

# UPDAAN

## 2025

### Sectors of the Indian Economy

**Economics**

**Lecture – 02**

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# Topics

*to be covered*

- 1 Shift in Sectors
- 2 Rising Importance of Tertiary Sector
- 3
- 4







**Hanji ! Dosto ! Happy Friendship Day  
From Douglas ...  
Laal Phool Neela Phool  
Udaanians and Humari Friendship  
Beautiful ....**





## QUESTION



Suppose in a particular year, the production of Primary was Rs 2 crores, secondary Rs 15.5 crore and Tertiary Rs 20.75 crore. What would be the estimated GDP for that year?

**A** 36.25 crores

**B** 38.25 crores

**C** 37.5 crores

**D** 38.5 crores





## Historical Change In Sectors

➤ General Pattern : Primary the most important sector

↓  
In most developed countries

↓  
In the initial stages of development

↓  
Primary Sector was the most important



## Historical Change In Sectors

➤ Shift from Primary sector to other activities

↓  
Reasons ?

➡ Methods of farming changed and agriculture sector began to prosper

➡ More food was produced than before

↳ Now people can take up some other activities.





## Historical Change In Sectors

➤ What activities people did ?



- ➔ Number of craftsperson and traders increased
- ➔ Buying and selling activities increased
- ➔ There were transporters , administrators , army people etc.

Goldsmith (सुनार)  
Blacksmith (लोहार)  
Carpenter





# Historical Change In Sectors

➤ Shift from PRIMARY to SECONDARY sector ✓

Reasons ?



➡ New methods of manufacturing introduced ✓

➡ Factories came up . There number started to grow } → Now the people who were earlier working on farms now started working in factories

## QUESTION



Which among the following played important role in making the shift from primary to secondary sector ?

- A** New and better methods of production
- B** Increase in number of factories
- C** Decline in customs duty and increase in factories
- D** Both a and b





# Historical Change In Sectors

➤ Shift from PRIMARY to SECONDARY sector

Reasons ?



➡ People started using goods made in factories as they were cheap

➡ Secondary sector now became important

→ (सस्ते)



## Historical Change In Sectors

- Shift from SECONDARY to TERTIARY sector



➔ In last 100 years – shift from secondary to tertiary in developed countries

↓  
Tertiary Sector → has become important  
in terms of → GDP  
→ Employment



## QUESTION

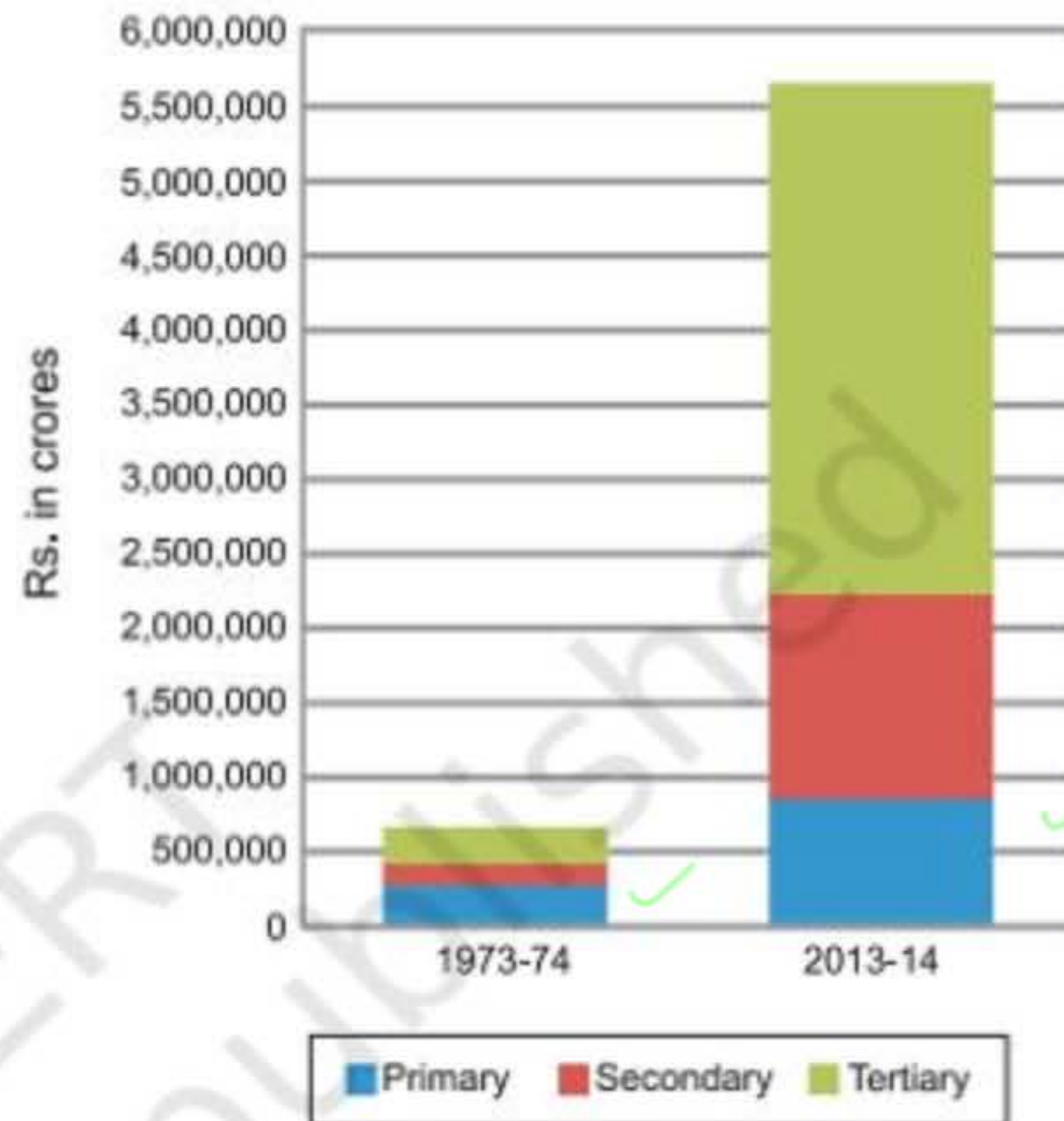


A person X used to live in a developing country ABC . He moved to a developed country PQR in search of better opportunities . What changes X is likely to observe ?

- A** Tertiary sector has become more important in PQR ✓
- B** GDP of ABC is more than PQR ✗
- C** ABC had better opportunities as it is still in developing stage ✗
- D** There is no difference in both the countries ✗

# Primary, Secondary And Tertiary Sectors in India

Graph 1 : GDP by Primary, Secondary and Tertiary Sectors



GDP Contribution  
(1973-74 — 2013-14)  
↓  
Tertiary sector has  
become the largest  
contributor in GDP.





## Rising Importance of Tertiary Sector

PYQ



"Tertiary sector has become important in the past few decades." Discuss (3)



## Rising Importance of Tertiary Sector

### ① Provision of basic services

➤ In any country several services such as:

- Hospitals ✓
- Educational institutions ✓
- Post and telegraph services ✓
- Police stations, courts ✓
- Village administrative offices, municipal corporations ✓
- Defence ✓
- Transport ✓
- Banks, insurance companies, etc. are required. ✓

} These are  
basic  
Services





→ It is the responsibility of the govt. to provide basic Services to the Citizens:

↓  
Growth in demand of these Services

↓  
Leads to growth in tertiary sector (Service sector)



## Rising Importance of Tertiary Sector

② ➤ Development of Agriculture and Industry :

① Development of agriculture and industry leads to the development of Services

② Services like  
Storage,  
transport  
etc.

③ We also need  
Services like  
banking, insurance  
etc. With the  
growth and  
development of  
agriculture and industry





## Rising Importance of Tertiary Sector

③ ➤ Rise in Income Levels :

① As the income levels of the people rise

↓  
They start demanding more  
Services

② Services like

→ Eating Out (Restaurant)

→ Private schools and hospitals

→ Shopping Malls

→ Professional Training



# DOLLY KI TAPRI







## Rising Importance of Tertiary Sector

④ ➤ Introduction of New Services :

① Over the last decade (last 10 yrs)  
new services have been  
introduced

② Services like information  
technology and communication  
technology have become  
important

## QUESTION



Suppose A person earns Rs15000 per month . After 1 year he changes his job and starts earning Rs 45000/ month . Which of the changes are likely to take place ?

- A** He will start living below poverty line
- B** He will start using more services due to the rise in income
- C** He will not have access to even basic services
- D** He will largely depend on government schemes for his survival



They do not earn much income → Sometimes they  
do not have regular jobs or income.



Service sector produces a large no. of services and gives employment to a large no. of people

### ① Disparities in Tertiary Sector ③

② In Service sector  
Some jobs need

↓  
Highly skilled and educated people → They earn good income

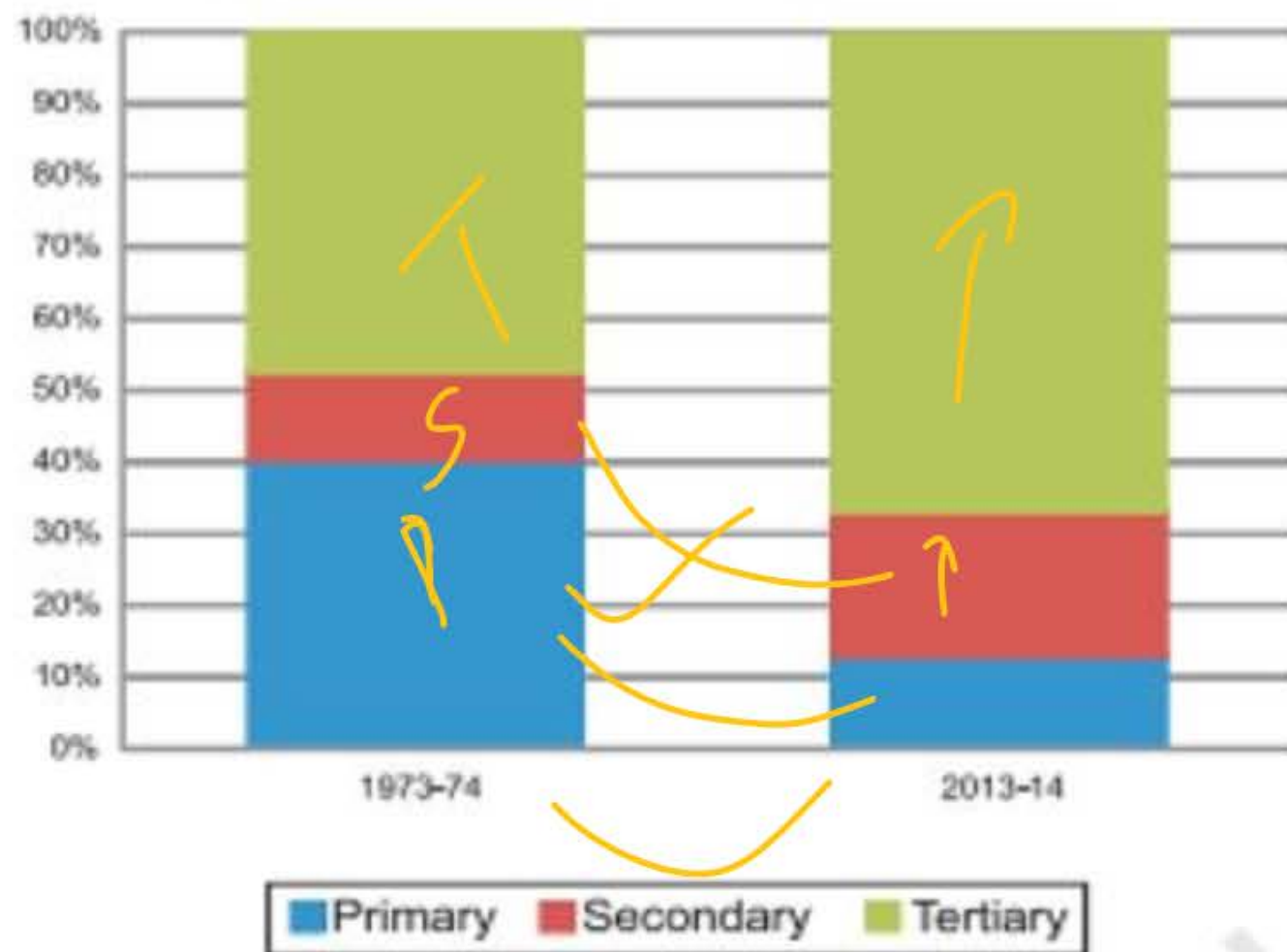
There are many other people who work as shopkeepers, transport providers, street vendors, vegetable sellers etc.





## Where are Most People Employed ?

Graph 2 : Share of Sectors in GDP (%)



Read the graph and answer

Ques Which of the following is true?

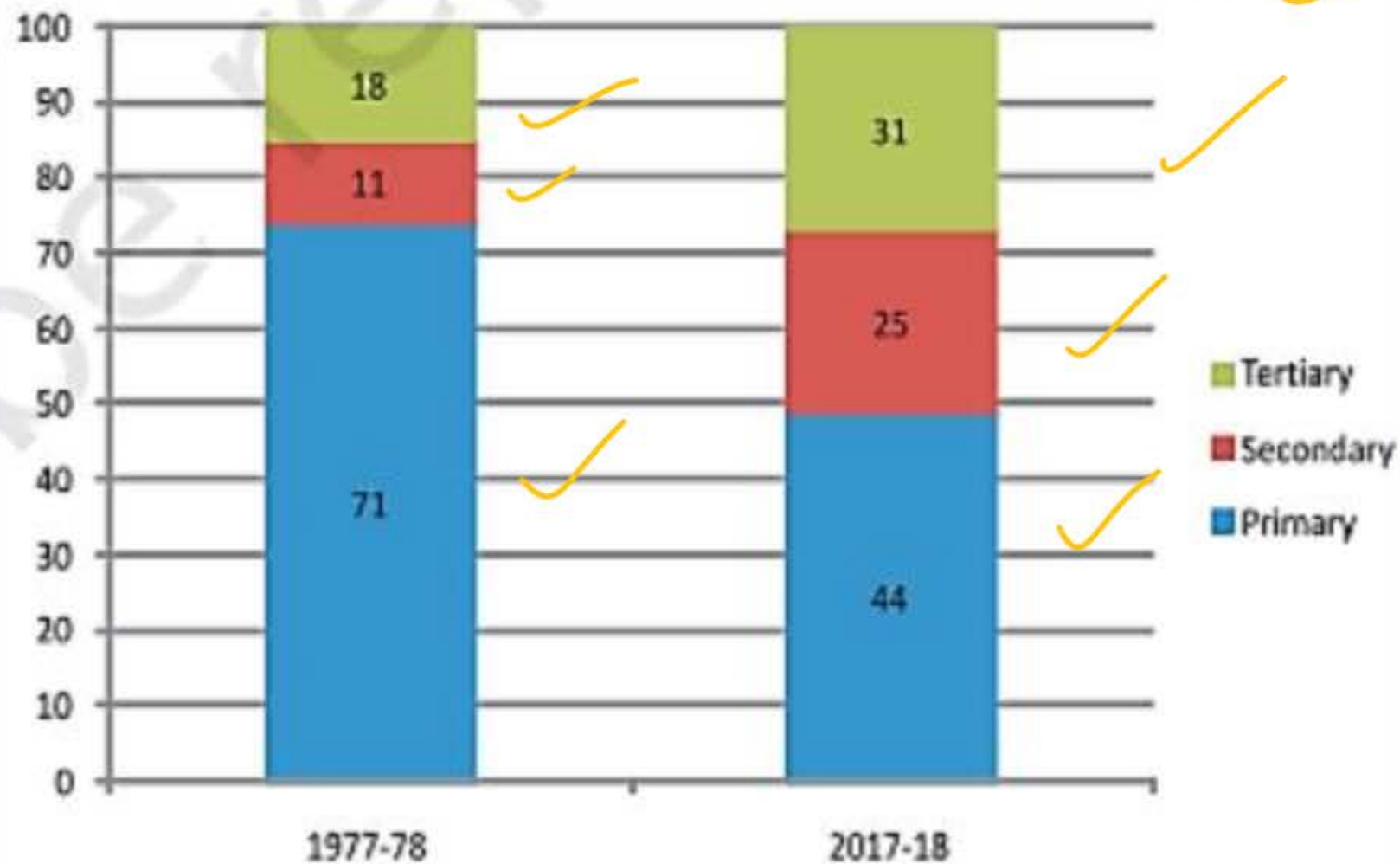
- (a) Share of Primary in GDP has increased
- ✓ (b) Share of Primary has reduced; tertiary increased
- (c) Tertiary has negative GDP contribution
- (d) All





## Where are Most People Employed ?

Graph 3 : Share of Sectors in Employment (%)



→ Primary Sector  
↓  
Still the largest employer



# Homework



H.W.

[Make Class Notes]





THANK  
YOU

