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Ministry of Commerce and Industry
DEPARTMENT OF COMMERCE
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SERVICES EXPORT PROMOTION COUNCIL
(Set up by Ministry of Commerce and Industry, Government of India)
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International Chamber for Service Industry
Empowering Service Industry
(Govt. - Corporate - NRI's Business Interface)



NORTH EAST (INDIA) CLMV (ASEAN)

Cambodia, Laos, Myanmar & Vietnam

BUSINESS SUMMIT

Potential of Service Sector - Catering to Domestic
and International Demands

FOLLOW UP CONFERENCE

Fri-Sat, 24-25 March 2017, Guwahati (Assam)



Special Education Zone



SERVICE INDUSTRY: GLOBAL

Today, with increasing globalisation, industrialisation and shrinking boundaries due to information technology, the scope to provide services is ever so increasing. The service sector is fast emerging as the top contributor to income of countries, GDPs, besides contributing and promoting trade, exports, foreign direct investments (FDI) inflow and employment.

Services sector is the largest sector globally. At a worldwide level, services now make up almost as much as 60-65 per cent of the global economy. About 30 countries receive more than 80 per cent of their GDP from the services sector.

The World Economics Global Services industry continued to grow at a modest pace in January 2017. The Sales Managers' Index (SMI) recorded in January 2017

is 54.2, indicating strong but slow growth rate of the service sector globally. The index is a composite indicator derived from the averages of Business Confidence, Market Growth, Sales Output, Prices Charged and Staffing Levels. Business confidence & Sales of consumer goods and services remained strong in January signalling that sales managers expect business conditions to remain favourable in the coming few months. Sales of consumer goods and services are now at the highest level for 12 months with a Sales Growth Index reading of 57.5 in January. Price rises for services remain low but with steady levels of growth evident. Overall the Global Services sector will continue as the main driver of global growth at the start of 2017.

SERVICE INDUSTRY: CLMV (ASEAN)

ASEAN is the fast expanding trade bloc in Asia with the growing economic clout. With a combined population of more than 620 millions, ASEAN's aggregate economy surpasses US\$2.5 Trillion. Trade and Investments has played a key role in spurring GDP growth in many ASEAN economies.

ASEAN is on its way to becoming the 4th largest economy by 2050. It is India's fourth largest trading partner, accounting for 10.2% of India's total trade, while India is ASEAN's 7th largest trading partner. Total bilateral trade increased more than threefold from US\$21 billion in 2005-06 to US\$65 billion in 2015-16. India's exports to ASEAN increased from U.S. \$ 10.41 billion in 2005-06 to U.S. \$ 25.20 billion in 2015-16 and imports over the same period quadrupled from U.S. \$ 10.81 billion in 2005-06 to U.S. \$ 39.84 billion. This reflects a compound annual growth rate (CAGR) of about 9.2 per cent in exports to the ASEAN region and close to 14 per cent per annum growth in imports during 2005-06 to 2015-16. Concomitantly, India's trade deficit with the ASEAN surged from US\$0.5 billion in 2005-06 to US\$14.6 billion. In terms of market share, share of imports in India's total imports from ASEAN went up from 7.3 % in 2005-06 to 10.5 % in 2015-16, over the same period share of exports to ASEAN in India's total exports fell from 10.1 % to 9.6%.

CLMV Countries (Cambodia, Laos, Myanmar and Vietnam) are an integral part of the Association of South East Asian Nations (ASEAN) region, covering 32 percent of its geographical area, and accounted for around 7.05 percent of its gross domestic product in 2015. These countries have been undergoing economic transition from central planning to market economy, from inward looking to outward oriented economic development strategies and policies.

Country	Currency	Population (Millions)	Area (sq. km)	GDP Nominal (\$ Millions)	GDP Nominal (per Capital USD)	GDP PPP (\$ Millions)	GDP PPP (per Capital USD)	Growth Rate (per cent)	India- CLMV Merchandise Trade (2015-16)		
									Exports (\$ Millions)	Imports (\$ Millions)	TD (\$ Millions)
Cambodia	Cambodian Riel	15.54	181	17,714	1,140	54,174	3,486	7.1	143	54	89
Laos	Loatian Kip	7.03	236.8	12,548	1,785	37,499	5,335	7	38	180	-142
Myanmar	Burmese Kyat	51.85	676.6	65,775	1,269	267,736	5,164	8.2	1068	984	84
Vietnam	Vietnamese Dong	91.58	331	198,805	2,171	551,256	6,020	5.9	5270	2560	2710
ASEAN		628.78	2387.3	2,45,381	3,911	6,913,881	10,996	4.9	25195	39843	-14648

Source: World Economic Outlook Database, 2015, OECD Development Centre, MPF-2016 (Medium-Term Projection Framework), Department of Commerce, Government of India

SERVICE INDUSTRY: INDIA

India stood 22nd among 60 countries shortlisted based on a composite performance ranking of key data reflecting business performance, economy and quality of life: Best Countries Report 2016. The 60 countries were selected based on a composite performance ranking of key business, economic and quality of life data.

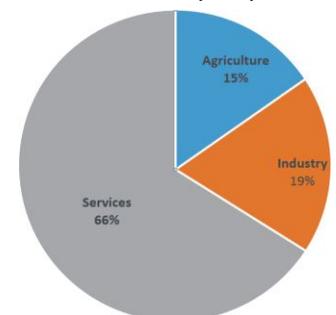
In the services landscape India has pride of place as the fastest-growing service sector nation globally. The share of India's services exports in global services exports, at 3.2 per cent in 2014-15, was nearly double that of its merchandise exports in global merchandise exports at 1.7 per cent.

Services remain the key driver of India's economic growth, being the backbone for steady and robust progress.

The sector contributed 66.1 per cent of the gross value added growth in 2015-2016. It is also a major source of employment, with about 28 per cent of the workforce deriving livelihood from this occupation.

The services sector is hugely diverse and caters to a wide set of skill and technology levels, from activities such as trading, education and health and wellness to sectors such as retail, financial services, space research, IT, and media and entertainment. Given India's favorable demographic profile and growing education and skill attainments, the global services market offers big potential for India.

Service Industry Gross Value Added (GVA) in India



The economy of India is the tenth-largest in the world by nominal GDP and the third-largest by Purchasing Power Parity (PPP)

Source: The Economic Survey Report, 2015-16

SERVICE INDUSTRY: NORTH EAST REGION (INDIA)



North-East India comprises of the 7 contiguous States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura) and Sikkim covers 8 per cent of India's land and 3.1 per cent of India's population is the country's Gateway to South East Asia. The integration and development of the region is critical for India's continued progress. North Eastern Region is unique in terms of the economic opportunities it offers. About 98 per cent of the region's borders form India's international boundaries; it shares borders with China, Bangladesh, Bhutan and Myanmar. Given its strategic location, the region is apparent that any development strategy for the region must necessarily include strategies for collaboration; and connectivity.

According to the Study on Development and Employment Generation Potential of the North- Eastern States, between 2011 and 2021, the region will have only 2.6 million jobs and half of this demand will be in Assam alone, which is about 1,234,357 jobs. As opposed to the low demand, there will also be a supply of 17 million people in 2011-2022, an excess of 14 million job seekers. So there is a need for a twin approach for developing skills for both local Employment and Entrepreneurship for those who seek to migrate. With recent liberalization in the field of trade in services, Government of India has laid special emphasis on the economic trade and development in the North Eastern region.

ECONOMY US\$ 44.20 BILLION OPPORTUNITY

States	Growth Rate(%)	GDP(\$ Millions)	Sector Wise GDP(%)			Services 2013-14 (\$ Millions)
			Agriculture	Industry	Services	
Arunachal Pradesh	4.8	2200	28.2	32	39.8	686.05
Assam	6.9	24000	23.8	23.5	52.7	13489
Manipur	7.1	2150	25	27.5	47.5	1133.94
Meghalaya	8.9	3380	14.9	31.4	53.7	1811.55
Mizoram	10.1	1500	19.4	20.1	60.4	820.02
Nagaland	5	2700	27.5	17.2	55.4	1736.14
Sikkim	7	1830	8.1	58.9	33	548.67
Tripura	8.6	4070	23.2	26.7	50.1	2368.97

Sources: *Planning Commission, Government of India, Centre for Monitoring Indian Economy, Government of India, Department of Industrial Policy and Promotion, 2013, state statistics, NITI Aayog, Retrieve Oct 2016
NE Basic Statistics 2015

Services industry accelerates the process of development through quality improvement and enhancement with efficiency of productivity and developmental activities. Service sector is the lifeline for the social economic growth of a country especially in the North East Region of India with its difficult terrain. The NER's economy benefits from its geographical location as it prospers on services provided by industries like Tourism, Hospitality, Retail, Health Wellness, Media Entertainment, Handloom, Handicrafts etc. The influx of tourists in this region illustrates the contribution of services industry.

ACT EAST POLICY

Commerce, Culture & Connectivity are the three major pillars of North East India's robust engagement with Asia. North East India is home to 45 million people and is surrounded by 5300 kms of international borders, which could easily be India's portal to the east. Given its geographic position, the richness of natural resources and the increasing focus on engaging with the east, the region could very well become the new growth engine for the country. India's North East Region (NER) is endowed with huge untapped natural resources and is acknowledged as the eastern gateway for the country's 'Act East Policy'.

Northeast India shares 98 per cent of its border with Bhutan, Bangladesh, China, and Myanmar; thus should be seen as a huge trade and commerce opportunity, besides fostering relations with ASEAN including CLMV region.

TRADE & INVESTMENT BETWEEN INDIA AND CLMV (ASEAN)

India's trade with the CLMV countries has grown faster than its trade with ASEAN as a whole. Bilateral trade between CLMV and India has grown from US\$ 0.46 billion in 2000 to US\$ 4.97 billion in 2010 to US\$ 11.85 billion in 2014, thus registering an annual growth of 24% during the period 2010 and 2014, against a growth rate of 10% with ASEAN. Today, India's trade with CLMV contributes about 16% of India's trade with ASEAN, up from 6% in the year 2000. Compared to the ASEAN 6, India's FDI in CLMV countries has been rather low, and mostly directed to Vietnam. India has 93 projects in Vietnam with a total investment of about US\$ 1 billion. Indian enterprises are expanding their footprints in the CLMV countries in areas such as agriculture, agro-processing, agro-chemicals, mining, oil and gas, energy, healthcare, IT, skill development and textiles.

Looking ahead, Indian entities could play a major role in training the young workforce of CLMV countries for employment in key sectors like manufacturing. Besides, Indian expertise in agribusiness and horticulture will be of direct relevance to CLMV countries where agriculture contributes a major part of their GDP. There is also immense scope for Indian investments in the energy sector in the CLMV economies. Bilateral business partnerships between India and the CLMV countries will intensify as economies integrate with the global value chains.

KEY SERVICE SECTOR FOR NER (I) - CLMV (ASEAN) - DELIBERATIONS

HIGHER EDUCATION-NER(I) COLLABORATIONS WITH CLMV-SERVICES EXPORTS

The North-East has a number of quality education institutions and has the potential to emerge as a hub for education. The region has 40 universities and deemed universities, 11 Medical Colleges, over 40 engineering colleges, 31 poly-techniques, one IIM, one IIT, Tata Institute of Social Sciences and a large number of colleges and other institutions. A number of cities have already emerged as hubs of quality education and the institutions offer education in a large number of specialised fields.

The CLMV countries have a growing demand for quality education. This provides the region an opportunity to position itself as a hub for quality education in the entire sub region. The prevalence of English as the general medium of instruction gives the region an added edge over many of the neighbouring countries.

The focus will be on attracting students from the CLMV countries and other regions and also needs to be positioned NER(I) as a destination for investments in the education sector. While a number of private sector investments have already materialised, there is a potential for even greater investments. Also there is great opportunity for the existing institutions and universities to collaborate with other such institutions outside the region.

- Conventional Higher Education
- Infrastructure Development
- English and Foreign Language Training
- Skills Enhancement
- Quality with Technology (Growth of Private Sector)
- Teacher Empowerment
- Joint Research between NER (I) CLMV(ASEAN)
- Distance Education
- Digital Education
- Capacity Building Projects
- Role of Technology
- Training and Development
- Inflow of Foreign Students
- Employment and Entrepreneurship leading to manpower export

MEDICAL SERVICES - HEALTH WELLNESS-HERBAL

India is one of the most bio diverse countries in the world. All known types of agroclimatic, ecologic and edaphic conditions are found within the nation. There are about 426 biomes representing different habitat diversity that gives rise to one of the richest centers in the world for plant genetic resources. It has one of the world's richest medicinal plant heritages. About 8000 species of plants are used in local health cultures for human, veterinary and agriculture related applications. Around 1800 species are systematically documented in the codified Indian Systems of Medicine.

South-Eastern Asia does possess age old traditional systems of indigenous medicines. India, Tibet, China and Myanmar have a rich traditional system of diagnosis of ailments and usage of medicines to treat those ailments. All these systems have their presence in the Northeastern states due to ethnic similarity and cross-culture. All types forests and vegetation are found in NER, which are home to numerous plants and animals. Specially, the region exhibits the richest diversity in orchids, zingibers, yams, rhododendrons, bamboos, canes and wild relatives of cultivated plants. Emphasising on the importance of Indian medicinal system Ayurveda, Sh. Jitendra Singh, Development of North Eastern Region Minister (DoNER) Minister mentioned, **"The northeastern region has huge potential for the organic products which have huge health benefits. This unexplored potential needs to be explored."** Government is giving priority to tap this potential of the northeast as well as placing high priority on the people's health. This will be helpful in tapping the natural organic resources for the health benefit of the citizens.

In India, the medicinal system developed was Ayurveda. It is perhaps the oldest (2000 BC) among the organized traditional medicine. Ayurveda is a holistic system of healing and is widely practiced across the globe. Ayurveda accounts for more than 80 percent of the user profile of traded medicinal plants. The other systems of medicine under the Indian Systems of Medicine are Unani and Siddha. Siddha accounts for 57 percent of usage of traded medicinal plants whereas Unani accounts for 52 percent usage.

ICSI Recommendations: Vision for North East Region (I) contributing to CLMV (ASEAN) & Global Demands

1. Incentive based education policy for augmenting Higher Education Infrastructure
2. Creating a knowledge network with predominant focus on personalized and adaptive learning blended education, continuous assessments, multi-format simulations and practice environment should be priority.
3. Online platforms and Mobile Apps to be leveraged for life long learning and in-service training programs
4. Enabling Joint Research, Faculty Exchange, Student Exchange, organizing various Cultural Exchange Programs with focus on Human Resource Development beyond Employment and Entrepreneurship in NER (I) with CLMV (ASEAN).
5. To Create New Paradigms / Models of Higher Education which Focuses on Creativity, Innovation and Optimum Utilization of Technology while equipping educators / Teachers / Trainers
6. To Foster Cross Functional Knowledge and Communication while imparting interdisciplinary integrated study program with focusing on Quality
7. To consider dual certificate / degree program with Foreign and Indian Universities with Credit Transfer
8. Creating awareness, career opportunities available overseas from time to time while removing inhibitions or psycho barriers.
9. Running various language courses, Soft skills and Inter Personal Skills programmes to make the youth ready for taking up employment overseas.
10. Monitor the Training needs for Nurses for going abroad while meeting the global standards
11. Capacity Building of Nursing Training Institutes
12. Strategic Investments in Nursing Training Institutes by Govt. and Private sec.
13. Language Training as an Integral Part of the Nursing training curriculum - English and Foreign
14. To bring in parity in terms of certification/qualification/pre requisites for taking up assignment abroad
15. Regular interaction/interface/ deliberations/evaluations on manpower export by concerned ministries at the inter ministerial meets with lead role of Min. of Commerce & Industry dept, service exports division.
16. Setting up a centre of Excellence in Training and Development, English Language Centre, Entrepreneurship Development Centre etc.
17. Development of Curriculum & Course for the emergent new category of 'Care-Giver'
18. Establishment of e-Networks for tele -Education and Tele-Medicine in CLMV Countries
19. ICSI with its skill Partner - NSI Finishing School proposes to open more such Finishing School across NER (I) and CLMV (ASEAN) region to develop quality human resource beyond Employment and Entrepreneurship to Life Management Skills.
20. Boosting Service Industry Commerce & Trade thereby allowing manpower Exchange / Export in CLMV (ASEAN) Region.

Concept, Planning & Management of Event by ICSI



Government of India

SPECIAL THANKS FOR YOUR VALUABLE SUPPORT

- Ministry of Human Resource Development
- Ministry of Skills Development and Entrepreneurship
- Ministry of AYUSH



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