

Reaction of COVID- 19 on Indian Economy

V. Keerthana

Assistant Professor, Imayam Institute of Agriculture and Technology, Thuraiyur, TNAU, Coimbatore.

SUMMARY

The impact on the economy of India's 2020 corona virus pandemic was largely disruptive. According to the Ministry of Statistics, India's growth in the fourth quarter of fiscal year 2020 fell to 3.1%. Initially, the World Bank and rating agencies revised India's growth for FY2021, with India's lowest figures in three decades since India's economic liberalization in the 1990s. Unemployment increased from 6.7 per cent on 15 March to 26 per cent on 19 April within a month. During the lockout, an estimated 14 crore (140 million) people lost their jobs while wages were cut for many others. More than 45 per cent of households across the nation registered a decrease in income compared with the previous year. India's government has announced a variety of measures to address the situation, ranging from food security and extra cash for medical care also for nations to economy-related incentive schemes and extensions of the dead line.

INTRODUCTION

The Indian economy has been experiencing significant slowdown over the past few quarters. The economy grew at a six-year low rate of 4.7 per cent in the third quarter of the current fiscal year. Demand for investment and consumption had languished and a number of regulatory reforms were taken to get the economy back on a path of growth. In the final quarter of the current fiscal year, there was strong hope of recovery. Nevertheless, the new corona virus pandemic has made retrieval in the immediate future extremely difficult. The pandemic has addressed Indian economy with fresh challenges, causing massive disruptive impacts on both demand and supply side elements.

Agriculture

Agriculture and allied activities sector is likely to be adversely hit by the Corona virus scare. In fact, the poultry sector is already being affected severely. The poultry sector which is the fastest growing subsector of India agriculture eco-system and where the country has created a foothold at the global level (India is the third largest producer of eggs and fifth largest producer of broilers) is already facing losses to the tune of 150-200 crore each day. The social media has been spreading misinformation by correlating Corona virus infection to consumption of meat and poultry products. This has caused enormous destruction in demand for poultry products and the prices realized by farmers have crashed to Rs 10-15 per kg – whilst the production cost of about Rs 70 - 80 per kg.

Aviation

In the midst of the Covid-19 crisis, aviation is one of the worst impacted sectors which have taken the scale of a pandemic. Because of this crisis, airlines can lose up to US\$ 113 billion in passenger revenues global level, according to the International Air Transport Association. Airfares have also been under pressure due to a decrease in bookings to destinations affected by viruses of nearly 30 per cent. As a result, airfares to those destinations dropped by 20-30 per cent.

Capital Markets

There is presently a need to make sure that funds flow through the capital market to the industry and therefore certain rules ought to be tweaked to facilitate this easier. Some steps are also required to curb market volatility.

E- Commerce

In order to prevent the risk of Covid-19's community, the government imposed social distancing and isolation advisory by asking corporations to permit their employees to work from home. In addition, as a precautionary measure, several state governments imposed the lockdown of cities. This might affect the e-commerce business, particularly at a time when demand for home delivery of goods is on the rise under current

circumstances. While it is necessary to guarantee the safety of all citizens, it is suggested that unintended consequences of any lockdown on the e-commerce industry should be examined.

Education

As the covid-19 disease spreads across the world, state governments have directed schools and educational institutions to be closed until 31 July 2020, which can even be extended if the disease is not controlled. Exams have also been delayed in some parts of the country. The closing of education institutions has hindered children's studies. As such, during this transitory period the schools can increasingly switch to online teaching mode.

Retail

The outbreak of Corona virus is having a severe impact on people, economy and business. As responsible corporate, all retail players are adopting necessary preventive actions to ensure safety of their employees and customers. Corona virus outbreak affects people, the economy and business severely. As responsible corporations, all retail players take the necessary preventive measures to ensure their customers and employees are safe.

Transport and Logistics

The corona virus epidemic has also impacted the transport and logistics industries. The profits from the transport sector were affected and are predicted to be further depressed by the slowdown in economic activity due to the urban lockdown across many states, in combination with the global supply disruptions.

CONCLUSION

It might be the time to reboot. We have got the chance to reconsider everything. If we do things correctly, we could be able to solve challenges facing humanity – damage to the environment, poverty etc. The debate on life versus livelihood also played out in India, only with government initially declaring that life would be prioritized over livelihood, which quickly revised to giving equal value to lives and livelihoods

REFERENCES

Bhattacharya S, M D M Hossain and Amarjeet Singh (2020). Addressing the shortage of personal protective equipment during the COVID – 19 pandemic in India – A public health perspective. *AIMS Public Health*, 7(2):223-227.