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INDIA IN FREE TRADE AGREEMENTS*

With the establishment of WTO in 1995, a race has started among the international communities to enter into FTA or some other forms of trade agreement. India is also not far behind its counterparts. Till now India has signed about 10 FTA's with different countries of the world. The current study examines the involvement of India in the different trade agreements. This paper tries to assess India's gain from three major FTA's (Japan, Singapore, and South Korea) in the service sector which it has signed in the recent time. The current study also explores the increasing role of service sector in the world trade along with India.

Keywords: WTO, Free trade zone, Service Trade.

Чаудхур Р. Индия в соглашениях о свободной торговле. С созданием ВТО в 1995 г. между международными сообществами началась гонка за вступления в ЗСТ или некоторые другие формы торгового соглашения. Индия также не слишком отстает от своих коллег. До сих пор Индия подписала около 10 соглашений о свободной торговле с различными странами мира. В текущем исследовании рассматривается участие Индии в различных торговых соглашениях, делается попытка оценить прибыль Индии от трех основных ЗСТ (Япония, Сингапур и Южная Корея) в секторе услуг, который она подписала в последнее время, также рассматривается возрастающая роль сектора услуг в мировой торговле наряду с Индией.

Ключевые слова: ВТО, зона свободной торговли, торговля услугами.

Background. In the recent time, especially in the last decade there has been a noticeable growth among the world economies to engage in the Regional Trade Agreements (RTA). This is true for both developed and developing nations. However, economic and political strategies of the country play a pertinent role in this regard. As per WTO RTA database, there are 380 physical RTAs (counting goods and services together), 295 of which are currently in force [1]. Even though there is a wide variation among the different regional trade agreements but all of them have the common objective of reducing the barriers to trade between members. The General Agreement on Trade in Services (GATS) of the World Trade Organisation outlines the rules for services trade. These rules include how services should be dealt with in a Free Trade Agreement (FTA). GATS include 12 different services under this network. It is important to be noted that all the FTAs do not necessarily include services. India-Sri Lanka

* Views expressed in this paper are of the author's own and do not in any way reflect the views of the Institution to which he belongs.

FTA (ISLFTA), India-ASEAN FTA is an example of the same. However, discussion is in the process to include services in both these FTA.

Analysis of recent research and publications. Many studies have also been conducted in this area. Ray made an extensive study of the problems and prospects of trade in services for developing countries during 1990s. He argued that it is important because the scope of traditional merchandise exports is likely to shrink for a variety of reasons whereas the importance of services is likely to increase [2]. Mukhopadhyay argued that in view of the growing importance of services in the economy and the significance of the multilateral framework for enhancing India's trade prospects in the sector, liberalisation of trade and investment in the services sector is especially important [3]. Asher and Sen analysed the importance of international commercial service and their transactions related to both trade and investment. They also assessed which form is essential element of analyzing production fragmentation and economic integration in Asia [4]. Copeland and Mattoo reviewed the basic economics of trade in services. The study briefs the reasons for trade in services and also discusses the sources of potential welfare as well as the effects of trade liberalisation on the income distribution. The authors argued that comparative advantage and gains from specialization arising from increasing returns to scale or agglomeration effects are the two major causes of trade in services [5]. Viners, Bhagwati are some important theoretical studies done in the area [6–8]. Kemp-Wan showed the welfare effect of Custom Unions [9]. Grossman-Helpman reviewed the socio-economic rationale of the PTA [10]. Nataraj studied the Gains and Future Prospects of India and Japan Economic Relations. The author studied the export competitiveness of selected products between these two countries. The study finds out that there is a huge potential for further development as bilateral trade and investment are below potential considering the economic size of both countries [11]. Karmakar also made the study of India ASEAN Co-operation in services. The paper concludes that CECA would also provide opportunities for India to access third country markets through partnering with an established ASEAN service firm in the targeted host country [12]. Thangavel and Abe studied the India-Singapore FTA and India-Singapore CECA and its impact on Japanese economy in terms of economic growth and increasing trade [13]. Kawai and Bhattacharyay argued that Japan's export to India would rise by 2.5 percent while India's exports to Japan would expand by only 0.3 percent. The study also focuses on the production linkages between these economies [14]. Nag argued that due to delay in implementation of CEPA between India and Sri Lanka, Sri Lanka will lose its opportunity in Indian market. The paper suggests that in the absence of progress in regional frameworks such as SAFTA, and slowing down of WTO discussion, the best option available to Sri Lanka is a bilateral mechanism within the disciplinary framework [15].

The **aim** of the study. In the current study we focus only on the Indian involvement in service sector FTAs. The prime objective of our study is to estimate the gains of India from the three Service FTAs; that

it signed only in the 2010. The FTAs that we considered in the current study are India-Korea CECA, India-Singapore CECA, and India-Japan CECA.

The paper is organized as follows. The following section investigates the available literature in the area. The next section of the study examines the Involvement of India in different service sectors of PTAs in recent years. The third section gives a detailed analysis of the role of the service sector in the economy, while the fourth section deals with India's trade in services under different categories. In the fifth section, we have tried to assess the gain of India from three major FTAs (mentioned earlier). The final section summarizes the entire issues and raises some policy recommendations.

Materials and methods. The information base of the study consisted of working materials of international seminars, symposiums, regional research institutions and world organizations [16–22].

The results of the research. Indian engagement in Service Trade agreements. Following the «Look East Policy» India has enhanced its trade and investment relations with all the Asian economies. Starting from India-Singapore CECA in almost all recent agreements India focused in goods, services and investment. India's desire to enter into CECA/Comprehensive Economic Partnership Agreement (CEPA) with Singapore, South Korea, Japan, with specific focus on technology cooperation, is proof of India's attempts to seize on this opportunity. India is also looking for possibility of investment in some manufacturing and services sector to explore while negotiating economic partnership agreements with Sri Lanka, Malaysia, etc. (Nag et.al. 2011).

Table 1 reflects India's current engagements in major FTA/CECA/CEPA having chapter on services trade.

Table 1

Indian engagement in FTA/CECA/CEPA with Service Chapter

Agreement	Date of Sign	Date of Operation
Singapore	29-Jun-2005	01-Aug-2005
Malaysia	18-Feb-2011	01-Jul-2011
Korea	7 th August 2009	1 st Jan, 2010
Japan	16 February 2011	01-Aug-2011
Sri Lanka	Negotiations completed but yet to be signed	–
EU	Negotiations under process	–
APTA	4 th negotiations with service	–

Source: WTO, RTA data base.

World Trade Organization (WTO) compiles data of its member's participation in different trade agreements. The data base was used to prepare the above table. In addition; India also extends various forms of trade preferences to some Asian neighbors, e.g., Afghanistan, Bangladesh, Bhutan, Mongolia, and Nepal. The operational PTAs currently involve Asian and Latin American partners, while negotiations are currently taking place with several partners located in Asia and Africa. India is also currently engaged in negotiation with EU

and APTA. Ministry of Commerce and Industry in India reports about 14 rounds of negotiation have already been concluded with reference to India-EU FTA.

The service sector in the whole world is growing very rapidly. The growth is experienced by developed as well as developing countries. However, their growth level varies very widely from each other. The world economy led by service sector has turned into the present shape only after the 1990s. Services revolution across the globe has changed the business map and the way of business is conducted. Phenomenal growth of services sector has outstripped the growth of real GDP in a number of economies from Asia. While developed countries still account for the lion's share of services in world GDP and trade, developing countries have recently started to carve out an increasingly larger share of the pie for themselves (Karmakar 2005). With the establishment of WTO and implementation of GATS service sector has been liberalised by a number of countries in the world including India.

Indian economy, alongside the world economy is also experiencing the growth in the trade of service sector. Both export and import are growing at a very fast phase. Transformation of Indian economy from agricultural to manufacturing and from manufacturing to service can be cited as a major reason for this growth. Contribution of service sector in to the economy is also increasing every year.

Table 2 shows the Indian export and import data to the world in the service sector. Export value of Indian service sector was 16 billion USD in 2000, which increased to 156 billion USD in 2015. Similarly, import value also rose from 19 billion USD in 2000 to 123 billion USD in 2015.

Table 2

India's trade in services with the world, mln USD

Year	Export	Import
2000	16685	19188
2001	17337	20099
2002	19478	21039
2003	23902	24878
2004	38281	35641
2005	52179	60636
2006	69440	75171
2007	86553	91036
2008	106054	87955
2009	92890	80553
2010	117068	114928
2011	138528	125289
2012	145525	129919
2013	149164	126891
2014	157196	128362
2015	156278	123567

Source: UN Statistics, online database.

India's export and import of services under different categories* are done in *table 3*. *Table 3* shows that India has exported the highest amount of services under commercial services, followed by computer and information services and other services. CAGR of Indian services export from 2010 to 2016 reflects intellectual property that has the highest growth rate. Intellectual property has been followed by construction and travel in growth rate.

In case of import India has imported services under Memo item: Commercial services. It is very interesting to note that India has witnessed the highest level of CAGR under the category of intellectual property during the period of 2016. CAGR values represent a mixed growth of services. The values depict that import of travel services has increased by more than 56 percent in our reference period. Travel services are followed by telecom services (32). It is also visible from the data that some services have performed negatively in our reference period. Personal, cultural services (-54.67) and government services (-3.51) are two major negatively performed services in our reference period.

Any trade agreement brings some gain as well as losses for an economy. The gains and losses from PTA/RTA come in the form of trade creation and diversion. Trade diversion refers to the Trade that occurs between members of a preferential trading arrangement that replaces what would have been imported from a country outside the PTA. It is associated with welfare reduction for the importing country since it increases the cost of the imported good.

The concept of trade creation was pioneered by Viner in 1950. As against trade diversion he said, with the entering into a trade agreement if trade partners switch from inefficient domestic production of goods to import of those goods from the efficient PTA partners; trade creation occurs.

When a trade agreement (PTA) enters into force, both partners get access to a number of products to import at a very low rate of tariff. More over in case of FTA partners get access to free import of a number of products. For India, Trade creation, will be the scenario when its trading partner will reduce/remove their tariffs and Indian exporters will be encouraged to exploit their markets. As a result of this, Indian exporters will be benefited by increasing their international market share. In the same time, the Indian Government will also have to reduce its tariffs level for its counterpart (partner of the agreement). This step of Indian government will make the exports from his partner country cheaper.

In accounting and book keeping services, South Korea has kept *mode 1* and *mode 2* open for Indian export. South Korea has given India full access to its market and has also provided national treatment for Indian service export under these two modes. But, for the other two modes i.e. for *mode 3* and *4* it has kept some limitations for Indian services. To safeguard the interest of its domestic service providers, it has wiped out the possibilities of Indian lawyers with South Korean equivalent qualification to provide their service.

* As per IMF categorization.

Table 3

India's export and import of Services to the world, mln USD

	Services	Goods-related services	Transport	Travel	Other services	Construction	Insurance and pension services	Financial services	Charges for the use of intellectual property n.i.e.	Telecom, computer, and info services	Other business services	Personal, cultural, and recreational services	Government goods and services n.i.e.	
2010	Export	117068	—	13275	14490	89303	526	1781	5834	127	40508	34529	975	485
	Import	114928	—	46705	10490	57733	992	5025	6787	2438	3617	25496	4180	702
2011	Export	138528	—	17702	17708	103119	838	2584	6249	303	47113	38549	345	593
	Import	125289	—	58153	13699	53436	1133	6215	8296	2819	3196	25134	345	843
2012	Export	145525	134	17507	17972	109913	922	2258	5352	321	48801	47091	767	495
	Import	129919	320	60705	12342	56552	1094	6441	5343	3990	3482	29900	542	704
2013	Export	149164	255	16916	18397	113596	1219	2144	6376	446	53805	46651	1232	461
	Import	126891	336	57363	11615	57577	1394	5959	5893	3904	3743	28066	725	1067
2014	Export	157196	383	18597	19700	118516	1613	2281	5645	659	54535	48461	1266	582
	Import	128362	246	58899	14595	54622	1134	5882	4115	4849	4318	26873	1390	958
2015	Export	156278	324	14319	21013	120622	1483	1985	5344	467	55046	50097	1266	561
	Import	123567	336	52257	14838	56136	957	5234	3117	5009	3798	29810	1369	877
2016	Export	161845	265	15192	22428	123961	2078	2145	5083	529	55318	53202	1397	595
	Import	133710	377	47951	16372	69010	955	5068	5021	5470	4768	32750	1895	677

Source: UN Statistics, online database.

Table 4

Comparison between the service sector commitments of FTA by Korea, Singapore and Japan
(Mode 1 – Cross border trade, Mode 2 – Consumption abroad, Mode 3 – Commercial presence, Mode 4 – Presence of natural persons)

Sector or Sub-sector	Limitations on Market Access Korea	Limitations on National Treatment Korea	Limitations on Market Access Singapore	Limitations on National Treatment Singapore	Limitations on Market Access Japan	Limitations on National Treatment Japan
Legal services; (CPC 861*) Advisory Services on law of the jurisdiction where service supplier is qualified as a lawyer and on public international law, excluding the following: (i) representation for juridical or statutory procedures in courts and other government agencies as well as preparation of legal documents for such procedures; (ii) legal representation for the entrustment of the preparation of notarial deeds	1. None 2. None 3. Only in the form of representative office. Association with or employment of local lawyers with Korean qualification or equivalent is not permitted. 4. Unbound except as indicated in the Horizontal Commitments section. Commercial presence is required.	1. None 2. None 3. Foreign legal consultants are required to stay in Korea not less than 180 days per year. 4. Unbound except as indicated in the Horizontal Commitments section.	1. Unbound 2. None 3. Unbound 4. Unbound except as indicated in the horizontal section	1. Unbound 2. None 3. Unbound 4. Unbound	1. None except that: services must be supplied by a natural person or by a Legal Profession Corporation 1 and Commercial presence is required. 2. None except that: services must be supplied by a natural person or by a Legal Profession Corporation; and commercial presence is required. 3. None except that services must be supplied by a natural person or by a Legal Profession Corporation. 4. None except that commercial presence is required	1. None 2. None 3. None 4. None
Accounting, auditing and bookkeeping services, except for financial auditing services (862**)	1. Unbound for auditing services. 2. Unbound for auditing services. 3. Only sole proprietorships, auditing task forces, and accounting corporations (limited liability companies) by CPAs licensed under the Certified Public Accountant Law are permitted. Only CPAs in auditing task forces and accounting corporations (limited liability companies) are allowed to supply auditing services. 4. Unbound except as indicated in the Horizontal Commitments section	1. None 2. None 3. None 4. Unbound except as indicated in the Horizontal Commitments section. In order to practice as a CPA, a candidate must have field experience of two years in Korea after passing the CPA examination	1. None 2. None 3. None 4. Unbound except as indicated in the horizontal section	1. None 2. None 3. None 4. Unbound	1. None except that: provision of the services which must be supplied by an accountant qualified as «Koninkaikeishi» or an Audit Corporation 7 under Japanese law is restricted to a natural person or an Audit Corporation; and commercial presence is required for an Audit Corporation. 2. None except that: provision of the services which must be supplied by an accountant qualified as «Koninkaikeishi» or an Audit Corporation under Japanese law is restricted to a natural person or an Audit Corporation; and commercial presence is required for an Audit Corporation. 3. None except that provision of the services which must be supplied by an accountant qualified as «Koninkaikeishi» or an Audit Corporation under Japanese law is restricted to a natural person or an Audit Corporation.	1. None 2. None 3. None 4. None
Architectural services (CPC 8671)	1. Local presence is required. 2. None 3. None 4. Unbound except as indicated in the Horizontal Commitments section	1. None 2. None 3. None 4. Unbound except as indicated in the Horizontal Commitments section	1. None 2. None 3. None 4. Unbound except as indicated in the horizontal section	1. None 2. None 3. None 4. Unbound	1. None except that commercial presence is required. 2. None except that commercial presence is required. 3. None 4. None except that commercial presence is required	1. None 2. None 3. None 4. None

Continuation of the Table 4

Sector or Sub-sector	Limitations on Market Access Korea	Limitations on National Treatment Korea	Limitations on Market Access Singapore	Limitations on National Treatment Singapore	Limitations on Market Access Japan	Limitations on National Treatment Japan
Engineering services (CPC 8672)	1. None (Local presence is required) 2. None 3. None 4. Unbound except as indicated in the Horizontal Commitments section.	1. None 2. None 3. None 4. Unbound except as indicated in the Horizontal Commitments section.	1. None 2. None 3. None 4. Unbound except as indicated in the horizontal section	1. None except that the implementation in Singapore (for example submission to the authorities and construction) has to be carried out by a professional engineer physically present in Singapore 2. None 3. None 4. Unbound	1. None 2. None 3. None 4. None	1. None 2. None 3. None 4. None
Computer and Related Services (excluding computer reservation system services for air transport) (84)	1. None 2. None 3. None 4. Unbound except as indicated in the Horizontal Commitments section	1. None 2. None 3. None 4. Unbound except as indicated in the Horizontal Commitments section	1. None 2. None 3. None 4. Unbound except as indicated in the horizontal section	1. None 2. None 3. None 4. Unbound	1. None 2. None 3. None 4. None	1. None 2. None 3. None 4. None
Insurance and Insurance-related Services (i) Direct Insurance a) Life Insurance Services Including accident and health insurance services	1. Unbound 2. Unbound 3. Commercial presence is permitted only to foreign life insurance companies. Recruitment and employment of insurance professionals, including sales personnel, are restricted. Top executive personnel of each establishment must reside in Korea. 4. Unbound except as indicated in the Horizontal Commitments section	1. Unbound 2. Unbound 3. None 4. Unbound except as indicated in the Horizontal Commitments section.	1. Unbound 2. None 3. These measures are also limitations on national treatment. None except a) insurance companies must establish as branches or subsidiaries; b) activities relating to the use, including via investment, of monies from any social security, public retirement or statutory savings scheme. 4. Unbound except as indicated in the horizontal section	1. Unbound 2. None 3. None 4. Unbound	Specific commitments in the market access column with respect to the supply of a service under sub-paragraphs (m) (i) and (ii) of Article 58 are unbound except for obligations under paragraphs B3 and 4 of the Understanding respectively which are incurred in this sector additionally to those covered by the provisions of Articles 59 through 61 and Annex 4, subject to conditions and qualifications set out below. 1. None except that: commercial presence is in principle required for insurance contracts on the following items and any liability arising there from: a) goods being transported within Japan; b) ships of Japanese registration which are not used for international maritime transport; c) commercial presence is required for insurance intermediation services in Japan. 2. None except that: commercial presence is in principle required for insurance contracts on the following items and any liability arising there from: a) goods being transported within Japan; b) ships of Japanese registration which are not used for international maritime transport; c) commercial presence is required for insurance intermediation services in Japan.	1. None 2. None 3. None 4. Unbound

End of the Table 4

Sector or Sub-sector	Limitations on Market Access Korea	Limitations on National Treatment Korea	Limitations on Market Access Singapore	Limitations on National Treatment Singapore	Limitations on Market Access Japan	Limitations on National Treatment Japan
Banking and Other Financial Services (excluding Insurance and Insurance-Related Services)	<p>1. Unbound</p> <p>2. Unbound</p> <p>3. Commercial presence is permitted only for foreign financial institutions (except for financial leasing) which deal with the same services in their country of origin. A person may own up to 10 per cent of the stocks of a bank (up to 4 % in case of non-financial service business entity) and 15 per cent of the stocks of a provincial bank without the special authorization of the relevant authorities 18.</p> <p>A person can own up to 100 per cent of a bank and a provincial bank with the special authorization of the relevant authorities.</p> <p>Foreign exchange position is regulated. The oversold position of spot foreign exchange is US\$ 5 million, or 3 per cent of capital (whichever is greatest) Deposit for specific purpose, such as housing subscription deposit, may be handled only by designated institutions. Securities savings and credit granting are subject to restriction of ceiling and operation. Lending to credit card members through such means as card loans is subject to limitation. For credit card services, maximum limits are applied to various rates such as fees and interest rates. The maturity of CDs shall be more than 30 days. Underlying transaction and documentation requirements apply to foreign exchange transactions. Underlying documentation requirements are exempt in the case of forward transactions. Mandatory lending to small-and medium sized companies is required. Foreign currency loans are restricted with respect to ceiling and uses. Top executive personnel of financial leasing, credit granting and security savings companies must reside in Korea. Korea shall give favourable consideration 21 to the application for establishment of branches by Indian banks, provided that they meet Korea's requirements relating to the establishment of bank branches.</p> <p>4. Unbound except as indicated in the Horizontal Commitments section</p>	<p>1. Unbound</p> <p>2. Unbound</p> <p>3. None</p> <p>4. Unbound except as indicated in the Horizontal Commitments section</p>	<p>1. Unbound</p> <p>2. None</p> <p>3. These measures are also limitations on national treatment. Only institutions licensed or approved as banks, merchant banks and finance companies can accept deposits. Where a foreign financial institution is subject to legislation in its home country which requires that institution to confer lower priority to depositors of its foreign offices vis-à-vis the home country depositors in receivership or winding-up proceedings, MAS may exercise appropriate differentiated measures against that foreign financial institution in Singapore to safeguard the interest of the Singapore office's depositors Foreign banks can operate from only one office (excluding back-office operations). They cannot establish of premise ATMs and ATM networking and new sub-branches.</p> <p>4. Unbound except as indicated in the horizontal section</p>	<p>1. Unbound</p> <p>2. None</p> <p>3. Commercial banks A bank incorporated in Singapore is required to establish a nominating committee to identify and review nominations for appointments to the board of directors and to senior executive positions.</p> <p>A majority of the directors of a bank incorporated in Singapore must be either Singapore citizens or Singapore permanent residents. Unbound for provision of all electronic banking services.</p> <p>4. Unbound</p>	<p>Specific commitments in the market access column with respect to the supply of a service under subparagraphs (m) (i) and (ii) of Article 58 are unbound except for obligations under paragraphs B3 and 4 of the Understanding respectively which are incurred in this sector additionally to those covered by the provisions of, Articles 59 through 61 and Annex 4, subject to conditions and qualifications set out below.</p> <p>1. None except that commercial presence is required for discretionary investment management services.</p> <p>2. None</p> <p>3. None</p> <p>4. Unbound</p>	<p>1. None</p> <p>2. None</p> <p>3. None except that the deposit insurance system does not cover deposits taken by branches of foreign banks</p> <p>4. Unbound</p>

Source: FTA Documents, Ministry of Commerce, Government of India.

Indian consultants having their office in South Korea will also need to stay there for more than 180 days every year to enjoy the national treatment.

Some studies find that Korean legal firms are not progressing as per with their foreign counterparts. Due to a very well developed industrialized economy the demand for legal services are also very high. After the implementation of the CEPA with Korea, Indian law firms can open their office in Korea to provide their services. However, as per the agreement Indian law firm will have to set up their office only in collaboration with Korean law firms. Moreover, Indian lawyers with Korean equivalent qualification are not allowed to offer their services in Korea. In addition to that Indian law firms will have to compete with other foreign law firms operating there from earlier. In light of the above discussion it can be argued that scope of Indian law firms in Korean market is not very vast.

Japan has also given similar treatment to Indian service under legal service category. However, it has imposed a number of predefined conditions* for exploiting Japanese markets by Indian lawyers.

Legal services market in Singapore is very well developed. From 1980 Singapore is attracting foreign investment in its legal service sector. Competition in this sector is also very immense. Law firms from the UK, the USA and Australia are operating in Singapore for a long time.

In case of Singapore, it has kept all the modes of services export except the *mode 2*. Under *mode 2* Singapore has not kept any barriers for Indian export. Indian service exporters can use both market access and national treatment only under this mode. The decision of Singapore to keep 3 other non-interconnected modes may hamper Indian export sector, as Singapore is a major market for Indian services and also a very developed market for the most of the services including legal services in the international front. Legal services market in Singapore is very well developed. From 1980 Singapore has attracted foreign investment in its legal service sector. Competition in this sector is also very immense. Law firms from the UK, the USA and Australia have been operating in Singapore for a long time.

In accounting and book keeping services Korea has kept some limitations under market access while it has given national treatment for all modes except *mode 3*. Big Indian accounting firms can not open their offices in South Korea. Only small sole proprietorship firms have these privileges in this regard.

In case of Singapore, it has given full market access and national treatment to Indian export of services under the first three modes. Only the *mode 4* is kept unbound for both cases of market access and national treatment. This commitment made by Singapore is definitely going to affect Indian service export positively as Singapore is a major market for accounting services. The tariff concessions given under this mode will encourage Indian exporters to export their services in Singapore market.

* Conditions are defined in appendix.

Under Indo-Japan FTA, Japan has committed to open its market for Indian accounting services. Japan has given full market access for all the modes. However, some limitations are also kept in this regard. But all the export from India under accounting services will get national treatment in Japanese market.

Indian architects are required to be locally present in South Korea to provide their services through mode 1. For *mode 2* and *mode 3* there are no barriers kept by South Korean authority. However, they have kept the *mode 3* unbound. The first three modes of services trade will also be given to the national treatment in South Korean market. However, the issue of national treatment is kept unbound for Indian export under *mode 4*. The rules and regulations regarding the supply of services by Indian architects in South Korean territory are not clear at this moment.

Both Singapore and Japan have given absolute market access and national treatment for all the first three modes of Service export. However, market access in Japan is subject to some limitations for Indian service exporters. It should be noted that Singapore has kept the mode 4 unbound but the same is not true in case of Japan. Although Japan has kept this mode free, it has made some exceptions under it. All the service export from India under *mode 4* will get national status in Japanese market. Due to very advance architect services in both Japan and Singapore and presence of other foreign architects, Indian architects will face sound competition from them.

It is one of the major Services traded in the world. However, India is not a major exporter of engineering goods or services. In case of merchandise products, India generally exports low technology products and imports high technology products. For Indian engineering services, South Korea has kept all the first three modes open for both market access and national treatment. But for the fourth mode of service South Korea has not opened its market for Indian export. It can be viewed as a major strategic decision on the part of South Korea economy. South Korean engineering service sector is more developed than the Indian service sector. As South Korea has not opened its market for the fourth mode of service, it can negatively impact India export because Indian engineers will not be able to visit South Korea for offering their services in Korean market. As the services under engineering sector (civil engineers, software engineers) are provided by experts by visiting the sites, it would be very difficult for Indian engineers to visit Korea to offer their services.

Like South Korea, both Singapore and Japan have also opened their market for Indian export for all the first three modes of services. However, Japan has also kept the mode 4 open for Indian services. However, Singapore has kept this mode unbound for the time being.

India is one the leading services provider of computer and related services like IT and ITES. Both computer goods and services of India have a vast global presence. The IT Services segment aggregated export revenues of USD 27.3 billion, accounting for 55 per cent of total exports [20]. Indian

software engineers offer their services all over the world. In computer service export all the countries of our study have offered India to open their market for the first three modes of services, in case of both market access and providing national treatment. All of three countries except Japan has kept the *mode 4* of service unbound for Indian service export. This decision reflects that Indian service provided through *mode 4* will not be able to open their offices or service station in these three countries. However, going ahead of them Japan has kept this *mode 4* also open for Indian export under computer and related service category.

It is one of the important services growing all over the world in the recent time. India is also a major player in this segment of services. As per a joint study conducted by Confederation of Indian Industries (CII) and Ernst & Young in 2010, there are 23 life insurance providers and 24 non-life insurance providers that operate in India. Insurance service plays an important role in the total service export of India [19]. As per the agreement signed by India with its partners of FTA, South Korea and Singapore has kept their market unbound for mode 1 in case of both market access and national treatment. South Korea has even kept mode 2 unbound for Indian export in the both forms of market entry. Though Japan has freed its market for first three modes of services under national treatment, but it has kept a long list of clauses for offering market access to Indian export.

Banking and other financial services were also opened partially by these countries for Indian export. However, they have also imposed a numbers of conditions for opening their markets for India service providers.

Conclusion. The paper tried to assess gains from various FTA's that India has signed in the recent period. The paper considered for analysis only those FTA's that has included service sector in their purview. It was analysed three major FTA's signed by India with Japan, Singapore, and South Korea. The study finds that India has performed the export of services tremendously well in the recent decade. Among such services like computer, telecommunication ones Indians were the best performers in the service category. The study argued that among the various services, India can gain profit from engineering services, financial services and legal services.

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Чаудхури Р. Індія в угодах про вільну торгівлю.

Постановка проблеми. З утворенням СОТ у 1995 р. розпочалися перегони між міжнародними спільнотами за вступ до ЗВТ чи інших форм торгової угоди. Індія також не відстає від своїх суперників. До цих пір Індія підписала близько

10 ЗВТ з різними країнами світу. Відповідно до бази даних Регіональних Торгових Угод (РТУ) в рамках СОТ існує 380 фізичних РТУ (рахуючи товари та послуги разом), з яких 295 в даний час є чинними. Незважаючи на те, що між різними регіональними торговельними угодами існує велика різниця, але всі вони мають спільну мету скоротити бар'єри для торгівлі між учасниками.

Мета. У дослідженні розглянуто участь Індії в різних торгових угодах та зосереджено лише на залученні Індії у ЗВТ в сфері послуг. Головна мета нашого дослідження полягає в оцінці прибутку Індії від трьох ЗВТ в сфері послуг, який вона підписала тільки в 2010 році.

Матеріали та методи. У дослідженні застосовано описовий підхід для оцінки прибутку Індії від трьох основних ЗВТ (Японія, Сінгапур та Південна Корея) у секторі послуг. Офіційні документи про ЗВТ, що містяться на веб-сайтах відповідних міністерств цих країн, ретельно вивчають за категоріями послуг під різними керівництвами та відповідно до пропозицій, які вони надають своїм партнерам. Проаналізовано зростаючу роль сектора послуг у світовій торгівлі разом з Індією.

Результати дослідження. Проведено аналіз, як серед різних послуг Індія може отримати прибуток від інжинірингових, фінансових та юридичних послуг. Різні країни пропонують різні послуги безмитної торгівлі, і вони можуть бути стратегічно використані для збільшення прибутку. Індія може отримати прибуток від імпорту інженерних послуг з Японії, послуг з архітектури – з Сінгапуру. Аналогічно вона може отримати прибуток, експортуючи бухгалтерські, медичні та фінансові послуги для цих країн.

Висновки. Після аналізу послуг ЗВТ, де Індія є партнером, дослідження надає можливість отримати висновок, що при торгівлі послугами обидва партнери стратегічно можуть мати прибуток. Деякі послуги, де Індія є слабкою, наприклад, високотехнологічну інженерію, сучасну архітектуру та інше, можна імпортувати, тоді як послуги, у яких Індія має позитивні переваги, можуть бути експортовані до своїх партнерів по ЗВТ для отримання прибутку від цього.

Ключові слова: СОТ, ЗВТ, торгівля послугами.

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