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The entire economy of a nation can be categorized into three sectors namely, the primary sector (consisting of agriculture, fishing and extraction), the secondary sector (consisting of manufacturing and production related activities) and the service or the tertiary sector (consisting of activities which are service oriented). There are a plethora of activities which fall under 'service sector' – Banking, Consultancy, Education, Entertainment, Hospitality, Health care, Insurance, Retail, Transport, Tourism, Telecom, IT – the list is endless. The basic hall mark of service sector is the offering or rendering of services (intangible products) – the organizations engaged in such services primarily earn their revenue/income through rendering/offering such services.

The service industry today, is one of the largest and fastest growing sectors in the world economy making significant contribution to global output and employment. This sector alone, as on date, contributes more than 50% of GDP of India. **In India, the growth of service sector has been phenomenal during the last two decades both in terms of generating employment potential and contribution to national economy. Thanks to the economic reforms ushered post 1991 paving the way for liberalization and globalization which opened the flood gates for foreign investment, transfer of goods, capital and intellectual capital from one country to another.** Indian economy is the second fastest major growing economy in the world ranking fifteenth in the services output providing employment to about 25% of the total workforce in the country. The share of service sector has grown by leaps and bounds from 42.69% in 1990-91 to almost 67% in 2009-10. I would not, however, like to dwell upon with too much of statistics on the growth of this sector as the same have been detailed elaborately by our esteemed authors in their respective articles which form the 'cover feature' of this issue.

The prospect of the service sector depends to a great extent on how efficiently and economically the providers of service can render service to their customers and on this front the Cost & Management Accountants (CMA's) can play a pivotal role in ensuring cost effective services yet attempting to deliver the best at competitive prices. The rapid expansion of the service sector has opened up wide vista of opportunities for CMA's. They are the ones who identify unnecessary costs and eliminate those which do not add value. By application of such techniques like Activity Based Costing, Backflush Costing, Standard Costing, Kaizen costing, Zero Base Budgeting, Total Cost Management they are able to advise the service providers on how to remain competitive while not compromising on quality. The CMA's have also been found to be extremely useful in management consulting where their analytical skills and application of their financial acumen come into play which can assist the business and industry to improve the use of their resources, increase their efficiency and achieve the objectives. The breadth of management advisory services rendered by CMA does reflect their expertise in diverse areas. Such services hinges upon the domain knowledge that they have acquired on financial management, planning and financial policy determination.

With the advancement of technology and advent of information technology in the field of Finance, service industry (specially Telecom, IT/ITES based companies) are increasingly making use of ERP systems (SAP/BAAN etc) and tools like Cognos, TM 1, etc where the programming is so designed that generate accurate and quality reports in a fraction of time. The CMA's working in such functions can contribute to a great deal in generating accurate MIS reports for the top management and for the end users.

To conclude, it is necessary to sound a word of caution. There is no denying the fact that the growth of service sector in recent years has been more as compared to the industrial sector. The economists are of the view that if the service sector bypasses the industrial sector, economic growth may be distorted. Service sector growth must be supported by proportionate growth of the industrial sector otherwise the service sector growth will not be sustainable. It is true that in India, the contribution of service sector in GDP has sharply risen and that of industry has fallen. But it is equally true that the industrial sector too has grown, and grown quite impressively through the entire nineties (except in 1998-99). Thus, the service sector has grown at a higher rate than industry which too has grown more or less in tandem.

The service sector is here to stay and grow. Never before have the opportunities been so large and the time now seems to be ripe for the CMA's to seize the opportunities with both hands. This will throw up more opportunities for them who now should be geared up fully to take on the challenges in order to deliver the best.

The articles included in this issue will throw light on this important facet and am sure our dear readers would find them quite useful. We wish you a happy reading!