

		<ul style="list-style-type: none"> <li>❑ It also envisages zones of agricultural and horticultural processing having state-of-the-art world class facilities with well established supply chains.</li> <li>❑ With a view to promote Mega Food Parks in the country, the Ministry of Finance has put Food Parks including Mega Food Parks into the infrastructure category.</li> </ul> <div data-bbox="514 277 1303 741" style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <p style="text-align: center;"><b>Mega Food Park Model</b></p> </div>
<p><b>Cold Chain Projects</b></p>	<p>Ministry of Food Processing Industries</p>	<ul style="list-style-type: none"> <li>❑ The scheme focuses on value addition and preservation infrastructure by setting up integrated cold chain infrastructure for minimizing post-harvest losses of horticulture and non-horticulture produce.</li> <li>❑ The scheme provides financial assistance for setting up private cold chain facilities in the country.</li> </ul>
<p><b>Agri Export Zones (AEZs)</b></p>	<p>Ministry of Commerce &amp; Industry</p>	<ul style="list-style-type: none"> <li>❑ Agri Export Zones are the demarcated geographical regions for establishing agriculture based processing industries for the promotion of exports of processed food items.</li> <li>❑ Agricultural and Processed Food Products Export (APEDA) has been nominated as the Nodal Agency to coordinate the efforts on the part of the Central Govt.</li> </ul>
<p><b>Pradhan Mantri Kisan SAMPADA Yojana</b></p>	<p>Ministry of Food Processing Industries.</p>	<ul style="list-style-type: none"> <li>❑ The Pradhan Mantri Kisan SAMPADA Yojana is a central sector scheme for Agro-Marine Processing and Development of Agro-Processing Clusters.</li> <li>❑ Seven component schemes under PMKSY:             <ul style="list-style-type: none"> <li>○ Mega Food Parks.</li> <li>○ Integrated Cold Chain and Value Addition Infrastructure.</li> <li>○ Infrastructure for Agro-Processing Clusters.</li> <li>○ Creation of Backward and Forward Linkages.</li> <li>○ Creation/Expansion of Food Processing &amp; Preservation Capacities.</li> <li>○ Food Safety and Quality Assurance Infrastructure.</li> <li>○ Human Resources and Institutions.</li> </ul> </li> <li>❑ Under PMKSY, capital subsidy in the form of grants-in-aid ranging from 35% to 75% of the eligible project cost subject to a maximum specified limit is provided to investors under the various schemes for undertaking infrastructure, logistic projects and setting up of food processing units in the country.</li> </ul>
<p><b>Modernization of Abattoir</b></p>	<p>Ministry of Food Processing Industries</p>	<ul style="list-style-type: none"> <li>❑ This is a comprehensive scheme, which includes establishment of modern abattoirs and modernization of existing abattoirs.</li> <li>❑ Modernization of abattoirs will also include upscaling of infrastructure of existing abattoirs.</li> <li>❑ The scheme is implemented with the involvement of local bodies and has flexibility for involvement of private investors on PPP basis.</li> </ul>

## Introduction

Service sector, also known as tertiary sector includes all the activities that help in the development of the primary and secondary sectors, but by themselves these activities do not produce goods, rather act as an aid or support for the production process. Tertiary activities include both production and exchange. The production involves the 'provision' of services that are 'consumed'. The output is indirectly measured in terms of wages and salaries. The exchange involves trade, transport and communication facilities that are used to overcome distance.

The service sector represents a significant part of the nation's economy. It contributes more than 54% to India's Gross Domestic Product (GDP). As of 2018, 31.5% of India's employed population is working in the service sector. The contribution of the service sector in the developed economies is comparatively much higher than primary and secondary sectors.

## Trade and Commerce

Trade is essentially buying and selling of items produced elsewhere. All the services in retail and wholesale trading or commerce are specifically intended for profit. The towns and cities where all these works take place are known as trading centres.

## Prospects of Indian Trade

- ❑ **Reviving Multilateral Trading System:** India's national interest is best served by most-favoured-nation treatment, largely provided by the multilateral trading systems anchored in the WTO.
- ❑ **Adjusting to Global Standards on Technical Barriers in Trade:** Currently, many trade deals are on hold. This provides valuable time to India, particularly industry for adjusting to global standards.
- ❑ **Participation in Regional Comprehensive Economic Partnership and Asia-Pacific Economic Cooperation:** The active participation of India in different regional trade blocks will help in the

diversification of its market outreach, given the fact that India not being a member of any specific regional trade block.

- ❑ **Raising the Share of Manufacturing Sector to GDP:** Contribution of Manufacturing Sector to GDP is 17.1%, which is far below as compared to our neighbours such as Thailand (where 35% of GDP is from manufacturing), China (32%), Philippines (30%), Indonesia (29%). Initiatives such as 'Make in India' was launched to raise its share to GDP and provide employment to 20 crore people up to 2020. To achieve this target, its share should be 25% of GDP.
- ❑ **India's Foreign Trade Policy:** India's Foreign Trade Policy aims to (a) increase the country's share of global trade from the current 2.1% to 3.5% and (b) double its exports to USD900 billion by 2020.

## Challenges to India's Trade

- ❑ The greatest challenge to the development of a trade in India is its poorly developed manufacturing sector. Although it grew after India embarked on focused economic liberalization in 1991, the share of manufacturing sector to the gross domestic product (GDP) has since fallen to 16.2% in 2015–2016—about what it was in 1989–1990 (16.4%).
- ❑ India's trade and commerce sector is facing the following challenges:
  - **Manufacturing Sector:** The challenges of this sector are limited availability of power and land, lack of access to technology, low productivity, the rising cost of labour, and difficulties in doing business. The most serious impediment to the revival of the manufacturing sector is the scarcity of land.
  - **Less Gain to India from Free Trade Agreements (FTAs):** India signed FTAs with the Association of Southeast Asian Nations (ASEAN), the Republic of Korea, Japan, and Malaysia. In all these FTAs, India's trade partners have gained more from these agreements than India has.