

## INTERNATIONAL TRADE IN BANKING SERVICES: AN ANALYSIS OF INDIA'S TRADE

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### **ABSTRACT**

*The share of services in the total foreign trade in India is about thirty percent. Trade in financial services accounts for about three percent of India's global trade in services. The share of the service sector in the gross domestic product in India is more than two-thirds. There is enormous scope for expansion of trade in services as well as in financial services. International trade in financial services, more significantly banking services, plays a crucial role and is vital in the expansion of foreign trade- in goods as well as in services- of a nation. This paper analyses the international trade of India in banking services carried out through Mode-3 of supply of services as classified under the General Agreement on Trade in Services (GATS) framework. Mode-3 of supply of services has been the principal focus of negotiations on banking services. The paper brings out interesting and significant differences in the workings of foreign banks in India and Indian banks abroad in respect of banking services provided.*

**KEYWORDS:** *Mode of Supply of Services, Banking Services, GATS, Foreign Banks*