

## COVID AND ITS IMPACT ON INDIAN ECONOMY

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### ABSTRACT

*The introduction of corona Virus has flashed a vast impact on the whole world economy. This has affected voluminous people as whole industrial channelization has gone down. WHO has announced it as pandemic on 11th March, 2020. The half-portion of year 2019-20 has ended with six years lowest economic process rate of 4.7 percent. Economy was expected to be recovered on the above mentioned half-moon. Whoever with the introduction of Novel Corona Virus, the jump in economy and expectation to recover the identical, has become not only difficult but also impossible. Besides the present challenges, the new challenges as introduced by Covid, has made a significant economic disruption and imbalance in demand and provide equation, which contains a great possibility to off road the economic vehicle. The primary case of Novel Corona virus in India was detected on 30th January, 2020. At the start of this, up to 15th March the quantity of cases was quite low and each infected person was having a travel history or any reference to infected person. Hence no situation warranting the Lockdown. If the virus continues to be severe or penetrate the India, the position of Indian economy could become worst that it'll be long lasting for years. Those industries who are directly or indirectly addicted to those countries which are already locked down or longing the phase of lock down, has impacted, but other industries could have worst impact if India goes into Lock down again. This text has been undertaken to judge the above mentioned impact and measuring the effect of Corona Virus together with certain positive side discussion.*

**KEYWORDS:** *Economy, Pandemic, Industrial Impact, Lockdown, Food Security.*

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### Introduction

The introduction of an unwanted pandemic has clutched the complete world, named Corona Virus or COVID 19. The impact of Covid is so serious the world health organisation has declared it as a plague. The outbreak of Covid has unpredictable and unprecedented impact the economy throughout the world and India isn't in any respect an exception to the present. Even after the lock down the people are so scared to return out and be involved within the economic activities like before, that it becoming very challenging rounds the world to be normal. As we said that India isn't an exception to the present, it's in grips economic pressure and long run consequences on Indian Industries, resulting the declining the economic stabilization. The Indian government has announced number of measures to handle the pandemic extending to food security, additional funds to health care industry, tax exemptions and incentive together with extended deadlines etc. The country wide lockdown followed by step lock down of several days in whole of the India and than in respective states, has created a stoppage within

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the demand and provide equation. This can provides a slowdown impact on economy. This study has been undertaken with the object to seek out the present and potential impact of Covid 19 on different sectors of the Indian economy and various industries like manufacturing, Banking, real State etc. However there are certain aspects and areas which might be benefitted by this pandemic like adaptation of self dependent economy. This text also will enlighten the same and can also to handle survival strategies to beat such tough situation.

### Review of Literature

Since the term isn't an old one. It just came in world also as economy and not having the history old over 8 months worldwide. Hence much literature has not been written on the topic matter. However still few authors and researchers has worked on that and continuously working with it, to return out with projections of injury to economy probable till the Covid don't end throughout the whole world including India. A number of the literature are

**Dr. Debdas Rakshit<sup>1</sup> and Ananya Paul (June, 2020)** The Researchers has briefly explained the history of Novel Corona virus together with the detailed discussion on impact of corona virus on industries individually. This can be the probably the sole paper which have discussed the impact on overall industry performance together with the industry specific analysis.

**Girish Jadhav (2020)** the researcher has covered a study on evaluation of impact of Corona in special context of Indian economy. He has embark with growth Projections which are revised towards down side. He proclaimed the identical with the assistance of assorted reports of National and International agencies. In his research he has given some recommendations to realize attention of Policy makers of the India to assist them dead set cater the severity of Corona.

**Nuno Fernandes (April, 2020)** the study covers, like other studies, the world Recession because of Covid 19 across the industries, and different economies of various countries, together with its impact. It also attempts to come back out with a rough estimate of the potential global economic costs of COVID-19 under different scenarios. However the one better part of the research was to describing that no correlation exists between mortality and Economic impact. This perhaps never been studied by any researcher. They also clear that the economic impact of Corona shall not be compared with its reasonably other flues occurred previously as because their impact wasn't Global like Covid 19.

### Results and Analysis

The impact of Corona Pandemic could be a road changing turn of the lifetime of everyone. The Social further economical position of individuals has gone worst. The impact have been analysed in three different sectors. These are Primary Sector, Secondary Sector and repair Sector.

#### Primary Sector

Primary sector industries are those industries which are engaged in generation of primary produce i.e. generation and production of Raw Material. With the contribution of over fifteen percent in total GDP of the country and around forty four percent of total employment is generated through the first sector. It mainly constitutes two sectors which are Agriculture and Mining.

Ñ **Agricultural industry:** This sector is impacted in both ways i.e. for domestic still export. The case of Tea, the impact is largest, as India is one amongst the most important exporters of Tea. Due to worldwide lock down the export has been impacted drastically. Second the standing crops wasn't slow down because of paucity of labour and also the crops which were ready has not been used since the consumption has been decreased because of closure of Hotels Restores and other similar areas.

Ñ **Mining industry:** the Pandemic has made impact on demand for metals and minerals too. Because of no demand prices go down.

#### Secondary Sector

Secondary sector covers those industries which are engaged in production using primary produce. With the contribution of quite twenty nine percent in total GDP of the country and around twenty five percent of total employment is generated through the secondary sector. It constitutes various sectors like Manufacturing, automobile, Textile, Pharmaceuticals et c. Impact of world Pandemic on various subsectors of Secondary sector is incredibly large. As an example the pharmaceutical industry has impacted at large level; due to lack of Raw Material which is usually imported from china, and because of Covid, the push of individuals toward hospital for other disease has get down. In

the same way, the electronic industry of India is basically depends upon china not just for Raw Material but also for finished goods. Manufacturing industry has crunched with immediate production stop because of lock down. The material further as finished goods lying in the Godown has either gone down or outdated or became useless. The cash shortage also impacted it. Just in case of automobile industries the imports being stopped and production further as sale declined to a drastic level. This industry has faced high salary cuts which impacted the income of individual's at large level. The textile industry is the provider of enormous volume of employment. Temporary shutdown to the present industry has created a hurdle for people at large level. The exports given a handsome amount of revenue to the present industry which also curtailed out thanks to ban on exports. Construction and engineering industries, with hundred percent depends upon labour, and movement of labour to their homes back has created a hurdle for this industry to awaken as even after opening of lock down country wide, the labor still isn't moving to cities.

### Service Sector

With the contribution of over fifty four percent in total GDP of the country and around thirty two percent of total employment is generated through the secondary sector. It constitutes various sectors like Tourism, health care, Information Technology, retails etc. If any industry throughout the all sectors has been impacted largely, then it's Tourism sector. The opposite sectors are now getting up and recovering, the tourism industry remains in lock down situation. There's no possibility of growing up the industry at its old level before two years. As per FICCI, the Health care industry is the epicenter of Corona pandemic. This sector has not however impacted at vary large level as public sector hospital has encounter the rise in demand, on the opposite hand the private sector has supported the government. By closing down the shops and malls for all those goods which don't are available ambit automatically have introduce an outsized decrease in the demand and revenue in the retail sector. The loss of the work during this sector is at the highest level. However the products that are available the ambit inevitably have seen a drastic excision in demand. Same as for transport industry including all segments like Airline, Cargo and ship, has been closed down temporarily because of discontinuance of cross country transmission. The impact to the present industry especially with commercial one, is so severe that carious companies has planned to shut down their business and a few of them has gone bankrupt.

### Results and Analysis

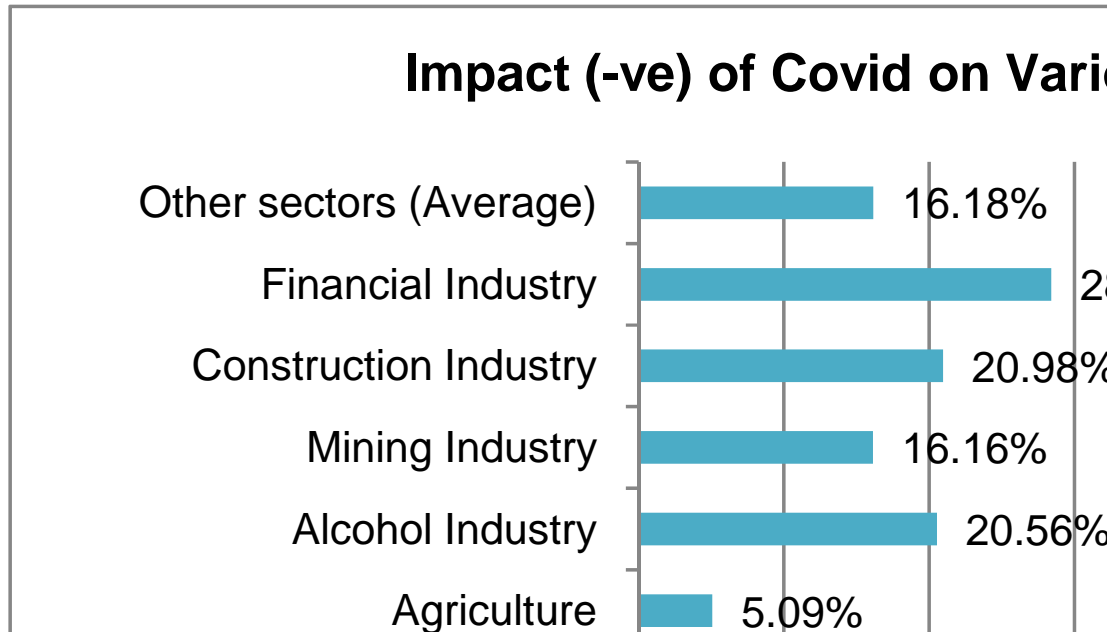
The impact of Corona Pandemic may well be a road changing turn of the lifetime of everyone. The Social still economical position of people has gone worst. In above paragraph the impact of the corona pandemic has been described in the main three sectors. These are Primary Sector, Secondary Sector and repair Sector. The opposite sectors are now getting up and recovering, the tourism industry remains in lock down situation. By closing down the shops and malls for all those goods which don't are available ambit unavoidably have introduce an outsized decrease in the demand and revenue in the retail sector. The loss of the opportunities in this sector is at the very highest level.

Let's sum up the entire impact on various sectors in an exceedingly table to permit a quick take a look at within it. Below table describes the impact of Covid on each industry:

**Table 1: Impact of Various Covid on various Industries**

S.No.	Area or Industry	Impact (-ve)	Ranking
1.	Tour and Travelling Industry	53.15%	1
2.	Airlines Sector	43.77%	2
3.	FMCG Sector	11.39%	8
4.	Manufacturing	10.01%	9
5.	Agriculture	5.09%	10
6.	Alcohol Industry	20.56%	5
7.	Mining Industry	16.16%	7
8.	Construction Industry	20.98%	4
9.	Financial Industry	28.43%	3
10.	Other sectors (Average)	16.18%	6

Graph 1



However looking into the positive side of this pandemic, there are some things which could create an extended term benefit for India. However pandemic has opened a fresh era of Opportunities for India. Being the easiest growing economy at the worldwide, India may be the following Global Economy after the china, if the prospect has been cashed. There are certain factors that support the claim. The first one is India has second largest population, so it's huge labour availability with the bottom cost and average age of twenty nine years. Even the domestic demand is incredibly high. With the fifth largest economy of the earth, its highest purchasing power parity at third level in world. Hence even being number of disfavour acts of this pandemic, India continues to be on the upper side.

### Conclusion and Recommendations

#### Conclusions

In India since the amount of Corona cases has crossed around of around 4 lakh per day and still increasing with a greater pace, it's becoming difficult to start out again systematically. India remains fighting with the crises. The second wave is becoming more dangerous as compare to First Wave. Although the Indian government is trying to adopt all the measures like Tax benefits and Tax reliefs and providing the opposite relief measures. At the same time vaccination at the big level has started covering all people aged 18+. Two indigenous companies of India namely Serum Institute and Bharat Bio-Tech producing vaccines at large level. Other Foreign vaccines also are now approaching to India. This provides a positive vibe that perhaps soon a majority population will get vaccinated. Except this our honorable' Prime Minister has also announced an economic package for various segments of the Economy. However the extent up to which our economy has degraded need a robust Fiscal and measure and measures from our policy makers. The impact is undoubtedly unpredictable and extremely huge which could take plenty of time to recover, however with the below mentioned suggestion it are often revived soon.

#### Recommendations

- The primary measure which shall be adopted by the government should be healing those that are affected worstly i.e. Labour. They ought to be strong financially so they meet out their daily need and comeback to their work place in other cities.
- A disaster management plan should be made out in order that pandemic are often controlled during a better way.

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- Corporates shall be forced to contribute their Corporate Social Responsibility fund towards Covid recover Plans during this year moreover as in next year.
- A facility of lending with almost no interest or Zero Interest shall be granted to Small Scale Industries in order that these industries will be taken back to the conventional working of them.
- Government shall provide a tax relief window which is providing the gradual tax relief to the industries for few number of year per the impact of Pandemic to their industry.
- Speed of vaccination should be increased at mass level with increase in productivity at greater level.

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