

India Serves

A Monthly Newsletter by

SEPC

SERVICES EXPORT PROMOTION COUNCIL

Setup by Ministry of Commerce & Industry, Govt. of India

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UNION
BUDGET

STRENGTHENING THE PILLARS OF SERVICES,
A SUSTAINABLE GROWTH STRATEGY.

SERVICES EXPORT PROMOTION COUNCIL
Setup by Ministry of Commerce & Industry, Govt. of India



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India Serves

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M E S S A G E
From the
C H A I R M A N



CA. SUNIL H. TALATI

The Hon'ble Union Finance Minister Ms Nirmala Seetharaman ji presented the Indian Union Budget 2023. The budget holistically touched upon several measures to boost the overall growth of the Indian economy, including investment in infrastructure, healthcare, Solid Waste management and education, among others. Fiscal measures such as increasing the limit of tax exemption on leave encashment on retirement of non-government salaried employees from Rs 3 lakh to Rs 25 lakh, bringing the maximum tax rate on highest income slab with income above Rs 5 crore from is 42.74 to 39 per cent & increasing the threshold limit to 7 Lacs per annum (new regime) will help the common man by boosting the disposable income and improving the standard of living for the general population. These steps place India in the frontline of the most moderate tax countries.

This budget has been designed with a long-term vision to strengthen the services sector of India and boost exports. It is noteworthy to mention that the major thrust on the EODB, Skilling & Capacity building initiatives addresses the cross-cutting issues especially facing the MSME's. As such these announcements shall automatically prove to be a boon for spurring the growth of Services and amplify the exports of services from India. The government has allocated substantial resources to promote the growth of the services sector. SEPC hails the Budget announcements which in my opinion shall significantly strengthen India's Services industry in its length, breadth & depth, a few of the announcements (although not comprehensive) are as below:

- The announcement of Establishing 3 Centres of Excellence in top tier Universities to promote Make AI in India shall immensely benefit the AVGC sector.
- Setting up of 157 Nursing Colleges in colocation with the existing 157 medical colleges established since 2014 shall aid the export of medical services in Mode 4.
- Promotion of tourism will be taken up on mission mode with active participation of states, the convergence of Govt programs & public-private partnerships. 50 tourist destinations will be selected through challenge mode to be developed as a whole package for domestic and international tourism.
- A new App to enhance tourism in India will be launched. 50 additional airports, helipads, water aero drones, advanced landing grounds will be revived to improve regional air connectivity will help promote ease of travel.
- 100 labs for 5G Apps will be set up in Engineering institutes. Coding AI Robotics, 3D printing & other soft skills will be the focus of Skilling. A unified skill India Platform will be launched with stipend support with an aim to support 47 lakh youth.
- To skill the youth for international opportunities, 30 Skill India International Centres will be set up. The Government will also launch Pradhan Mantri Kaushal Vikas Yojana 4.0.
- New Data Governance policy shall be launched & it's proposed to enable access to anonymized data.
- Green credit programme will be notified under the Environment Protection Act.

Given that skilling is a key pillars for growth of Services, focusing on capacity building & industry orientation with technology-driven innovation will shape the growth & development of the services ecosystem by harnessing the talent of our Youth in the right direction. All in all, the Hon'ble FM has presented a well calibrated Budget 2023,

I personally believe that skilling and education, infrastructure and EODB are the three pillars strengthening the service sector, investing in these pillars can create a more conducive environment for the growth and development of the service sector. I encourage all of our readers to explore the rest of this newsletter, where we have broadly provided an overview of how the measures announced in the budget have their implications for the growth of the services sector. SEPC firmly believes that these measures will certainly trigger a long-term sustainable growth of the Services by creating a favourable environment for the sector to flourish.

Thank you for being a part of our community, and we look forward to your continued engagement with us.

OVERVIEW OF SERVICES OFFERED BY SEPC

TRADE INTELLIGENCE

EXPORT DEVELOPMENT

EXPORT PROMOTION

ENABLING BUSINESS ENVIRONMENT

Services Export Promotion Council set up in 2006 by Ministry of Commerce & Industry, Government of India is an apex trade body to promote exports of services from India.

- Key role in Foreign Trade Policy, Export Strategy formulation by Department of Commerce and related Govt Departments.
- Interface between Services Sector and Government
- Provides inputs on Trade Negotiations
- Represents Services Sector in various Joint Trade Committees, Joint Business Councils and Joint Working Groups of Government of India to facilitate export.
- Creates Business opportunities in global market place for services exporters
- Providing commercially useful information and assistance to members in increasing exports.
- Organising visits of delegation of its members abroad to explore overseas market opportunities.
- Organising participation of Services exporters in specialised International Trade Fairs.
- Dissemination of government notification, orders, information on trade and other relevant information to members.
- Facilitates execution of Government Schemes like SEIS.

In order to enhance the competitiveness of services exports and enable services industry to generate employment, the Union Cabinet chaired by Honourable Prime Minister Shri Narendra Modi in 2018 identified 12 Champion Services Sector.

The following table provides the mapping of identified Champion Services vis-a vis the services covered under SEPC and BPM6 classification. Sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) is developed by IMF in collaboration with compilers and other interested parties worldwide and used by most of the countries to record and report services trade data.

S.N.	Services covered under SEPC	Champion Services	BPM6 Classification
1	Accounting/Auditing and Bookkeeping Services	Accounting and Finance Services	Other business services
2	Consultancy Services	-	
3	Legal Services	Legal services	
4	Architectural Services and related services	Construction and related Engineering services	
5	Environmental services	Environmental services	
6	Marketing Research and Public Opinion Polling Services/ Management services	-	
7	Advertising Services	-	
8	Printing and Publishing services	-	
9	Other services (IT & ITES, Communication Services)	IT & ITES, Communication services	Telecommunications, computer, and information services
10	Hotel and Tourism Related Services	Tourism and Hospitality Services	Travel
11	Education Services	Education services	
12	Healthcare services including services by nurses, physiotherapist and paramedical personnel	Medical Value Travel Services	
13	Maritime Transport Services	Transport and Logistics services	Transport
14	Distribution Services		
15	Other services (Financial Services)	Financial Services	Financial services
			Insurance and pension services
16	Entertainment services including Audio-visual services	Audio-visual services	Personal, cultural, and recreational services
17	Other Services	-	Charges for the use of intellectual property n.i.e.
		-	Government goods and services n.i.e.
		-	Manufacturing services on physical inputs owned by others
		-	Maintenance and repair services n.i.e.
		Construction and related Engineering services	Construction
			Services not allocated

UNION BUDGET 2023

STRENGTHENING THE PILLARS OF SERVICES,
A SUSTAINABLE GROWTH STRATEGY.



The global economic environment is significantly growing more and more volatile. The future is growing hazier as global growth is predicted to significantly slow down. Owing to the rippling effects of the pandemic, clubbed with the disruptions from the geopolitical tensions, the world is experiencing a heightened inflation. All these have lead to a synchronous global monetary tightening & contraction the world has witnessed in decades.

The services sector in India is a diverse and rapidly growing sector that plays a significant role in the country's economy. The sector accounts for somewhat 53% of India's Gross Domestic Product (GDP) and employs around 33% of the country's workforce. The sector has immensely benefited from the government's efforts to promote entrepreneurship, encourage foreign investment, and enhance the ease of doing business.

Given the above scenario, the country still has one of the highest growth rates and one of the lowest inflation rates. The exports from Indian Services sector have registered staggering year on year growth of 33% (for the period Apr-Sep 2022-23 Vs Apr-Sep 2021-22). While India is performing strongly compared with most other advanced economies, we will not be completely untouched by these global challenges. The Looking at the larger picture, holding a long-term view, the Government definitely seems to be all geared up.

The government has been consistently taking steps to promote the services sector as a key driver of economic growth and exports. The budget 2023 shall play a critical role in strengthening the three pillars of the services sector namely Skilling, Infra and EODB (Ease of Doing Business).

I. FOCUS ON SKILLED WORKFORCE DEVELOPMENT



Relevant higher education and skilling in line with the industry needs are some of the pre-requisites, if India is to become an economic biggie which shall not only spawn ample jobs, but also the services to cater to the rest of the world. Moreover, the focus on AI promises to fill the gap at a time when India is attempting to reignite productivity and growth in the next round of its IT revolution.

The announcement of Establishing 3 Centres of Excellence in top tier Universities to promote Make Ai in India shall immensely benefit the AVGC sector. Setting up of 157 Nursing Colleges in colocation with the existing 157 medical colleges established since 2014 shall aid the export of medical services in Mode 4.

100 labs for 5GApps will be set up in Engineering institutes. Coding AI Robotics, 3D printing & other soft skills will be the focus of Skilling. A unified skill India Platform will be launched with stipend support with an aim to support 47 lakh youth.

To skill the youth for international opportunities, 30 Skill India International Centres will be set up. The Government will also launch Pradhan Mantri Kaushal Vikas Yojana 4.0. Overall, investing in education and skilling will create a more skilled and knowledgeable workforce, which can lead to increased productivity, innovation, and competitiveness in the services sector in following ways.

1. Improved quality of services: Education and skilling programs will equip the workforce with the necessary skills to provide high-quality services. This will enable service providers to better meet the needs of their customers, leading to improved customer satisfaction and repeat business.
2. Innovation and specialization: Education and skilling will also encourage innovation and specialization in the services sector. As workers gain new skills, they can develop new and innovative services that are more valuable to customers. Specialization in a particular area of service will also enable service providers to develop expertise and reputation, which can attract new customers and increase exports.
3. Internationalization: Investing in education and skilling can also help service providers to internationalize their services. Internationalization requires understanding of the cultural and business practices of different countries. Education and skilling programs can teach workers about these factors and enable them to offer services that are tailored to the needs of international customers.
4. AI Technology and Digital Infrastructure: The government announced plans to increase investment in digital infrastructure and skills, which could benefit service sectors that are reliant on technology, such as financial and professional services. With the growth of digital technologies, investments in digital infrastructure, such as high-speed internet access, can support the development of new services and products.
5. Remote Service Delivery: It can also enable service providers to adapt to digitalization. With the rapid advancement of technology, many services can now be provided remotely or online. Education and skilling can equip the workforce with the necessary digital skills to provide these services, increasing their competitiveness in the global market.

Investing in education and skilling will create a more skilled and knowledgeable workforce, which can lead to increased productivity, innovation, and competitiveness in the services sector. This can ultimately help to increase exports of services, contributing to economic growth and development.

II.DEREGULATION AND STREAMLINING OF PROCESSES

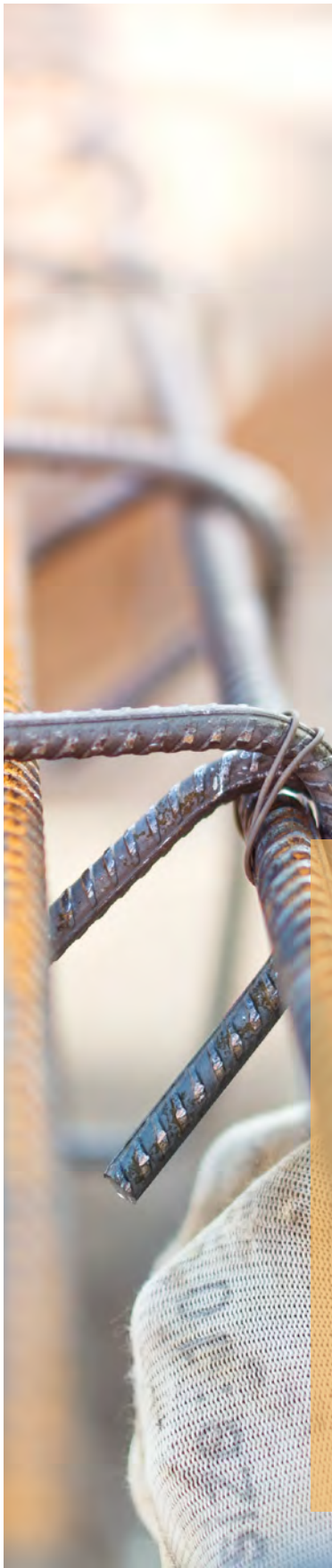


More than 39,000 compliances have been reduced and over 3,400 legal provisions have been decriminalised to enhance the ease of living and doing business in India. A national data governance policy would be brought out to unleash innovation and research by startups. The KYC process shall also be simplified and made adaptive rather than the one size fits all approach. All business establishments required to have a Permanent Account Number; PAN will be used as a common identifier for all digital systems to address the issue of multiple identities needed for conducting business operations. Promoting EODB will reduce the regulatory burden on businesses and create a more predictable and transparent business environment for the services sector to flourish in a multi-faceted manner.

1. Enhancing the Cost competitiveness: Deregulation and promoting ease of doing business will reduce the costs of providing services, which can increase the competitiveness of service providers. This can include reducing the transaction costs such as costs of compliance with regulations, simplifying bureaucratic processes.
2. Lowering barriers to entry: Deregulation & EODB shall lower the barriers to entry for new businesses, making it easier for them to compete in the market. This will increase competition and incentivize existing businesses to improve their services in order to remain competitive and to develop new and innovative services.
3. Simplifying cumbersome processes: Governments focus on simplifying bureaucratic processes, shall reduce the time and costs associated with setting up and operating a business, enabling businesses to be more flexible and responsive to customer needs.
4. Improving Public Service Delivery: reducing bureaucracy and streamlining regulatory processes shall enable government agencies to deliver public services more efficiently, leading to better outcomes for citizens.
5. Encourage entrepreneurship: Improved EODB will promote inclusive growth by encouraging entrepreneurship and creating more opportunities for small and medium-sized businesses by reducing regulatory burdens, reducing income inequality, creating opportunities for individuals from all segments of society to start and operate businesses & removing barriers to entry.
6. FDI: By providing greater flexibility for service providers to adapt to changing market conditions the Government is fostering an ecosystem conducive to competitive, flexible, and cost-effective business environment removing barriers to entry & creating new opportunities for businesses and workers, making it easier for foreign investors to transfer funds and conduct business across borders.

The sectors that stand to benefit the most from deregulation and promoting ease of doing business are those that are more heavily regulated or have high barriers to entry. These sectors include professional services such as legal, accounting, and consulting services, as well as information technology, logistics, and financial services.

III. INVESTMENTS IN INFRASTRUCTURE



Investing in physical and digital infrastructure will increase the resilience the services sector to thrive in a dynamic environment and help to increase export competitiveness of the Indian Services. Finance minister Nirmala Sitharaman announced a budget allocation of 27,482 crore for the Dedicated Freight Corridor Corporation of India (DFCC) making a 75% increase from the previous year. The budget speech highlighted the prioritisation of 100 crucial transport infrastructure projects such as last and first mile delivery for ports, coal, steel, fertilizer and food grains with a total investment of rupees 75000 crore including rupees 15000 crore from private sources.

The Tourism sector is considered as one of the key transformative sectors for the Amrit Kaal. Promotion of tourism will be taken up on mission mode with active participation of states, the convergence of Govt programs & public-private partnerships. 50 tourist destinations will be selected through challenge mode to be developed as a whole package for domestic and international tourism. A new App to enhance tourism in India will be launched. 50 additional airports, helipads, water aero drones, advanced landing grounds will be revived to improve regional air connectivity will help promote ease of travel.

Investments in infrastructure simultaneously among other sectors also play a crucial role in supporting the growth of the tourism services by promoting the overall ease of travel. Ease of travel is a crucial factor that influences tourism and enriches the overall travel experience of the tourists. A few ways in which infrastructure investments can bolster the tourism sector are:

1. Improved Connectivity: Good transport links are essential for the growth of the tourism sector, as they make it easier for visitors to reach their destinations. Investments in road, rail, and air infrastructure can increase the accessibility of tourist destinations, reduce travel time and costs, and improve the overall travel experience for visitors.
2. Attractive Tourism Infrastructure: The development of new tourist attractions, such, will certainly help to increase the number of visitors to an area and generate economic benefits for local communities.
3. Technology and Digital Infrastructure: With the growth of digital technologies, investments in digital infrastructure, such as high-speed internet access, can support the development of new tourism services and products. This can help to increase the competitiveness of the tourism sector and attract more visitors to an area.
4. Sustainable Tourism: Investments in infrastructure can also support sustainable tourism practices, such as the use of renewable energy sources and the protection of natural and cultural heritage sites. This can help to reduce the negative impacts of tourism on the environment and ensure that the tourism sector continues to grow and thrive.



Way Forward

Strategic Alliances and Partnerships: Strategic partnerships and alliances in the form of well calibrated FTA's can help to increase the export of services by providing access to new markets, shared knowledge and expertise, and improved networking opportunities.

Data capturing mechanisms: Development of powerful and scalable data capturing mechanisms & open access to data can be used to develop intelligence & capabilities for the benefit of the industry.

Focusing on high-potential sectors: India has a strong presence in IT services and business process outsourcing. However, there is a huge potential for growth in other sectors such as tourism, health care (MVT) education & professional services.

Untapped potential: The Services exports are still largely skewed towards USA, EU & the UK.

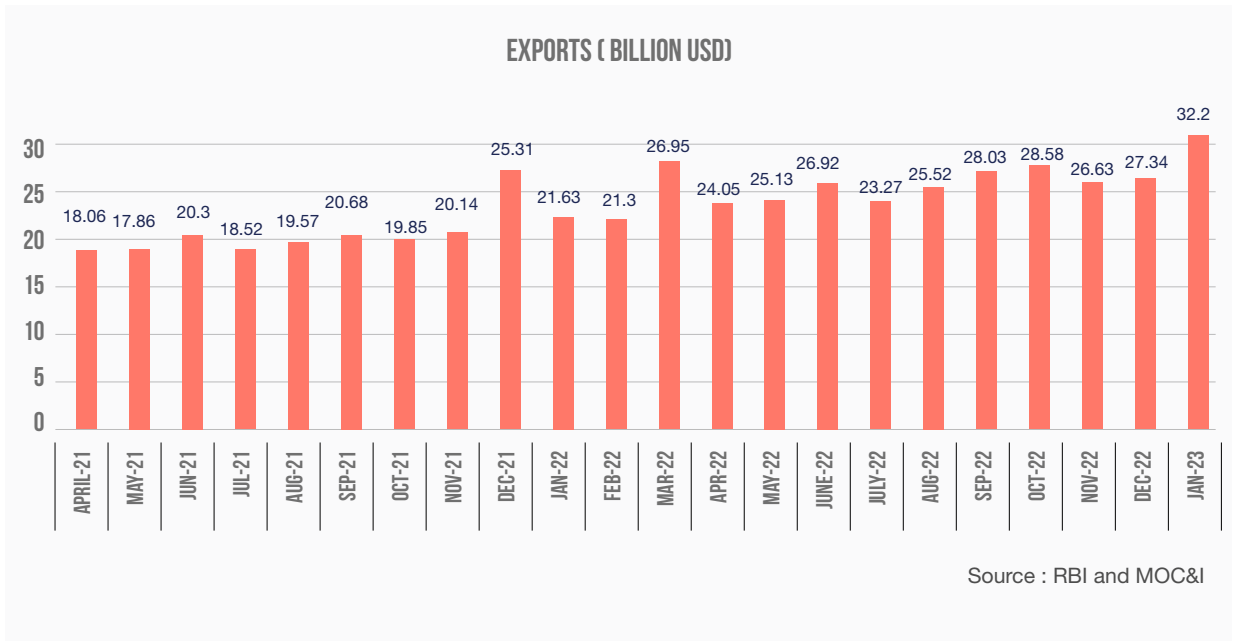
India has significant potential to increase its services exports to Africa and Latin America. By identifying areas of demand, building relationships, leveraging cultural ties, addressing trade barriers, and participating in trade shows and events, India can tap into this largely untapped market and diversify its services exports.

SEPC firmly believes that these measures will certainly trigger a long term sustainable growth of the Services by creating a favourable environment for the sector to flourish. However, nurturing the skills in a tech led digitized environment depends heavily on accord among stakeholders. To fully seize the opportunities presented by the Hon'ble FM in the Union Budget 2023, India's industry leaders, academia, corporations, entrepreneurs, professionals & sectoral experts need to come together and do much more to build further, on this trajectory.

10

INDIA SERVES

Monthly Services Exports from India in the FY Apr-21 till Jan-23



The services exports have registered a YoY growth of 31.86 percent for the month of January 2023 Vs January 2022. This milestone augurs well for achieving the target for the services exports to cross 300 US\$ Billion for the year 2022-23.

Fig: YoY Services Trade for Month of January (2023 vs. 2022)

- The estimated value of services export for January 2023* is USD 32.24 Billion, as compared to USD 21.63 Billion in January 2022.
- The estimated value of services import for January 2023* is USD 15.76 Billion as compared to USD 13.24 Billion in January 2022.

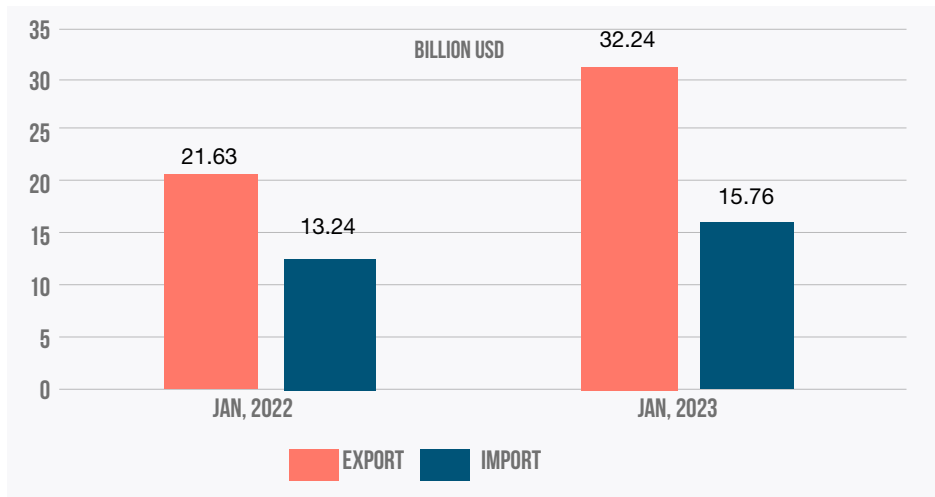
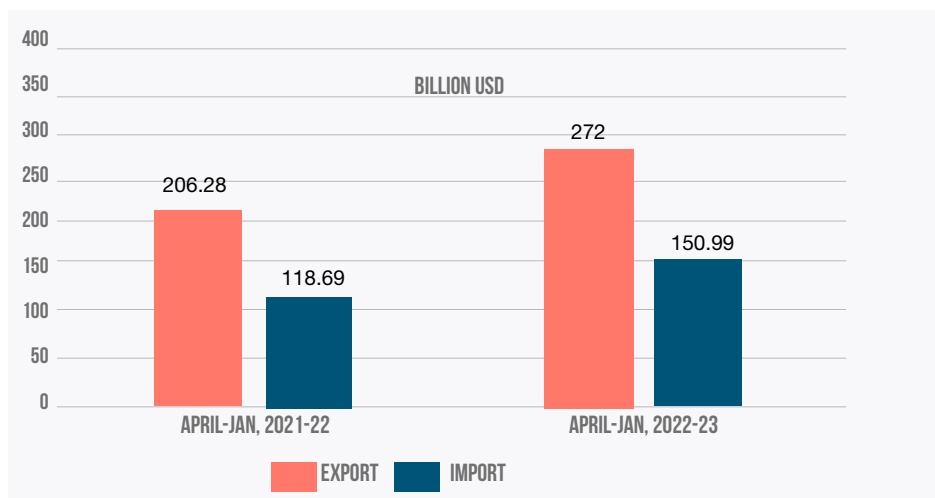


Fig: YoY Services Trade during April-Jan 2021 vs 2022

- The estimated value of services export for April-Jan 2022-23* is USD 272.00 Billion as compared to USD 206.28 Billion in April-Jan 2021-22. It is a 31.86 % YoY growth.
- The estimated value of services imports for April-Jan 2022-23* is USD 150.99 Billion as compared to USD 118.69 Billion in April-December 2021-22.
- The services trade surplus for April-Jan 2022-23* is estimated at USD 121.01 Billion as against USD 87.59 Billion in April-Jan 2021-22.



Source : RBI and MOC&I

22nd January to 4th February, 2023



23rd & 24th
January, 2023

26th & 27th
January, 2023

30th & 31st
January, 2023

2nd & 3rd
February, 2023

economic cooperation & business collaboration opportunities between Indian & African companies across services sector of Education Services, IT & ITES, Transport & Logistics Services, Maritime, Healthcare, Hospitals, Dental, Medical Value Travel, and Professional Services including Accounting, Finance, Legal, and Consultancy.

FOCUS AREAS

IT & ITES

Maritime/ Transport & Logistics Services

Printing Services



OBJECTIVES:

- Promote the Indian services sector globally to solidify business strategies and trade advancements
- Strengthen bilateral trade & strategic alliance between Indian and African nations.
- Extend reach and complete support to companies for Collaboration, Operations & Management across the service sector.
- Increase the presence of Indian companies across the services sector in the African region
- Present a deep understanding and business opportunities in African Market to Indian companies and delegates.

OUTCOMES:

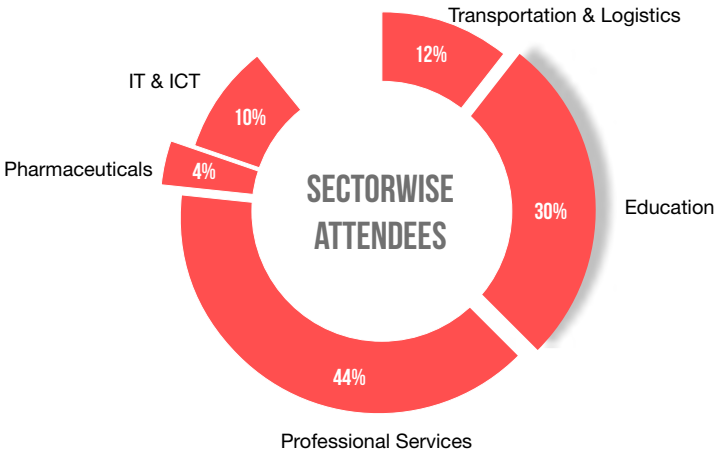
- Organized specialized one-on-one meetings for Indian companies with prospective buyers, suppliers, agents, distributors, and joint venture partners.
- Connected Indian companies & delegates with industry leaders, and central, state, and local government officials as part of the networking event.
- Supported the delegation with multiple meetings between Indian & African companies across the services sector.
- Explored areas of mutual economic co-operation, development & collaboration between Indian & African country governments.
- Contributed to the overall growth of the economy by promoting & representing a diversified service sector with an increase in trade.

India Business Delegation to Cairo, Egypt 2023



KEY HIGHLIGHTS OF BUSINESS DISCUSSIONS
BETWEEN CAIRO CHAMBER OF COMMERCE & SER-
VICES EXPORT PROMOTION COUNCIL:

Services Export Promotion Council officials connected with Cairo Chamber of Commerce to encourage & increase the bilateral trade between Egypt and India. Representatives of both organizations discussed the opportunities of setting up economic research, studies, and monthly reports on various commodities to identify the market status. The Cairo Chamber of Commerce will extend support to more visiting Indian delegations to Egypt with its presence of 7000-8000 members.





India Business Delegation to Abidjan, Côte d'Ivoire 2023

28
Indian
Delegation
Companies

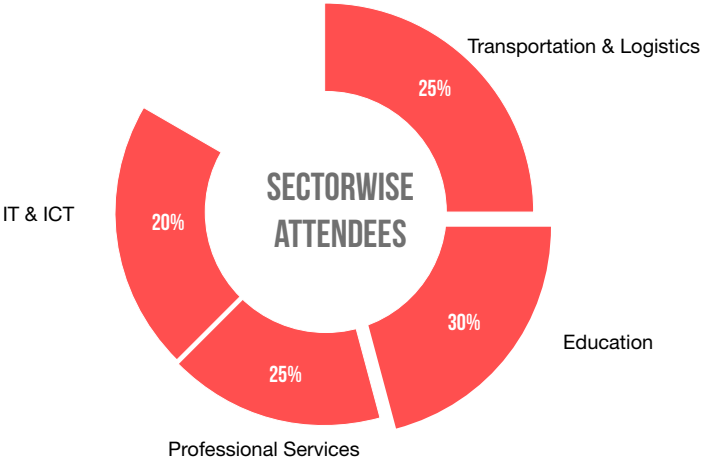
80
Total African
Companies
Participation

151
Total B2B
Meeting



India Business Delegation to Abidjan, Côte d'Ivoire 2023 held specific one-on-one meetings for Indian companies with potential Côte d'Ivoire buyers, suppliers, agents, distributors, and joint venture partners as part of the stakeholder outreach program. As part of the networking event, the delegation held discussions with corporate executives and national, state, and local government representatives to better understand the business & economic growth potential in Côte d'Ivoire.

Numerous networking and partnership-building programs were made available to the "India Business Delegation to Abidjan, Côte d'Ivoire 2023," allowing businesses to solidify their business plans and benefit from developments in industrial projects that would strengthen bilateral trade and the strategic alliance between the two countries.





India Business Delegation to Nairobi, Kenya 2023

28
Indian
Delegation
Companies

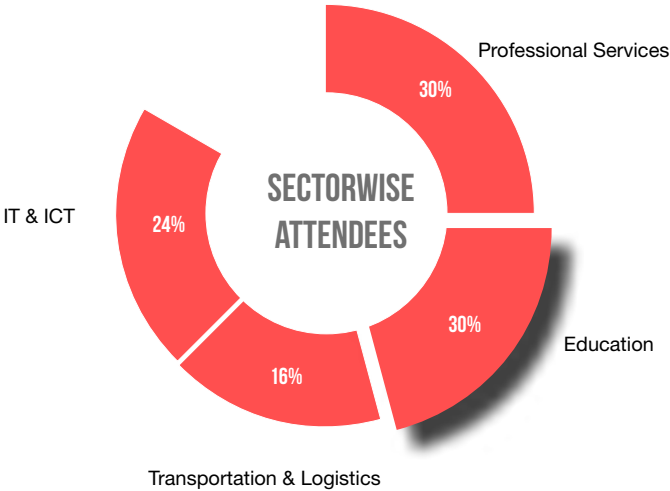
75
Total African
Companies
Participation

192
Total B2B
Meeting



The “India Business Delegation to Nairobi, Kenya 2023” presented a wide range of networking and partnership-building opportunities, enabling businesses to solidify their business plans and gain from advancements in industrial projects that would boost bilateral trade and the strategic alliance between the two countries.

A market penetration strategy for Kenya through strategic planning and execution for Indian companies wishing to expand in Kenya was successfully established during the delegation’s visit to Nairobi, Kenya. Collaboration, Operations & Management business ties were established between the companies of both countries with a broad reach and complete support from the governments of both countries.



KEY HIGHLIGHTS OF BUSINESS DISCUSSIONS BETWEEN HIGH COMMISSIONER OF INDIA, NAIROBI, KENYA, SEPC & INDIAN DELEGATION

- At the outset, the High Commissioner welcomed all participants of the Indian business delegation and gave a brief introduction about the business market and economy of Kenya –
- Kenya is a large, developed, and diversified economy in the African region. The major developed service sectors are tourism and the information technology sector of Kenya is the IT hub of Africa and it's a good time to visit Kenya for good opportunities.
- The High Commission of India is always ready to handholding, support, and follow-ups not only for this business delegation but also for any business support, as per the requirements. The Kenyan Government is very keen to partner with India & feedback from the delegates/industry is most welcome.
- To know about the unfiltered feedback from the Indian delegation participants, the High Commissioner asked the
- participants those already doing business with Kenya that are there any regulatory barriers from the Kenya side.
- High Commissioner put a question to SEPC about the objective of SEPC to organize this business delegation to Africa-Kenya. This is to find business opportunities or for any type of joint venture.
- High Commissioner mentioned that in Kenya diversity of choices has been dropped. India has developed a complete eco-system for the healthcare service sector in India but there is also a requirement to develop an eco- system for the education services sector, which has not been developed and access to the education service sector should be very simple.
- High Commissioner mentioned that in place of multi-services sector business delegation, SEPC should organize a sector-specific business delegation covering a maximum of 2-3 service sectors only to avoid any type of hotchpotch and to achieve clear objectives and results.
- High Commissioner suggested SEPC to organize business delegations, especially for healthcare services and education services.
- Entertainment and Tourism service sectors are the major areas that have not been explored too much by India. Under the entertainment service sector, she mentioned that in Kenya many co-procedures are ready to partner with India to shoot movies. India should adopt a single window mechanism to promote exports from India under the entertainment services sector.
- High Commissioner also mentioned that in Kenya huge scope for SMEs. Kenya is a very high potential market for the same. In Kenya, no need to think more about the business environment. Kenya is a very easy market, with no mental barriers. People in Kenya are very polite, easy to access, no language barrier, no regulatory barriers.
- High Commissioner also suggested that before any business delegation to Kenya in the future, SEPC may organize a pre-meeting session to understand and discuss the complete planning to achieve success keeping in view the Kenya market situation.
- High Commissioner also mentioned that SEPC may submit a complete report to the High Commission about the meetings of delegates, queries by the Kenyan industry, MoUs signed, important discussions, etc.
- High Commissioner informed that they don't have services-related data although in case they have any service-related query, High Commission will contact SEPC to resolve the same and for future planning. High Commissioner thanked SEPC and also to all delegates for their active participation and assured them about all the support by the Indian High Commission. In the end, she expressed best wishes to all the delegates about future participation and their successful business opportunities.
- Director General, of SEPC explained, informed, and replied to all the questions asked by the High Commissioner and Indian business delegates also supported through their answers and feedback.



India Business Delegation to Johannesburg, South Africa 2023

28
Indian
Delegation
Companies

79
Total African
Companies
Participation

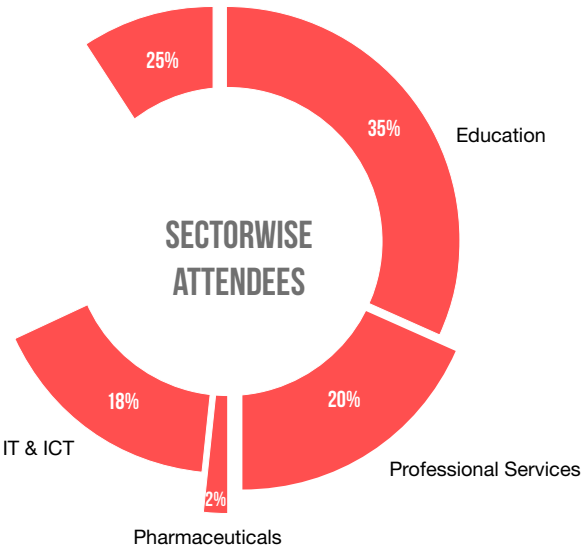
160
Total B2B
Meeting



The “India Business Delegation to Johannesburg, South Africa 2023” had significant exposure to networking and partnership-building programs, enabling companies to solidify their business plans and benefit from advancements in industrial projects that would strengthen trade relations and the strategic partnership between the two countries.

The market penetration strategy for South Africa through strategic planning and execution for Indian companies wishing to expand in South Africa was successfully established during the delegation’s visit. Collaboration, Operations & Management ties were established between the companies with a broad reach and complete support from the governments of both countries.

Sectorwise Attendees





MEETING BETWEEN CONSULATE GENERAL OF INDIA, JOHANNESBURG, SEPC AND INDIAN DELEGATES

- At the outset, the Consul General welcomed all participants of the Indian business delegation. Expressed his pleasure and thanks for the very fruitful interaction with Indian business delegates and also the services business community of South Africa on one platform. The Consul General also delivered his thanks to the delegates to come and visit the office of the Indian Consul General.
- Brief introduction about the South African business market and economy: - South African business market is very close/similar to European markets in benchmarking, quality, etc. South African market is a very prestigious business market in the African region. As per the changes in the South African business market, other African region countries will automatically follow the same environment.
- Feedback from the delegates/industry is most welcome and today's deep-briefing meeting and interaction is scheduled as a follow-up to know the experience between the interaction of two business communities. The Consulate General of India, Johannesburg is always ready to support and follow-ups not only for this business delegation but any time for any business support, as per the requirements.
- Consul General mentioned that there are some issues/difficulties available in South Africa such as the issuance of visas on time, electricity crisis, non-structured financial infrastructure, regulatory issues, etc. During the discussion on the educational service sector, Consul General mentioned that in South Africa almost 99% of kids are going to schools but out of them only 15% are going to universities. The Indian education system has a very

good reputation in South Africa. Education and IT service sectors have the opportunities to explore and similarly making green energy is another area to explore because power projection goes very wrong in South Africa.

- In reply to the point about the genuineness of the business partners in South Africa, Consul General mentioned that, if there is any query about trust regarding any company, please share the details of that company with the Consul General of India because the Consulate is maintaining the list of such type of companies those are not genuine and treating such companies as black listed for business point of view. He further, on receipt of information about any company, the Indian Consulate will try to identify the background of that South African company. Consul General mentioned that for genuine business opportunities, it would be always good to have a local business partner to explore the business opportunities. People have taken challenges to set up businesses in South Africa to become successful but in the first instance, it is not possible and easy. The risk factor is very big to set up business in South Africa. Keeping in view the ease of doing business, the business environment in South Africa is like you may have all approvals in only 15 days.
- Consul General also mentioned that SEPC may submit a complete report to the Consulate about the meetings of delegates, queries by the South African business industry, MoUs signed, important discussions, etc.
- Consul General thanked SEPC and also to all delegates for their active participation and assured them about all the support from

the Indian Consulate. Consul General further mentioned that Indian Consulate is the voice of the Indian business industry, has bigger support, and partner, and is here for all types of advocacy for the Indian business community. In reply to the various queries during the discussion by the Indian delegates, Consul General mentioned that the Indian business community may submit their detailed queries and requirements to do business in South Africa, and in reply to that Indian Consulate will provide good data and information about the concerned service sector related to the South African business industry.

- In reply to the query put by SEPC about planning something in the future for the development and growth of the Indian business industry, Consul General mentioned that in the sector of Skill development and training, SEPC and the Consulate General in South Africa may plan to organize some skill development programs. He also mentioned that the big brands like Mahindra, Tata, etc would also like to provide financial support and as result, it would be possible that a very big number of the population of South Africa would get upgraded and would be able to work for the Indian business community as per their requirements.
- In the end, Consul General expressed best wishes and good luck to all the delegates about future participation and their successful business opportunities. He also mentioned that in South Africa so many challenges are available but opportunities are also available.

INTERNATIONAL CORPORATE TRAINING (ICT)

Services Export Promotion Council officials visited the office of International Corporate Training in Johannesburg, South Africa to discuss opportunities to enhance value with service and assist companies in diversified service sectors. The commercial and industry insights coupled with analytical skills from International Corporate Training will create value for SEPC in engagements to support companies



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IN the NEWS

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INDIA'S SERVICES EXPORTS TO CROSS \$300 BILLION TARGET IN FY23: PIYUSH GOYAL (BUSINESS INSIDER)

The country's services exports are doing "extremely well" and going by the current trend these outbound shipments would register about 20 per cent growth in this fiscal and cross the USD 300 billion target despite global economic uncertainties, Commerce and Industry Minister Piyush Goyal has said. He said that on the merchandise front also, exports are so far registering healthy growth despite the world being under recession, huge inflationary pressure , and overstocking of various commodities. With all these stress, where

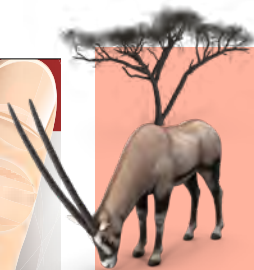
every global leader is talking of "very" tough times, India's exports rose 9 per cent year-on-year during April-December 2022-23.

"On services though, we have done extremely well. On services we are probably going to do at least a 20 per cent growth and by the current trends, we will exceed the target of USD 300 billion this year.

"So all in all, it will be a very very satisfying year, given the global headwinds and the stress that is reported from almost every part of the world," he told reporters here, adding the government's structural

reforms and steps like Make in India and Digital India are yielding fruits.

During April-December 2022-23, overall exports rose 9 per cent to USD 332.76 billion while imports increased 24.96 per cent to USD 551.7 billion. Trade deficit during the nine-month period widened to USD 218.94 billion as against USD 136.45 billion in April-December 2021-22. In last fiscal year, the country's merchandise shipments touched an all-time high of USD 422 billion.



NEW UDAN SCHEME TO EXPAND SMALL AIRCRAFT FLEET TO BOOST WILDLIFE TOURISM

India's new regional connectivity scheme Udan 4.2 will push for small aircraft for last mile connectivity to small towns including wildlife areas boosting tourism in the region. Union Civil Aviation Minister Jyotiraditya Scindia said on Thursday. According to him, of the bid for 84 routes 16 are helicopter roads 50c plane routes and around 180 are small aircraft routes

targeting aircraft that are sub 20 seaters. The new roots under udan 4.2 look to promote sub 20 seaters. We are hopeful that we will see some connectivity right into the wildlife areas something like Masai mara Kenya I am not saying it will happen immediately but we are quadrating on these lines Scindia said.

UNION BUDGET: INDIAN LOGISTICS INDUSTRY RECEIVES BOOST TO ENHANCE COMPETITIVENESS

The Indian logistics industry employing over 22 million people is considered the backbone of the country economy. With the rise of e-commerce and government initiative like make in India and Digital India, the industry is expected to grow at a compound annual growth rate of 15.5%, making a significant impact on the country's GDP. New age startups are also emerging utilising cutting edge technology is like AI, ML, Big data and blockchain. Finance minister Nirmala Sitharaman announced a budget allocation of 27,482 crore for the Dedicated

Freight Corridor Corporation of India (DFCC) making a 75% increase from the previous year. The budget speech highlighted the prioritisation of 100 crucial transport infrastructure projects such as last and first mile delivery for ports, coal, steel, fertilizer and food grains with a total investment of rupees 75000 crore including rupees 15000 crore from private sources this marks crucial turning point in the industries digital transformation driven by growing eCommerce sector in India.

INDIA WILL BE THE NEXT GROWTH ENGINE OF GLOBAL AVIATION CAPA

India will be the next growth engine of global aviation with air careers expected to place orders for 1500 to 1700 aircrafts over the next 24 months said the centre for Asia Pacific aviation India kapa India specialist in the aviation advisory and research. At present the market remains under penetrated the total domestic

commercial fleet of around 700 aircraft is smaller than some of the world's largest individual airlines.

Air India is expected to make the first move with report that it will shortly place I historic order for close to 500 aircraft split between Airbus and Boeing mark-

ing at turning point in Indian aviation this could be the largest order in global aviation history in terms of both the number and value of aircraft which are expected to include a mix from the A320neo and 737 Max famillines and wide body equipment.

