

**Question No.5 Write short notes on the following:
(c) India's export of services**

Solution: The Services Sector is considerably important in the Indian economy. Nearly 41 per cent of its GDP is accounted for by services. It is expected that this sector would reach the 50 percent share in GDP mark soon. Services export is expected to be 113rd of the merchandise exports. India's exports of services had been \$9.3 billion and its merchandise exports \$32.2 billion in 1997. Its share in the world services market is 0.5 per cent. Now it is expanding by 16 percent per annum. It is, however, estimated that growth will be around 26 percent. It has been growing at a faster rate compared to other sectors. Look at Table given below which shows growing export of services from India. It has increased from 3719 million dollar in the year 1988 to 11067 million dollar in the year 1998.

Table: India's Export of Services

(US \$ Million) Year	Value
1988	3719
1989	4092
1990	4609
1991	4905
1992	4893
1993	5034

Source: WTO Annual Report, 1999.

The Government policy must aim at promoting services. There are a number of suggestions made by trade and industry to the Government. In the following section, a few suggestions of trade and industry have been highlighted:

1. Aggressive marketing strategy should be adopted for export of services from India.
2. There is need for setting Export Promotion Councils for different services.
3. Procedural simplification has to be effected.
4. Export facilities should be granted like giving concessional export finance to the exporter of services.
5. In the WTO, there should be time-bound commitment for movement of persons.