CHAPTER NO 5

INDUSTRY PROFILE

There is a noteworthy improvement among the different businesses at the worldwide level because of the adjustments in globalization, advancement and privatization strategies around the world. The accompanying are the different classifications of industry which are assuming a noteworthy part in the economy in the ongoing past.

5.1 MANUFACTURING SECTOR

Assembling area is one which is effectively associated with change of crude materials into completed items. It is merchandise delivering industry. The assembling part contains every single such endeavor and associations that are engaged with the mechanical, physical or concoction change of materials, substance, crude materials into a fine completed items.

In the present current time, fabricating area assumes an indispensable part, as everything from salt to oil extraction, there is an inclusion of generation in this division of business. This industry includes an idea of change of crude materials into completed item that can make an utility among across the country open and furthermore in the meantime make work openings in the country thus prompting the overall improvement of the economy.

There are four sorts of industry as a rule, for example, :

- Primary
- Secondary
- Tertiary
- Quaternary

Following are the distinctive sorts of assembling enterprises as per Bureau of Labor Statistics

5.1.1 MANUFACTURING SECTOR IN INDIA

With surely understood idea of Make in India, by our present prime ministerShriNarendraModi, India is being perceived as one of the developing country
with high development in the assembling division and soon it will achieve the fifth position in the globe in assembling segment.

As indicated by Central Statistics Office a report is set up on Index of Industrial Production (IIP), which gives the correct position of three noteworthy ventures that is Mining, Manufacturing, and Electricity. As indicated by this report it demonstrates that assembling industry alone adds to 77.63 for every penny in the file to measure the development. The assembling part of the IIP recorded 4.9 for every penny development in FY17 while 1.8 for each penny development in Q1 FY18. (Source: MOSPI)

Source: MOSPI

Chart 5.2  Showing GAV in Manufacturing Sector

The importance of manufacturing sector can be understood based on the following criteria’s:

- Size of the market
- Capital formation
- Role of Government
- Future Opportunities
Table 5.1 Size Of The Market of manufacturing sector

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INCREASE IN US$</th>
<th>EXPECTED YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Value Added (GAV)</td>
<td>CAGR of 4.34 per cent</td>
<td>2019</td>
</tr>
<tr>
<td>Quarterly GVA</td>
<td>10.92 per cent</td>
<td>2019</td>
</tr>
<tr>
<td>Gross domestic product (GDP)</td>
<td>25 per cent</td>
<td>2022,</td>
</tr>
<tr>
<td>Employment opportunities</td>
<td>100 million new jobs</td>
<td>2022</td>
</tr>
</tbody>
</table>

Source: Annual national income published by the Government of India

With all the positive business conditions and the fitting activity of make in India idea by the legislature of India, we can have such gauge increment in the above table under different classifications of assembling part.

**Capital Formation**

There is no uncertainty in having a clearness on how India’s showcase can pull in remote venture because of expanded number of customers and furthermore increment in acquiring force and change in the propensities, taste, inclination and having brand mindfulness about the diverse items.

**Future Opportunities**

At exhibit India as demonstrated a wonderful engaging quality towards outside direct interest in assembling area, there are distinctive items which have indicated positive route for interest in their associations like attire, cell phones, PCs, sports shoes, vehicle save parts, batteries, invertors et cetera.
The assembling area of India can possibly achieve US$ 1 trillion by 2025 and India is required to rank among the main three development economies and assembling goal of the world continuously 2020.

With driving force on creating mechanical hallways and savvy urban areas, the administration plans to guarantee comprehensive advancement of the country. The passages would additionally help with coordinating, observing and building up a favorable situation for the modern improvement and will advance propel hones in assembling.

5.2 IT SECTOR
IT sector has contributed towards GDP of India at 7.7%, in the year 2016. The estimated domestic revenue is at US dollar thirty eight billion and revenue from export is US dollar one hundred and seventeen in the financial year 2017, according to the reports from NASSCOM. The IT sector has made an remarkable achievements over the years. This industry is driving the change in monetary aspects of our nation and at the same time, India is able to maintain the quality among all its IT firms further leading to development of the Indian economy.

Chart 5.2 showing Market size of IT industry
IT firms have driven Indian firms towards quality enhancement and contributions towards innovative work forces and their development to attain specific objectives. This is a sector which has given huge employment opportunities to the nation and the data with reference to human resources is very important. With the objective of maintaining the required data, organizations need to have metrics and analytics in their organizations. With the innovations in technology, there is a huge support by the government as well towards these IT sectors. So undoubtedly these organizations in this sector have understood the importance of analytics and have adopted the same, so its becomes important to understand the way they have adopted the various metrics.

5.3 RETAIL SECTOR

Because of the new abilities into the market, the Indian retail industry is prospering and being more unique and its additionally one of the quick paced industry. From the view purpose of Gross Domestic Product (GDP) this industry adds to 10 percent of GDP and furthermore to 8 percent of the aggregate business. India likewise remains on Fifth position universally on retail space. As a result of India positioning as second exceedingly populated country, there is heaps of chance with the sort of class of individuals and their development as far as conversion from provincial to urban style and furthermore the alleged computerized India idea where Internet is effortlessly accessible to open on the loose.
The importance of retail sector can be understood based on the following criteria’s

- Size of the market
- Capital formation
- Role of Government
- Future Opportunities
Size of the market
In view of the variables like developing economy and change from provincial to urban market and furthermore the idea of digitalization, India is going to achieve US$ 1.1 trillion by 2020, with a 60% development as computed. Customary method for approach of business will discover an expansion of 10 percent, and that of the cutting edge system of exchange will demonstrate an increment of 20 percent prompting a general development by 12 percent in the retail business per annum.

Table 5.2 Size of the market of retail sector

<table>
<thead>
<tr>
<th>RETAIL CATEGORY</th>
<th>REACH US$</th>
<th>EXPECTED YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business to Business(B2B)</td>
<td>700 billion</td>
<td>2020</td>
</tr>
<tr>
<td>Business to Consumer(B2C)</td>
<td>US$ 26</td>
<td>2020</td>
</tr>
<tr>
<td>Online retail</td>
<td>17.8 billion</td>
<td>2020</td>
</tr>
</tbody>
</table>

Source : secondary data

China has been supplanted by India as extraordinary compared to other markets in the worldwide situation because of the conditions that it can display in the ongoing years, for example, urbanizing populace, more noteworthy extending economy with blasting utilization rates connected with digitalized framework in the economy. In light of the powerful interest in the economy joined by high systems administration through web, India is relied upon to rank high among the quickest developing economy.

Table 5.3 Increase in US$ under various categories by the end of expected year

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>INCREASE IN US$</th>
<th>EXPECTED YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian e-commerce sales</td>
<td>120 billion</td>
<td>2020</td>
</tr>
<tr>
<td>India's e-commerce market</td>
<td>220 billion (GMV))</td>
<td>2025</td>
</tr>
<tr>
<td>India's e-commerce market</td>
<td>530 million shoppers</td>
<td>2025</td>
</tr>
</tbody>
</table>
India’s direct selling industry | $ 2.5 billion | 2021
---|---|---
Indian exports of locally made retail and lifestyle products | CAGR of 10 per cent | Every year
Indian consumer economy | 400 billion | 2025
Luxury market of India | 30 billion | 2018
Size of modern retail in India | 25.7 billion | 2019

Source: Assocham

From the above table it is very clear that there is major changes and increase which is expected in the different categories of Indian retail market in the next few years and it all due to the following factors:

- Increase in brand awareness among youngsters
- Increased purchasing power of the upper class.
- Conducive environment through reforms and regulation.
- Supported by expanding economy
- Promising markets for retail expansion

**Capital Formation:** There is a major role of FDI in Indian retailing. There is a tremendous interest for various divisions of customer merchandise in India and that as pulled in all the remote direct speculation into the country in the previous couple of years. The home grown and ayurvedic items have demonstrated a more prominent request in the market in the time of 2015 and it as made a natural specialty in the home grown section in the results of hair mind, human services, beautifying agents, sustenance industry and others. In Parallel there just like a change in the private value firms in Indian retail division throughout the years.
Role of Government: There are different measures taken by the legislature of India specifically to retail segment and its development in the Indian economy, the real focuses are as examined underneath:

- Among the sustenance preparing industry the legislature of India can roll out improvements in outside direct venture approach.

- Among the online retail of products and administrations, 100 percent FDI has been allowed.

Future Opportunities
Retailers should know how to oversee and remove the best from computerized retail channels like (online business), there is an unaltering development in web based business in the country, this has prompted accessibility of items at exceptionally insignificant level and at moderate cost. This thus has made a noteworthy upheaval in the retail division starting at now and furthermore sooner rather than later. Clients can appreciate greatest advantages in light of the general prospects of the retail business.