

"Recent trends in indian service sector "

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Abstract:

Sector wise Nature of Indian economy is changing. Off course share of every sector's in G. D. P as well as share of every sector in employment is also changing it is indicated that pressure of employment on the agriculture is also shifting to other sector in this perspective role of service sector is very important in Indian economy.

Introduction:

According to the well known economist Kol&huwar"Shifting the share of G. D. P Agriculture to other sectors it is the indictor of the development"and according lewisSector wise Nature of Indian economy is

changing. Off course share of every sector's in G. D. P as well as share of every sector in employment is also changing it is indicated that pressure of employment on the agriculture is also shifting to other sector in this perspective role of service sector is very important in Indian economy. it has included Education, Health, Insurance, Transports, Communication, Security etc. The entire here mentioned sub sectors are related to each and every common persons that role of service sector is very important in Indian economy as well as in the daily life of common people.

Objectives:

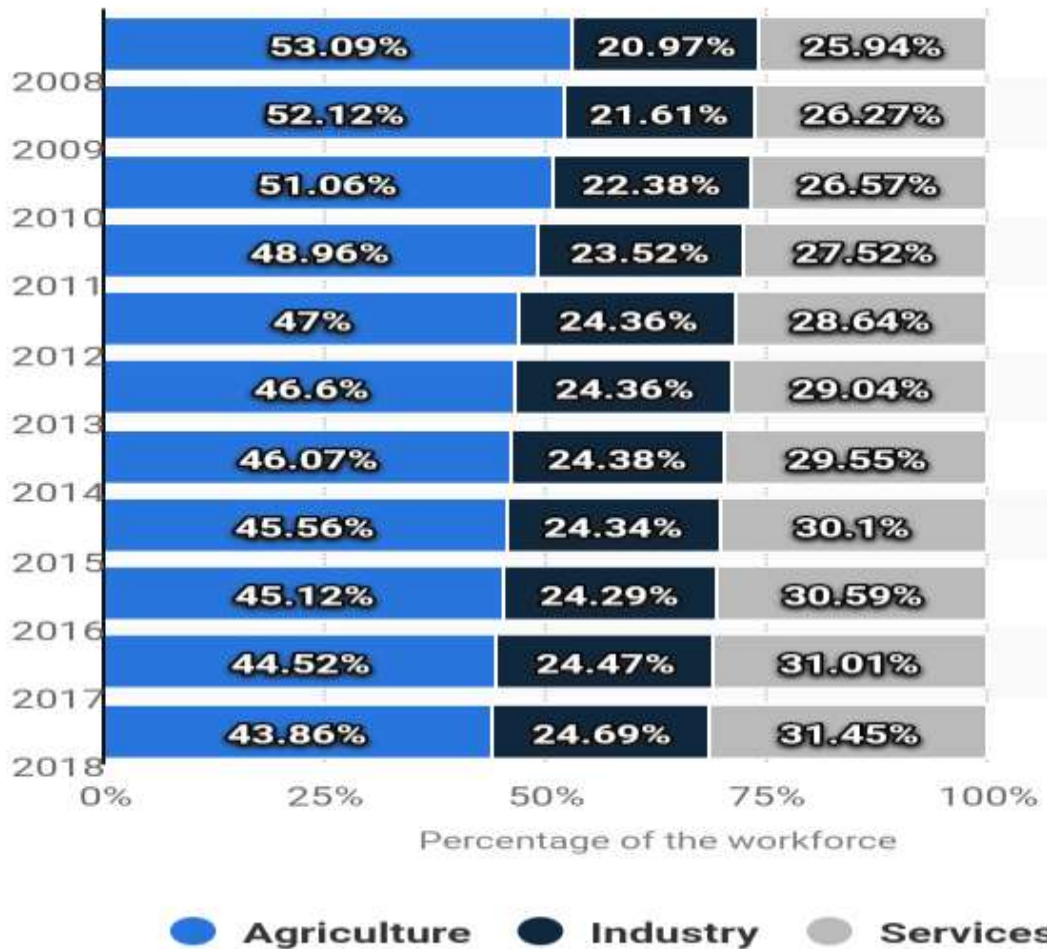
1. To take review of sector wise changing pattern of employment.
2. To take review of changing pattern of share in G. A. V of service sector.

1. Changing pattern of employment:

In the following graph presented the state of engaged workforce in different sectors during the last ten years.

The graph is indicated employment is transferring Agriculture sector to service sector. In year of 2008 Agriculture sector, Industrial sector and service have contributed 53.09%, 20.97% & 25.94% respectively. After the decade the percentage of engaged workforce is changed. In the year 2018 Contribution of employment in Agriculture sector, industrial sector and service sector is changed it is 43.86%, 24.69% & 31.47% respectively. Share of service sector is growing up from 25.94% to 31.45%. It indicated capacity of service sector of including Employment is increasing. Simultaneity Pressure of Agriculture sector of access employment is transferring. This is healthy situation for the economy.

Changing pattern of employment



Source : <https://www.statista.com/statistics>

Share of service sector in G. V. A

G.V.A is also one of the indicator of Sector's performance. The performance mentioned in following Table.

Service sector performance in G.V.A

Sector	Share in GVA (per cent)		Growth (per cent YoY)					
	2018-19 (P)	2016-17	2017-18	2018-19 (P)	2018-19 (P)			
					Q1	Q2	Q3	Q4
Total Services (Excluding Construction)	54.3	8.4	8.1	7.5	7.1	7.3	7.2	8.4
Trade, hotels, transport, communication and services related to broadcasting	18.3	7.7	7.8	6.9	7.8	6.9	6.9	6
Financial, real estate & professional services	21.3	8.7	6.2	7.4	6.5	7	7.2	9.5
Public administration, defence & other services	14.7	9.2	11.9	8.6	7.5	8.6	7.5	10.7

Source: Economic survey,2018 -19, Vol. 2

The services sector accounts for 54 per cent of India's Gross Value Added (GVA). Its growth rate moderated to 7.5 per cent in 2018-19 from 8.1 per cent in 201718. The segments that saw deceleration are tourism, trade, hotels, transport, communication and services related to broadcasting, public administration and defense. Financial, real estate and professional services category accelerated. An important finding is that India's services sector does not generate jobs in proportion to its share in

GVA. This contrasts with the international experience. India received 10.6 million foreign tourists in 2018-19 compared to 10.4 million in 2017-18. Foreign exchange earnings from tourism in India stood at US\$27.7 billion in 2018-19 compared to US\$28.7 billion in 2017-18. Many of the high frequency indicators, such as bank credit to services sector, decelerated in 2018-19. However, the IT-BPM industry grew by 8.4 per cent in 2017-18 to US\$167 billion and is estimated to have reached US\$181 billion in 2018-19.

Service sector & other sector:

Services sector moderates to 7.5 per cent in 2018-19: Economic Survey By Capital Market | Last Updated at July 04 2019 16:31 IST FDI equity inflows into services sector eases to US\$ 28.26 billion. According to the Economic Survey 2018-19 tabled in Parliament today, services sector accounts for 54 per cent of India's Gross Value Added (GVA). Its growth rate moderated to 7.5 per cent in 2018-19 from 8.1 per cent in 2017-18. The segments that saw deceleration are tourism, trade, hotels, transport, communication and services related to broadcasting, public administration and defence. Financial, real estate and professional services category accelerated. India received 10.6 million foreign tourists in 2018-19 compared to 10.4 million in 2017-18. Foreign exchange earnings from tourism in India stood at US\$27.7 billion in 2018-19 compared to US\$28.7 billion in 2017-18. The IT-BPM (Business Process Management) industry grew by 8.4 per cent in 2017-18 to US\$167 billion and is estimated to have reached US\$181 billion in 2018-19.

Despite the recent growth moderation, services sector growth continues to outperform agriculture and manufacturing sector growth, contributing more than 60 per cent to total GVA growth. Economic Survey says that Services exports have slowed somewhat during April-December 2018 after witnessing strong performance in 2017-18 (April-December) by sub-sector, exports of transport services have maintained strong momentum during 2017-18 (April-December) and April-December, 2018, supported by strengthening merchandise trade activity, while exports of Computer & ICT services have continued to recover steadily. On the other hand, travel receipts have slowed somewhat during April-December, 2018 after posting strong growth in 2017-18 (April-December), which is in line with the moderation in foreign tourist arrivals during this period.

Economic Survey says that FDI equity inflows into the services sector accounted for more than 60 per cent of the total FDI equity inflows into India. During 2018-19, FDI equity inflows into services sector fell by US\$696 million or 1.3 per cent from the previous year to about US\$28.26 billion, which is in line with the small decline witnessed in overall FDI inflows into India. This was driven by weaker FDI inflows into sub-sectors such as telecom, consultancy services, air and sea transport, which offset the strong inflows witnessed in education, retail trading and information & broadcasting.

Economic Survey says that Tourism sector is a major engine of economic growth that contributes significantly in terms of GDP, foreign exchange earnings and employment. In India, the Tourism sector had been performing well with Foreign Tourist Arrivals growing at 14 per cent to 10.4

million and Foreign Exchange Earnings at 20.6 per cent to US\$28.7 billion in 2017-18. However, the sector witnessed a slowdown in 2018-19. The Foreign Tourist Arrivals (FTA) in 2018-19 stood at 10.6 million compared to 10.4 million in 2017-18. The growth rate of FTAs declined from 14.2 per cent in 2017-18 to 2.1 per cent in 2018-19. Economic Survey says that The Indian IT-BPM industry grew by 8.4 per cent in 2017-18 to US \$167 billion from US\$154billion in 2016-17, as per NASSCOM data.

Conclusion:

1. Share of service sector in G. V. A is increasing.
2. The share of service sector in employment is increasing.
3. Service sector is growing sector.
4. Service sector is playing vital role in Indian economy.

References:

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