

Impact of COVID-19 on different sectors of the Indian economy

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Abstract

The entire world is in the grip of corona virus known as COVID -19. The first case of covid 19 was reported in the city of wuhan of china which is the main transportation hub of china. After the spread of covid 19 many countries shut down their imports and exports activities. China is the major distributors of raw materials among different sectors of different countries. India is developing country due to covid 19, the government of India took the decision for lockdown the country for 41 days which affected all over economic activities of the Indian economy. Severe economic burden and grave consequences have to be borne by Indian industries. Thus in this article is intended to study of impacts of covid 19 on different sectors of Indian economy

Keywords: Coronavirus, economy, India, sectors

Introduction

the coronavirus pandemic in india has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 down to 3.1 according to ministry of statistics. India's GDP estimates were downgraded even more to negative figures. Unemployment rose from 6.7% on 15 march to 26% on 19 April. During the lockdown approximately 14 crore (14 m) people lost employment while salaries were cut for many others. The Indian economy was expected to lose over ₹32,000 crore every day during the complete lockdown and china is the major country for supplying the raw materials to the world, this covid -19 effected whole manufacturing industry.

Research Methodology

This paper is based on the exploratory technique and data in this paper were collected via secondary data / sources available like statistics data available on various web sites of Indian government and many more; literature review from journal papers; annual reports; newspapers reports and wide collection of magazines based.

Objectives of Research Undertaken:

The research has been undertaken and presented considering the following foremost objectives

- To know the impact of COVID-19 on different sectors of Indian economy.
- To know the current situation of different sectors due to COVID-19.
- To get details of contributions and situations of different sectors during lockdown.
- To know the impact of COVID-19 during lockdown.

Impact of Covid - 19 on Different Sectors of the Indian Economy

1. Agriculture

Agriculture will be affected by the shortage of labourers due to transportation was suspended because of continuous lockdown by the government. Specially for 'Rabi Crops' which are ready to harvest were in the field affected by the

shortage of labour, lack of demand and transportation to the market. Farmers did not get the expected revenue for their crop. Farmers who grown perishable crops like, vegetables and could not transport to market in time incurred heavy losses. But those who grown grains like maize, jowar, paddy, areca, sambar products could store and sell later were less affected but are affected due to paucity of money to meet their expenses. In sum, agriculture is not severely affected because food products are necessities for life and the demand for which cannot be suspended like others.

2. Automobile

The shutdown in China affected automobile industry in the area of component supply and battery. China is the major supplier of various auto components. It play dominance in cost effective supply of auto components. The electric vehicles manufacturing sector is severely affected because China is the major supplier of batteries. Due to continuous lockdown and slowdown of economy, people lost jobs and are having less disposable income and savings to spend on luxury goods like cars. Even commercial vehicle buyers hesitate to buy because of lower economic activities. In sum, automobile industry is severely affected by covid-19 pandemic.

3. Textile & Apparels

Due to covid - 19 effect majority of textile factories in China stopped their operations. This affected severely the exporting textile units extracting yarn & fiber in India. Due to continuous lock down and restriction on the number of employees the manufacturing hampered it affected output & sales of textile units. This in turn affected their repayment of debts and bank loans. This economic crisis in textile units affected the farmers to secure demand and fair price for their cotton output.

4. Pharmaceuticals & Chemicals

Though India is major hub for pharma industries, it is depending on China for supply of bulk drug and several raw materials. Due to suspension of imports and exports it is

difficult for pharma industries to procure materials and to export their goods outside. But on the other hand due to domestic requirement for drug to treat flu and sanitising products will be increased in Covid - 19 pandemic situation. There will be opportunity for pharma industries in this area provided they solve the problem of material supply.

5. Electronics & Electricity

Since, China is the major supplier of electronic components and final products Indian electronics industry is worrying about the supply disruptions which may occur due to suspension of import from China and also shut down of industries in China. Now they have to depend upon local suppliers whose offerings are not price effective like imports from China. This will be having impact of production stoppage / slowdown, product prices. It affects major manufacturers like TV, fridge, computers, mobile phones etc. When it comes to demand side due to continuous lockdown and slowdown of economy, people lost jobs and are having less disposable income and savings to purchase these goods.

Even in the case Solar Power Industry, the major components like solar cells & modules are supplied at competitive prices by Chinese companies which are costlier in local market.

In sum, electronics & electricity industries are highly affected due to Covid - 19 pandemic.

6. Information & Technology

It adversely affected the revenue and growth of IT industries because IT industries heavily depending upon manpower to complete their projects and to give customer support services. Continuous lockdown, immobility of workforce and shutdown of companies had impact on completion of project and timely rendering of services and also declining new projects. They are also downsizing their workforce to handle present situation.

7. Transportation

Air, road, rail & cruise services could not operate due to lockdown, closure of borders between states, districts etc. This put them in heavy financial strain. During these periods government suspended the KSRTC Bus services and Rail Transportation which was major loss of revenue to both state and central governments. Private vehicles were also lost jobs due to immobility of people and goods during these periods. Even after government relaxation, due to the restriction on number of passengers to these transporters they are not able to recover their operating costs and are trying to charge more for individual passengers. Majority of people are using private transportation due to the fear of Covid - 19 which is also a reason for transport services to lose passengers.

8. Entertainment

Entertainment Industry suspended the shooting of films, serials and theatres were not allowed to open to avoid public gathering. This affected both television and film industry in the form of production films, serials and also to release them on theatre. The producers who put money in these projects by raising loans incurred loss due to delayed completion and theatre closedown.

9. Healthcare Services

Public Hospitals witnessed increase in demand for healthcare services in this pandemic situation due to the hesitation of private hospitals due to government directions in the initial days. Sometime public hospitals fell short of beds and even are operating beyond their capacity due to emergency. Now a day private hospital are also coming forward to give their services by following government directions. But there is fear among doctors and hospital staff to get affected by covid - 19 since they are more vulnerable. On the other side people are also fearing to enter hospitals for minor health problems. In the initial days government gave free health services to covid-19 patients which also increased financial burden on government for which it was not prepared.

Conclusions

Totally from the above information, covid 19 is adversely affected on different sectors of the Indian economy because it reduces the incomes of the householders and employment opportunities and it reduce all over economic activities and national GDP. COVID-19 creates unemployment and many people leaves their jobs and industrial areas. GDP from different sectors are completely reduced and many people leave the jobs and went to their place. India's GDP leads to negative and many Indian industries depending on china for raw materials. Some countries stopped their export and import due to COVID-19.

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