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## **CABINET APPROVES AGREEMENT BETWEEN INDIA AND JORDAN ON COOPERATION AND MUTUAL ADMINISTRATIVE ASSISTANCE IN CUSTOMS MATTERS<sup>1</sup>**

The Union Cabinet chaired by Prime Minister Shri Narendra Modi has approved the signing and ratifying an Agreement between India and Jordan on Cooperation and Mutual Administrative Assistance in Customs Matters.

The Agreement will help in the availability of relevant information for the prevention and investigation of Customs offences. The Agreement is also expected to facilitate trade and ensure efficient clearance of goods traded between the countries.

### **Background:**

The Agreement would provide a legal framework for sharing of information and intelligence between the Customs authorities of the two countries and help in the proper application of Customs laws, prevention and investigation of Customs offences and the facilitation of legitimate trade. The draft text of the Agreement has been finalized with the concurrence of the two Customs Administrations. The draft Agreement takes care of Indian Customs' concerns and requirements, particularly in the area of exchange of information on the correctness of the Customs value, tariff classification and origin of the goods traded between the two countries.

## **CABINET APPROVES ACTION PLAN FOR CHAMPION SECTORS IN SERVICES<sup>2</sup>**

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the proposal of the Department of Commerce to give focused attention to 12 identified Champion Services Sectors for promoting their development, and realizing their potential. These include Information Technology & Information Technology enabled Services (IT & ITeS), Tourism and Hospitality Services, Medical Value Travel, Transport and Logistics Services, Accounting and Finance Services, Audio Visual Services, Legal Services, Communication Services, Construction and Related Engineering Services, Environmental Services, Financial Services and Education Services.

The Cabinet has also directed the Ministries/Departments concerned with these sectors to utilize the available draft sectoral plans to finalize and implement the Action Plans for the identified Champion Services Sectors. The respective line Ministries/Departments shall finalize the Action Plans and the implementation timelines along with a monitoring mechanism to monitor implementation under the overall guidance of the Committee of Secretaries (CoS) under Cabinet Secretary.

A dedicated fund of Rs. 5000 crores has been proposed to be established to support initiatives for sectoral Action Plans of the Champion Sectors.

### **Impact**

This initiative will enhance the competitiveness of India's service sectors through the implementation of focused and monitored Action Plans, thereby promoting GDP growth, creating more jobs and promoting exports to global markets.

<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1522110>

<sup>2</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1522114>

## **Employment Generation Potential**

Services sector in India has immense employment potential. The proposal will enhance the competitiveness of India's service sectors through the implementation of focused and monitored Action Plans, thereby creating more jobs in India, contributing to a higher GDP and exports of services to global markets.

## **Financial Implications**

Certain components of the various sectoral Action Plans that are envisaged to be prepared, related to elements like creation of required infrastructure, fiscal incentives etc., may have financial implications. These details shall be worked out and finalized with due approvals, as part of the action plans prepared by the respective departments. A dedicated fund of Rs. 5000 crores has been proposed to be established to support initiatives for sectoral Action Plans of the Champion Sectors.

## **Benefits**

As the Services sector contributes significantly to India's GDP, exports and job creation, increased productivity and competitiveness of the Champion Services Sectors will further boost exports of various services from India. Embedded services are substantial part of 'Goods' as well. Thus, competitive services sector will add to the competitiveness of the manufacturing sector as well.

The year 2022 marks 75th anniversary of India's independence. The Action Plans to be prepared and implemented by the Ministries/Departments concerned shall develop a vision for each of these identified Champion Sectors in the year 2022 and enumerate steps that need to be taken to achieve that vision.

The share of India's services sector in global services exports was 3.3% in 2015 compared to 3.1% in 2014. Based on this initiative, a goal of 4.2 % has been envisaged for 2022.

The share of services in Gross Value Added (GVA) was about 53% for India in 2015-16 (61 % including construction services). A goal of achieving a share of services in GVA of 60 % (67% including construction services) has also been envisaged by the year 2022.

## **Background**

The Group of Secretaries in their recommendations to the Prime Minister, had identified ten Champion Sectors, including seven (7) manufacturing related sectors and three (3) services sectors, for promoting their development and achieving their potential. It was subsequently decided that Department of Industrial Policy and Promotion (DIPP), the nodal department for 'Make in India', would spearhead the initiative for the Champion Sectors in manufacturing and Department of Commerce would coordinate the proposed initiative for the Champion Sectors in Services. Accordingly, Department of Commerce, with wide stakeholder consultation coordinated the preparation of draft initial sectoral reform plans for several services sectors and, subsequently the action plan.

## **Team ICSI**

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