



An Empirical study, analysis and Impact of post Covid-19 on different sectors of the Indian Economy

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Abstract

The current pandemic has a significant and negative effect on Indian business. The COVID-19 pandemic's effects nearby may stagnate domestic interest. Due to job losses or pay cuts, this will reduce purchasing power, and the delayed effect of granting a request will have a longer-lasting impact on various areas, particularly those where granting a request is optional. India's real GDP fell to its lowest level in more than six years in 2019 and 2020. It is anticipated that India's growth rate for the upcoming year, 2020–21, will be between 5.3% and 5.7%. Numerous global flaws have been revealed by the COVID-19 pandemic, also referred to as Covid. Despite our collective involvement with emergency the board, this infection could have isolated us all in our homes. The corona virus has had a significant impact on the Indian economy. The current Covid plague may result in a permanent loss of 4% in real-world Indian GDP (GDP). India's GDP growth rate is expected to reach 1.9% in 2020 and 21. Since India experienced growth rates of 1.1% in 1991 and 1992, this rate will be the lowest. It is evident that the travel industry, avionics, radios, automobile industry, and transportation sectors are the most affected by the COVID 19 rash. Due to the closing of all retail establishments, the laborers' jobs are in jeopardy given the circumstances. The groups have received assistance from various nations' public authorities to pay their workers. In the current study, which attempts to consider the effect of COVID 19 in various areas in light of the information that is auxiliary in nature, various appropriate factual gears and procedures are used for the purpose of investigation and conclusion.

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The outbreak of COVID-19 has had a weighty impact on states, primarily as a result of the nationwide lockdowns that have prevented social and financial life. The world, which had been constantly bustling with activities, has slowed down as all resources have been redirected to dealing with the unprecedented emergency. The infection has an impact on multiple sectors now that nations' financial activities have resumed. It is remarkable and significant that the World Health Organization (WHO) raised the alarm in 2019 regarding the world's powerlessness to combat a global pandemic. A pandemic of this kind would, according to a 2019 WHO/World Bank report, have an impact of between 2.2% and 4.8% of global GDP. That expectation appears to have been realized as this emergency appears to dominate the world.

"COVID-19 and the Workplace" is the title of a different report: The crisis has recently transformed into a monetary and labor market shock, affecting both fashion (product and venture creation) and interest (utilization

and speculation), according to the Global Labor Group's impact and strategy responses. World is gone up against with astounding weakness about the significance and term of this crisis, and it was the most perceptibly awful monetary repercussions since the Economic crisis of the early 20s," expressed the top of the Global Financial Asset (IMF). The IMF estimated that emerging economic and business sectors receive external financing in the trillions of dollars. The cost of the COVID-19 lockdown is estimated at US\$120 billion, or 4% of GDP, by business analysts, according to news reports printed on March 23, 2020, in the Economic Times (The Economist, 2020). India is also vocal about the pandemic.

The welcome, tourism, medical care, retail, banking, hotels, education, health, information skill, entertainment, and media industries were all affected by the COVID-19 pandemic. The financial strain has already begun and will swiftly escalate. Lockdowns and social segregation have a negative impact on output on the one hand, but they also have a significant negative impact on the demand for goods and services by customers, which causes financial activity to stop. However, social isolation and lockdown are the most effective methods for preventing the spread of COVID-19. The claim of a control strategy in the Bhilwara region of Rajasthan, India, shows that governments learn by doing. However, the economic collapse still carries financial risks. Similar to that, balancing the caseload is a necessity for every economy, but it costs money.

Objectives

- To Determine the Benefits of Covid-19 to the Indian Economy
- To Determine the Effects of Covid-19 on the Indian Economy

Methodology

The methodology, which is necessary for constructing the analysis, is heavily relied upon by the qualitative and quantitative methods of the study. This text's secondary data came from a wide range of written sources, including periodicals, reports, books, journals, and other works on the topic. We utilized online sources with a keen eye for locating the most recent and accurate information.

Impacts of Covid-19 on Indian Economy

Crunching the cash:
When compared to the numbers a year ago, over 45% of families across the nation have reported drastic pay cuts. As a result of numerous reports of salary reductions across all Indian organizations, employed individuals are also not wealthy.

During the lockdown, it was expected that the economy of the nation would skill a loss of USD 4.5 billion each day. Under 25% of the country's USD 2.8 trillion cheap was scarcely functional and taking part in such an improvement in the business areas. The inability to clearly decide between essentials and needless items is straining agile chains during the lockdown.

The lowest-risk subset of the cheap relics casual area and daily wage workers, as they have always been. Ranchers who had invested resources in foods that only last a short time are also weak through India due to the amazing settings that are now in place.

The majority of significant national associations have either drastically reduced or temporarily suspended their activities during this time. New and emerging businesses' levels of financing have been significantly impacted by the pandemic. On March 23, 2020, India's securities exchanges recorded the most severe misfortunes that any organization in India's history had ever experienced.



Homegrown monetary issues:

India had a stunning 258,090 affirmed cases and 7,263 natural passings as of June 8, putting it seventh on the dashboard of John Hopkins College for the countries with the most sicknesses. In the current fiscal year, India's GDP is expected to fall by 6.8%, which is worse than the country's slowest growth in 11 years in the previous quarter.

As per a review led by the Middle for Checking the India Economy, Mumbai, and the Schools of Pennsylvania and Chicago, just 84% of Indian families have seen their compensation decline since the lockdown started. They also argued that the pandemic had a significant and widespread effect on family income, as 33% of people will not be able to survive for the next seven days without additional assistance.

Sectorial Impact Eateries Services:

More than 500,000 Indian restaurants are represented by the National Restaurant Association of India (NRAI), which has urged its members to continue eating out until March 31, 2020. This will have an effect on thousands of diners at cafes, bars, and bistros. Food effort platforms like Zomato and Swigny, which are operated entirely by one person, have also gained a superstar as a result of expansion. Requests on Swigny and Zomato have decreased by 60% during the pandemic.

Food and Agriculture:

With 16.5% of GDP, the food and cultivation industry leads the business sector with 43%. Usable oil makes up 32% of the food handling area, while grains make up 10%. Dairy makes up 29%. India also leads the world in dairy and flavor crops (send out).

The gracefully of the food and Agri:

The item will be affected in the upcoming seasons, giving to the Ministry of Farming, due to low planting of the future chance harvests, which will affect mandi activities. Agro-synthetic running relies on exporting finished goods and smuggling crude materials. Although food retail activity is being affected by staff shortages, brick-and-mortar staple retail chains are typically operating. Soil-based products can now be developed without restriction thanks to permission from both the federal government and state governments.

If the lockdown is postponed, there will certainly be an increase in demand for food supplies. Anyhow, because of the set number of transport vehicles, the web-based food staple endures enormously. The food preparation units are facing capacity lacks as a result of a lack of work, but the administration is attempting to postpone the issue until the production lines need to adjust to working with low work checks. Indian passage is influenced by low client interest for the impending not many months since toll organized items like fish, mangoes, and grapes are crushing, which will influence the openness of future harvests. This is a huge objective in the catch of Covid.

MSME:

There are three sets in this sector: medium (0.01%), small (0.52%), and small (99%). It pays between 30% and 35% of GDP. When we look at the supply of micro, small, and medium-sized enterprises (MSMEs) by industry, 49 percent come from the state and 51 percent from semi-metropolitan and metropolitan areas.



Maharashtra, Uttar Pradesh, Bihar, Tamil Nadu, and Madhya Pradesh have the most MSMEs registered. As per a review led by the AIMO, about a fourth of the in excess of 75 million MSMEs face conclusion in the event that the conclusion endures over a month, and assuming the lockdown really extends, the circumstance would decline, influencing the positions of 114 million individuals and the Gross domestic product. MSMEs in the administration sector are still operating, despite the sharp decline in business for buyer goods, clothing, and coordinations; However, they are likely to close shop due to decreasing purchasing limits and liquidity constraints.

The difficulties facing industries like electronics, pharmaceuticals, consumer goods, and others that rely on imports are generating a great deal of excitement throughout the value chain. The RBI's statement of a three-month ban on credit repayments and a decrease in the repo rate served as a slight boost because the majority of micro, small, and medium-sized trades (MSMEs) rely on advance financing from the legislature.

Online Business/Internet Business area:

The online business has a share of 950 billion USD in the industry as a whole, making it a weighty donor to the current economic climate. It was an odd act in the work in FY19, causal 8% to India's GDP. The majority of its gears are items for family and individual consideration (50 percent), medical care (31 percent), and food and drink.

Because of the Covid risk, clients tend to overbuy staples like rice, flour, and lentils at the social, which was shut down. As a result of pressure on the gracefully chained conveyances and customer demands for more up-to-date circulation channels focusing on direct-to-customer courses, the internet business sector skilled a dunk in change. FMCG firms entered into deals as a result, resulting in a decrease in their exchange activity. In this changing environment, monitoring and anticipating interest will be crucial in the client connection area. When the goods were categorized as central or unimportant, for instance, the market's responses varied.

Benefits by Covid-19:

Covid offers a number of benefits. Although the effects of the lockdown were debated above in general, we would miss out on a important chance if we did not recognize the expansion of advanced growth that is computer-imbued. Since the lockdown began, the majority of people in the region have switched to working online, and global companies are using the work-from-home option to continue their operations.

These patterns had to land on the quick forward catch at that point in the child steps. PayTM bids and other computerized channels are also being utilized by smaller retail establishments like brick-and-mortar stores as the advanced world gained such momentum. With various online stages like Google Study Halls, Zoom, and others, schools and colleges are directing regular classes from the comfort of their homes. They are also adding a new code to their educational plans, like advanced areas where students can access their school library, pay their fees, take online tests, and other things like that. The import of devoting capitals in areas like self-management abilities, e-administration, and cloud generation and digital security has been heightened as a result of this change.

Conclusion:

It would appear that a global recession cannot be avoided at this point. However, the extent and duration of the decline are contingent on the success of measures taken to stop the spread of COVID-19 and the effects of



government efforts to help financially disadvantaged families and alleviate liquidity issues in small and medium-sized businesses. It also depends on how businesses react to the return of financial activities and prepare for them. Ultimately, yet most profoundly, it relies on how long the lockdowns that are at present set up will endure.

The nation will face an additional traditional testing period this year. India needs to seriously find a way to increase the interest-rate side shocks brought on by anticipated lockdowns and other progressive control measures.

The COVID-19 pandemic has twisted the world's thriving economy in unpredictable ways, and it is growing and cannot be stopped. On the other hand, it essentially demonstrated that the current recession does not appear to be comparable to previous recessions, which had shocked the nation's financial need. While the extent of the pandemic is still being tacit by nations, totals, projects, and groups, it is absolutely necessary to plan for a future that is practical and fundamentally more reasonable for living and working in.

The nation ought to address the peculiar context's intentional harm to the economy through the operation of monetary trials, particularly during lockdown periods. Their livelihoods and lives, as the public direction imagines, must be secured. The financial drive must begin slowly after employee screening. In order to safeguard the strength of the staffs, the company ought to take severe preventative measures. The business community, social structures, and networks all play a significant role in maintaining harmony, even though the administration ought to be able to save the economy through strategy and changes. The standards of social isolation, avoiding or avoiding gatherings, and the use of veils and sanitizers ought to be the way of life until we are able to eradicate the infection. Restoring financial activity is not solely the duty of the government because the economy and human behavior are compared at this time.

However, every spare presents a brand-new chance to reassess efforts to advance a person, network, and society. The Indian economy must adopt reasonable growing models that are based on certainty, complete frameworks, and environmental sincerity in response to the coronavirus pandemic.

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