

India Serves



A Monthly Newsletter by

SEPC

SERVICES EXPORT PROMOTION COUNCIL

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

VOL III, ISSUE III - July, 2022

INDIA'S SERVICES OUTLOOK

ON THE CUSP OF ACHIEVING \$ 1 TRILLION EXPORTS BY 2030

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



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India Serves

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MESSAGE From the CHAIRMAN



CA. SUNIL H. TALATI

In the given background of performance of goods and services export reaching to new milestone despite the pandemic, Ministry of Commerce and Industry has reached out to all export promotion councils and related stakeholders to set new goals, reach out to non-traditional markets, explore emerging markets and diversify offerings.

As mentioned in my messages in the last three editions of India Serves, services sector has to reach the milestone of 350BN USD. Services remain the fastest growing sector of the Indian economy with immense potential. India's services exports set a new record of USD 254.4 billion in the last financial year.

Deviating from our normal sectoral cover feature in every issue, I am pleased to present an Outlook on Services Sector Exports, potential and growth expected in this edition of India Serves.

SEPC has its task cut out to be a catalyst in your efforts to achieve the growth on expected lines. In order to provide global market opportunities, Ministry of Commerce and Industry has approved 12 events focussing on services sector for the year 2022-23. Services sector exporters must avail the opportunities and incentives under MAI scheme to explore business opportunities through international exhibitions, B2B delegations and Reverse Buyer Sellers meet. Please keep track of our regular communication in this regard.

SEPC firmly believes that incentives like SEIS need to be given to exporters and more so in view of the 350BN USD exports expected. Further, the incentives would also provide much needed hand-holding to MSMEs and merging exporters to ensure their business continuity and in some cases even their survival.

We take this opportunity to re-affirm that SEPC has been relentlessly pursuing the subject. We have presented an alternative to SEIS for due consideration and incorporation in upcoming FTP. With the aim to maximise incremental growth of service exports, capability building, new market access, improved competitiveness across the world and enabling the service exporters, the recommendations are on the following lines:

- Scrips-based & Non-scrip based (cash) incentive for growth support: aimed at all incentivising incremental and market diversification.
- Authorisation for Inputs & capital goods in line with EPCG where in certain items are required to be imported for exports.

SEPC firmly believes that incentives like SEIS need to be given to exporters and more so in view of the 350BN USD exports expected

In its quest to reach out to the world, SEPC officials visited Orlando, Florida, USA to attend the Scaling New Heights – Conference cum Exhibition from 20th June to 24th June 2022 to explore a wide range of cutting-edge technology innovations designed for the small and medium sized business space in Accounting and Bookkeeping Service Sector. Services Export Promotion Council (SEPC) also signed an MoU with Foundation of Healthcare & Wellness Promotion (FHWP) on 9th June 2022 at SEPC office in New Delhi. During July 22nd to 24th SEPC will also be partnering Federation of Hospitality & Tourism of Rajasthan (FHTR) in association with the Department of Tourism, Government of Rajasthan to organize the 2nd edition of the Rajasthan Domestic Travel Mart (RDTM 2022) Jaipur.

We at SEPC remain sincere to serving the industry and look forward to your continued support and valuable inputs. Non-renewal of membership with SEPC will make you ineligible for availing the immense value which SEPC aims to provide you in upcoming events and to remain eligible for incentives and schemes. Please remain associated with SEPC as we strive to serve you in best possible way.

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

INDIA'S SERVICES EXPORTS PERFORMANCE

The service sector has been the key driver of both the Global and Indian economy over the last three decades. The sector is contributing almost three-fifths of global GDP and about half of the employment opportunities across the world. India's growth story has been driven by Services having 55% share in the economy. In fact, Services exports have outperformed goods exports in the recent years, due to which India's share in world's commercial services exports has risen steadily

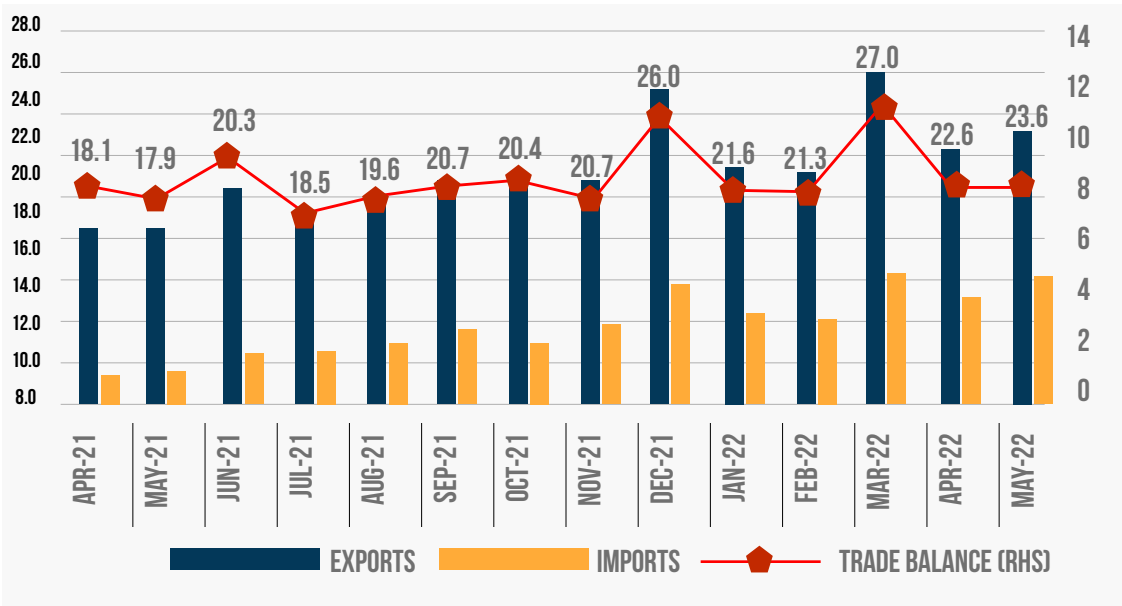
over the past decade to reach to 4.1 per cent in 2020 (from 3 % in 2010), having the rank of 7th largest exporter of the world.

In-fact India's service exports crossed the \$250-billion mark in 2021-22, registering a 20 per cent growth over the last year and exceeding the target level of \$240 billion. The growth in service exports was driven by a 40 per cent increase in goods-related services and a 33.7 per cent increase in transport ser-

vices like shipping. Goods related services include manufacturing services on physical inputs owned by others and maintenance and repair services.

The big push in services sector was largely seen in the final quarter of FY 2021-22. Interestingly, statistics of monthly exports shows the average monthly service exports were more than \$20 billion in the last one year (Figure 1)

Figure 1: India's Services Trade Monthly (US\$ Billions)

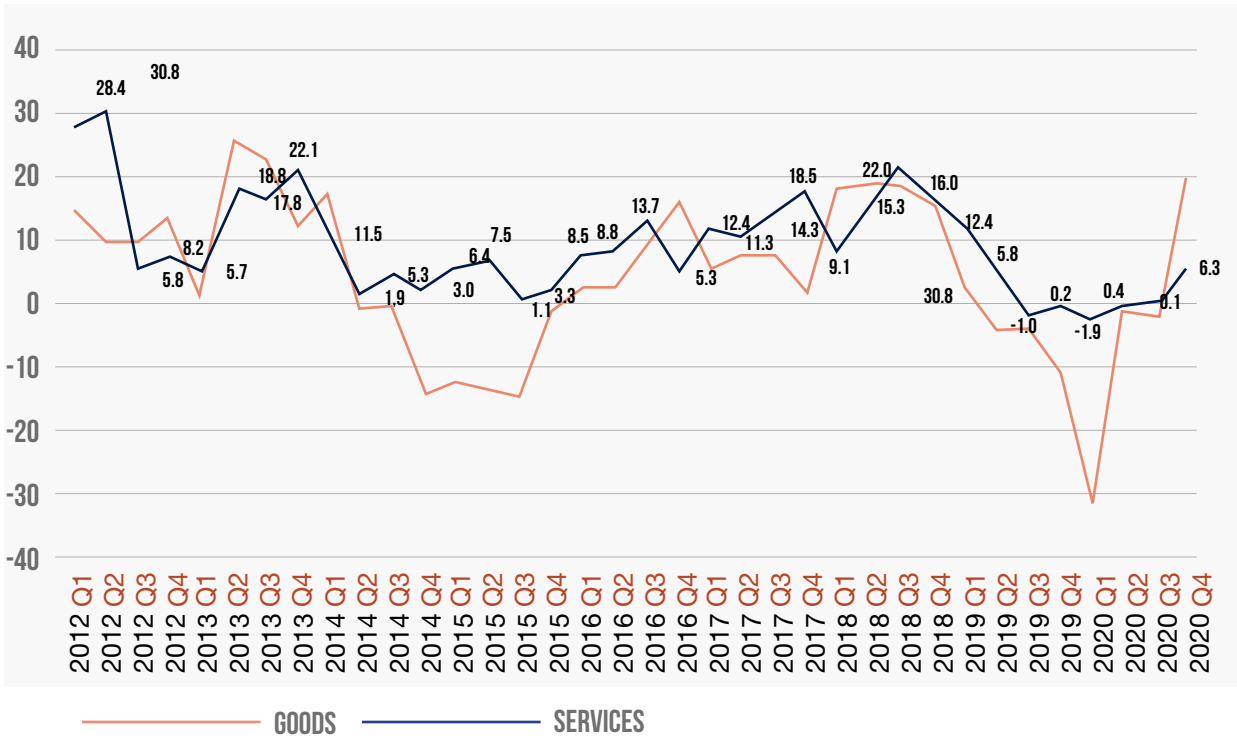


Source: RBI

RESILIENCE OF INDIA'S SERVICES EXPORTS

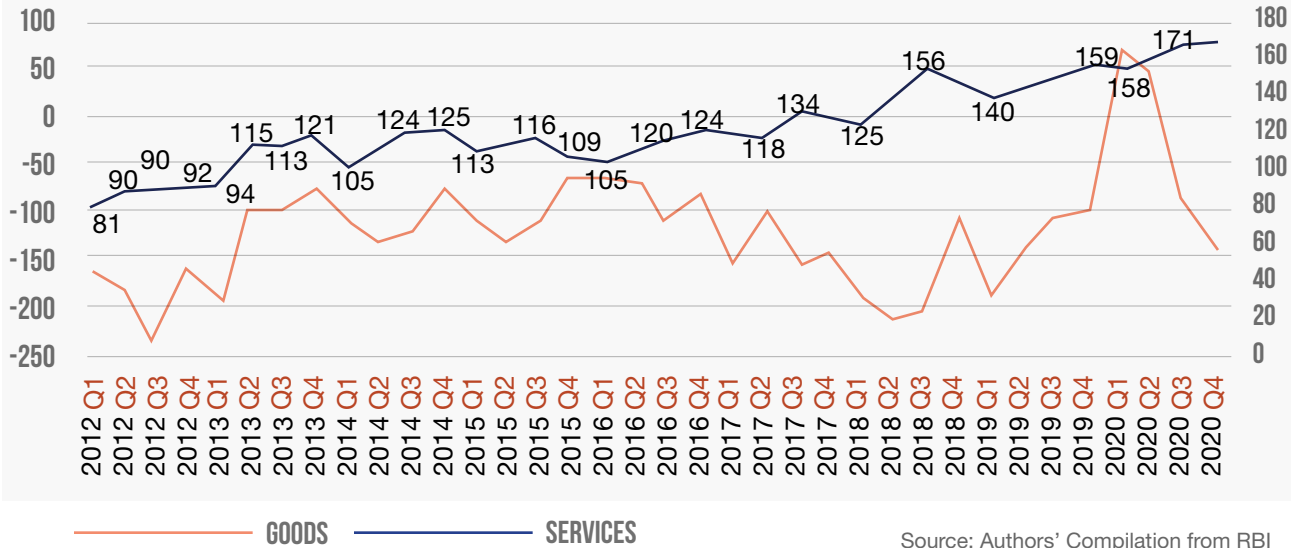
International trade generally remains susceptible to the global economic shocks, but the services exports of India have remained resilient despite the economic shocks of the past decade. The below figure 2 clearly hails the resilience of services exports as they have maintained positive growth even when the economic slowdown took place and in comparison, goods exports reported higher negative growth during 2014-15 and the Covid phase of 2020-21. Also the trade surplus of the sector has crossed US\$ 100 billion in FY 2021-22 (Figure 3)

Figure 2: Growth Rate in Exports (Quarter over Quarter, %)



Source: Authors' Compilation from RBI

Figure 3: India's Trade Balance (Rs. Billion)



Source: Authors' Compilation from RBI

India's trade deficits in goods are well financed by the services surplus. The catch-up effect is much stronger than the goods exports. Most importantly, services sector has a positive trade balance with services exports always exceeding services imports and this helps the overall balance of payments scenario as the deficit in merchandise trade is significantly offset by the surplus in services trade.

OPPORTUNITIES FOR SERVICES EXPORTS

In the aftermath of the pandemic, trade in digital services expanded globally. On the contrary, though global services exports fell by 20% in year 2020; however, the digitally deliverable services recorded a fall of meager 1.8%, reflecting the resilience of the sector. Since the onset of Covid19, the digital activities are on surge starting from online education to health to payment structures. India can take advantage of this opportunity by offering low-cost and competent tele-migrants to replace a large portion of middle-level skill jobs globally. India's IT sector is often cited as one of the most successful examples of remotely provided services. The strong exports of the IT services are partly attributed to the rising global demand. India's strength in IT services exports can be attached to the entrepreneurship characteristic such as innovation in technology academic background of large pool of English speaking workers, nearly 2 million engineers and increasing tribe of the tech savvy entrepreneurs in India.

Though India paced its telecommunications, computer and information services export well before the recent global shock due to Covid 19, but the same has created the need for more push for

digital transformation among enterprises, thereby offering enormous opportunities for boosting services exports as India is already enjoying the second position in world market for the sector's services exports. The opportunities would be enlarging with the rising middle class in China and ASEAN creating scope for increased demand for services (Ting, 2022).

Demand for several other services capable of delivering through electronic and digital networks such as telehealth, online education, digital entertainment and remote working, which were not given much relevance earlier, have now become the lifeline of businesses. All these services are of immense export potential for India. With globally renowned and highly skilled healthcare professionals in the world, telehealth and online medical consultation provide an excellent opportunity for India to reinvent through its virtual healthcare presence. As the inbound medical tourism sector may now take longer to recover, the recent telemedicine guidelines released by the Ministry of Health and Family Welfare is a major step towards facilitation of healthcare services exports from India.



INDIA'S SCOPE FOR MODERN SERVICES' EXPORTS

India can be a leading hub for healthcare exports, owing to its capabilities of world class health facilities, competitive costs of various treatments and expanded interest in elective treatment for restoration (therapies for rejuvenation).

Demand for several other services capable of delivering through electronic and digital networks has surged during the outbreak. Services such as telehealth, online education, digital entertainment and remote working, which were not given much importance earlier, have now become the lifeline of businesses. The global digital health market is expected to earn \$149.9 billion in 2022 as against \$128.80 billion earned in 2021, reflecting a 16.3% growth. The digital health market is expected to show an annual growth rate (CAGR) of 10.59% until 2026. At this rate, digital health is projected to make \$224.19 billion in revenue in 2026. India is 4th largest destination for healthcare services with medical value travel services exports worth 160 million US Dollar in 2020. India has been ranked 10th in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association. Neighbouring countries from the Indian subcontinent and other developing countries are



Healthcare Sector

the primary source of India's exports, with relatively low presence of developed countries. Key bottlenecks are the lack of investment in healthcare infrastructure. Incentives can help drive investments in healthcare sector with focus on foreigners for a proportion of its services. This can help cross-subsidise healthcare services for Indians.



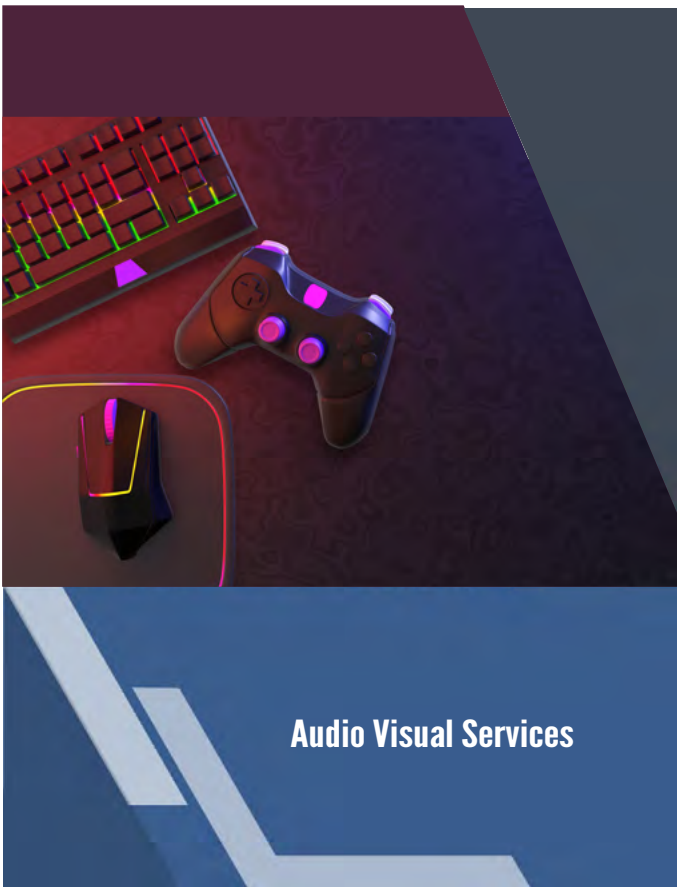
Construction and Engineering Services

The global engineering services market is expected to grow from \$991.38 billion in 2021 to \$1071.59 billion in 2022 at a compound annual growth rate (CAGR) of 8.1%. The market is expected to reach \$1383.41 billion in 2026 at a CAGR of 6.6%. The global market has broadly lesser restrictions in the construction and engineering services, however the architectural services have experienced much restriction among the top service exporters (Table 1). Infrastructure and construction sector have the second largest share in country's Cumulative FDI inflows.

India's exports in construction and engineering services have seen exponential growth and in 2019, they were valued at USD 2.9 and 4.2 billion respectively. Large pool of engineers provides India a competitive advantage. Further, an important driver of India's exports has been the digital engineering services. Despite recent growth, India's exports are much lower than countries like China, Korea, and Japan. Incentives for construction and engineering exports would help bridge this gap.

The Media & Entertainment industry is expected to grow at a CAGR of 13.5 per cent during FY19-FY24 and is expected to reach around US\$ 43.93 million by 2024. India's online video market is estimated to reach 4 billion USD by 2025, with subscription services contributing more than 1.5 billion USD and advertising adding 2.5 billion USD. The Indian film industry reached 1.43 billion USD in 2019. India's video streaming industry is expected to grow at a CAGR of 21.82 per cent by 2023. However, the sector has biggest challenge of high restrictions levied into motion and sound recording services by the top service exports markets including USA, UK, France and Germany (Table 1).

Mobile gaming has emerged as a key growth area as seen in China (Tencent has become world's largest video game vendor surpassing many traditional technology companies in value). India has a large mobile gaming base already and the domestic industry has also seen rapid growth. Policy incentives for mobile gaming companies can both attract Indian start-ups and large global multi-national corporations to set up base in India, which can serve both the domestic and exports markets



The accounting services have been growing globally over the years. The drivers for the growth are increased international coordination between accounting and business standards, digital technologies, and large chartered accounting workforce in India . India's market share in the legal and accounting exports is still below 1% . Incentives for exports for accounting and book-keeping services can improve competitiveness of Indian exports.

The global market for Finance and Accounting Outsourcing estimated at US\$37.9 Billion in the year 2020, is projected to reach a revised size of US\$53.4 Billion by 2026, with about 50% of the market would be in the hands of USA. India has tremendous opportunities in the accounting services as it has cost-competitive edge with providing services with lower cost by 40-50% as compared to advanced countries. The large pool of professions in this field (2nd highest in the world) having command over the accounting practices as of global standard offers the huge potential for the sector. In fact these services have remained much restricted in the UK and France (Table 1), but country can look forward for USA (holding about half of the total market as of today and even some of European countries and most importantly the West Asia, Singapore and Australia. But as per the OECD, India is falling into category of high trade restriction in these services and the same needs to be reduced in coming days.



The global legal process outsourcing market size was valued at USD 10.77 billion in 2021 and is expected to grow at a compound annual growth rate (CAGR) of 30% reaching around US\$ 120 billion by 2030. This comes with the background on account of higher cost of legal services in Europe, the U.S., and the UK which will boost the LPO market demand. India has a competitive advantage in this huge market for its time differences with USA and more importantly the compatibility of India's legal framework to that of USA and also the cost reduction to the tune of 80 % as of USA. Interestingly the trade restrictions are already on lower scale for these services among top service exporters (Table 1), thereby offering the huge potential for Indian legal professionals to tap the opportunities.

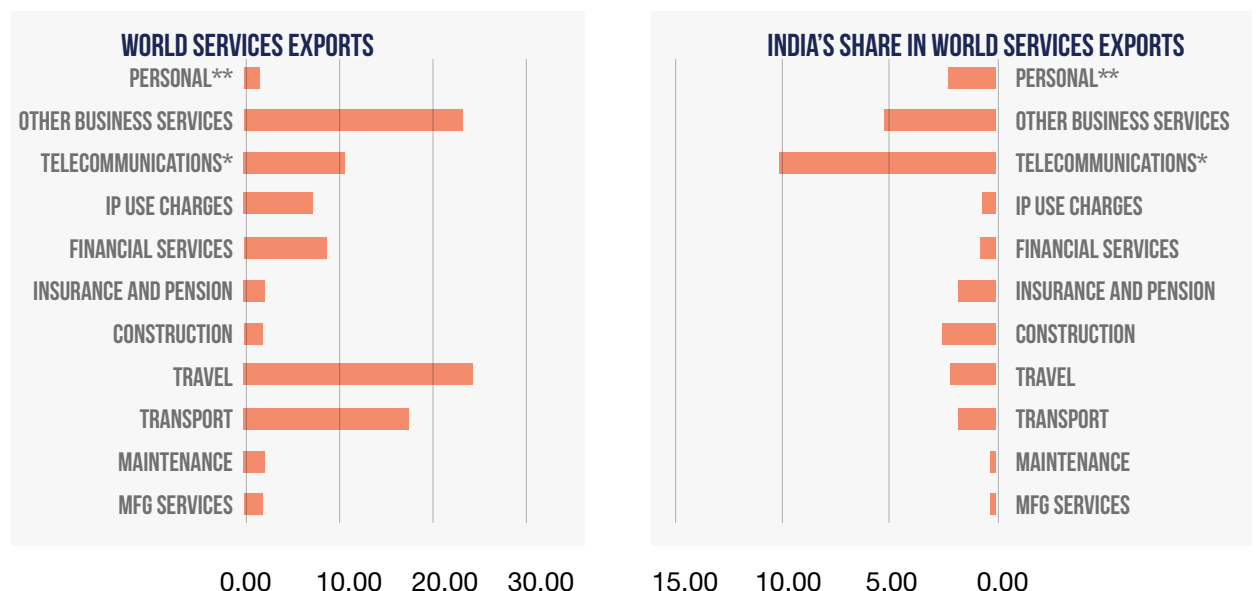
Over the past two decades, the global economy has switched from being manufacturing-oriented to being knowledge based and skill driven. This is because as economies move up the ladder of global value chains, the contribution of hi-tech manufacturing and high value-added services to the GDP grows. The significance of higher education in providing these skill sets is indispensable. This is the sector where enhanced skill set will provide the back-end services to the manufacturing activities. Countries are looking for reaching a convergence between the goods and manufacturing services by way of boosting digital services in manufactured goods, more legal support and higher financial services starting from access to finance to the record keeping of global accounts standards.



CHALLENGES FOR SERVICES EXPORTS

India's service exports are highly concentrated to the traditional sectors such as transport and travel along with the modern sector including the IT and other business sectors, contributing more than four-fifths of the India's services exports.

Figure 5: Mapping of India's Service Exports with World Exports (TE 2019, % Shares)



Source: Authors' Compilation from WTO, Note: * computer, and information services; ** accounting, management, consulting and public relations; *** trade-related, and other business; # excluding trade-related



- Currently, India lags behind many developing countries in the digitalisation of manufacturing exports. The value added by digital services in manufacturing exports is 9 percent, much lower than in comparators — 78 percent in Turkey, 60 percent in China, 57 percent in Indonesia and 54 percent in Brazil.
- Cybersecurity and data protection have become a major concern due to the lack of secure infrastructure while working remotely, especially in the sectors like finance, accounting and critical business processes that requires more secure IT infrastructure.
- The biggest challenge for Indian service exports are its non-alignment with the World services exports as India exports more than 60 % of Mode 1 where world's share in this mode is around 30 %. However, world's largest exports fall under Mode 3- around three-fifths and India has only one-fifth export in the mode 3 services.
- High Trade Restrictions: The below table 1 clearly states that the top service exporting countries have the least restrictions for services and as compared to other sectors telecommunications, computer services, broadcasting had lower trade restrictions. Among these services India could well utilize the domestic skill set to push the telecommunication and computer services exports. But still there are few services such as architecture, courier, engineering services, legal services, logistic cargo-handling and construction services with low restrictions and India can tap these service markets as well.

Table 1: Trade Restrictions by Top Service Exporters in the World

SERVICES	UK	USA	GERMANY	FRANCE	NETHERLANDS	IRELAND	INDIA
TELECOMMUNICATIONS	L	-	L	L	L	L	
LEGAL SERVICES,	L	L	-	H	-	L	
RAIL FREIGHT TRANSPORT	L	L	-	-	L	L	H
MARITIME TRANSPORT	L	H	-	-	-	-	
INSURANCE	-	H	-	L	-	L	H
AIR TRANSPORT	-	H	H	-	H	H	
SOUND RECORDING	H	-	-	-	H	H	L
ARCHITECTURE SERVICES	H	-	-	H	-	-	H
MOTION PICTURES	H	L	H	H	-	-	
ACCOUNTING SERVICES	H	L	L	H	-	-	H
COURIER SERVICES	-	H	L	L	L	-	
LOGISTICS CARGO-HANDLING	-	-	L	-	-	-	
ENGINEERING SERVICES	-	-	H	-	-	-	L
CONSTRUCTION	-	-	-	L	-	-	
COMMERCIAL BANKING	-	-	-	-	H	-	
COMPUTER SERVICES	-	-	-	-	H	H	L
BROADCASTING	-	-	-	-	L	-	
ROAD FREIGHT TRANSPORT	-	-	H	-	-	H	L

Source: Authors' Compilation from OECD STRI database (2021). Note: H & L are high and low restrictions, respectively.



WAY FORWARD FOR ACHIEVING \$ 1 TRILLION EXPORTS BY 2030: POSSIBLE SOLUTIONS

- India needs to diversify its Services' exports especially towards healthcare, travel and tourism, Audio visual services and gaming, IT and ITES, Education services etc.
- Services exports have to think towards boosting the enhancement of productivity of manufacturing related services by way of building brands, product standardization, etc. Further, digital servicification of manufacturing exports can increase the competitiveness of Indian firms and enable diversification. Policy interventions need to target the development of 'soft' digital infrastructure, such as cloud computing capabilities, data infrastructure and intellectual property networks capacity. To seize the rising opportunities, India must urgently invest in its digital competencies.
- As India heads towards diversification of services exports, India has to promote the Easing of Regulation and doing businesses.
- 12 Champion services sectors have been identified for promoting and diversifying services exports by pursuing specific action plans.
- Districts as export hubs has been launched by identifying products with export
- Potential in each district.
- With a view to promote exports, it is proposed to replace SEZ's act with a new legislation that will enable the states to become partners in "Development of Enterprise and Service hubs.

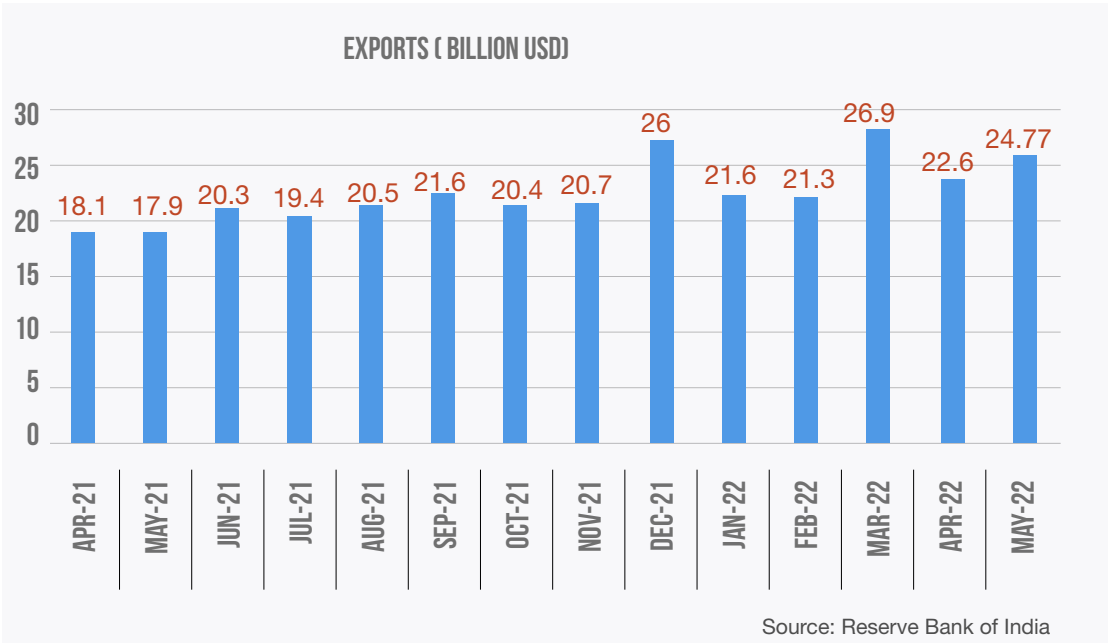


SEPC

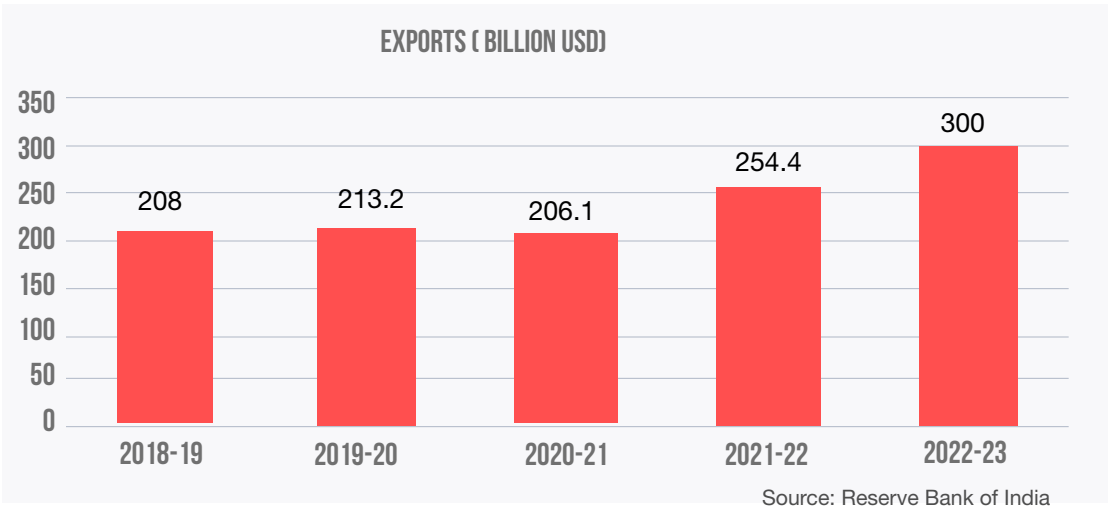
SERVICES EXPORT PROMOTION COUNCIL

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

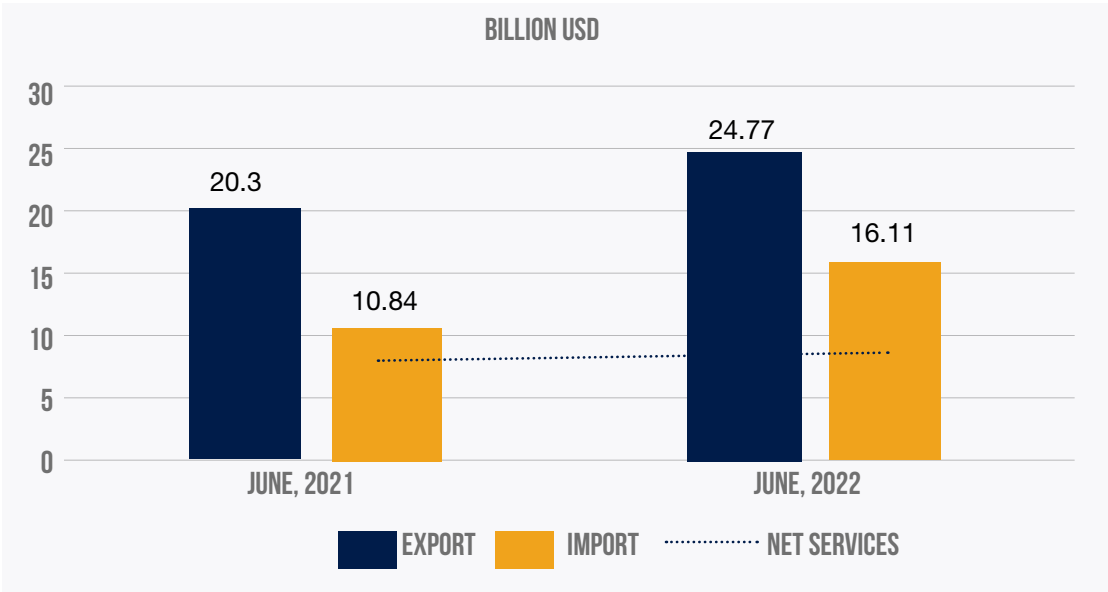
Monthly Services Exports from India in the FY 2021-22



Services Exports from India – Year wise



Services Trade in June 2022

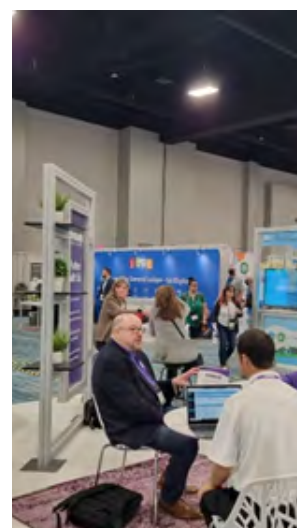


Source: Ministry of Commerce & Industry
Note: The latest data for services sector released by RBI is for April 2022. The data for May 2022 is an estimation, which will be revised based on RBI's subsequent release.

SCALING NEW HEIGHTS : CONFERENCE CUM EXHIBITION 20TH JUNE TO 24TH JUNE 2022, ORLANDO, FLORIDA, USA.

DG, SEPC and Chairman SEPC visited Orlando, Florida, USA to attend the Scaling New Heights – Conference cum Exhibition from 20th June to 24th June 2022 to explore a wide range of cutting-edge technology innovations designed for the small and medium sized business space in Accounting and Bookkeeping Service Sector. This Conference and Exhibition equipped bookkeepers, accounting technologists, tax preparers, CPAs and other small business advisors to modernize their practices, standardize their processes, deploy highly efficient and scalable business models, develop a distinctive brand, increase technical proficiencies, and effectively price their services.

Scaling New Heights launched in 2009 and has grown over the past decade into one of the world's largest and highest rated accounting technology conferences and expositions. It is also one of the largest gatherings of certified QuickBooks ProAdvisors in the world which transforms the way small businesses operate through forward-looking measurements built on accurate and actionable financial information, mentorship of clients, management consulting and much more. Indian Firms got the opportunity to meet and network with over 1,000 accountants and bookkeepers as well as over 300 software executives, technical support experts and industry leaders



CANNES FILM FESTIVAL: 19TH TO 28TH MAY 2022

The Marché du Film is the film industry's biggest annual get-together for over 12,500 professionals from around the world that happens during Festival de Cannes every year. At the heart of the world's most prestigious film festival, the Marché du Film is a key global event for the world of cinema and ranks as the leading film market for deals. Producers, distributors, sales agents, festival representatives, film institutions, buyers, financiers. The whole industry is represented and brought together to meet, share ideas and make deals.

SEPC led by Mr. Hirachand Dhand, Chairman, Sector head, AVCG and SEPC DG Dr. Abhay Sinha, along with select Industry representatives participated in The India Pavilion at the Cannes Film Festival from 19th to 28th May 2022. The India Pavilion was inaugurated with a video message by Hon'ble Prime Minister Shri Narendra Modi. Shri Anurag Singh Thakur, Union Minister of Information and Broadcasting was present along with other dignitaries. DG, SEPC was part of a panel discussion on AVCG sector at India Pavilion and highlighted the Integrated approach on policy framework on AVCG which could take Branding of India's AVCG sector globally.



DG, SEPC also met Union Minister of I&B Shri Anurag Singh Thakur, Minister of State for I&B Dr L Murugan, Ambassador of India in France and briefed them about SEPC involvement and initiative in AVCG sector including SEPC's event enTTech. Ministers and Ambassador have assured to extend their support in SEPC activities which would help India's commitment to improve the ease of doing business in AVCG sector.



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IN the NEWS

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• The Rajasthan government in June 2022 accorded industry status to the tourism and hospitality sector in the state. In the budget announcement in February, Chief Minister Ashok Gehlot had said the tourism and hospitality sector will be granted industry status. The tourism sector in the state, like everywhere else in the country and the world, was severely affected during the coronavirus pandemic. The sector will be greatly benefited by this announcement by the state government. The grant of industry status means that electricity tariff and some other taxes levied on tourism and hospitality operators would be at par with other industries rather than at the much-higher commercial rates. The CM Mr. Gehlot had said during the budget announcement that these concessions will bring a financial burden of Rs 700 crore a year on the state exchequer.

• Goa, Nainital, Rishikesh, Gangtok and Mount Abu emerged as the top five favoured family summer holiday destinations for Indians this year, according to a survey by travel and hospitality technology platform OYO. As per the study - Summer Vacation Index - Family Edition 2022, 82 per cent of parents felt they had a difficult time juggling work and keeping children occupied during summer breaks. Therefore, they planned a family vacation. The study highlights that over 65 per cent of parents in India intend to plan vacations with their kids this summer, after two consecutive years of lockdowns during summer breaks,” OYO said in a statement. According to the survey conducted in the first two weeks of June taking response from 1,072 respondents, 41 per cent chose Goa as the most sought-after destination for family vacations with kids. The other preferred destinations as per their ranking are Nainital, Rishikesh, Gangtok, Mount Abu, Puducherry, McLeod Ganj and Mahabaleshwar, it added. When it comes to choice of hotels, 58 per cent of the respondents said they would prefer a stay with a swimming pool for kids, while 56 per cent preferred hotels with kids play areas, followed by proximity to water parks, big television in the room, among others. The OYO survey also found that for summer holidays, short leisure trips of about 1-3 days continue to be the preferred duration for this year, followed by a strong preference for a week-long vacation by 38 per cent of the respondents.

• Thomas Cook (India) and its group company SOTC Travel on Monday announced the launch of Vistara Getaways – International, an extension of their ongoing exclusive partnership. The package will include travel from Vistara flights, premium hotel stays, transfers, and sightseeing experiences, the company said in a stock exchange filing. The companies will also offer quick online booking and transaction facilities along with assistance from Thomas Cook & SOTC holiday experts pan India. With a strategic intent to target Vistara’s discerning customers, Thomas Cook & SOTC have handpicked premium global hotel brands including, Dusit Thani in Thailand, Armani Hotel Dubai, Angsana Ihuru and Banyan Tree Vabbinfaru in Maldives, etc,” stated the press release. The launch of this international package comes as a result of the recovering demand and convenience of no visa/easy visa, as per Mahesh Iyer, Executive Director & CEO, Thomas Cook (India) Ltd. Vistara Getaways portfolio offers domestic locations including Kashmir, Himachal Pradesh, Leh-Ladakh, Uttarakhand, Rajasthan, Goa, Andamans, Kerala and the North East, the company said. The products feature exclusive offers on Taj Hotels and The Leela Palaces Hotels & Resorts packages. “Post the successful launch of our Vistara Getaways domestic range last year, we are delighted to extend our partnership with Vistara to international short-haul destinations. We intend to leverage

the strong pent-up demand and convenience of no visa/easy visa destinations to introduce Vistara Getaways for S.E Asia, UAE and Maldives. We have ensured great care in selection of hotels and our product range extends from affordable luxury to premium holidays,” he said.

• GST Council Decides to Rationalise Tax Rates on Certain Goods and Services. The Finance Ministry announced that the government will raise taxes on certain goods and services to 18 per cent from current 12 cent, after the two-day 47th GST Council Meeting that will be made effective from 18 July, 2022. The Goods and Services Tax Council decided to rationalise tax rates on certain goods and services to remove an inverted duty structure, said Finance Minister Nirmala Sitharaman in Chandigarh. Among other things, the GST Council also approved an increase in tax on petroleum and coal bed methane to 12 per cent from 5 percent earlier, besides raising rates for packaged food items. While the GST on e-waster was revised from current 5 per cent to 18 per cent. However, the GST Council took no decision on extending beyond this month the compensation paid to states for revenue lost from the implementation of GST. A final decision is likely to be taken at the next meeting of the council in August. When a nationwide Goods and Services Tax (GST) subsumed 17 central and state levies from July 1, 2017, it was decid-

ed that states will be compensated for any loss of revenue from the new tax for five years. With two years being lost in the pandemic, states have sought an extension of this compensation mechanism. The GST Council also deferred decision on levying a 28 per cent tax on casinos, online gaming, horse racing and lottery pending more consultations with stakeholders, Union Finance Minister Nirmala Sitharaman said.

• The S&P Global India Services PMI increased to 59.2 in June 2022 from 58.9 in May, pointing to the strongest expansion in the sector since April 2011, due to further accelerations in growth of new business and output, amid ongoing improvements in demand conditions. The latest figure also marked the 11th straight month of growth in services activity, buoyed by a substantial pick-up in new business growth as demand strengthened to the best in over 11 years, following the reopening of the economy after COVID-19 lockdowns. Meanwhile, employment increased marginally, after a decline in May. On the price front, input price inflation continued to rise due to higher chemicals, food, petrol, retail and staff costs. Meanwhile, output cost inflation accelerated to a near five-year high, as companies sought to transfer part of their additional cost burdens to clients. Looking ahead, sentiment remained historically low as concerns lingered over inflationary pressures. source: Markit Economics

