

# Services Sector

*The services sector accounts for 54 per cent of India's Gross Value Added (GVA). Its growth rate moderated to 7.5 per cent in 2018-19 from 8.1 per cent in 2017-18. The segments that saw deceleration are tourism, trade, hotels, transport, communication and services related to broadcasting, public administration and defence. Financial, real estate and professional services category accelerated. An important finding is that India's services sector does not generate jobs in proportion to its share in GVA. This contrasts with the international experience. India received 10.6 million foreign tourists in 2018-19 compared to 10.4 million in 2017-18. Foreign exchange earnings from tourism in India stood at US\$27.7 billion in 2018-19 compared to US\$28.7 billion in 2017-18. Many of the high frequency indicators, such as bank credit to services sector, decelerated in 2018-19. However, the IT-BPM industry grew by 8.4 per cent in 2017-18 to US\$167 billion and is estimated to have reached US\$181 billion in 2018-19.*

## **SERVICES SECTOR PERFORMANCE IN INDIA: AN OVERVIEW**

### **India's Gross Value Added in the Services Sector**

9.1 As per the provisional estimates for gross value added (GVA), services sector growth moderated in 2018-19 to 7.5 per cent rate from 8.1 per cent in 2017-18 (Table 1). This was due to a deceleration in the sub-sectors 'trade, hotels, transport, communication & broadcasting services' to 6.9 per cent and 'public administration and defence & others services' to 8.6 per cent in 2018-19. On the bright side, growth

in the sub-sector 'financial services, real estate & professional services' picked up to 7.4 per cent in 2018-19 from 6.2 per cent in 2017-18. Despite the recent growth moderation, services sector growth continues to outperform agriculture and manufacturing sector growth, contributing more than 60 per cent to total GVA growth.

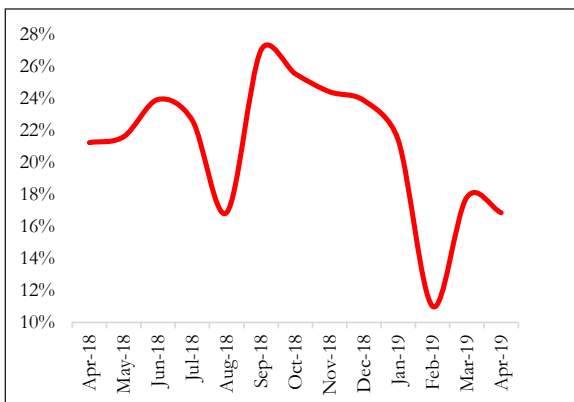
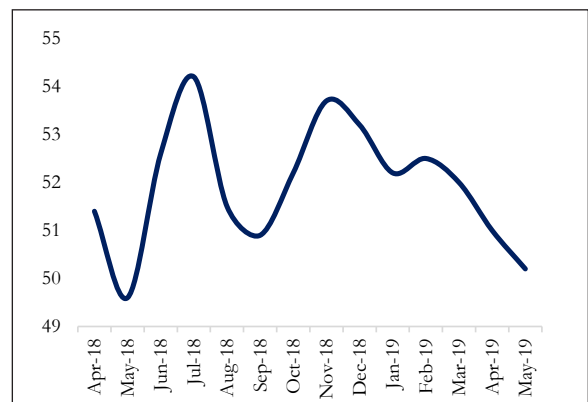
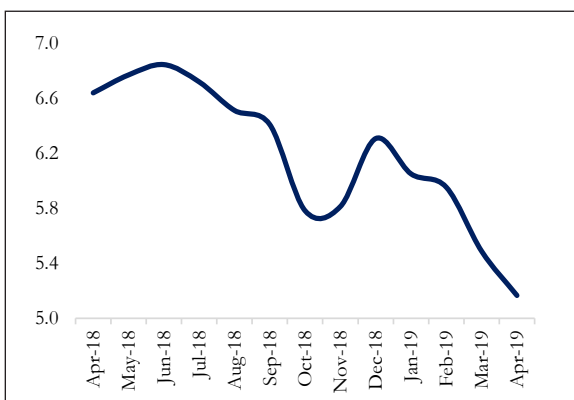
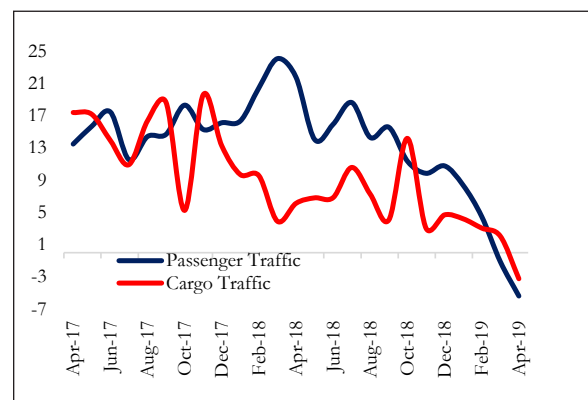
9.2 This moderation in the growth of the services sector was also reflected in some of the key high frequency indicators (Figure 1). Bank credit growth y-o-y to services sector moderated significantly between September 2018 and February 2019 although it has partly recovered. The Nikkei

**Table 1: Services Sector Performance in India's GVA**

Sector	Share in GVA (per cent)		Growth (per cent YoY)					
	2018-19 (P)	2016-17	2017-18	2018-19 (P)				
				2018-19 (P)	2018-19 (P) Q1	2018-19 (P) Q2	2018-19 (P) Q3	2018-19 (P) Q4
Total Services (Excluding Construction)	54.3	8.4	8.1	7.5	7.1	7.3	7.2	8.4
Trade, hotels, transport, communication and services related to broadcasting	18.3	7.7	7.8	6.9	7.8	6.9	6.9	6
Financial, real estate & professional services	21.3	8.7	6.2	7.4	6.5	7	7.2	9.5
Public administration, defence & other services	14.7	9.2	11.9	8.6	7.5	8.6	7.5	10.7

Source: Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation.

Note: Shares are in current prices and growth in constant 2011-12 prices; P= Provisional Estimates

**Figure 1(a): Bank Credit Growth (y-o-y) to Services Sector (in per cent)**

**Figure 1(b): Nikkei India Services Purchasing Managers' Index**

**Figure 1(c): CPI Services Inflation (in per cent)**

**Figure 1(d): Growth in Airport Traffic (y-o-y) (in per cent)**


Source: RBI, IHS Markit Economics, Labour Bureau, Ministry of Civil Aviation

India Services Purchasing Managers' Index, which has been on a declining trend since November 2018, fell to a one-year low of 50.2 in May 2019. CPI Services inflation also started to cool down since December 2018.

9.3 Performance of the states shows that the share of services in total gross state value added (GSVA) was more than 50 per cent in 14 out of the 33 states and UTs (Table 2). The share of services is particularly high in Chandigarh and Delhi with over 80 per cent share while Sikkim was at the bottom with 30.2 per cent share. In contrast, services sector accounts for less than 40 per cent of share of services in GSVA in states such as Gujarat, Uttarakhand, Madhya Pradesh and Chhattisgarh. Even states with relatively low share of services, such as Haryana, Jharkhand, Odisha, Andhra Pradesh and Uttarakhand, have witnessed strong services sector growth in the recent years. (Note: In some States and UTs such as Kerala, J&K, Haryana, Assam, Nagaland, Goa, Gujarat, Andaman and Nicobar Islands, Chandigarh, data is available only up to 2016-17).

**Table 2: State-Level Services Sector Performance**

State	Services Sector Share in GSVA in 2017-18 (per cent)	Services Sector Growth (per cent YoY, 2013-17 average)
Chandigarh*	88.9	7.2
Delhi	84.3	8.4
Andaman and Nicobar Islands*	68.5	7
Karnataka	65.9	10.5
Manipur	65.5	5.9

Telangana	63.2	10.7
Kerala*	62.6	6.7
Bihar	62.2	8.4
Maharashtra	58.5	8.9
Jammu & Kashmir*	57.5	5.7
Meghalaya	57.2	6.3
Nagaland*	56.3	5.7
West Bengal	54.0	6.7
Tamil Nadu	53.4	6.5
Haryana*	49.8	10.5
Jharkhand	49.3	9.8
Puducherry	48.2	4.7
Uttar Pradesh	48.0	7.5
Assam*	47.5	5.7
Punjab	46.1	7.1
Odisha	45.2	9.4
Rajasthan	44.2	7.0
Himachal Pradesh	43.3	8.1
Mizoram	43.0	4.5
Andhra Pradesh	42.7	9.2
Arunachal Pradesh	40.1	9.1
Tripura	39.7	3.0
Uttarakhand	39.7	9.2
Chhattisgarh	36.4	6.3
Goa*	35.9	5.5
Gujarat*	35.5	8.9
Madhya Pradesh	35.4	6.3
Sikkim	30.2	5.1

Source: CSO, Ministry of Statistics and Programme Implementation.

Note: \*Based on data available up to 2016-17.

## Trade in Services Sector

9.4 Services exports have slowed somewhat during April-December 2018 after witnessing strong performance in 2017-18 (April-December) (Table 3). By sub-sector, exports of transport services have maintained strong momentum during 2017-18 (April-December) and April-December, 2018, supported by strengthening merchandise trade activity, while exports of Computer & ICT services have continued to recover steadily. On the other hand, travel receipts have slowed somewhat during April-December, 2018 after posting strong growth in 2017-18 (April-December), which is in line with the moderation in foreign tourist arrivals during this period. Exports of business services have witnessed a similar trend. Meanwhile, services imports have slowed during April-December, 2018 from the previous year led by a deceleration in imports across all sectors. The rising services trade surplus has helped

finance nearly 50 per cent of India's trade deficit as of 2017-18 (April-December). However, the service trade surplus is largely driven by Computer & ICT services, and to some extent, travel services. Meanwhile, India runs a very small trade surplus in business services and insurance & pensions and a small trade deficit in financial services.

9.5 Computer & ICT services, business services and travel services account for about 75 per cent of the total services exports. Trends in the shares of sub-sectors in total services exports, however, have been mixed in the recent years. While the share of traditional services such as transport has fallen, the share of value-added services, such as Computer & ICT services, financial services and insurance & pensions has also experienced a decline. Meanwhile, the share of travel services has risen somewhat during this period.

**Table 3: Services Trade Performance by Sub-Sector**

By Sub-Sector	Share in per cent		Value (in US\$ billion)			YoY Growth (in per cent)		
	2012-13	2017-18	Apr-Dec 2016-17 (P)	Apr-Dec 2017-18 (P)	Apr-Dec 2018-19 (P)	Apr-Dec 2016-17 (P)	Apr-Dec 2017-18 (P)	Apr-Dec 2018-19 (P)
Services Exports	100	100	122.4	143.5	153.5	6.5	17.2	7.0
Transport	12	9	11.6	12.8	14.3	11.2	9.7	12.2
Travel	12	15	16.5	20.6	20.9	7.5	24.9	1.0
Insurance & Pensions	2	1	1.61	1.87	1.94	8.9	15.7	3.9
Financial Services	3	3	4.1	3.5	3.7	3.3	-15.0	7.7
Computer & ICT	47	41	57.8	59.3	63.8	0.0	2.6	7.7
Business services	20	19	24.6	27.4	28.8	13.5	11.3	5.2
Other	5	13	6.1	18.1	20.0			

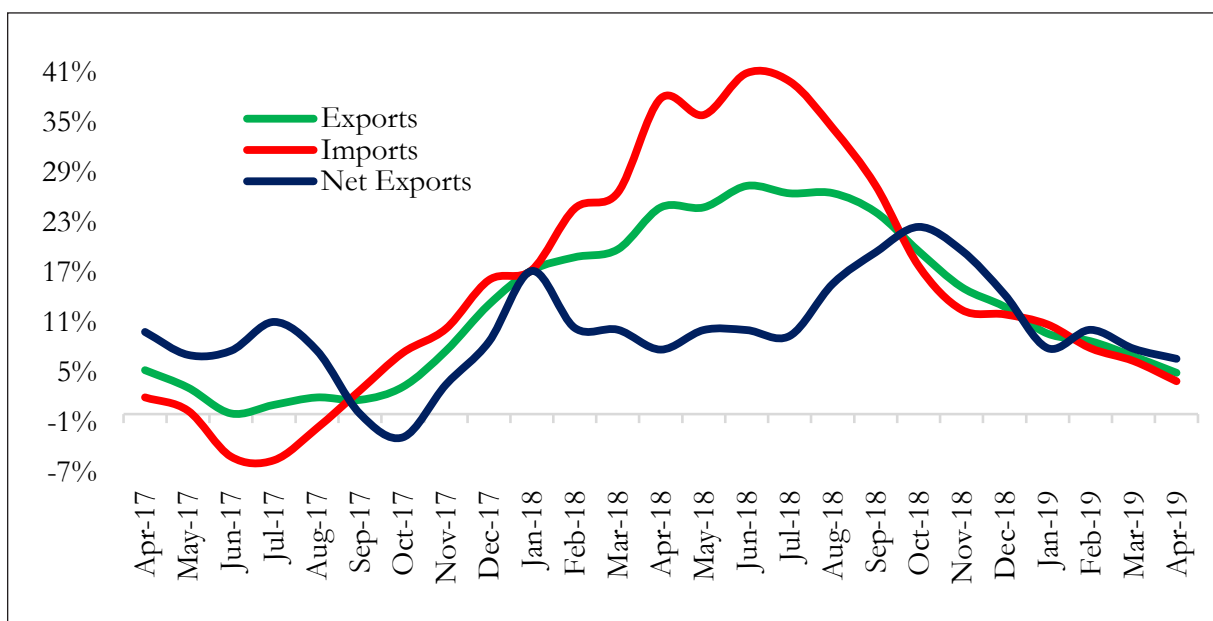
Services Imports	100	100	72.6	86.1	93.3	18.4	18.6	8.4
Transport	18	15	10.4	12.7	15.1	-8.6	21.3	19.2
Travel	15	17	12.8	14.8	16.6	14.1	15.6	12.1
Insurance & Pensions	2	1	1.1	1.3	1.2	17.2	25.8	-10.7
Financial Services	6	5	4.42	4.36	2.9	74.1	-1.3	-34.3
Computer & ICT	4	6	3.6	4.8	5.4	23.5	34.5	13.0
Business services	38	31	24.1	27.2	29.3	7.3	13.0	7.7
Other	18	26	16.2	21.0	22.9			
Services Trade Balance			49.8	57.4	60.3			
Goods Trade Balance			-82.7	-118.4	-145.3			

Source: Reserve Bank of India (RBI).

9.6 Monthly data on services trade suggests that exports and imports of services started recovering from second quarter of 2017-18 (Figure 2). The trend continued till first

quarter of 2018-19. However, both exports and imports of services, started slowing down since the beginning of second quarter of 2018-19.

**Figure 2: Growth in Services Trade (3mma\*)**



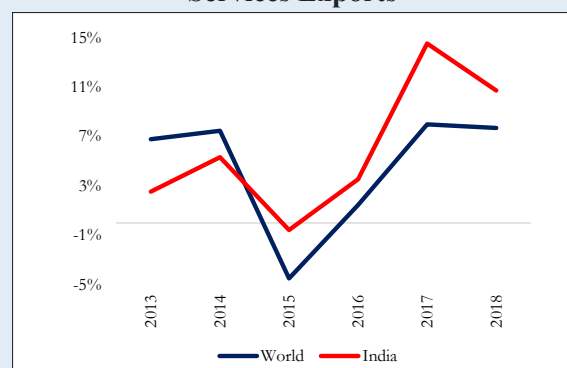
Source: RBI

Note - 3mma = 3 months moving average, Data is provisional.

### Box 1: India in World Commercial Services Exports and Imports

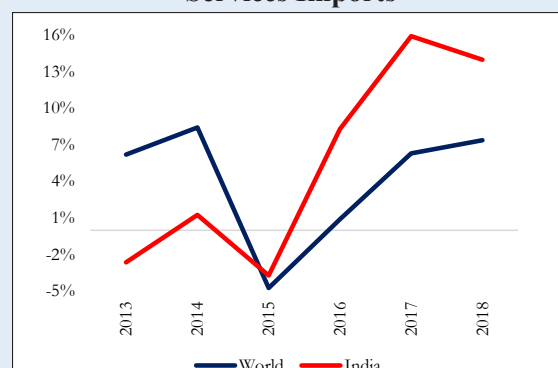
India's trade in commercial services, both in exports and imports, moderated in 2018 (Figure 1). India experienced a recovery in growth of exports and imports of commercial services during 2015-17, in line with global recovery in commercial services trade. However, in 2018, world trade in commercial services stagnated. India's growth rate decelerated but remains above world growth rate

**Figure 1(a): Growth in Commercial Services Exports**



Source: World Trade Organization (WTO).

**Figure 1(b): Growth in Commercial Services Imports**



Source: World Trade Organization (WTO).

According to the WTO data, India is among the world's top 10 exporters and importers of commercial services<sup>1</sup>, ranking eighth in exports and tenth in imports in 2017, with the ranking staying unchanged from 2016 (Table 1). India's share in world's commercial services exports has risen steadily over the past decade to reach 3.5 per cent in 2017.

**Table 1: Performance of World's Top 10 Exporters and Importers of Commercial Services**

Country	Rank in Commercial Services Exports		Share in World's Commercial Services Exports (per cent)		Rank in Commercial Services Imports		Share in World's Commercial Services Imports (per cent)	
	2017	2007	2017	2007	2017	2007	2017	
U.S.A	1		13.9	14.4	1		10.9	10.2
UK	2		8.3	6.6	6		6.3	4.1
Germany	3		6.3	5.7	3		8.1	6.3
France	4		4.2	4.7	4		4.0	4.7
China	5		3.7	4.3	2		4.2	9.1
Netherlands	6		2.7	4.1	5		2.8	4.2
Ireland	7		2.7	3.5	7		3.1	3.9
<b>India</b>	<b>8</b>		<b>2.7</b>	<b>3.5</b>	<b>10</b>		<b>2.5</b>	<b>3</b>
Japan	9		3.9	3.4	8		4.8	3.7
Singapore	10		2.0	3.1	9		2.3	3.4

Source: World Trade Organization (WTO).

<sup>1</sup> Commercial services refer to all services excluding government services.

World commercial services export growth eased marginally to 7.7 per cent in 2018. Commercial services export growth in India also moderated slightly to 10.7 per cent in 2018 following the strong growth witnessed in 2017 (Table 2). Nonetheless, India remains one of the strongest performers among the major service-exporting countries.

Government has taken many initiatives that included measures such as Start-up India, Insolvency and Bankruptcy Code, National Intellectual Property Rights (IPR) policy, implementing GST regime and improving the ease of doing business, which have helped increase India's ranking in the World Bank's Ease of Doing Business Index from 100 in 2017 to 77 in 2018, Digital India, e-visas, infrastructure status to Logistics, schemes for the housing sector etc., which could give a further fillip to the growth of services sector. The Government has implemented FDI reforms in a number of sectors, including defence, construction development, insurance/pension/other financial services, asset reconstruction companies, broadcasting, civil aviation, pharmaceuticals and trading etc. An investor-friendly FDI policy has been put in place under which up to 100 per cent FDI is permitted via automatic route in most sectors, including single-brand retail trading, construction development and regulated financial sector activity.

**Table 2: Commercial Services Export Growth in Major Exporting Countries**

Commercial Services Export Growth (per cent)			
Country	2017	2018	CAGR (2010-18)
World	8.0	7.7	5.2
U.S.A	5.2	3.8	5.1
UK	2.4	5.6	3.9
Germany	8.0	7.3	5.0
France	5.7	6.2	4.7
China	8.7	17.1	5.2
Netherlands	14.3	11.4	5.2
Ireland	20.5	14.3	10.6
India	14.5	10.7	7.3
Japan	6.4	3.1	4.5
Singapore	10.0	6.6	7.8

Source: World Trade Organization (WTO). Note: Data is on calendar year basis.

Further, in order to boost services exports, the Service Exports from India Scheme (SEIS) covers business services, education services, health services, tourism and travel related services, transport services etc. Government has also created a dedicated fund of ₹5,000 crore for financing sectoral initiatives under the Champion Services Sector Scheme. The Screening Committee has so far recommended the proposals of seven nodal Ministries/departments totalling ₹4,344.75 crore, including the Ministry of Corporate Affairs, Ministry of Human Resource Development, Department of Telecommunication, Ministry of AYUSH, Ministry of Housing and Urban Affairs, Ministry of Tourism, and Ministry of Electronics and Information Technology. Under this scheme, various domestic policy reforms critical to enhance the competitiveness of services exports, including on data privacy/security and e-commerce, would be pursued through the Ministries concerned.

## FDI into Services Sector

9.7 FDI equity inflows into the services sector<sup>1</sup> accounted for more than 60 per cent of the total FDI equity inflows into India (Table 4). During 2018-19, FDI equity inflows into services sector fell by US\$696 million or 1.3 per cent from the previous year to about

US\$28.26 billion, which is in line with the small decline witnessed in overall FDI inflows into India. This was driven by weaker FDI inflows into sub-sectors such as telecom, consultancy services, air and sea transport, which offset the strong inflows witnessed in education, retail trading and information & broadcasting.

**Table 4: FDI Equity Inflows into Services Sector (US\$ million)**

Services Sectors	2016-17	2017-18	2018-19
Financial, Business, Outsourcing, R&D, Courier, Tech. Testing & Analysis	8,684	6,709	9,158
Computer Software & Hardware	3,652	6,153	6,415
Trading	2,338	4,348	4,462
Telecommunications	5,564	6,212	2,668
Information & Broadcasting	1,517	639	1,252
Hotel & Tourism	916	1,132	1,076
Hospitals & Diagnostic Centers	747	708	1,045
Education	160	286	777
Retail Trading	451	224	443
Consultancy Services	261	760	411
Sea Transport	735	1,051	279
Air Transport	83	629	191
Agriculture Services	76	110	88
Total FDI Equity Inflows into Services	25,185	28,960	28,264
Total FDI Equity Inflows into India	43,478	44,857	44,366
Share of Services in Total FDI Inflows	57.9	64.6	63.7

Source: Estimated using data from Department for Promotion of Industry and Internal Trade on FDI equity inflows into major service sectors.

## SERVICES SECTOR GROSS VALUE ADDED VERSUS EMPLOYMENT

9.8 As per the UN National Accounts Statistics data, India ranked 7<sup>th</sup> in terms of

GDP size and 9<sup>th</sup> in terms of services sector size in 2017. Note that India's rank has since risen to 6<sup>th</sup> in terms of GDP but the 2017 numbers have been used here for purposes of comparison (Table 5). Notably, among these 15 countries, India has the second

<sup>2</sup> Estimated as FDI equity inflows into financial services, business services, outsourcing, R&D, technology testing & analysis, courier, telecommunications, trading, computer hardware & software, hotels & tourism, hospital & diagnostic centres, consultancy services, sea transport, information & broadcasting, retail trading, agriculture services, education, ports and air transport.



fastest growing services sector after China, registering a growth of 7.9 per cent both in 2017 and during 2007-17 in CAGR terms. India also ranks second after the UK in terms of services share in exports, with the shares as high as seen in developed countries, such as U.S.A, France and Spain.

9.9 In contrast, among top 15 economies in terms of GDP and Services GVA in 2017, India ranks the second lowest after China in terms of services share in Gross Value Added (GVA) and ranks the lowest in terms of services share in employment. In addition, compared to the experience of other countries, services share in India's employment at 34 per cent is significantly lower than services share in GVA at 54 per cent.

9.10 This divergence in the performance of the services sector in India has been witnessed as the sector has not been able to generate jobs in proportion to its size. The share of services in employment is roughly the share of services GVA for other countries such as USA (79 per cent), China (56 per cent), Japan (71 per cent), Germany (72 per cent), UK (81 per cent), Brazil (69 per cent), Mexico (61 per cent) in 2017 implying that the services sector expansion in the recent decades has been unable to generate proportionate employment, especially in the formal sector. This also suggests that there lies immense potential for employment generation in the services sector in the coming years in line with other countries.

**Table 5: Services Sector Performance among Top 15 Countries**

Country	Rank in GDP	GDP (US\$ trillion)	Services GVA (US\$ trillion)	Services Sector Growth (per cent)			Share of Services Sector (per cent)					
				2016	2017	CAGR (2007-17)	GVA 2007	GVA 2017	Employment 2007	Employment 2017	Exports 2007	Exports 2017
World		80.5	51.7	2.4	2.9	2.3	67	68	44	51	20	23
USA	1	19.5	15.7	2.0	2.2	1.6	77	81	78	79	29	33
China	2	12.2	6.1	7.7	8.3	8.7	42	50	39	56	9	9
Japan	3	4.9	3.4	0.4	0.9	0.3	69	71	68	71	14	21
Germany	4	3.7	2.3	1.3	2.1	1.0	69	68	68	72	14	17
UK	5	2.6	1.9	1.9	1.7	1.4	78	79	76	81	42	44
France	6	2.6	1.8	1.6	2.1	1.2	77	79	73	77	26	32
India	7	2.6	1.3	7.5	7.9	7.9	48	54	26	34	37	38
Brazil	8	2.1	1.3	-2.6	-1.4	1.5	68	72	60	69	12	13
Italy	9	1.9	1.3	1.0	1.1	-0.1	71	74	66	70	19	18
Canada	10	1.6	1.1	2.2	2.9	2.1	67	71	76	78	14	17
Russia	11	1.6	0.9	-0.6	2.2	1.6	59	62	62	66	11	14
S. Korea	12	1.5	0.8	2.5	2.2	2.9	60	58	67	70	16	13
Australia	13	1.4	1.0	2.9	3.1	2.7	70	73	75	78	23	22
Spain	14	1.3	0.9	2.2	2.5	1.0	68	73	66	76	32	30
Mexico	15	1.2	0.7	3.9	3.1	2.8	62	64	61	61	6	6

Source: UN National Accounts Statistics database for GDP and GVA, World Bank database for employment, and WTO database for exports.

## MAJOR SERVICES: SECTOR-WISE PERFORMANCE AND SOME RECENT POLICIES

9.11 While sub-sectors within the services sector slowed down in 2018-19, some others accelerated (Table 6). IT-BPM and cargo traffic continued to recover in terms of absolute numbers but the growth rate declined. Growth of aviation sector declined mainly on account of slowdown in international airline passenger traffic.

The tourism sector also experienced a sharp slowdown in 2018. The Telecom Sector, however, continued to grow at a rapid pace led by wireless internet subscriptions.

9.12 This section covers some of the important services for India based on their significance in terms of GDP/GVA, exports and future prospects. Some important services covered in other chapters have been excluded to avoid duplication.

**Table 6: Performance of Key Sub-Sectors in India's Services Sector**

Sub-Sector	Indicator	Unit	Year				
			2014-15	2015-16	2016-17	2017-18	2018-19
IT –BPM*	IT-BPM service revenues:	US\$ billion	132.4	143.0	154.0	167.0	181.0(E)
	Exports	US\$ billion	98.5	108.0	117.0	126.0	136.0(E)
	Domestic	US\$ billion	34.0	34.8	38.0	41.0	45.0(E)
Aviation**	Airline passengers:	million	115.8	135.0	158.4	183.9	204.2(P)
	Domestic	million	70.1	85.2	103.7	123.3	140.3
	International	million	45.7	49.8	54.7	60.6	63.9
Telecom	Wireless phone subscriptions <sup>a</sup>	million	969.5	1034.1	1170.5	1188.9	1161.7
	Wireless internet subscriptions <sup>a</sup>	million	283.3	322.2	400.6	472.7	615.05
Tourism	Foreign tourist arrivals	million	7.8	8.2	9.1	10.4	10.6 (P)
	Foreign exchange earnings from tourism	US\$ billion	20.4	21.4	23.8	28.7	27.7 (P)
Shipping	Gross tonnage of shipping <sup>a</sup>	million	10.5	10.9	11.6	12.6	12.7 <sup>^</sup>
	Number of ships <sup>a</sup>	numbers	1210.0	1273.0	1316.0	1384.0	1400 <sup>^</sup>
Ports	Cargo traffic	million tonnes	1052.2	1071.8	1133.7	1208.6	1276.8(P)
	Cargo capacity	million tonnes	1560.5	1703.1	2147.6	2307.4	2405.9(P)

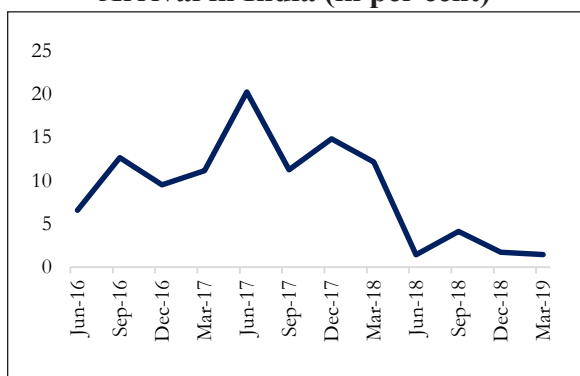
Sources: Telecom Regulatory Authority of India (TRAI), Department of Telecom, Ministry of Tourism, Ministry of Shipping, Ministry of Civil Aviation, Ministry of Electronics and Information Technology, NASSCOM. Note: \*Including Hardware and excluding e-commerce; \*\*Domestic passengers carried by scheduled Indian carriers on scheduled domestic services and international passengers carried by scheduled Indian and foreign carriers to and from the Indian territory; <sup>a</sup> As of March of ensuing financial year <sup>^</sup>As of December 2018. P=(Provisional). E= Expected with current pace.

## Tourism

9.13 Tourism sector is a major engine of economic growth that contributes significantly in terms of GDP, foreign exchange earnings and employment. As per the World Tourism Barometer of the United Nation's World Tourism Organization (June, 2018 edition) International Tourist Arrivals (ITA) reached a total of 1.3 billion in 2017, 84 million more than in the previous year, with a growth rate of 6.7 per cent higher than the growth rate of 3.7 per cent in 2016.

9.14 In India, the Tourism sector had been performing well with Foreign Tourist Arrivals

**Figure 3(a): Growth in Foreign Tourist Arrival in India (in per cent)**



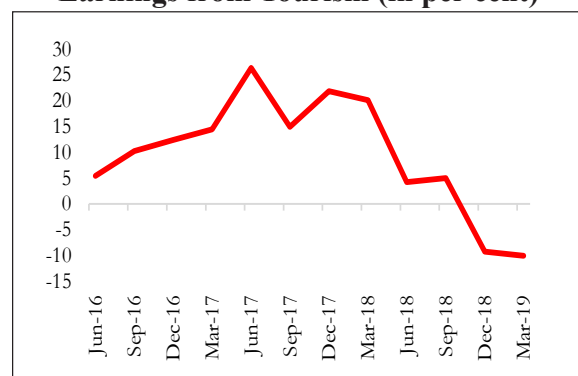
Source: Ministry of Tourism

9.15 Outbound tourism increased in recent years, with the number of departures of Indian nationals from India, that stood at 23.94 million in 2017 from 21.87 million in 2016, with a growth rate of 9.5 per cent in 2017. This was more than double the foreign tourist arrivals in India.

9.16 Growth in domestic tourist visits slowed down from 12.7 per cent in 2016 to 2.4 per cent in 2017. In absolute numbers, there were 1,652.5 million domestic tourists in 2017 compared to 1,615.4 million in 2016. Tamil Nadu (345.1 million), Uttar Pradesh (234 million), Karnataka (180 million), Andhra Pradesh (165.4 million)

(FTAs) growing at 14 per cent to 10.4 million and Foreign Exchange Earnings (FEEs) at 20.6 per cent to US\$28.7 billion in 2017-18. However, the sector witnessed a slowdown in 2018-19. The Foreign Tourist Arrivals (FTAs) in 2018-19 stood at 10.6 million compared to 10.4 million in 2017-18. In terms of growth, the growth rate of FTAs declined from 14.2 per cent in 2017-18 to 2.1 per cent in 2018-19. Foreign exchange earnings (FEEs) from tourism stood at US\$27.7 billion in 2018-19 as compared to US\$28.7 billion in 2017-18. In terms of growth, the FEEs declined from 20.6 per cent in 2017-18 to -3.3 per cent in 2018-19.

**Figure 3(b): Growth in Foreign Exchange Earnings from Tourism (in per cent)**



Source: Ministry of Tourism

and Maharashtra (119.2 million) were the top 5 destination States, accounting for 63.2 per cent of total number of domestic tourist visits in 2017. Amongst centrally protected ticketed monuments, Taj Mahal, Agra (5.66 million) was the most visited monument in 2017-18 for domestic visitors followed by Sun Temple, Konark (3.22 million) and Red Fort, Delhi (3.04 million).

9.17 The Ministry of Tourism launched the 'National Mission on Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive' (PRASHAD) in January 2015 with the objective of pilgrimage infrastructure at selected

important pilgrimage destinations. The total number of sites identified for development under the scheme at present is 41 in 25 states. Till date 28 projects in 17 states have been approved under the scheme since January 2015.

9.18 Under the Swadesh Darshan Scheme, the Ministry of Tourism has identified 15 thematic circuits for development namely: Himalayan Circuit, North East Circuit, Krishna Circuit, Buddhist Circuit, Coastal Circuit, Desert Circuit, Tribal Circuit, Eco Circuit,

Wildlife Circuit, Rural Circuit, Spiritual Circuit, Ramayana Circuit, Heritage Circuit, Tirthankar Circuit and Sufi Circuit. These circuits cover religious, spiritual, cultural, natural, tribal sites in the country. Under the scheme the Ministry is developing these thematic circuits on the principles of high tourist value, competitiveness and sustainability in an integrated manner with an objective of enriching tourist experience and enhance employment opportunities.

### Box 2: HEALTH AND MEDICAL TOURISM IN INDIA

Government has taken various Policy initiatives and measures to promote Health and Medical Tourism in India along with the Public Private Initiatives in the Tourism sector. India has emerged as a major Medical Tourism destination. The Ministry of Tourism has recognized Medical and Wellness Tourism including Ayurveda as a Niche product in order to overcome the aspect of 'seasonality' and to promote India as a 365 days' destination and attract tourists with specific interests.

**INDIAN HEALTHCARE INDUSTRY:** The market size of medical tourism in India is estimated at ₹195 billion (US\$ 3 billion) in 2017. The value of medical tourism is forecasted to reach US\$ 9 billion by 2020. India currently has around 18 per cent of the global medical tourism market. In an estimate, it can be a US\$ 9 billion-worth medical tourism destination by having 20 per cent global market share by 2020. (Source: Services Export Promotion Council, Ministry of Commerce). Share of Medical Tourists to India is 4.9 per cent out of total FTAs in 2017. The arrival in India on Medical visa during 2014 to 2017 are given in (Table 1)

**Table 1: ARRIVALS IN INDIA ON MEDICAL VISA**

2014	2015	2016	2017
1,39,447	2,33,918	4,27,014	4,95,056

Source: Ministry of Tourism.

Government offers financial support as Marketing Development Assistance, for Publicity and for organising Wellness and Medical Tourism Promotion shows. Medical Tourism is regularly highlighted for promotion as part of the Incredible India Campaign in the print, electronic, online and outdoor media in India and abroad as well as at the various travel trade exhibitions overseas. 'Medical Visa' has been introduced, which can be given for specific purpose to foreign travellers coming to India for medical treatment. 'E- Medical Visa' has also been introduced for 166 countries.

### Hospitality Services

9.19 As per the Ministry of Tourism statistics, there has been a growth rate of 75.71 per cent in number of approved Hotels to 1961 as on

December 2018 from 1116 as on December 2014. Similarly there was a growth rate of 43.85 per cent in number of approved Hotel Rooms in India to 102490 as on December 2018 from 71244 as on December 2014

(Table 7). Of course, this is only a subset of the hotel market which has grown sharply due to entry of online-based service

providers (data for this is being collected and will be a subject of a future Economic Survey).

**Table 7: Number of Approved Hotels and Hotel Rooms for Major categories, 2014 to 2018**

S. No.	Category of Hotels	as on 31.12.2014		as on 31.12.2015		as on 31.12.2016		as on 31.12.2017		as on 31.12.2018	
		No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms	No. of Hotels	No. of Rooms
1	One Star	41	1193	26	785	12	398	8	286	9	348
2	Two Star	80	1902	68	1922	53	1190	43	1028	37	990
3	Three Star	554	22724	531	22793	428	17604	481	17428	535	18889
4	Four Star	134	7969	197	9972	210	9892	256	13184	322	16451
5	Five Star	92	11744	125	15230	136	16214	162	19431	181	22673
6	Five Star Deluxe	113	23907	127	27775	146	31037	152	34376	170	37955
7	Apartment Hotels	3	249	-	-	-	-	1	126	3	252
8	Guest House	5	77	7	110	118	690	6	88	7	106
9	Heritage Hotels	42	1237	30	1065	40	1258	46	1403	58	1843
10	B&B Estt	52	242	283	1359	316	1596	664	3268	639	2983
	<b>Total</b>	<b>1116</b>	<b>71244</b>	<b>1394</b>	<b>81011</b>	<b>1459</b>	<b>79879</b>	<b>1819</b>	<b>90618</b>	<b>1961</b>	<b>102490</b>

Source: Ministry of Tourism

9.20 Some of the issues relating to tourism sector are briefly stated below:

- The co-ordination mechanism of various like-minded Ministries and Stakeholders to resolve issues for promotion of tourism in the country needs to be strengthened.
- State/UT Government need sensitization about tourism as a major driver of employment and poverty alleviation.
- Budgetary allocation for development of tourism infrastructure should be increased.
- Land should be made available for

hotels and reserve land for hotels in all new townships under planning.

- Fast-track clearances for hotel projects.
- Increase skill development efforts to train more persons.
- Make the Taxation regime on Hospitality Industry globally competitive.

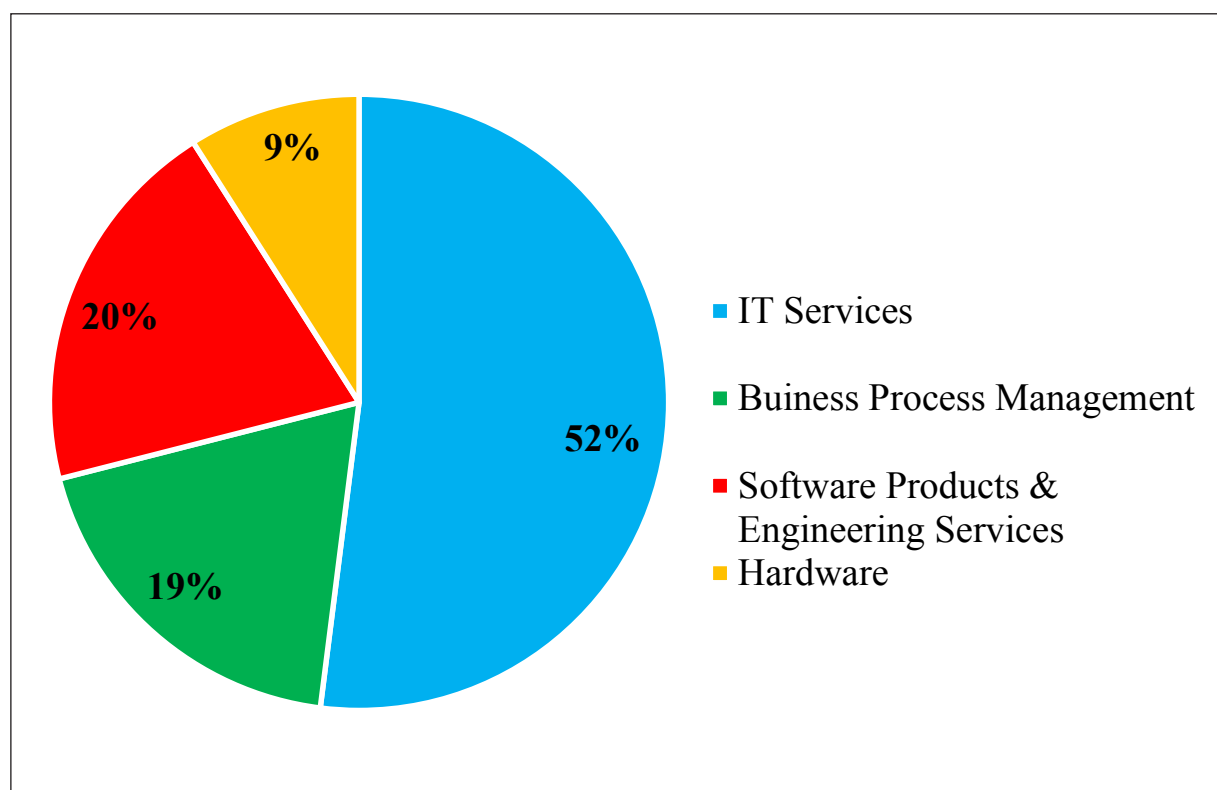
### IT –BPM Services

9.21 The Indian IT-BPM industry grew by 8.4 per cent in 2017-18 to US\$167 billion (excluding e-commerce but including hardware) from US\$154 billion in 2016-17, as per NASSCOM data (Table 8). It is estimated to have reached US\$181 billion in 2018-

19. IT-BPM exports grew by 7.7 per cent to US\$126 billion in 2017-18 and is estimated at US\$136 billion for 2018-19. E-commerce market is estimated at US\$43 billion for FY 2018-19, at the growth rate of 12 per cent. The IT services constitute the largest segment

with a share of around 52 per cent, followed by BPM with share of around 20 per cent. Software products and engineering services together accounted for around 19 per cent share whereas hardware accounts for 10 per cent (Figure 4).

**Figure 4: Indian IT BPM Industry Marketshare (2017-18)**



Source: NASSCOM, 2018

**Table 8: Performance of India's IT-BPM Services : Some Indicators**

(In US\$ billion)

Indicators	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
IT-BPM * Revenue	83.5	100.72	109.0	119.3	132.4	143.0	154.0	167.0	181#
Exports*	59.4	69.1	77.0	87.7	98.5	108.0	117.0	126.0	136#
Domestic*	29.02	31.7	32.0	31.6	34.0	34.8	38.0	41.0	45#

Source :Ministry of Electronics and Information Technology, *NASSCOM Strategic Review (Yearly)*

Notes : (\*) : Including Hardware and Excluding e-Commerce

(#): Expected with Current Pace.

9.22 The Indian Information Technology / Information Technology enabled Services (IT/ITeS) industry has contributed immensely in positioning the country as a preferred investment destination amongst global investors and creating huge job opportunities in India, as well as in the USA, Europe and other parts of the world. USA, UK and EU account for ~ 90 per cent of the total IT-ITeS exports. However, there are new challenges surfacing in these traditional geographies. Demand from APAC, Latin America and Middle East Asia is growing and new opportunities are emerging for expanding in continental Europe, Japan, China and Africa. Efforts are being made to further strengthen existing markets, and simultaneously diversify and increase presence in the new and emerging markets in Europe (besides UK which is a mature market), Africa, South America, Israel, Australia, China and Japan through market development and industry repositioning initiative.

9.23 India's digital economy has received a tremendous boost through various Government initiatives such as Digital India covering e-Government services, common service centres, BPO promotion schemes, digital payments, electronic manufacturing, Digital Saksharta Abhiyaan, e-commerce, GST network, Make in India, Start-up India, e-health, Smart Cities, and e-agriculture market place/ digital mandis. These initiatives coupled with new and emerging technologies are enhancing the digital economy of the country and are creating IT and electronics led new opportunities for revenue and job creation in both traditional as well as new sectors of the economy such as transport, health, power, agriculture, and tourism.

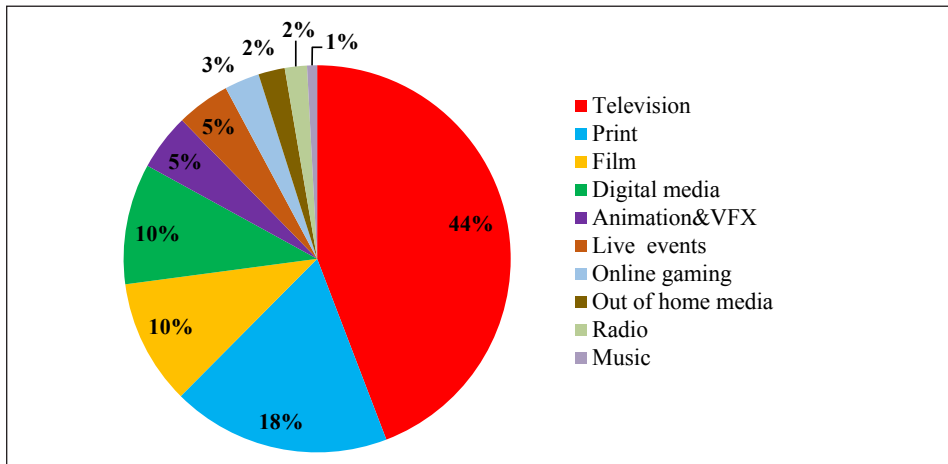
9.24 The National Policy on Electronics 2019 (NPE 2019) has been notified on February 2019 by the Ministry of Electronics and Information Technology (MeitY) inter-

alia include creating eco-system for globally competitive ESDM sector; promotion of electronic components manufacturing ecosystem; special package of incentives for mega projects; encouraging industry-led R&D and innovation and promoting start-up eco-system in all sub-sectors of electronics, including emerging technology areas such as 5G, IoT/ Sensors, artificial intelligence (AI), machine learning, augmented reality (AR) and virtual reality (VR), drones, robotics, additive manufacturing, gaming and entertainment, photonics, nano-based devices, medical electronics, defence and strategic electronics, automotive electronics, cyber security, power electronics and automation; providing incentives and support for skill development including re-skilling, in the ESDM sector; promoting research, innovation and support to industry for green processes and sustainable e-waste management, emphasis on cyber security and promoting trusted electronics value chain initiatives to improve India's national cyber security profile etc.

### **Media & Entertainment Services**

9.25 The Media and Entertainment sector comprises mainly of television, print, radio, films, music, digital advertising, over the top (OTT-film and television content delivered over internet), visual effects (VFX) and gaming. Technology has rapidly changed the profile of this sector especially in the area of content and carriage. As per the FICCI-EY Media and Entertainment Report 2019, the size of the Industry has increased from ₹91,810 crore in 2013 to ₹1,67,500 crore in 2018, a growth of 82.44 per cent in the last 5 years. The size composition of the various components of the Industry can be seen in the Figure 5. Audio-visual services have been identified by the Government (2018) as one among the 12 Champion Service sectors for focused development so as to reap its full potential.

**Figure 5: Composition of Media and Entertainment Industry in India 2018 (percentage of Revenue)**



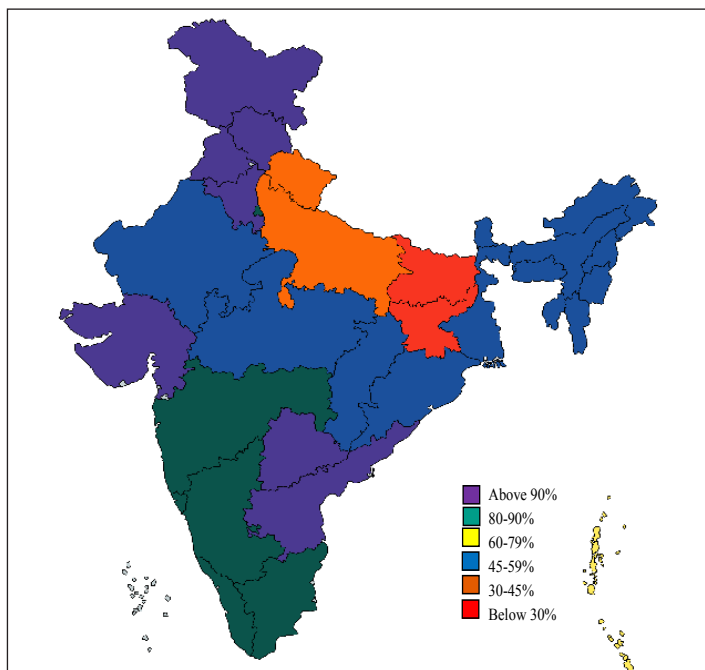
Source: FICCI-EY Media and Entertainment Report 2019

**Private Television Sector**

9.26 India is the second largest pay-TV market in the world after China. As per Broadcasting Audience Research Council of India (BARC)/EY estimates, out of the estimated 29.8 crore households in India, TV penetration reached 66 per cent in the country with 19.7 crore TV households in

2018, which is 7.7 per cent increase over the previous Broadcast India Survey 2016 (Figure 6). Of the 19.7 crore TV households, 10.3 crore households were covered by Cable services, 5.6 crore households by Direct to Home (DTH) services and 3.6 crore households were covered by Doordarshan Free Dish in 2018.

**Figure 6: TV Penetration in India (2018)**



Source: BARC, 2018



9.27 As per FICCI-EY Media & Entertainment Report (2019), TV sector grew at 12.1 per cent to reach ₹74,000 crore in 2018 with advertising comprising 41 per cent of the revenue while distribution accounted for the balance. India has at present a large broadcasting and distribution sector in the world comprising 906 satellite TV channels, 1469 Multi System Operators (MSO), 60,000 Local Cable Operators (LCO), 6 DTH operators and several IBTV service providers. 43 per cent of all private satellite channels are news channels (April 2019). The growth drivers for TV sector include digitisation of cable services, higher uptake of High Definition channels, growth of OTT platform aided by rising smart phone penetration and high speed data adoption.

9.28 In the distribution sector, Cable TV still dominates the distribution of TV channels in the country through MSOs and LCOs. DTH sector is rapidly becoming a key player in the distribution sector. Apart from Doordarshan's DD Free Dish, DTH services are provided by six other private players.

### **Public Service TV Broadcasting**

9.29 Prasar Bharati is the country's public service broadcaster with All India Radio and Doordarshan as its two constituents. It came into existence in 1997 with a mandate to organise and conduct public broadcasting services to inform, educate and entertain the public and to ensure a balanced development of broadcasting in the country.

9.30 Doordarshan has the world's largest terrestrial broadcast facility with over 1400 terrestrial TV transmitters and also provides free to air DTH services. The terrestrial network of Doordarshan reaches out to every nook and corner with transmitters set up throughout the country. Currently, Doordarshan has 24 Satellite channels,

including a channel for farmers, News and Current Affairs, Art and Culture and Sports etc. 67 Studio Centres of Doordarshan spread across the country provide extensive coverage of News and Current Affairs to DD network channels.

9.31 Doordarshan also operates its own Direct to Home platform viz., DD Free Dish. DD Free Dish has a bouquet of 104 television channels including 24 Satellite channels of DD which operate 24X7 and 11 regional channels which operate for a few specified hours. The bouquet also has 44 audio channels of AIR. Activities of All India Radio are discussed in the section under Radio sector.

### **Print Media**

9.32 Print accounted for the second largest share of the Indian M&E industry with revenue of ₹30,550 crore in 2018 with a growth of 0.7 per cent (FICCI & EY Report 2019). Print Industry is declining all over the world primarily due to huge in roads of internet and TV channels in media industry. India is also no exception to this phenomenon. The share of advertising revenue in Print Media is 71 per cent of the total revenue income while the balance is accounted for subscription revenue. While newspapers accounted for about 96 per cent of the revenue, the rest was through the magazines.

9.33 As per the Registrar of Newspapers for India (RNI), the number of registered publications in the country as on 31st March 2018 stood at 1,18,239, registering a growth of 3 per cent in 2017-18 over the previous year. However, growth of circulation of publications contracted by 11.9 per cent in 2017-18 over the previous year. The total circulation of publications in the country during 2017-18 was 43 crore of which Hindi, English and Urdu publications were 19.56

crore, 5.34 crore and 2.52 crore respectively. In terms of circulation of daily newspapers, there was a contraction by 11.9 per cent in 2017-18 with total circulation of daily newspapers falling to 24.26 crore. Hindi dailies continue to be the largest in terms of circulation followed by English and Urdu. (As on March 31, 2018).

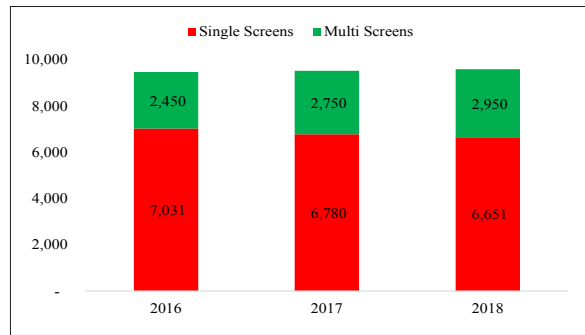
**Films**

9.34 As per FICCI-EY Media & Entertainment Report (2019), India is the world’s biggest producer of films with 1,776 domestic film releases in 2018. Indian film industry grew at 12 per cent in 2018 with revenue of ₹17,450 thousand crore. The highest number of films were released in Kannada (243) followed by Hindi (238) and Telugu (237).

9.35 Despite producing the most number of movies in the world, India has less than 25 per cent of the number of screens as compared to China or USA. India has 9601 screens, of which 47 per cent are in the five southern states. China has been adding cinema screens at a CAGR of over 16 per cent over the last two years. India’s screens per million of population is also the very low, primarily due to lack of cinema penetration in tier-II, tier-III and tier-IV markets in India. This presents a large untapped potential for the Indian film segment (Figure 7, 8 and 9).

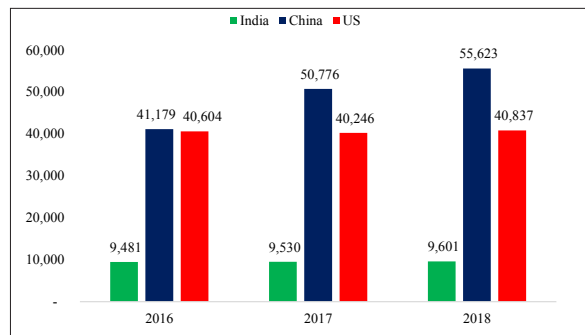
9.36 In the Overseas Theatre Performances, the highest number of film exports were made to the Gulf region (50) followed by Australia (48) and USA/Canada (46). In terms of value, however, China became the largest international market for Indian film content, accounting for highest collection of US\$272.3 million. While the number of screens (both single and multi-screen) have been steadily increasing, the screen count is still lower than large international markets.

**Figure 7: Number of screens in India**



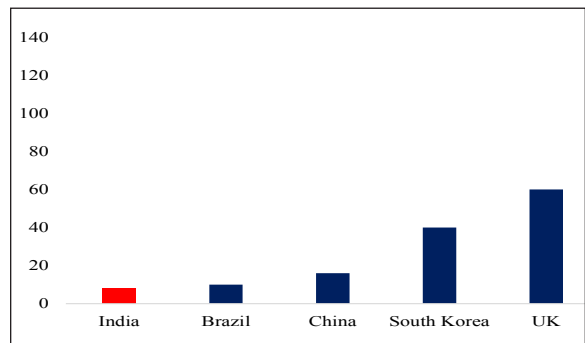
Source: FICCI-EY Media & Entertainment Report (2019)

**Figure 8: Screen count in India, China and USA**



Source: FICCI-EY Media & Entertainment Report (2019)

**Figure 9: Screens per million population, 2018**



Source: FICCI-EY Media & Entertainment Report (2019)

**Digital Media**

9.37 The various segments of digital media include- online video viewing, audios, news through OTT platforms and social media etc. As per FICCI-EY Media & Entertainment

Report (2019), total number of mobile subscribers stood at 1.17 billion in 2018. Smartphone users increased by 39 per cent to reach 340 million in 2018. Average data consumption doubled from 4 GB to 8 GB per month between 2017 and 2018. Moreover, digital media market grew 42 per

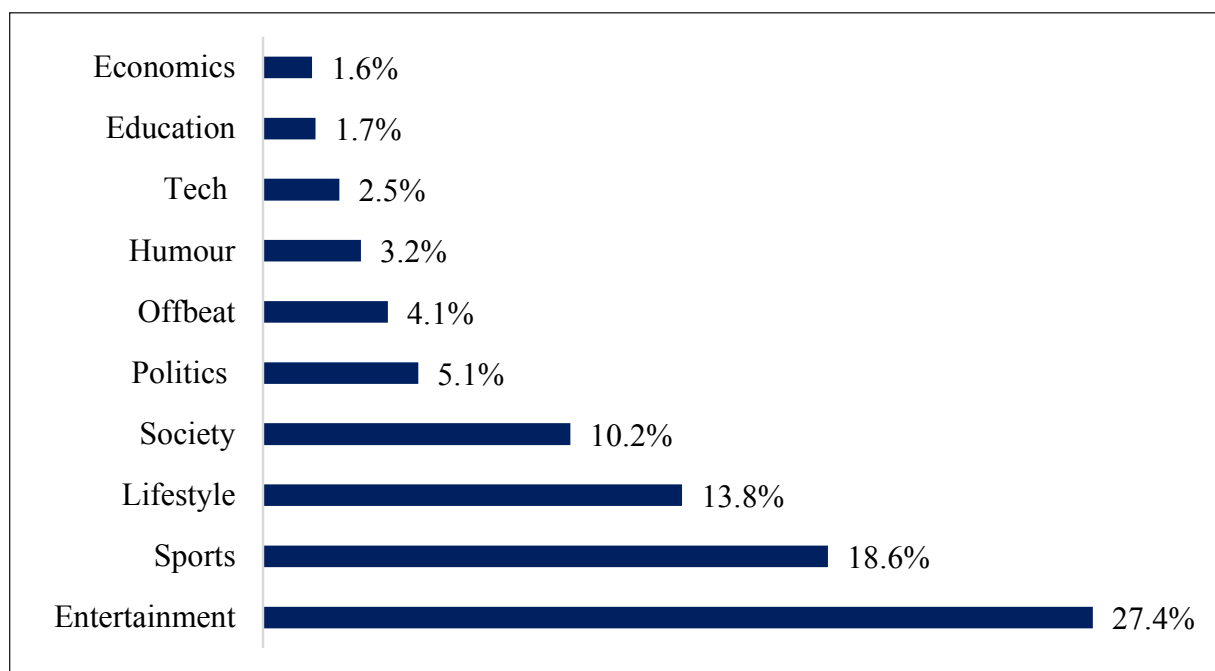
cent to reach ₹169 billion in 2018. Internet subscribers grew 28 per cent from 446 million in December 2017 to 570 million in November 2018, driven by rural internet subscriber growth of 49 per cent. Given that there are around 4 billion internet users in the world, one in eight is Indian (Table 9).

**Table 9: Internet Penetration in India (2018)**

	Dec-17 (Million)	Nov-18 (Million)	Growth (per cent)
Total internet subscribers	446	570	28
Urban internet subscribers	314	373	19
Rural internet subscribers	132	197	49

Source: FICCI-EY Media & Entertainment Report (2019)

**Figure 10: Category wise consumption of mobile content (Jan - Sept 2018)**



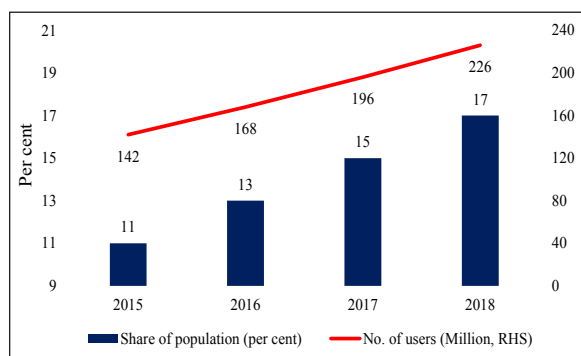
Source: FICCI-EY Media & Entertainment Report (2019)

9.38 According to the total rate of content consumption on UC News Feed platform in India, Entertainment was the largest category in mobile content consumption for Indian users, accounting for 27.4 per cent, followed by sports (18.6 per cent) and lifestyle (13.8

per cent) (Figure 10).

9.39 Social Media penetration reached 17 per cent in 2018, up from 11 per cent in 2015. The most active social media platforms were YouTube, Facebook, WhatsApp and Instagram. (Figure 11)

**Figure 11: Social media users and penetration in India (2018)**



Source: FICCI-EY Media & Entertainment Report (2019)

## Radio Sector

9.40 All India Radio (AIR) broadcasts are functional at 479 locations covering nearly 92 per cent of the geographical area and 99.2 per cent of the population of the country. Presently, FM Service of AIR is being provided from 495 transmitters functional at 458 locations across the country reaching nearly 39 per cent of the area and 52 per cent of the total population of the country. Further expansion of AIR FM is being carried out in a phased manner under forthcoming schemes of AIR. In addition, 37 radio channels of AIR are available on Doordarshan's DTH platform (DD Free Dish) which can be received through a set top box all over the country.

9.41 The opening of private FM radio since 1999 has not only resulted in providing good quality of reception to radio listeners, but also helped encouraging local talent and generating employment to large number of people in various cities. As on May 2019, 380 Private FM channels are operational in 107 cities spread across 27 States and 3 Union Territories. The Government has announced policy guidelines on expansion of private FM Radio broadcasting (Phase-III) wherein the Ministry of Information and Broadcasting will auction 683 channels in 236 cities in

subsequent batches. Community Radio Stations are set up with the involvement of various educational institutions and civil society organizations. At present, 250 Community Radio stations have been operationalized. It is proposed to establish at least one CRS in each district with priority to coastal districts and aspirational districts.

## Emerging Media

9.42 As compared to the traditional media, it is the non-linear media comprising of digital media including OTT, animation & VFX, live events, online gaming, etc. that has been witnessing double digit growth in the media & entertainment sector in recent years. The spread of broadband connectivity, fall in data prices, demand for regional language content have triggered the growth of digital media. The Animation, VFX, gaming and comics sector in India is also a thriving business with even Hollywood movies being outsourced to India for work related to post-production which includes video editing, visual effects, animation, 2D-3D conversion, etc. It is one of the sunrise sectors for India and given the rapid expansion of the sector the requirement of skilled professionals is also immense.

## Policy initiatives

9.43 The Media and Entertainment sector needs to be holistically reviewed in the light of technological interventions that have redefined entertainment today. The following initiatives have been taken in the recent years to facilitate Media and Entertainment industry.

- In view of increasing piracy of films by unauthorized recording of films in cinema halls, a Bill has been introduced in the Rajya Sabha in February 2019 to amend the Indian Cinematograph

Act 1952. The Bill has since then referred to the Standing Committee on Information Technology for detailed examination.

- Audio-visual service has been identified by the Government as one among the 12 Champion Service sectors identified for focused development so as to reap its full potential. Ministry of Information & Broadcasting is proposing various incentives to promote audio-visual services. These include: Audio-visual co-production with foreign countries, incentives for shooting of foreign films in India, organization of global film summit and promotion of single screens in Tier II and Tier III cities.
- With the objective of imparting world class education in animation, gaming, visual effects and employment generation in the sector, Government of India is in the process of setting up National Centre of Excellence (NCOE) for Animation, Visual Effects, Gaming and Comics. Government of India has taken over the possession of land from Government of Maharashtra in March, 2018 at Goregaon, Mumbai. The project is being executed through Indian Institute of Mass Communication, New Delhi.
- As part of the initiative to encourage talent among youngsters of the North East in the sector of film and television, the Government of India has decided to establish a Film and Television Institute in Arunachal Pradesh. The project has been sanctioned at an estimated cost of ₹204.32 crore. Foundation stone for FTI, Arunachal Pradesh was laid in February 2019. A temporary campus has been set up in Itanagar where short courses have been conducted.

## Space Services

9.44 Indian Space Programme contributes to National Development, through the application of space technology, comprising of earth observation, communication and navigation to address issues related to socio-economic development from macro to micro levels. Over the last three decades, space technology has matured from providing simple mapping applications to development of complex models, decision support and early warning systems, incorporating space and derived inputs. Satellite launch services and satellite database mapping and Geospatial services are areas in which India is making a mark and has huge potential for the future. India has achieved significant milestones in space transportation capability through the operationalization of Polar Satellite Launch Vehicle (PSLV), Geosynchronous Satellite Launch Vehicle (GSLV) and Geosynchronous Satellite Launch Vehicle Mark III (GSLV Mk-III) for launching satellites for earth observation, communication, navigation and space exploration. India became the sixth nation to develop this highly coveted complex cryogenic rocket propulsion technology and also paved the way for the development of a high thrust Cryogenic engine & stage for the next generation launch vehicle i.e. GSLV Mk-III.

9.45 In the case of Satellite Launching, as on March 2019, PSLV had cumulatively launched 324 satellites that include 45 National Satellites, 10 student satellites built by Universities/Academic institutions and 269 International customer satellites from 32 Countries. PSLV also holds the distinction of launching the highest number of satellites, 104, in a single launch. GSLV Mk-III has successfully completed a sub-orbital experimental flight followed by two developmental flights. In its second

developmental flight on November 14, 2018, GSLV Mk- III launched the heaviest satellite from Indian soil, GSAT-29, and has entered the operational phase. The first operational flight is slated to launch Chandrayaan-2 in 2019, which is India's second lunar mission and the first landing mission to the moon.

### **Bhuvan Services**

9.46 ISRO's Bhuvan Geo-portal provides multi sensor, multi-platform and multi temporal Satellite Imagery, thematic maps and satellite data-derived information related to Earth Observation & Disaster Management Support. Since its launch in 2009, it has grown horizontally in diverse areas of applications, and vertically, in terms of number of images and thematic & disaster services including high-resolution satellite data. Presently, more than 6500 map services offered by Bhuvan are being used under various applications. Bhuvan has enriched portals of more than 20 Central Ministries/Departments and 30 States, and is also providing Geospatial support for many flagship programmes of the Government.

### **Mapping and Geospatial Services**

9.47 Satellite data, synchronous with ground data, are used to estimate crop acreage in-season forecasting of production for 8 major crops in the country viz. wheat, rice (kharif & rabi), mustard, rabi sorghum, jute, winter

potato, sugarcane, cotton in the country. Using the techniques developed by ISRO, the Mahalanobis National Crop Forecast Centre (under Ministry of Agriculture & Farmers Welfare) regularly generates crop forecasts at District/State/National level and provides to the Government for planning and decision making. Some of the major satellite data based mapping/Geospatial services developed include Horticulture Crop Inventory, Hydro-informatic products under National Hydrology Project (NHP), Village level Ground Water Prospects, Telegana and Andhra Pradesh Water Resources Information & Management Systems (TWRIS/APWRIMS), Watershed Monitoring under Integrated Watershed Management Programme (IWMP), Monitoring of progress of road construction under PMGSY, GIS implementation of MGNREGA (GeoMGNREGA), Inventory & site Management plans for heritage sites & monuments, Monitoring of stage of construction of beneficiary houses under Housing for All-Urban (PMAY), Geospatial database for Urban Master Plan formulation under AMRUT, etc.

9.48 Periodic assessment of state of natural resources like vegetation, land cover, snow & glacial and wetland is also being carried out, in addition to national level assessment of status of wastelands and land degradation.

## **CHAPTER AT A GLANCE**

- Services sector (excluding construction) has a share of 54.3 per cent in India's GVA and contributed more than half of GVA growth in 2018-19.
- The services sector growth declined marginally to 7.5 per cent in 2018-19 from 8.1 per cent in 2017-18 due to deceleration in the growth of sub sectors such as trade, hotels, transport, communication and broadcasting services. However, growth of financial services, real estate and professional services accelerated.

- India's services sector does not generate jobs in proportion to its share in GVA. Services share in employment is 34 per cent in 2017 which is significantly lesser than its share of 54 per cent in GVA
- The moderation in services growth is reflected in various other high frequency indicators such as bank credit to services sector, Nikkei India Services PMI, air passenger traffic etc.
- During 2018-19, FDI equity inflows into service sector fell by US\$696 million or 1.3 per cent from the previous year to about US\$28.26 billion.
- India received 10.6 million foreign tourists in 2018-19 compared to 10.4 million in 2017-18. The foreign exchange earnings from tourism stood at US\$27.7 billion in 2018-19 compared to US\$28.7 billion in 2017-18.
- The IT-BPM industry grew by 8.4 per cent in 2017-18 to US\$167 billion and is estimated to reach US\$181 billion in 2018-19.