

## BRICS as Stepping Stone for India's Service Trade Sector

Dr.Shameem C C<sup>1</sup> and Prof.K Jayaprasad<sup>2</sup>**Abstract**

*Service trade is an essential ingredient to economic growth of each country. Since decades, it is an agreeable fact that positive service goods function as an economic backbone for a developing country like India. Service sector not only provides the bulk of employment and income in India but also serves as vital input for producing other goods and services. It gives a good platform of employment opportunities for the skilled youth in India. The paper will be analyses on how far the BRICS service trade relations beneficial for Indian economy.*

**Key Words**

Service Trade Relations, BRICS, and Multilateral System

**Introduction**

Trade in services is another segment through which the BRICS countries gradually increase their market penetration, even though their performance over the last five years (2005-10) appeared patchy. China, India and Russia have a prominent future in service trade sector than South Africa and Brazil. India especially stands out amongst BRICS countries with its service led growth model (BRICS, 2012b, and p.163). This report shows that India has been actively practicing service trade among the BRICS group, which fosters and reduces trade imbalances between India and other BRICS member states. An efficient service sector is crucial for the growth and competitiveness of individual firm as well as economy (Farancios and Hockman, 2010) and contributes in the growth of economy (Copeland and Mattoo, 2008).

India represents the more diverse service recipients in terms of diversity in suppliers. The annual growth of major exporters of services such as transport, travel, and other commercial services spread across several suppliers when compared to Russia and Brazil. A healthy 37 percent growth by US based providers of transport services to India should also be noted alongside. The below figure demonstrates China to be

<sup>1</sup> Dr. Shameem C C, ICSSR Post Doctoral Fellow, Department of International Relations and Politics, Central University of Kerala, Kasaragod, Email: [ccshameem@gmail.com](mailto:ccshameem@gmail.com), Mob:09656358392.

<sup>2</sup> Prof. K. Jayaprasad, Professor and Head, Department of International Relations and Politics, Central University of Kerala, Kasaragod. Email: [kjayaprasad60@gmail.com](mailto:kjayaprasad60@gmail.com) . Mob: 09447784857.



leading the pack in terms of diversity and presence in almost all of the service categories. Russia and India are gradually developing their service capabilities, whilst Brazil has yet to mark in this area of world trade. Note that transport is a major sector