust economic performance in 2023 and diminishing global economic challenges. Moody's further stated in its Global Macroeconomic Outlook for 2024 that the Indian economy is likely to remain the fastest growing among G-20 economies.



India turned its story around in one decade—one that saw populism breakthrough in the West in 2016, demonetization in 2017, the shadow banking crisis of 2018, a once-in-a-lifetime pandemic in 2020 & 2021, the highest inflation in 40 years in the West (which still continues), and the war since early 2022. Despite uncertainties, India has managed to sail ahead while building its ship. India took determined and focused actions to convert know-how and capabilities into unique products and solutions. India's emphasis on using technology to accumulate and diffuse tacit knowledge, building high-end manufacturing capacity, and improving competitiveness through exports formed the three necessary catalysts that boosted its growth trajectory and improved its economic fundamentals over the years.

The country has emerged as one of the most important global investment hubs in recent years. Despite various challenges such as rising interest rates, excessive inflation in global commodity prices and the threat of a global recession, the Indian economy and markets have shown to be incredibly robust. Indian markets have provided good returns compared to other emerging markets. India is also one of the most attractive FDI destinations. In FY23, India was able to attract FDI of US\$ 46.03 billion and has also signed free trade agreements with countries such as the UAE, Australia, Singapore, and Japan. This is expected to buy investors' sentiment and increase global private investments. India also has a strong start-up ecosystem: the number of Indian start-ups has increased from 471 in 2016 to 92,683 in 2023.

1.3. Aviation situation.

The government has been instrumental in developing policies to give a boost to the aviation sector. During April-October 2023, the domestic passenger traffic stood at 175.42 million, registering a 19.4% increase, and international passenger traffic stood at 38.55 million, a 26.2% increase, as compared to the same period the previous year.

Destination Switzerland sees great connectivity from India – SWISS operates daily direct flights from Mumbai and Delhi to Zurich. Lufthansa is currently operating 48 weekly flights from 5 gateway cities (Delhi, Mumbai, Chennai, Hyderabad and Bengaluru) to its Frankfurt and Munich hubs. In addition, the middle east carriers offer great connectivity too with Emirates, Etihad, Qatar, Gulf Air, Oman, Saudia, Turkish, etc., Also, Indian carriers such as Vistara, Air India & Indigo have good connections to neighbouring European destinations, which makes it easy to travel to Switzerland.

1.4. Industry / sector situation.

India's economic landscape is experiencing a dynamic transformation. The contribution starts from the small-scale industries to the fastest growing sector in India. Over the past few years, several sectors have experienced remarkable growth and shape India's future economy. In 2024 information technology, healthcare, and renewable energy are set to soar. The tech industry will thrive due to digital demand. Healthcare expands with a growing population and health consciousness.

Additionally, clean energy initiatives will fuel the renewable energy sector. These fastest-growing sectors in India hold immense promise for increasing economic growth. They also present exciting opportunities for social and environmental progress in India.

The fastest-growing sectors in India are Information technology (IT), Infrastructure, Insurance, and pharmaceuticals. The fields like FMCG, fintech, green/clean energy, automobile, aviation, and e-commerce are also growing fast and present exciting opportunities for social and environmental progress in India.

Most of these core industries majorly contribute to outbound incentive travel to Switzerland.

Information Technology and Software Services: The IT and BPM (Business Process Management) sector has emerged as a major driving force for India's economy. In the fiscal year 2022, the IT industry alone accounted for 7.4% of India's GDP. Demand for software development, IT consulting, and outsourcing drives this change. Around 33 Indian IT start-ups have also achieved the prestigious "unicorn" status. India is the world's second-largest online market, with 560+ million internet users. The big Indian companies in IT and Software services in India include: TCS, Infosys, Wipro, Tech Mahindra and Mindtree.

Pharmaceutical industry: India enjoys an important position in the global pharmaceuticals sector and is among the top 12 destinations for biotechnology worldwide and 3rd largest destination for biotechnology in Asia Pacific. In 2022, India's Biotechnology industry crossed US\$ 80.12 billion, growing 14% from 2021.

The pharmaceutical exports from India reach more than 200 nations around the world, including highly regulated markets like USA, West Europe, Japan, and Australia. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. Market size of India pharmaceuticals industry is expected to reach US\$ 65 billion by 2024, and ~US\$ 130 billion by 2030. According to the government data, the Indian pharmaceutical industry is worth approximately US\$ 50 billion with over US\$ 25 billion of the value coming from exports. About 20% of the global exports in generic drugs are met by India.

Key Indian pharma companies: Sun Pharmaceuticals, Cipla, Lupin Ltd, Glenmark Pharmaceuticals Ltd., Dr Reddy's Laboratories Ltd.

Fintech: This sector in India is growing fast, all because of the increase in digital payments and the use of smartphones. Fintech is a combination of finance and technology. It gives us new and exciting financial services. Many companies in India, big and small, are using fintech to improve their work and grow their businesses. It helps them do things faster and smarter.

The Indian fintech industry has seen impressive growth. Around 87% of people in India use fintech products. This adoption rate is 23% higher than the global average, as stated in the Economic Survey 2022-23 by the Government of India. It is predicted to reach a value of \$141 billion by 2025. The major players of fintech in India are: Paytm, PhonePe, Razor pay, Mobikwik, PolicyBazar and Google Pay.

Automotive industry: The automotive industry in India is one of the main pillars of the economy. In terms of global rankings in manufacturing output, it is second largest in two-wheelers, seventh largest in commercial vehicles, sixth largest in passenger vehicles and the largest in tractors. Over the past ten years, India has emerged as one of the most preferred locations in the world for manufacturing high-quality automotive

components and vehicles of all kinds. In FY23, total automobile exports from India stood at 47,61,487. It employs about 19 million people directly and indirectly.

India is on track to become the largest EV market by 2030, with a total investment opportunity of more than US\$ 200 billion over the next 8-10 years. By 2030, the Indian government has committed that 30% of the new vehicle sales in India would be electric.

Key automobile companies:

-Maruti Suzuki India Limited, subsidiary of Suzuki Motor Corporation, Japan, is India’s biggest car maker with more than 41.60% market share in the passenger vehicles segment in November 2023.

-Tata Motors is present in about 175 countries with research and development (R&D) centres in UK, Italy, India, and South Korea. Tata Motors sold 29,700 commercial vehicles in November 2023.

-Hero MotoCorp Limited (formally Hero Honda Motors Limited) is the world’s largest manufacturer of two-wheelers. It is present in South Asia, Africa, the Middle East, and Latin America. Hero MotoCorp was the first Indian two-wheeler company to establish a manufacturing plant in Latin America.

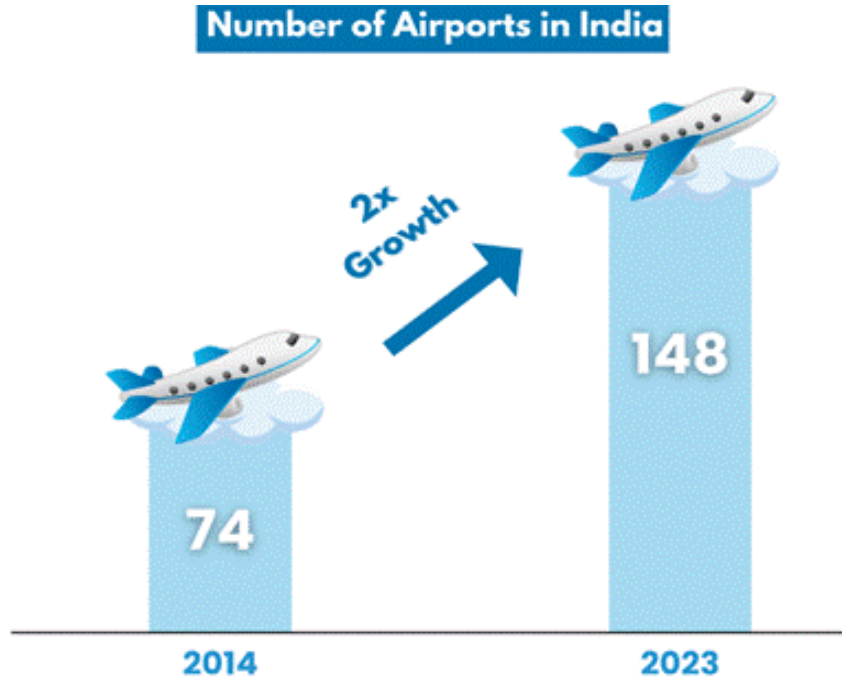
Insurance industry: India’s insurance sector is projected to record the fastest growth among the G20 countries with the total premium expected to rise at an average rate of 7.1 per cent in real terms during 2024-28. In comparison, the growth rate for the global insurance market will be around 2.4 per cent, said a report by Swiss Re Institute. The recent pandemic has emphasised the importance of healthcare, and health insurance playing a critical role in the healthcare ecosystem. Insurance market in India is expected reach US\$ 222 billion by 2026.

POSITIVE OUTLOOK		
Total insurance business		
Region	Growth Y-o-Y in FY24 (%)	CAGR for 2024-28 (%)
India	5.00	7.10
Emerging markets	6.60	5.10
Emerging Asia, excl.China	4.50	6.90
Global	1.60	2.40

CAGR: Compound annual growth rate Source: Swiss Re Institute

Zurich Insurance Group (“Zurich”) is the latest entry to the Indian insurance market through the acquisition of a 51% stake in India’s Kotak Mahindra General Insurance, marking the first major foreign investment in India’s insurance sector in eight years.

Aviation industry: India's aviation sector is experiencing a meteoric rise, fuelled by soaring demand and the government's unwavering commitment to its growth through supportive policies. India is at the forefront of the global aviation ecosystem, becoming the third-largest domestic aviation market in the world, after USA and China. The number of operational airports in the country has doubled from 74 in 2014 to 148 in April 2023. Civil Aviation Ministry’s “Vision 2040” report states that there will be 190-200 functioning airports in India by 2040. Delhi and Mumbai will have three international airports each, while top 31 Indian cities will have two operational airports each.



During April-October 2023, the domestic passenger traffic stood at 175.42 million, registering a 19.4% increase, and international passenger traffic stood at 38.55 million, a 26.2% increase, as compared to the same period the previous year.

The Indian government is also placing a strong emphasis on sustainability. This is evident in the recent achievements of Delhi and Mumbai airports, both of which have been awarded the prestigious Level 4+ Carbon Accreditation. This recognition highlights their commitment to reducing the carbon footprint and promoting responsible aviation practices.

Cement industry: India is the second-largest producer of cement in the world and accounted for over 8% of the global installed capacity. The growth of this sector is the ready availability of raw materials for making cement, such as limestone and coal. Demand for high cement consumption is due to the rising rural housing, and the development of 98 smart cities across India.

Several foreign players such as Lafarge-Holcim, Heidelberg Cement, and Vicat have invested in India in the recent past. FDI inflows in the industry, related to the manufacturing of cement and gypsum products, reached US\$ 5.50 billion between April 2000-September 2023. In the next 10 years, India could become the main exporter of clinker and grey cement to the Middle East, Africa, and other developing nations of the world.

Key Indian cement companies: UltraTech Cement, Adani group owned ACC and Ambuja cement, Ramco Cements, Dalmia Cement, Shree Cement, JSW Cement and JK Cement.

1.2. The situation of the Meeting Industry and Trends.

MICE and corporate travel, one of the biggest segments of Indian outbound travel market, has also been amongst the fastest to grow in 2022. Most destinations from around the world are keen to get a slice of this

exciting market. There are many countries that are wooing the Indian market constantly. From Azerbaijan and Kazakhstan in Eurasian region to Bahrain and Qatar in the Gulf, the list of the countries is immense. Most of the new players are pitching their novelty, ease of travel as well as cost competitiveness as their USPs to attract the Indian travellers. Several destinations also flaunt their experience in handling large-scale events and their modern event spaces as well as large, luxurious hotels able to handle any kind of demand volume and cater to a global audience.

While shortlisting destinations for MICE travel, the corporates or their MICE agencies look at some key criteria. These range from basic requirements like availability of adequate infrastructure for MICE activities like suitable event space and corresponding high class hotels in the area to the range of activities that can be undertaken by the group after the business meetings. The other parameters, which are also equally determinant, include budgets, the flight connectivity and the travel time as well as ease of accessibility in terms of visa.

The travel industry is predicted to continue its growth in sustainable and wellness tourism. It is evolving towards offering more personalized experiences with a focus on sustainability. The industry is integrating technology to enhance guest experiences, with a special emphasis on local culture and cuisine, which is driven by a growing trend among travelers to be environmentally conscious and health focused. Technology will play a key role in travel planning, and there's an expected increase in demand for immersive and tailor-made travel experiences, catering to the preferences of diverse groups including Gen Z and baby boomers.

All Indian travellers to Switzerland do require a valid Schengen visa to travel to Switzerland. For MICE groups to Switzerland, the process of obtaining visas is pretty smooth and efficient, provided the submission is planned at least 2 to 3 months in advance, depending if it's peak or non-peak period. The rules laid down by the Embassy of Switzerland are extremely simple and easy to follow. The Embassy can accept the cases even 6 months before the travel date. SCIB India maintains excellent relations and works very well with the visa section at the Embassy of Switzerland, in Delhi.

Having said the above, Corporates do opt for destinations that either do not require visas for Indians or offer e-visas or visas on arrival. Currently 35 countries offer visa free travel to Indian passport holders.

Destination Weddings.

The Indian wedding industry is witnessing a robust recovery, growing at an annual rate of 7-8%. According to a report by WedMeGood, the industry may have touched \$75 billion in the 2023-24 wedding season, marking a significant rebound from pandemic impacts. The survey involved 2,900 couples and 500 vendors, and highlighted the industry's evolution over three years, navigating challenges posed by the pandemic and leading to a promising return to pre-pandemic levels. Wedding professionals have reported a 15-22% increase in their business year-on-year from 2022 to 2023, indicating the rise in destination weddings.

The key factors for the positive growth is the changing preferences, economic conditions, rise in purchasing power of consumers and the growing luxury segment. Also important is the financially independent millennials, actively contributing to their wedding expenses, with 70% participating in some manner. There is a 59% preference for equal financial contributions from the bride and groom's families, further highlighting a changing social dynamic. The trend is anticipated to persist in 2024 as well.

There's also a growing trend towards smaller, more personalised weddings, with 12% of couples opting for intimate celebrations. This trend reflects a shift towards experiences over extravagance.

India's favourable demographics are expected to further add to this momentum of growth in the coming years. The country currently has around 600 million citizens in the age group of 18-35 years – the highest number of the millennial and GenZ population in the world, and this young population is expected to fuel the wedding market. The high net-worth individuals in the country are also expected to grow by nearly 107%

between 2022-27 to 1.65 millions, indicating a potential uptick in spending on luxury experiences, including destination weddings.

The allure of exotic locations is growing, with destination weddings rising to 21% in 2024 compared to 18% in 2022.

1.3 RFP situation in India.

The Indian election 2024 is knocking on the door, corporate companies choose to stay in the home country to let their employees, dealers, distributors, channel partners, advisors cast their votes and then wait for the outcome of the Lok Sabha elections. Like in the past, all outbound travel during the polling period has always seen a dip. Corporate companies tend to be more conservative with big spends in election years.

General elections act as one of the key triggers which significantly impacts the market volatility based on news inflows, sentiment changes and results of pre-poll surveys. The analysis of the impact of elections on the Indian market and economy reveals that while short-term volatility is inevitable during election periods, the long-term trajectory is determined by the government's policy actions and their ability to foster a conducive business environment for next five years.

On a positive note, when the election euphoria draws to a close, the pent-up outbound demand will come to the fore and thereby extending the travel season to October to December 2024.

2 TARGETS.

2.1 Qualitative.

- Remain as a trusted go-to local market expert resource.
- Maintain our strong market presence and align with market needs and development within the MICE industry.
- Find the most efficient and new platforms to stay in contact with corporates & MICE agencies.
- Wherever possible seek out new strategic initiatives & partnerships.
- Research, qualify & (re)connect with MICE agencies, Event companies and Destination Wedding planners.
- Make necessary updates to the database and the client's history.
- Tap MICE agencies in Tier 2 and Tier 3 cities and build network with them.
- Regular product updates and sales calls to MICE agencies.
- Establish contacts with corporate clients through various channels and build a good working relationship with them.

2 CURRENT DATABASE SITUATION.

Kind	Companies/Institutions	Contacts
Agencies	1014	3650
Corporates	173	242
Association	-	-
Press	3	5
Wedding Planners	50	87

3 DETAILED MARKETING ACTIVITIES.

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