

THE PERSPECTIVE OF INDIAN ECONOMY WITH POST COVID-19 SCENARIO

Dr. Binita Verma
Professor and Head
Department of Economics
M.D.D.M College, Muzaffarpur, Bihar, India.

Abstract— COVID-19 is the global pandemic that shook the world way higher than any nuclear attack would have been. The economy of a country is one of the most important parameters to run the smooth functionality of the overall ecosystem. As per the report of the ministry of statistics, India's growth in the fourth quarter of the fiscal year 2020 to 3.1%. As per the World Bank, the pandemic has suddenly increased India's economic risks. The World Bank and rating agencies revised India's growth for the year 2021 and it is shocking to know it is the lowest of the last three decades. The degradation in GDP strongly reflects the deep recession and a big problem coming ahead. During lockdown around 14 crores (140 Million) people lost their jobs and many got their salaries cut. India lose 32,000 crores daily during lockdown of 21 days [1]. Our paper deals with several countermeasures against dropping the economy, the steps taken by the Indian government to resolve the issues. We also look over the solutions implementable as per the Indian perspective.

Keywords- COVID-19,,GDP, Million etc.

I. INTRODUCTION

The Indian economy has been encountering noteworthy log jams in the course of the last hardly any quarters. In the second from last quarter of the current fiscal, the economy developed at a six-year low pace of 4.7%. [1] Venture and utilization requests had been grieving and various improvement measures have been taken to bring back the economy on a development way. There was a solid expectation of recuperation in the last quarter of the current financial.

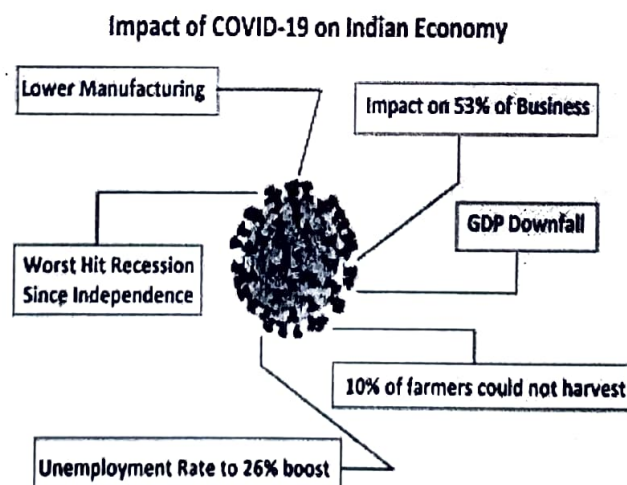


Fig.1:- Indian Economy – Worst Hit Ever

Be that as it may, the new coronavirus pandemic has made the recuperation amazingly troublesome in the close to medium term. The flare-up has introduced new difficulties for the Indian economy presently, causing serious problematic effects on both interest and flexibly side components which can crash India's development story. The next section of our paper deals with the literature survey in which we observe the previous research and literature to identify the level of the problem and reach the possible solutions.

II. LITERATURE SURVEY

[1]. Ruchi Saini explained briefly in her article *"The impact of Corona Virus on Indian Economy"* about the outbreak of pandemic and its magnitude over the economic structure of the country.

She very well explained that the Indian economy was already parlous state before the outbreak of COVID-19. With the imposition of lockdown, the complete demand and supply chain collapsed worldwide. This leads to the outbreak of economic uncertainty. The prediction about how much the impact will affect the economic chain and what parameters would be deciding force was well established. The paper mainly focused on, understanding the economic challenges faced and to be faced by the Indian economic structure. The spillover effects of COVID 19 was discussed over different sectors like the stock market, education sector, hospitality, industry, pharmaceutical sector, banking sector, MSME, and tourism industry. The overall GDP decline with increasing unemployment was well discussed. Downfall of the MSME industry which is termed as the backbone of the Indian economy is at stake with at least 50% of canceled orders. With the global lockdown, the raw material and its worldwide reach became much critical. 24% of medications and 31% of clinical fixing were imported from India. 13% of brand and non-exclusive products are from China. The global reach of necessary components even increased the pricing of basic medicines like paracetamol. It increase from 250-300 per Kg to 400-450 Kg. Hospitality, entertainment, education industries are almost the most hit sectors of COVID-19 pandemic. The brief study of overall sectors with graphical representation is carried out. Overall the paper helps to understand, where India stands in 2020. [2]

[2]. Pratyush Prabhakar expressed in his paper *"COVID-19, its impact on India's economy and the road ahead"* about current economic scenarios and steps to revitalization.

He explained thoroughly about the ongoing COVID situation and possible solutions to bring the economy on track. The social impact of COVID-19 is well discussed in the paper to make readers understand the intensely of the pandemic. The paper reflects the true economic uncertainty on the Indian economy before the arrival of the COVID-19 pandemic itself. India was under the rocky path of the Indian economy with a marginal slowdown. India's growth rate was already analyzed with the lowest rate since 1990. Within a month margin of March to April 2020 the unemployment rate escalated from 6.7% to 26%. The COVID-19 pandemic is one of the biggest economic crisis India ever experienced since 1997. Author, not only projected the mirror image of problems but also suggested the possible economic revival solutions. The technology upliftment and 4T formula implementation was advocated to strengthen the economy. The Indian import rate was suggested to be minimal with increasing domestic players to supply the raw materials which were imported from foreign to date. The capital intensive scenario of research development (R&D) needs to be modified as knowledge-centric to increase its reach and impact. Overall the paper well explains the current scenario, the possible revitalization of economy points, and joint approach to fight the situation. [3]

[3]. Shruti Agrawal, Anbesh Jamwal, and Sumit Gupta discussed in his *paper "Effect of COVID-19 on the Indian Economy and Supply Chain"* about the supply chain as the major factor for economic revival and 18 barriers of supply chain.

S.No	Barrier	Barrier Name
1	B1	Lack of Labour
2	B2	Lack of raw materials for production
3	B3	Unavailability of imported goods
4	B4	Shortage of livestock feed and their availability
5	B5	Bottleneck in sea/rail delivery
6	B6	Lack of transportation
7	B7	Slow movement of goods
8	B8	Lack of availability in local transport
9	B9	Ban on overseas transportation
10	B10	Decline in consumption of High value food commodities
11	B11	Lack of awareness in People regarding Covid 19 (affect the chicken and egg demands)
12	B12	Lack of buyers
13	B13	Perception of scarcity among masses
14	B14	Increased shortage for perishables
15	B15	Slow credit flow from banks and non banking financial companies
16	B16	Lack of cash flow
17	B17	Pressure from local laws enforcement
18	B18	E-Pms issues

Table.1. – 18 Barriers of Supply Chain

They mainly focused on the COVID-19 effects on the Indian economy and supply chain. They discussed about 18 barriers which affect the supply chain in India. They expected to help the researches to formulate the conceptual models to mitigate the problem. 35% of the manufacturers experienced the hindrance in the manufacturing process in India which is a big percentage and it can severely affect the economic structure. Many countries are looking for an alternative to China as India due to its geographical superiority, manufacturing ability, and labor. There is a demand for face shields and mask worldwide because of the shutdown of the manufacturing industry. The supply chain plays an important role in providing the reach of the products. With effective supply, the manufacturers' strength can be increased many folds. The 18 barriers are. These barriers have a great impact on the Indian supply chain. These can be easily managed with government support and can cause immediate boost up of GDP. [4]

III. RESEARCH CONTENT AND CONSIDERATIONS

3.1 The COVID-19 era Indian economy analysis

a) The economy analysis

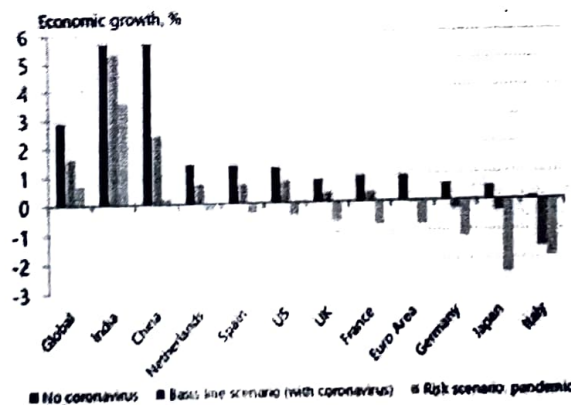


Fig.2. – World Economy vs. Indian Economy [5]

As per the research report provided by the Rabobank, the world economy is severely deteriorated due to COVID-19 but Indian is fortunately not the worst-hit country. There are far developed countries across the world which is going through a much bigger crisis. The growth rate has entered the negative graph and

recovery is way difficult. Compared to others India is on a much better platform and can revive with proper planning and strategy. [5]

b) The expected situation of Indian GDP after COVID-19

The expected GDP growth and decline scenario is presented here to which visualizes the situation with and without COVID-19 situation for India. The situation can be favorable or not depends on the strategies taken in recent times. [6]

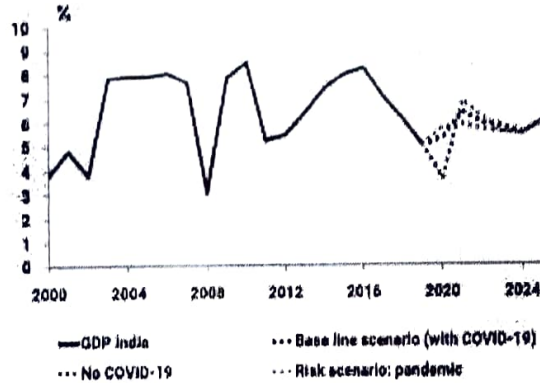


Fig.3. – The expected GDP decline and growth with and without COVID-19 [6]

c) US-China trade war – An opportunity for India

India is the second after china as the best alternative to global business and manufacturers. If US-China business conflicts are utilized properly then the Indian economy can boost in no time. The biggest competitor of India is Vietnam due to its lucrative policies and ease of doing business. India needs to take the steps wisely to bring the worldwide business and grab the opportunity. [7]

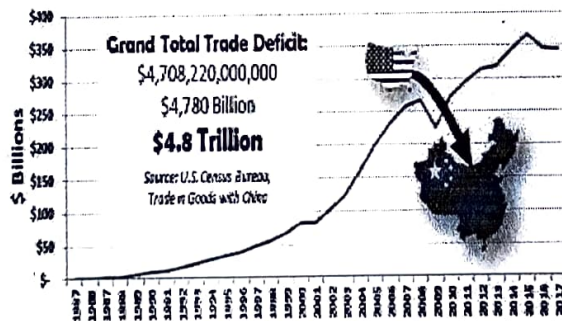


Fig.4. – US-China trade war [8]

IV. THE STRATEGIC PLANNING FOR GDP UPLIFTMENT

4.1 Support the neediest

The people who are suffering from hunger needs to be provided the support at first. They are one of the major building blocks of the GDP system. They contribute indirectly to strengthen the Indian GDP system. Government policies like Prime Minister’s Garib Kalyan Yojana (welfare-for-the-poor plan) is one of such initiatives.

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4.2 Strengthen the Agriculture – Help the farmer

Agriculture Loan, employment guarantee, fertilizer subsidies, and the benefit transfer to farmer's account directly. Initiate to contact the buyers directly to farmers. This will ensure and promote agriculture in the country which is a big portion of GDP.

4.3 Re-energise the dying sectors

Many organizations and manufacturing companies got closed due to the lack of funds and financial support. Most of them are MSME approved, for those recent announcements are done for government loans. This needs to be maintained at least for 8 years to revive the dying industries.

4.4 Promote Make in India

The products manufactured in India and sold here as well as internationally will maintain Indian capital in the home country itself. This will lead to an increase in GDP and employment. People who lose their jobs during the COVID-19 pandemic will get a chance to start their next innings.

4.5 Promote Research and Development (R&D)

Most of the countries are the biggest exporters because they know the need of the market. They launch the products which are the need of the time like Tesla Electric Cars and Robots. R&D is one of the most crucial elements of a successful business guarantee. To increase the export we need to make the most advanced products and it is only possible by efficient R&D.

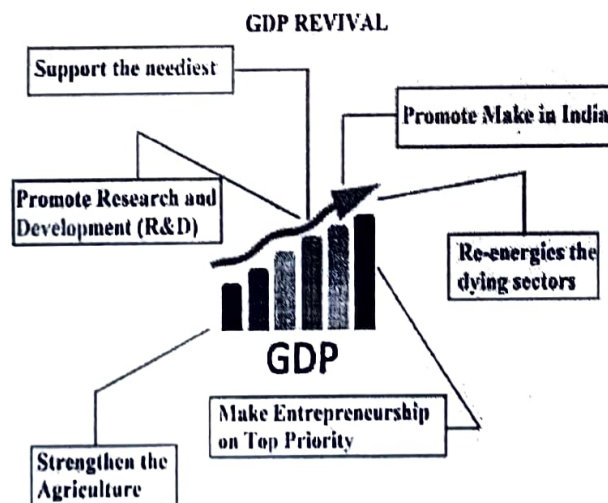


Fig.5. – GDP Revival Strategies

4.6 Make Entrepreneurship on Top Priority

The matter of fact is that doing business in India is way complex than many other countries due to its technicality of policies and rules. This should be made easier. Entrepreneurship should be promoted among the new generation so they can become better businessmen in the future. The effective entrepreneurship is alone capable to accelerate GDP to many points.

V. CONCLUSION

Thus we analyzed the Indian Economy with the growth perspective during and after the COVID-19 situation. We discussed the real-time situation of declining GDP with various scenarios and the possible strategies to further strengthen the Indian economical abilities. Major sectors which needs support for revival is the need of today and which will reflect the Nation's growth in future years. We hope the planning and strategy discussed here are implemented to bring India on the global growth platform of developed countries.

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AUTHORS PROFILE



Dr. Binita Verma is an Eminent University Professor and Head for the department of Economics from MDDM College, Muzaffarpur, Bihar, India. She completed her Doctorate from the Department of Economics B.R.A Bihar University, and Muzaffarpur. She has published several articles in reputed National and International journals. She has written 2 books on woman labor and education