

OVERALL IMPACT OF COVID- 19 ON INDIAN ECONOMY

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ABSTRACT

Coronavirus disease 2019 (COVID-19) is sickness initiated by a novel coronavirus now called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Which was first identified during an occurrence of breathing disorder cases in Wuhan City, Hubei Region, China. It was primarily reported to the WHO on December 31, 2019. On January 30, 2020, the WHO confirmed the COVID-19 occurrence a worldwide health disaster. The influence of coronavirus epidemic on India has been largely disturbing in terms of economic activity as well as a loss of human lives also. Almost all the sectors of all industries have been badly affected as domestic demand and exports sharply dropped with some remarkable exceptions where high growth and development was observed. An effort is made to examine the impact of COVID-19 on various sectors and possible solutions for some key sectors. The financial influence of COVID-19 is very troubling. No one has been secure from its negative effects. Economies of about more than 120 countries of world have been damaged out of which some countries have asked for financial help from IMF. Trades throughout the world namely industrial production, textile, hospitality, tourism, entertainment, flight etc. have seen a major negative effect. Various sports events such as IPL, T20 world cup and Olympics have been suspended. Schools and colleges have been closed for long period of time. The Corona virus has also disturbed the working of various online giants such as Amazon, Flipcart. Countries such as USA, Italy and Spain are distress the most since their death rate is very high. There is a big change in the world financial market and the share market has witnessed crashes day by day for longer period of time. Manufacturing works, Restaurants, Hotels, Markets, Flights, Super Markets, Malls, Universities and Colleges etc. were closed down for long term period. Panic of corona virus has limited the effort of the individuals for survival and employment. People were not even going to buy the day-to-day necessities of goods and these all were somewhere impacting the economy of the world as a whole. The Organization for Economic Co-operation and Development (OECD) discloses that they have decrease their anticipation for worldwide growth to 2.5% from 2.8%, and advises that it could fall as low as 1.6%.

Keywords: COVID-19, SARS-CoV-2, WHO, IMF, OECD, Remarkable, Giants.

Introduction

The aim of this research paper is to measure the impact of COVID-19 on the Indian economy in the short run and in the long run with reference to various sectors like education, trade, tours & travels and service sector etc. The Indian economy has been facing major slowdown over the past few months. In the last part of the current financial year, the economy grew at a six-year low rate of 4.8%. There was a strong hope for recovery of Indian economy. However, the new coronavirus disease has made the retrieval of economy extremely difficult in the short period of time. The epidemic has offered new and different type of challenges for the Indian economy, causing severe disturbing impact on both demand and supply of various types of commodities which has the possible to negative impacts on India's overall growth and development. India described its first established case on January 30, 2020. However, there are only some signs of community transmission – the percentage of affected people is now high. The

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domestic situation remains solid and constant monitoring is there. The impact on the Indian economy could be major if the virus continues to spear the country which will have a longer lasting bad effect on various sectors in all industries. While the impact on economic forecasts due to activity being affecting in many countries in the world would be through trade, investment services and industry sectors. It could be more damaging if there is any more lockdown in India. The objective of the paper is to understand the opinion from the business world regarding the shortcoming risks to the Indian economy on the backdrop of epidemic and spreading of this virus in all over the world including India.

What is Corona Virus?

- Corona virus is a member from virus family that creates illness such as breathing sicknesses and abdominal infections. Respiratory diseases can start from the common cold, weakness and fever to more dangerous diseases. A novel coronavirus is a new worry which has not been identified in humans previously. Once scientists define exactly what coronavirus it is, they give it a name COVID-19.
- Coronavirus got their name from the way that they appearance under an optical microscope. The virus comprises of a core of innate material fenced by an envelope with protein spikes. This gives it the look of a crown. The word Corona means “crown” in Latin. This virus is transmitted between animals and human being.

How to Safeguard Yourself & Others from Covid 19

- Clean your hands frequently by using soap and hand wash, or an alcohol-based hand sanitizer.
- Keep a safe distance from everyone.
- All the time wear a suitable mask when you go outside your home for any work.
- Don't touch your eyes, nose and mouth.
- Properly cover your nose and mouth with a cloth or tissue when you cough or sneeze.
- If you have a problem like cold, fever, breathing problems take advice of doctors as soon as possible.

This protects you and stops the spread of viruses and other infections.

Role of Social Media during Covid-19

- Social Media is playing very important role in event of COVID-19 and also in this lockdown time, because it spread the news and information rapidly about COVID-19 among the people around the world. It also spread awareness among the people who are not aware of what symptoms of the COVID-19 have. Recently nowadays all media Channel are showing a news of COVID-19 in the T.V that how many total cases were reported, how many positive and negative cases are there, how many lives were saved and how many person were died etc. But today the people who do not like to watch news channel in T.V they are become aware with the help of social media. Because according to researchers the number of social media users are more than that of watching a news Channel. Thus whatever information the government spreads on COVID-19 they can get a accurate and relevant result from social media only because the millions of people are subscribers in the Government page through social media
- In challenging situation like COVID-19, certain people who are in contact with each other by using social media so it help and support different organizations and individuals by collecting large amount of funds for the people with disabilities, working parents and children who have lost their care. Different organization and institutions are collecting relief fund from people through social media apps. Billions of people are ready to help government by sharing opinion on COVID-19 across various social platforms. In the past few weeks, we have seen various organizations, individuals; business uses social media to spread the awareness of COVID-19

Impact of Covid – 19

- Education: The COVID-19 disease has created the biggest disturbance in the education sector in all over world. There are huge negative effects on education systems in human history, affecting nearly 1.7 billion students in more than 210 countries in the whole world. Close down of schools, educational institutions have obstructed more than 96% of total student in the world. This pandemic had brought broad changes in all aspects of ourday to day life. So our lifestyle totally changes from many perspectives like cleaning, food, exercise etc. Social distancing among peoples and restrictive movement policies has consider ably upset traditional educational.

Reopening of schools after relaxation of restriction is another challenge with many new standard operating procedures put in place to be followed by students, parents, teachers as well as for society at large. At present time once again all schools, colleges and educational institutes are close down due to increase numbers of cases of corona virus.

- Within a short period of the COVID-19 disease many new methods, technique and systems of education are developed by many teachers and experts. Lots of innovative personalities doing their works on teaching and learning in different ways. Several schools, colleges and universities have discontinued physical teachings. The need of time is to transform and implement unconventional educational system and assessment strategies. The COVID-19 pandemic has delivered us with an opportunity to concrete the way for introducing digital learning. There is use of smart phones, laptops and computers with various applications and softwares like Google meet, zoom, cisco webex, Microsoft team etc. So this is drastic change take place in education. Education totally becomes online with the help of internet.
- In recent times an industry survey that are jointly conducted by FICCI and tax consultancy Dhruva advisor and took responses from many other companies across the sectors. It is said that businesses are grappling with "marvelous insecurity" about their future. COVID-19 is having a huge on Indian trade in many sectors, over the coming month's jobs are at high risk because firms are looking for some reduction in manpower. Additional, it is added that already COVID-19 crisis has caused an unprecedented collapse in economic activities over the last few weeks.
- The present situation is having major impact on business according to survey. Further, 70% of the surveyed firms are expecting down growth sales in the fiscal year 2020-21. One survey clearly said that without a substantive economic package is announced by the government of India immediately; we could see a permanent destruction of a large section of the industry, which may lead to close down of many companies.
- According to many experts, without any doubt COVID-19 totally interrupted human lives and worldwide supply chain for various products but the pandemic is a severe demand shock which has offset the green shoots of revival of the Indian financial system that was visible towards the end of 2019. The reviewed Gross Domestic Product estimates for India downwards by 0.3% points for the fiscal year 2020 to 4.9% and by 0.6% for the fiscal year 2021 to 6%. Further, it is stated that the extent of the actual impact will depend upon the harshness and duration of the outbreak.
- There are major channels of impact for Indian businesses according to study is supply chain and macroeconomic factors. Major business activities in the foreign markets are slow which shows a negative impact on the top line of these companies. Sectors that would be much affected include logistics, auto, tourism, metals and electronic goods.
- Additional, according to the World Bank's evaluation, India is expected to grow 1.5 % to 2.8%. IMF predictable growth of 1.9% for India in 2020 because the global economy is affected by the COVID pandemic, the worst recession since the Great Depression in the 1930s. There is total lockdown which affect many sectors. Lockdown in India will have a large effect on the nation mainly on utilization which is the biggest component of GDP. Decline in the urban deal can lead to a vertical fall in the spending of non-essential goods.
- Because of weak home spending and consumer sentiment, there can be a delay in investment which further adds difficulty on the growth. We can't afford no attention to that post-COVID-19, some economies are expected to adopt de-risking strategies and shift their industrialized bases from China. This can create opportunity for India.
- Opportunities will mainly depend on how rapidly the economy recovers and the speed at which the supply chain problems are addressed. Apart from given that robust safety nets for the defenseless, a focus on ensuring job continuity and job creation will be very important" and there is urgent need to activate resources to rouse the economy for increased demand and employment". According to survey "It is expected that the path of financial revival in India will be smoother and quicker than that of many other advanced countries".
- In terms of trade, China is the world's major exporter and largest importer. It accounts for 14% of world exports and 12% of world imports. Out oftop 20 products that India imports from the world, China possessed for a major share in most of them.

- India's total electronic products imports report for 48% of China. Around 33% of machinery and almost 40% of natural chemicals that India purchases from the world come from China. Around 65% of pharmaceutical raw materials and around 85% of smart phones come from China to India. As a result, we can say that due to the current epidemic of corona virus in China, the import dependence on China will have a significant impact on the Indian industry.

Change Scenario due to Covid – 19

According to the Organization for Economic Cooperation and Development (OECD) the world's economy could grow at its slowest rate since 2009 this year because of the Corona virus outbreak. The OECD has estimate growth of 2.6% in 2020, which may be decrease in 2021.

- **Fall in Customer Demand**

Many people will choose to avoid activities that might expose them to risk of infection, such as going out for shopping; restaurants and shop have all reported a fall in customer demand. Due to this the demand generated in the economy at Global level will fall down, due to this supply will also fall down so to make equilibrium i.e. (Demand = Supply) output will also reduce which reduce in GDP.

- **Travel Industry**

The number of cases of COVID - 19 is increasing around the world every day at huge rate. Countries have made travel restriction for prevention of the virus's spread, impacting negatively to the travel industry massively.

- **A Boost in Sale of Disinfectants**

The antiseptic like Dettol, sanitizers are seen as given safeguard against the spread of the disease, although its effectiveness has not yet been scientifically proven. Use of all these increase so demand and sale of it also increase.

- **The Price of Gold**

Gold considered a "safe haven" in times of uncertainty, so price of it also increased. As Business confidence has come down which means investment in business or in financial market will come down and people try to make his investment safe in Gold. So if demand of Gold will increase so its price will also increase therefore its price hit a seven- year high in February 2020.

Conclusion

This Corona Virus epidemic may smashup the Indian economy. The level of GDP may further fall in coming year; If India is not protected from the worldwide recession. It is supposed that India is more helpless because its economy has already been sick and in a slowdown for some period. The Prime Minister of India has already spoken of setting up an Economic Task Force to develop policy measures to hold the economic challenges create due to COVID -19. Solid plans would have to be kept to support the economy and its speedy recovery. During an epidemic, unending the flow of the supply from agriculture and food sector, which is one of the most important sectors together with health. It is dynamic to prevent the food disaster and decreasing the negative impact on the Indian economy.

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