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TNPSC GROUP - II (Mains) Study Material

Economic Issues



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ECONOMY

INDEX

SL. NO	TOPICS	PAGE NO.
1.	INTRODUCTION	1 - 6
2.	BASIC FEATURES	7 - 19
3.	NATIONAL INCOME	20 - 28
4.	POPULATION AND CENSUS	29- 37
5.	POVERTY & UNEMPLOYMENT	38- 54
6.	FIVE YEAR PLANS	55 - 74
7.	AGRICULTURE	75 - 91
8.	INDUSTRY	92 - 108
9.	TRANSPORT AND COMMUNICATION	109 - 110
10.	MONEY	111 -140
11.	BANKING	142 - 153
12.	FOREIGN DIRECT INVESTMENT	154 - 160
13.	PRICE AND PRICE POLICIES	161 - 166
14.	PUBLIC FINANCE	167 - 176
15.	ECONOMIC GROWTH AND DEVELOPMENT	177- 183
16.	WTO & OTHER ECONOMIC ORGANIZATION	184 -192
17.	COMMITTEES	193 - 196
18.	TERMINOLOGY	197 - 205
19.	GOVERNMENT SCHEMES	206 -210
20.	2011 CENSUS	211 - 215
21.	ABBREVIATIONS	216 - 225

(1907) was followed by ISCO at Burnpur (1919)

- ❖ The first public-owned steel plant was Rourkela Integrated Steel Plant set-up in 1954 with the help of German Kampp-Demag.
- ❖ India is the fourth largest producer of crude steel in the world after China, Japan and the USA in 2010. In 2009, India was ranked third.
- ❖ India is the largest producer of sponge iron since 2002.
- ❖ Steel Authority of India Limited (SAIL) was established in 1974 for the development of the steel industry.

Iron and Steel Plants in India

<i>Location</i>	<i>Assistance</i>
Rourkela (Odisha)	Germany
Bhilai (Chhatisgarh)	Russia
Durgapur (Paschim Banga) West Bengal	Britain
Bokaro (Jharkhand)	Russia
Vishakhapatnam (Andhra Pradesh)	Russia

Cotton and Synthetic Textile Industry

- ❖ It is the largest industry in India accounting for about 20% of

industrial output, provides employment to 20 million persons and contributes 33% to total export earnings. The first Indian modernised cotton cloth mill was established in 1818 at fort Gloster near Kolkata, but this was unsuccessful.

- ❖ The second mill was established in 1854 at Bombay by KGN Daber.
- ❖ The share of cotton in total cloth production declined from 65% to 50% in 2009-10. Whereas, that of fabrics rose from 27% to 50%
- ❖ The organised textile industry comprises of (i) spinning mills; (ii) coarse and medium composite mills and (iii) fine and superfine composite mills.

Jute Industry

- ❖ Jute industry was started in 1856 at Rishra and India is the largest producer and second largest exporter of jute in the world. Jute Technology Mission was launched 2nd June, 2006.
- ❖ Government has enacted jute Packing Materials (compulsory use in packing commodities) Act, 1997 to broaden the usage of jute.

Gems and Jewellery

- ❖ Gems and jewellery is an important emerging sector in the Indian economy. According to the date released by the World Gold Council (WGC), India is the largest consumer of gold.
- ❖ India (especially, Surat and Mumbai) ranks among the 'big four' diamond cutting centres of the world, the other three being, Belgium (Antwerp), the USA (New York) and Israel (Ramat Gan).

Paper Industry

- ❖ Paper Industry in India is the 15th largest paper industry in the world. It provides employment to nearly 1.5 million people and contributes Rs.25 billion to the government Skitty.
- ❖ The first paper mill in India was set up at Sreerampur, Paschim Banga, in the year of 1862.
- ❖ On the basis of raw material, paper industry divided into three parts
 1. Wood based industry
 2. Waste paper based industry
 3. Agro based industry

TNPL

- ❖ It was established by Government of Tamilnadu to produce Newsprint and writing paper using Bagasse, a sugarcane residue.
- ❖ The factory is situated at Kagithapuram in Karur district, Tamilnadu.

Silk Industry

- ❖ India is the second largest (after China) silk manufacturer contributing to 18% of the total raw silk production.
- ❖ The majority of silk is produced mainly in Bhoodan Pochampally (also known as silk city), Kanchipuram, Dharamvaram and Mysore.

Sugar Industry

- ❖ India is the largest producer of sugar in the world with a 22% share.
- ❖ It is the second largest agro-based industry in the country.
- ❖ BB Mahajan Committee was set-up to study the sugar industry.

- ❖ The Sugar Development Fund was set-up in 1982, under the Sugar Cess Act.
- ❖ Dual price mechanism with partial control is applied to sugar industry. Under this, the government fixes the ratio of and free sale sugar quota in the ration 28:72.

Cement Industry

- ❖ The foundation of stable Indian cement industry was laid in 1914, when the Indian Cement Company Limited manufactured cement at Porbandar in Gujarat.
- ❖ India is the second largest producer of cement in the world.
- ❖ The per capita consumption of cement in India is just 68 kg.

Petrochemical Industry

- ❖ The real thrust to this industry came with the establishment of Indian Petrochemical Corporation Limited at Baroda.
- ❖ Petrochemical industry mainly comprises synthetic fibres, polymers, elastomers, detergents and performance plastics.

- ❖ The main source of feedstock and fuel to this industry are natural gas and naphtha
- ❖ Kapur Committee was set-up to identify and support the growth of basic petrochemical and their end.

Fertilizer Industry

- ❖ The first fertilizer industry was set-up in 1906, in Ranipet near Chennai.
- ❖ Indian meets 85% of its urea requirement through indigenous production, but is largely import dependent for meeting the demand for phosphorus (90%) and potassium fertilizer (20%).
- ❖ India is the third largest producer of fertilizer after China and USA and second largest consumer after China. Urea is the only fertilizer under statutory price control.

Automotive Industry

- ❖ India is the second largest manufacture of motorcycle and fifth largest manufacturer of commercial vehicles in the world. In 2009, India was the fourth largest exporter of passenger cars



after Japan, South Korea and Thailand.

- ❖ India is the largest manufacturer of tractors in the world. India is

Commission for Enterprises in the Unorganised Sector was set-up under the Chairmanship of Dr Arjun Sengupta,

LIST OF OPERATIONAL SEZ OF INDIA

Exports from SEZs established by Central Government

No.	Name of the SEZ	Location	Type
1.	Kandla Special Economic Zone	Kandla, Gujarat	Multi product
2.	SEEPZ Special Economic Zone	Mumbai, Maharashtra	Electronics and Gems and Jewellery
3.	Noida Special Economic Zone	Uttar Pradesh	Multi product
4.	MEPZ Special Economic Zone	Chennai, Tamil Nadu	Multi product
5.	Cochin Special Economic Zone	Cochin, Kerala	Multi product
6.	Falta Special Economic Zone	Falta, West Bengal	Multi product
7.	Visakhapatnam SEZ	Vishakhapatnam, Andhra Pradesh	Multi product

the ninth largest car manufacturer in the world.

Unorganised Sector and Informal Economy

- ❖ Unorganised informal workers refer to workers, who are not covered under any social security benefits irrespective of whether they work in organised or unorganised sector. 86% of the total workforce were in the unorganised sector in 2004-05.
- ❖ To look into the problems of unorganised sector, National

- ❖ In accordance with the recommendation of the NCEUS, the Government of India enacted the Unorganised Workers Social Security Act, 2008
- ❖ The act came into effect from 16th May, 2009. The act among other things provides for Constitution of a National Social Security Board and State Social Security Board to recommend Social Security Schemes.