

IMPACT OF COVID-19 PANDEMIC ON INDIAN ECONOMY

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ABSTRACT

As it is well-known to everybody that the covid 19 was started in October 2019 in Wuhan city of China. At the moment moment it began to spread within the entire world. Almost 209 million cases of the virus had been recorded worldwide till now. The entire death has reached up to level of around 4.39 million. In India around 32.36 million cases of the virus had been recorded till now. The deaths have reached around 4.33 Lakhs in India. Everyday more cases are reported, and new countries enter the world Health Organization's (WHO) list of areas where the virus has been reported. The chading trends are seen in Europe and America. Given the overall public health risk, the WHO has declared an emergency of international concern. We have seen severe lockdowns. Variant people could lose their jobs over the approaching months. Consumers have also changed their consumption patterns, resulting in shortages of the various goods in supermarkets around the world. Global financial markets have registered sharp falls, and volatility is at levels similar, or above, the financial crisis of 2008-09. This traditional health economics approach underestimates true costs of this crisis. We've seen that in prior infectious diseases there is no vaccine (e.g., SARS, HIV/AIDS, and pandemic influenza). However, the available evidence from these prior outbreaks provides some information that will help us start wondering the overall implications of COVID-19. There's still time for global policy makers to possess a coordinated policy response to the virus and its economic impacts. However, time is running out. Post-World War II, the common recession has increased the percent by about 2 percentage points. We live now in an exceedingly very different world compared with people who faced previous crises. Therefore, comparisons are dangerous, and in danger of errors. This time, we face a combined demand and supply shock, and economic tools are limited. Additionally, central banks exhausted their firepower during the great times. Hence we have to adopt a kind of strategy which is not enough to cover only Pandemic but also helpful in making Business and economy better.

Keywords: Covid, Economy, Education, Industries, Service Sector, Global Impact, Secondary Market.

Introduction

This Article discusses the economic impact of the COVID-19 crisis across all industries in entire country. The introduction of corona Virus has flashed a very wide and worst impact on the complete world economy. The introduction of an unwanted pandemic COVID 19 has clutched the complete world. The impact of Covid is so serious the globe health organisation has declared it as a virulent disease. The government of India although has announced an expansion of measures to tackle matters, from food security and further funds for healthcare, to sector related incentives and tax deadline extensions. With the prolonged country-wide lockdown, global economic downturn and associated disruption of demand and provide chains, the economy is running face a protracted period of slowdown. This has impacted the full world including every industry including education. It had been started from china, the whuan city which was the key source of this virus. It then spread whole over the globe, but in beginning there was little signs of community transmission. The quantity of individuals who got effected by this was quite less

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in number. Most of the cases was referring to travel history. The impact on the Indian economy are often significant if the virus continues to penetrate the country which is prepared to possess an extended lasting effect. This study revealed the potential impact of the shock on Indian Industries in various Segments and advocates a gaggle of policy recommendations for that sector.

Impact of Covid on Various Sectors and Evaluation of Future Impact

- The Educational Activities:** Outbreak of Covid-19 has compelled lockdown in every sector including education. Many entrance tests for higher study got cancelled which created an honest challenge within the lifetime of a student of upper education. The first challenge was to continue teaching learning process when students, faculties and staff couldn't be physically present on the campuses. The plain solution for the institutions was to depend online teaching learning. However, within a comparatively short time, education Industries are able to provide support to the scholars through online modes. The upper Education Industries have started conducting orientation programmes, induction meetings and counseling classes with the assistance of varied e-conferencing tools like Google Meet, Skype, and You Tube live, Facebook live, WebEx etc. to supply support services to the scholars. This initiative has taken to form an efficient virtual environment of teaching learning and to form motivation among students for online activities. Change is inevitable which has been forced upon the society due to Covid-19. The opportunities created by the pandemic Covid-19 will lead towards an improved tomorrow. Tomorrow are visiting be a replacement morning which is in a very position to thoroughly be in our own hands. New technologies will definitely challenge the normal paradigms like classroom lectures, modes of learning and modes of assessment.
- The Service Industry:** the issues are particularly bad in hospitality related sectors. Besides these, there are other businesses that rely on tourism and should suffer spillover effects. Additionally, it's well-known that Chinese tourists are the world's biggest spenders. Many of the services we use on a everyday aren't traded and remain locally sourced. Here too, there's a robust negative impact to the economy. As people cancel appointments at the dentist, postpone their haircuts, don't venture out for his or her weekly meal, or wait to position their house on the market, this might be a sturdy blow to service-oriented economies. Indeed, in commission sectors, the bulk of the lost output isn't visiting be recovered. If you're thinking of shopping for a comfortable or a microwave, you're likely visiting wait and buy that product later.

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 et al. 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 springing up the industry at its old level before two years. In step with 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 inevitably have introduce an outsized decrease in the demand and revenue within the retail sector. The loss of the job during this sector is at the highest level. However the products that are available in the ambit unavoidably 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 due to discontinuance of race 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. However looking into the positive side of this pandemic, are some things which could create a protracted term benefit for India. Various countries are blaming china for this pandemic and commenced discontinuing their business relationships and their industrial setup from china. Like Japan and USA. This has opened a replacement era of Opportunities for India. Being the best growing economy at the worldwide, india may well be the subsequent Global Economy after the china, if the chance has been cashed. There are certain factors that support the claim. The primary one is India has second largest population, so it's huge labour availability with very cheap cost and average age of twenty nine years. Even the domestic demand is incredibly high. With the fifth largest economy of the globe, it's highest purchasing power parity at third level in world. Hence even being number of disfavour acts of this pandemic, India remains on the higher side.

- The Manufacturing Sector:** This Sector provides employment to around 25% of the population in India and contributes about 30% of the Indian GDP. Manufacturing industries are bearing the brunt of corona virus as they'd terminated their production at a short notice. The value of the inventories that are delayed within the assembly centers or warehouse of those industries has gone down so the machineries are too lying idle for an extended time. Major hindrance encountered by the industries is income constraints and provide chain disruption. The Textile and apparel industry isn't in the least an exception to the present. This Industry could even be a workplace for over 45 million people within the country but temporary closure of production units has increased their hurdles resulting in lay-offs. Pharmaceutical and Chemical industries highly depends on import of bulk drugs and variety of other raw materials from China. Due to import restrictions these industries are impacted. For construction and engineering industries, the physical presence of massive labour force is crucial which is restrained during lockdown so the event activities have also halted.
- Other 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 al. Impact of world Pandemic on various subsectors of Secondary sector is incredibly large. As an example the pharmaceutical industry has impacted at large level; because of lack of material which is usually imported from china, and because of Covid, number of individuals did not run toward hospital for their other disease has get down. In the same way, the electronic industry of India is essentially depends upon china not just for raw material but also for finished goods. The cash shortage also impacted it. Just in case of automobile industries the imports being stopped and production moreover 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 huge 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 current industry which also curtailed out due to ban on exports. Construction and engineering industries, with hundred percent depends on labour, and movement of labour to their homes back has created a hurdle for this industry to get up as even after opening of lock down country wide, the labor still isn't moving to cities.

Results and Analysis

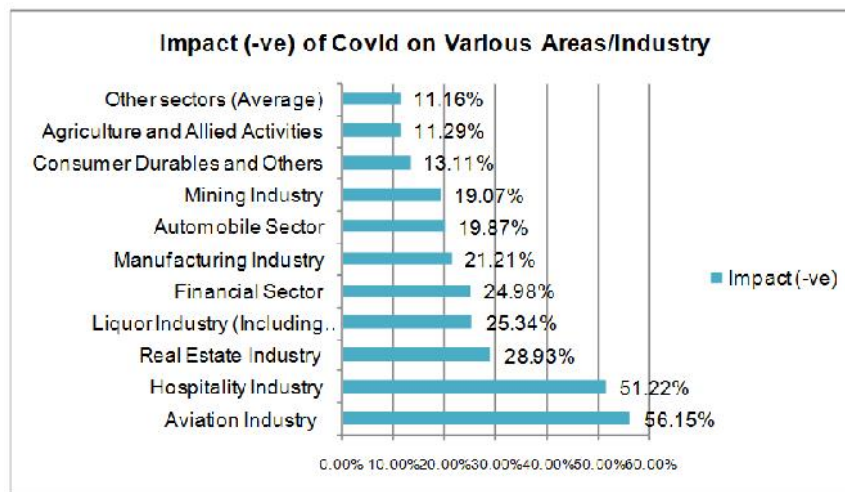
The impact of Corona Pandemic may possibly be a road changing turn of the lifetime of everyone. The Social still economical position of individuals has gone worst. In above paragraph the impact of the corona pandemic has been described in the main three sectors. These are Primary Sector, Secondary Sector and repair Sector. The other 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 within the demand and revenue in the retail sector. The loss of the opportunities during this sector is at the very highest level.

Let's sum up the complete impact on various sectors in an exceedingly table to allow a fast take a glance 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.	Aviation Industry	56.15%	1
2.	Hospitality Industry	51.22%	2
3.	Real Estate Industry	28.93%	3
4.	Liquor Industry (Including BAR and Manufacturers)	25.34%	4
5.	Financial Sector	24.98%	5
6.	Manufacturing Industry	21.21%	6
7.	Automobile Sector	19.87%	7
8.	Mining Industry	19.07%	8
9.	Consumer Durables and Others	13.11%	9
10.	Agriculture and Allied Activities	11.29%	10
11.	Other sectors (Average)	11.16%	11

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 best growing economy at the worldwide, India could also be the subsequent Global Economy after the china, if the prospect has been cashed. There are certain factors that support the claim. The primary one is India has second largest population, so it's huge labour availability with the underside cost and average age of twenty nine years. Even the domestic demand is incredibly high. With the fifth largest economy of the planet, its highest purchasing power parity at third level in world. Hence even being number of disfavour acts of this pandemic, India continues to the top.

How India Got the Benefit of Pandemic

International firms have revealed the hard way just how vulnerable their globally integrated supply chains are. This was already becoming clear due to US-China trade tensions but has been exposed to the entire by the COVID-19 virus outbreak. It's been repeatedly argued that India might even benefit within the medium term, because firms want to rely less on China as their only manufacturing hub and shift their production to other countries, like India. This explains why we expect a relatively profound rebound of process in 2021 and beyond. Corona virus can finally end up being the last word curtain on the leading role played by China within the world market since it is the world's largest manufacturing hub. China's discomfort can transform India's comfort because the turmoil caused by corona virus that has originated in China could set the stage for more foreign investments in India which is one all told the emerging economies within the globe.

Conclusion

In our baseline scenario, we expect a substantial slowdown of world process. In our calculations, global growth in 2022 will attain 1.6%, which is substantially under the expected 2.81% and Bloomberg consensus 2.7%, at end of March 22. While Government was evaluating the impact of upcoming danger of the Corona, the base assumption was taken that Corona Virus will not impact indian environment substantially and number of impacted cases will remain almost nil. However it gone wrong. Moreover, we believe India is prone to a rapid spread of the virus, due among other things to high population density along with health care services that are less abundant than in many Western countries. The everyday number of hospital beds and doctors per 1,000 Indians is 0.9 and 1.1 respectively, compared to 5.7 and 4.1 within the Europe. However when Corona virus started touching the larger number of cases in India, the government was encountering the question that what containment measures we shall take or what measures we are ready to take, because this would sacrifice process at a time when India's economy is already struggling. As long because the WHO already is talking some pandemic, there is a risk we are quickly moving towards our pandemic scenario. Hence the measures to be taken by the government for revival of the economy is very much needed at the vast level. The efforts of the government may be appreciable but not enough. The Government shall be more concern towards economy and industry, as well as for general economic position of every Indian Citizen and shall take measures accordingly.

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