

International Multidisciplinary
Research Journal

*Indian Streams
Research Journal*

Executive Editor
Ashok Yakkaldevi

Editor-in-Chief
H.N.Jagtap

Welcome to ISRJ

RNI MAHMUL/2011/38595

ISSN No.2230-7850

Indian Streams Research Journal is a multidisciplinary research journal, published monthly in English, Hindi & Marathi Language. All research papers submitted to the journal will be double - blind peer reviewed referred by members of the editorial board. Readers will include investigator in universities, research institutes government and industry with research interest in the general subjects.

International Advisory Board

Flávio de São Pedro Filho
Federal University of Rondonia, Brazil

Kamani Perera
Regional Center For Strategic Studies, Sri Lanka

Janaki Sinnasamy
Librarian, University of Malaya

Romona Mihaila
Spiru Haret University, Romania

Delia Serbescu
Spiru Haret University, Bucharest, Romania

Anurag Misra
DBS College, Kanpur

Titus PopPhD, Partium Christian
University, Oradea, Romania

Mohammad Hailat
Dept. of Mathematical Sciences,
University of South Carolina Aiken

Abdullah Sabbagh
Engineering Studies, Sydney

Ecaterina Patrascu
Spiru Haret University, Bucharest

Loredana Bosca
Spiru Haret University, Romania

Fabricio Moraes de Almeida
Federal University of Rondonia, Brazil

George - Calin SERITAN
Faculty of Philosophy and Socio-Political
Sciences Al. I. Cuza University, Iasi

Hasan Baktrir
English Language and Literature
Department, Kayseri

Ghayoor Abbas Chotana
Dept of Chemistry, Lahore University of
Management Sciences[PK]

Anna Maria Constantinovici
AL. I. Cuza University, Romania

Ilie Pinteau,
Spiru Haret University, Romania

Xiaohua Yang
PhD, USA

.....More

Editorial Board

Pratap Vyamktrao Naikwade
ASP College Devrukh, Ratnagiri, MS India Ex - VC. Solapur University, Solapur

R. R. Patil
Head Geology Department Solapur
University, Solapur

Rama Bhosale
Prin. and Jt. Director Higher Education,
Panvel

Salve R. N.
Department of Sociology, Shivaji
University, Kolhapur

Govind P. Shinde
Bharati Vidyapeeth School of Distance
Education Center, Navi Mumbai

Chakane Sanjay Dnyaneshwar
Arts, Science & Commerce College,
Indapur, Pune

Awadhesh Kumar Shirotriya
Secretary, Play India Play, Meerut (U.P.)

Iresh Swami
Ex - VC. Solapur University, Solapur

N.S. Dhaygude
Ex. Prin. Dayanand College, Solapur

Narendra Kadu
Jt. Director Higher Education, Pune

K. M. Bhandarkar
Praful Patel College of Education, Gondia

Sonal Singh
Vikram University, Ujjain

G. P. Patankar
S. D. M. Degree College, Honavar, Karnataka

Maj. S. Bakhtiar Choudhary
Director, Hyderabad AP India.

S. Parvathi Devi
Ph.D.-University of Allahabad

Sonal Singh,
Vikram University, Ujjain

Rajendra Shendge
Director, B.C.U.D. Solapur University,
Solapur

R. R. Yallickar
Director Management Institute, Solapur

Umesh Rajderkar
Head Humanities & Social Science
YCMOU, Nashik

S. R. Pandya
Head Education Dept. Mumbai University,
Mumbai

Alka Darshan Shrivastava
Shaskiya Snatkottar Mahavidyalaya, Dhar

Rahul Shriram Sudke
Devi Ahilya Vishwavidyalaya, Indore

S.KANNAN
Annamalai University, TN

Satish Kumar Kalhotra
Maulana Azad National Urdu University

GENERAL AGREEMENT FOR TRADE IN SERVICE SECTOR



S. N. Mane

B.G. Gholap College, Pune. Savitribai Phule Pune University.



ABSTRACT:

International economics right now is whether modern information technology, which makes it possible to perform some economic functions at long range, we've already mentioned the example of call centers where the person answering your request for information may be thousands miles away many other services similarly can be done in a remote location, when a service previously done within a country is shifted to a foreign location the change is known as service outsourcing more services than manufacturing jobs, the coronet dominance of world trade by manufactures, shown only temporary. In the long run, trade in services, delivered electronically, may become the most important component of world trade. A nation's competitiveness in various services:

- ✦ Skills & capabilities of employees & employee wages
- ✦ A business's ability to organize a cooperative effort among workers with right complementary skills.
- ✦ A abundance of equipments, including communication facilities, data processing & computers.
- ✦ The institutional support provided by the legal system, practices, & traditions found in each nation.
- ✦ The potential economies of scale afforded by a market's size of these determinants the cost of capital and labour and physical proximity depend on a nation's current endowment of resources. The other determinates institutional environment, organization & personal skills.

KEYWORDS

General Agreement , International economics , information technology , Communications.

CONCEPTS OF SERVICES:

Services are simply defined as diverse group of economic activities distinct from manufacturing, mining and agriculture. The term encompasses a broad range of industries that provide the basic economic infrastructure (Communications, transport, distribution, energy-related services, construction water supply, sanitation and sewerage services, waste collection and disposal), financial infrastructure (banking, insurance, financial markets), support to business (advertising, marketing, computer services, professional services), or needed social infrastructure (education, health & social services).

In twenty Hrs century the global economy shows significant structural changes with a swing of service sector's contribution, the dynamics of the services sector influences new growth impulses stimulating investment, income, consumption and employment. Services such as telecommunications banking, insurance and transport, supply strategically important inputs for all sectors both in goods and services.

WTO-GATS & India Destination

WTO Secretariat has divided all services into the following 12 sectors:-

- 1)Business services
- 2)Communication services
- 3)Construction and Engineering services.
- 4)Distribution services
- 5)Education services
- 6)Environment services
- 7)Finance services
- 8)Health services
- 9)Tourism and travel services
- 10)Finance services
- 11)Transportation services
- 12)Other services

The general agreement on Trade in services (GATS) came into existence and enforced on 1 January 1995 with the establishment of the WTO.

The services sector has been the most dynamic sector of the Indian economy, 1950-51 and 1990-91 the share of services sector in GDP rose by only 13.07% points, increase per annum 0.33. Per annum between 1990-91 and 1999-2000 the share had increased b 7.29 percentage points. 0.81% per annum.

PROBLEMS OF TRADE IN SERVICES:

Applying comparative advantage theory to trade involving business services is that many services being intangible, non-storable and non-portable cannot be traded without the physical relocation of providers or receivers.

International trade in services requires the consumer and the producer to be at the same place at the same time because the production and consumption activities are exactly the same process.

Applying the comparative advantage principle to services is also difficult because they are such a heterogeneous group. The clear differences that exist among, say, banking services, air freight and architecture services have led many to question whether the theory of comparative advantage can be a useful empirical guide for all service sectors. A nation to think of itself as having a competitive advantage in all services, cost advantage & manufactured goods.

DATA AND METHODOLOGY :

Secondary data is used for this paper

India has emerged as one of the fastest growing exporters of services in the world, out stripping the growth rate of Industrial countries as well as all countries taken together reflecting this the share of gross invisible receipts (Comprising services, transfers and income) in the total current receipts has increased steeply since the beginning of the 1990 within services, miscellaneous services receipts, which encompasses, communication services, construction services, financial services, software services, news, agency services, royalties, copyright and license fees, management services and others have phenomenally increased their earning.

OBJECTIVES :

To study structure of India's exports services :

Services contribute about one-third of the total exports of India while globally, services account for only about one-fifty of total exports the potential for growth, however, continues to be large, with a 2.8 per cent share in the global service exports. India was the 10th leading exporter of services in 2005 and with 2.9 per cent share, India ranked 10th in the import of services between 1992 and 2003 India's export of services increased more than five-fold from and 4.9 billion to and 25.0 billion f sharp rise in earnings form tourism and increased earnings from It & ITES including software exports, were the reasons for the enhanced services exports, service exports which reached 846 billion in 2004-05 continue to surge.

Software and other miscellaneous services have emerged as the main categories in India's export of services. The relative shares of travel and transportation in India's service exports have declined over the years, while the share of software export's has gone up to 49 per cent in 2003-2004.

It is generally acknowledged that India has comparative advantage is software telecom and other business services.

Table No. 1
EV Port of major services as percent of total services Exports.

Year	Travel	Transportation	Software	Miscellaneous
1995-96	36.9	27.4	10.2	22.9
2000-01	21.5	12.6	39.0	21.3
2001-02	18.3	12.6	44.1	20.3
2002-03	16.0	12.2	46.2	22.4
2003-2004	16.5	13.1	48.9	18.7

Source – Government of India, Economic survey, 2004-05 software exports has grown at an annual compound growth rate of around 36 per cent between 1995-96 to 2003-2004 India's It exports have large scope for future expansion particularly in payment services, administration and finance.

India's share in the global market for It software and services was estimated to increase from about 1.7 per cent in 2003-04 to 2.8 per cent in 2005-06.

Despite the constraints there is scope for increasing diversification into a variety of areas such as consultancy & R & D Services, repairs services, satellite mapping services, telecom, educational services, accounting services and hospitality services and also beyond the major markets of EU, US and Japan the policy measures announced in the foreign trade policy 2004-09 to promote services exports should help along with proper synergy between economic policies and trade strategies.

The robust services export has led to significant improvement in India's invisibles and current account balances. services exports during 2005-06 growth in software services exports .

Table No. 2. Structure Of India's Services Export :

Commodity Group	Share %		CAGR to 2000-2001				Growth Rate %			
	2000-01	2005-06	2006-07	2006-07	2007-08	2004-05	2005-06	2006-07	2006-07	2007-08
Travel	21.5	13.6	12.00	10.6	12.1	19.00	17.8	16.2	15.7	23.7
Transportation	12.6	11.00	10.6	11.3	11.9	23.1	35.1	27.3	27.1	14.9
Insurance	1.7	1.8	1.6	1.7	2.2	34.6	21.1	13.2	-4.5	42.5
GNIE	4.00	00.5	0.3	00.3	0.5	-0.6	21.7	24.4	-18.5	65.3
Miscellaneous	60.3	73.00	75.6	76.1	73.3	27.00	37.5	36.1	44.00	4.6
Software Services	39.00	40.9	41.1	42.9	45.5	35.6	33.3	32.6	37.2	15.2

Source: Economic Survey 2007-2008

Services exports during 2005-06 continue to be laid by rapid growth in software services exports, other business and professional services (Table No. 2). Within the services exports, rising prominence of services reflects high skill intensity of the Indian work force.

Services category consists of software services, business services, financial and communication services. Growth of the services was 70.5 % in 2004-05 , 37.5% in 2005-06 36.07% in 2006-07. Software services exports grew by 16.2 % and transportation by 27.03 % in 2006-07.

The evidence clearly indicates India's growing competitiveness in services relative to goods. This is supported by World Bank estimates of India's competitive advantage (RCA) in services and Goods, which shows that between 1996 and 2000 the RCA for services increased by 74 % while that for goods declined by 15 percent.

CONCLUSION:

International trade includes the flow of services between countries as well as the exchange of manufactured goods. As with trade in manufactured goods, the principle of comparative advantage applies to trade in services. In the long run trade in services, delivered electronically may become the most important component of world trade.

However trade liberalization and integration in to the world economy is not end itself, but a powerful means to achive the objective of sustainable economic growth and development powerful as it may be, it is worth remebering that trade liberalization is a necessary but not a sufficient condition to attend economic development, the growth of trade in services is expected to lead economic performance, development, employment opportunities, consumer choice, technology transfer a large part of benefits

REFERENCES :

- 1.Kapila Uma; "Indian Economy", Academic Foundation New Delhi.2009.
- 2.Churun lam Francis; International Business prentice hall of India private limited New Delhi 2007 P. 727- 28
- 3.Manner partial theories. Object of trade in services Tread in servicesP 727
- 4.Carbaugh.JRobert; "International Economics" Thomson Asia Pte Ltd.<Singapore 2005.
- 5.Thakur Anil Kumar;Sharma Nageshwae "WTO and India" Deep and Deep Publicatona Pvt Ltd New Delhi 2007
- 6.Agarwal. A.N. "Indian Economy " New Age International (P) 2006.
- 7.Krugman Paul R "International Economics" Pearson Education in South Asia 2009.

Publish Research Article

International Level Multidisciplinary Research Journal For All Subjects

Dear Sir/Mam,

We invite unpublished Research Paper, Summary of Research Project, Theses, Books and Book Review for publication, you will be pleased to know that our journals are

Associated and Indexed, India

- ★ International Scientific Journal Consortium
- ★ OPEN J-GATE

Associated and Indexed, USA

- Google Scholar
- EBSCO
- DOAJ
- Index Copernicus
- Publication Index
- Academic Journal Database
- Contemporary Research Index
- Academic Paper Database
- Digital Journals Database
- Current Index to Scholarly Journals
- Elite Scientific Journal Archive
- Directory Of Academic Resources
- Scholar Journal Index
- Recent Science Index
- Scientific Resources Database
- Directory Of Research Journal Indexing

Indian Streams Research Journal
258/34 Raviwar Peth Solapur-413005, Maharashtra
Contact-9595359435
E-Mail-ayisrj@yahoo.in/ayisrj2011@gmail.com
Website : www.isrj.org