

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2188
TO BE ANSWERED ON 01st JANUARY, 2018

PROMOTION OF SERVICE SECTOR

2188(H). SHRI RAM KUMAR SHARMA:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- whether the service sector has developed as an industry across the world including India;
- if so, the reaction of the Government thereto;
- whether various countries across the world have taken actions for creating hurdles in their respective countries in the way of expansion of the said sector;
- if so, the details thereof along with the reaction of the Government thereto; and
- the measures taken by the Government in removing these hurdles along with the success achieved in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) & (b) Services are the growing frontier of global trade. In terms of contribution towards GDP, FDI, exports and employment generation, services are becoming a dominant driver of economic growth, both in developed and developing countries. The following table illustrates the importance of services sector:

Growing share of Services in the World Economy		
2014	India	World
Share of Services in GDP	52.1%	70.5%
Trade in Services as a share of GDP in 2009 and 2014*	12.7% and 14.8%	11.8% and 13.2%
Higher buoyancy in growth of services exports	Service (5%), Goods (2%)	Service (4%), Goods (1%)
Share in Employment	28.7%	50.9%
<i>Source – World Bank and *WTO database</i>		

(c) to (e) It may be mentioned that Software Services is a dominant service export from India. The Economic Survey, 2016-17 has stated that misconstruing mobility of skilled people as an immigration issue is a deterrent of growth of IT-BPM Global business resulting in many barriers to free movement of skill of data in the major markets. Countries like USA, UK, EU and Australia have introduced various changes that are obstacles for Indian companies to export services from India. India has taken up these issues with respective countries under aegis of various institutional mechanisms.
