

# Sector Wise Opportunities for Engg. Aspirants in the Indian Service Industry

The engineering sector is the largest of the industrial sectors in India and can be broadly categorized into two parts, namely heavy engineering and light engineering. India's engineering industry accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. India has emerged as the largest contributor to the country's total merchandise exports.

Capacity creation in sectors such as infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables are driving demand in the engineering sector. The sector has a comparative advantage in terms of manufacturing costs, market knowledge, technology and creativity.

The Capital Goods industry is the "mother" of all manufacturing industry and is of strategic importance to the National security and economic independence.

India on its way to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the summit body in charge of promotion of engineering goods, products and services from India.

The government has made declarations to invest US\$ 1.5 trillion in infrastructure over the next five years.

## **The key sectors of employment are-**

**Manufacturing** – Manufacturing sector has found to be the maximum number of employees under the organized private sector. Though employment generation has seen a rise, post-liberalization, it failed to keep up with the value added by the manufacturing sector. Also the latest surfacing of financing, insurance and real estate has placed it in third position as per employability is concerned.

**Textiles & Apparels** – Textiles & Apparels has high employment generation potential the segment needs to augment skill development to be at par with global counterparts. The industry accounts for 10% to the country's manufacturing production, 5% to the country's GDP and contributes 14-15% of the export earnings. Skilled Engineers intensity is one of the highest in this sector and overall, it is considered as one of the largest sources of job creator in India.

**Education** – Education sector has always been a steady and secured employment generator. Today there are more than 10mn teachers working at various schools, colleges and universities. Given the government's focus on education, signified by the hike in the allocation for education in the 2017-18 union budget, this sector is poised at sustaining its growth, if not augment it.

**Banking and Financial Services** – Emergence of private banks have witnessed a boost in employment in India – from employing just over 0.9mn in FY01 to employing close to 1.3mn in FY15 (source: RBI). Private Banks now employ one in every four individuals working in the industry. Industry experts feel that tech innovations will drive the wave of growth in the sector. According to the top engineering colleges of India, banks and other financial institutions are now competing with big tech firms in hiring students for technical roles to support their digital systems. The opportunity of gaining more customers by means of digital transactions, have opened the door for unmatched productivity gains.

**Information technology (IT) and IT-enabled services** – India's status as a supplier of abundant skilled engineers has long been symbolized by the IT-BPM sector. Approximately 3.86mn individuals are now employed in the sector which is regarded as a major component of private jobs in the country. E-commerce is considered as a distinct sector outside the IT and BPM markets. However, the

economic slowdown in the USA has significantly affected the pace of hiring in this sector. The slowdown is even more evident in the last few years with the CAGR declining from 8.3% during FY09-14 to 5.7% during FY14-17.

Most of the top Industry leaders predict that automation initiatives are likely to gather pace across IT services companies. Presently, the automation activities are centered mainly in services including infrastructure management, maintenance and BPO. These initiatives could be largely categorized under two sections –

Artificial-intelligence (AI)-based platforms and software tools that aggregate data across processes and legacy systems into a self-learning knowledge base and then automate repetitive business/IT work-flows. Nia (Infosys), Ignio (TCS) and Holmes (Wipro) are examples of such platforms.

*Robotic process automation (RPA) tools* are software programmes (or ‘bots’) applied on rule-based processes for processing a transaction in terms of manipulating data, triggering responses and communicating with other digital systems, without human interventions.

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