"Expanding Horizons: India's Edge in Service Exports" event organized by the Export Promotion Centre (EPC) in collaboration with the Services Export Promotion Council (SEPC) and the Tamil Nadu Chamber of Commerce and Industry on Saturday, 04 October 2025, at Hotel Novotel, Chennai.

WELCOME ADDRESS given by MR. G. RAJAMURTHY, CHAIRMAN – EPC and the following points were highlighted by him.

➢ Highlighting the current global economic landscape and the **pivotal role of India's services sector** in driving national economic growth and achieving ambitious export targets. The address would likely emphasize India's "edge" in services, especially in IT, professional, and digital services. Stressing the importance of understanding and leveraging major trade agreements, specifically calling out the **India-UK FTA in Services** as a massive opportunity for market access and professional mobility.

➢ Highlighting the importance of the **MOU Signing Ceremony between SEPC and EPC** as a step towards unified efforts to promote Indian service exports.

➢ Welcoming the expert sessions on navigating **global market opportunities**, the supportive **services of EPCES**, and the practical **legal framework for starting a business in strategic markets like Sri Lanka**.

DR. ABHAY SINHA, DIRECTOR GENERAL, SERVICES EXPORT PROMOTION COUNCIL was the Chief Guest. He spoked about "NEGOTIATION TO EXECUTION OF FTA'S WITH SPECIFIC REFERENCE TO INDIA-UK FTA IN SERVICES".

This topic covered the journey of a Free Trade Agreement (FTA) from policy negotiation to its operational implementation, with the India-UK FTA being the main case study, particularly for its impact on the Services sector.

- **The India-UK FTA is considered a landmark and highly comprehensive agreement, designed to significantly boost bilateral trade (goods and services) and strengthen the economic relationship. It is projected to increase UK exports to India by nearly 60% in the long run.**

- **The agreement guarantees enhanced market access and non-discriminatory treatment for service sectors, notably for UK firms in Financial, Environmental, and Construction services operating in India. It also locks in foreign investment caps for sectors like insurance.**

- **A key feature for the services sector is the facilitation of the temporary movement of professionals and business visitors. This provision aims to reduce costs and administrative burdens, making it easier for Indian professionals (especially in IT and professional services) and UK nationals to travel between the countries to provide services under contract.**

- **The FTA includes forward-looking commitments to promote digital system compatibility, support paperless trade, and protect businesses from forced transfer of source code, reducing barriers to digital trade.**

- **The execution involves ratifying the agreement, which includes the drafting of necessary legislation and parliamentary engagement. The successful execution is crucial for businesses to benefit from the agreed-upon tariff reductions and regulatory barriers removal.**

The Government of India has identified the following 12 Champion Service Sectors for focused attention to boost their development and export potential:

1. **Information Technology & Information Technology enabled Services (IT & ITeS)**
2. **Tourism and Hospitality Services**
3. **Medical Value Travel (including healthcare services by nurses, physiotherapists, and paramedical personnel)**
4. **Transport and Logistics Services**
5. **Accounting and Finance Services (including Auditing and Bookkeeping)**
6. **Audio Visual Services (including Entertainment services)**
7. **Legal Services**
8. **Communication Services**

9. **Construction and Related Engineering Services**
10. **Environmental Services**
11. **Financial Services**
12. **Education Services**

<u>Services of EPCES in Export Promotion</u>

Mrs. Kalyani Srinivasan, Regional Director briefed about SEZ, EOUs and exports during 2024-25 both manufacturing and service sector & Role and services of EPCES.

SEZs and EOUs are crucial schemes under India's foreign trade policy designed to boost exports by offering fiscal incentives, simplified procedures, and world-class infrastructure.

Special Economic Zones (SEZs)

An SEZ is a geographically delineated area in a country where the business and trade laws are different from the rest of the country. These zones are intended to promote investment, generate employment, and boost exports.

- **Core Concept: A fully self-contained area treated as foreign territory for the purpose of trade operations, duties, and tariffs.**
- **Key Features:**
  - **Fiscal Incentives: Includes tax benefits, duty-free import/domestic procurement of goods for development, operation, and maintenance of the SEZ unit.**
  - **Simplified Procedures: Minimal regulatory restrictions and simplified single-window clearance mechanisms for establishing and running a business.**
  - **Infrastructure: A focus on providing high-quality infrastructure to facilitate easy trade and operations.**
- **EPCES Role: EPCES is the council designated to specifically address the policy issues and promotional needs of businesses operating within SEZs, advocating for their interests with various government bodies.**

Export-Oriented Units (EOUs)

The EOU scheme is complementary to the SEZ scheme. It is a scheme where an industrial unit can be established anywhere in India, but it must undertake to export its entire production of goods or services.

- **Core Concept: A unit established anywhere in the domestic tariff area (DTA) but with a commitment to export 100% of its production.**

- **Key Features:**
    - **Operational Flexibility: Unlike SEZs, which are fixed geographic areas, EOUs can be set up anywhere in the country.**
    - **Fiscal Incentives: Similar to SEZs, EOUs enjoy duty-free import/domestic procurement of raw materials, capital goods, and other inputs necessary for production.**
    - **Customs Bonded: These units operate under a customs bond, ensuring that all inputs and outputs are accounted for to maintain their export commitment.**
- **EPCES Role: EPCES acts as a facilitator for EOUs, helping them resolve policy issues, access government schemes (like MAI), and participate in trade promotion activities abroad.**

Summary of EPCES Services for SEZs & EOUs

The Export Promotion Council for EOUs & SEZs (EPCES) serves as the apex body for both, offering comprehensive support to enhance their competitiveness:

1. **Policy Advocacy: Resolving problems with Ministries (Commerce, Finance, GST) and eliciting policy suggestions.**
2. **Market Access: Providing financial assistance through the Market Access Initiative (MAI) Scheme for promotion activities.**
3. **Promotion: Organizing Open Houses, Seminars, Workshops, Trade Fairs, and Buyer-Seller Meets to showcase their products and services to global buyers.**
4. **Information: Disseminating the latest changes in trade policy, procedures, and regulations relevant to their unique operating environment.**

SMT. SHASHINI WIJESINGHE, CHARTERED ACCOUNTANT, SRI LANKA briefed about HR & BUSINESS LEGAL PROCESS TO START A COMPANY IN SRI LANKA

This session provided practical, step-by-step guidance for Indian businesses looking to establish a formal presence in Sri Lanka, covering corporate legal requirements and essential human resource compliance.

The most common and recommended structure for foreign investors is the Limited Liability Company (LLC), which requires at least one shareholder and one director (who can be of any nationality) and has no minimum capital requirement. A Branch Office of a foreign company is another option.

1. Name Reservation with the Department of the Registrar of Companies. 2. Appointment of a Resident Company Secretary (mandatory). 3. Submission of statutory forms and the Articles of Association. 4. Provision of a local registered address.

Mandatory registration with the Inland Revenue Department (IRD) to obtain a Tax Identification Number (TIN). Companies must also register for VAT if their turnover exceeds the threshold.

A critical HR step is registering the company with the Department of Labour to obtain an Employees' Provident Fund (EPF) number. This must be done within 15 days of hiring the first employee to ensure compliance with social security contribution laws.

The company must publish a Public Notice of Incorporation in the Government Gazette and a daily newspaper (in English, Sinhala, and Tamil) within a specific timeframe after receiving the incorporation certificate.

EPC's Export Launchpad 2.0: Success Stories & Testimonials

The Launchpad initiative focuses on converting aspiring entrepreneurs, small merchants, and manufacturers into successful exporters through structured training on aspects like market selection, documentation, logistics, and e-commerce.

The success stories, often highlighted at events like the EPC Export Summit, demonstrate how this guidance translates into concrete export achievements across diverse sectors.

VOTE OF THANKS given by MR. S. RAMAKRISHNAN, VICE CHAIRMAN - EPC.