

ANALYSIS OF SPECIFIC SERVICE SECTORS

The fact that the service sector now accounts for more than half the **GDP** probably marks a watershed in the evolution of the Indian economy. India's high capabilities in Information Technology, and its booming IT software exports which now account for 2% of the **GDP**, are well known. India's health services, manned by highly qualified and experienced personnel, super-specialty hospitals specializing in both modern and traditional Indian medical systems like Ayurveda, Unani, and nature- cure supported by state-of-the-art equipment, are attracting patients from across the world, and constitute a significant segment of India's services sector.

Education is another field which is not only a huge segment of the services sector within the country, but also a foreign exchange earner by way of NRIs and foreign students enrolled in major medical, technological and other institutions in India, and also export of manpower even to the western world. The entertainment industry, particularly films and TV, which happen to be among the fastest growing in the world. Indian films are popular across West Asia, Afghanistan, Central Asia, Russia and in South East Asia and are now penetrating the Western world. India, the second largest scientific and technical manpower in the world, has been providing varied consultancy and other services to the world. There is immense scope for India to undertake project and management consultancy, repair and maintenance work pre-publishing services, and R&D in various disciplines, and interested parties from across the world are welcome to tap these and other capabilities available in abundance in the country. The tourism industry in the country is well equipped, and also fast growing to offer tourists with diverse interests and means, all the services needed to make their Role or Services in visit memorable. India, as a subcontinent with varied geographical, climatic, ethnic, cultural, religious and social strands intertwined, India is a one-stop destination for any tourist wanting a kaleidoscopic experience of life in its entirety. We will now discuss some of the prominent service sectors in brief. The last two blocks of this course are devoted to sectoral applications of services marketing concepts discussed in the first three blocks.

Hospitality and Tourism

Tourism has become the world's largest employer and this sector is one of the world's largest economic forces with more than 200 trillion dollars yearly. This sector is today second largest foreign exchange earner for India. A record 2.3 million tourists made their way from various parts of the world to India in calendar 2003, registering a rise of 15.3 percent over 2002, while as many as 4.5 million Indians travelled abroad accounting for a rough 30 percent growth.

The number of governments approved hotels increased from 348 in 1980 to 1,490 in 2002 bringing in a corresponding increase in number of hotel rooms available from 21,581 to 80,936.

Financial Services

The role of financial services in stimulating and sustaining economic growth is well known. A distinct feature of Indian Financial System is the dominance of public sector institutions in practically all areas like banking, term lending and insurance. At the end of March 2002, 97 commercial banks, 196 Regional rural **banks**, 52 scheduled urban co-operative banks and 16 scheduled state co-operative banks were operating.

One of the most important segments of the financial system is commercial banking. The saving deposits with the commercial banks have shown a steady rise from Rs. 101,861 crores in 1995-96 to Rs. 279,107 crores in 2001-02. With the opening of the banking sector to the foreign competition, and liberalized regulatory norms followed by RBI, the private banks have been using technological advances in every sphere of banking to up the performance levels. With an emphasis on retail finance and growing use of new technologies, Indian banks have repositioned themselves as universal finance solution provider with capabilities ranging from investment banking to project financing, and **export** financing on the corporate side, and from providing loans to selling insurance and mutual funds on the retail side.

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