

THE ECONOMIC IMPACT OF COVID-19 WITH SPECIAL REFERENCE TO INDIA

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ABSTRACT

It's since more than a year, India faces major socio-economic set back due to covid-19. As the first case being recorded around Jan 30 -2020 in India, it has rapidly increased to large amount around the world. The covid-19 virus which had been detected in China in November-December 2019 has turned out to be the major pandemic in the History. The covid outbreak has created an adverse impact on the economic growth of the country. In this the numerous sectors of the country got affected as a chain reaction much is binding from trade and commerce to the industry sector, the labour work force Infrastructure etc. Causing disruptive eruptions on the growth of our economy. The paper evaluates the slow GDP growth of India the factor causing the current rise in unemployment problem and slowdown the economic development.

Key words: *Slow GDP Growth, unemployment, Impact of Economic slowdown.*

INTRODUCTION:

The covid -19 outbreak has introduced a new meaning of the world lock-down no work no income concept which has adequate disturbance on all sectors. Due to the big blow on the demand. There arises unavailability of raw materials, migration of thousands of workers from urban areas, transportation and travel related restrictions etc., have become the pulling factors of the economic scale. There will also be an inter linking effects which slowed tourism industry hospitality etc. Because of this India to face its break of chain in the world trade on which foreign investors pulled their investments which made the stock markets crumpled dismantled. This logging of financial rotations made the large crisis on the trade and commerce under neath of the development platform.

1.REVIEW OF LITERATURE

RBI of India reiterates the estimate GDP growth at 6.2% in 2019-20.

Mishra - The IMF (International monetary fund) had the forecast which stated the lowering of GDP by 1.3% points to 4.8% for 2019-20.

Bureau - it's the clear fact that slows the growth in the previous fiscal year is due to the unprecedented lockdown that is expected to account losses of over, \$ 4.5billion (Rs. 35,000 crores) every day during lockdown.

2.RESEARCH METHODOLOGY

For this research researcher used mostly secondary data. The secondary data are collected from different sources such as internet, books, Articles and public investigations. To support the analysis a graph is attached.

3.OBJECTIVES OF THE STUDY

1. To study the slow GDP growth of India Due to covid-19.
2. To study the sharp rise in unemployment problem.
3. To study the slowdown of the Indian economy.

4.ANALYSIS AND INTERPRETATION

4.1 IMPACT ON THE INDIAN ECONOMY

➤ Impact on the Demand Side

The major key sectors like Tourism Hospitality and aviation are more affected ones in the pandemic these sectors are totally blocked due to travel restrictions in and out of the country.

The closing of Cinema Halls had an effect on entertainment industry which contribute accountable share in the economy the shopping malls shutdown also caused more effects on the medium and large level business man tremendously.

➤ **Impact on the Financial Market**

One of the significant falling in the domestic equity markets was seen in March 12 in which both BSE Sensex and NSE (National Stock Exchange) Nifty slashed by more than 8% in a single day. On March 19-2020 the Sensex closed 581 points lower at 28,288 and Nifty fell 205 points to end at 8,263.

➤ **Impact on the supply Side**

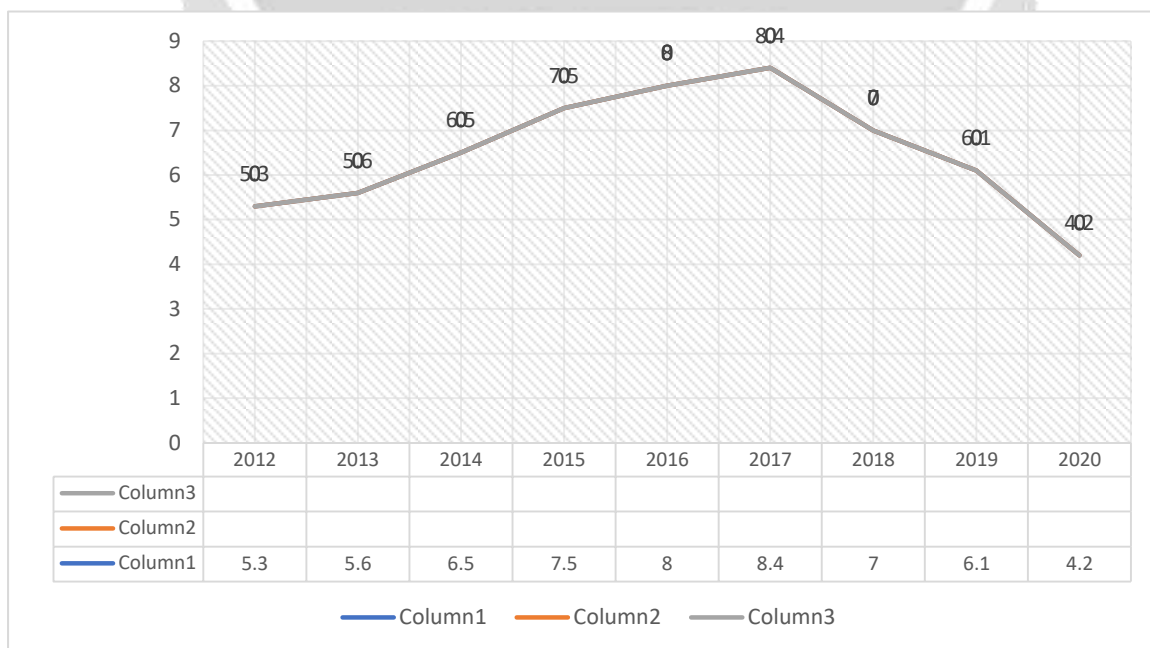
The automobile, pharmaceuticals, electronics chemical product sectors have faced an immense breakdown in the supply of raw materials and the allied component shortage. Due to the lack of import of the raw materials from Europe, US, China and other parts of Asia the exports from India have also dropped to a major extent. Since China has been a huge market for many Indian products like petrochemicals, seafood, gems and jewelry etc. There has been an estimated loss of 8000-10,000 crore in this area. Because of the restrictions the petrochemical exports of nearly 34% to China had to face a price reduction to a large scale.

➤ **Micro, small and medium enterprises (MSMEs)**

It's has been found that the micro small and medium enterprises widely affected the manufacturing units which provides large scale employment. Reports from tis MSMEs states that around 30% of India's GDP are based on 50% Industrial workers. Therefore over 97% of MSMEs can be classified with an investment in plant and machinery which are less than 25 lakhs remain unregistered with the government. Because of the lockdown this supply chain disrupted widely the exports and exports.

The decline of informal sectors in the pandemic is of major concern in the economic slowdown, The informal daily wage labourers others were widely affected due to the loss of wages and large scale losses of jobs. These set of population are involving in the construction work in the infrastructure development, factors production and in several other connected workforce. The informal workers cater the need on people's daily demand. The survival of informal workers had become a major threat in the economic development with every passing day which drags the overall growth of the nation.

4.2 ANALYSIS OF THE DIP IN GDP GROWTH RATE



It's inferred from the analysis that there has been a declined in the GDP growth in the financial year 2019 and 2020 which account 6.1 and 4.2 respectively. When it's compared by the years 2017 2018 which are 8.4 and 7 were absolutely dropped in the span of just one year.

4.3 A SHARP RISE IN YOUTH UNEMPLOYMENT

In the continuation pandemic there has been a sharp and drastic increase of unemployment observed in the country. India is one among the nations in the world which has 46% of youths under the age of 25. This observed demography explain the reason of unemployment rate among India's youth. Nearly 34% for more between 20 and 24 years old, even up to 37.5% among urban population are very much affected by unemployment during 2019-2020 as calculated by the NSSO (National sample survey office). Further in Dec-2019 the urban youth over 44% of the 20-24 age groups badly affected. In this age group the graduates more about 63.4%. When compared to the previous two years which are 55% and 42% respectively.

The unemployment in the pandemic had raised the humanitarian crisis in a more alarming stigma more than any another economic activity. The analysis made by CMIE's CPHS (Centre for Monitoring Indian Economy), clearly put form the estimates in a manner that could affect about 50% of the households unable to survive less than a month without salary the case further worsens for the proportion between 20-25% if it were extended to, three months.

Conclusion

The covid -19 had enforced an unexpected fall of economy especially on the financial sectors and the informal labour field. The major problem has been identified by both the central and state governments but the process of re boosting the economy with take a long way and the protocols of following the social distancing weaning mask in this would be of great importance. Further more the process of rapid vaccination makes the situation to attain a calculated normally in the pandemic these step and measures will have a progressive rise in the socio-economic pattern of the country and the Hege Population to reconcile the losses as quick as possible.

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