



9th Conference on Law & Economics

Panel Discussion III: India's Approach to Trade in Health Services: Emerging Challenges and Gaps

(18th January 2026 2:15 – 3:30 PM)

India has emerged as a key player in the health services trade, specifically through medical tourism, telemedicine, and the movement of health professionals. However, despite this growth, India faces several regulatory, institutional and equity-related challenges in expanding trade in health services. The panel discussion will discuss India's approach to trade in health services under the international trade frameworks and also identify key gaps that hinder its potential.

I. Introduction

Trade in health services has gained increasing importance in the global economy, especially in the post-pandemic era. Health services trade includes cross-border delivery of services, movement of patients, movement of health professionals and establishment of foreign health service providers. India has positioned itself as a major destination for affordable and quality health care services, which can be identified particularly under medical tourism and telehealth.

India's engagement with trade in health services is primarily governed by the General Agreement on Trade in Services (GATS) under the World Trade Organisation (WTO), along with domestic health regulations and sector-specific policies. While India has comparative advantages such as cost-effective healthcare and skilled medical professionals, it also has several challenges related to regulation, accessibility, quality control, and equity that remain unresolved. The panel discussion aims to analyse India's approach to trade in health services and highlight emerging challenges and regulatory gaps.

II. India's engagement with Trade in Health Services

A. Modes of Supply under GATS



India's participation in multiple modes of health services under GATS. Mode 2 (consumption abroad) is most visible through medical tourism. India attracts patients from the US, UK, Middle East, Africa and other regions seeking affordable care. Its reputation for high-quality surgery at lower costs has grown into a multibillion-dollar industry. However, the challenges, such as portability of insurance claims and ensuring consistent standards and quality of medical services, need to be addressed for consistent growth.

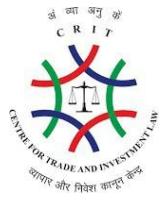
Mode 1(cross-border supply) which involves telemedicine and digital health. Indian hospitals and tech firms provide online consultations, diagnostics (e.g. teleradiology) and electronic medical records to clients abroad. The COVID-19 pandemic accelerated such exports of health services.

Mode 3 (commercial presence) which includes foreign investment in Indian health facilities. India allows up to 100% foreign equity in private hospitals. Foreign insurers and hospital chains have entered joint ventures. While FDI has brought capital and advanced technology, overall foreign participation remains modest compared to potential demand.

Mode 4 (movement of natural persons) involves Indian doctors, nurses, and healthcare workers providing services abroad. Many Indian-trained physicians work in the NHS (UK), the US, Canada and Middle East (often under bilateral schemes). Indian engineers and IT specialists also support overseas hospitals. Moreover, India has been successful in getting commitments in the health services sector under the recent bilateral trade agreements, including India-United Kingdom Comprehensive Economic and Trade Agreement. However, the trade barriers for recognition of professionals will remain until the conclusion of recognition of Indian professional qualifications abroad.

B. Domestic Regulatory Framework

India's health services sector is regulated through a combination of central and state laws, medical councils, and professional bodies. Key laws include the **National Medical Commission Act (2019)** for doctors, state Acts for hospitals, and various councils for nursing and allied professions. Recently, the **Ayushman Bharat Digital Mission (2020)** seeks to create a unified digital health ecosystem. Despite these initiatives, regulation is fragmented. Quality standards and licensing vary across states



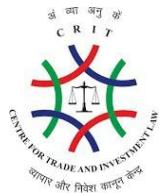
and bodies. In addition, the traditional medicines-related services are regulated by separate national and state-level body, National Commission for Indian Systems of Medicine and State Medical Council. This patchwork creates uncertainty for healthcare and wellness service providers for foreign consumers. Harmonising standards (for facility accreditation, telemedicine licensure, etc.) is essential to give investors, patients and trade partners confidence and to integrate trade commitments with domestic law.

III. Emerging Challenges and Gaps for Trade in health Services

India needs to develop a comprehensive strategy for ensuring growth of trade in health services. Current healthcare regime is focussed in developing capacity to ensure domestic healthcare delivery. Key issues such as recognition of Indian medical qualifications and traditional medicine qualifications abroad, regulation of cross-border teleconsultations by ensuring a standard of services, and developing an ecosystem for medical value tourism. For example, there is a lack of sector-wide guidelines on liability or insurance portability for medical tourists and consumers, and mutual recognition agreements for Indian doctors and medical professionals abroad. This regulatory ambiguity makes it harder to expand health services exports while ensuring quality and accountability.

In this regard, the panel will discuss challenges faced by the trade policymakers for the expansion of health service exports and integration of Indian health services into regional markets through trade agreements and mutual recognition arrangements, while ensuring that public healthcare facilities in India are not overlooked. Accordingly, the panellists may discuss the following policy options and contribute their experience in these areas from India's trade strategy perspective and developments in international and regional forums.

Articulate a health trade policy: Define clear objectives (e.g. boosting jobs, revenue) and regulatory principles. Develop cooperation with insurance regulators in the target markets to develop principles for insurance portability for medical tourists and liability in telemedicine.



Harmonize regulations: Create unified standards (accreditation, licensing, quality) across states. Consider requiring hospitals serving overseas patients to meet national or international accreditation (e.g. NABH/JCI). Streamline recognition of medical qualifications (via bilateral MRAs) so Indian professionals can work abroad more easily under Mode 4.

Safeguards for equity: Ring-fence public health funding and staff. For instance, levy fees on medical tourism visas to subsidize public facilities. Enforce norms on public hospitals (rural service bonds for newly-trained doctors/nurses). These can prevent neglect of vulnerable populations as private exports expand.

Strengthen digital and data norms: Fully implement the DPPD Act's health-data provisions. Enforce strong encryption and consent frameworks for telemedicine. Collaborate internationally (e.g. APEC, WHO) to enable secure cross-border health data flows.

Global engagement: Proactively shape multilateral rules on trade in health services. India can raise issues (like health worker mobility, medical qualification recognition, and facilitation of medical value tourism) at the WTO's Trade in Services Committee and other multilateral/regional forums.