

'India can tap Swiss innovation with FTA'

Switzerland, known for its foreign policy neutrality, has for the first time joined the United Nations Security Council (UNSC) as a non-permanent member after joining the UN in 2002. Switzerland ambassador to India, **RALF HECKNER**, tells Asit Ranjan Mishra in an interview that India and the European Free Trade Association (EFTA) grouping of Switzerland, Iceland, Liechtenstein, and Norway aim to accelerate the long-pending trade negotiations starting next month. Edited excerpts:

Switzerland is an invitee to the Finance Track during India's ongoing G20 presidency and cryptocurrency is part of the agenda. The Reserve Bank of India (RBI) governor has advocated banning it, cautioning it may create the next financial crisis. Where does Switzerland stand on cryptocurrencies?

Cryptocurrency was one of the issues discussed between the Swiss National Bank president and RBI governor in July last year. We see a lot of potential in new technologies like blockchain and fintech opportunities. Switzerland has come up very quickly with a legislation that has clear boundaries, especially for fighting money laundering, but at the same time creating a sandbox within which some of the new technologies can be used and, after a certain point, could be played with in Switzerland. So the RBI's approach is a more protective way of seeing things of not allowing cryptocurrency. This will be a point of discussion at the Finance Track where the RBI governor and Swiss National Bank president will be at the same table.

So Switzerland is in favour of regulating cryptocurrencies rather than banning it?

Yes, that would be a good way to summarise the different approaches.

One of the contentious issues between Switzerland and India has been exchange of financial information. What is the level of cooperation in this area at present?

There is no clout when it comes to our bilateral relations because Switzerland and India signed a treaty on the automatic exchange of banking information from both sides. That means the exchange of information is there on an annual basis during September-end, beginning of October. The objective of the Swiss government when it comes to the Swiss financial centre is twofold — sustainability and that all countries should adhere to the same international standards. For that reason, it is so important for Switzerland to be part of the Finance Track because a lot of those standards are being discussed at that level. It's quite a radical change when it comes to the Swiss financial centre and it is going in a very positive direction.

Why are talks for a free trade agreement (FTA) between India and the European Free Trade

Association (EFTA) languishing when talks have resumed?

We are not languishing at all. In 2023, we would like to see our trade negotiations being accelerated. At the beginning of February, the secretary of state for economic affairs of Switzerland will be in New Delhi to meet her counterpart joint secretary (Nidhi Mani) Tripathi for the negotiations. That is the next milestone when it comes to our negotiations. Both sides will look into their negotiating positions and then assess whether, if and how, the negotiations could be revved up within a given timeframe.

For India, what is important is the potential of trade relations when it comes to revving up an FTA with Switzerland. I will give two examples. There are now 330 Swiss companies physically present in India. In China, there are 1,000 Swiss firms present. With China, we were able to rev up FTA, including on intellectual prop-



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RALF HECKNER, Switzerland Ambassador



erty rights, years back. We could actually triple the presence of Swiss businesses on Indian soil. Now, if you take the US, we are talking about \$300 billion being invested from Switzerland in the US. In India, we have \$10 billion invested. We could go from \$10 billion to \$300 billion. So the sky's the limit when it comes to our trade and investment relations.

We are the most innovative country on the planet. With a trade deal, India would tap the number 20 when it comes to the size of economies of the world, the most innovative nation on the planet and would tap one of the most important foreign direct investors of this planet. With that potential, the ambition to rev up a trade deal should be high.



The University Grants Commission (UGC) has released draft guidelines allowing foreign universities to open physical campuses in India. Will Swiss universities be interested to open campuses here?

What we are interested in is to have a more strategic innovation relationship with India because we see India is turning more and more into an innovative country. We would like to have on one platform the most innovative Swiss-Indian universities, companies and then according to their priorities align our governmental innovation policies. We will go now for a pilot of that. We have never done that before in any other country. On opening campuses here, we will see what Swiss universities think about it. It would also be new for our universities to have campuses in another country.

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