

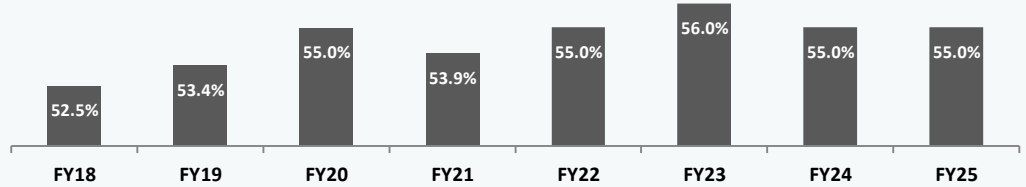


SERVICES



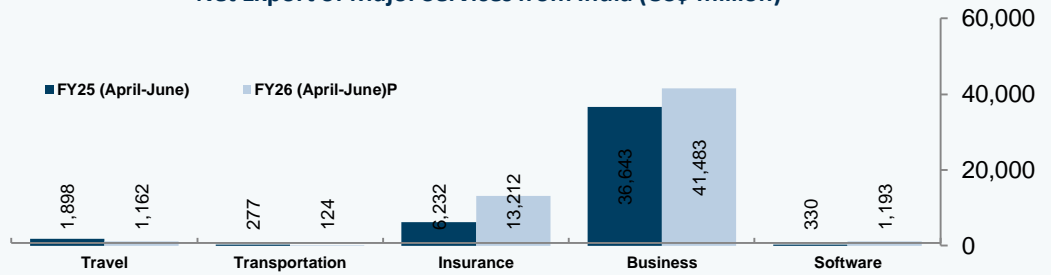
MARKET SIZE

India's Services GVA as a Percentage of Total GVA



SECTOR COMPOSITION

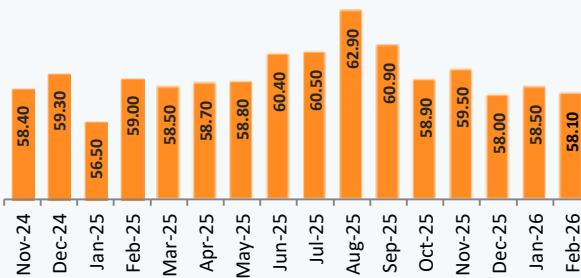
Net Export of Major Services from India (US\$ million)



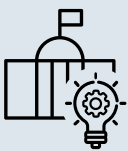
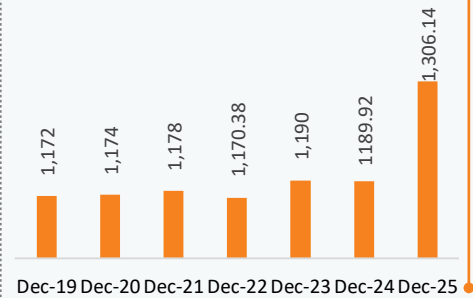
Notes: P- Preliminary

KEY TRENDS

India Services PMI (monthly)



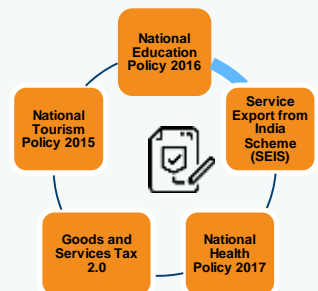
Telecom Subscriber Base (million)



GOVERNMENT INITIATIVES

100% FDI

Telecom Education Sector
Aviation Healthcare
Tourism and Hospitality



ADVANTAGE INDIA

- Robust demand:** India's services sector is projected to grow by 9.1% in FY26, up from 7.2% in FY25, indicating an acceleration in services-led economic expansion. The sector's share in GDP increased to 53.6% in H1 FY26, while its contribution to GVA reached a historic high of 56.4% (FY26 First Advance Estimates), underscoring the rising importance of modern, tradable, and digitally delivered services. India has emerged as the world's seventh-largest exporter of services, with its share in global services trade more than doubling from 2% in 2005 to 4.3% in 2024.
- Competitive advantage:** India has climbed to the 38TH position out of 133 economies in the Global Innovation Index (GII) 2025, according to the World Intellectual Property Organization (WIPO). NITI Aayog's findings on state-level and sector-level dynamics says that states like Karnataka, Maharashtra, Tamil Nadu and Telangana together account for nearly 40% of services output, driven by modern, high-productivity services such as IT, finance and professional services, resulting in a concentration of output in highly urbanised states, particularly in southern India.
- Policy support:** The Union Budget introduces incentives to attract global cloud service providers through India-based data centre infrastructure. It proposes tax holidays until 2047 for foreign companies delivering cloud services from India, along with a 15% safe harbour margin for related data centre service entities, to support infrastructure development and boost investment.
- Increasing Investments:** As of March 2025, experts forecast that India is poised to attract over Rs. 52,32,600 crore (US\$ 610 billion) in alternative investments, primarily private equity and venture capital, from 2025 to 2027, substantially powering the startup ecosystem.