

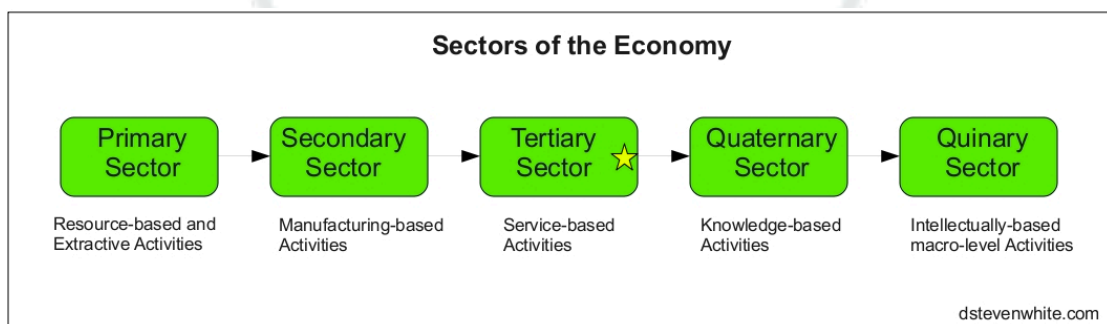
1. What are quinary services? How is it different from quaternary sector activities? Discuss.

Introduction

Growth of modern economy has led to the addition of two more industrial sectors to which businesses belong. These are quaternary and quinary sectors. The highest level of decision makers or policy makers perform quinary activities. These are subtly different from the knowledge based industries that the quaternary sector in general deals with.

Body

- Quinary activities are services that focus on the creation, re-arrangement and interpretation of new and existing ideas; data interpretation and the use and evaluation of new technologies.
- Often referred to as ‘gold collar’ professions, they represent another subdivision of the tertiary sector representing special and highly paid skills of senior business executives, government officials, research scientists, financial and legal consultants, etc. Their importance in the structure of advanced economies far outweighs their numbers.
- New trends in quinary services include knowledge processing outsourcing (KPO) and ‘home shoring’, the latter as an alternative to outsourcing. The KPO industry is distinct from Business Process Outsourcing (BPO) as it involves highly skilled workers. It is information driven knowledge outsourcing. KPO enables companies to create additional business



opportunities.

- This sector includes top executives or officials in such fields as government, science, universities, nonprofits, health care, culture, and the media. It may also include police and fire departments, which are public services as opposed to for-profit enterprises.
- Economists sometimes also include domestic activities (duties performed in the home by a family member or dependent) in the quinary sector. These activities, such as child care or housekeeping, are typically not measured by monetary amounts but contribute to the economy by providing services for free that would otherwise be paid for.

- The quaternary sector, on the other hand, is the fourth sector of the economy which consists of intellectual activities often associated with technological innovation. It is sometimes called the knowledge economy.
- Activities associated with this sector include government, culture, libraries, scientific research, education, and information technology. These intellectual services and activities are what drive technological advancement, which can have a huge impact on short- and long-term economic growth.

Quinary activities are different from Quaternary activities in the following manner:

- Quinary sector represents the highest category of decision makers who formulate policy guidelines whereas Quaternary is part of tertiary sector of the economy which is knowledge based.
- The services provided under the quinary sector can't be completely outsourced whereas services involved in Quaternary type of economy are outsourced in varied forms as the doctor's services, elementary schools and university classrooms, theaters, and brokerage firms.
- Over half of all workers in developed economies are in the 'Knowledge Sector' and there has been a very high growth in demand for and consumption of information based services whereas quinary services have been limited to a small section of population with large influence.

Conclusion

The "Quaternary" and "Quinary" sectors of the economy have no universally accepted definitions yet, so the analysis varies with different opinions but the overall evidence points to the fact that these sectors play the most decisive role in any modern economy.

2. Do you think India's wellness and hospitality industry holds immense potential for regional growth? Examine.

Introduction

Regional Growth refers to economic activities, especially in remote parts of the country due to local economic activities and employment generation.

The wellness sector has been booming since the past couple of years as alternative therapies and measures are being deduced to shield the people of the country from sickness hazards. The Indian wellness industry was estimated at close to USD13.4 billion in 2014-15 and is expected to grow at a compound annual growth rate (CAGR) of nearly 12% for the next five years.

According to WTTC, India ranked third among 185 countries in terms of travel & tourism's total contribution to GDP in 2018. India was ranked 34th in the Travel & Tourism Competitiveness Report 2019 published by the World Economic Forum.

Body

India's wellness and hospitality industry holds immense potential for regional growth

The Indian tourism and hospitality industry have emerged as one of the key drivers of growth among the services sector in India.

- The Indian systems of medicine and homoeopathy particularly Ayurveda and Yoga are widely recognised for their holistic approach to health and capability for meeting emerging health challenges.
- The demand for Ayurveda, Yoga, Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) and herbal products is surging in India and abroad
- The country has developed vast AYUSH infrastructure comprising of registered practitioners, dispensaries and hospitals in public sector, undergraduate colleges.
- India is a rich country in terms of biodiversity. Of the 17,000-18,000 species of flowering plants found in India, 7,000+ are estimated to have medicinal usage.
- Around 1100 species of medicinal plants are estimated to be in trade, of which 242 species are annually consumed in excess of 100 metric tons/year.
- India has 15 Agro-climatic zones.
- The medical tourism market in India is expected to grow from US\$ 3 bn to US\$ 7-8 bn by 2020.
- The Tourism and Hospitality industry in India is one of the largest service industries. The Tourism and hospitality industry in India is an employment generating industry and every \$1 Mn invested in tourism creates 78 jobs.
- The World Heritage List has 36 sites inscribed which include 28 cultural, 7 natural and 1 mixed category site. There are 3686 monuments/sites under the protection of the Archaeological Survey of India
- The Tourism industry in India is the 3rd largest foreign exchange earner after gems, jewellery and readymade garments.

Conclusion

The Ministry of AYUSH with a separate department for Yoga, which has been exempted from service tax, is another example of government's efforts. The sector has the potential to generate over 3 million job opportunities.

Swadesh Darshan launched - 15 theme-based tourist circuits identified, 5 pan-India mega circuits identified, 77 projects worth \$880 Mn underway. PRASAD launched – 41 sites in 25 states identified, 24 projects worth \$104 Mn underway.

3. Examine the changes in the distribution pattern of cotton textile industry in India. Also, discuss the factors leading to such changes.

Introduction

Cotton textile industry is largest organised modern industry of India. There has been a phenomenal growth of this industry during the last four decades. About 16 per cent of the industrial capital and over 20 per cent of the industrial labour of the country is engaged in this industry.

Body

Initially they used to be dependent on sources of supply of raw material, but with the progress in science and technology, there are frequent changes in factors, on which location of the industries depends.

Initially cotton textile industry developed in certain major centres such as Mumbai, Surat etc which had all the factors that are responsible for location of textile industries. Factors responsible were easy transportation, cheap labour, closer to market etc.

Decentralization of cotton textile industry and factors responsible

- Dispersal of industry from the old nuclei started after 1921 with railway lines penetrating into the peninsular region. New centres like Coimbatore, Madurai, Bangalore, Nagpur, Indore, Solapur and Vadodara were favourably located in respect to raw material, market and labour than places of original locations.
- This industry also reached some places with some additional advantages, such as nearness to coal (Nagpur), financial facilities (Kanpur) and wide market with port facilities (Kolkata);
- Dispersal of cotton textile industry was further boosted with the development of hydroelectricity.
- The growth of this industry in Coimbatore, Madurai and Tirunelveli is largely due to the availability of hydroelectricity from Pykara dam.
- The industry also tended to shift from areas of high labour cost to those with low labour cost.
- The labour cost factor played a crucial role in establishing this industry at Madurai, Tirunelveli, and Coimbatore etc.

Conclusion

Several cotton textile mills have closed down. This is primarily due to the emergence of new textile centres in the country as well as non-upgradation of machines and technology in the mills of Ahmedabad.

4. What are the major hubs of automobile manufacturing in India. Do you witness a shift in the way automobile industry is distributed across the country? Comment.

Introduction

India is the 4th largest automobile market in the world and has the 5th largest automobile industry. Owing to the market size, the investments in various segments of the industry is increasing spreading the automobile industrial clusters across the country.

Body

Major Hubs of automobile industries:

- Chennai- Bengaluru-Hosur in the south
- Jamshedpur-Kolkata in the east
- Delhi-Gurgaon-Faridabad in the north
- Mumbai-Pune-Nashik-Aurangabad in the west

The above hubs are on account of

- raw material availability E.g. the presence of Iron and steel industry in and around Jamshedpur and west Bengal region
- Market availability E.g. Chennai – Bangalore has one of the highest 2 wheelers on road in the world.
- Skilled labour – in the region of Mumbai, and migrants from north India providing cheap labour and so on.
- Export availability and distance for transport for imports E.g. Mumbai, Kolkata closer to ports; Other places with road and rail connectivity.

Shift in location of Automobile industries:

There is a shift in pattern of automobile industries in addition to earlier industrial hubs

Tier 2 cities: owing to the scarcity and expense on land, 2nd tier cities are being preferred to setup automobile industries. E.g. Kolar district of Karnataka, Sanand Gujarat and so on.

Southern Indian region is witnessing in surge of automobile production units owing to the increase in vehicular use. The industrial regions of chittoor-Ananthpur in Andhra Pradesh, Chakan near pune in Maharashtra etc.,

With state government investor summits being held, Make in India initiatives, the industries are being planned in new states. E.g. Industrial region announced in Ranchi.

With increasing connectivity, market distribution- the industries are also being away from coastal regions to hinterland E.g. Pithampur and Indur in MP, Expansion around NCT Delhi.

Instead of standalone Automobile industrial regions as in the past, automobile industrial corridors are being set up with original equipment manufacturers with value chain development in surrounding areas. E.g. Chennai- salem – along with Oragadam in Tamilnadu, Sarjapur industrial cluster in Bangalore etc.,

Conclusion

Thus, Automobile industry is being spread across the country and with promising market has the potential of high growth rate. With electric vehicles being promoted, the distribution of the industry in future also depends on its consumption and infrastructure availability including power majorly and feasibility of industrial plants. Thus, there is a need to incentivize and ease the setting of Automobile industries through land reforms, tax benefits and so on.

5. Why is India a leading manufacturer of pharmaceuticals? What are the challenges being faced by the pharmaceutical sector in India?

Introduction

The Indian Pharmaceuticals Industry is ranked the third largest industry by volume. It serves as one of the major manufacturers around the globe. India has become a prime destination for manufacturing of branded and generic medicines with a strong export element. The Patent Act, 1970 and Economic Liberalization in the 90s led to the huge transformation of the pharmaceuticals industry in India.

Body

The pharmaceutical industry has played a key role in driving better health outcomes across the world through its affordable and high-quality generics drugs. Increased accessibility to affordable drugs has been one of the key enablers for lowering the disease burden in India.

In this regard, the following factors can be considered as important for India to have emerged as a leading manufacturer of pharmaceuticals:

- Largest Generic Drugs Manufacturer in the world - Generic drugs have been the main reason for the success of Indian Pharma industry. It is the third largest manufacturer of generic drugs by volume. The drugs are the same as the branded drugs but have a patent right.
- Export to the western world - Owing to the easy availability of low price as well as high quality manpower in India, the smaller size pharma companies are able to produce drugs at low prices. Now, a significant amount of the drugs manufactured are exported to the United States.
- Patent system - The patent system (Patent Act of 1970) associated with the pharma sector of India is also quite flexible and agile. The Patent Acts, 1970 and the Drug Policy in 1978 resulted in the expansion of the sector.

- Governmental support - The strong support provided by the Indian government also proves to be an encouraging factor for the pharma sector in India. At present, more than 70 percent of FDI or Foreign Direct Investment is allowed in this sector. For this reason, it is easier for the businessmen in India to set up a new pharma company by finding a foreign source of funding.
- Globalization Process - Economic Liberalization lead to the growth of the Pharma industry. India offers the benefit of quality manpower and low cost attracted major pharma companies from all around the world to have a subsidiary here.

India Pharmaceutical Industry is one of the best developed and fastest growing market that produces about 20 % of the world's drugs. Even then, there are various challenges in the Indian Pharmaceutical Industry, some of which are :

- Lack of capabilities in the innovation space - Indian pharmaceutical companies have been slow to grow in the innovation space (e.g., new molecular entities, complex generics), with a limited government-supported research ecosystem. For example, government policies such as reversing the weighted deduction of erstwhile 200% on spend on R&D, which ends in 2021 has an adverse impact on innovation.
- Dependence on external markets for intermediates and APIs - Around 80 percent of India's requirements for Active Pharmaceutical Ingredients, by volume, are fulfilled by China, putting importers at the risk of supply disruptions and unexpected price movements (e.g., a policy shift by the Chinese government had resulted in a price increase of up to 50 percent for a few molecules). India has been unable to seize the API opportunity due to inadequate infrastructural facilities.
- Indian pharma's eroding competitive advantage - especially in the US generics market and limited presence in other markets and products. Generics exports, specifically to the US, were a key driver of double-digit growth for top Indian pharmaceutical companies over the last few years. However, growth in the US market is moderating, in part by price erosion – generics prices declined by about eight percent annually between 2015 and 2018.
- Increased scrutiny in quality compliance when supplying to international markets - As the industry expands in different geographies and concerns on the quality of imported drugs increase globally, there will be greater scrutiny from regulators on quality norms. India has faced the highest number of USFDA inspections since 2009.
- India needs user friendly government policy for the common man to establish small scale, raw material manufacturing units/ incubators in all states of the country to improve the availability of raw materials to manufacture generic drugs at affordable rates.

Some of these challenges can be overcome through –

- Increased budgetary allocations for healthcare to boost the domestic market.
- Increased focus on attracting pharma investment.

- Indian academic institutions are full of ideas born from the young, creative brains of students. Indian pharma industry can explore these ideas for future progress.

Conclusion

Looking at the urgent need of the nation for quality healthcare, the pharma industry has to develop strategies for raw material producing units with user friendly government policy for the small scale industry as well as focus on high-quality generic medicines at most affordable price for a healthy 'New India'.

