

UNIT 1 MANUFACTURING AND SERVICE SECTORS

❖ MEANING OF MANUFACTURING INDUSTRY

Manufacturing industries are those that engage in the transformation of goods, materials or substances into new products. The transformational process can be physical, chemical or mechanical. Manufacturers often have plants, mills or factories that produce goods for public consumption. Machines and equipment are typically used in the process of manufacturing. Although, in some cases, goods can be manufactured by hand. An example of this would be baked goods, handcrafted jewellery, other handicrafts and art.

❖ TYPES OF MANUFACTURING INDUSTRY

The following are the types of manufacturing industry:

(a) Analytical Industry: This industry includes activities which are involved in analysing and separating basic materials into a number of products, for example, processing crude oil to produce petrol, diesel, etc.

(b) Synthetic Industry: In this industry, two or more materials are mixed together to create a new product. For example: soap-making, biscuits, etc.

(c) Processing Industry: In this industry, raw materials are processed to produce finished goods through a series of manufacturing operations. For example, sugar from sugarcane, textile products, etc.

(d) Assembling Industry: In this industry, the finished product is produced by assembling the various parts or components. For example, radio, car, T. V., etc.

(e) Conditioning Industries: These are those industries which employ conditioning processes in the production of goods. A conditioning process involves such procedures as rolling, forging, molding etc. For example: rolling mills, wire factories, pottery etc.

❖ **ROLE OF MANUFACTURING SECTOR IN INDIA**

The **manufacturing sector** is crucial for employment generation and development of an economy. Small and medium enterprises (SMEs) and micro small and medium enterprises (MSMEs) account for 95 per cent of the total industrial activity in **India** and can play a vital **role** in boosting employment generation. **Manufacturing sector is considered as the backbone of development.**

- Manufacturing industries help in modernizing agriculture.
- It also reduces the heavy dependence of people on agricultural income by providing them jobs in secondary and tertiary sectors.
- Industrial development is a pre-condition for eradication of unemployment and poverty from the country.
- Export of manufactured goods expands trade and commerce and brings much needed foreign exchange.