

8 India's stance in WTO

In this section, we have put forward the stance India should take, along the lines of the framework followed in this study. In order to help the decision makers analyse the impact of our recommendations, we have highlighted the pros and cons of each recommendation.

Market Access Commitments

Commitment	Pros	Cons
<ul style="list-style-type: none"> • India should ask for and allow free exchange of the following Mode 1 services among the WTO member nations <ol style="list-style-type: none"> 1. Telemedicine 2. Tele health education 3. Back office processing services⁵ 4. Sales, Marketing & Customer service 5. HR services 6. Finance & Accounting services 7. Contract research 	<ul style="list-style-type: none"> • Huge revenue potential from developed countries • Access to specialist healthcare for Indians from other countries • We can create a well educated workforce in healthcare with the help of foreign service providers • Huge inflow of foreign exchange 	<ul style="list-style-type: none"> • If the prices of foreign telemedicine services become comparable to Indian real time services, patients might prefer foreign treatment to Indian treatment • When we outsource any research work to other countries, we have to be careful of maintaining/owning the IPRs • We might lose jobs to low cost English speaking countries if our companies begin to outsource work to them for cost advantages

Most of the services mentioned above are currently being outsourced by developed countries to locations such as India, where cost of production / delivery is low. Though we are willing to open these markets to foreign companies, no Indian company will outsource these services to a high cost country unless a particular service is not available in India. In effect, India only benefits and doesn't lose anything by allowing free market access in the services mentioned above

However, it must also be noted that in some cases, for these services to be exchanged freely, two activities need to be simultaneously done.

1. Setting up offices in the participating countries, which is a mode 3 activity
2. Movement of experts between the participating countries for training and development, which is a mode 4 activity

It should be made clear between the participating countries that linkages between different modes be accepted. A mode should be defined only by the output delivery mechanism of the service provider and not by support services such as opening up the office or movement of professionals for setting up the office and training the

⁵ Back office processing services include Medical transcription, coding & billing, Claims processing

people in the office. Eg. – A company opening a back office center in India for their administration work, should not be held up for any reason by Mode 3 or Mode 4 rules and regulations, unless otherwise any other international norms are not met.

Policy & Strategy Commitments

Commitment	Pros	Cons
<ul style="list-style-type: none"> India should grade its healthcare entities as per universal grading standards. The same should be expected from the member nations 	<ul style="list-style-type: none"> Provides a framework to compare various Indian healthcare entities vis-à-vis other international healthcare entities It also helps compare different healthcare entities in the domestic market as well 	<ul style="list-style-type: none"> We might have to compromise on our standards. What we consider good may not be considered good by another country
<ul style="list-style-type: none"> India should ask for recognition of its healthcare entities in the member countries, as long as they are in accordance with the proposed universal grading system. The same should be reciprocated by India for other countries 	<ul style="list-style-type: none"> Increases the international visibility of our healthcare entities, thereby promoting more exchange of business as well as academic knowledge 	<ul style="list-style-type: none"> We would have to accept and give recognition to foreign healthcare entities so recognized.

By agreeing for the above, we are increasing the international visibility of Indian healthcare entities and also developing credibility for them. This initiative will promote activities in all the four modes of GATS, giving a major boost to cross border trade in health services.

Legal Commitments

Commitment	Pros	Cons
<ul style="list-style-type: none"> India should offer a legal framework matching the requirements of the trading countries such as the US and EU. The same should be expected for Indian companies from other member countries 	<ul style="list-style-type: none"> Strengthens the investment climate in India 	<ul style="list-style-type: none"> Cumbersome procedure to change the legal framework
<ul style="list-style-type: none"> India should ensure that proper regulations are in place for protection of the privacy and confidentiality of health information of patients from member countries. The same should be expected from other member countries 	<ul style="list-style-type: none"> Cross border trade in health services will improve The domestic healthcare industry also will benefit from privacy and confidentiality laws concerning health information 	<ul style="list-style-type: none"> Could be used as non-tariff barrier against Indian exports of services.

By agreeing for the above, we would be assuring the world that India is a safe place to do business in. This initiative also promotes activities in Mode 1 & Mode 3 of GATS.

Human Resource Commitments

Commitment	Pros	Cons
<ul style="list-style-type: none"> India should grade our healthcare educational institutions as per universal grading standards. The same should be expected from the member nations 	<ul style="list-style-type: none"> Provides a framework to compare various Indian healthcare educational institutions vis-à-vis other international healthcare entities It also helps compare different healthcare educational institutions in the domestic market as well 	<ul style="list-style-type: none"> There would be a cost on having to implement the revised standards.
<ul style="list-style-type: none"> India should ask for recognition of our healthcare qualifications in the member countries, as long as they are in accordance with the proposed universal grading system. The same should be reciprocated by India for other countries 	<ul style="list-style-type: none"> E-health services such as telemedicine, Teleradiology will increase Less hurdles for our graduates to pursue higher studies 	<ul style="list-style-type: none"> Brain drain could increase. We are already suffering from lack of health services in the rural areas

By agreeing for the above, we are creating a parity in education qualifications across the participating countries. This initiative also will promote activities in all the four modes of GATS, giving a major boost to cross border trade in health services.

Fiscal Policy Commitments

Commitment	Pros	Cons
<ul style="list-style-type: none"> India should reduce restrictions on repatriation of funds for foreign companies. The same should be expected for Indian companies 	<ul style="list-style-type: none"> Will boost foreign investments in the country Will promote easy expansion of Indian firms in member countries 	<ul style="list-style-type: none"> Indian companies so far were protected against foreign companies by having to pay lower taxes, which gave them a cost advantage. They will have to forgo that advantage.
<ul style="list-style-type: none"> India should treat local and foreign companies equally by ensuring that same tax structures are followed for both foreign and local companies 		

By agreeing for the above, we are creating a better flow of funds between India and the participating countries. This could also result in more foreign direct investments in the country. This initiative also will promote activities in Mode1 and Mode3 of GATS.

Technology Commitments

Commitment	Pros	Cons
<ul style="list-style-type: none"> India should follow internationally accepted technology and data standards 	<ul style="list-style-type: none"> Exchange of health information between different entities within India and outside India will become easy Manufacturers of medical equipment can sell their products in more geographies Domestic healthcare industry will benefit from importing sophisticated medical equipment for better healthcare services 	<ul style="list-style-type: none"> Cost involved in implementing and monitoring of such standards.

By agreeing for the above, we are creating a open plat form for transfer of information across different healthcare entities in the participating countries. This also has a major impact on the domestic healthcare environment, by reducing the cost and time of information exchange, making the system more efficient. Today most of the technology in healthcare hardware is imported. We will be at a loss if we don't follow internationally accepted technology standards. This initiative will promote activities in Mode 1 & Mode 3 services of GATS.