

# India Serves

A Monthly Newsletter by

# SEPC

SERVICES EXPORT PROMOTION COUNCIL

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

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## FREE TRADE AGREEMENTS for Services Sector

SERVICES EXPORT PROMOTION COUNCIL

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



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## CENTRAL GOVERNING COUNCIL MEMBER PROFILES

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*(Healthcare services)*
- Mr. Rakesh Kumar Sharma**  
*(Legal services)*
- Ms. Prarthana A Shinde**  
*(Maritime Transport Services)*
- Mr. Shakti Kumar**  
*(Marketing Services)*
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*(Printing & Publishing Services)*
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*(Travel & Tourism Related Services)*

# India Serves

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# MESSAGE From the CHAIRMAN



CA. SUNIL H. TALATI

You are kindly aware that India is negotiating for fresh FTAs and trade concessions with major economies and regional blocs. India has already inked India-UAE Comprehensive Economic Partnership Agreement (CEPA) on 18 February 2022 which is slated to open up a host of opportunities for both the economies. The trade pact is envisaged to increase the bilateral trade in goods from the present levels of US\$60 billion to US \$100 billion over the next five years, and also achieve services trade worth US \$15 billion.

*India is looking forward to conclude FTA negotiations with UK, EU, Australia, Canada, the GCC, the South African Customs Union and Israel in the near future.*

This issue of India Serves focusses on Free Trade Agreements as there is renewed focus on services sector. Trade arrangements are very important for the services industry because unlike merchandise trade where generally simple tariff rates play the role of trade barrier, which can many a times be worked out through production and transportation cost cutting, home country's incentives, etc but services face deeper trade restrictions and cannot be exported even at lower rates if market access is not granted by the destination country. Earlier trade arrangements were used to focus only on the merchandise trade but now seeing the growing importance of services trade in countries' GDP and employment, almost all new trade agreements are considering services trade negotiations.

*We will be adding  
immense value  
to your exports  
endeavour through  
series of activities,  
promotional events  
in India and abroad,  
capacity building  
programmes and  
above all creating  
enabling business  
environment through  
policy initiatives and  
taking up issues of  
concern*

DGFT is in the process of formulating Foreign Trade Policy and we do understand that Services sector exporters are very much concerned whether the services sector will be incentivised on the lines of SEIS or in some other forms. SEPC has been striving hard to suggest alternatives to DGFT. We had a meeting with Hon'ble Minister of Commerce and Industry in the first week of March 2022. Shri Piyush Goel has assured that Services sector will be given its due in new FTP and asked SEPC to suggest outcome oriented (export growth, job creation, new and emerging markets) schemes. Department of Commerce will be mainly focussing on Travel and tourism including hospitality, Healthcare (including MVT), Education, Accounting and Book keeping, AVCG, construction and engineering design consultancy for incentives. We had requested services exporters to send their inputs.

I take this opportunity to make an earnest request services sector exporters to remain associated with SEPC as member. We will be adding immense value to your exports endeavour through series of activities, promotional events in India and abroad, capacity building programmes and above all creating enabling business environment through policy initiatives and taking up issues of concern.

As we all know that with the unfortunate eruption of war between Russia and Ukraine, our business with both the countries has got badly affected and a substantial amount of payment for our exports has got stuck in Russia and Ukraine due to war and sanctions. SEPC is collecting details of the Indian services exporters' payments stuck and would take it up with the government of India on an urgent basis for the best possible solution.

Yours Sincerely

C.A. Sunil H. Talati



SERVICES EXPORT PROMOTION COUNCIL

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.

Facilitates execution of Government Schemes like SEIS.



# Services Covered under SEPC

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



# FREE TRADE AGREEMENTS

## for Services Sector

A Free Trade Agreement (FTA) is an agreement or pact between two or more countries where the countries agree on certain obligations that ease or liberalise trade in goods and services, commerce, transit and investments, etc. FTAs help in facilitation of foreign investment and protection of intellectual property rights, besides other benefits. The main goal of trade agreements is to reduce barriers to exports and facilitate easy flow of goods, services, human resources and investment among FTA partner countries.

Depending on the terms of arrangement agreed on by the participating countries, there are many types of trade agreements. Some of the commonly used categories are as follows;

### Free Trade Agreement (FTA)

A free trade agreement is an agreement in which two or more countries agree to provide preferential trade terms, tariff concession etc. to the partner country. Here a negative list of products and services is maintained by the negotiating countries on which the terms of FTA are not applicable hence it is more comprehensive than preferential trade agreement. India has negotiated FTA with many countries e.g. Sri Lanka and ASEAN.

## Preferential Trade Agreement (PTA)

Preferential Trade Agreement is an agreement under which two or more partners give preferential right of entry to certain products. This is done by reducing duties on an agreed number of tariff lines. A positive list is maintained that is a list of products is exchanged on which the two partners agree to provide preferential access. Tariff may even be reduced to zero for some products even in a PTA. India has signed a PTA with Afghanistan. Comprehensive Economic Partnership Agreement (CEPA)

Partnership agreement is more comprehensive than an FTA as it also covers agreement on the regulatory aspect of trade. CEPA covers negotiation on the trade in services and investment, and other areas of economic partnership such as trade facilitation and customs cooperation, competition, and IPR, etc.

India has signed CEPA with South Korea and Japan.

## Comprehensive Economic Cooperation Agreement (CECA)

Comprehensive Economic Cooperation Agreement is also very comprehensive trade arrangement. However, it is not as comprehensive as CEPA as it covers agreements on trade tariff and TQR rates only.

India has signed CECA with Malaysia.

## Framework agreement

Framework Agreement provides strategic frameworks and principles for dialogue on trade and investment related issues. It serves as a forum to meet and discuss issues of mutual interest with the objective of improving cooperation and enhancing opportunities for trade and investment. It helps understanding the trade potential among partner countries and sets the stage for future liberalisation.

India had signed framework agreements with the ASEAN, Japan etc.

## Early Harvest Scheme

An Early Harvest scheme serves as a precursor to an FTA between two countries to help them identify certain products and services for liberalisation. It helps in strengthening the confidence between the two trading partners. An Early Harvest Scheme is thus a step towards enhanced engagement and confidence building. In early harvest trade deal parties sign off on a set of relatively easily achievable deliverables. Such pacts target specific goals such as tariff reduction and market access on selected goods and services while leaving more contentious topics off the agenda.

India signed an Early Harvest Scheme with UAE.

Presently, India has different level of trade arrangements with over 50 countries at bilateral and multilateral level with different degrees of liberalisation besides its engagement at the WTO. These agreements offer preferential market access and

economic cooperation with varied scope. The following table lists the major bilateral and regional agreements that India has signed and implemented:

Table 1: List of Major Trade Arrangements for India

S.N.	ACRONYM	GROUPING	MEMBER COUNTRIES		FTA/PTA
			#	NAMES	
1	APTA	ASIA PACIFIC TRADE AGREEMENT	6	BANGLADESH, CHINA, INDIA, LAO PDR, REPUBLIC OF KOREA, SRI LANKA.	PTA
2	INDIA ASEAN TIG & AIFTA	INDIA ASEAN TRADE IN GOODS AGREEMENT & FRAMEWORK AGREEMENT ON COMPREHENSIVE ECONOMIC COOPERATION BETWEEN ASEAN AND INDIA	11	BRUNEI, CAMBODIA, INDONESIA, LAOS, MALAYSIA, MYANMAR, PHILIPPINES, SINGAPORE, THAILAND, VIETNAM, AND INDIA.	FTA
3	GSTP	GLOBAL SYSTEM OF TRADE PREFERENCES	42	ALGERIA, ARGENTINA, BANGLADESH, BENIN, BOLIVIA, BRAZIL, CAMEROON, CHILE, COLOMBIA, CUBA, REPUBLIC OF KOREA, ECUADOR, EGYPT, GHANA, GUINEA, GUYANA, INDIA, INDONESIA, IRAN, IRAQ, LIBYA, MALAYSIA, MEXICO, MOROCCO, MOZAMBIQUE, MYANMAR, NICARAGUA, NIGERIA, PAKISTAN, PERU, PHILIPPINES, REPUBLIC OF KOREA, SINGAPORE, SRI LANKA, SUDAN, THAILAND, TRINIDAD AND TOBAGO, TUNISIA, TANZANIA, VENEZUELA, VIETNAM, ZIMBABWE.	PTA
4	SAFTA	SOUTH ASIA FREE TRADE AGREEMENT	7	INDIA, PAKISTAN, NEPAL, SRI LANKA, BANGLADESH, BHUTAN, AND THE MALDIVES	FTA
5	ISLFTA	INDO SRI LANKA FREE TRADE AGREEMENT	2	SRI LANKA, INDIA	FTA
6	IMCECA	INDO MALAYSIA COMPREHENSIVE ECONOMIC COOPERATION AGREEMENT	2	MALAYSIA, INDIA	FTA
7	ISCECA	INDIA SINGAPORE COMPREHENSIVE ECONOMIC COOPERATION AGREEMENT	2	SINGAPORE, INDIA	FTA
8	JICEPA	JAPAN INDIA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENTS	2	JAPAN, INDIA	FTA
9	IKCEPA	INDIA KOREA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENTS	2	SOUTH KOREA, INDIA	FTA
10	IUCEPA	INDIA-UAE COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENTS	2	UAE, INDIA	FTA



Besides these major trade arrangements which have taken the shape of bilateral or multilateral FTAs, CECA and CEPA, there are many other agreements with comparatively limited scope. A list of almost all the trade agreements signed by

India since independence has been given below. Some of these agreements deal only a specific sector, some deal with only goods and some deal with investments and likewise there are more specific areas of agreements.

Table 2: List of all Trade Arrangements signed or being negotiated by India

S.N.	TRADE ARRANGEMENTS	SIGNED ON
1	INDIA-UAE CEPA	19 FEBRUARY 2022
2	INDIA-MAURITIUS CECPA	22 FEBRUARY 2021
3	AGREEMENT ON ECONOMIC COOPERATION BETWEEN INDIA AND FINLAND	MARCH 2010
4	AGREEMENT ON SAARC PREFERENTIAL TRADING ARRANGEMENT (SAPTA)	11 APRIL 1993
5	AGREEMENT ON SOUTH ASIA FREE TRADE AREA (SAFTA)	06 JANUARY 2004
6	ASIA PACIFIC TRADE AGREEMENT (APTA)	1975
7	INDIA SINGAPORE CECA	29 JUNE 2005
8	INDIA MALAYSIA CECA	27 OCTOBER 2010
9	INDIA ASEAN AGREEMENTS	13 AUGUST 2009
10	INDIA AFRICA TRADE AGREEMENT	04 OCTOBER 1986
11	INDIA CHILE PTA	08 MARCH 2006
12	TRADE AGREEMENT BETWEEN INDIA AND ARGENTINA	28 JULY 1981
13	INDIA JAPAN CEPA	16 FEBRUARY 2011
14	INDIA-ECUADOR JOINT ECONOMIC AND TRADE COMMITTEE (JETCO)	09 OCTOBER 2015
15	INDIA AFGHANISTAN PTA	06 MARCH 2003
16	INDIA KOREA CEPA	07 AUGUST 2009
17	INDIA MERCOSUR PTA	25 JANUARY 2004
18	INDIA NEPAL TRADE TREATY	6 DECEMBER 1991
19	INDIA SRI LANKA FTA	28 DECEMBER 1998
20	SAARC AGREEMENT ON TRADE IN SERVICES (SATIS)	DECEMBER 2012
21	AGREEMENT OF TRADE, COMMERCE AND TRANSIT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE ROYAL GOVERNMENT OF BHUTAN	12 NOVEMBER 2016
22	AGREEMENT ON INDIA-ARGENTINA JTC	1981
23	GENERAL TRADE AGREEMENT WITH PERU	1971
24	TRADE AGREEMENT WITH COLOMBIA	1970
25	TRADE AGREEMENT WITH CUBA	1979
26	TRADE AGREEMENT WITH GUATEMALA	1981
27	TRADE AGREEMENT WITH ARGENTINA	1966
28	TRADE AGREEMENT WITH BRAZIL	1968
29	TRADE AGREEMENT WITH CHILE	1956
30	AGREEMENT BETWEEN INDIA AND CROATIA ON ECONOMIC COOPERATION	14 FEBRUARY 2017
31	AGREEMENT BETWEEN INDIA AND UNITED KINGDOM FOR ESTABLISHMENT OF A JOINT ECONOMIC AND TRADE COMMITTEE	13 JANUARY 2005
32	AGREEMENT BETWEEN INDIA AND SLOVENIA ON TRADE AND ECONOMIC COOPERATION	7 DECEMBER 1993
33	AGREEMENT ON ECONOMIC COOPERATION BETWEEN INDIA AND FINLAND	26 MARCH 2010
34	AGREEMENT ON ECONOMIC COOPERATION BETWEEN INDIA AND SLOVAK REPUBLIC	13 DECEMBER 2004

S.N.	TRADE ARRANGEMENTS	SIGNED ON
35	AGREEMENT ON ECONOMIC COOPERATION BETWEEN INDIA AND BULGARIA	12 SEPTEMBER 2007
36	AGREEMENT ON ECONOMIC COOPERATION BETWEEN INDIA AND CZECH REPUBLIC	9 JUNE 2010
37	AGREEMENT ON ECONOMIC COOPERATION BETWEEN INDIA AND ROMANIA	23 OCTOBER 2006
38	AGREEMENT ON TRADE AND ECONOMIC COOPERATION BETWEEN INDIA AND SERBIA AND MONTENEGRO	7 FEBRUARY 2006
39	TERMS OF REFERENCE OF INDIA – NORWAY DIALOGUE ON TRADE AND INVESTMENT	8 JANUARY 2019
40	TRADE AGREEMENT BETWEEN INDIA AND BOSNIA AND HERZEGOVINA	23 APRIL 2002
	OTHER AGREEMENTS/ NEGOTIATIONS	
41	FRAMEWORK AGREEMENT WITH MERCOSUR	17 JUNE 2003
42	FRAMEWORK AGREEMENT WITH CHILE	20 JANUARY 2005
43	FRAMEWORK AGREEMENT WITH GCC STATES	25 AUGUST 2004
44	FRAMEWORK AGREEMENT WITH THAILAND	9 OCTOBER 2003
45	INDIA US TRADE POLICY FORUM JOINT STATEMENT	26 OCTOBER 2009
46	INDIA AND AUSTRALIA JOINT FREE TRADE AGREEMENT FEASIBILITY STUDY	APRIL 2008
47	INDIA BANGLADESH TRADE AGREEMENT	21 MARCH 2006
48	INDIA CEYLON TRADE AGREEMENT	28 OCTOBER 1961
49	INDIA DPR KOREA TRADE AGREEMENT	FEBRUARY 1978
50	INDIA EU STRATEGIC PARTNERSHIP JOINT ACTION PLAN	7 SEPTEMBER 2005
51	INDIA INDONESIA JOINT STUDY GROUP REPORT	15 SEPTEMBER 2009
52	INDIA MALDIVES TRADE AGREEMENT	31 MARCH 1981
53	INDIA MONGOLIA TRADE AGREEMENT	22 FEBRUARY 1994
54	INDIA NEW ZEALAND JOINT STUDY REPORT	30 MARCH 2009
55	INDIA UNITED STATES COMMERCIAL DIALOGUE	23 MARCH 2000
56	JOINT COMMUNIQUE FOR SETTING UP THE INDIA RUSSIA JOINT TASK FORCE	13 FEBRUARY 2008
57	MOU AND MODE OF OPERATION BETWEEN INDIA AND BANGLADESH FOR ESTABLISHING BORDER HAATS ACROSS THE BORDER	23 OCTOBER 2010
58	MOU BETWEEN INDIA AND INDONESIA ON THE ESTABLISHMENT OF BIENNIAL TRADE MINISTERS' FORUM	25 JANUARY 2011
59	MOU BETWEEN INDIA AND VIET NAM ON THE RECOGNITION OF VIETNAM AS A FULL MARKET ECONOMY	25 OCTOBER 2009
60	MOU ON ESTABLISHMENT OF BORDER HAATS ACROSS THE BORDER BETWEEN INDIA AND MYANMAR	28 MAY 2012
61	MOU ON ESTABLISHMENT OF JOINT TRADE COMMITTEE BETWEEN INDIA AND MYANMAR	14 JULY 2003
62	MOU ON ESTABLISHMENT OF JOINT TRADE COMMITTEE WITH BRUNEI	22 MAY 2008
63	MOU ON ECONOMIC COOPERATION BETWEEN INDIA AND COSTA RICA	15 APRIL 2013
64	MOU ON ECONOMIC COOPERATION BETWEEN INDIA AND ECUADOR	20 JUNE 2000
65	FIVE-YEAR DEVELOPMENT PROGRAM FOR ECONOMIC AND TRADE COOPERATION BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND THE REPUBLIC OF INDIA	SEPTEMBER 18, 2014
66	MOU ON ECONOMIC AND TRADE COOPERATION SIGNED BETWEEN INDIA AND VIETNAM	
67	MOU WITH COLOMBIA	09 SEPTEMBER 2019
68	AGREEMENT OF COOPERATION WITH NEPAL TO CONTROL UNAUTHORISED TRADE	28 OCTOBER 2009

## Services Trade, GATS and FTAs

The creation of the GATS was one of the landmark achievements of the Uruguay Round at WTO. The results of the negotiations entered into force in January 1995. The GATS was inspired by essentially the same objectives as its counterpart in merchandise trade, the General Agreement on Tariffs and Trade (GATT).

All WTO members are at the same time members of the GATS and, to varying degrees, have assumed commitments in individual service sectors. GATS was indeed an important milestone in the journey of liberalisation of trade in services. Before GATS, services trade policy and services trade related negotiation was a challenging task due to the absence of proper classification and definition of the services sectors and unstructured and untapped flows of services supply.

### The GATS classified the services trade flows into four modes of supplying services:

1. **Cross-border supply:** It is defined to cover services flows from the territory of one member into the territory of another member (e.g. banking or architectural services transmitted via telecommunications or mail);
2. **Consumption abroad:** It refers to situations where a service consumer (e.g. tourist or patient) moves into another member's territory to obtain a service;
3. **Commercial presence:** It implies that a service supplier of one member establishes a territorial presence, including through ownership or lease of premises, in another member's territory to provide a service (e.g. domestic subsidiaries of foreign insurance companies or hotel chains); and
4. **Presence of natural persons:** It consists of persons of one member entering the territory of another member to supply a service (e.g. accountants, doctors or teachers). The Annex on Movement of Natural Persons specifies, however, that members remain free to operate measures regarding citizenship, residence or access to the employment market on a permanent basis.

### Obligations contained in the GATS are categorized into two broad groups:

- General obligations that apply to all members and services sectors
- Specific obligations that apply only to the sectors inscribed in a member's schedule of commitments. Such commitments are laid down in individual schedules whose scope may vary widely between members.

Specific obligations are committed under two broad heads; Market access and National treatment.

- **Market access:** Market access is a negotiated commitment in specified sectors. It may be made subject to various types of limitations. For example, limitations may be imposed on the number of services suppliers, service operations or employees in the sector; the value of transactions; the legal form of the service supplier; or the participation of foreign capital.
- **National treatment:** A commitment to national treatment implies that the member concerned does not operate discriminatory measures benefiting domestic services or service suppliers. The key requirement is not to modify, in law or in fact, the conditions of competition in favour of the member's own service industry. Again, the extension of national treatment in any particular sector may be made subject to conditions and qualifications.



Sector or Subsector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Sector Specific Commitments			
I. Business Services	1. Unbound		
A. Professional Services	2. Unbound	1. Unbound	
a) Engineering Services (CPC 8672)	3. Only through incorporation with a foreign equity ceiling of 51 per cent	2. Unbound	
	4. Unbound except as indicated in the horizontal section	3. None	
		4. Unbound except as indicated in the horizontal section	
B. Computer and Related Services			
a. Consultancy related to the installation of computer hardware (CPC 841)	1. Unbound	1. Unbound	
b. Software Implementation Services (CPC 842)	2. Unbound	2. Unbound	
c. Data Processing Services (CPC 843)	3. Only through incorporation with a foreign equity ceiling of 51 per cent	3. None	
	4. Unbound except as indicated in the horizontal section	4. Unbound except as indicated in the horizontal section	

signed FTAs with schedule of commitments for services sectors with 10 ASEAN countries under INDIA-ASEAN FTA, and with South Korea, Japan, Singapore, Malaysia and Mauritius at bilateral levels. The details of the India-UAE FTA are not available in the public domain yet. Also, India is actively negotiating FTAs with EU, UK and Canada and we may soon have bilateral services trade commitments with these countries.

Free Trade Agreements or services trade liberalisation at bilateral and multilateral levels is very important for easy flow of services supply among countries. It helps not just in getting market access but also national treatment in the foreign markets. Some of the major entry restrictions or trade barriers faced by services exporters in the foreign markets are as follows;

- Most schedules consist of both sectoral and horizontal sections. The “Horizontal Section” contains entries that apply across all sectors subsequently listed in the schedule. Horizontal limitations often refer to a particular mode of supply, notably commercial presence and the presence of natural persons. The “Sector-Specific Sections” contain entries that apply only to the particular service.

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# IN the NEWS

№123456789

- Around 21.5 million people, involved in the tourism industry, have lost their jobs due to the three waves of COVID-19 that first hit the country in early 2020, Union Tourism Minister G Kishan Reddy said on Monday. Reddy said tourist arrivals in the country were down by 93 percent during the first wave of COVID-19 outbreak, 79 percent in the second wave and 64 percent during the third wave. (Economic Times)
- With the pandemic ebbing away, the Centre on Tuesday restored the five-year e-tourist visas for people from 156 countries. The move is aimed at boosting tourism, which has suffered the most during the pandemic. Sources said that not only would foreigners be allowed to apply for fresh e-tourist visas but existing five-year visas will also be honoured now. Five-year visas allow foreigners multiple entries to India over the period. With tourist visas, foreigners can stay in India for up to 180 days in a year provided one stay is not longer than 90 days. (Indian Express)
- Green, and digital tourism will be the government's key focus areas over the next decade, as per the draft National Tourism Policy. Besides, the government has also identified factors that hamper the growth of the tourism sector in the country. These include 'perceptions related to safety and security', and weak engagement between the Centre and the states. Steps will be taken to address these issues, say officials from the Ministry of Tourism. (Indian Express)
- Two years after international travel was suspended due to the Covid-19 pandemic, the Union government has decided to restore all categories of tourist visas for foreign nationals and also issue fresh visas with immediate effect. The government has already decided to allow regular international flight operations, which were suspended since March 23, 2020 due to the Covid-19 pandemic. (Hindustan Times)

- The Union government is looking to promote India's medical facilities and infrastructure under a new 'heal in India' campaign, with plans to standardise processes and treatment packages for foreign nationals. The initiative is meant to reframe the industry to steer away from the connotations that come with the tag medical tourism, officials said. (HT)
- Days after the report of the Intergovernmental Panel on Climate Change (IPCC) about disastrous consequences of environmental factors on Indian agriculture, the Indian Agricultural Research Institute (IARI) will join hands with a private firm -- for the first time -- to build a marketplace for trading in carbon credits for farmers in the country. "GrowIndigo India Ltd", which is a collaborative effort between leading agriculture firm Mahyco and Indigo Ag, is executing a project with the IARI and International Wheat and Maize Improvement Centre (CIMMYT) (Business Standard)
- The Russian invasion of Ukraine roiled financial markets across the world, and the European carbon credit market was no exception. As the price of oil surged, carbon credit prices plummeted. After the invasion, the European Union Allowance (EUA) crashed, going from €95 per metric tonne to €55/t in five days, a 35% drop in value, according to Refinitiv. (CNBC)

- 5,907 businesses registered with the MSME ministry as micro, small and medium enterprises were shut during financial years 2020-21 and 2021-22 (till March 9, 2022) in the country, according to the government data. During FY21, 330 MSMEs got shut down. These included 155 Udyog-Aadhaar-Memorandum (UAM) registered units that were shut during April-June 2020 period and 175 Udyam-registered units between July 2020 and March 2021. UAM registration portal for MSMEs was replaced by Udyam Registration in July 2020. In the current financial year, the number of MSME closures jumped nearly 17x to 5,577 Udyam entities. (Financial Express)





## EVENTS & ACTIVITIES

### Meetings:

- SEPC members participated in an Industry Interactive meeting with Shri Piyush Goel, Hon'ble Minister of Commerce and Industry on 5th February 2022 organized by DGFT at the Bombay Stock Exchange, Mumbai. The objective of the meeting was to discuss both macro-economic and micro economic concerns, looking at inclusive development. The Minister exhorted the merchandise and services sector to go for a race to the top. The services sector which stands at \$240 billion should aim to reach \$ 1 trillion, he said.
- A virtual discussion with select members of entertainment and Audio/Visual sector held on 5th February 2022. The objective of this discussion was to brainstorm in the area of global potential, policy framework, short/long term incentives, best practices and the expectation of upcoming Foreign Trade Policy.
- Meeting with DGFT on 7th February 2022 to put forward the observations and queries received from SEPC members with regard to issues while applying on line in DGFT's new RCMC web portal.
- Virtual discussion meeting on the Architectural Services held on 9th February 2022 to address the sector and create awareness among members and non-members about the services which SEPC can render them in pursuit of their export endeavour.
- Meeting with Delhi State Industrial and Infrastructure Development Corporation (DSIIDC) was held on 11th February 2022 to discuss about a road map for making Delhi State a HUB in Medical Value Tourism for National and International visitors. SEPC will take a lead role in all initiative of DSIIDC with its full support.
- Meeting with Mr Tsuchiya Takehiro, Counsellor, Economic Section, The Embassy of Japan in India, happened on 14th February 2022 to discuss the different problems, roadblocks which might be hampering the optimum working of the entrepreneurs and add value to the challenges on growth not only in respect of the business but also for stronger ties between the two countries.
- Virtual discussion meeting with Industry experts on Market Research was held on 15th February 2022 to discuss the immense potential that exists for Market Research segment in India.
- Meeting with Mr Rakesh Kumar Verma, Additional Secretary, Ministry of Tourism held on 18th February 2022 to discuss about the Draft Tourism Policy and get the suggestions and guidance on SEPC's involvement in making India as a Global Tourism Hub through SEPC's Hotel & Tourism related events in 2022 – 2023.
- Virtual discussion meeting with Consulting Engineers Association of India held on 28th February 2022 to discuss the details of incentive schemes in any form to promote and enhance exports of respective services sectors in other countries and also to get suggestions for upcoming FTP for construction and engineering services.
- SEPC represented on the 11th meeting of the Committee Travel, Tourism and Hospitality Related Services Sectional Committee, SSD 02 on 28th February 2022.

# SEPC in the NEWS

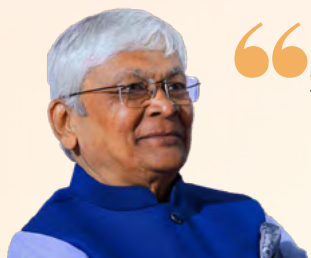


SERVICES EXPORT PROMOTION COUNCIL  
(Setup by Ministry of Commerce & Industry, Govt. of India)  
www.servicsepc.org



## India & UAE Sign Historic Trade Pact

Comprehensive Economic Partnership Agreement (CEPA)



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SEPC thanks the Hon'ble Prime Minister of India for signing India - UAE Comprehensive Economic Partnership Agreement (CEPA)

— CA Sunil H. Talati  
Chairman, SEPC

### India-UAE CEPA

- CEPA to increase bilateral trade to over \$100 billion in next 5 years.
- 3.5 million Indian expatriates live in the United Arab Emirates which is about 30% of UAE's population (2020).
- UAE is the largest source of foreign remittances for India with more than 20 billion USD of remittances in 2021.
- Many Indian universities have offshore campuses in UAE.
- Many Indian hospitals have branches in UAE
- More than 80 schools in the UAE follow the Indian Curriculum.

#### JOIN SEPC & EXPLORE GLOBAL BUSINESS OPPORTUNITIES IN SERVICES SECTOR

- TRADE INTELLIGENCE
- EXPORT DEVELOPMENT
- EXPORT PROMOTION
- ENABLING BUSINESS ENVIRONMENT

- The Agreement to come into effect on May 1st, 2022.
- CEPA covers 11 service sectors and over 100 sub-sectors, which include business services (professional services, accounting, real estate, and advertising, among others), telecommunications, construction services, educational services, financial and insurance services, social and health services, travel and tourism services, entertainment, cultural and sports services and transport services.
- CEPA to benefit SMEs in both countries.
- India-UAE CEPA with services and digital trade chapters would further increase trade in services between the two nations. Nearly 90% of India's exports to get duty free access to the Emirates.
- For India, the CEPA agreement is expected to give market access to the entire West-Asia and Africa regions in sectors such as gems and jewellery, textiles, leather goods and software exports through UAE.



## Webinars

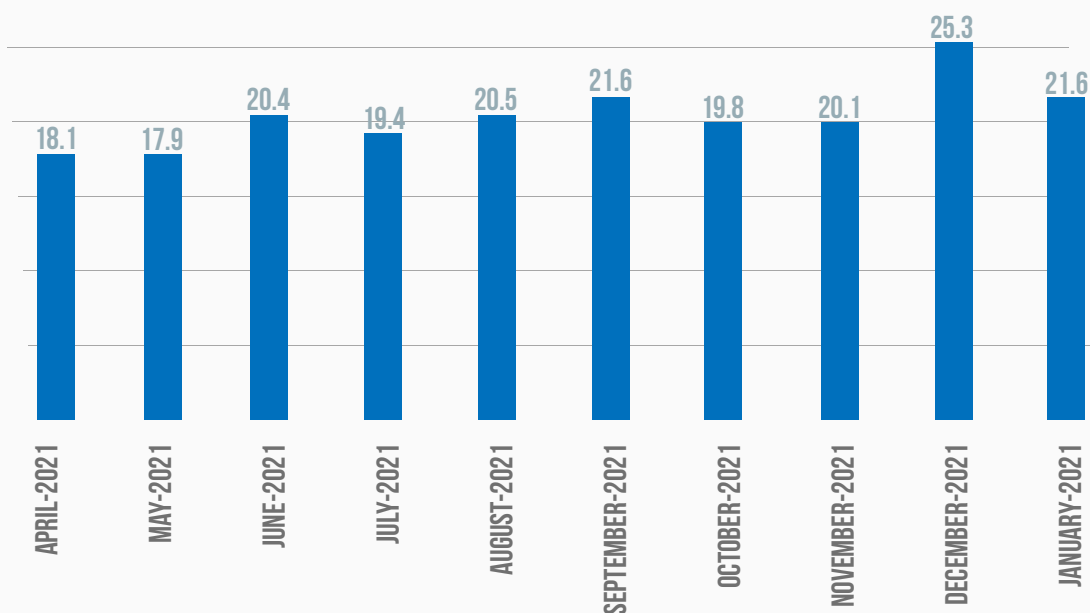
- A webinar on “Post Budget Analysis” was organized on 3rd February 2022 to discuss the budget provisions and its impact on services exports on the course of achieving 1TRN USD by 2030.
- A virtual programme on “Awareness and Access to MAI” was organised on 19th February 2022 to create awareness of how the scheme is formulated on focus product – focus country approach to evolve specific market through survey / study and enhancing the exports through accessing new markets or through increase the share in the existing market.

## SERVICES TRADE DATA



### Monthly Services Exports Data for the FY 2021-22

SERVICES EXPORTS (BILLION USD)



Source: Reserve Bank of India

Note: Monthly data on services are provisional and are likely undergo revision when the Balance of Payments (BoP) data are released on a quarterly basis

