

MANAGEMENT AND ECONOMIC SCENARIO IN COVID-19

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ABSTRACT

COVID-19 has spread to quite 110 countries up to now, with many seeing a steep rise in new infections. Besides this human impact, the corona virus also has the potential to trigger a financial condition. The introduction of corona Virus has flashed a good impact on the whole world economy. This has affected a lot of people as whole industrial channelization has gone down. It's upended the full trade and commerce at the world. India was encountering significant slowdown over the past 5 Quarters up to 31st December 2019. The half-moon of current year (2019-20) has ended with six years lowest economic process rate of 4.7 percent. The entire world has gone into Lockdown of several days. 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 round the world to be normal. As we said that India isn't an exception to the present, it's in contact economic pressure and long run consequences on Indian Industries, resulting the declining the economic stabilization. Within the third quarter of the present fiscal, the economy grew at a six-year low rate of 4.7%. There was a powerful hope of recovery within the half-moon of this fiscal. However, the new corona virus epidemic has made the recovery extremely difficult within the just about medium term. This research paper has been undertaken to guage the above mentioned impact and measuring the effect of Corona Virus together with certain positive side discussion.

Keywords: *Corona Virus, Pandemic, Economic Struggle, Implications, Survival Strategies.*

Introduction

The outbreak of COVID-19 has impacted nations in an infinite way, especially the nationwide lockdowns which have brought social and economic life to a standstill. A world which forever buzzed with activities has fallen silent and every one the resources are diverted to meeting the never-experienced-before crisis. There's a multi-sectoral impact of the virus because the economic activities of states have caught up. What's astonishing and value noting is a warning signal which was rung in 2019 by the world Health Organization (WHO) about the world's inability to fight a world pandemic. A 2019 joint report from the WHO and therefore the World Bank estimated the impact of such a scourge at 2.2 per cent to 4.8 per cent of world GDP. That prediction seems to possess come true, as we see the planet getting engulfed by this crisis. The point of interest of the coronavirus outbreak, we forecast that GDP growth could drop the maximum amount as 3.5 percentage points in 2020 during a worst-case scenario. Supply are going to be severely disrupted, with factories remaining closed and various bankruptcies, while fiscal and monetary policy responses won't start pushing growth until Q3 2020. In our more moderate "Delayed Cure" scenario, the quantity of latest infections will prevent but quarantines will remain in situ, causing bottlenecks in supply and a downturn in domestic demand and exports. In our most optimistic, "Fast Recovery" scenario, the Chinese government's measures would be effective, quarantines quickly lifted and production soon return to normal, resulting in just a short-term dip in demand. The impact of COVID-19 on different business sectors varies thanks to the differences in supply and demand patterns. The automotive industry, already weakened by slow growth rates in 2019, is probably going to experience the largest downturn. Gross value added (GVA) could fall by the maximum

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amount as 10.6 percentage points in 2020 within the worst-case scenario compared to the base-case scenario without a COVID-19 impact, with vehicle sales down quite 10 percent on their forecast levels and no ramp-up possible thanks to supply chain problems. within the moderate Delayed Cure scenario, a major decline in sales in H1 2020 because of component shortages and provide chain problems is followed by a ramp-up in Q4 2020, minimizing the full-year effect. Within the Fast Recovery scenario, a small call in sales volumes in half of 2020 is followed by a compensatory ramp-up in half of 2020.

Objective of Study

As we said that besides this human impact, the corona virus also has the potential to trigger an economic condition. The impact is incredibly sever and immeasurable, in addition as unpredictable. The globe must cope with it with proper strategies, Government enforcement of those policies with effective supervision. The above Research has been undertaken with the below mentioned objectives

- To form an understanding still as highlighting the effect of COVID-19 on various sectors of Indian Economy,
- To state the explanations that India one in every of the emerging economies within the world can gain importance within the global market within the post pandemic period.
- To specify the strategies that the Indian businesses should adopt so as to deal with the results of coronavirus and to survive during this tough situation.
- To form and analysis of strength of India with the positive aspects and benefits of COVID-19 on Indian Economy,
- To create recommendations of varied strategies this should be adopted by Indian Government, and Industries to cater this tough time.

Review of Literature

The Term CORONA or COVID is kind of new and not old. It just came in world and not having the history old over 10 months around worldwide. Hence numbers of literatures don't seem to be available thereon. However few researchers has worked thereon and continuously working with it, to return out with projections of losses to the economy with the hope of flush out of COVID-19 from the country also as form the planet. All the countries are anticipating the vaccine eagerly, so everything including their economy will be resumed to the old pace. A number of the literature are:

Ozili P. and Thankom A. (2020) had highlighted the spillovers of COVID-19 on the worldwide economy. The paper tries to spotlight the impact of Coronavirus on different sectors of economy like travel industry, hospitality industry, sports industry, oil price battle among countries, import dependent countries, financial sector, health sector, education sector, event industry and show biz. it's also discussed some fast policy responses introduced by policy makers in various countries to avoid the cruel impact of disease spreading virus across the world. The paper emphasizes the recession faced by most countries and also the tradeoff between saving lives and saving the economy encountered by the majority the countries. It also concludes that except for all the challenges, it's made a significant move for all the countries to improvise their health sector and has led to a transition innovate the economy in terms of online education, transportation systems, health and hygiene and even a chance to mend both economic and economic system with great stimulus packages.

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. However the one better part of the research was to describing that no correlation exist between death rate 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 quite other flues occurred previously as because their impact wasn't Global like Covid 19.

Mahindra Dev and Rajeshwari Sengupta (2020) had highlighted the impact of Coronavirus on the economy by comparing the situations before the crisis and after the crisis. This paper especially talked about Informal Sector, Banking Sector, MSMEs, Financial Markets and Limited policy space. thegovt announced various policies to handle true of crisis and the way these policies are successful and implemented within the globe is additionally the most component of the paper. It's discussed how the country lockdown has brought all economic activities to an abrupt halt and successively will have further spillover effects on investment, employment, income and consumption, flattening the combination Growth of the economy. In last, it's discussed the measures that the depository financial institution of India, State and Central Government could adopt to boost the economic situations simultaneously controlling this virus.

Girish Jadhav (2020) The researcher has undertaken a study on the impact of Covid 19 with the special attention to Indian economy. The researcher has briefly described the impact of Covid. He has initiate with growth Projections which are revised towards down side. He proclaimed the identical with the assistance of varied reports of National and International agencies. In his research he has given some recommendations to achieve attention of Policy makers of the India to assist them bent on cater the severity of Corona.

Dr. Debdas Rakshit 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. The research paper covers impact on Primary, Secondary and repair sector. Within each sector, further discussion has been made for various category of sub sectors. Another part is additionally covering the positive side effects of emerging corona pandemic. They also recommended with some survival strategies.

Rational of Study

It is absolutely correct to say that impact of corona virus actually cannot be measured accurately. Because it cannot be measured unless COVID is completely exhausted from the world. Till then it is not at all possible to have economy to get up at that level at which it was previously and it will continue to degrade. We all need to make strong and continuous efforts to come out from the severity. No study can estimate the impact accurately. Hence a study is required to evaluate its current impact and future impact both. This study is undertaken to discuss the current impact of pandemic on the economy with estimation of its impact for future in line with the trend of Covid position in the country and the present impact of the same in economy.

Hypothesis for Study

H₀₁: There is no significant impact of pandemic on the Indian economy.

H₀₂: There is no significant impact of pandemic on the Industries of the country.

Research Methodology

Various reports of national and international agencies on Covid-19 pandemic are searched to collect data for current study. As it is not possible to go outside for data collection due to lockdown, information are collected from different authentic websites, journals and e-contents relating to impact of Covid-19 on higher educational system of India. Survey reports & study reports by various agencies like CRISIL, FICCI, PWC, ASSOCHAM, CII, McKinsey & Company and CARE Ratings for detail study. The reports used are mostly published in July to September months to understand the impact of COVID-19 on Indian economy and various sectors. Also, we have studied few research papers and News articles which publish in these two months.

Results and Analysis

The impact of Corona Pandemic is a road changing turn of the life of everyone. The Social as well economical position of people has gone worst. The impact of the same has been described in the main three sectors. These are Primary Sector, Secondary Sector and Service 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 more than Sixteen percent in total GDP of the country and around forty five percent of total employment is generated through the primary sector. This Agriculture sector is impacted in both ways i.e. for domestic as well export. The case of Tea, the impact is largest, as India is one of the largest exporters of Tea. Due to worldwide lock down the export has been impacted drastically. Second the standing crops was not cut down due to paucity of labour and the crops which were ready has not been used since the consumption has been decreased due to closure of Hotels Restores and other similar areas. Same as Secondary sector has also been impacted. Secondary sector mainly covers those industries which are engaged in production using primary produce. For example the pharmaceutical industry has impacted at large level; due to lack of Raw Material which is mostly imported from china, and due to Covid, the rush of people toward hospital for their other disease has get down. In the same way, the electronic industry of India is largely depends upon china not only for Raw Material but also for finished goods.

The Service Sector with the contribution of more than sixty percent in total GDP of the country and around thirty five percent of total employment is generated through the secondary sector. It constitutes various sectors such as Tourism, health care, Information Technology, retails and others. If any industry throughout the all sectors has been impacted largely, then it is Tourism sector. The other

sectors are now getting up and recovering, the tourism industry is still in lock down situation. By closing down the shops and malls for all those goods which do not come in ambit of necessity have introduced a large decrease in the demand and revenue in the retail sector. The loss of the job in this sector is at the highest level.

Let's sum up the total impact on various sectors in a table to give a quick look into inside of it. Below table indicates that to what extent an industry has been decreased.

S.No.	Area or Industry	Impact (-ve Side)
1.	Hospitality Industry such as Hotels, Transports, communication Etc.	-10.33%
2.	Construction Industry	-14.73%
3.	Agriculture and Allied Sector such as fishery and Forestry	-2.78%
4.	Finance and Real Estate	-19.69%
5.	Mining and quarrying	-12.63%
6.	Consumer services such as electricity, Gas and Other utility	-9.56%
7.	Manufacturing	-6.30%
8.	Other sectors (Average)	-8.80%

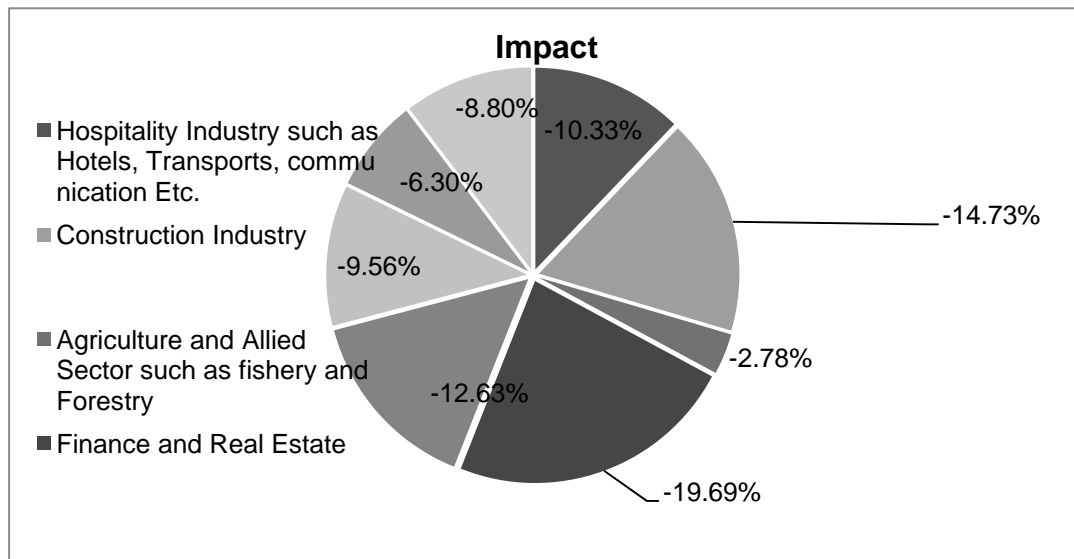


Figure 1

However looking into the positive side of this pandemic, is something which could create a long term benefit for India. Various countries are blaming china for this pandemic and started discontinuing their business relationships and their industrial setup from china. Like Japan and USA. This has opened a new era of Opportunities for India. Being the highest growing economy at the global, India could be the next Global Economy after the china, if the Opportunity has been cashed. There are certain factors that support the claim. The first one is India is having second largest population, so it has huge labour availability with the lowest cost and average age of twenty nine years. Even the domestic demand is very high. With the fifth largest economy of the world, it has highest purchasing power parity at third level in world. The transportation and rail network is worldwide known. Hence even being number of disfavoured acts of this pandemic, India is still on the better side.

Conclusion

Even though the country might not slip into a recession, unlike the Euro zone, the US, or Asia-Pacific that has stronger trade ties to China, it may be forecasted that the impact on Indian economy are going to be significant. Consistent with the UN conference on trade and development the COVID-19 outbreak may cost the worldwide economy \$1-2 trillion in 2020, its potential impact on the Indian economy isn't nevertheless absolutely known, however several sectors are already feeling the pain. In March 2020, panic selling because of the pandemic shaved off 23% capitalization of companies listed on the National stock market (NSE) within a span of just one month.²⁸ The BSE S&P Sensex behaved similarly, losing 23% of its value during March 2020. Although the sell-off was witnessed across-the-

board, it had been more severe for industries that are hit the toughest by the Covid-19 pandemic. All Stock markets round the world are affected thanks to this crisis and it affected Derivatives market likewise. The National lockdown caused price source or settlement disruption, or may prevent parties from performing entirely as counterparty might not be ready to locate a courier or, whether or not they'll, there is also nobody at the delivery location to receive the notice. Situations are becoming worse for markets as virus reaching intent on every other nation. The Coronavirus outbreak has begun to hit India's pharmaceutical sector by raising the costs of key ingredients. Now the costs for vitamins and penicillin are double or triple the worth. Similarly, the price of paracetamol has gone up. Another major impact is that pharmaceutical companies face disruptions because of extended factory closures in China. Challenges faced will account for rising price of medication, lack of supply of active pharmaceutical ingredients or finished drug products from China not to mention interstate transport challenge. The government has restricted their exports and imports and encouraged domestic production to fulfill the growing needs. The range one priority of the companies instantly is to figure out the way to bridge over this crisis and number two is to start developing recovery plans to recuperate once things normalizes. A lot will depend on the stabilisation of the general scenario arising from the COVID-19 pandemic. True remains dynamic and unsure and it's troublesome to measure or quantify the impact at now of your time. At this stage, it's demanding and too early to actually get a good sense of what the impact would be, because, and all over again it depends on however long the crisis lasts for. True is exceptionally unpredictable and is presumed to require near a year to indicate any indication of growth.

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