



Effects of Covid-19 on the Economy

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Abstract

A health hazard is a condition of a premises, a substance, thing, plant or animal other than man, or a solid, liquid, gas or combination of any of them, that has or that is likely to have an adverse effect on the health of any person. With the steep increase in COVID -19 cases not only in India but all over the world, this disease caused by the novel corona virus has been declared a pandemic by the World Health Organization. Such a situation was last faced by the humans on earth more than a 100 years ago during the Spanish Influenza. It has brought our life to a halt and forced us to ponder about a lot of things. It has brought several industries to a standstill and has also brought substantial trade deficit for India.

Key Words: Covid-1, Economy, Aviation sector, Agriculture, the hospitality and tourism

PAPER/ARTICLE INFO

RECEIVED ON: 02/01/2020

ACCEPTED ON: 25/04/2020

Reference to this paper should be made as follows:

Daya Mary Mathew, S. Ancy, J. Aruna Jasmine (2020), "Effects of Covid-19 on the Economy", *Int. J. of Trade and Commerce-IIARTC*, Vol. 9, No. 1, pp. 27-34

1. INTRODUCTION

This pandemic has made us rethink many things in life. Our priorities, our consumption, and the destruction of natural resources have to be redefined. It has made us long for the things that we took in life for granted, like meeting relatives, friends for lunch or a cup of coffee or going out and having fun with family, eating at restaurants, watching movies, etc. The very logical question that is on most people's minds today is, how has this pandemic affected our economy? With several industries being adversely affected by the epidemic. Factories shut down, those that are reopening are doing so with less than 50% workforce. This paper is an analysis of the extent to which industries are affected by this pandemic.

Our Indian economy was expected to lose over ₹32000 crores every day during the first 21 days of complete lockdown. Under the complete lockdown, less than a quarter of India's \$2.8 trillion economic movements were functional. About 53% of businesses in the country were projected to be significantly affected. The ones that are most under risk are the daily wage earners and migrant workers whose regular earnings were affected due to the lockdown, and they were forced to vacate their city of work and move to their native towns due to lack of food and money. This led to reverse migration and the deaths of many migrants in the process. A large number of farmers who grow perishables have also faced massive uncertainty with the lack of laborers to perform the tasks. Many industries are cutting salaries and laying off jobs. Stock Markets in India posted their worst losses in history on 23 March 2020.

2. AVIATION SECTOR

With no signs of government money helped set up, India's now-grounded aviation sector lies hazardously getting ready for bankruptcy as a result of the COVID-19 pandemic. There's still no clarity if a number of these airlines can survive within the returning months. unsteady fuel costs and price-wars at intervals the world are a part of the explanation of why once-leading airlines like Jet Airways and coraciiform bird Airlines folded. (Source: <http://mangalorediary.in/news/national-news/aviation/>) As per the Centres for Asia Pacific Aviation (CAPA), that closely monitors civil aviation within the country, "Most Indian airlines haven't structured their business models to be able to face up to even regular shocks, like elevated fuel costs or economic downturns, not to mention once-in-a-century events." Given the massive holdup across the country and plummeting growth rates, the govt. could, however, solely be in an exceeding position to supply useful relief, that may embrace "waivers and moratoriums on liabilities," says CAPA. "Given the large structural dislocation long-faced by the aviation sector, this could not be sufficient to rescue operators, notably weaker firms. (Source: <http://mangalorediary.in/news/national-news/aviation/>)

3. AGRICULTURE

In a study throughout the first fortnight of might, created by the general public Health Foundation of Asian nation, Harvard T H Chan College of Public Health and therefore the Centre for property Agriculture found that "10% of farmers couldn't harvest their crop within the past month and hour of these United Nations agency did harvest rumored a yield loss" which a majority of farmers face the issue for the ensuing season. Because of problems supplying following the imprisonment, tea estates were unable to reap the first flush. The impact of this on the second flush isn't notable. The full Darjeeling tea-based tea business can see a significant fall in revenue. Tea exports may visit up to eight as a result. within the imprisonment, food wastage accrued because of affected offer chains, poignant tiny farmers

4. MANUFACTURING SECTOR

The ongoing imprisonment has placed heaps of strain on the producing sector that contributes nearly two-hundredth of the gross domestic product. Of this, five-hundred is provided by the automobile business. Even before the imprisonment, the automobile business wasn't in a beautiful form, with sales down by over V-day and production cuts of the order of five to 100 percent or more. The producing sector has been hit in several directions thanks to the COVID-19 result.. to start with; lower production is needed thanks to lower off take. It takes a touch longer to surface, as some distributors, sensing a chance to earn profits in an exceedingly developing shortage scenario, tend to hold on with the sales, however with associate degree extended schedule of postponed payments. Longer credit days are given by the producer, the World Health Organization is keen on continued with operations before a complete ending. A lot of and a lot of workers stop returning in to figure, thanks to government directives, thereby reducing the dimensions of operations, with the resultant result on quality, cost, and production volumes. Over the amount of your time, this adversely affects the turnover, which slows right down to a trickle.

5. FOOD INDUSTRY

Restaurants, today are facing one of the biggest challenges during this pandemic. For them, even with the relaxation of rules, people would think twice before going to restaurants for their safety and their families. They would have to closely monitor the supply chain to ensure the merchants are also maintaining the utmost hygiene standards when delivering the produce to our restaurants. Also, we may have to rethink some of our suppliers where we know the produce exchanges more hands to reduce exposure and Source directly from local markets. The packets would be sanitized outside of our premises and then be brought into the sterile environment of the kitchen.

6. HOSPITALITY SECTOR

The COVID-19 pandemic has created a profound impact on the hospitality and tourism industry in the Nilgiris, with the hotel owners estimating that they may lose up to 70% of their average annual revenue as the district has remained closed from Mid-March 2020. The lockdown coincided with the April May period when the tourism industry makes the highest profit. The sector has faced mass-scale cancellations for travel bookings and hotel accommodations and will continue to do in the months to come. In the Capital like Delhi, to continue making some revenue and in a bid to keep customer engagement, hotel chains like the Hyatt and Hilton have started to offer customers the opportunity of home delivery of food items. Both Hyatt and Hilton have partnered with Zomato and Swiggy and share their menus on WhatsApp. Both IHCL and ITC are offering clients the opportunity to order and have their food collected via contactless delivery. To tide over tough times, some hotels have also leased or licensed out spaces on a commercial basis and demand rentals and license fees from their in house retail partners. On a positive note, some hotels are also offering their hospitality services to help those immediately affected by the COVID-19 crisis. Some hotels are also opening their doors for frontline workers who prefer to remain isolated from their families as they stay at a higher risk of contracting the disease.

7. ELECTRONICS

China is a significant supplier both for the final product as well as the raw material used in the electronics industry. India's electronics industry is facing supply disruptions, production

reduction, impact on product prices due to heavy dependence on electronics component supply-directly and indirectly-and local manufacturing. The spread of coronavirus could have pushed down the sales of top electronic companies and smartphone makers, which have significant supplies to India.

8. SOFTWARE INDUSTRY

The extended satellite New Year holidays in China has conjointly adversely wedged the revenue and growth of domestic info Technology firms in operation out of China. Info Technology firms square measure slowly obsessed with the personnel and aren't able to work thanks to restrictions within the movement of general individuals arising from internment and quarantine problems. Consequently, they're ineffective to complete or deliver the present comes in time and are declining new comes. Further, the worldwide customers for Indian info Technology firms in China have started trying to find different service suppliers in alternate locations like Asian nation, Vietnam, etc

9. HEALTH SECTOR

The health care sector is at the geographical point of this new world pandemic challenge, and therefore the non-public sector has up to the occasion by providing to the govt. All the support it wants, be it testing support, making ready isolation beds for the treatment of Covid-19 positive patients, or deploying instrumentation and workers in known nodal hospitals. Whereas the non-public health care sector is prepared for each occurrence, it's conjointly a reality that, in contrast to alternative areas, the trade is facing a twin-burden: (a) finance extra force, equipment, consumables, and alternative resources to confirm one hundred pc state for safety within the hospital(s) and ultimate treatment of patients if required. (b) Experiencing a pointy call OP footfalls, elective surgeries, and international patients seem that whenever the govt. Announces any business enterprise stimulant, this trade is checked out favorably. The world is additionally expected to profit from increasing awareness regarding health care, and therefore the additional government focus that this pandemic is probably going to lead.

10. TECHNOLOGY INDUSTRY

For the millions of individuals and businesses, the threat of COVID - 19 has financially ruined, but there are some parts of the technology industry that are benefiting from the considerable change forced on society

i) Cloud Computing: The cloud computing phase had been on the increase for years, though, as a lot of staff realize themselves restricted to their homes, a lot of workloads can have to be compelled to be migrated to the cloud to confirm the companies will operate as was common. For cloud firms, the coronavirus irruption is effectively forcing some organizations through a speedy digital transformation project to embrace the cloud and quality trends. From associate degree IaaS perspective, it means that more cash, from SaaS, which implies a lot of engagement and PaaS a lot of chance. Amazon internet Services, Microsoft Azure, and Google Cloud square measure the apparent beneficiaries as market leaders. However, for firms like Oracle, UN agency may well be operating with a lot of ancient industries that have resisted evolution so far, new conversations regarding sanctioning the force can have to be compelled to occur.

ii) Video conferencing and collaboration: Although there's no substitute for a face-to-face meeting to progress and complete sophisticated comes, alternatives have to be compelled to be wanted nowadays. Several businesses square measure encouraging a lot of sessions to be conducted via

video links instead of email not solely to guarantee effective communication; however, make sure the well-being of staff. Contact with colleagues via video link isn't good by any stretch; however, it would assist some UN agency square measure feeling the loneliness of remote operating. Microsoft is a plain beneficiary here; it declared last week the amount of daily active users for its group collaboration suite raised by twelve million. However, several others square measure financially happier conjointly. Zoom Video Communications, a foreign conferencing services company, headquartered in San Jose, has seen share increment a hundred and thirtieth since the start of the year. In contrast, a lot of marketers square measure turning to firms like ON24 to buy webcasting and webinar services to confirm lead generation comes will continue.

iii) Electronic payments: The likes of Visa, MasterCard, and Curb are already benefitting from long-standing trends wherever real money has been quickly changing into a factor of the past. However, the COVID-19 irruption might accelerate this. In the short-run, some retailers are currently solely accepted through digital payments, because the total variety of transactions are decreasing, thus can revenues. They said, within the long, it might force customers into adopting digital payments.

iv) Ecommerce: The new folks are reception bored; the additional probably their fingers are planning to venture towards the eCommerce apps to pay the cash that has been saved from not planning to the gin mill. Your correspondent's social unit has become a satellite Amazon room due to specific people within the flat.

v) Streaming, vice, and video content platforms This is maybe the foremost obvious example of a useful section. In terms of video streaming, folks can get to occupy kids, whereas adults also will want fun as pubs, clubs, theatres, parks, beaches, holidays, and gigs all disappear. Netflix is already vastly well-liked, however with additional folks stuck reception within the evenings, it should well become additional thus, and yet, this profit isn't restricted to the content king. All streaming platforms may benefit, whereas Disney+ is launching at an ideal time to capture the eye of European shoppers. In terms of video platforms outside streaming, YouTube is enjoying explicit success. Not solely are their people who try to entertain themselves. However, there also are many hours of data (some way more correct than others) on the pandemic itself.

Table 1: Industries and Impact

S. No.	Industries	Factors Affecting	Approximate Impact in Revenue
1	Aviation	- Mass-scale cancellation of flights	55 % ↓
	Agriculture	-Lack of laborers - Lack of transport - Loss/ wastage of produce - Drop-in demand leading to a drop in prices	20% ↓
2	Manufacturing	- Lack of workers - Lack of raw materials	5-15% ↓
3	Food	- Lack of customers due to fear of contracting virus	40-50% ↓

4	Hospitality	- Mass-scale cancellation of bookings. - Lack of transport.	30% ↓
5	Electronics	- Supply of raw materials affected	5-15% ↓
6	Software Industry	- Workforce affected due to quarantine	
7	Health	- Lack of patients from other operations(international) - Entire workforce used to treat COVID -19 patients	24-34% ↓
8	Technology Industry		
	Cloud Computing	- Rapid digital transformation	12.5% ↑
	Video conferencing and collaboration	- Increase in online meetings and videoconferences due to lockdown.	130% ↑
	Electronic payments	- Increase in electronic payments due to lockdown.	20- 25% ↑
	Ecommerce	- Increase in eCommerce activities and online shopping.	23% ↑
	Streaming, gaming and video content platforms	- Increase in streaming and gaming in digital platforms to help ease stress and pass the time.	63% ↑

The highest impact is on the food industry as there will be a lack of customers due to fear of contracting viruses, and they may face a 40-50% fall in the revenue. It takes about approximately 2 to 5 years for the food industry to overcome this loss. The next highest impact on the health industry, which has fallen in revenue of up to 24-34% because of the lack of patients from other operations(international) as the entire workforce was used to treat COVID -19 patients. But this seems to overcome this fall in a dewy short span as this industry is one of the basic needs of the society and cannot be alternated. On the contract, the Video conferencing and collaboration industry will flourish, and their revenue will increase up to130%.

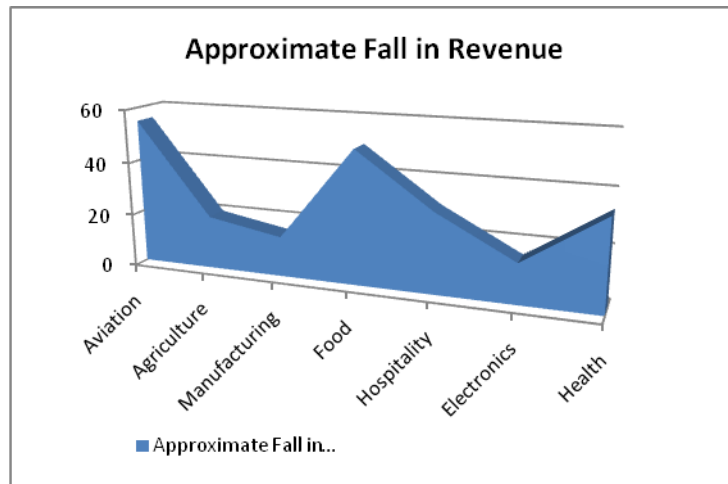


Fig 1: Depicts the approximate fall in the revenue of a few sectors

11. CONCLUSION

COVID 19 has shattered the economy of the nation. Above this, various state tussles have occurred during the COVID-19 pandemic like electricity production, the mass migration of vagrants. In the effects of the revenue fall, few organizations began arrangements for restarting activities. A few organizations have opened workplaces with the greatest allowed quality of 33%, while others adopted a progressively mindful strategy of as low as five for each cent.[13]. An examination by Elara Securities Inc. discovered that five Indian states, Kerala, Punjab, Tamil Nadu, Haryana, and Karnataka, are contributing 27% of India's GDP as India rises out of an absolute lockdown.[14][15].

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