



A study on importance of industries in Indian economy

Dr. Smita Patwa

Assistant Professor, Department of Commerce, Shri Jain Shwetamber Professional Academy, Indore, Madhya Pradesh, India

Abstract

The main motive of every business is to earn money in the form of profit and any activity which results in earning of money and creation of wealth is considered as an economic activity. The Economic development of any country is also dependent on industries. It plays an important role in the growth of Economy. Growth in economic development is not possible without industries. We find a main balance industrial sector at the centre of economic development there is a variety of different industrial sectors that feed off each other. Development of industries is not only indispensable for India, but there is also good scope for the development of industries in India. India has many favorable factors for the development of industries.

Keywords: utilities, categories, rearing, extractive, genetic, tertiary, prospering, stable, indispensable

Introduction

Business is considered as an economic activity because of the following reasons. Profit motive: - The main motive of every business is to earn money in the form of profit and any activity which results in earning of money and creation of wealth is considered as an economic activity. The business activities aim at earning profit and the creation of wealth. Creation of Utilities: - Business activities result in creation of utilities. Generally businessman creates three types of utilities:-

- **Form utility:** It refers to change of raw material into a finished goods. A businessman converts raw material into finished goods and makes them useful for the consumer.
- **Time Utility:** Goods are not consumed immediately when they are produced. Generally there is a time gap between the production and consumption of goods and services. Some goods are produced in a particular season but consumed throughout the year e.g, wheat, rice, pulses. On the other hand, some goods are produced throughout the year but are consumed in a particular season e.g., A.C., cooler etc. Business man stores the goods in warehouse and supplies them wherever customers demand them. By storing the goods in warehouse the businessman helps in removing the time gap and creates time utility.
- **Place Utility:** Goods are not consumed in the same place, where they are produced. Goods are produced at one place but distributed in different corners of the country. The businessmen provide transport service to move the goods and services from the place of production to the place of consumption.
- The economic activities aim at the creation of utilities for earning money. In the same way, businessman also creates utilities to earn profit.

Exchange of Goods and Services: - Economic activities aim at earning money by exchange of goods and services. Similarly, business activities result in sale, distribution or exchange of goods or services for earning profit.

Classification of business activities

Business activities can be classified on various bases. The common basis of classification is on the basis function. Classification on the Basis of Function: All business activities can be classified into two broad categories. These are:

- Industry
- Commerce

Industry

Industry refers to an activity which converts raw material into useful products. Industry includes activities related to production and processing as well as activities related to rearing and reproduction of animals or other living species.

The purpose of industry is to create form utility by converting raw material into useful forms of finished products. Industry can be classified into three broad categories:

- Primary Industry
- Secondary Industry
- Tertiary Industry

Primary Industry

Primary Industry includes all those industries which are concerned with extraction of natural resources and reproduction of living species:

These Industries can further be classified into two categories:

1. **Extractive Industry:** Extractive Industries are those which involve extraction of something from natural resources such as minerals from earth, fish from rivers and seas, timber from forest etc. The products of extractive industry can be directly used or become the raw material for other industries.
2. **Genetic Industry:** The industry involved in the activities of rearing and breeding of living organisms i.e. birds, plants, animals etc. Are known as Genetic Industry. For example, rearing of cattle for milk, dairy farms, poultry farms, rearing of plants in nursery, growing fish in ponds (pisciculture) etc. are included in Genetic Industry.

Secondary Industry

The Secondary Industry makes use of products which are extracted and produced by primary industry as their raw material and produce finished products. For example, mining of iron ore is done by primary industry but steel manufacturing is done by secondary industry:

There are two types of secondary industry:

1. Manufacturing Industry
2. Construction Industry

Manufacturing Industries

These industries are engaged in the process of conversion of raw material or semi-finished goods into finished goods. These industries Create form utility by changing the form of raw materials into finished products. For example, timber is converted into furniture, iron into steel, sugarcane into sugar, cotton into cloth etc.

The manufacturing industries produce two types of goods;

1. **Consumer goods:** the goods which can be directly consumed by the consumer are known as consumer goods. These goods are used for day-to-day consumption. For example, cloth, oil, soap, bread etc.
2. **Industrial Goods:** The goods which are produced for manufacturing consumer goods are known as industrial goods like machinery, equipment, tools, etc. which to manufacture consumer goods

Construction Industry

These industries are concerned with the construction of buildings, dams, roads etc. These industries use the products of manufacturing industries such as cement, iron, and steel, lime etc. The unique feature of these industries is that their products cannot be transferred or shifted to the market. They are constructed and remain at a fixed site only.

Tertiary or Service Industry

Tertiary industry is concerned with providing service which facilitate a smooth flow of goods and services. This industry helps in the activity of primary and secondary industry. In other words, this industry provides services which support the activities of primary and secondary industry, that is why it is also known as service sector. The various types of services provided by tertiary industry are:

1. Transport: It facilitates movement of goods from one place to another places.
2. Banking: Provides credit facility to industries trading firms.
3. Insurance: Provides coverage from various types of risks.
4. Warehousing: Provides storage place for goods produced by primary and secondary industry
5. Advertising: Provides information to consumer.

Importance of industry

- Industry will naturally play a leading role in the technology development phase and the subsequent implementation of laser energy. Opportunities exist to invest in development of technologies and mass production techniques for the components and systems required for HIPER and future laser energy plants.

Commercial opportunities will also stem from new industrial application arising during technology development.

- This will bring substantial rewards in intellectual property and exploitation rights, an advantage of which will be largely independent of global uptake of laser energy.
- Industries help in generating the employment opportunities for the people and in majority of the nations after agriculture it employs the highest number of people and therefore it can be said to be livelihood of many families.
- It is due to presence of many industries that we get to use away of products like television, cloths, automobiles, furniture etc., which helps in making our life easier and improves the general standard of living.
- A prospering industrial environment is good for country because government get income in the form of taxes from the industries which in turn are used by the government for the wellbeing of the people.
- It makes the country independent because once country start producing goods with the help of industrialization it does not have to depend on other countries for its demand and it can save its money by reducing the import and it can even export its products leading to foreign exchange income which in turn makes the country more prosperous.
 1. Industries provide employment in the country.
 2. Economic boom and latest technology.
 3. Less poverty
 4. More jobs for people
 5. More development
 6. Increase in exports which will make large profits and will be utilized in the development of country
 7. GDP per capita income will increase
 8. High standard of living
 9. More services for people,, this means more aids and health services
 10. Literacy rate increase n less deaths
 11. Taxes for government
 12. Stable government and recent weapons for the defence of the country

Conclusion

The Economic development of any country is also dependent on industries. It plays an important role in the growth of Economy. Growth in economic development is not possible without industries. A growing industrial sector is crucial to greater economic development and takes in a number of areas as a country develops. Where there is a steady industrial growth is present in any nation it helps to compliment and sustain continued economic development.

A well-developed industrial sector which covers various different areas is very important to the economic development of a country. We find a main balance industrial sector at the centre of economic development there is a variety of different industrial sectors that feed off each other.

Economic planning becomes less risky with a strong industrial base, being able to plan ahead also assists industrial growth with profits re-invested into infrastructure development which in turn helps to boost and attract industry. In a backward and developing economy like India, industries are indispensable.

Development of industries is not only indispensable for India, but there is also good scope for the development of industries in India. India has many favorable factors for the development of industries.

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