

**Agreed Minutes of the 16th Session of India-Switzerland Joint Economic Commission
New Delhi, on February 23, 2018**

(Final Version, June 6, 2018)

The 16th Session of the India-Switzerland Joint Economic Commission (hereinafter referred to as the JEC) was convened in New Delhi on February 23, 2018. The meeting was co-chaired by Mrs. Anita Praveen, Joint Secretary, Department of Commerce, Government of India, and by Ms. Livia Leu, Ambassador, Head of Bilateral Economic Relations Division, State Secretariat for Economic Affairs (SECO) in the Federal Department of Economic Affairs in the Government of Switzerland. The List of Indian Delegates is attached as Annexure-I. The List of Swiss Delegates is attached as Annexure-II. The Agenda is attached as Annexure-III. The discussions of the JEC were held in an atmosphere of friendship and understanding, reflecting the principal objective of the JEC towards fostering bilateral economic relations. Both sides also exchanged information on their respective economies, trade policies, mutual interests, and business environments.

The Session began with a review of the Global Economic Situation and Domestic Economic Situation. The Indian Co-chair highlighted the new initiatives taken by the Government of India on the economic front like demonetization, roll-out of Goods and Services Tax (GST) and resultant simplification of taxation system. The Swiss Co-chair congratulated the Indian Government for taking steps in the field of economic reforms, in particular the roll out of the GST, the further increase of the efficiency of the bureaucracy. The Swiss side also informed the Indian side about their domestic economic situation and mentioned that the constantly low unemployment rate is owing a great deal to the vocational and professional education system in Switzerland, with strong linkages to business needs and the labour market. Outcome of the deliberations of the Joint Commission is summarized as follows:

1. India-EFTA Trade and Economic Partnership Agreement (TEPA): The Indian side highlighted that the EFTA as a block of four countries is an important trading partner of India. 17 rounds of negotiations have already been held. Commerce & Industry Minister has also had a discussion with Swiss Federal Councilor on the sidelines of the World Economic Forum 2018 in Davos. It was also highlighted that for the success of any FTA negotiations, it is important to give a preferential treatment to the trading partner; a treatment that would justify having an FTA. It was stressed that enhanced levels of trade, over and above the current levels is to be ensured. The Indian side indicated that they look forward for a balanced and pragmatic Free Trade Agreement with EFTA (TEPA). The Swiss side too highlighted the importance of the negotiations and stated that it is hoping for pragmatic solutions to the outstanding issues. With regards to Mode 4, the Indian side emphasized that Switzerland may provide official documents in English language providing information on the respective Article in the Swiss Constitution relating to quota on work permits and its effect on FTAs (including the Switzerland – China FTA) and may also provide information on restrictions faced in allowing inter-cantonal mobility. Both sides valued the good bilateral economic relations and agreed that a conclusion of the TEPA would help in boosting the commercial exchanges further.

2. Bilateral Trade: The Indian side highlighted the decline in the India-Switzerland bilateral trade during the year 2016-17 as compared to the year 2015-16. It was also noted that there is a positive trend in the current financial year. The Indian side also pointed out that the balance of trade has been traditionally in favour of Switzerland mainly due to the import of gold by India. Gold imports from Switzerland have been as high as 90% of India's total imports from Switzerland. The Swiss side mentioned that Indian exporters can benefit from the Swiss Generalized System of Preferences (GSP) and encouraged them to further utilize the Swiss GSP. It was mentioned that bilateral economic relations had further developed, for example, through the recent MoU on Air Traffic and the Railways Sector. With regard to the regulatory framework and favorable framework conditions, for the Swiss side, three types of agreements are particularly important and supportive to further enhance doing business, trade and

investments: to have a double taxation agreement, an investment protection agreement, and a free trade agreement. With India, currently, two out of three are not yet available. Nevertheless, both Sides noted that there is a wide scope of diversifying the trade basket to realize the full trade potential.

3. Bilateral Investment: It was highlighted that Switzerland and India are natural and complementary partners working together to strengthen their relationship in various fields. In recent years, the economic relations between the two countries have been taken to a higher level through Government to Government contacts, business to business, including flow of investments, and people to people contacts. The Indian side elaborated the various economic reforms undertaken during recent years in the fields of 'Make in India', Ease of Doing Business, FDI Policy and 'Startup India'. It was emphasized that economic reforms have started showing their results and India has jumped up 30 places to the 100th rank among 190 countries in the latest edition of the World Bank's global rankings on Ease of Doing Business. The Swiss side welcomed these developments and noted that Switzerland is ranked 11th in terms of FDI flows into India. It was also noted that given the wide-ranging opportunities and a liberal FDI regime, there is a lot of potential for the further increase of Swiss FDI into India.

4. Bilateral Investment Treaty (BIT): The Swiss side emphasized that since the termination of the BIT by India in 2016, there was a legal gap for new investors from both sides and that it needed to be closed as soon as possible. In that respect, Switzerland welcomed the negotiation process for a new BIT referring to the two rounds of negotiations that have already been held so far. The Indian side also appreciated Switzerland's position on investment agreements and recognized the key differences in approach taken by both sides on key provisions. Both sides agreed to work on the text proposals with an aim to narrowing down the differences and to remain engaged with an aim to concluding the Agreement in the near future.

5. Ayurveda and Indian Traditional Medicine: Underlining the importance of Ayurveda in promoting health and wellness, the Indian side suggested Switzerland to consider further cooperation in this area and expedite the consent of Government of Switzerland to sign the Memorandum of Understanding (MoU) for cooperation in the field of Traditional Medicine. The Indian side welcomed the scheme of health insurance coverage operated in Switzerland and hoped that Ayurveda could benefit and trade be further boosted. The Indian side invited the Swiss side to actively consider India as a destination for their companies as a manufacturing hub either in Joint Ventures (JV) or 100% investment of their own. The Indian side asked the Swiss side to provide information on institutional recognition to practice of AYUSH (Ayurveda, Yoga, Unani, Siddha and Homoeopathy) and Yoga professionals, if any, and to share information on institutional recognition to Chinese Traditional Medicine, if any. The Swiss side informed that Swiss health insurance law does not foresee reimbursement of Ayurvedic treatments. The Swiss side will share information about health insurance coverage of complementary medicine.

6. Cooperation in Protection of Intellectual Property Rights (IPRs): The Indian side emphasized that India has a well-established legislative, administrative and judicial framework to safeguard Intellectual Property Rights (IPRs) which meets its international obligations (TRIPS). The Swiss side stated that IPR has always been an important issue for them and thanked the Indian side for nominating a contact person as a follow up action to the previous Session of the JEC. The Indian side indicated that not much progress happened under the MoU on Intellectual Property between the Ministry of Commerce & Industry and the Federal Department of Economic Affairs of Switzerland, signed on 7th August, 2007. The Swiss side noted that the IPR issues were discussed as part of the India-EFTA TEPA negotiations and therefore, there may not be a need to double the efforts.

7. Heavy Industry: The Indian side noted the position of Switzerland as a machine tool manufacturing country, as a market for metal-working machine tools and manufacturing solutions. The Indian side elaborated about the Schemes relating to local collaboration,

Acquisition Fund Programme (TAPF), capital good scheme, etc. and anticipated possibilities of technology sourcing from Swiss machine tool companies. The Indian side raised the issue of some difficulties in getting Business Visas from Switzerland for technicians having to test machineries during two to three weeks. The Swiss side requested more detailed information about such cases. Switzerland added that the further strengthening of the cooperation with Indian partners is of mutual interest.

8. Energy: The Indian side conveyed that the National Hydroelectric Power Corporation Ltd. (NHPC for short), a Public Sector Undertaking of the Government of India, under the Ministry of Power, would be interested in co-operating in areas of Hydro Power/ Renewable Energy Development. It was also emphasized that Cooperation with Switzerland in various techno-environmental aspects for development of hydro resources including Small Hydro Projects, presently categorized as renewable source, would be of mutual benefits to both the countries. The Swiss side cited Honourable Prime Minister of India's statement in Davos that energy reform is top priority and stated that energy is an interesting sector for cooperation, particularly business to business.

9. Micro, Small & Medium Enterprises (MSME) Sectors: The Indian side elaborated about activities of the National Small Industries Corporation, including those being undertaken in other countries, and stressed upon international exposure of MSMEs. On the Swiss side, Switzerland Global Enterprise (S-GE) presented its activities as the Export Promotion Agency for Swiss SMEs. It emphasized that issues pertaining to MSMEs remain of high importance. In addition, reference was made to the existing MoU on cooperation in the field of skill development, vocational and professional education and training, with linkages to the industry.

10. Private Sector Issues: The Indian side raised the issue of restrictions on participation of Steiner AG (a company acquired by Hindustan Construction Company Ltd. in 2010) in Real Estate Development Business imposed by the 'Lex Koller' law. The Steiner representative was requested to send detailed information about this issue to the Embassy of Switzerland in Delhi. The Indian side expressed its interest in business-to-business collaboration in areas such as Internet of Things and artificial intelligence (with the support of NASSCOM), engineering research market, think tanks and block chain.

The Swiss side also raised industry issues. They stated that a Swiss Producer's (Landqart AG) important contracts in India were put on hold since September 2017 and handed over an "Aide-Mémoire" to the Indian Chair of the JEC. Economiesuisse, the umbrella Association of Swiss businesses, appreciated the excellent Indo-Swiss relations and congratulated India on the recent achievements and reforms such as the GST. However, they emphasized their concern about the termination of the BIT in 2016, the negative signals given to investors and the legal uncertainty which has been created. Economiesuisse showed itself convinced that a conclusion of the TEPA would help tap into further huge business potential. The issues of compulsory licensing, patentability, regulatory data protection were also raised. The Swiss side further stated that IPR result in more robust protection for regulatory data and the investors should be made more comfortable. It was also stated that new high import tariffs for watches were of great concern for the Swiss watch industry.

The Swiss side raised further the issue relating to Patent Act and Pricing Control especially for medical devices. It was stressed that pricing control for medical devices was jeopardizing access to high quality products. The Indian Co-chair elaborated about price control for medical devices and informed about potentialities of the prices raised by the profiteers before the devices reach the actual beneficiaries.

11. The two sides also shared information on regional developments as well as views on multilateral issues in the framework of the **WTO** and **G20**. The Swiss side stated these to be

extremely important issues and pointed out that their official view may emerge from the forthcoming WTO meeting in Delhi.

12. The two sides agreed to hold the next session of the Joint Economic Commission in the year 2019 in Switzerland, at a time to be decided through the official channel.

13. The operational follow-ups of the meeting are given in Annexure-IV.

Two identical copies of the Agreed Minutes were finalized in English language following the 16th Session of the Joint Economic Commission of 23rd February, 2018 in New Delhi, India, both texts being equally authentic.



Mrs. Anita Praveen
Joint Secretary,
Department of Commerce,
Ministry of Commerce and Industry,
Government of India
**FOR THE GOVERNMENT OF THE
REPUBLIC OF INDIA**



Ms. Livia Leu
Ambassador,
Head of Bilateral Economic Relations,
Delegate of the Federal Council for
Trade Agreements
State Secretariat for Economic Affairs
Federal Department of Economic
Affairs, Education and Research
**FOR THE GOVERNMENT OF
SWITZERLAND**

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Indian Delegation

Representatives of the Government of India (Official Delegation)

Mrs. Anita Praveen, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry, Head of Indian Delegation

Dr. Ishita G. Tripathy, Director, Department of Commerce

Ms. Sonia Pant, Director, Department of Commerce

Ms. Palka Sahni, Deputy Secretary, Department of Industrial Policy & Promotion

Mr. Sushil Lakra, Adviser, Department of Heavy Industry

Mr. R. S. Khurana, Joint Commissioner, Department of Revenue

Dr. Ashish Kumar, Senior Development Officer, Department of Industrial Policy & Promotion

Mr. Pushpender Kumar, Under Secretary, Department of Commerce

Mr. Pawan Kumar, Under Secretary, Department of Commerce

Mr. Abhishek Sharma, Under Secretary, Department of Commerce

Ms. Vartika Rawat, Under Secretary, Department of Commerce

Mr. Praveen Kumar, Under Secretary, Ministry of Power

Ms. Nisha Gupta, Deputy Commissioner, Department of Revenue

Mr. Vaibhav Rundwal, Deputy Director, Department of Economic Affairs

Dr. A. K. Jain, Research Officer, Ministry of AYUSH

Mr. V.K. Tyagi, Technical Consultant, Department of Pharmaceuticals

Representatives of Indian Business Delegation

Mr. Sandeep Kumar, CE (Civil) National Hydro Power Corporation Limited (NHPC)

Mr. Ajit Gulabchand, Chairman and Managing Director, Hindustan Construction Company

Mr. Sunil Tyagi, General Manager, National Small Industries Corporation

Mr. Rahul Kumar Singh, OSD, Carpet Export Promotion Council

Mr. Atul Kumar Mishra, Regional Director, Council for Leather Export

Mr. Rohit Sharma, Director, Federation of Indian Chambers of Commerce & Industry (FICCI)

Mr. Ankit Bhatnagar, Senior Assistant Director, FICCI

Mr. Sahej Grover, Executive Officer, Confederation of Indian Industries

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Swiss Delegation

Representatives of the Swiss Government (Official Delegation)

Ms. Livia LEU, Ambassador, Head Bilateral Economic Relations, State Secretariat for Economic Affairs (SECO), Federal Department of Economic Affairs, Education and Research (EAER), Head of Swiss Delegation

Dr. Mr. Andreas BAUM, Ambassador, Embassy of Switzerland to India and Bhutan

Ms. Tamara MONA, Minister, Deputy Head of Mission, Embassy of Switzerland to India and Bhutan

Ms. Christine BUSSER MAURON, Head Bilateral Economic Relations Asia/Oceania Section State Secretariat for Economic Affairs (SECO) Federal Department of Economic Affairs, Education and Research (EAER)

Ms. Brigitte BRUHIN, Counsellor, Head of Economic and Commercial Section Embassy of Switzerland to India and Bhutan

Mr. Udit SRIVASTAVA, Senior Economic Advisor, Economic and Commercial Section Embassy of Switzerland to India and Bhutan

**Representatives of Swiss Commerce, Industry and Finance
(Business Delegation)**

Mr. Marc ENGELHARD, Deputy Country Manager India Economiesuisse, Swiss Business Federation

Mr. Stefan BARNY, Director Global Network Switzerland Global Enterprise

Mr. Raoul KELLER, Secretary General Swissmem

Mr. Stefan ARPAGAU, Director, Member of Management Landqart AG

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AGENDA

- 1. Welcome Address and Presentation of Delegations**
- 2. Review of Economic Situation**
 - 2.1 Global Economic Situation
 - 2.2 Domestic Economic Situation
 - 2.2.1 Goods and Services Tax
- 3. Review of Plurilateral Relations**
 - 3.1 India-EFTA Trade and Economic Partnership Agreement (TEPA)
- 4. Review of Multilateral Relations**
 - 4.1 G-20
 - 4.2 Cooperation in WTO Negotiations
- 5. Review of Bilateral Relations**
 - 5.1 Bilateral Trade and Investment
 - 5.2 Sectoral Cooperation
 - 5.2.1. Ayurveda and Indian Traditional Medicine
 - 5.2.2. Cooperation in Protection of Intellectual Property Rights
 - 5.2.3. Others
 - 5.3. Statements and Concerns of Representatives of the Private Sector of Both Countries
 - 5.3.1 Strengthening B-2-B Engagement
- 6. Closing words/ Next Session of the JEC.**

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Annexure – IV**Operational Follow-Ups**

S. No.	Topic	Action By
1.	Details of roll out on DIPP's initiatives to be provided to Embassy of Switzerland in New Delhi.	India
2.	Information to be provided by Embassy of Switzerland in New Delhi about Generalized Scheme of Preferences (GSP) and self-declaration routes for merchandise trade.	Switzerland
3.	To provide information on status of health insurance coverage and recognition regarding the practice of AYUSH (Ayurveda, Yoga, Unani, Siddha and Homoeopathy) and Yoga Professionals, if any, and to share information on these aspects regarding Chinese Traditional Medicine, if any.	Switzerland
4.	To provide official documents in English language providing information on the respective Article of the Swiss Constitution relating to quota on work permits and its effect of FTAs (including the Switzerland –China FTA) and also to provide information on restrictions faced in allowing inter-cantonal mobility.	Switzerland
5.	A non-paper on 'Establishing Cooperation to co-develop and co-create for the Global Market, leveraging respective strengths in the Internet of Things space and engineering R&D space' to be shared with Embassy of Switzerland in New Delhi.	India
6.	Next session of JEC	Switzerland

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