

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3926
ANSWERED ON:20.03.2015
CONTRIBUTION OF SERVICE SECTOR
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the rate of contribution of service sector to the growth rate of country's economy and its contribution in world's service export is on decline;
- (b) if so, the reasons therefor indicating the contribution of service sector to the growth rate of country's economy and in world's service export;
- (c) the hurdles being faced by the service sector in the country; and
- (d) the steps taken by the Government to remove the hurdles being faced by the sector, to boost its growth rate and its contribution in world service export?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

a) & (b) As per Economic Survey 2014-15, according to the new series (base year 2011-12) of National Account Statistics of Central Statistics Office (CSO), Indias Services Sector has grown as under :

Year	Growth in Gross Value Added (GVA) in Constant (2011-12) Basic prices (%)	Share of Services in GVA (%) (GVA at basic prices)
2012-13	8.0	50.0
2013-14	9.1	51.3
2014-15	10.6	53.0

Advance Estimate for 2014-15.

As per World Trade Report of WTO (2014, 2013 and 2012), the share of India's commercial services exports in total exports of services is given below:

Year	Share (%)
2011	3.6
2012	3.4
2013	3.2

Source :WTO

Both external and domestic factors are responsible for slowdown in Indian exports of services.

(c) & (d) There are many challenges, need for reforms and improving domestic regulations in services. In order to promote trade in services, Government of India follows a multi pronged strategy of negotiating meaningful market access through multilateral, plurilateral and bilateral trade agreements, trade promotion through participation in international fairs/exhibitions, focussed strategies for specific markets and sectors, increasing competitiveness through reforms and provision of fiscal benefits through schemes like Served from India Scheme (SFIS).