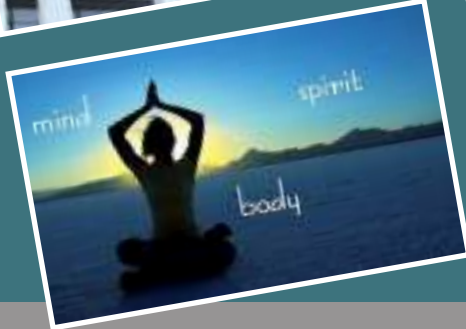




NORTH EAST - ASEAN BUSINESS SUMMIT and EXPO

Fostering Strategic Alliance & Development through Partnership

7th-9th April 2016, Imphal



SERVICES SECTOR FOCUS AREAS

- Education, Skills & Capacity Building
- Airlines - Tourism - Hospitality Industry
- IT , ITES , BPO, Telecom Sector
- Media Entertainment Industry
- Health - Wellness & Medical Tourism
- Youth, Sports and Leisure Services
- Banks & Financial Institutions
- Automotive Services
- Infrastructure related Services

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. A total of 63.5 per cent of the world's wealth is generated from the services sector. About 30 countries receive

more than 80 per cent of their GDP from the services sector. In 2015, the services sector was one of the main growth drivers in the global trade market.

The World Economics Global All-Sector Sales Managers' Index (SMI) was recorded at 54 in December 2015, indicating a strong but slow growth rate of the service sector globally. The index is a composite indicator derived from the average of Business Confidence, Market Growth, Product Sales, Prices Charged and Staffing Levels.

SERVICE INDUSTRY: ASEAN

Some Facts:

- ASEAN is on its way to becoming the 4th largest economy by 2050
- ASEAN is more populated than Europe, with the world's 3rd largest labor force to give skilled manpower to the world.
- 67 million ASEAN households were in the consuming class in 2014; it could double to 125 million by 2025 due to rising consumerism
- India is the sixth largest trade partner for ASEAN
- Trade between India and ASEAN stood at US\$ 76.52 billion in 2014-15
- India's exports to ASEAN were US\$ 31.81 billion and its imports from the grouping were US\$ 44.71 billion
- ASEAN hosts 227 of the world companies with more than US\$ 1 billion in revenues, which is only 3 per cent of the world's total revenue
- ASEAN is the world's 4th largest exporting region, behind the EU, US and China
- Income differences between ASEAN member states are 7 times higher than the EU's having tremendous scope for growth and partnership.
- ASEAN aims at creating jobs, prosperity and a single production base to become more than just the sums of its 10 members

ASEAN Economic Community is the realization of the end-goal of economic integration as outlined in the ASEAN Vision 2020, to create a stable, prosperous and highly competitive ASEAN economic region in which there is a free flow of goods, services, investment and a free flow of capital, equitable economic development and reduced poverty and socio-economic disparities in year 2020.

Free flow of trade in services is one of the important elements in realizing ASEAN Economic Community, where there will be substantially no restriction to ASEAN services suppliers in providing services and in establishing companies across national borders within the region, subject to domestic regulations.



India trade in goods with ASEAN Countries in 2014 in US\$					
S.No.	Country	Exports	Imports	Trade Balance	Bilateral Trade
1	Indonesia	4.4 bn	15.2 bn	-10.7 bn	19.6 bn
2	Thailand	3.4 bn	5.7 bn	-2.2 bn	9.1 bn
3	Malaysia	4.6 bn	10.9 bn	-6.3 bn	15.6 bn
4	Philippines	1.4 bn	400.7 m	1.0 bn	1.8 bn
5	Singapore	9.7 bn	7.1 bn	2.6 bn	16.7 bn
6	Vietnam	6.5 bn	2.8 bn	3.7 bn	9.3 bn
7	Myanmar	868.5 m	1.4 bn	-524.2 m	2.3 bn
8	Cambodia	154.1 m	16.4 m	137.6 m	170.5 m
9	Laos	63.6 m	59.6 m	4.0 m	123.2 m
10	Brunei	42.5 m	942.7 m	-900.2 m	985.1 m

Source: International Trade in Goods based on UN Comtrade data
Developed by the Department for Business Innovation and Skills (UK)

S. No.	Country	Population in millions	GDP Nominal (millions of USD)	GDP Nominal per capita USD	GDP (PPP) (millions of USD)	GDP (PPP) per capita USD
	ASEAN	628.78	100.0	2,459,381	100.0	3,911
1	Indonesia	250.46	40.8	872,615	35.5	3,418
2	Thailand	68.84	11.0	373,538	15.2	5,428
3	Malaysia	31.12	5.0	310,479	12.8	10,673
4	Philippines	101.42	16.1	289,314	12.2	2,951
5	Singapore	5.5	0.9	293,999	12.0	50,224
6	Vietnam	95.08	14.6	190,805	8.1	3,171
7	Myanmar	61.89	8.3	66,775	2.7	1,269
8	Cambodia	18.54	2.5	17,714	0.7	1,140
9	Laos	7.03	1.1	12,548	0.5	1,703
10	Brunei	0.42	0.1	11,636	0.5	27,759

Source: World Economic Outlook Database October 2015

India-ASEAN trade stood at US\$ 76.58 billion in 2014-15, registering an average annual growth rate of 12 per cent from US\$ 44 billion during 2009-10. In terms of FDI flows, India has received US\$ 25 billion of FDI equity, while US\$ 31 billion of Indian equity has been delivered into ASEAN in the last seven years, thereby outpacing many other important regions across the world.

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. To be included in the Best Countries rankings, a country had to be ranked in the United Nation's Top 100 countries in terms of 2013 GDP, the World Bank's Top 100 Countries in terms of international tourism, the United Nation's top 150 countries in the 2014 Human Development Index and the United Nation's Top 100 Foreign Direct Investment Inflows 2013 report.

Services sector is the largest sector contributing to the economies of 194 countries. **With a 7.7 per cent growth in 2016, India has been projected to be a 'Star Performer' amongst the emerging markets**, according to Pricewaterhouse Coopers (PwC) report. Indian services sector ranks 10th globally in its contribution/ share to the 60 per cent contribution to the Gross Domestic Product (GDP) in 2014-15.

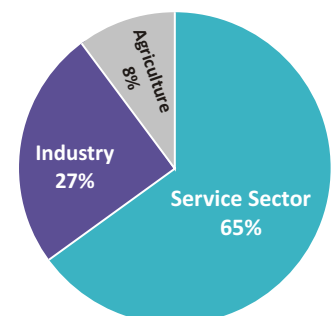
The Nikkei India Composite PMI (Purchasing Managers' Index) Output Index (seasonally adjusted), rose to a five month high to reach 51.6 per cent in December 2015 indicating that the services activity increased at an accelerated pace. (Source: <http://asia.nikkei.com/Markets/Nikkei-PMI/>)

Manufacturing and Services Sectors rose at faster rates Job creation was at its quickest pace since May 2014, in December 2015.

India's international trade in services (exports receipts) for the month of November 2015 was registered at US\$ 12,019 million, as per data released by the Reserve Bank of India (RBI) on January 15, 2016.

The services sector has attracted significant foreign investment contributing significantly to exports as well as to provide large-scale employment.

Service Industry Contribution in Indian GDP



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 of India Report, 2013



SERVICE INDUSTRY: NORTH EAST REGION

Northeast India is the eastern-most region of India connected to East India via a narrow corridor squeezed between Nepal and Bangladesh. It comprises of the 7 contiguous States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, and Tripura) and Sikkim. As per 2011 census the NER Region comprises 40 million population which is 3.1% of the total Indian population. 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

S.No.	STATES	GDP (US\$ Bn)	GROWTH RATE %	SECTOR WISE GDP (%)		
				Agriculture	Industry	Services
1	Arunachal Pradesh	2.20	4.8	28.2	32	39.8
2	Assam	26.44	6.9	23.8	23.5	52.7
3	Manipur	2.15	7.1	25	27.5	47.5
4	Meghalaya	3.38	8.9	14.9	31.4	53.7
5	Mizoram	1.28	10.1	19.4	20.1	60.4
6	Nagaland	2.45	5	27.5	17.2	55.4
7	Sikkim	1.83	7	8.1	58.9	33
8	Tripura	4.07	8.6	23.2	26.7	50.1

Sources: Planning Commission, Government of India, Centre for Monitoring Indian Economy, Government of India, Department of Industrial Policy and Promotion, 2013.

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.

NE Service Industry Snapshot

S.No	STATES	Services 2013-14 (US\$ Million)
1	Arunachal Pradesh	686.05
2	Assam	13,489.66
3	Manipur	1133.94
4	Meghalaya	1811.55
5	Mizoram	820.02
6	Nagaland	1736.14
7	Sikkim	548.67
8	Tripura	2368.97

Source : NE Basic Statistics 2015 : Conversion as on August 1, 2014

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 region following the 'Look East Policy'. The bilateral trade between India and the ASEAN countries along with China, Nepal, Bhutan and Bangladesh has been estimated at US\$ 152 billion during 2013-14. It has been forecast that India's bilateral trade with ASEAN countries, China, Bhutan, Nepal and Bangladesh will cross US\$1000 billion by 2035. Services industry accelerates the process of development through quality improvement and enhancement with efficiency of productivity and developmental activities and is considered to be the life line for the prosperous growth of North East Region.

MANIPUR

Manipur has 9 districts. Manipur with its inherent tourism potential, rich cultural heritage and vibrant pool of youth, with excellent grip over English language is an ideal place for promotion of Tourism as its main industry and sector to generate employment substantially. Manipur, with her comfortable climate, mystique cultural heritage and sublime natural beauty has huge potential for the growth of tourism.



MANIPUR AND MYANMAR

The Indo-Myanmar Border Trade was inaugurated on 12.4.95 by the then Union Minister of State for Commerce, as a follow-up measure of the Trade Agreement signed between the two countries on the 21st January, 1994, at New Delhi. The opening of the Border Trade along the Tamu (Myanmar)-Moreh (Manipur) sector is quite significant as this would act as an economic bridge between industrially developed India and the blooming economies of South East Asian countries.

Along this sector besides the Border trade (within 40 km. of the international border based on barter mechanism) the normal export-import as per the existing policy of Government of India is possible. A developed trade across this border will be of advantage mainly in reduced cost while accessing the market of South East and even far-east Asian countries.

Trade Centre providing facility to traders & entrepreneurs will be set up at Moreh and Imphal.

Improvement of Road, infrastructure under ASIDE Scheme.

Setting up of a Special Economic Zone.

Introduction of Inland Container Depot (ICD) and Warehousing Facility

ICSI Recommendations: Vision for North East Region contributing to ASEAN & Global Demands

- ICSI with its skill partner Galaxy Skills Finishing School (GSFS) has opened the first FINISHING SCHOOL in North East India at Guwahati, Assam. We propose to open more such Finishing School across NER and ASEAN region to develop quality human resource with direct employment and entrepreneurship opportunities.
- ICSI recommends Joint Research, Faculty Exchange, Student Exchange, organizing various Cultural Exchange Programs with focus on Human Resource Development for Employment and Entrepreneurship in NER with ASEAN.
- Acknowledging the scope of Media Entertainment Industry in the NER, ICSI proposes to organize Talent Hunt, Roadshows, Conferences, Trade Fairs across India and ASEAN Region strategically channelizing NE Youth for Media Entertainment Industry.
- Realizing the tremendous potential of Niche Tourism (Youth, Cinematic, Health-Wellness, Rural, Eco, Farm, Orchard, Cuisine Tourism) in the North East Region. ICSI proposes to organize Familiarisation FAM tours, various Tourism related Competitions, Cinematic Tourism Festivals, talent hunt shows, Single Window System within the North East Region and ASEAN countries.
- ICSI advocates to boost Service Industry Commerce & Trade thereby allowing manpower Exchange / Export in ASEAN Region.



Concept, Planning & Management of the Event by ICSI

SPECIAL THANKS TO:

- Ministry of External Affairs, Govt. of India
- Ministry of Commerce and Industry, Govt. of India
- Ministry of Development of North Eastern Region (MDONER)
- Ministry of Skills Development and Entrepreneurship



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