



ECONOMIC IMPACT OF COVID 19 PANDEMIC WITH SPECIAL REFERENCE TO INDIAN PERSPECTIVES

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Globally the entire world has witnessed a number of epidemic outbreaks starting from Spanish flu in 1918 followed by HIV/AIDS, SARS and EBOLA. Indian health system has also encountered the effects of diseases like Small Pox, Plague and polio. However, Covid19 which emerged from China in November 2019 rapidly spread to almost entire world within a span of only few months causing one of the biggest health crises in the history of mankind. The Covid pandemic particularly in Indian scenario inflicted jolts on both health and economic fronts. However, the steps taken to impose systematic lock downs in phases and policy actions including social distancing, use safety instruments (Masks, sanitization, face shield etc.), self-isolation, mobility restrictions, closure of institutions and public facilities resulted into relatively lower mortality and morbidity as compared to several other developed nations in the world.

Policies and trends:

The global coronavirus pandemic has consistently affected South Asia exceptionally hard as per the trends demonstrated so far. In order to substantially mitigate its adverse impacts to some extent, South Asian governments ought to enhance their activities to control the wellbeing crisis particularly for the least fortunate and deprived ones and generally helpless and also set up for quick financial recuperation.

The report of 'South Asia Economic Focus' is not very encouraging and foresees a sharp monetary drop in most of the geographical regions of eight nations and induce a decline in activities relating to monetary movement, falling exchange and more prominent worry in the money related transactions and banking parts. The World Bank assessed the impact of Covid 19 on **Indian economy** to decelerate to 5 per cent in 2020 and anticipated a sharp development deceleration in 2021 to 2.8 per cent. However, it is believed that development would expectedly bounce back to 5.0 per cent in the year 2022 as the effect of **COVID-19** scatters and monetary and fiscal arrangement bolstering pays off with a slower response.

AREAS/SECTORS ADVERSALLY AFFECTED AND CAUSING CONCERNS:**Raw material and Spare Parts:**

Almost 55% of hardware imported by India originated from China. These imports have shown declining trends down to less than 40% considering the coronavirus flare-up and resulting serial lockdowns. As a countermeasure, India is thinking about the advancement of indigenous creation through Atma Nirbhar Bharat crusade in an offer to diminish reliance on a solitary market.

Pharmaceutical Industry:

The cost for the pharmaceutical business is of critical worry for India, for the most part as 70% of dynamic pharmaceutical components (API) are imported from China. These dynamic pharmaceutical fixings are basic requirement to a large number of pharmaceutical assembling organizations in the country.

Travel and Tourism:

India is enthusiastic about social and chronicled the travel industry drawing in residential and outside nationals as tourists consistently. It is expected that an enormous number of COVID- 19 cases in India will cause remote vacationers to refrain from travel. As the visas are being suspended and vacation destinations being closed inconclusively, the entire travel industry chain, which includes lodgings, cafés, attractions, specialists, and administrators are relied upon to confront misfortunes worth a huge loss. Specialists accept the travel industry is probably going to endure a huge loss and its effects could be devastating for the business for along time to come.

Aviation Industry:

After the Government of India suspended traveller visas, carriers are said to be working under stress. Almost 600 universal flights to and from India were suspended for varying periods of time. Around 90 internal flights have been dropped prompting a sharp drop in carrier admissions even on famous neighbourhood courses. Private air terminal administrators have mentioned the Government to allow authorities to force an ostensible traveller assistance charge on airfares to take care of the expanded working expense.

Impact on Financial Trends:

The vacuum and uncertainty caused by Covid 19 has made the financial market extremely volatile leading to huge crashes and wealth erosion in a big way which has significantly influenced the consumption levels. A major crash in the domestic equity market was noticed on March 12, 2020 when both the BSE Sensex and NSE Nifty sharply crashed by more than 8% in a single day. The BSE Sensex slid by over 2,919 points whereas NSE Nifty dropped by 868 points. An estimated wealth of Rs 10 lakh crore of market cap was reportedly wiped off due to this major crash. The fall has continued till date as investors resorted to relentless selling amid rising cases of corona virus. Unless steps being taken stabilise the recovery, the trends are not expected to bring financial glory to the market as might have been desired.

POSSIBLE TOOLS TO MITIGATE ECONOMIC CRISIS:

Any pandemic emergency opens up a learning opportunity for various organizations through

Remote working or work from home:

A large number of urban companies/associations/organizations during lockdown adopted to resort to their emergency courses of action such as work from home. Since the time the first **COVID-19** case was detected various organizations have established a 'telecommute' drill utilizing basic assets to comprehend whether remote working condition could be practically applied to maintain and sustain in the flow of work. Having stated this the remote working additionally has its impediments as well and can't be completed by different segments like retail, neighbourliness, or assembling, leaving them no decision yet to confront business interference.

Security issues for employees:

All things considered, with no experience of managing an infection that can possibly spread quickly, most organizations are getting over their hands by requesting that workers remain at home. A few associations, in any case, are executing measures like temperature screening, sanitization of office premises and personal sanitization, setting up **COVID-19** reaction groups, dispersion of **COVID-19** preparatory packages.

Live channels of communication:

Despite the fact that the mortality of **COVID-19** is lower than the 1918 Spanish flu pandemic, it has caused an across-the-board alarm. Organizations are venturing up and keeping up an open line of correspondence with every one of their partners, including workers and clients and channel partners.

GDP Growth:

India's growth estimate for FY21 have been estimated to decline to 1.9% from 5.8% as was earlier estimated alarming the worst recession will dwarf the economic damage caused by the global financial crisis a decade back. The Covid-19 pandemic reduced world output by 3% in 2020, IMF said in the April update of its World Economic Outlook (WEO), the first after the magnitude of the outbreak became clear. Similarly, Domestic rating agency CRISIL cut its projections for India's economic growth rate to 1.8 per cent, from 3.5 per cent it had earlier predicted for 2020-21. It is expected India's growth to rebound to 6.2 per cent.

Summary of Remedial Measures:

The Government of India in coordination with state Governments announced a large number of measures to ranging from food security and extra funds for healthcare to sector related incentives and tax deadline extensions. The immediate objective of the policy responses to the economic impact of Covid-19 is to

ameliorate the effect of the shock on economic agents in both the formal and the informal sectors and to help them tide over the crisis. The central government and RBI have announced an initial round of fiscal and monetary policies respectively. In addition, several state governments have also announced fiscal stimulus measures. COVID-19 Economic Response Task Force The formation of the COVID-19 Economic Response Task Force was announced by Prime Minister Narendra Modi on 19 March 2020 during his live address to the nation. The task force is led by the finance minister, Nirmala Sitharaman.

- On 21 March the Uttar Pradesh government decided to give a direct money transfer of ₹1,000 to all daily wage laborers in the state and the following day Punjab announced ₹3,000 each for all registered construction workers in state.

- On 23 March it was announced that Haryana labourers, street vendors and rickshaw pullers will be provided an assistance of ₹1,000 per week directly deposited into their bank accounts.

Below Poverty Line families will be provided rations (including rice, wheat, mustard oil, sugar) free of cost for the month of April.

- On 24 March, in his address to the nation, the Prime Minister announced a ₹15,000 crore fund for the healthcare sector.

- On 24 March, the finance minister made a number of announcements related to the economy such as extending last dates for filing GST returns and income tax returns. The due dates for the Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019, customs clearances and for compliance matters under the Customs Act and associated laws has been extended to June 2020.

- On 25 March the Modi government announced the world's largest food security scheme for 80 crores (800,000,000 people) across the country. Cabinet Minister Prakash Javadekar made the announcement in a press conference that the ration would be 7 kg every month (which includes wheat at a cost of ₹2 per kg and rice at ₹3 per kg.)

- On 25 March the Uttar Pradesh government banned the manufacture and sale of pan masala, stating in the order that "Spitting pan masala can help in spreading Covid-19". Following this, other states such as Andhra Pradesh, Rajasthan and Gujarat also banned spitting in public places.

- On 26 March the Finance Minister announced a number of economic relief measures for the poor. Rupees 170,000 crore will fund the Pradhan Mantri Garib Kalyan Yojana (PMGKY) which will provide both cash transfer and food security; with the aim that no one goes hungry amidst the lockdown.

CONCLUSIONS:

The emergence of Covid-19 pandemic has presented an unprecedented challenge for all countries including India. Given a large population size of 1300 million, the precarious situation of the economy and the economy's dependence on informal labour, lockdowns and other social distancing measures would be hugely compromised. The central and state governments have recognized the challenge and have responded but this response would only be a beginning. Policy makers need to change the mind set and

prepared to scale up the response as the events unfold so as to minimize the impact of the shock on both the formal and informal sectors and pave the way for a V-shaped recovery.

While newer Covid 19 strains are emerging to further inflict the global population and the cases are fast increasing again, the launch of Indian Vaccines has shown the ray of hope especially for South Asian countries and other developed and developing countries of the world and soon the menace created is expected to be wiped out in near future.

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