

India Serves

A Monthly Newsletter by

SEPC

SERVICES EXPORT PROMOTION COUNCIL

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

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PREPARING FOR THE FUTURE: THE INTERSECTION OF DEMOGRAPHICS & HEALTHCARE

Formulating a comprehensive strategy in view of the global aging societies can potentially fuel the growth of MVT (Medical value Travel) for decades to come.

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India Serves

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MESSAGE From the CHAIRMAN



CA. SUNIL H. TALATI

The services export sector has shown a remarkable trajectory of growth in recent months, paving the way to cross the USD 300 billion mark for the year 2022-23.

The strong YoY growth in the services export sector reflects the resilience of the Indian economy, which has bounced back strongly from the pandemic-induced slowdown. The YoY growth of 31.86% for April-Jan 2022-23, with an estimated value of services exports of USD 272.00 billion, is a significant milestone. This growth trend suggests that it we are highly likely to achieve the target 300 billion for the year 2022-23 rather, I would say it has been already achieved and only waiting to see where it lands beyond USD 300 billion.

This extraordinary surge in the services export sector is a reflection of the vigour and vitality of the Indian economy, which continues to prove its resilience in the face of adversity.

This extraordinary surge in the services export sector is a reflection of the vigour and vitality of the Indian economy, which continues to prove its resilience in the face of adversity.

As the world recovers from the pandemic-induced slowdown, the services export sector in India stands poised to take the lead, showcasing its mettle on the global stage.

My mission at SEPC is to ensure all of us continue to stay on this growth trajectory. SEPC has been continuously working towards building an ecosystem conducive to enhancing & facilitating the industry participation and coming up with various platforms, events & digital forums through its website & other ICT means to enable the same. At the same time it is all the more important to align our strategies to the dynamic environment we operate into. Hence, In the wake of the upcoming FTA's the suggestions, inputs from the industry members are vital for delivering an effective policy which benefits all the stakeholders.

Dear readers, in this edition we have done a brief strategy document focussing on opportunities lying ahead due to the Demographic interplay of the ageing population and the subsequent need for healthcare in future. India can be a leading hub for healthcare exports, owing to its capabilities of world class health facilities, competitive costs of various treatments and increased interest in alternative streams such as Ayurveda & Yoga & wellness therapies for rejuvenation. Health tourism also plays an important role in the development of sustainable tourism by reducing seasonality and diversifying tourism services as a whole.

A proper strategy needs to be formulated keeping in view the ageing societies, if done properly this can fuel the growth of the MVT for the decades to come.

We are confident that by working together, we can build a brighter and healthier future for all.

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

Cover Story



DEMOGRAPHIC INTERPLAY BETWEEN THE AGEING POPULATION AND THE SUBSEQUENT NEED FOR HEALTHCARE IN FUTURE.

The ageing population has a number of implications for healthcare. Older adults tend to have more chronic health conditions and disabilities, which require ongoing medical care and support. This can lead to increased demand for healthcare services, including hospital care, long-term care, and home care. In addition, older adults often require more complex care, which can be expensive and require specialized training for healthcare professionals.

At the same time, the ageing population can also create a shortage of healthcare workers. As older adults live longer, there are fewer younger people entering the workforce to replace retiring healthcare professionals. This can create a bottleneck in the supply of healthcare services, further exacerbating the challenges of an ageing population.

The demographic interplay of the ageing population and the subsequent need for healthcare is an increasingly critical concern in many parts of the world. As people live longer, the proportion of older adults in the population increases, leading to a higher demand for healthcare services.

THERE ARE SEVERAL COUNTRIES WITH THE FASTEST AGING SOCIETIES IN THE WORLD.

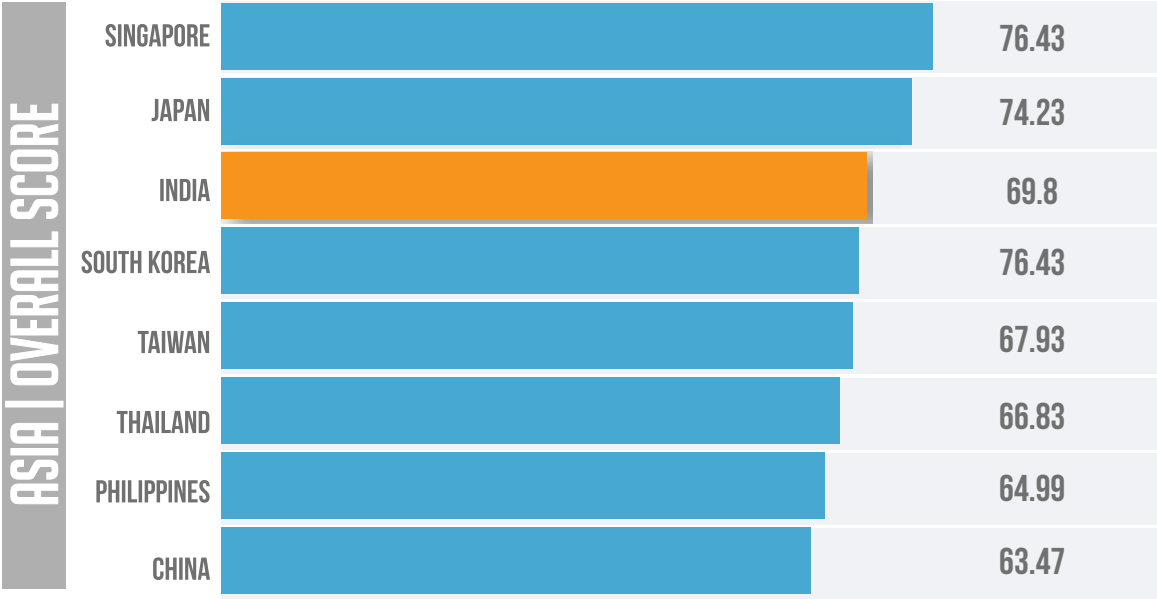
- a. **Japan:** Japan has one of the highest life expectancies in the world, and a low birth rate, which has resulted in an aging population. According to the World Bank, in 2020, approximately 28% of Japan's population was over 65 years old.
- b. **Italy:** Italy has one of the oldest populations in Europe, with approximately 23% of the population over 65 years old, according to the World Bank.
- c. **Greece:** Greece has one of the highest percentages of elderly citizens in the European Union, with approximately 22% of the population over 65 years old, according to the European Commission.
- d. **Portugal:** Portugal has a rapidly aging population, with approximately 22% of the population over 65 years old, according to the World Bank.
- e. **Germany:** Germany also has a rapidly aging population, with approximately 21% of the population over 65 years old, according to the World Bank.
- f. **South Korea:** South Korea is rapidly aging, with a low birth rate and high life expectancy. According to the World Bank, approximately 15% of South Korea's population was over 65 years old in 2020.



MARKET DYNAMICS

The medical tourism market in India was valued at USD 3 billion in 2015 and its estimated to be around 8-9 Billion at present. Government is ambitiously aiming to tap into the global \$80-Bn medical tourism Market & take the Indian medical tourism market to \$15 billion over the next four years.

The Medical Tourism Index (MTI) is a country-based performance measure to assess the attractiveness of a country as a medical tourist destination. India has been ranked 10th in Medical Tourism Index (MTI) for 2020-21 out of 46 destinations of the world by Medical Tourism Association. Below is India's Standing in the Asia.



With the growing demand for healthcare services, there will be opportunities for the medical value travel sector of India to innovate and develop new technologies, procedures, and treatments that address the specific needs of an aging population.

Preparing for the demographic shift of an aging population requires a comprehensive and coordinated effort across all levels. The demographic shift of an aging population presents several opportunities. With an aging population, there will be an increasing demand for healthcare services, including medical procedures and treatments. This presents an opportunity for the medical value travel sector of India to attract patients from other countries who are seeking affordable and high-quality healthcare.

India already has a large pool of skilled medical professionals, including doctors, nurses, and support staff. With the increasing demand for healthcare services, there will be opportunities for these skilled professionals.

STRATEGIES



- **Building newer models of care adaptive to the aging population:** healthcare systems will need to adapt to the needs of an ageing population. This may include developing new models of care, such as home care or community-based care, to better meet the needs of older adults. Older adults tend to have more chronic health conditions and disabilities, which require ongoing medical care and support. This can lead to increased demand for healthcare services, including hospital care, long-term care, and home care.
- **Cater to workforce shortages:** At the same time, the ageing population can also create a shortage of healthcare workers in these societies. As older adults live longer, there are fewer younger people entering the workforce to replace retiring healthcare professionals. This can create a bottleneck in the supply of healthcare services, further exacerbating the challenges of an ageing population.
- **The integration of AI and emerging technologies in healthcare services** has the potential to significantly improve patient outcomes, reduce healthcare costs, and enhance the overall patient experience. These technologies have the potential to transform the way healthcare is delivered, making it more efficient, effective, and personalized.
- **Develop Bilateral partnerships, agreements & FTA's:** The government can develop partnerships with other countries to pro-

mote Medical Value Tourism. This can involve working with other governments to create medical tourism agreements, offering training and education programs for healthcare professionals by forging new alliances in form of Bilateral partnerships, agreements & FTA's.

- **Streamline visa and travel procedures** procedures for medical tourists to make it easier for them to access healthcare services in the country. This can include fast-tracking visa applications, providing assistance with travel arrangements, and facilitating medical appointments. For instance the Visa fees difference is not a deciding factor while planning a MVT, but the price differential (medical visa is expensive) is not favourable for painting a positive image as a friendly & welcoming MVT destination. It would be better if the visa fees is at par for both the categories.
- **Quality control:** This can be achieved by implementing strict quality control measures, recruiting and training qualified healthcare professionals, and investing in state-of-the-art medical equipment and technology.
- **Promote overall ease of travel (concerns such as safety, infrastructure, options/modes of travel etc.):** It is tied with the tourism related excursions of the patient & companions who might have come for minor treatments and might want to explore Indian destinations as well as for boosting the consumption of alternative methods of treatment which are mostly located far off from the major MVT destinations and cities.
- **Untapped market potential:** There are opportunities waiting in mode 4 as well. In markets like Namibia where they have physical infrastructure but there is dearth of medical

care gives the complete hospital management services can be traded by supply of doctors and other staff. North Africa & LAC regions have immense untapped potential. Secondly, India has a huge Diaspora in Europe, USA, Canada & Australia and they can combine their visit to India with medical treatment.

- **High cost of acquiring equipment:** The equipment for performing Robotic surgeries are very expensive, even for big brands. The industry needs to be aided through long term subsidized loans and tax incentives to remain technologically advance.
- **Leveraging medical insurance for attracting MVT:** Health insurance can be a powerful tool for attracting more health tourism to a country, inadequate insurance products targeting Indian Diaspora along with foreign nationals is huge area waiting to be tapped. Some serious encouragement in this direction can help to reduce the financial burden on medical tourists and make it more affordable for them to access healthcare services in the country.
- **National Policy on Medical value travel & a Regulator:** There is a need to create a dedicated MVT National policy to cater to issues relating to the industry and a regulating authority to develop, monitor and enforce standards of practice, nonexistence of grievance and redressal body also leads to patients feeling helpless and discriminated. Such bodies exist in competition countries like Korea. A Medical Value Travel policy can provide individuals seeking services in India with a peace of mind, knowing that they have support and resources in case of unexpected events.



WAY FORWARD

In a bid to grab a bigger pie of patient traffic & promote as well as set pace on to the country's Medical value tourism It is important to note that while policies to capitalize on the demographic situation arising out of ageing population can be beneficial, they must also ensure that the healthcare needs of the local population are being met, and that medical tourism does not compromise the quality or availability of healthcare services for the local population. The services should remain accessible and affordable for the local population. Although Government of India has already launched "Ayushman Bharat" that aims to provide healthcare services to the needy.

All in all it requires careful planning and thoughtful policy development with a balanced approach. A proper strategy needs to be formulated keeping in view the ageing societies, if done properly this can fuel the growth of MVT for the decades to come.

Dept of Commerce, Gol @... · 6d

India's services exports remain in expansive mode registering a phenomenal growth

Services exports for Apr-Dec 2022 climbed over to \$239.76 Bn which stood at \$184.65 Bn in previous fiscal

A staggering growth of 29.85%, a major boost to the country's trade balance.

#IndiaServes

Dept of Commerce, Gol @... · 6d

The Travel Sector is back on track, a positive sign for the tourism & hospitality services!

The sector resiliently rebounded with YoY exports growth of 180% in Apr-Sep 2022.

Boding well for the industry's future growth.

#IndiaServes

SEPC India @Sepc_India · 6d

The resilience of the #Travel sector has been commendable.

The sector bounced back with YoY exports growth of 180% in Apr-Sep 2022. A testament to the hard work & dedication of the #tourism, #hospitality sector.

We look forward to it's continued growth and success

#IndiaServes

Dept of Commerce, Gol @... · 4d

India's Audio-Visual & Related industry continues to grow!

With cutting-edge technology and top-notch talent, India is poised to become a global leader in this exciting field.

#IndiaServes #AVGC

Dept of Commerce, Gol @... · 5d

The future looks promising for the Audio-Visual & related services industry

Audio-Visual & related services industry climbed 58% YoY for Apr-Sep 2022

Another milestone in India's journey to become "Content Hub of the World" as envisioned by the Hon'ble PM of India.

#IndiaServes

Dept of Commerce, Gol @... · Mar 2

Time for the Travel & Tourism sector to reap the fruits of ease of travel.

The E-visa issuance Jan-Jun 2022 has surged 481% YOY. The government's vision for embracing the global best practices is paying off.

Take a look! #IndiaServes

Dept of Commerce, Gol @... · 4d

A way towards growth!

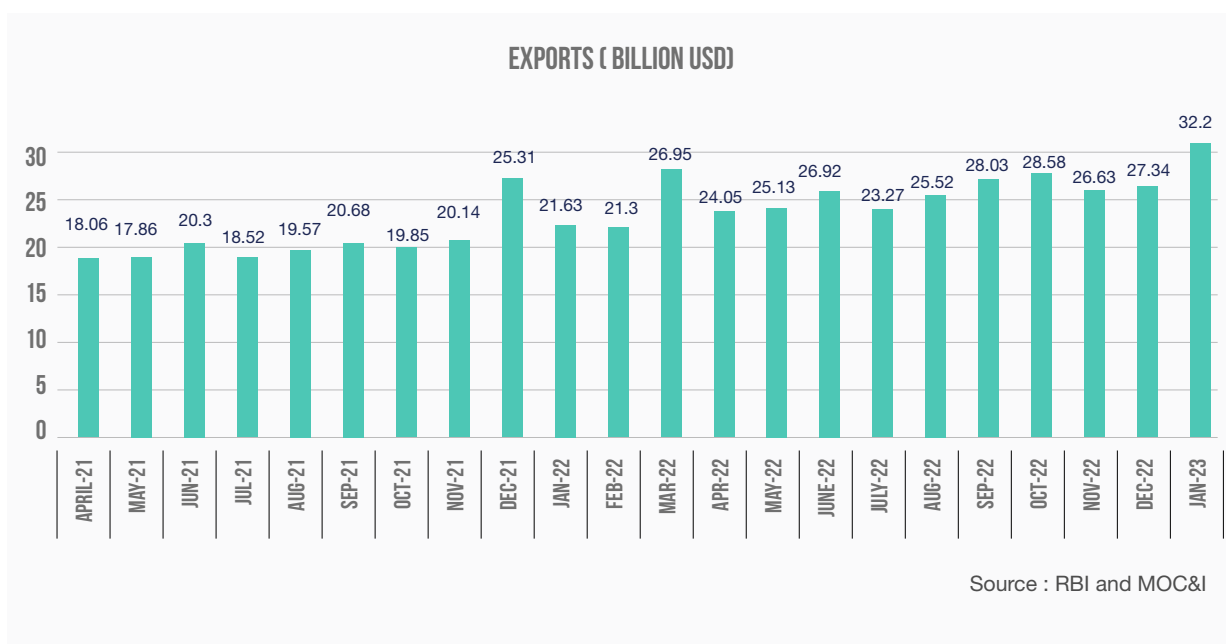
Transport services exports grew 35% YoY during Apr-Sep 2022, indicating increasing #EODS. Government's commitment to strengthen logistics infrastructure in India and enhancing cost competitiveness of service exports.

#IndiaServes

Tweets Corner



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.

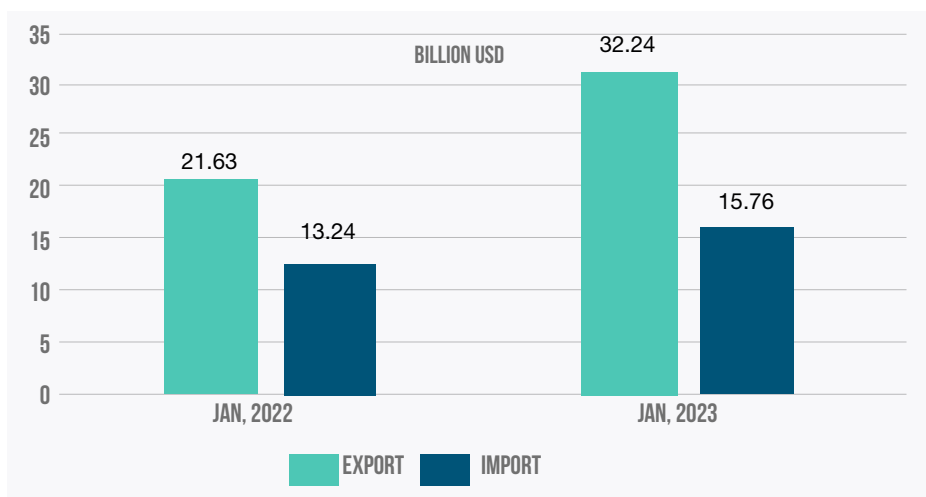
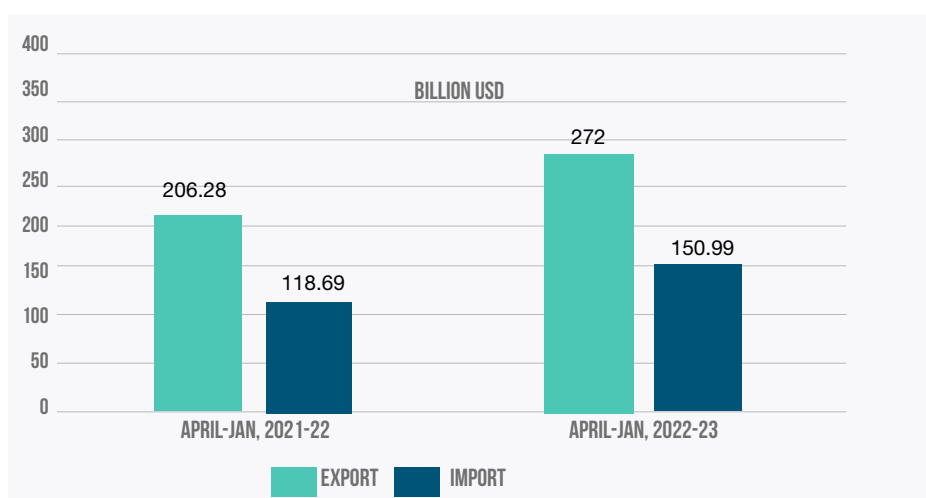


Fig: YoY Services Trade during April-Jan 2021 vs 2022

- 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

INDIAN BUSINESS DELEGATION FOR BUYER SELLER MEET IN CIS REGION COVERING KYRGYZSTAN, KAZAKHSTAN & UZBEKISTAN FROM 06TH FEB. - 14TH FEB. 2023



Services Export Promotion Council (SEPC) with the support of Ministry of Commerce & Industry, Government of India organised Buyer Seller Meet (BSM) in Bishkek, Kyrgyzstan (6th -7th February 2023); Almaty, Kazakhstan (9th -10th February 2023) and Tashkent, Uzbekistan (12th -13th February 2023).

Delegation was represented by 30 Indian companies from the below sectors:

- Maritime Transport & Logistic Services
- Architectural, Construction & Related Engineering Services
- Healthcare (MVT)
- Education
- Consultancy
- Entertainment Services (Including AVCG)

SEPC took this delegation to provide/explore the business opportunities to the Indian Companies in countries of CIS region. India and CIS countries have had cordial business relations. The two regions share mutual interests including strong cultural dimensions leading to synergies in various sectors and enhanced people to people connect and deep-rooted bonds of admiration between India and Central Asia. Over the years, the relationship between the two regions has only strengthened through mutual trust and economic complementarities. Moreover, India has been investing heavily in the CIS region, from economies in Central Asia to the Russian Far East region.



GLIMPSES OF BSM IN CIS REGION 2023:

- Indian Companies: 30
- Kyrgyz Companies participated in BSM at Bishkek: 165
- Number of Focused meetings in Kyrgyzstan: 450+
- Kazak Companies participated in BSM at Almaty: 120
- Number of Focused meetings in Kazakhstan: 300+
- Number of Uzbek Companies participated in BSM at Tashkent: 135
- Number of Focused meetings in Uzbekistan: 350+
- No of MOUs Signed: 10

Other than the usual Business meetings, visits to various Govt. Institutions such as Ministry of Health, Ministry of Entertainment, Ministry of Education etc. were organised.

Visits to Special Economic Zones were organized for the Indian delegates to educate them about the opportunities in these markets and thereby enabling them to devise strategies accordingly to tap the prospective business partners.

In Bishkek, Kyrgyzstan, the delegation was supported by Embassy of India in Kyrgyzstan, Embassy of Kyrgyz Republic in India, and National Investment Agency

In Almaty, Kazakhstan, the delegation was supported by Embassy of India in Kazakhstan and the Almaty Chamber of Commerce

In Tashkent, Uzbekistan, the delegation was supported by Embassy of India in Uzbekistan, the Ministry of Health, Uzbekistan and the Assembly of Economy, Uzbekistan.

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IN the NEWS

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SERVICES EXPORTS TO BEAT \$300-BN TARGET FOR FY23: PIYUSH GOYAL

India's services exports will likely rise 20% in FY23 from a year before to exceed the \$300-billion target despite growing external headwinds, commerce and industry minister Piyush Goyal said on Tuesday. Services exports had hit a record \$254 billion last fiscal. Even merchandise exports have recorded a 9% rise in the first three quarters of this fiscal (to \$333 billion), beating the impact of recession in key markets and

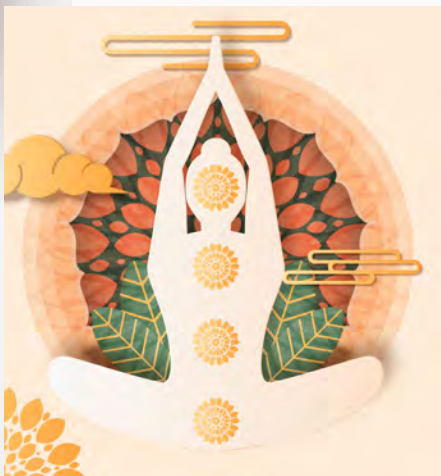
spike in input costs, the minister told reporters in Ahmedabad. "So, all in all, it will be a very satisfying year, given the global headwinds and the stress that is reported from almost every part of the world," he said. Various structural reforms initiated by the government in recent years, including Make in India and Digital India, are yielding the results, he added.

OUT OF BOX THINKING NEEDED TO BOOST TOURISM SECTOR: PM MODI

New Delhi, March 3 Prime minister Narendra Modi on Friday while addressing a post budget webinar on '**Developing Tourism in Mission Mode**' said that out of box thinking was needed to achieve new heights in the tourism sector. "We will have to think out of the box and plan ahead to achieve new heights in tourism. It is not a high fancy word representing the rich," he said. "This year's budget focuses on the holistic development of the destinations. Increase in the facilities has led to a manifold increase in the arrival of devotees at Kashi Vishwanath, Kedar Dham and Pavagadh," he added.

<https://www.bizzbuzz.news/industry/out-of-box-thinking-needed-to-boost-tourism-sector-pm-modi-1202039>

Tourism has the same potential in the country as agriculture, real estate development, infrastructure and textile, the prime minister said further. The PM suggested that every tourist destination in the country can develop its own revenue model. "Our villages are becoming centres of tourism due to their improving infrastructure," the prime minister said. Modi informed that eight lakh foreign tourists had come to India in January this year compared to only two lakh in January last year, adding that India has a lot to offer to high-spending tourists also.



GEN ZS & MILLENNIALS AID SPIRITUAL & WELLNESS-DRIVEN TOURISM RECOVERY IN INDIA

The pandemic turned the world digital but also led to multifold physical and mental health issues. Consequently, digital detox and regeneration have become increasingly popular. In India, this has translated into an increased interest in spiritual and wellness tourism, including trips to religious destinations, according to travel agencies. And this interest has expanded to include GenZs and millennials.

Travel agency Agoda conducted a survey and found wellness to be one of the top three motivations for Indians to travel in 2023. The survey

was conducted with 10,000 travelers from across 12 countries, including India. As per Agoda, "Many (people) wish to embark on trips to recharge themselves, mentally and physically, with wellness contributing to the number two spot in the 'reasons to travel' ranking of Agoda's Travel Trend survey. Countries with high inclination include India (20%), South Korea (24%), Singapore (25%) and Thailand (29%)." For the longest time, religious destinations were considered to be low on the travel bucket list — especially for GenZs and millennials, but that appears to have changed.

<https://www.businessinsider.in/business/news/varanasi-tirupati-and-puri-are-favoured-destinations-in-spiritual-and-wellness-travel/articleshow/98444093.cms>

