

## For XAT , CMAT , SNAP , MAT , IIFT Exam

### SECTORS OF THE ECONOMY

- Economic activities in a country/economy are broadly divided into three main sectors and by their dominant, economies get their names also

#### Primary Sector

- The economic activities which take place while exploiting the natural resources fall under it, such as agricultural activities, mining, oil exploration, etc.
- When agriculture sector (sub-sectors of the primary sector) contribute minimum half of the national income and livelihood in a country it is called an agrarian economy.

#### Secondary Sector

- It contains all of the economic activities under which the raw materials extracted out of the primary sector are processed (also called industrial sector).
- When secondary sector brings in minimum half of the national income and livelihood in a country it is called an industrial economy.

#### Tertiary Sector:

- All of the economic activities where services are produced falls in this sector, such as education, healthcare, banking, communication, etc.
- When this sector contributes minimum half of the national income and livelihood in a country it is called a service economy.

### SECTORS OF THE INDIAN ECONOMY

- Indian economy is broadly divided into three sector
  1. **Primary Sector: (Agricultural Sector)** Agricultural sector is known as primary sector, in which agricultural operations are undertaken. Agriculture based allied activities, production of raw materials such as cattle farm, fishing, mining, forestry, corn, coal etc. are also undertaken.
  2. **Secondary Sector: (Industrial Sector)** Industrial sector is secondary sectors in which the goods and commodities are produced by transforming the raw materials. Important industries are Iron and Steel industry, cotton textile, Jute, Sugar, Cement, Paper, Petrochemical industry, automobile and other small scale industries.
  3. **Tertiary Sector: (Service Sector)** Tertiary sector is known as service sector which includes Government, scientific research, transport communication, trade, postal and telegraph, Banking, Education, Entertainment, Healthcare and Information Technology etc.

## Contribution of different sectors in GDP of India

- India is 2nd largest producer of agricultural products. India accounts for 7.39 percent of total global agricultural output
- Indian GDP composition in currently is as follows: Agriculture (16.5%), Industry (29.01%) and Services (53.09%).
- The share of agriculture has been falling in the country's gross income, while industrial and services sectors' shares have been on a rise constantly. But from the livelihood point of view still 48.7 per cent of the people of India depend on the agriculture sector
- Sector share by working force: (Agriculture (48%): Tertiary (27%) : Secondary (24%))
- Contribution of Agriculture sector in Indian economy is much higher than world's average (6.4%). Contribution of Industry and Services sector is lower than world's average 30% for Industry sector and 63% for Services sector.
- India is the world's fifth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP).

## Agricultural Sector in India

- Agriculture being the maximum pursued occupation in India, it plays an important role in its economy as well.
- The share of agriculture has been falling in the country's gross income, while industrial and services sectors' shares have been on a rise constantly. But from the livelihood point of view still 48.7 per cent of the people of India depend on the agriculture sector. This makes agriculture is more important sector than the industry and the services
- Agriculture is the biggest unorganized sector of the economy accounting for more than 90 per cent share in the total unorganized labour-force (Over 94 percent of India's working population is part of the unorganized sector)
- India occupies a leading position in global agricultural trade having a share of 2.15 percent in the world agricultural trade

- Agriculture is not only the biggest sector of the economy, but also the biggest private sector of the country also.
- Green revolution, ever green revolution and inventions in bio technology have made agriculture self-sufficient and also surplus production
- Aimed at doubling the farmers' income by 2022, the Government of India has announced a 'seven-point strategy'. Details of the 'seven-point strategy' are as given below
  1. Focus on irrigation with bigger budgets aimed at 'per drop, more crop'.
  2. Provision of quality seeds and nutrients based on soil health.
  3. Strengthening warehousing and cold chains to prevent post-harvest crop losses.
  4. Promoting value addition through food processing.
  5. Creation of a national farm market, removing distortions and e-platform.
  6. Mitigating risks at affordable cost through suitable kind of farm insurance.
  7. Promoting ancillary activities like poultry, beekeeping and fisheries.