

20 sectors, mostly SMEs, to drive Indian economy: study

by [Gopal Singh](#) on August 16th 2010 and filled under [Small and Medium Enterprise \(SME\)](#)

Twenty industrial sectors, most of them dominated by small and medium enterprises (SMEs), are likely to drive the growth of the economy and play a significant role in generating employment as well, according to a new report. The FICCI- IMAcS Report identified sectors like Gems and Jewellery, Textiles, Auto and Auto Components, Food Processing, Transportation and Logistics, Information Technology (IT), Organised Retail, Electronics and IT Hardware amongst others as some of the sectors with higher growth potential. The report, however, pointed out that India faces a challenge of mammoth proportions of producing a skilled workforce of 500 million to meet the requirements of a projected CAGR of 8 percent of GDP by 2022.

With about 12 million persons expected to join the workforce every year, and an existing skill development capacity of about 3.4 million, the report emphasized on enhancing the skill and technical education capacity to about 15 million (considering that even sections of the existing workforce would have to be trained).

It is expected that this 15 million would be the required skill development capacity in vocational training in itself as a large portion of the employment (as well as workforce input) would occur in the lower portions of the skill pyramid.

The report added to achieve the target of skilling about 15 million persons every year and ensuring that the workforce of 500 million is adequately skilled by 2022, adequate initiatives are required in the right 'scale' and 'speed'.

To address the issue, the report suggested a slew of measures including implementation of vocational education in schools, creation a large talent pool through modular employable skills, setting up a national skill exchange, and targeting skill development at all levels of the skill pyramid.