

*Abstract of Doctoral Dissertation*

## **Trade in Financial Services in India with reference to Banking and Insurance : An Empirical Analysis<sup>1</sup>**

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### **I. Introduction**

SERVICES SECTOR IS a major contributor to the world's Gross Domestic Product (GDP). This phenomenon is also visible in the developing economies. Services sector's share in the world GDP was 65.9 per cent in the US \$ 77.6 trillion world GDP (at current prices) in 2014.

Historically it has been established that as the economy progresses the impact of services sector has been growing compared to industry and agricultural sectors. India too has the same trend which is visible from the share of service sector's contribution to GDP. US ranks first in services GDP, Japan and China are second and third and India is ranked 10<sup>th</sup> in terms of overall GDP and 12<sup>th</sup> in terms of services GDP. India's services sector formed 64.8% of GDP (2013)<sup>1</sup>. India has the second largest growing services sector with a compounded annual growth rate of 9 percent, just below China's 10.9 per cent, in the 11 year period 2001-12 as per the Economic Survey for 2013-14.

The services GDP growth at 6.8 per cent for the sector was above the 4.7 per cent overall GDP growth in 2013-14. The growth was seen in financing, insurance, real estate and business services at 12.9 per cent.

As a natural consequence trade in services took the centre stage. World services export was at 0.1 per cent in 2001 and reached a high of 5.5 per cent in 2013. India's share in world services exports, which increased from 0.6 per cent in 1990 to 1.1 per cent in 2000 and further to 3.3 per cent in 2013, has been increasing faster than its share in world merchandise exports as per the Economic Survey. India's exports of financial services moving in tandem with global exports of financial services recorded a high growth of 34.4 per cent in 2013-14.

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