

Eye on FTAs, Centre turns to GSTN for services trade data

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The department of commerce is working with the Goods and Services Tax Network (GSTN) to explore ways to compile sector-wise data on services, thereby making the trade data comprehensive at a time when India is negotiating trade deals with a host of nations.

The process of measuring services trade is complex and is not as comprehensive as the export-import data of goods. Currently, the value of exports and imports of services is released by the Reserve Bank of India (RBI) and it comes with a lag of over two months.

Exporters said often there is an overlap between the data of different services, making the classification of sectors challenging. This hurts the policymaking process, especially now, when the government has set an ambitious target of \$1 trillion for services exports by 2030. Lack of adequate data also makes the analysis of the impact of trade deals with respect to the services sector difficult.

“The department of commerce has been in talks with the information technology backbone of GST-GSTN over the last three months for services sector data mining. If it works out, data can be available at a faster pace (within a month’s time),” a senior government official told *Business Standard*.



“The GSTN data, which includes not only the tax collections, but also the HSN/SAC (harmonised system of nomenclature for goods/services accounting code for services) data is a very reliable barometer of trade flows in services and can be used for taking policy decisions on various sectors. The data can also be used for measuring the impact of various service sector initiatives taken by the Government of India and modifications required especially for export focused service sectors,” said MS Mani, partner, Deloitte.

Arpita Mukerjee, professor at Indian Council for Research on International Economic Relations (ICRIER), said commerce department and GSTN’s discus-

sion towards compilation of services trade data is a welcome move. However, there is a need for an inter-ministerial data sharing framework to enable that.

“Services trade data can be collected through two sources — administrative and survey — and most countries use a mix of both. The RBI gets data from its authorised agents by purpose code and data is also collected through IGST filing. Developed nations such as the United States, and European nations also face similar challenges. They rely on multiple sources — central bank, survey, other regulatory agencies — to tap services trade data,” Mukherjee said.

Granular services sector data is crucial at a time when India is negotiating a slew of free trade agreements (FTAs). Besides, the central bank doesn’t share the details of country-wise data with the exporters due to lack of legislation on data sharing between various government departments and agencies.

“India is negotiating FTAs with various countries. Right now, bilateral trade data for sectors such as health care or education service at the moment. The RBI does not share the data with the export promotion council as there isn’t a legislation in place for data sharing. As a result, we end up referring to other sources for data such as OECD,” Sunil H Talati, chairman, Services Export Promotion Council (SEPC).