
Centre for International
Governance Innovation



Canada-India Track 1.5 Dialogue Paper No. 5

Cooperation in Trade in Services

Akshay Mathur and Purvaja Modak



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67 Erb Street West
Waterloo, ON, Canada N2L 6C2
www.cigionline.org



Cecil Court, 3rd floor,
Colaba, Mumbai – 400 005,
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About the Authors

Akshay Mathur is the former chief executive officer, former director of research and a fellow of Geoeconomic Studies at Gateway House. His research focuses on the architecture of international business, finance and trade, and its impact on geopolitics. Before joining Gateway House, he worked as a principal architect with Fidelity Investments in Boston in the advanced research, strategy formulation and business architecture group. He has an M.B.A. from Boston University's Questrom School of Business with a concentration in finance and business analysis and research focused on transnational business and global macroeconomics. He has a B.S. in computer science from the School of Computer Science at University of Massachusetts, Amherst. Akshay is an alumnus of Mayo College, Ajmer. He is the co-founder of a non-governmental organization (NGO) called Aasra Gramin Vikas Sansthan and of a social enterprise called Khushi Farms, both based in Ajmer, Rajasthan, India.

Purvaja Modak is a researcher for Geoeconomic Studies and manager for the Research Office at Gateway House. She was a fellow at the second G20 Global Leadership Programme 2019, hosted by the Korean Development Institute and the Korean Ministry of Strategy and Finance. She holds an M.A. in economics from the University of Mumbai with a focus on international trade, finance and regional monetary arrangements. She finished her B.A. in economics from Jai Hind College. Purvaja has previously held research assistant and research associate positions in her academic departments at both the bachelor's and the master's level. She has also interned at Reliable Investments, an exclusive franchisee of Motilal Oswal Securities Ltd.

About the Project

The Canada-India Track 1.5 Dialogue on Innovation, Growth and Prosperity is a three-year initiative between CIGI and Gateway House: Indian Council on Global Relations to explore areas for closer cooperation. Experts, government officials and business leaders will convene annually to promote bilateral economic growth and innovation in today's digital economy.

Canada and India maintain strong bilateral relations built on the foundation of shared values and healthy economic ties. Economic exchanges between Canada and India are on an upward trajectory, but there continue to be unexplored areas for mutually beneficial growth, especially in light of rapid developments in technology that are changing every facet of the economy and society in both countries. To address these challenges, the partnership is helping to develop policy recommendations to promote innovation and navigate shared governance issues that are integral to the continued growth of Canada-India bilateral relations.

The Canada-India Track 1.5 Dialogue on Innovation, Growth and Prosperity strives to build closer ties between Canada and India and nurture the relationship to its full potential. Canada and India can be global leaders in innovation, and the Canada-India Track 1.5 Dialogue seeks opportunities to work jointly on multilateral issues and identify areas where improved cooperation could benefit both countries. In addition to its focus on innovation, the partnership examines topics such as collaboration on research and higher education, promotion of Canada-India trade and investment, energy cooperation and issues pertaining to global governance.

Through this partnership, Canada and India can be intellectual partners and cooperate in the design of their global governance frameworks.

Acronyms and Abbreviations

AICTE	All India Council for Technical Education	IPRs	intellectual property rights
ASEAN	Association of Southeast Asian Nations	IRDAI	Insurance Regulatory and Development Authority of India
CARICOM	Caribbean Community	IT	information technology
CDPQ	Caisse de dépôt et placement du Québec	MEITY	Ministry of Electronics and Information Technology
CECA	Comprehensive Economic Cooperation Agreement	MRA	mutual recognition agreement
CEPA	Comprehensive Economic Partnership Agreement	NAFTA	North American Free Trade Agreement
CETA	Comprehensive Economic and Trade Agreement	NCTE	National Council of Technical Education
CKFTA	Canada-Korea Free Trade Agreement	NFRA	National Financial Reporting Authority
CPA	Chartered Professional Accountants	PDR	People's Democratic Republic
CPPIB	Canada Pension Plan Investment Board	PFRDA	Pension Fund Regulatory and Development Authority
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership	PTA	preferential trade agreement
CRTC	Canadian Radio-television and Telecommunications Commission	RBI	Reserve Bank of India
CUSMA	Canada-United States-Mexico Agreement	RTA	regional trade agreement
EFTA	European Free Trade Association	SAARC	South Asian Association for Regional Cooperation
FDI	foreign direct investment	SEBI	Securities and Exchange Board of India
FTA	free trade agreement	TISA	Trade in Services Agreement
GATS	General Agreement on Trade in Services	TRAI	Telecom Regulatory Authority of India
HEERA	Higher Education Evaluation and Regulation Authority	UGC	University Grants Commission
		WTO	World Trade Organization

Executive Summary

Over the past decade, there has been a shift in global trade from trade in goods to trade in services. Unlike goods, services are intangible and consumed by the user directly, without intermediate supervision. Thus, the only way to ensure the quality of a service is to enforce standards on the service provider. This is the responsibility of domestic sector-specific regulatory institutions established by the government.

The Indian and Canadian regulatory systems have: mature regulators (telecommunications, financial services); disaggregated or immature regulators (education, health care, real estate); or no regulators (information technology [IT]), represented by chambers of commerce on specific issues.

Trade in services is: high for sectors with mature regulators, particularly for companies that are ready to invest in a foreign country to establish commercial presence; high for sectors without regulators, particularly those proficient in supplying the service across borders without commercial or staff presence; and low for sectors constrained by immature regulators or regulatory powers, disaggregated horizontally across agencies, or vertically between central, state and local governments.

To support its services trade, India and Canada can do the following:

- Explore a mutual recognition agreement (MRA) on health-care services.
- Develop an integrated bilateral economic assessment that includes regulations, foreign direct investment (FDI), intellectual property rights (IPRs) and value-added trade. This will provide the framework for the India-Canada Comprehensive Economic Partnership Agreement (CEPA).
- Co-develop the emerging multilateral framework on services trade at the World Trade Organization (WTO) by creating sector-specific guidelines for service sectors, such as telecommunications, and on cross-cutting issues, such as the free flow of data.
- Share services trade data between Indian and Canadian central banks for all transactions.

The current lack of data on services trade by partner country, company, mode of supply and value addition makes policy design difficult. This information can feed into current efforts by multilateral institutions to develop a universal framework for capturing services trade data.

Box 1: Overview of the Bilateral Services Trade

The services sector is the most dynamic and the fastest-growing sector in the global economy, accounting for two-thirds of global output, one-third of global employment and approximately one-fourth of global trade.¹

India and Services Trade

- India is a leading exporter of services, contributing to 3.4 percent of the world's total services exports. In 2017-2018, India's services exports² amounted to US\$195.09 billion, while India's services imports³ amounted to US\$117.52 billion. The services sector receives the highest FDI flows coming into India, amounting to over 60 percent of its foreign investments.
- India has undertaken services trade-related commitments in trade agreements that are equal to, or more liberal than, its commitments to the WTO.
- Unlike goods, services face various behind-the-border regulations. Thus, the only way of supervising trade in services is by enforcing regulations on the service providers and the quality of the services. This makes the role of regulatory bodies important.
- This study finds that services sectors with either fully developed regulators or no regulators are key participants in the services trade. This can be seen with the IT services sector, which has no official regulator, or the telecommunications and financial services sectors, which have mature regulatory bodies.
- On the other hand, this study finds that services sectors with disaggregated or immature regulatory bodies, such as in the education, health-care and environment sectors, are less participatory in the services trade.

Canada and the Services Trade

- In 2017-2018, Canada's exports of services amounted to CDN\$114.20 billion and its imports amounted to CDN\$139.98 billion.⁴
- Like India, Canada has also undertaken services trade-related commitments in existing trade agreements that are equal to, or more liberal than, its commitments to the WTO.
- In Canada, every province has its own regulatory body (or bodies) for each services sector. Sectors without regulatory institutions are represented by de facto regulators.
- As in India, those services sectors with fully developed regulators or no regulators are more active in the services trade. This can be seen in the IT services sector, which has no regulator, or the financial services sector, which is overseen by mature regulators.

India's Services Trade with Canada

- The dominant services trade sectors are financial services, business and professional services, telecommunications, IT services, construction services and tourism. Canadian pension funds, such as the Canada Pension Plan Investment Board (CPPIB) and Caisse de dépôt et placement du Québec (CDPQ), and companies, such as Brookfield Asset Management and Fairfax Financial Holdings, have invested in the renewable energy, logistics, banking, transportation, hospitality and real estate and construction sectors in India.
- Interviews with Canadian companies in India and Indian companies in Canada revealed that a better understanding of each other's services sectors, particularly the regulations, is required to enable the services trade.

1 For a note on the paper's research methodology, see Appendix 1.

2 See www.indiaservices.in/Service-Trade-Data.

3 Ibid.

4 Statistics Canada, "International transactions in services, by selected countries, annual (x 1,000,000)," www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610002101.

Background

The WTO and the General Agreement on Trade in Services

Over the last decade, there has been a gradual shift in global trade from trade in goods to trade in services, and developing countries with a dominant services sector have played a key role in this transition.

Today, the services sector is the most dynamic and fastest-growing sector in the global economy, accounting for two-thirds of global output, one-third of global employment and approximately one-fourth of global trade (Ratna and Kim 2016, 427). Services provide key inputs into the production and trade of goods, thus contributing to global value chains and economic development. If the services embedded in the production and delivery of goods are included in the calculation, the WTO estimates the total services exports to be 45 percent of global trade (Suave and Roy 2016, 26).

Services became a part of global trade negotiations with their inclusion in the WTO's Uruguay Round of negotiations (1986–1993). These negotiations culminated in the signing of the General Agreement on Trade in Services (GATS) in 1994. "Guidelines and Procedures for the Negotiations on Trade in Services,"⁵ a guidance document for developed and developing countries to strengthen their services sector and prepare for global services negotiations, was adopted by the WTO in 2001.

The GATS has classified services into 12 categories:

- business and professional services (legal, accounting, architectural, advertising and engineering);
- communication services;
- construction and related services;
- distribution services;
- education services;
- energy services;
- environmental services;

- financial services;
- health and social services;
- transport services;
- tourism services; and
- other services.

Negotiations on services trade are conducted in two ways: through sector-specific commitments or via horizontal disciplines that cut across sectors. Accounting (part of business and professional services) is the only services sector for which the WTO has published commitments so far.⁶

But more headway has been made in the negotiations for the horizontal disciplines, which include three parameters: national treatment, market access and domestic regulation. The first two parameters are the same as those that apply to goods. National treatment refers to the "equal treatment for foreign and domestic services or service suppliers" and market access refers to the extent to which foreign suppliers are granted access to the domestic services market for specific sub-sectors.

Domestic regulation, however, is a new parameter. Since services are intangible and often contribute to the production and delivery of a good, they cannot be monitored or measured before they are delivered. Unlike goods, services face various behind-the-border regulations. Thus, the only way of tracing the trade in services is to enforce regulations on the service providers and on the quality of the services. This makes the role of regulatory bodies important (Mathur 2018). Thus, it is necessary to study the regulators and their regulatory powers and gauge whether the services sectors are mature enough to engage in global services trade negotiations.

For now, the WTO has defined five regulatory parameters for enabling trade in services: licensing requirements; licensing procedures; qualification requirements; qualification procedures; and technical standards. A specific body at the WTO — the Working Party on Domestic Regulation — is responsible for developing these disciplines across the services sectors.

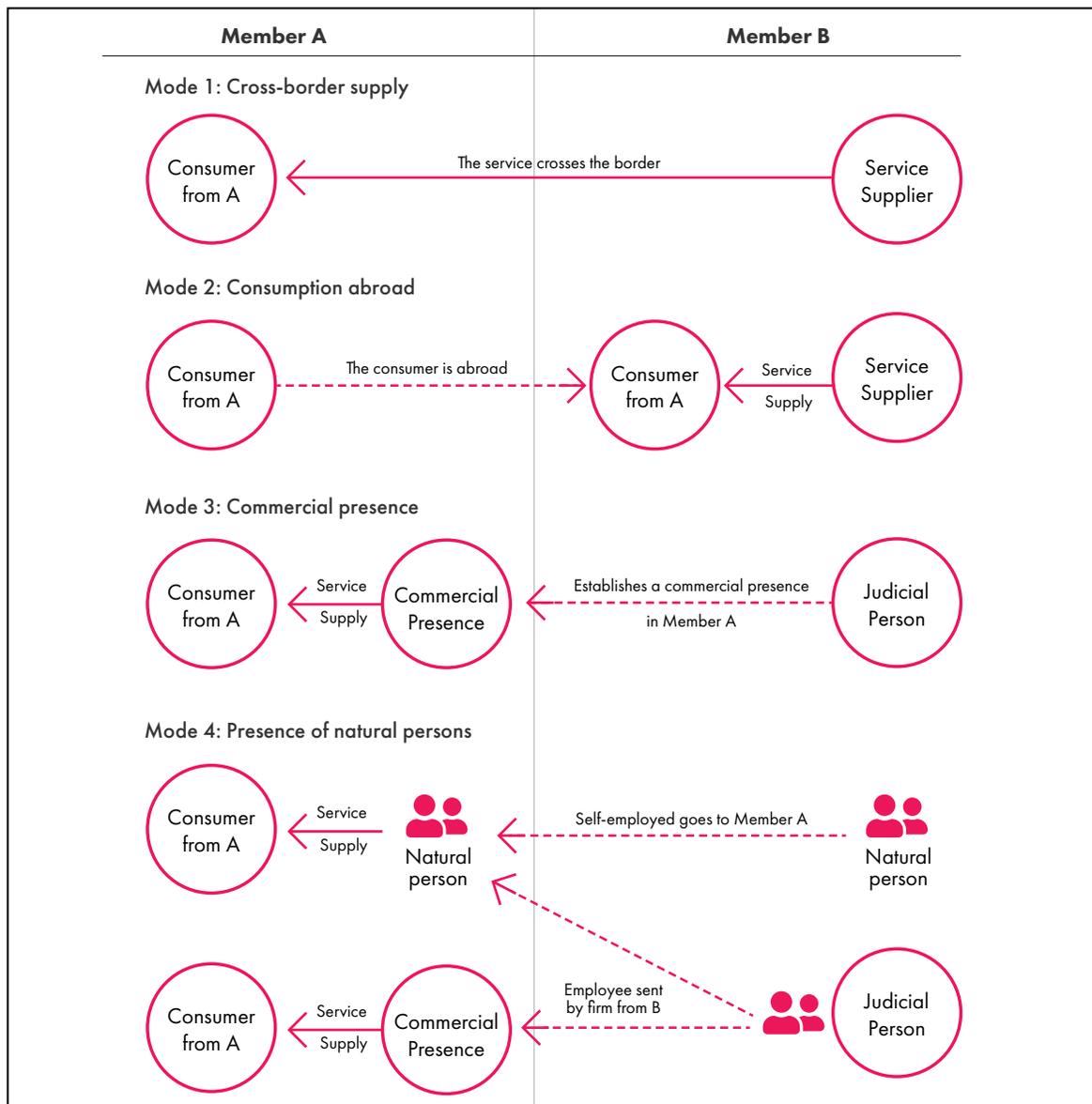
5 See WTO (2001).

6 See WTO (1998).

In addition to the horizontal disciplines, services may also be negotiated based on the type of delivery (see Figure 1):

- mode 1 — cross-border supply: from the territory of one member into the territory of any other member;
- mode 2 — consumption abroad: in the territory of one member to the service consumer of any other member;
- mode 3 — commercial presence: by a service supplier of one member, through commercial presence in the territory of any other member; or
- mode 4 — movement of natural persons: by a service supplier of one member, through presence of natural persons of a member in the territory of any other member.

Figure 1: A Synthetic View of Modes of Supply



Source: Department of Economic and Social Affairs Statistics Division, United Nations Secretariat, <https://unstats.un.org/unsd/tradeserv/TSG3-Feb06/tsg0602-16.pdf>.

Current State of India's Services Trade

The services sector is an important driver of India's economic growth and has made significant contributions to the country's total trade, GDP and employment. According to India's Ministry of Commerce and Industry,⁷ services constituted 57.12 percent of India's gross value added at current prices in the first half of 2018-2019.

India is a leading exporter of services, contributing up to 3.4 percent of the world's total services exports. In 2017-2018, India's services exports⁸ amounted to US\$195.09 billion, while India's services imports⁹ amounted to US\$117.52 billion

(see Tables 1 and 2). One-third — 31 percent¹⁰ — of the Indian population is employed in the services sector as of 2018. India is the eighth-largest exporter of commercial services in the world. The most recognizable service export for India is in computer and software services, which totalled US\$108.5 billion in 2018.

According to India's Ministry of Commerce and Industry, the services sector receives the highest FDI flows coming into India, amounting to over 60 percent of its foreign investments (see Table 3). Telecommunications, computer and information services, business and professional services, transport, and financial services (banking, consultancy services, insurance, pension), are the dominant sectors.

Table 1: India's Services Exports (US\$ billion)

Type of Service	2015-2016	2016-2017	2017-2018
Telecommunications, computer and information services	76.56	77.04	79.84
Business and professional services	28.99	32.95	37.35
Travel	21.27	23.24	28.35
Transport	14.00	15.85	17.44
Financial services	4.99	5.10	5.16
Other services not included elsewhere	2.25	2.82	18.81
Insurance	2.00	2.20	2.51
Construction	1.56	2.14	2.26
Personal, cultural and recreational services	1.33	1.39	1.62
Government not included elsewhere	0.58	0.59	0.66
Charges for the use of intellectual property not included elsewhere	0.49	0.57	0.73
Maintenance and repair services not included elsewhere	0.15	0.18	0.21
Manufacturing services on physical inputs owned by others	0.18	0.11	0.15
Total services export	154.31	164.20	195.09

Source: Ministry of Commerce and Industry, Government of India, "Year Wise Services Trade Data Financial Year 2015-16-2017-2018," www.indiaservices.in/Service-Trade-Data.

Note: Totals may not add up due to rounding.

⁷ See www.indiaservices.in/About-Us.

⁸ See www.indiaservices.in/Service-Trade-Data.

⁹ Ibid.

¹⁰ See <https://data.worldbank.org/indicator/sl.srv.empl.zs>.

Table 2: India's Services Imports (US\$ billion)

Type of Service	2015-2016	2016-2017	2017-2018
Other business services	31.09	32.32	36.63
Transport	15.08	14.13	17.61
Travel	14.79	16.45	19.52
Other services not included elsewhere	7.00	10.98	17.90
Charges for the use of intellectual property not included elsewhere	4.89	5.72	6.88
Telecommunications, computer and information services	4.08	4.84	6.50
Financial services	3.13	5.85	5.54
Personal, cultural and recreational services	1.22	2.20	2.31
Insurance	1.15	1.50	1.70
Construction	0.95	0.88	1.56
Government not included elsewhere	0.87	0.60	0.79
Maintenance and repair services not included elsewhere	0.32	0.35	0.55
Manufacturing services on physical inputs owned by others	0.04	0.04	0.04
Total services import	84.63	95.85	117.53

Source: Ministry of Commerce and Industry, Government of India, "Year Wise Services Trade Data Financial Year 2015-16 – 2017-2018," www.indiaservices.in/Service-Trade-Data.

Note: Totals may not add up due to rounding.

India is the world's largest outsourcing destination for IT and IT-enabled services, a popular destination for medical tourism and a growing construction services market, to name a few.

India's Commitments in Trade Agreements

For the past two decades, India has been signing trade agreements that include a services component — with Singapore, Malaysia, Japan, South Korea and the Association of Southeast

Asian Nations (ASEAN).¹¹ It is negotiating similar agreements with Australia, New Zealand, Thailand and Indonesia. However, there are domestic concerns that India has not benefited and has had little success in assessing the ongoing agreements due to the lack of bilateral services data. Not signing the Regional Comprehensive Economic Partnership in November 2019 is reflective of this. Tables 4 and 5 detail the various agreements.

¹¹ The ASEAN member states are Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic (PDR), Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

Table 3: FDI Equity Inflows into India's Services Sector (US\$ billion)

Services Sector	2018-2019
Financial, business, outsourcing, research and development, courier, technology testing and analysis	9.16
Computer software and hardware	6.40
Consultancy services	0.40
Trading	4.40
Retail trading	0.44
Telecommunications	2.70
Information and broadcasting	1.25
Hotels and tourism	1.07
Hospitals and diagnostic centres	1.04
Education	0.78
Sea transport	0.28
Air transport	0.19
Agriculture services	0.08
Total FDI equity inflows into services	28.27
Total FDI equity inflows into India	44.37
Share of services in total FDI inflows	63.7%

Source: Government of India (2019).

Note: Totals may not add up due to rounding.

According to the WTO's database of regional trade agreement (RTA) commitments, India has undertaken commitments related to services trade in existing preferential trade agreements (PTAs) that are either equal to or more liberal than their commitments in the GATS (see Table 6). The Comprehensive Economic Partnership Agreement (CEPA) between the two countries must also aim at a higher level of ambition compared to their GATS commitments.

India has undertaken a high level of commitments (over 50) in the GATS and in its PTAs for professional services, computer services,

construction services, insurance services and tourism services. Meanwhile, its commitments for distribution services, education services, health and social services, and transport services, are relatively lower (below 50) on the WTO's index.

In 2016, India tabled a proposal at the WTO for a Trade Facilitation Agreement in Services. The objective of this proposal is to address the numerous at-the-border and behind-the-border barriers and procedural and administrative bottlenecks across all modes of supply of a service that act as impediments to the realization of the full potential of services trade. It builds on India's

Table 4: Trade Agreements Signed by India (Including Those with a Services Component)

Type of Agreement	Partner Country	Date of Enforcement
Trade treaty	Nepal	1995
Free trade agreement (FTA)	Sri Lanka	2000
PTA	Afghanistan	2003
Comprehensive Economic Cooperation Agreement (CECA)	Singapore	2005
South Asian Association for Regional Cooperation (SAARC) Agreement on Trade in Services	Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka	2006
Trade agreement	Bhutan	2006
PTA	Chile	2007
PTA	Mercosur (Brazil, Argentina, Uruguay and Paraguay)	2009
Agreement on economic cooperation	Finland	2009
Agreement on trade in services	ASEAN	2010
CEPA	South Korea	2011
CEPA	Japan	2012
CEPA	Malaysia	2012

Source: Ministry of Commerce and Industry, Government of India, "Trade Agreements," <https://commerce.gov.in/Index.aspx>.

Table 5: India's Framework Agreements / Agreements under Negotiation

Type of Agreement	Partner Country
CEPA	Canada
Framework agreement	Thailand
CECA	Australia
CECA	Indonesia
FTA	Peru
FTA	New Zealand
FTA	Mauritius
FTA	Israel
FTA	European Union
Trade and Economic Partnership Agreement (TEPA)	European Free Trade Association (EFTA)

Source: Ibid.

Table 6: India's GATS and PTA Commitments

Type of Service	GATS	PTA	FTAs with Commitments
Professional services	51	61	CECA with Singapore
Computer services	88	94	--
Postal/courier services	0	0	--
Telecommunications services	43	48	CECA with Singapore, CEPA with Japan, services agreement with ASEAN
Audiovisual services	8	8	--
Construction services	62	81	--
Distribution services	25	41	--
Education services	10	13	CECA with Singapore
Environmental services	38	44	--
Insurance services	50	58	--
Banking and other financial services	40	46	CECA with Singapore, CEPA with Japan and South Korea
Health and social services	21	27	--
Tourism services	58	71	--
Recreational services	19	38	--
Maritime transport services	40	46	--
Air transport services	18	20	CECA with Singapore, services agreement with ASEAN
Auxiliary transport services	0	0	--
Movement of natural persons	--	--	CECA with Singapore and Malaysia, CEPA with Japan and South Korea, services agreement with ASEAN

Source: Analysis by Gateway House using WTO's "Dataset of services commitments in regional trade agreements (RTAs)," www.wto.org/english/tratop_e/serv_e/dataset_e/dataset_e.htm.

Note: The index score is within a scale of 0 to 100 for each sector, with 100 representing full commitments (i.e., without limitations) across all relevant sub-sectors of a sector grouping. The scores in the GATS column reflect the index value for both GATS commitments and services offered in the ongoing Doha Development Agenda. The scores in the PTA column reflect the index value for a member's "best" PTA commitments across all its PTAs, for each sub-sector. The index value is for both mode 1 (cross-border trade) and mode 3 (commercial presence). The score for EU commitments is for the EU15 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom).

FTA in services with ASEAN and on the service commitments in bilateral economic agreements with Singapore and Japan. This proposal received mixed reactions at the WTO and discussions have been stalled due to the deadlock on the negotiations of the Doha Development Agenda.

Implications of India's Regulatory Framework on Its Services Trade

To assess the implications of India's regulatory framework on its services trade, Gateway House mapped the regulatory bodies for each services sector and sub-sector with the FTA commitments, volume of trade and inflow of FDI in the sub-sector (see Table 1 in Appendix 2).

Each services sector was examined to determine whether it is regulated by an official regulator, represented by a de facto industry body or has no supervisory body at all. If there is an official regulator, the body was examined to determine whether it has the five regulatory powers required by the WTO for services, namely, licensing procedures, licensing requirements, qualifications procedures, qualification requirements and technical standards, for the supply of a service.

Mapping the regulatory bodies with the services sector, and then further mapping the sectors with the volume of services trade and FDI, provided interesting results on the correlation between India's regulatory framework and its impact on services trade.

Findings

Three services sectors play a key role in India's services trade: business and professional services; telecommunications, computer and information services; and financial services. Business and professional services accounted for US\$73.98 billion of the total services trade in 2017. This sector includes sub-sectors such as legal, accounting and architecture — all of which have established de jure regulators in India. Telecommunications, computer and information services accounted for US\$86.34 billion of the total services trade in 2017. The telecommunications sub-sector is governed by established regulators, such as the Ministry of Electronics and Information Technology (MEITY), the Telecom Regulatory Authority of India (TRAI) and the Digital Communication Commission. On the other hand, the computer and IT sub-sector has no de jure regulator but is often represented

by chambers of commerce. Financial services accounted for US\$14.91 billion of the total services trade in 2017. The financial services sector has the longest history of regulation in India, with official central regulators such as the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Insurance Regulatory and Development Authority of India (IRDAI) and the Pension Fund Regulatory and Development Authority (PFRDA). SEBI is empowered with legislative, executive and judicial powers.

All other sectors either lack mature regulators or grapple with multiple regulators. For instance, examples of nascent regulatory bodies include the National Medical Commission for medical services and the National Financial Reporting Authority (NFRA) for accountancy and audit services. Education services is an example of a services sector with multiple regulators. The Higher Education Evaluation and Regulation Authority (HEERA) is expected to combine the functions of the existing bodies, namely, the University Grants Commission (UGC), the All India Council for Technical Education (AICTE) and the National Council of Technical Education (NCTE). Trade flourishes in sectors that either have formal, de jure regulators or no regulators at all (that is, they depend on de facto chambers of commerce for representation). Trade languishes in sectors that have either immature regulators or disaggregated regulatory bodies, with powers split across jurisdictions.

Current State of Canada's Services Trade

In 2017-2018, Canada's exports amounted to CDN\$114.20 billion and its imports amounted to CDN\$139.98 billion. Table 7, showing data compiled by Statistics Canada, breaks up Canada's total exports and imports into travel, commercial services and transportation and government services.

Table 7: Canada's International Transactions in Services, annual (\$ billion)

Type of Transaction	2017-2018
Total services, receipts	114.20
Travel, receipts	26.38
Commercial services, receipts	69.20
Transportation and government services, receipts	18.61
Total services, payments	139.98
Travel, payments	41.33
Commercial services, payments	68.67
Transportation and government services, payments	29.98
Total services, balance	-25.78

Source: Statistics Canada, "International transactions in services, by selected countries, annual (x 1,000,000)," www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610002101.

According to Global Affairs Canada,¹² commercial services exports (total services less travel, transportation and government services) were the most important and fastest-growing services type for Canada (CDN\$69.20 billion in 2017). These services include legal services, management services, architectural services, engineering services, advertising services and research and development.

Commercial services constitute a majority of Canada's total imports as well (CDN\$68.67 billion). Canada's total services balance in 2017-2018 equalled CDN\$25.78 billion.

The total services receipts and payments are categorized by services sub-sectors (see Table 8).

¹² See Global Affairs Canada, "Canada and Trade in Services," www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/services/canada.aspx?lang=eng.

Canada's Commitments in Trade Agreements

Canada has a competitive advantage in the services sector and is home to some of the most globally competitive financial services companies, in particular in the insurance and pension industry. Canada has undertaken commitments for services in its trade agreements. A comprehensive list of Canada's trade agreements (under exploratory discussions, concluded negotiations and those in force) is given in Table 9.

According to a study by the Canadian Life and Health Insurance Association, Canada's competitiveness in the financial services trade can facilitate the expansion of other services sectors in the Canadian economy. As they trade across borders, Canadian financial institutions require services such as accounting, legal, IT and so on. These firms facilitate financial

Table 8: Canada's Total Services Receipts and Payments, 2017-2018 (\$ billion)

Services Types	Services Receipts
Travel	26.38
Professional and management consulting services	17.23
Technical, trade-related and other business services	11.73
Telecommunications, computer and information services	10.60
Financial services	9.83
Air transport	7.92
Research and development services	6.74
Land and other transport	5.66
Charges for the use of intellectual property	5.57
Water transport	3.45
Personal, cultural and recreational services	3.28
Maintenance and repair services	1.99
Insurance services	1.97
Government services	1.59
Construction services	0.28
Total	114.20

Services Types	Services Payments
Travel	41.32
Charges for the use of intellectual property	15.44
Professional and management consulting services	14.11
Water transport	12.62
Financial services	12.30
Air transport	11.95
Technical, trade-related and other business services	10.03
Telecommunications, computer and information services	6.24
Insurance services	4.95
Land and other transport	4.15
Personal, cultural and recreational services	3.11
Government services	1.27
Research and development services	1.25
Maintenance and repair services	0.95
Construction services	0.27
Total	139.98

Source: Statistics Canada, "International transactions in services, by selected countries, annual (x 1,000,000)," www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610002101.

Table 9: Canada's Trade Agreements

Serial Number	FTAs under Exploratory Discussions	Partner Countries	Status
1.	CEPA	India	<ul style="list-style-type: none"> • Exploratory discussions: 2007 • Launch of negotiations: 2010 • 11 rounds of negotiations have taken place so far
2.	Exploratory discussions for an FTA	ASEAN	<ul style="list-style-type: none"> • Announcement: September 8, 2017 • First set of exploratory discussions: July 11-12, 2018, in Singapore • Second set of exploratory discussions: April 7-8, 2019, in Vientiane, Lao PDR
3.	Exploratory discussions for an FTA	China	<ul style="list-style-type: none"> • Announcement: September 22, 2016 • First set of meetings: February 20-24, 2017, in Beijing • Second set of meetings: April 24-28, 2017, in Ottawa • Third set of meetings: July 31-August 4, 2017, in Beijing
4.	Exploratory trade discussions for an FTA	Philippines	<ul style="list-style-type: none"> • Exploratory discussions launch: May 2015 • Initial exploratory meeting: July 2015 in Manila, Philippines
5.	Exploratory discussions toward an FTA	Thailand	<ul style="list-style-type: none"> • Exploratory discussions launch: March 2013 • Exploratory discussions concluded: July 2015
6.	Exploratory trade discussions	Turkey	<ul style="list-style-type: none"> • Exploratory talks begin: October 2010 • Follow-up exploratory meetings: September 24, 2013, in Ankara • Comprehensive consultation process: August 7, 2010 • Formulation of a joint economic and trade committee: August 2013
7.	Trade agreement negotiations	Caribbean Community (CARICOM): Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago	--
8.	FTA negotiations	Dominican Republic	--
9.	FTA negotiations	Guatemala, Nicaragua and El Salvador	--
10.	CEPA	Japan	--

Serial Number	FTAs under Exploratory Discussions	Partner Countries	Status
11.	FTA	Mercosur: Argentina, Brazil, Paraguay, Uruguay	--
12.	FTA negotiations	Morocco	--
13.	FTA	Pacific Alliance: Chile, Colombia, Mexico, Peru	--
14.	FTA negotiations	Singapore	--
FTAs with Concluded Negotiations			
1.	Canada-United States-Mexico Agreement (CUSMA)	United States, Mexico	Not in force yet
FTAs in Force			
1.	CUSMA	United States, Mexico	Not in force yet
2.	Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	Australia, Brunei Darussalam, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam	In force: December 30, 2018
3.	FTA	Chile	In force: July 5, 1997
4.	FTA	Colombia	In force: August 15, 2011
5.	FTA	Costa Rica	In force: November 1, 2002
6.	Comprehensive Economic and Trade Agreement (CETA)	European Union	In force: September 21, 2017
7.	FTA	Honduras	In force: October 1, 2014
8.	FTA (Canada-Israel Free Trade Agreement)	Israel	In force: January 1, 1997
9.	FTA	Jordan	In force: October 1, 2012
10.	FTA (Canada-Korea Free Trade Agreement [CKFTA])	Korea	In force: January 1, 2015
11.	North American Free Trade Agreement (NAFTA)	Mexico and the United States	In force: January 1, 1994
12.	FTA	Panama	In force: April 1, 2013
13.	FTA	Peru	In force: August 1, 2009
14.	FTA (Canada-United States Free Trade Agreement)	United States	In force: January 1, 1989 Superseded by NAFTA: January 1, 1994
Plurilateral Agreements under Negotiation			
1.	Trade in Services Agreement (TISA)	Australia, Austria, Belgium, Bulgaria, Chile, Colombia, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Mexico, Netherlands, New Zealand, Norway, Pakistan, Panama, Peru, Poland, Portugal, Korea, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, Turkey, United Kingdom, United States	

Source: Global Affairs Canada, "Canada and Trade in Services," www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/index.aspx?lang=eng.

transactions in trade in services and also in goods and cater to a foreign customer base. Thus, commitments for financial services will benefit the export of other services from Canada.

According to the WTO's RTA commitments database, Canada has undertaken services-trade-related commitments in existing PTAs that are either equal to, or more liberal than, their commitments in the GATS (see Table 10). The CEPA between the two countries

must also aim at a higher level of ambition compared to their GATS commitments.

Canada has undertaken a high level of commitments (over 50 percent) to the GATS and in its PTAs for computer (100 percent), telecommunications, construction, distribution, environmental, insurance and auxiliary transport services. Its commitments for sectors such as postal/courier services and transport services are relatively lower (below 50 percent) on the WTO index.

Table 10: Canada's GATS and PTA Commitments

Type of Service	GATS	PTA	FTAs with Commitments
Professional services	44	51	CUSMA, FTA with Chile and Panama
Computer services	100	100	--
Postal/courier services	31	66	--
Telecommunications services	74	74	CPTPP, CUSMA, CETA, CKFTA, FTAs with Colombia, Honduras, Chile, Panama and Peru services agreement with ASEAN
Audiovisual services	0	0	--
Construction services	62	62	--
Distribution services	53	66	--
Education services	0	50	--
Environmental services	75	75	CPTPP, FTA with Colombia, Honduras and Peru
Insurance services	58	74	--
Banking and other financial services	41	49	CPTPP, CUSMA, CETA, CKFTA, FTA with Colombia, Honduras, Panama and Peru
Health and social services	0	0	--
Tourism services	46	63	--
Recreational services	0	50	--
Maritime transport services	35	56	CETA
Air transport services	35	53	--
Auxiliary transport services	50	50	--
Movement of natural persons	--	--	CPTPP, CUSMA, FTA with Colombia, FTA with Honduras, FTA with Chile, FTA with Panama, FTA with Peru

Source: Analyzed by Gateway House from WTO's data set of services commitments in RTAs (www.wto.org/english/tratop_e/serv_e/dataset_e/dataset_e.htm).

Implications of Canada's Regulatory Framework on Its Services Trade

To assess the implications of Canada's regulatory framework on its services trade, Gateway House mapped Canada's regulatory bodies for each services sector and sub-sector with the FTA commitments, volume of trade and inflow of FDI in the sub-sector (see Table 2 in Appendix 2).

Each services sector was examined to determine whether it is regulated by an official regulator, is represented by a de facto industry body or has no supervisory body at all. If there is an official regulator, the body was examined to determine whether it has the five regulatory powers required by the WTO for services, namely, licensing procedures, licensing requirements, qualifications procedures, qualification requirements and technical standards for the supply of a service.

Mapping the regulatory bodies with the services sector and then further mapping the sectors with the volume of services trade and FDI provided interesting results on the correlation between Canada's regulatory framework and its impact on services trade.

In Canada, every province has its own regulatory body (or bodies) for each services sector. It was found that some services sub-sectors, such as business and professional services (legal, accounting, architecture, engineering) are regulated by independent provincial and territorial societies, mandated by statute to regulate. A federation of societies is the central authority that acts as the coordinating body. Some services sectors are regulated by de facto regulators. For example, the Canadian Code of Advertising Standards¹³ was created by the advertising industry in 1963 to promote fair and accurate advertising practices in Canada. It is administered by the regulating body Ad Standards. It contains 14 provisions that form the basis for reviewing the complaints of consumers and special interest groups and to resolve trade disputes.

Findings

Like India, three services sectors play a key role in Canada's services trade: business and professional services; telecommunications, computer and information services; and financial services. Business and professional services accounted for CDN\$31.34 billion of total services trade in 2017. This sector includes sub-sectors such as legal, accounting and architecture — all of which have established de jure regulators in Canada. These services are regulated by various independent provincial and territorial societies and bodies, mandated by statute. Therefore, Canada has made commitments for business and professional services in trade agreements, such as CUSMA, its FTA with Chile and its FTA with Panama. Telecommunications, computer and information services accounted for CDN\$16.84 billion of total services trade in 2017. Telecommunication services seem to be regulated well by the Canadian Radio-television and Telecommunications Commission (CRTC). On the other hand, the computer and IT sub-sector has no de jure regulator. Canada has undertaken commitments for telecommunication services in agreements such as the CPTPP, CUSMA, CETA, the CKFTA and its FTAs with Colombia, Honduras, Chile, Panama and Peru. Financial services accounted for CDN\$29.05 billion of the total services trade in 2017. As in India, there are many established regulators in this sector that oversee sub-sectors such as banking, pension, insurance and reinsurance, stock and capital market services. However, unlike in India, the sector attracts much more services trade, both imports and exports. Canada has made commitments for the sector in agreements such as the CPTPP, CUSMA, CETA, CKFTA and its FTAs with Colombia, Honduras, Panama and Peru. As in India, services trade for Canada flourishes in sectors that either have formal, de jure regulators or no regulators at all. Like India's, Canada's services trade languishes in sectors that have either immature regulators or disaggregated regulatory bodies, with powers split across jurisdictions.

¹³ See <https://adstandards.ca/code/>.

India's Services Trade with Canada

In 2017-2018, India's services exports¹⁴ to Canada were US\$1.1 billion and its imports from Canada were \$800 million.¹⁵ India's services sector received 44.28 percent of Canadian FDI inflow the same year (Government of India 2017).

A study of the regulatory bodies in India and Canada showed that some sectors, such as financial services, business and professional services, and telecommunication services, have official central regulators and a mature regulatory framework. These sectors constitute a large portion of the country's total services trade.

Some sub-sectors, such as computer and information services, that do not have official regulators, have also thrived; however, services sub-sectors, such as construction services, that have no official regulators or

disaggregated regulatory bodies with split powers, exhibit a low trade in services.

According to a Canadian chamber of commerce representative, the dominant services sectors between India and Canada are financial services, telecommunication services, IT services, construction services, tourism and education. Pension funds, such as the CPPIB and CDPQ, and companies such as Brookfield Asset Management and Fairfax Financial Holdings, have made investments in the renewable energy, logistics, banking, transportation, hospitality, and real estate and construction sectors in India (see Tables 11 and 12).

However, due to the lack of bilateral services trade data by partner country, service types and modes of supply, it is difficult to measure and adequately assess their contributions to the bilateral trade.

Interviews with Canadian companies in India and Indian companies in Canada revealed that there is a poor understanding of the strengths and weaknesses of each other's services sectors.

Canadian companies present in India have cited policy inconsistencies, particularly on taxation, as well as instances of corruption at the lower levels of the Indian government, as major pain

¹⁴ See WTO, "International Trade Statistics," www.wto.org/english/res_e/statis_e/daily_update_e/services_annual_dataset.zip.

¹⁵ Ibid.

Table 11: A Mapping of Canadian Companies in India and Dominant Services Sectors in India

Canadian Companies in India	Dominant Services Sectors in India
Lea Associates South Asia Pvt Ltd, R.V. Anderson Associates Ltd	Business and professional services
Bombardier Inc., Air Canada	Transport services
Aecon Group Inc.	Construction services
SNC Lavalin	Engineering services
Pension funds such as the CPPIB, India Advisors Private Ltd. and the CDPQ	Financial services
Asset management companies such as Brookfield Asset Management, Sun Life Financial and Fairfax Financial Holdings	
Banks such as Scotiabank, Royal Bank of Canada and TD Bank	
OpenText, CGI Information Systems, Thomson Reuters	IT services
Clearford India Ltd.	Environmental services

Source: Authors.

Table 12: A Mapping of Indian Companies in Canada and Dominant Services Sectors in Canada

Indian Companies in Canada	Dominant Services Sectors in Canada
Tech companies, such as Tata Consultancy Services, Tata Communications, Infosys, Tech Mahindra, Wipro Technologies Polaris, Financial Technologies, HCL Technologies Canada Inc., L&T Technology Services	IT services
Health-care providers, such as Piramal Healthcare Canada	Health-care services
Banks, such as ICICI Bank and State Bank of India	Financial services

Source: Authors.

Table 13: Timeline for the India-Canada CEPA

Date	Step
June 2007	The trade ministers of both countries asked the India-Canada CEO Roundtable for advice on the possibility of launching an FTA.
September 2008	The India-Canada CEO Roundtable recommended a CEPA that would cover trade in goods, trade in services, rules of origin, sanitary and phytosanitary measures, technical barriers to trade and other areas of economic cooperation.
September 2010	A Joint Study Group report gave recommendations on the structure and contents of the proposed CEPA.
November 11-12, 2010	Canadian Prime Minister Stephen Harper and Indian Prime Minister Manmohan Singh announced the launch of the CEPA negotiations.
November 16, 2010	The CEPA negotiations were formally launched.

Source: Authors.

points. They have found central regulators in India to be mature, responsive and cooperative. They said that state regulators, such as the State Electricity Regulatory Board, have matured over time. Some cited tardy and complicated bureaucratic procedures and extensive regulatory compliance requirements imposed in India as major impediments to the bilateral trade.

According to a Canadian chamber of commerce representative, services that involve the use of

big data analytics and artificial intelligence will be significant for the future of India-Canada trade. Data-intensive services, such as traffic management systems, clean technology and water-management systems for the administration of smart cities, must be an area of focus for the two countries. This will be helpful as India is striving to create 100 smart cities. A representative of a Canadian water management company revealed that they have begun delivering advice on smart water-treatment solutions and

the development of smart infrastructure for industrial complexes and residential townships.

Indian companies, both those based in Canada and those that do business in Canada while being based in India, often complained in interviews that the territorial and provincial regulatory structure in Canada makes it difficult for them to understand and penetrate the market.

India and Canada are negotiating a CEPA, which includes commitments in services (see Table 13). Eleven rounds of negotiations have taken place so far.

Conclusion and Recommendations

Understanding the drivers of services trade is a necessary precondition for policy making to boost bilateral trade.

Unlike goods, which are monitored and screened for quality at border checkpoints, services are intangible and consumed by the user directly, without any intermediate supervision. Therefore, the only way to ensure the quality of a service is to enforce standards on the service provider. This is the responsibility of domestic regulatory institutions, established by the government for specific sectors.

The Indian and Canadian regulatory systems can be classified into three groups:

- mature regulators, such as those for telecommunications or financial services;
- disaggregated or immature regulators, such as those for education, health care or real estate; and
- no regulator, as with the IT services sector, which is represented by industry chambers on specific issues.

Each system has an implication for the level of services trade. For instance, trade in services is:

- high for sectors with mature regulators, in particular for companies that are ready to

make direct investment in a foreign country to establish a commercial presence;

- high for sectors without regulators, in particular those that are proficient in supplying the service across borders without commercial or staff presence;
- low for sectors constrained by immature regulators or regulatory powers, disaggregated horizontally across agencies, or vertically between central, state and local governments.

Given that the regulatory system is a key driver of services trade, India and Canada must cooperate on regulations that can support their bilateral trade. India's services exports are dominated by IT. However, India has a competitive advantage in health-care services, too, but the sector's potential for exports remains underleveraged. Both India and Canada can explore trade in health-care services, such as telemedicine (mode 1), medical tourism (mode 2), FDI in health-care services (mode 3) or movement of doctors and nurses (mode 4).

India signed an MRA for nursing with Singapore in July 2018 to assist health-care services exports. It is the only active MRA in health-care services for India and can be used as a model for one with Canada. Canada has MRAs with the European Community, Switzerland, the European Economic Area and Australia for drugs and medicinal products, but none for health-care services. An MRA with India on health-care services could be an opportunity for Canada to make a start.

Regulatory cooperation does not require an FTA or a CEPA to be in place. India's FTA utilization is low; therefore, it is better to seek other mechanisms for engagement. Developing an integrated bilateral economic assessment that includes an understanding of regulations, FDI, IPRs and the value-added trade between India and Canada, can be the first step. The assessment can then lead to an FTA, which provides a framework for common standards, cooperation in newly tradable sectors and transparency in transactions and data.

There is also an opportunity for India and Canada to co-develop the emerging multilateral framework on services trade at the WTO. At present, the only sector-specific guidelines developed by the WTO is for accounting services. Therefore, India and Canada can co-develop specific guidelines for other services sectors, such as telecommunications (along

with the International Telecommunication Union), and on cross-cutting issues, such as the free flow of data (in conjunction with the Group of Twenty).

India's voice and vote at the WTO is not only welcome, but required, given that it is contributing 3.4 percent of the world's total services exports. India's participation at the WTO can restore faith in multilateralism, which is otherwise being sidelined by mini bilateral deals.

India's current position on e-commerce rules at the WTO is shaped by the concern that digital multinationals will monopolize profits and data processing, given India's painful experience of supporting the International Technology Agreement in 1997, which destroyed the domestic electronics industry. But since the United States, Europe and Canada account for 85 percent of India's US\$137 billion in software exports, there is value in partnering with the West to co-design the new global rules for e-commerce, where India is growing at over 50 percent annually — the fastest in the world.

Finally, there are data constraints that make the policy design process difficult. For instance, a comprehensive examination of the impact of regulatory systems on trade in services will only be possible with an assessment of the value-added contribution of services to trade and a study of the maturity of subnational regulatory bodies. But no information on such matters is easily available in the public domain. Also, the lack of availability of data on services trade by partner country, company and mode of supply of a service makes it tough to arrive at accurate figures. No global database effectively captures this.

To help policy assessment and design, Indian and Canadian central banks can agree to bilaterally share data of trade in services by value-addition, trading partner country and partner company for all trade-in-services transactions. Such an agreement can then feed into the work of the interagency task force (the United Nations, the United Nations Conference on Trade and Development, the EU, the Organisation for Economic Co-operation and Development, the International Monetary Fund, the WTO) that is working on developing a universal framework for capturing trade in services data.

Appendix 1

Note on Research Methodology

1. Certain services sub-sectors are governed by multiple regulators, each empowered with different powers by law. This makes it difficult to assess the impact of regulators on the services trade for the sub-sector. For example, in India:

- Health-care services: There are different regulators for medical services, nursing, veterinary, midwives, pharmacy, etc.
- Audiovisual services: There are different acts, such as the Prasar Bharati Act, Copyright Act, Cinematography Act, Cable TV Act and the Central Board of Film Certification.
- Education services: Education services in India are regulated by central bodies, such as the UGC, the AICTE and the NCTE, which are governed by their own laws. The government is exploring the possibility of formulating the HEERA to replace these existing regulators.
- Environmental services: There are different acts for environmental services, such as water, air, noise and waste.

2. This paper only examines the executive powers of the regulators. There is a need to study their judicial and legislative powers to gauge how empowered they are to effectively regulate the services sector and to promote services trade across borders.

3. The lack of availability of data on services trade by partner country, company and mode of supply of a service is the biggest challenge to analyzing bilateral or multilateral services trade, or to recommending measures for an effective CEPA between India and Canada. There is limited understanding globally on what constitutes a service. There is a lack of services trade data, in particular by partner country or by company, especially for developing countries. Even where data by partner country is available, it does not accurately reflect the “ultimate” source or the destination country or company. No global database effectively captures this. This makes it difficult for countries, especially countries such as India, to gauge and adequately leverage the potential of their services sectors.

4. The classification of services sectors and sub-sectors is not uniform across existing global databases and national reporting authorities. WTO’s 12 services categories do not match those reported by India’s Commerce Ministry. For instance, the WTO regards computer services as a part of business and professional services, while India’s Commerce Ministry includes computer services with telecommunication and information services. This inconsistency makes it difficult to gauge the contribution of these sectors and sub-sectors to India’s total services trade. Similar examples were observed for Canada’s services sectors through the course of this study.

Appendix 2

Table 1: Mapping of India's Regulatory Framework

Type of Service and Relevant Ministry	Relevant Ministry (Government of India)	Official Regulator Appointed by Legislation	Relevant Statutory Legislation/ Policy/Guideline
Business Services and Professional Services			
Legal services	Ministry of Law and Justice	Bar Council of India	Advocates Act, 1961 ¹⁶
Accounting services	Ministry of Corporate Affairs	Institute of Chartered Accountants of India	Chartered Accountants Act ¹⁷
	Ministry of Corporate Affairs	NFRA	Companies Act, 2013 ¹⁸
Architectural and engineering services	Ministry of Human Resource Development	Council of Architecture	Architects' Act 1972 ¹⁹
		No official regulator	Royal charter; ²⁰ bylaws; regulations
Advertising services	No specific ministry	No official regulator Sectoral regulations — health, media	Code for Self-Regulation in Advertising ²¹

¹⁶ See www.barcouncilofindia.org/wp-content/uploads/2010/05/Advocates-Act1961.pdf.

¹⁷ See www.mca.gov.in/Ministry/pdf/CA_AmendmentAct_2011_07092016.pdf.

¹⁸ See <http://ebook.mca.gov.in/Default.aspx?page=main>.

¹⁹ Ibid.

²⁰ See www.ndrf.res.in/doc/royalcharter.pdf.

²¹ See https://ascionline.org/download.php?f=asci_code2new.pdf.

Executive Powers	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Licensing requirements and procedures — yes, by state bar councils Qualification requirements and procedures — no Technical standards — yes	No de facto regulator	GATS: 51 PTA: 61	CECA with Singapore
Licensing requirements and procedures — no Qualification requirements and procedures — yes Technical standards — yes	No de facto regulator		
Licensing requirements and procedures — no Qualification requirements and procedures — no Technical standards — yes	No de facto regulator		
Licensing requirements and procedures — no Qualification requirements and procedures — yes Technical standards — yes	No de facto regulator		
Licensing requirements and procedures — no Qualification requirements and procedures — yes Technical standards — no	Institution of Engineers, India		
Licensing requirements and procedures — no Qualification requirements and procedures — no Technical standards — yes	Advertising Standards Council of India (ASCI)		

Type of Service and Relevant Ministry	Relevant Ministry (Government of India)	Official Regulator Appointed by Legislation	Relevant Statutory Legislation/ Policy/Guideline
Computer and related services	MEITY	--	Information Technology Act ²²
Communication Services			
Audiovisual services	Ministry of Information and Broadcasting	Multiple acts: Prasar Bharati Act, Copyright Act, Cinematography Act, Cable TV Act, Central Board of Film Certification	--
Postal/courier, express mail services	Department of Posts, Ministry of Communication	--	--
Telecommunication services	Departments of Telecommunications	Telecom Regulatory Authority of India (TRAI)	TRAI Act, ²³ National Digital Communications Policy, 2018 ²⁴
Construction and Related Services			
Real estate	Ministry of Housing and Urban Affairs	Real Estate Regulatory Authority	Real Estate (Regulation and Development) Act, 2016 ²⁵
Construction	--	Director-General	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, ²⁶ 1996
Distribution Services			
Commission agents, wholesale trade, retailing, franchising	Ministry of Commerce and Industry	No official regulator	--

22 See <https://indiacode.nic.in/bitstream/123456789/1999/3/A2000-21.pdf>.

23 See https://indiacode.nic.in/handle/123456789/1929?view_type=browse&sam_handle=123456789/1362#collapse16713.

24 See <http://dot.gov.in/sites/default/files/EnglishPolicy-NDCP.pdf>.

25 See www.up-rera.in/pdf/reraact.pdf.

26 See <https://labour.gov.in/whatsnew/building-and-other-construction-workers-regulation-employment-and-conditions-service-act>.

Executive Powers	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Licensing requirements and procedures — yes Qualification requirements and procedures — yes Technical standards — yes	National Association of Software and Service Companies	GATS: 51 PTA: 61	CECA with Singapore
Multiple acts exist	No de facto regulator	GATS: 8 PTA: 8	--
Licensing requirements and procedures — NA Qualification requirements and procedures — NA Technical standards — NA	--	GATS: 0 PTA: 0	--
Licensing requirements and procedures — yes Qualification requirements and procedures — no Technical standards — yes	Digital Communications Commission	GATS: 43 PTA: 48	CECA with Singapore, CEPA with Japan, services agreement with ASEAN
Licensing/registration requirements and procedures — yes Qualification requirements and procedures — yes Technical standards — yes	No de facto regulator	GATS: 62 PTA: 81	--
Licensing requirements and procedures — yes Qualification requirements and procedures — yes Technical standards — yes	No de facto regulator	--	--
Licensing requirements and procedures — NA Qualification requirements and procedures — NA Technical standards — NA	No de facto regulator	GATS: 25 PTA: 41	--

Type of Service and Relevant Ministry	Relevant Ministry (Government of India)	Official Regulator Appointed by Legislation	Relevant Statutory Legislation/ Policy/Guideline
Education Services			
Education services	Ministry of Human Resource Development	UGC, NCTE	UGC Act, 1956
		AICTE	AICTE Act 1987 ²⁷
Energy Services			
Energy services	Ministry of Petroleum and Natural Gas	Petroleum and Natural Gas Regulatory Board	The Petroleum and Natural Gas Regulatory Board Act, 2006 ²⁸
	Ministry of Power	Central Electricity Regulatory Commission	The Electricity Act, 2003 ²⁹
Environmental Services			
Environmental services	Ministry of Environment and Forests	Central Pollution Control Board	--
		State Pollution Control Board	
Financial Services			
Insurance and reinsurance	Ministry of Finance	IRDAI	IRDAI Act 1999 ³⁰
Banking and financial services		RBI	The Reserve Bank of India Act, 1934 ³¹

²⁷ See www.aicte-india.org/downloads/aicteact.pdf.

²⁸ See www.pngrb.gov.in/the-act.html#bm1.

²⁹ See www.merc.gov.in/faces/merc/common/outputClient.xhtml.

³⁰ See www.irdai.gov.in/ADMINCMS/cms/frmGeneral_NoYearList.aspx?DF=ACT&mid=4.1.

³¹ See https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/RBIAM_230609.pdf.

Executive Powers	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Licensing requirements and procedures — yes Qualification requirements and procedures — yes Technical standards — yes	Association of Indian Universities, Central Advisory Board of Education, Council of IIT, Indian Society for Technical Education	GATS: 10 PTA: 13	--
Licensing requirements and procedures — yes, through the National Board of Accreditation Qualification requirements and procedures — yes Technical standards — yes			
Licensing requirements and procedures — yes Qualification requirements and procedures — no Technical standards — yes	No de facto regulator	--	--
Licensing requirements and procedures — yes Qualification requirements and procedures — no Technical standards — yes	No de facto regulator	--	--
Different acts for environment, water, air, noise, waste	No de facto regulator	GATS: 38 PTA: 44	--
Licensing requirements and procedures — yes Qualification requirements and procedures — yes Technical standards — no	No de facto regulator	GATS: 50 PTA: 58	--
Licensing requirements and procedures — yes Qualification requirements and procedures — yes Technical standards — yes	No de facto regulator	GATS: 40 PTA: 46	CECA with Singapore, CEPA with Japan, CEPA with South Korea

Type of Service and Relevant Ministry	Relevant Ministry (Government of India)	Official Regulator Appointed by Legislation	Relevant Statutory Legislation/ Policy/Guideline
Securities and capital market services	Ministry of Finance	SEBI	Securities and Exchange Board of India Act 1992 ³²
Pension		PFDA	The Pension Fund Regulatory and Development Authority Act, 2013 ³³
Health and Social Services			
Medical and dental services	Ministry of Health and Family Welfare	National Medical Commission, Dental Council of India, Pharmacy Council of India, Indian Nursing Council	--
Tourism Services			
Travel and tourism	Ministry of Tourism	No official regulator	--
Transport Services			
Air transport services	Ministry of Civil Aviation	Directorate General of Civil Aviation, Airports Authority of India, Airports Economic Regulatory Authority of India	Airports Authority of India Act, 1994 ³⁴
Land transport services	Department of Road Transport and Highways, Ministry of Shipping, Road Transport & Highways, Ministry of Railways	National Highways Authority of India, Indian Roads Construction Corporation	The National Highways Act, 1956 ³⁵

32 See www.sebi.gov.in/legal/acts/jan-1992/securities-and-exchange-board-of-india-act-1992-as-amended-by-the-finance-act-2018-3.html.

33 See www.pfrda.org.in/myauth/admin/showimg.cshtml?ID=353.

34 See www.aai.aero/en/node/2544.

35 See <http://legislative.gov.in/sites/default/files/A1956-48.pdf>.

Executive Powers	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Licensing requirements and procedures — yes Qualification requirements and procedures — yes Technical standards — yes	No de facto regulator	--	CECA with Singapore, CEPA with Japan, CEPA with South Korea
Licensing/registration requirements and procedures — yes Qualification requirements and procedures — no Technical standards — no	No de facto regulator	--	
Different acts exist for medical, veterinary, dentistry, nursing, midwives, pharmacy	No de facto regulator	GATS: 21 PTA: 27	--
Licensing requirements and procedures — NA Qualification requirements and procedures — NA Technical standards — NA	No de facto regulator	GATS: 58 PTA: 71	--
Licensing Requirements and Procedures — NA Qualification Requirements and Procedures — NA Technical Standards — NA	No de facto regulator	GATS: 18 PTA: 20	CECA with Singapore, services agreement with ASEAN
Licensing requirements and procedures — no Qualification requirements and procedures — no Technical standards — yes	National Highways Tribunal	--	--

Type of Service and Relevant Ministry	Relevant Ministry (Government of India)	Official Regulator Appointed by Legislation	Relevant Statutory Legislation/ Policy/Guideline
Maritime transport services	Ministry of Shipping	Directorate General of Shipping	--
Auxiliary transport services	No specific ministry	Port Trust of India, Traffic Authority for Major Ports, Warehousing Development and Regulatory Authority	--

Source: Collated and analyzed by Gateway House from the official websites of the regulators.

Table 2: Mapping of Canada’s Regulatory Framework

Type of Service	Relevant Ministry (Government of Canada)	Official Regulator (De Jure)
Business Services and Professional Services		
Legal services	Department of Justice, Canada	CENTRAL: Federation of Law Societies of Canada — acts as the coordinating body of the provincial law societies at national level and supports the development of national standards PROVINCIAL: Law Society of: Alberta, British Columbia, Ontario, Nova Scotia Barristers' Society (some)
Accounting services	No official ministry	CENTRAL: Chartered Professional Accountants (CPA) Canada PROVINCIAL: CPA British Columbia, Alberta, Saskatchewan (some)
Architectural and engineering services	No official ministry	CENTRAL: Canadian Architectural Licensing Authorities — represents nationally the 11 architectural regulators in Canada PROVINCIAL: Architectural Institute of British Columbia, Alberta Association of Architects, Saskatchewan Association of Architects, Manitoba Association of Architects (some)
Advertising services	No official ministry	No official regulator
Computer and related services	No official ministry	No official regulator
Communication Services		
Audiovisual services	Department of Canadian Heritage	CRTC (CENTRAL)
Postal and courier, express mail services	No official ministry	Canada Post (CENTRAL)

Executive Powers	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Licensing requirements and procedures — NA Qualification requirements and procedures — NA Technical standards — NA	No de facto regulator	GATS: 40 PTA: 46	--
Various kinds of auxiliary transport services exist	No de facto regulator	--	--

Relevant Statutory Legislation/Policy/Guideline	Powers of the Central Regulator	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Various acts exist depending on the kind of legal service	Different acts provide for different powers	Canadian Bar Association	GATS: 44 PTA: 51	TISA, CUSMA, FTA with Chile, FTA with Panama
--	--	No de facto regulator		
--	--	No de facto regulator	--	--
--	--	Ad Standards		
--	--	No de facto regulator	GATS: 100 PTA: 100	
Various acts for different kinds of services provided	Different acts provide for different powers	No de facto regulator	GATS: 0 PTA: 0	--
Various acts for different kinds of services provided	Different acts provide for different powers	No de facto regulator	GATS: 31 PTA: 66	--

Type of Service	Relevant Ministry (Government of Canada)	Official Regulator (De Jure)
Telecommunication services	Ministry of Industry	CRTC (CENTRAL)
Construction and Related Services		
Construction services	No official ministry	No official regulator
Real estate services	No official ministry	Real Estate Regulators of Canada (CENTRAL)
Distribution Services		
Distribution services	Office of Consumer Affairs —Ministry of Innovation, Science and Economic Development (no provincial regulators)	No official regulator
Education Services		
Education services	Ministry of Advanced Education, Skills and Training, British Columbia; Department of Education and Training, Manitoba; Ministry of Education, Ontario; Ministry of Advanced Education, Saskatchewan (some)	No official regulator
Energy Services		
Energy services	--	National Energy Board; British Columbia Utilities Commission; Alberta Energy Regulator; Ministry of Energy and Resources, Saskatchewan; Manitoba Hydro-Electric Board; Office of the Regulator of Oil and Gas Operations, Government of Northwest Territories; Qulliq Energy Corporation, Nunavut
Environment Services		
Environment services	Environment and Climate Change Canada	Parks Canada, Canadian Environmental Assessment Agency, Environmental Protection Tribunal of Canada

Relevant Statutory Legislation/Policy/Guideline	Powers of the Central Regulator	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Various acts for different kinds of services provided	Different acts provide for different powers	No de facto regulator	GATS: 74 PTA: 74	TISA, CPTPP, CUSMA, CETA, CKFTA, FTA with Colombia, Chile, Honduras, Panama, Peru
--	--	Canadian Construction Association (CENTRAL)	GATS: 62 PTA: 62	--
--	--	No de facto regulator	--	--
--	--	No de facto regulator	GATS: 53 PTA: 66	--
Various acts for different regulators	Different acts provide for different powers	No de facto regulator	GATS: 0 PTA: 50	--
Various acts for different regulators	Different acts provide for different powers	No de facto regulator	--	--
Various acts for different regulators	Different acts provide for different powers	No de facto regulator	--	--

Type of Service	Relevant Ministry (Government of Canada)	Official Regulator (De Jure)
Financial Services		
Financial, banking, pension, insurance, reinsurance	Department of Finance, Canada	Financial Services Commission of Ontario, Financial Transactions and Reports Analysis Centre of Canada, Financial Institutions Supervisory Committee (some)
Health and Social Services		
Medical and dental services	Health Canada	Public Health Agency of Canada; Provincial Health Services Authority, Vancouver Coastal Health, First Nations Health Authority (British Columbia); Prairie Mountain Health, Winnipeg Regional Health Authority (Manitoba); Local Health Integration Networks (Ontario) (some)
Tourism Services		
Travel and tourism	Tourism Canada, Destination Canada	No official regulator
Transport Services		
Air transport services	Transport Canada	Canadian Transportation Agency
Land transport services		
Maritime transport services		
Auxiliary services — freight, cargo handling, storage and warehousing		

Source: Collated and analyzed by Gateway House from the official websites of the regulator.

Relevant Statutory Legislation/Policy/Guideline	Powers of the Central Regulator	De Facto Regulator	Commitments (Index)	Commitments (in RTAs and FTAs)
Various acts for different regulators	Different acts provide for different powers	No de facto regulator	Banking and other financial services: GATS: 41 PTA: 49 Insurance services: GATS: 58 PTA: 74	TISA, CPTPP, CUSMA, CETA, CKFTA, FTA with Colombia, Peru, Honduras, Panama,
Various acts for different regulators	Different acts provide for different powers	No de facto regulator	GATS: 0 PTA: 0	--
--	--	No de facto regulator	GATS: 46 PTA: 63	--
Regulated by the government of Canada	--	No de facto regulator	GATS: 35 PTA: 53	TISA
			--	--
			GATS: 35 PTA: 56	TISA, CETA
			GATS: 50 PTA: 50	--

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**Centre for International
Governance Innovation**

67 Erb Street West
Waterloo, ON, Canada N2L 6C2
www.cigionline.org

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