

India Serves

A Monthly Newsletter by



Setup by Ministry of Commerce & Industry, Govt. of India

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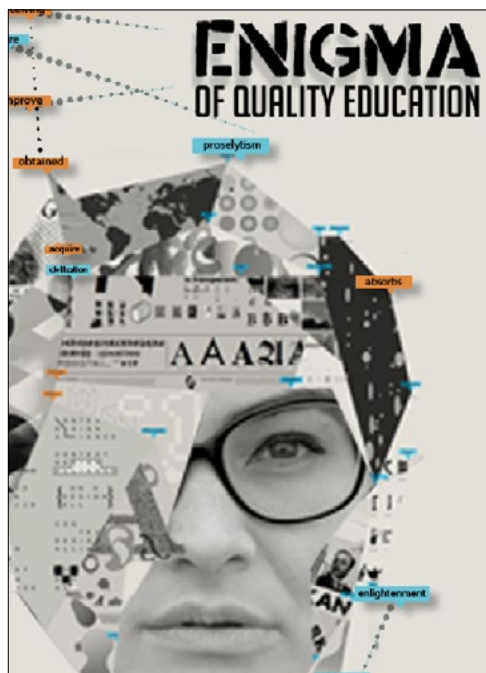
ENIGMA OF QUALITY EDUCATION

THE DIGITAL
AGE OF
INTERNATIONAL
EDUCATION

SERVICES EXPORT PROMOTION COUNCIL
Setup by Ministry of Commerce & Industry, Govt. of India

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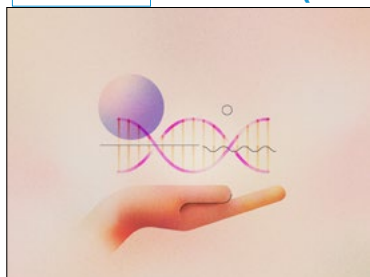
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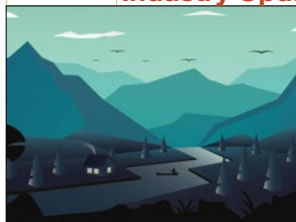
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VISION

To make India an international services exports powerhouse
by effectively promoting and representing every sector of
Indian services and contributing to the overall growth of the economy.

MISSION

To be an effective voice of the Indian services sector globally, raising its profile through
interventions and exchanges leading to increase in business.

To serve as a bridge between government and other stakeholders and the services sector.

To disseminate knowledge and recognize the achievements of organizations in their quest to
increase services exports.

India Serves

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A SEPC NEWSLETTER

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Tap here for detailed profiles

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MESSAGE FROM THE CHAIRMAN



Maneck E. Davar
Chairman, SEPC

We are delighted to share new edition of India Serves which focuses on Education Services. Education services is one of the important sectors that come under the ambit of SEPC and identified by Ministry of Commerce as one of the Champion Services sectors. India has huge untapped export potential in education services. As per data from Reserve Bank of India (RBI), India received USD 181 Million of foreign exchange from education services exports in the year 2019-20. Indian educational institutes face tough competition with developed countries like USA, UK, China, Canada, Australia, and France, etc.

Despite being the third largest educational system in the world after China and USA, India hosted only 47,000 foreign students in the year 2018-19 and stands nowhere among the top education destinations in the world. USA received more than 10 lakh students, UK and China hosted around 5 lakh, and Canada and Australia hosted more than 4 lakh students in the same year.

Education sector is experiencing a paradigm shift in terms of supply, and educational institutes around the world are now trying different innovations for imparting knowledge through non-conventional methods as per need of the time. First movers would have the advantage of attracting more students. With lesser physical movements, Information Technology is going to play a major role in education systems. Indian institutes with the help of country's strong IT industry have a huge potential of growth and expansion.

First movers would have the advantage of attracting more students. With lesser physical movements, Information Technology is going to play a major role in education systems.

SEPC continues to engage actively in promoting services exports from India, and is also committed to support Indian exporters in exploring new opportunities by offering market intelligence, enabling business environment and promoting exports of services from India. SEPC representatives recently met with hon'ble Minister of Commerce & Industry, Shri Piyush Goyal on June 23, 2020 and raised issues faced by the different services sectors including education sector and submitted recommendations for continuation of SEIS scheme. SEPC is also collaborating with renowned Indian organisations from different services sectors to strengthen its network and outreach. We recently signed an MoU with The Institute of Chartered Accountants of India (ICAI).

Answer -





Services Export Promotion Council set up in 2006 by Ministry of Commerce & Industry, Government of India is an apex trade body to promote exports of services from India.

Overview of Services offered by SEPC

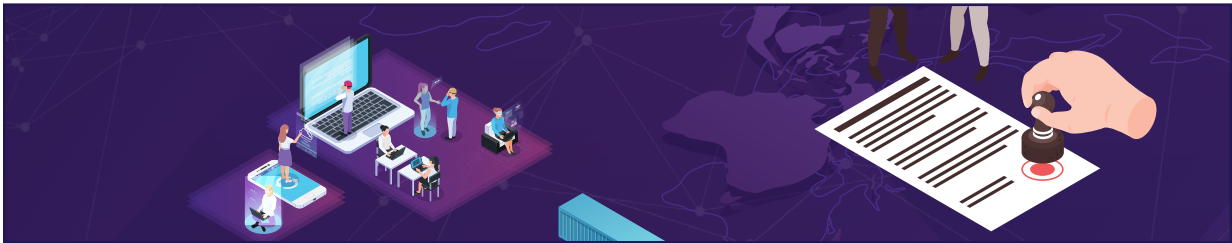
Trade Intelligence

Export Development

Export Promotion/ Investment

Enabling Business Environment

Nodal organisation of Service Export Promotion	
	Key role in Foreign Trade Policy, Export Strategy formulation by Department of Commerce and related Govt Departments.
	Interface between Services Sector and Government
	Provides inputs on Trade Negotiations
	Represents Services Sector in various Joint Trade Committees, Joint Business Councils and Joint Working Groups of Government of India to facilitate export.
	Creates Business opportunities in global market place for services exporters
	Providing commercially useful information and assistance to members in increasing exports.
	Organising visits of delegation of its members abroad to explore overseas market opportunities.
	Organising participation of Services exporters in specialised International Trade Fairs.
	Dissemination of government notification, orders, information on trade and other relevant information to members.
	Facilitates execution of Government Schemes like SEIS.



Services Covered under SEPC

In order to enhance the competitiveness of services exports and enable services industry to generate employment Union Cabinet chaired by Honourable Prime Minister Shri Narendra Modi in 2018 identified 12 Champion Services Sector.

The following table provides the mapping of identified Champion Services vis-a vis the services covered under SEPC.

Services covered under SEPC	Champion Services
Hotel and Tourism related Services	Tourism and Hospitality Services
Healthcare services including services by nurses, physiotherapist and paramedical personnel	Medical Value Travel Services
Maritime Transport Services	Transport and Logistics Services
Accounting/Auditing and book keeping services	Accounting and Finance Services
Entertainment services including Audio-Visual Services	Audio - Visual Services
Legal Services	Legal Services
Architectural Services and related services	Construction and Related Engineering Services
Environmental Services	Environmental Services
Others Services	Information Technology & Information Technology Enabled Services
	Communication Services
	Financial Services
Educational Services	Education Services
Consultancy Services	
Distribution Services	
Advertising Services	
Marketing Research and Public Opinion Polling Services/Management Services	
Printing and Publishing Services	



SERVICE EXPORTS FROM INDIA SCHEME (SEIS)

sector coverage
Education Services

The SEIS scheme covers almost all CPC codes of UN CPC (Provisional) for Education services under its ambit. A list of all UN CPC (Provisional) codes for ‘Education Services’ up to five digits has been provided below with information in the last column over coverage of each code under Appendix 3D of SEIS;

SEPC Sectors	Champion Sectors	GATS (WTO) Classification	UN CPC Provisional CODE	Services Description	CPC Codes covered under Appendix 3D of SEIS
Education Services	Education Services	A. Primary education services	921	Primary education services	Covered
			9211	Preschool education services	
			92110	Preschool education services	
			9219	Other primary education services	
			92190	Other primary education services	
		B. Secondary education services	922	Secondary education services	
			9221	General secondary education services	
			92210	General secondary education services	
			9222	Higher secondary education services	
			92220	Higher secondary education services	
			9223	Technical and vocational secondary education services	
			92230	Technical and vocational secondary education services	
			9224	Technical and vocational secondary school-type education services	
			92240	Technical and vocational secondary school-type education services	
		C. Higher education services	923	Higher education services	
			9231	Post-secondary technical and vocational education services	
			92310	Post-secondary technical and vocational education services	
			9239	Other higher education services	
			92390	Other higher education services	
		D. Adult education	924	Adult education services n.e.c.	
			9240	Adult education services n.e.c.	
			92400	Adult education services n.e.c.	
		E. Other educational services	929	Other education services	
			9290	Other education services	
			92900	Other education services	

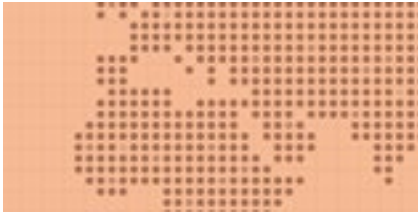


GOVERNMENT NOTIFICATIONS AND INDUSTRY NEWS UPDATES



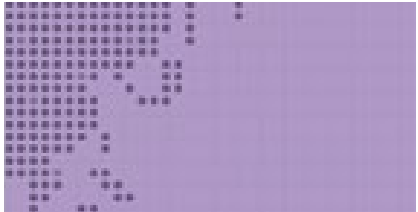
Ministry of Commerce and Industry

- DGFT has released Stage 1A of the IT Revamp project. In this stage, services related to user profile management, issuance & modification of importer-exporter code, along with an AI-enabled chatbot (virtual assistant) and a new website will be catered.



Ministry of MSME

- Government of India launched the technology platform champions which stands for creation and harmonious application of modern processes for increasing the output and national strength. The portal is basically for making the smaller units big by solving their grievances, encouraging, supporting, helping and hand-holding. It is a real one-stop-shop solution of Ministry of MSME.



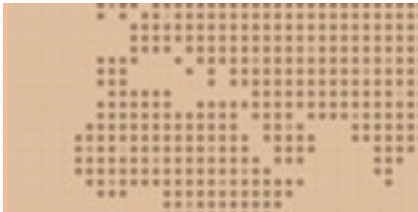
Ministry of Tourism

- In order to give a boost to the MICE tourism and attract more MICE events to the country the Govt. of India has decided to extend the benefits to the MICE Organisers under CHAMPION SECTOR IN SERVICES SCHEME (CSSS), administered by the Ministry of Tourism (MOT). For this purpose, a MICE fund has been set up under the CSSS.
- Government approves setting up of an “Empowered Group of Secretaries (EGoS) and Project Development Cells (PDCs)” in Ministries/ Departments for attracting investments in India. ‘Project Development Cell’ (PDC) is also approved for the development of investable projects in coordination between the Central Government and State Governments and thereby grow the pipeline of investable projects in India and in turn increase FDI inflows.



Ministry of Environment, Forest and Climate Change (MoEFCC)

- The Union Cabinet has given approval for signing the Memorandum of Understanding between the Government of the Republic of India and the Royal Government of Bhutan on Cooperation in the areas of Environment.



Ministry of Finance

- CBIC Begins Using e-Office in all CGST and Customs offices, the launch of e-Office marks a fundamental change in internal office procedures which is so far based on manual handling of files and paper movement. The CBIC expects e-Office would complement its many other IT led reforms which are directly aimed at enhancing the ease of doing business for the trade and industry.



In the News



Industry News:

- The Indian healthcare start-up **Mfine** has raised over **USD 28 million** in funding from investors including **Prime Venture Partners** and **Stellaris Venture Partners** registering over **2,500 doctors** from over **500 hospitals** consulting across **30 specialties** on its platform. MFine is currently assisting more than 10,000 transactions and aims to add 200 more corporates in the next six months seeing a 210 per cent growth in corporate signups. (Financial Express)
- **HCL Technologies** plans to create over 1,500 new local employment opportunities for freshers and experienced professionals within the first 18 months of kick-starting its operations from its office in Colombo. (Financial Express)
- Two Indian firms, **ZestMoney** and **Stellapps** in WEF list of tech pioneers for 2020. (Business Insider)
- 155 companies with origins in India are responsible for generating over USD 22 billion in investments and nearly 1.25 lakh jobs across the US representing diverse sectors including pharmaceuticals and life sciences, telecommunications, aerospace and defence, financial services, manufacturing, tourism and hospitality, design and engineering, automotive, food and agriculture, energy and mining and materials. (CII)
- **Aries International Maritime Research Institute (AIMRI)** has received accreditation from Emirates International Accreditation Centre as a Certification Body for Quality Management System (ISO 9001:2015) Audits and certification. (Business Line)
- 8 Indian universities featured in THE Asia Rankings top 100 list
- **Indian Institutes of Technology (IITs)** are spearheading initiatives to help control the coronavirus pandemic in the country and encouraging student participation working for more than 200 projects across the nation related to Covid-19.



SEPC signs MoU with The Institute of Chartered Accountants of India (ICAI):

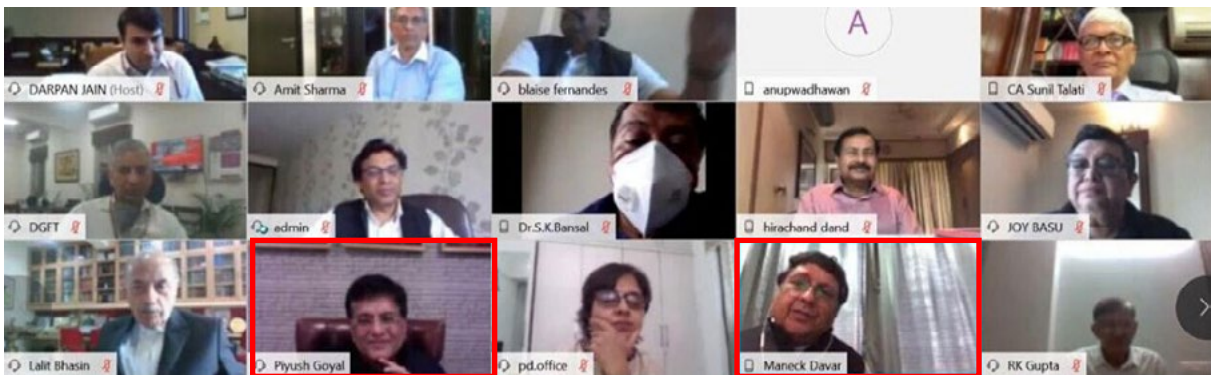
ACTIVITIES AND EVENTS

ICAI and SEPC identified the need to work together for the benefit of Accountancy & related services sector in order to promote export and arrived at mutual understanding.

The two organisations formally signed a Memorandum of Understanding (MoU) on June 30, 2020. Both agreed to jointly set up a Co-ordination Group to promote various initiatives by the government of India in several countries, to create awareness towards Action Plan for champion sector with regard to Accounting and Finance services and for export promotion of such services. The endeavour would also be to organise studies and publish knowledge papers with inputs and research based on feedback from members.



Meeting with Minister of Commerce & Industry



A team of SEPC representatives including Chairman, Shri Maneck Davar, and all Central Governance Council (CGC) members participated in an online meeting with Hon'ble Minister of Commerce, Shri Piyush Goyal on June 23, 2020. CGC members who are also sector panel heads, raised issues related

to their respective sectors besides an overall presentation made by the Chairman, SEPC covering almost all sectors and major issues faced by services sectors. Continuation of SEIS for the FY 2019-20 and its inclusion in the Foreign Trade Policy (2021-25) was discussed in detail.

ENIGMA OF QUALITY EDUCATION



COVER STORY

receiving

culture

improve

proselytism

obtained

discipline

acquire

civilization

absorbs

upgrade

enlightenment

science

garner

edification

tutelage

procure

ascending

higher

erudition

pursuing

read

refresh



Verbs



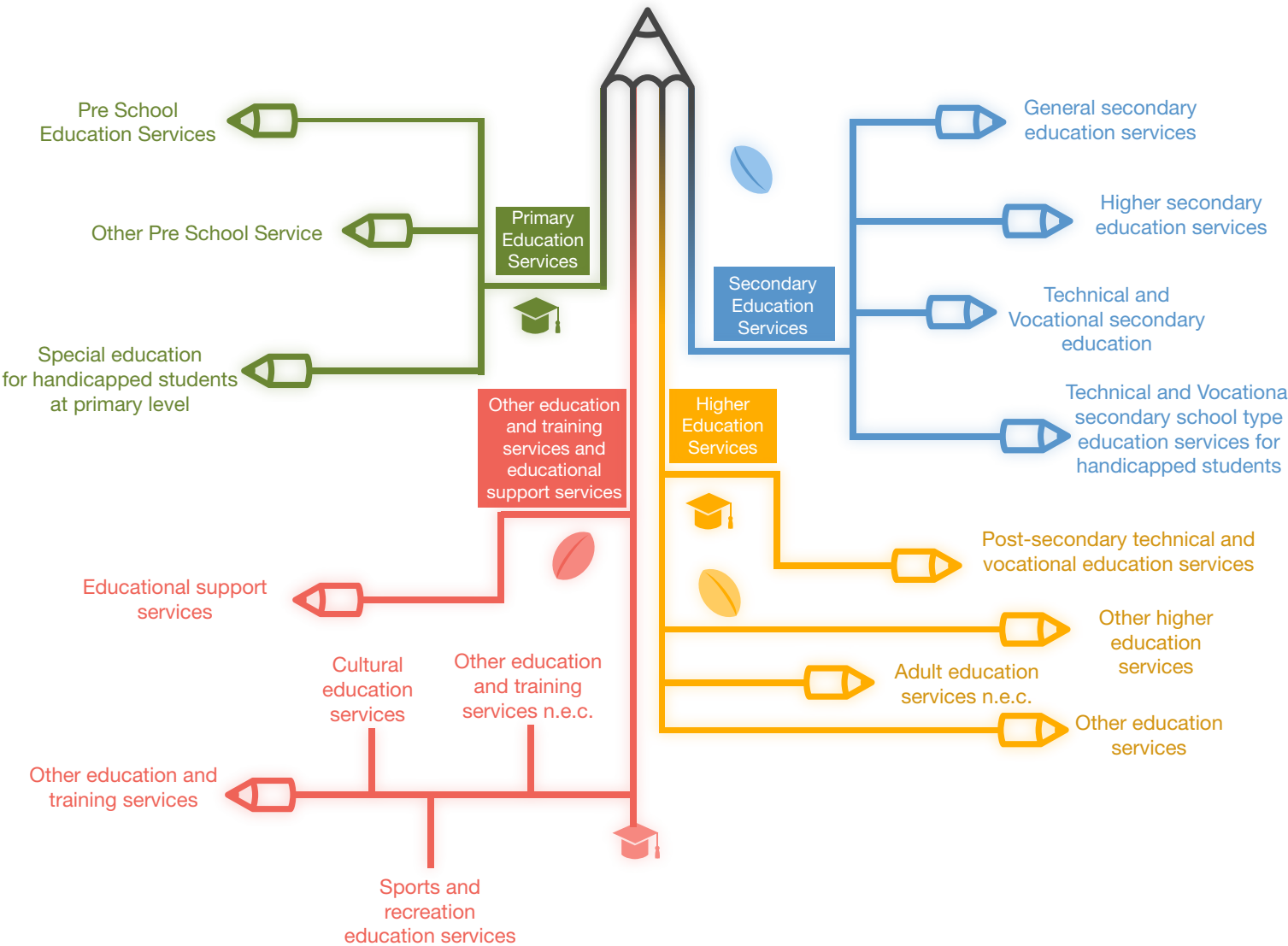
Nouns

The education sub-sector which has seen the highest exports from India is higher education. This is why the focus in this article is on higher education but other sectors like online training courses, language courses, and short term technical courses, etc have a lot of potential.

There are many sub sectors under which education services are traded among countries as depicted in the diagram below. The broad categories are primary education, secondary education, higher education and other education. The education sub-sector that has seen the highest exports from India is higher education. This is why the focus in this article is on higher education but other sectors like on-line training courses, language courses, and short term technical courses, etc have a lot of potential.

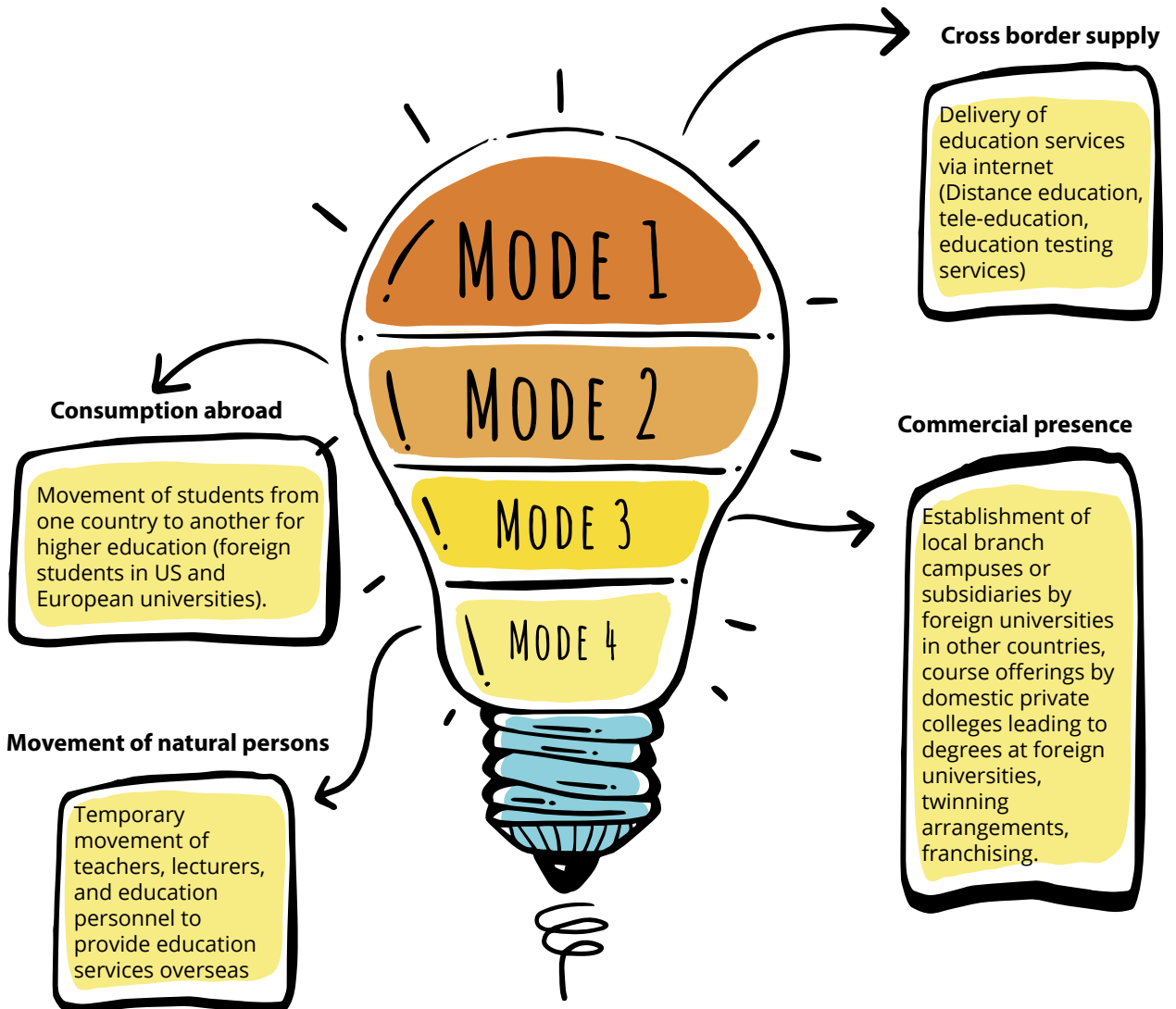


Education services



General Agreement on Trade in Services (GATS)

Defines services trade as occurring via four modes of supply all of which are relevant to education services.



International Market Outlook

Total global tertiary (Post-Secondary) enrollment was forecasted to grow by 21 million between 2011 and 2020 or 1.4 per cent per year on average. It was lower than the annual growth of five per cent in the previous two decades. It indicates a significant slowdown in tertiary enrollments in the last decade. China

and India dominated global growth in tertiary enrollments during 2002 - 2009, accounting for 26 million of the overall increase of 55 million. Their combined forecast growth for the period 2011-20 declined to 12 million, with growth in tertiary enrollments in China falling from 17 million (2002-09) to five million (2011-20).

A stylized illustration of a woman with dark hair and glasses, wearing a white shirt, looking through a bookshelf. She is holding a book. The bookshelves are filled with books of various colors (blue, green, yellow, red). The background is a solid dark blue.

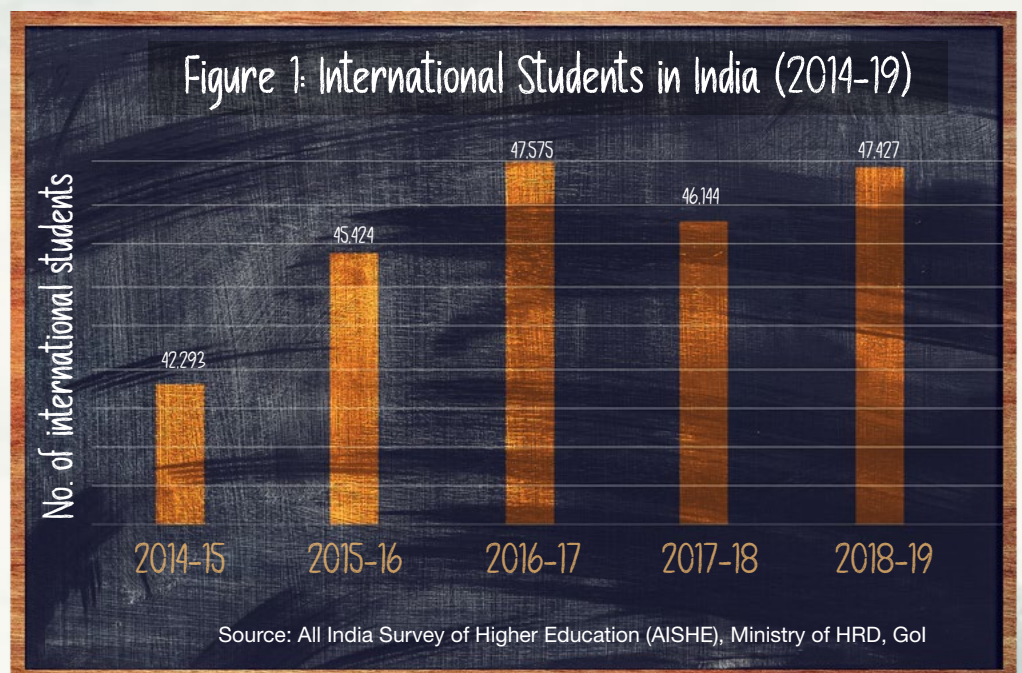
In order to promote higher education and give more autonomous power to educational institutions, government of India has introduced a category of Institutions of Eminence (IoE). Institutions like Indian Institute of Science (IISc), Bengaluru, the Indian Institutes of Technology at Mumbai and Delhi, Jio Institute of the Reliance Foundation (Proposed), Manipal University and BITS Pilani have been given the status of IoE. These institutions would not come under the regulations of UGC, AICTE or Higher Education Commission of India. These institutions can get 30 percent foreign students enrolled with no restrictions on fees, they can hire 25 per cent foreign faculty and enter into academic collaborations with the top 500 global universities without requiring approval from UGC.



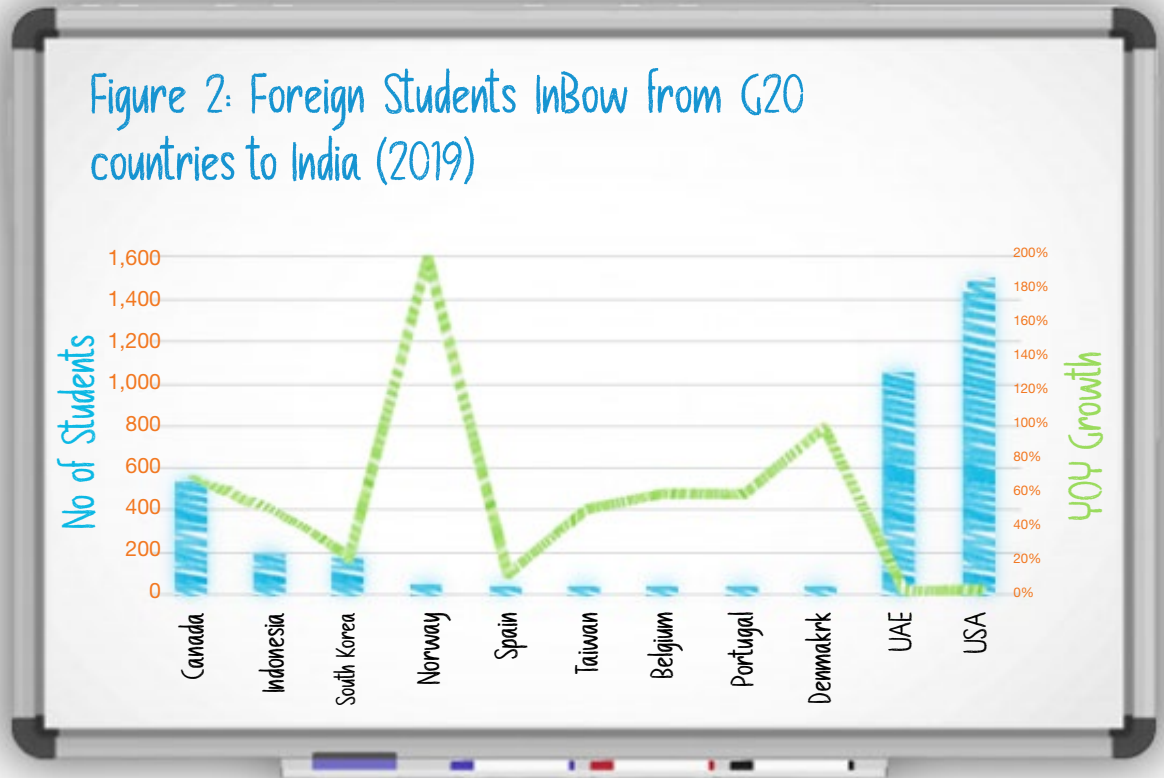
Education Services Exports from India

Educational service is exported in four different modes; **Mode I (Cross border supply: online education)**, **Mode II (Consumption Abroad: students travel abroad for education)**, **Mode III (Commercial presence: Opening institute abroad)** and **Mode IV (Movement of Natural Persons: Teachers travel abroad to teach foreign students)**. Mode II and Mode IV are the most prevalent modes for supply of educational services from India. It is a bit difficult to record and report the data under Mode IV, so the data which is generally available for the export of educational services covers Mode II of supply, that is foreign students' enrollment in Indian institutes. These enrollments are majorly for pursuing higher education.

India's earnings from foreign students studying and living in the country contributed USD 181 million to the economy in the FY 2019-20 as per RBI data. This year's earnings are in line with the previous year which stood slightly higher at USD 186 million. The annual earnings used to be around USD 500 million during 2014-18. The sudden fall in 2018-19 is a subject of research. However, our analysis of data from All India Survey of Higher Education (AISHE) report, prepared by Ministry of Human Resource Development, Govt of India, states that Indian universities experienced three per cent growth in the number of international students for the year 2018-19 and the number of foreign students studying in India reached 47,427 (See Figure 1).



India is known as a low-cost and high standard education destination and students come here majorly from the developing and underdeveloped world and mostly from the neighbouring countries - Nepal (26.9%), Afghanistan (9.8%), Bangladesh (4.4%), Sudan (4.0%), Bhutan (3.8%) and Nigeria (3.4%). Recently some positive initiatives have been taken by Indian educational institutions to attract students from G20 countries. Good number of students have started coming from countries like USA, Canada, UAE and South Korea, etc. (See Figure 2).

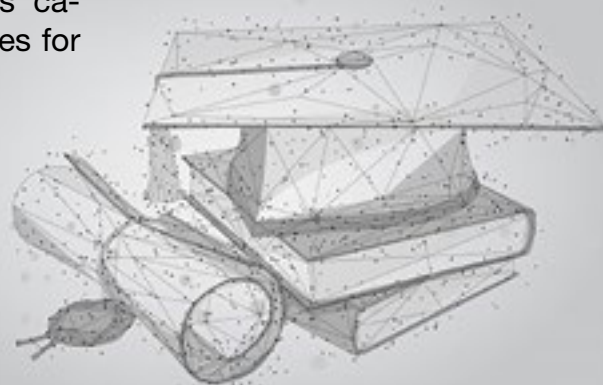


It has been found that foreign students coming to India for studies generally prefer engineering and management courses. The country has huge potential to attract more foreign students and the government of India, through initiatives like Study in India, is trying to attract more foreign students but there are some hurdles that have not been let the potential be exploited in the best manner.

India's position Worldwide

The global higher education is shaped today with the factors which are related to demographic and economic indicators, international economic and trade relations, and students cross-border flows which is linked to inter country competition and countries' capacity to expand the infrastructure and resources for tertiary education.

To assess India's position in global outbound migration of students, we analysed UN data for the outbound migration of students in the year 2017 from various countries and mapped it with data from AISHE for the year 2017.



Few of the observations are mentioned below:

- More than 45 per cent of outbound students from Bhutan in the year 2017 came to India to pursue their studies.
- India has 15 per cent and 11 per cent shares in total outbound students from Iceland and United Arab Emirates.

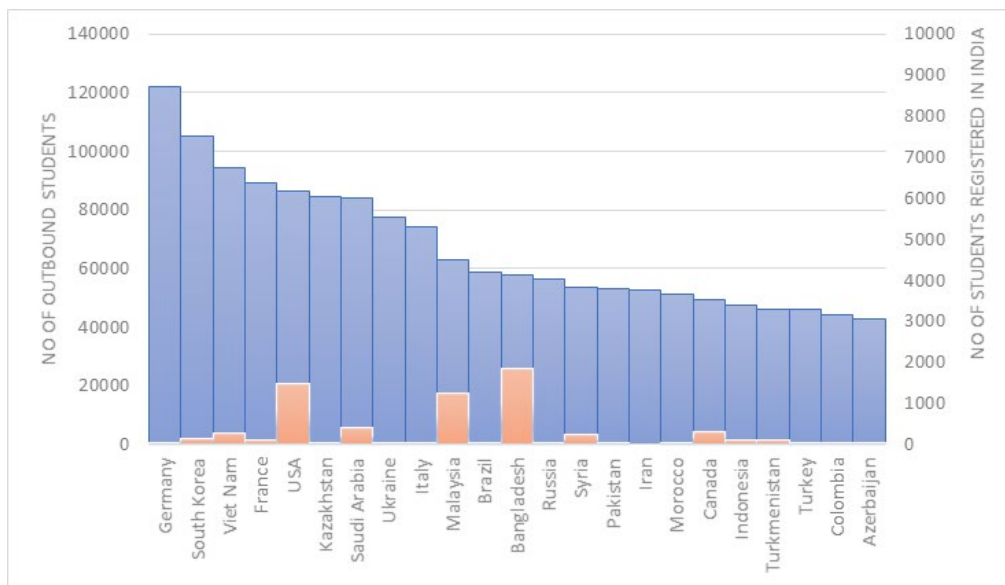
- India's diplomatic relations with countries is a major determinant of foreign students' enrollment in India.
- India's neighbouring countries have outrightly been the most favourable markets for Indian institutions.

Potential Markets for Indian Educational Institutions

With low cost, high quality education and large number of English medium educational institutes with infrastructure at par with global standards, India has huge potential to export education services abroad through different modes of supply. Outbound flow of students is directly correlated with country's GDP growth and increase of young population. Based on assessment

of trend of outbound students from various countries, few promising markets have been identified for India's export of educational services. The top potential markets are Azerbaijan, Vietnam, Ukraine, Kazakhstan, Bangladesh and Malaysia, etc with growing number of outbound students and there is a huge scope for institutions to attract more students from the region. (See Figure 3)

Figure 3: Top Potential Foreign Markets for Indian educational Institutions



Source: UNESCO and AISHE

Key Drivers for growth in the sector

- Scholarships for foreign students
- Work permit after completing education
- Easy Student visa /migration laws
- MoUs with foreign institutes
- Collaborative research partnerships with other international institutions
- Strong IT infrastructure for online education
- Strength of English-speaking population
- Geographical location

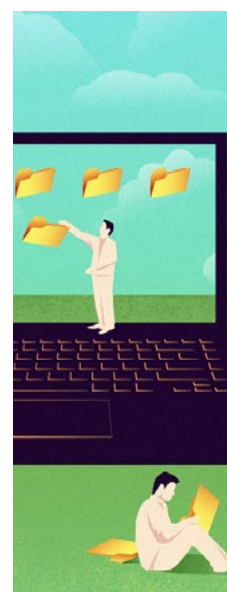
Global Trends

- Enrolments in online courses has more than quadrupled in the last 15 years in the U.S. While not as explosive in other countries, online options are gaining traction around the world. Given the increased cost of higher education, online programs are offering not just increased flexibility, but also a major reduction in cost. They have increased in popularity even more post the Covid 19 pandemic.
- There is an increase in competency-based education which allows students to apply their work and life experience to their education. These degree programs tend to be less expensive, self-paced, and more career-oriented. Knowledge gets transferred through workplace training, outside reading, or purely life experience competence and knowledge required for a particular subject and students can take the test and get credit without having to take a class. Some of these programs, are offered by the University of Wisconsin and Southern New Hampshire University.
- Digital Examinations Forum (DEF) is an online event taking place June 2-30, 2020, organised by the University of Bath and powered by Inspera Assessment. The forum brings together participants from the UK and international universities, from diverse backgrounds and with different types of experience with e-assessment, in five live webinar sessions with 10 speakers. The objective of the event is to discuss the opportunities of digital assessment to innovate assessment practices, from both a teaching perspective and a technical one. (Source: Times Higher Education)
- To ensure access to quality education for all, UNESCO and the Ministry of Education, Science and Technology are collaborating with ACORAB, Nepal to start a radio education programme for secondary level students. With the objective of leaving no one behind, this programme aims to reach out to students in rural areas throughout Nepal who do not have access to the internet and television. The programme, using materials developed by the Ministry of Education, Science and Technology and the Centre for Education and Human Resource Development, is being aired through seventy community radio stations.
- Little More Innovation Labs, a leading company in paperless digital examinations, has launched an exam from home solution PEXA Lite to help colleges and universities.

Way Forward

Education sector has seen a number of reforms and improved financial outlays in recent years in India that could possibly transform the country into a knowledge haven. English-speaking, tech-enabled institutions having influential alumni working in different corners of globe and a strong legal and intellectual property protection framework is enabling foreign students to pursue their education in Indian institutions. The Government of India has taken several steps including opening of

IIT's and IIM's in new locations as well as allocating educational grants for research scholars in most government institutions. Furthermore, with online modes of education being used by several institutes, the higher education sector in India is set for some major changes and developments in the years to come especially in recent times when online education is gaining momentum. India has huge untapped potential of exports and investment in almost all sub sectors of education.



Foreign Market Updates from Indian Embassies

Myanmar: Indian institutes like IITs, IISc may be persuaded to explore Massive Open Online Course (MOOCs), distance learning and vocational training etc., in coordination with Myanmar institutions to strengthen India's capacity building programmes in Myanmar.

Hungry: The import of services increased by 1.6% in the Jan-Dec period of 2019 over the same period of 2018 from USD 20.04 billion to USD 20.37 billion.

France: Schools and universities were the first institutions to be shut down upon the advent of the Covid-19 pandemic crisis, thus affecting 1.5 billion students worldwide. Such massive disruptions could open up new avenues of distance-learning in a post-Covid-19 scenario under which Indian institutions could forge viable and effective collaborations with internationally renowned universities in France and Europe through IT exports.

Vietnam: Vietnamese are looking for higher education courses in foreign countries. The US, Japan, Canada and Australia lead the list of commonly selected destination for education. India, on the other hand, is not well-known among Vietnamese students for its education. Indian institutions may try to promote the education in India through events and offering scholarships to Vietnamese students.

Egypt: A Call for Expression of Interest (Consulting Services) for the Upper Egypt Local Development Program (UELDP) which has been floated by the Ministry of Local Development, Government of the Arab Republic of Egypt. The Upper Egypt Local Development Program is co-financed by the Government of Egypt (GOE) and the World Bank (WB) from 2018 to 2021. The UELDP Program Coordination Office invites eligible consultancy firms to express their interest in providing the Technical Quality Audit (TQA) services. The objective of this consultancy assignment is to conduct a Technical Quality Audit of infrastructure investment projects completed by the Program Governorates to assess whether these investment projects have been designed, constructed and supervised/managed in accordance with relevant national quality standards and specifications, codes and/or professional practice, as determined by examination of the technical quality of designs and studies; quality of civil works implemented; and conformance with quality norms and criteria. (A circular of this was shared with SEPC members).





SERVICES EXPORT PROMOTION COUNCIL
Setup by Ministry of Commerce & Industry, Govt. of India

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