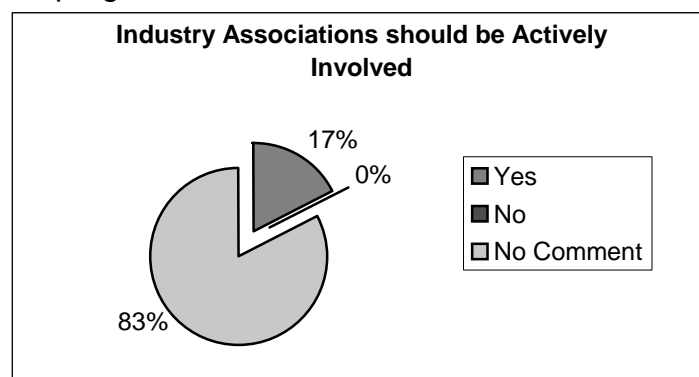


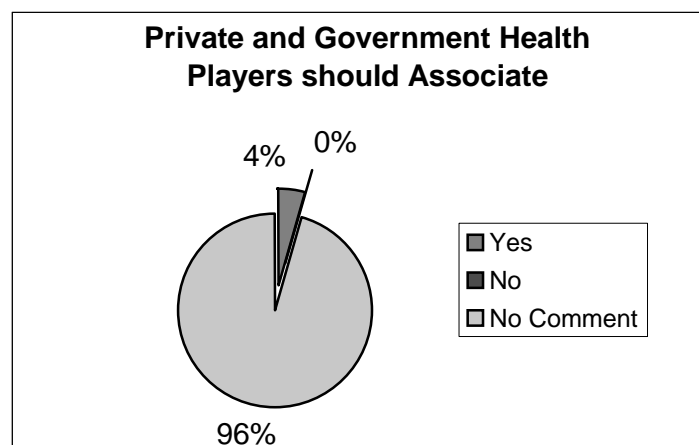
5.4 Policy & Strategy

The government policies and guidelines are the essentials of any trade agreement between participating countries. Most of the respondents were supportive of the Government's involvement in policy making and their views on cross-border trade policy are presented in the following section.

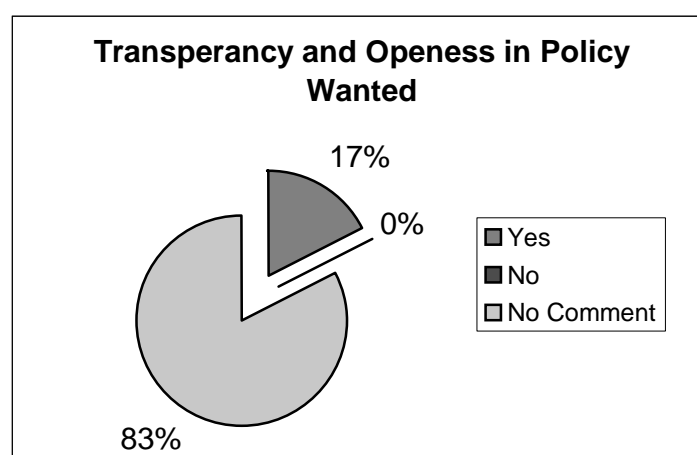
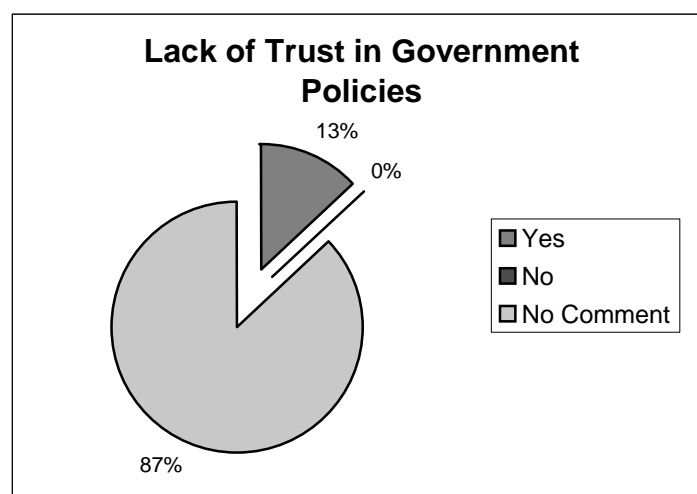
Most of the respondents felt that the Government should become a facilitator of cross border trade rather than being a regulator. The respondents also felt that the entire onus of promoting and fostering cross border trade should not be the responsibility of the government alone. Some respondents felt that the Industry associations such as NASSCOM, FICCI, etc should be more involved and take these initiatives forward and expedite the progress.



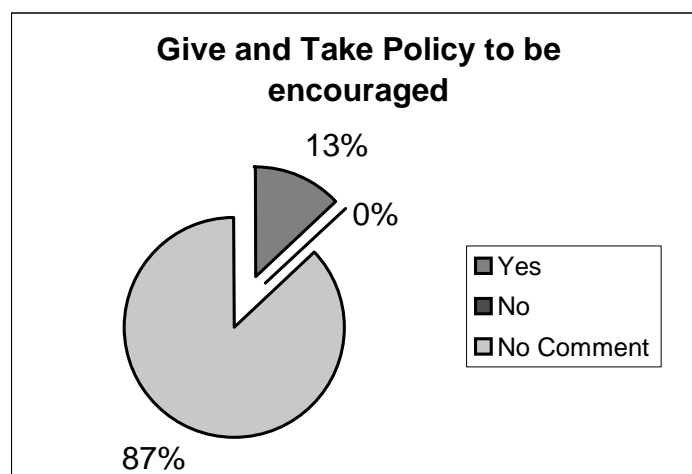
Some of the respondents felt that, not only the industry associations, but also the private industry players/ companies should take active interest in promoting the cross border trade policies. As private players bring in wealth of knowledge, expertise and quality processes, the policy would be best balanced. There has to be an optimal balance of the number of public bodies, industry associations and the participating private players.



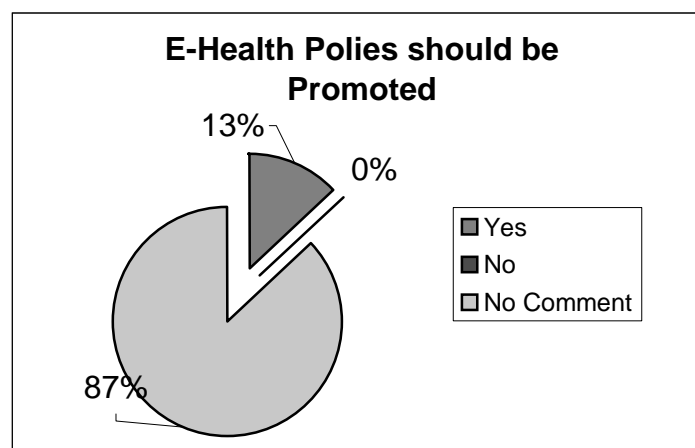
Some of the respondents felt that the existing policies should be more transparent to generate the trust in the policy machinery. Policies must demonstrate commitment of the Government on a long-term basis for foreign investors, removal of monopoly risks, safety of investments and return on investments. Most of the foreign companies are skeptical about investing in India, as they believe that the Indian Government is 'fickle minded' changing the policies from time to time. Since 'lack of transparency in policy' and 'changing the policy' without a buffer, would impact the trade and the trading partners, the foreign companies lack the assurance of fair trade in India. The need of the hour is 'open' and 'open minded' policy that best suits the trading and investing countries.



Some of the respondents replied that the policy should be equivocal and should foster a 'give and take relationship'. There has to be an exchange of resources that help benefit both the trading parties and the countries.



Some of the respondents were enthusiastic about the e-health policies as they said that it would help benefit both the countries in terms of exchange of wealth of information, expertise and wealth and would help control the current issues faced by the health sector such as lack of standards, brain drain, medical and health education, patient health, etc. They also felt that there should be a central body to oversee cross border trade in e-health services and answer any grievances of the stakeholders of this industry. Many issues such as declaring e-healthcare as 'essential services', strengthening the E-commerce bill, recognizing the electronic transactions, having proper redressal guidelines, etc, were suggested.



Some of the respondents felt that most of the policies required to support trade in health services are in place but would need to be modified with the requirements of

the cross-border scenario. They also felt that the policies are not in tandem with globalization and India will be left out if policies are not streamlined.

They also felt that the Education, Legal and Health policies are the responsibility of the state governments but their integration and commitment is required with the centre. Hence both the centre and the state should closely work together to remove all obstacles to enable all round growth and investment.

The overall response for cross-border trade in health services was positive as they felt that cross-border services has got immense potential and can significantly grow in future if tapped properly.

Initiatives fostering Cross Border Trade in Health Services in India

The following are few of the initiatives undertaken by the country to adapt itself to the changing scenario and to support the growth of trade amongst various countries.

Telecom Infrastructure

The Government has already taken steps to deregulate the telecom environment since 1993, an initiative that has aided the ITES cause in the country. Initiatives such as liberalizing the Internet environment, through the introduction of the ISP policy, have been moves in this direction.

According to NASSCOM, the international bandwidth situation in India has improved with the launch of India's first private undersea cable in April 2002. International bandwidth availability has increased from under 100-200Mbps to over 2Gbps in the past three years.

Encouraged by the NASSCOM projections, and with the opening up of private participation in international bandwidth, India is likely to witness a huge increase in bandwidth availability, around 16Tbps (1Tbps = 1000Gbps) by the end of 2003.

The leased line costs have declined by over 60% in the past three years bringing down the telecom tariffs. The international Internet gateway was also thrown open to the private sector and further reductions are expected.

Working Group on Technology Sector for the Tenth Five-Year Plan (2002-2007)

The planning commission had constituted a working group on IT sector to formulate the tenth five-year plan 2002-2007, which included the thrust areas such as

- Promotion of e-governance
- Promotion of e-commerce
- IT Security
- Promoting setting up of call centers, medical transcription centers, etc
- Human resource development
- Creating world class IT and Telecom infrastructure
- Promotion of e-learning
- Technology development in emerging areas such as bio-informatics
- And many more

Information Technology Act

In order to facilitate the growth of e-commerce and e-governance accelerate the induction of IT in critical sectors of the economy, an "Information Technology (IT) Act, 2000" was approved by the Govt. This provided legal and administrative framework for e-commerce and places electronic records on par with the paper based records

through the use of digital signatures for electronic authentication. The Act was notified for implementation in October 2000.

Programme for e-commerce and information security

To provide promotional support for e-commerce and information security to catch up and achieve accelerated economic growth in the country, a Programme “e-commerce and information security” was initiated in 2001. The main objective of the program is to facilitate, co-ordinate and promote technological means to respond to the Internet security incidents and threats and mitigating attacks at the national level. The target beneficiaries included the Government, Security and Law enforcement agencies but also the IT, ITES and IT dependant industries and the nation as a whole.

MCIT’s Health and Biotechnology Division

The Health and Biotechnology Division is to support development and application of electronics and IT to health sector to enhance the performance of healthcare services in the country.

IPR Promotion Program

The IPR Cell made concerted efforts to enhance the awareness of national and international developments with a view to enable country gain from globalization by way of promoting various activities for IPR promotion.

“Intellectual Property Rights (IPRs)” have been vibrant activity in the country recently. As a member, to conform to the “Trade Related Aspects of Intellectual Properties (TRIPs) Agreements of WTO, Ministries of Government of India, in the recent past, have been pursuing for necessary amendments of relevant IPR Acts including enacting of some new Acts and notifying the Laws and rules related to them. The patents BILL 1999 was debated and report submitted by the Joint Parliamentary Committee (JPC) to enable our Patent’s Act conform to TRIPs agreement. Similar efforts by a core group were on to incorporate “WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms treaty (WPPT) in the Indian Copyright Act 1957.

Software Technology Parks of India (STPI)

STPI was set up with an objective to set up and manage state-of-art data communication infrastructure facilities and provide other services like technology assessment and professional training. With more than 27 set-ups across country, it provides incubation infrastructure to small and medium enterprises by offering general infrastructure facilities such as ready-to-use office space, centralized computing facility, high speed data communication facilities, etc. More than 6900 STPI units have been approved to roll out.

Cooperation with New Zealand

For strengthening bilateral co-operation in the filed of IT, e-commerce consumer protection policies and cross border issues such as cyber crimes, an Arrangement between the Government of Republic of India and the Government of New Zealand had been signed in 2001.

Cooperation with European Countries and EU

An MOU for mutual cooperation in IT and services was signed with Italy in April 2001 which included areas for cooperation such as ITES, Telemedicine, Cyber Education, E-Commerce, E-Government, Information Security and Cyber Crime, Exploring Third Country Markets, etc.

Tax Holidays

The Govt had earlier announced Tax holidays for units in STPI/ SEZ/ EOUs under Section 10A/ 10B of the Income Tax Act.