



Join Us



India's Service Sector not only outperformed other sectors but has also played an imp role in integration with world trade and capital mkt.

→ Share in India's GDP 55%.

→ Share in Employment 30%.

→ Share in overall Export 40%.

→ Share in overall FDI 66%.

Contact-intensive
Eg: Trade, hospitality, etc.

Non-contact intensive
Eg: Communication, IT, etc.

WHY?



|| Economic Reforms
(1991 & Beyond)

↓
Deregulation & reduced government control.

↓
Private sector participation

Eg: Banking sector

→ Oriental Bank of Commerce
→ IndusInd Bank
→ UTI Bank (AXIS)
→ HDFC etc.

Insurance, Aviation, etc.



|| IT Boom

Opening of the sectors attract global Investments

↓
Rapid development of IT/ITES
BPOs, Financial Services etc.

Eg: Infosys, TCS, Wipro



|| Demographic Adv.

↓
A large portion of India's population is young, skilled, urbanized

↓
Rising Middle class

greater demand for retail, healthcare, education etc.



|| Structural change in Agriculture and Manufacturing

↓
Increase demand for services such as Transportation, Storage, Warehousing, Trade etc.



|| Urbanization & Lifestyle changes

↓
Increasing demand for transportation, real estate, hospitality sector.



|| Proactive govt policies

✓ Digital India Program (UPI)
✓ Ayushman Bharat
✓ Skill India program
✓ Startup India Initiative



Issues

Gig Economy



Aviation sector



Industry 4.0



Gig Economy:



The gig economy is characterized by short-term, flexible, freelance or contract based work instead of traditional jobs.

WHY?



Digital revolution + govt. initiatives. (UPI)
It leads to smartphone penetration and cheap internet access. Aeps

Rise of E-commerce (with increasing demand)
Flipkart, Amazon etc → Rising Income
Digitized payment
improved infra

COVID-19



Highlight the relevance of gig worker.

Eg: The Indian gig work force is expected to reach 24 million by 2030, fueled by growth in sectors like food delivery, e-commerce etc.

- Indian Express. (2024)

Benefits:



Flexibility for Worker



Workers can choose assignments based on their schedules.

The Hindu highlighted many college students and homemaker work as part-time delivery etc.

Cost Efficiency for Businesses
56% New jobs.



Companies save on overhead costs like salaries & benefits.

Eg: startups like Ola rely heavily on gig workers to reduce operational expenses.
- IE

Economic Inclusion

Provide opportunities for semi-skilled and unskilled workers.

Eg: Rural Youth in India earn supplemental income through platforms Amazon Delivery.



Lack of job Security



Eg: According to the Hindu Zomato delivery partners protested over reduced incentives.

Challenges:

Absence of Social Security

Eg: India's Code on Social Security (2020) aims to extend coverage to gig - IE Workers but implementation slow

Algorithm Dependency



Eg: Ride-hailing drivers often face pay cuts due to frequent policy change.



Policy reform

Eg: RJ govt. launched a welfare fund specifically for gig worker - The Hindu

Eg E-Shram portal data base for unorganised worker.

Global

Eg: UK - uber were classified workers
- California - ABS laws to ensure gig workers rights.

Road Ahead

[Balanced Approach]

Aviation Sector



The aviation sector is a vital component of India's infrastructure, contributing to economic growth, tourism and regional connectivity.



WHY?



Rising of Middle-class Aspirations

Affordable airfares have made air travel accessible → Indigo & SpiceJet

Govt. initiatives - **UDAN** scheme to connect smaller cities with affordable flight.

Eg: The Hindu highlighted that over 450 routes and 70 airports have been operationalized.

FDI : 100% is allowed in the aviation sector

High operating cost

Eg: Fuel account for nearly 40% of operational expenses, making it difficult for airlines to stay profitable - THE HINDU.

Jet Airways' bankruptcy.

High operational cost + High competition

Many airlines operate on thin margins
Eg IE highlighted Go First's financial crisis due to unpaid dues and engine failure.

Pilot Shortage:

The shortage of skilled pilots leads to operational challenges.

- ✓ **Overworked and fatigued** → Kozhikode crash
- ✓ **On-Time performance pressure**
- ✓ **Runway overrun & Accident** → Mangalore crash

Directorate General of Civil Aviation (DGCA) failed to address safety concerns.

Eg: Non-compliance with ICAO standard International Civil Aviation Organization



Imp role in infrastructure development.

Eg: The Delhi and Mumbai airport are now among the busiest in Asia - IE

Eg: Greenfield Airport - Jewar Airport (UP)



Technological Advancement



Paperless boarding & biometric-based system
Eg: Digi Yatra



Profitability
↓
reduce taxes on fuel (TH)

Proactive measures.

Strict regulation for

Flight duty time regulation

Pilot Training (DGCA)

↓
lateral Demand.

Sustainable Aviation Fuels (SAF) (Biofuels)



Industry 4.0

4th IR characterized by the integration of advanced technology like IoT (Internet of things), AI, Big data, robotics, and automation into Industrial process.



Components

- **IoT** : enables devices to communicate & data
- **AI** : facilitates predicts analytics & automa
- **Robotics** : enhance precision & efficiency
- **Big Data Analytics** : Helps in Decision Making by analyzing vast amount of industrial data

Importance



Economic growth

Eg: Expected to add \$ 1 trillion to India's GDP by 2025, as reported by Indian Express.

Target → \$ Trillion in the next 3y and \$ 7 trillion by 2030.

Boost to Manufacturing:

Supported by initiatives like **Make in India**, **PLI** to position India as a **global manufacturing hub**.



Application:

→ 78.5 lakh new jobs every year

Automotive Sector

Tata motor
Mahindra

using AI & IoT for smart manufacturing

Health care Sector

Apollo Hospital, Delhi

AI-Driven Healthcare Services (TH)

Agriculture Sector

DeHaat Agri-startup

Precision farming with IoT sensors to monitor soil and weather condition.



High cost of Technology

→ SME struggle to adopt expensive technology

Eg: The Hindu noted that 60% SMEs lack the financial resource for automation.

Skilled Gap

Limited Work force skilled in AI, IoT, and robotics.

Eg: Only 1.5% engineers & 40% MSME worker have digital skill.



Gamified learning

include games like element in teaching and training

Simulation Based learning
↓
Real life job environment.



SWAYAM

↓
offering 4,000+ online courses
40 Millions enrolled

Skill India Digital Hub (SIDH)

752 online courses.

"All these efforts will make Bharat a Vikshit Bharat by 2047."

- Thank you -

@HeMantra.com