

Impact of COVID-19 on the Global and Indian Economy

Dr. Amar Latta ¹, Dr. Rajendra Singh Negi ², Dr. Sunesh Kumar Sharma ³

¹ Assistant Professor, Deptt. of Economics, Shri Guru Ram Rai University, Dehradun.

² Assistant Professor, Deptt. of Mass Communication, Shri Guru Ram Rai University, Dehradun

³ Team Leader-WaSH, Himmatthar/Tata Trusts, Dehradun.

Email: amar.lata55@gmail.com, rajendrasinghnegi123@rediffmail.com, sunesh95@gmail.com

Abstract: The Corona virus started from the Wuhan, city of China (SARS-CoV2) at the end of 2019 quickly spread to all Chinese provinces and, as on 1th March 2020, to 58 other countries. But now this virus spread about 170+ countries. Corona virus attacks the economy at a time when the economies were going slowly into the recession. In terms of export, China is India's 3rd largest export partner and accounts for around 5 per cent share. Many sectors affected by corona virus like organic chemicals, plastics, fish products, cotton, ores, etc. The most of the Indian companies are located in the eastern part of China. About 72 per cent companies of India are located in China's cities like Shanghai, Beijing, provinces of Guangdong, Jiangsu, and Shandong. These companies working in many sectors like Industrial manufacturing, manufacturing services, IT and BPO, Logistics, Chemicals, Airlines, and tourism etc. GDP and per capita income shrinking across 170 nations due to the corona virus pandemic. Global GDP would sharply concord in 2021 and combination of a longer initial pandemic and 2021 revival would yield an even worse downturn.

Key words: Virus, Economy, Unemployment, Emergency, Recession, Outbreak.

1. INTRODUCTION:

1.1 Impact of Coronavirus on the Indian Economy

Corona virus affected adversely the large extent on the Indian industrial sector. India imports a large amount of goods from China. India's total **electronic imports** account about 45% from the China. Around one-third of machinery and two-fifths of **organic chemicals** purchased from China. Around 65 to 70% of active **pharmaceutical** ingredients and of certain the **mobile phones** also imported from China to India. So during the corona virus and the lockdown situation the import of the goods and Indian Industries are totally affected.

1.2 In terms of export: -

China accounts for around 5% share to India's 3rd largest export partner. Chemicals, plastics, fish products, cotton, ores, etc. might be impacted. Indian manufacturing companies located in eastern China. 72% of companies in India are located in China cities like Shanghai, Beijing, provinces of Guangdong, Jiangsu, and Shandong. These companies working in various sectors like including Industrial manufacturing, manufacturing services, IT and BPO, Logistics, Chemicals, Airlines, and tourism. Some sectors like shipping, pharmaceuticals, automobiles, mobiles, electronics, textiles, etc. of India have been impacted during the outbreak of corona virus.

Demand and supply **chain badly** affected in the market. Pharmacy, chemicals, and electronics sector may face supply-chain problem and prices will go up by 10 percent (CLSA report).

China's share in total imports to India

Organic chemicals	37%
Inorganic chemicals	13%
Medicinal & Pharma products	36%
Dyes	28%

Source: <https://commerce.gov.in>

1.3 Impact on global economy:

- GDP and per capita income shrinking across 170 nations due to the coronavirus pandemic, but the projection "may actually be a more optimistic picture than reality produces." According to IMF
- The IMF noted that even a short-lived outbreak would drag the world into a 3% GDP contraction.

2. Analysis and Discussion:

According to IMF the GDP lower by 3 per cent in 2020 during the great lockdown situation.

Figure:-1

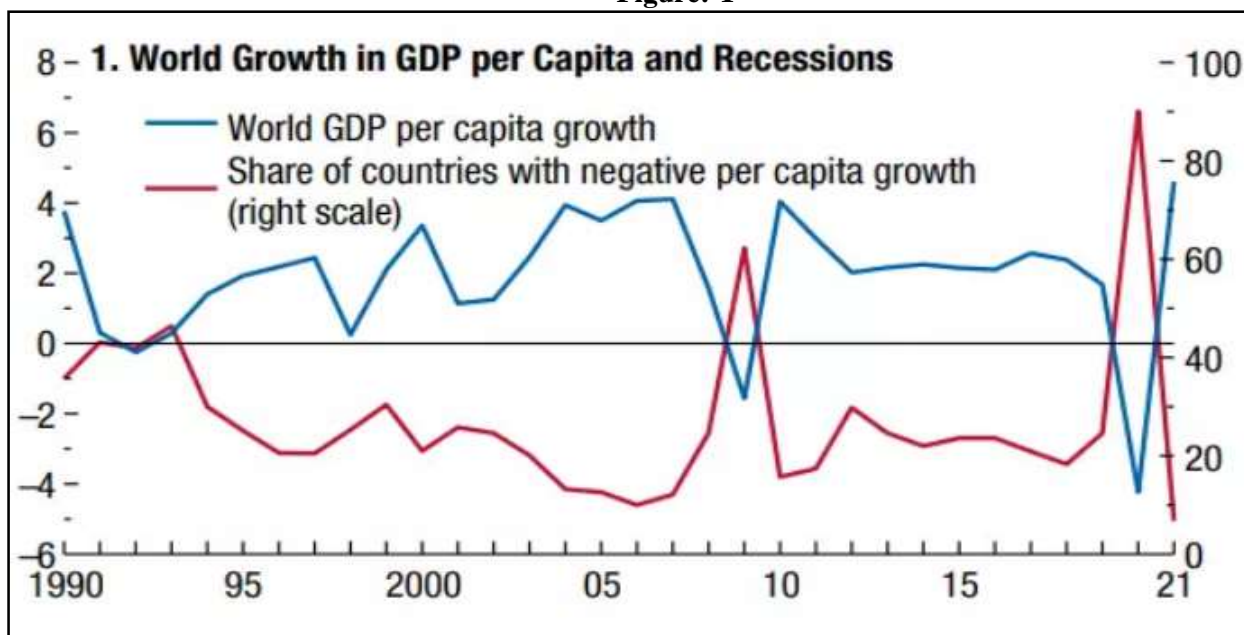
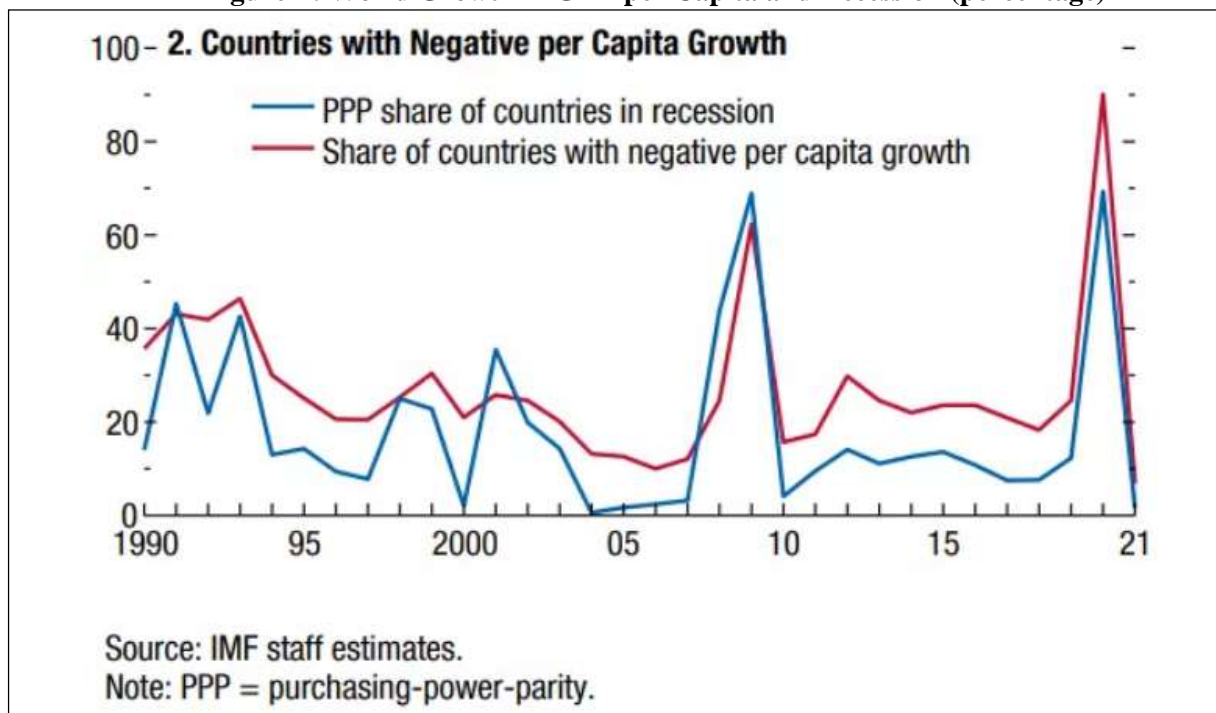


Figure-2: World Growth in GDP per Capita and Recession (percentage)



Global GDP would sharply concord in 2021 and combination of a longer initial pandemic and 2021 revival would yield an even worse downturn. The share of countries negative per capita growth is highest in 2021 year. It shows that the recession will increase in current financial year. Even as the virus spread very fast all around in the global, but some nations hit hardest by this pandemic disease. The consumer confidence is badly affected by the epidemic and a premature reopening would place significant strain on already hammered health care operations. Worldwide more than 30.73 lakh people infected and 2.11 lakh people died through, the Covid-19 pandemic. This shows no signs of abating.

As vaccine is not yet to be found, lockdowns and social distance remain the only way to slow its spread. But this great lockdowns affected badly the different sector of the economy.

Table-1: Different Countries expected GDP Growth Rate

Country	Annual GDP (\$ billion)*	GDP growth in 2019 (%)*:	Exp GDP Growth (January,2020)	GDP Growth (April,2020)	Covid cases/Million	Covid deaths/Million
USA	20,544.34	-0.70	0.70	-5.20	1,855	79
Japan	4,971.32	-0.70	0.70	-5.20	60	1
Germany	3947.62	0.40	1.10	-7.00	1578	42
France	2777.54	0.90	1.30	-7.20	2195	241
India	2718.73	4.70	5.80	1.90	8	0.30
Italy	2083.86	0.09	0.50	-9.10	2687	348
Brazil	1868.63	1.67	2.20	-5.30	119	7
Canada	1713.34	1.80	1.80	-6.20	717	24

Source: World meter; data as on 14 April 2020

The table-1 shows the annual GDP of all the countries. USA annual GDP is highest as comparison to other countries. India’s annual GDP is less than as comparison to the population of the country. But the figure shows that India’s GDP growth rate in April month must be positive as comparison to other countries. Covid-19, cases and number of deaths also less in India as comparison to the other countries.

Figure-3:

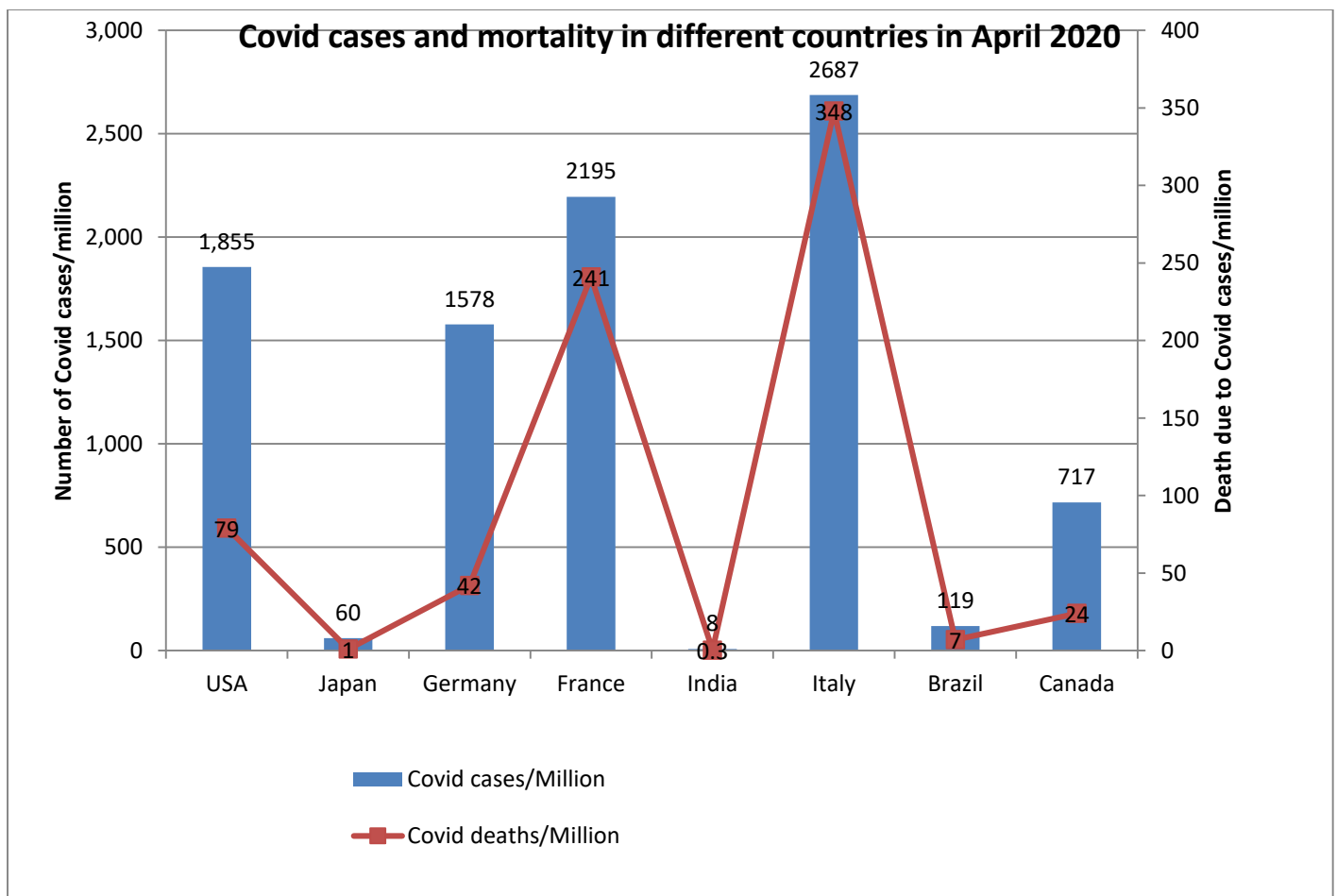


Figure-3 shows the Covid -19 cases and mortality in different countries. In USA, Germany, France and Italy mortality rate about 79, 42, 241 and 348 million respectively. The maximum deaths in Italy, France, USA and in Germany. Lowest death rate in India is due to timely country wide lockdown from the starting of the Covid-19 (24th March 2020).

Figure-4:

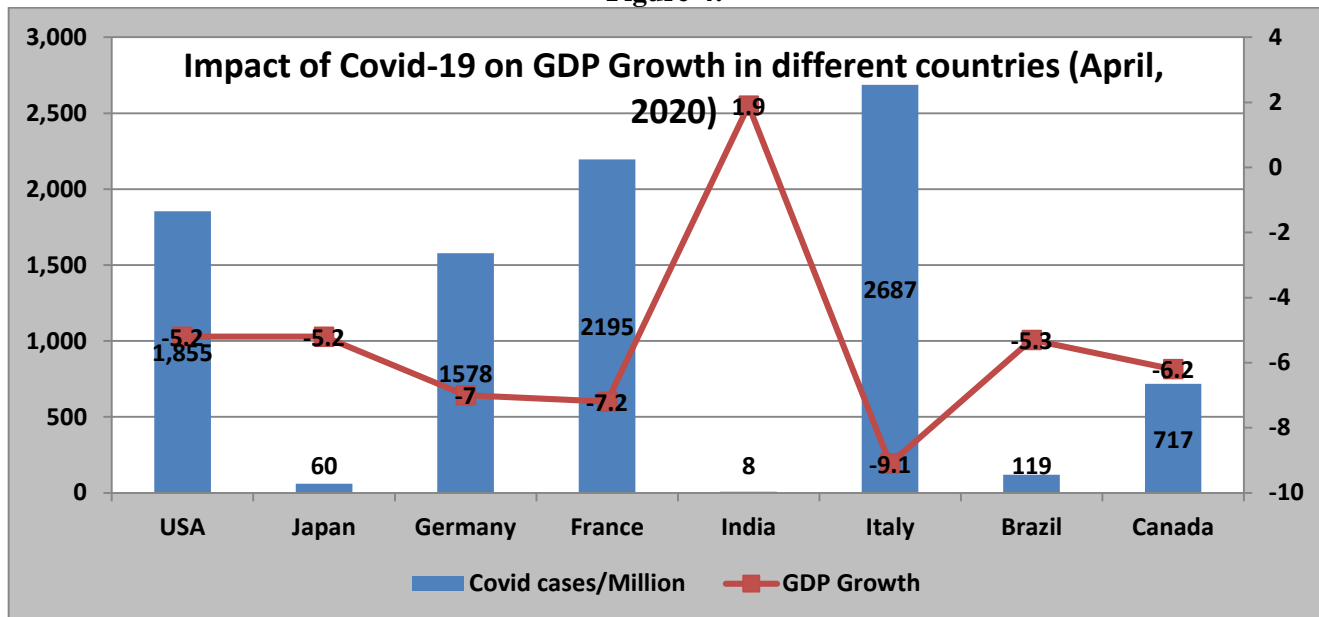


Figure-4 exhibits that GDP of different countries negative in all the countries but only India GDP positive growth rate in April month. This graph shows that the USA, Germany, France and Italy are badly affected by the Covid-19. In USA no of cases 1855 million and GDP growth rate -5.2 percent, In Germany, France and in Italy no of cases about 1578, 2195 and 2687 but GDP also affected negatively i.e. -7, -7.2, and -9.2. This data shows that during the lockdown and corona virus situation GDP of the countries badly affected.

3. Recommendations:

- India should control the population growth for that government should make the laws and strictly follow them.
- Government should provide the package for the small scale industries and focus on more development in industrial sector.
- Focus on the agriculture sector productivity and use organic farming.
- After corona virus situation India would be make self dependent and interdependence on other countries must be reduced.
- There is an urgent need to check Brain drain and invest skill in nation building.

4. Conclusion:

The Corona virus started from the China city in Wuhan,(SARS-CoV2) at the end of 2019 quickly spread to all Chinese provinces and, as on 1th March 2020, to 58 other countries of the World. But now this virus spread about 170 countries. Corona virus attacks the economy at a time when the economies were going slowly into the recession. The world will witness a recession with increasing unemployment and long-term unemployment. **In terms of export**, China is India's 3rd largest export partner and accounts for around 5 per cent share. Many sectors affected by corona virus like organic chemicals, plastics, fish products, cotton, ores, etc. The most of the Indian companies are located in the eastern part of China. About 72 per cent companies of India are located in China. These companies working in many sectors like Industrial manufacturing, manufacturing services, IT and BPO, Logistics, Chemicals, Airlines, and tourism etc. GDP and per capita income shrinking across 170+ nations due to the corona virus pandemic. Global GDP would sharply concord in 2021 and combination of a longer initial pandemic and 2021 revival would yield an even worse downturn.

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