

**ADDRESS BY THE PRESIDENT OF INDIA,
SHRI RAM NATH KOVIND
ON THE OCCASION OF LAUNCH OF 12 CHAMPION SERVICES
SECTORS AND INAUGURATION OF 4TH EDITION OF GLOBAL
EXHIBITION ON SERVICES**

Mumbai, May 15, 2018

1. I am happy to be here for the inauguration of the Fourth Global Exhibition on Services. I warmly welcome the approximately 500 international delegates who, I am told, have come to this Exhibition from about 100 countries. I also commend the Ministry of Commerce and Industry of the Government of India and the Government of Maharashtra, as well as their partners, the Confederation of Indian Industry and the Services Export Promotion Council, for this initiative. I am confident it will promote the Indian services domain and enlarge and deepen India's engagement with the global services sector. The launch of 12 Champion Sectors is a bold new step that will contribute to both India's economy and the global economy, and will create jobs.
2. We live in an India with a competitive and growing national economy. We also live in an India with many competitive and growing state economies. Given this, I must appreciate the decision of the Chief Minister of Maharashtra, Shri Devendra Fadnavis, to co-host this event. Maharashtra is one of our country's economic and investment engines. It has a strong manufacturing base and has complemented this with an accelerating services sector.
3. The services sector represents a vibrant and expanding component of the global economy. Today, services dominates in terms of employment, value addition, productivity and innovation. The pace of technology is intensifying the contribution of services in other sectors – including agriculture, infrastructure and manufacturing. It would not be an exaggeration to say that services forms the backbone of the 21st century global economy.

4. In India, the services sector contributes 61 per cent in gross value added. With its young population, large talent pool and comfort with technology, India has natural advantages in the sector and is set to become even more of a provider of services to the world. India's global services exports stood at 3.4 per cent in 2016. I am given to understand that the target is a 4.2 per cent share of global services by 2022. And frankly that is only the tip of the iceberg.
5. With the rapid expansion of its economy, India represents an attractive opportunity for global investors and businesses. In the past four years, the average GDP growth rate has been an impressive 6.9 per cent. For 2018-19, the International Monetary Fund has forecast a growth rate of 7.4 per cent for India. The services sector boom is a key driver.
6. By 2025, only seven years from now, India hopes to double the size of its GDP to US\$ 5 trillion. Of this, I am told, the services sector could be a US\$ 3 trillion contributor. And of that number, the government estimates that the Internet economy, incorporating e-commerce and other applications, could be as high as US\$ 1 trillion. This is a pointer to the increasing integration of services and technology. And in turn that combination is changing the way in which we live and work, communicate and create and educate and entertain.
7. We are experiencing the age of the Digital Economy and the Fourth Industrial Revolution. The synergy of technology and services is unfolding before our eyes. The early Industrial Age and the traditional manufacturing economy created jobs in factories, and encouraged entrepreneurship in the form of ancillary units and workshops. Today, we are looking at small but exciting start-ups in the services space. Technology has emerged as an enormous enabler and allowed local services companies to go national or even global.
8. In India, which is the third largest centre of start-ups in the world, this has thrown up a generation of young entrepreneurs, of men

and women with hunger and ambition. Government programmes such as Start-up India and the Mudra Yojana, which has provided capital to 120 million grassroots businesses, have seeded a culture of entrepreneurship, largely in services. I am confident that some of these start-ups will grow into giants in the years and decades to come. A billion mobile phone users; 500 million citizens on the Internet; and a determined push for financial inclusion using technology as well as for digital payments have collectively deepened India's services story.

9. Such measures have unleashed creative and commercial energies. They have also empowered people. And most of all, they have re-emphasised how India is both a large supplier to as well as a huge market for global services sector businesses. I invite you to join us on this pulsating journey.
10. The government of India is doing its best to make this journey smoother. In the past four years, it has eased foreign investment regulations in several sectors, including in services such as insurance, retail, aviation and banking. As you know, India is among the largest recipients of FDI inflows. Services like financial services, business and professional services, and R&D, among others, have accounted for 57 per cent of cumulative FDI inflows since April 2000. In the first half of 2017-18, I am told they accounted for almost two-thirds of FDI inflows. These numbers are telling.
11. In the past four years, the government of India has accomplished a number of crucial reforms. The introduction of the Goods and Services Tax in July 2017 converted India into a single market, with both goods and services placed on the same tax platform. This in itself has imparted a new momentum to the economy.
12. On Ease of Doing Business, the Government has taken major steps, with the participation of state governments, as part of the Business Reform Action Plan. Starting a business and obtaining permits, as well as trading across borders, have

become easier. This has enabled India to jump 42 spots, in the past three years, in the World Bank Ease of Business rankings. The Insolvency and Bankruptcy Code has made it simpler for exit of businesses. And the national Intellectual Property Rights policy aims at strengthening the IPR regime in line with global best practices. Such measures will be of immense benefit to players in the services sector.

13. The launch of the 12 Champion Services scheme comes with this preparation and background. The list of 12 includes business areas with potential for drawing global attention and investment, as well as boosting growth and employment. It also aims to optimise India's skills and knowledge resources. I wish the Champion Services scheme, I wish the 40 knowledge sessions and 22 focus sectors of this Exhibition, and I wish all the delegates the very best. May you have a productive and enriching set of engagements here in Mumbai, and may you meet an India buzzing with ideas and opportunities!

Thank you
Jai Hind!