

IMPACT OF COVID-19 ON INDIAN ECONOMY DURING 2020-2021 & ITS RECOVERY

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***Abstract.** During the COVID 19 Pandemic in the world, the economy was in a great depression. Still, most of the country is struggling to come out of the COVID 19 impact on their economy. The research paper is focused on the impact of the pandemic on the Indian economy by considering various parameters which define the economic condition of any country. The study considered the long-term and short-term impact on the Indian Economy. Overall the world GDP is showing negative growth during the last year and India is the one who impacted most. To analyze the data comparative analysis was used. the forecasting for the future impact of COVID 19 on the Indian economy various forecasting techniques was used such as straight line, moving average, simple linear regression, etc. Various sectors of the economy were considered to show the impact and also studied the economic reforms policy framework of government in this regard. The statistical data from the esteemed and trustworthy information sources were gathered to find out the impact of COVID 19. The data regression model was also used to analyze the collected data.*

***Keywords:** Indian Economy; GDP; Employment; Per Capita Income; Economics & Strategy; Economic Downturn; Social Disruption; World Economy;*

1. Introduction

Ever since the outbreak of COVID 19 in the world, several analysts and experts in the world are in the race to find out the impact of the pandemic on the world economy or individual countries. The outbreak of the COVID 19 Virus starts in the last few months of 2019 in China. It will take 3 to 4 months to spread through the world. In India, the first case was found in March 2020 and from that point, the impact of the virus was increasing continuously. During the last year, the world economy and the Indian economy were facing a tough situation. Various lockdowns had

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employed by the governments and various financial policies had changed to overcome the economic crises. With each day passing the new forecasts are showing and the various pictures are portraying to show the economic impact and the current situation of it. A decline of the global economy by 1% as compared to the previous projection of a 2.5% growth has been forecasted by the UN on 2 April 2020¹. The COVID-19 has now become a global threat. The World Health Organisation declared COVID-19 a pandemic on 11 March 2020.² It has been reported by this time (06-07-2020), more than 11.5 million cases and 5.4 lakhs death over the world due to COVID-19. There is no vaccination developed for the treatment of the virus, so the governments from most of the countries have already implemented several methods to prevent the disease from spreading.³ In India, the lockdown was enforced in four phases to prevent the spread of COVID-19. Phase 1 of lockdown went from March 25, 2020, until April 14, 2020(21 days). Phase 2 of lockdown was from April 15, 2020, until May 03, 2020 (19 days). Lockdown Phase 3 was from May 04, 2020, to May 17, 2020 (14 days). The last phase of lockdown was from May 18, 2020, to May 31, 2020 (14 days). During this lockdown, all places of worship were closed. There was the prohibition of social, cultural, entertainment, and religious activities. The work from home is allowed for commercial and private firms. Only essential services like banks, hospitals, pharmacies, grocery stores, and other essential services were permitted to operate. From June 01, 2020, to June 30, 2020(30 days), Unlock 1.0 was implemented in India. From July 01, 2020, to July 31, 2020, India has passed from the second phase of unlocking Unlock 2.0.⁴

The Objective of the study was to find out the impact of COVID 19 on the various sectors which were considered for the study and are vital for the Indian economy and to find out the impact on the Indian Economy as a whole. The following study was started from the collection of data from various authentic sources. The various parameters were selected which highlight's the economic condition such as GDP, Employment Rate,

¹ The Economic Times, 2020

² Coronavirus has become a pandemic, WHO. Says. 11th march 2020. New York Times <https://www.nytimes.com/2020/03/11/health/coronavirus-pandemic-who.html> (accessed Jul. 10, 2020).

³ Donthu N and Gustafsson A 2020 Effects of COVID-19 on Business and Research Journal of Business Research vol 117, pp. 284-289

⁴ The Impact of COVID-19 Epidemic on Indian Economy Unleashed by Machine Learning, Kamal Deep Garg¹, Manik Gupta^{2*} and Munish Kumar³. ICCRDA 2020, IOP Conf. Series: Materials Science and Engineering, 1022 (2021) 012085, doi:10.1088/1757-899X/1022/1/012085

Bank Interest Rates, Industry outputs, Import & Export, Inflation rate, etc. the study also focuses on the various sectors of the Indian economy to find out the level of impact on those industrial sectors such financial market, hotel industry, banking industry, manufacturing industry, automobile industry, educational sector, travel and tourism sector, Aviation sector and many more.

2. Literature Review

To study the impact of COVID 19 on the Indian economy various sources and research publications were referred to. Various authors worked on the same topic to find out the impact by considering various parameters. Some authors considered only the industrial impact by considering few industries, few had selected parameters of the economy to find out the impact. In this study, the combined analysis of various sectors of the economy and the parameters which show the economic performance were considered to evaluate the impact of COVID 19 and also the economic reforms, financial planning, and policies the government comes with to overcome the economic condition were also considered. One of the research papers titled Covid-19 and Its Impact on Indian Economy furnishes the policy framework of government to tackle the impact of COVID 19.⁵ The Impact of COVID-19 Epidemic on Indian Economy Unleashed By Machine Learning was another paper that was referred for the study. They had done the study by considering the various industrial sectors and their performance during pandemic situations. To analyze the impact the author uses the Machin learning process. This research concludes the economic impact of COVID-19 in India. We have performed data analysis on the Stock Market vs. COVID-19 patients in India from March 2020 to July 2020. We used machine learning to predict the opening SENSEX rate by using different regression models. The increasing number of COVID-19 cases directly impacted the stock market. From all four regression models, the random forest technique better fitted the curve of the model. In the future, this work can be extended by including other features like the number of deaths, the number of recovered cases, etc. to

⁵ Covid-19 and Its Impact on Indian Economy, Shubhi Agarwala*, Archana Singh, International Journal of Trade & Commerce-IIARTC January-June 2020, Volume 9, No. 1 pp. 72-79

analyze the impact on the stock market in India.⁶ One more research paper that discussed the impact of the COVID 19 on the economy found that the coronavirus pandemic has paralyzed the Indian economy to a great extent, affecting almost all macro variables of the economy negatively. Although we might not know the exact impact of the virus on the Indian economy until the pandemic is over, the country would certainly have a hard time coping with the deep recession complemented with a sharp fall in the GDP and surge of unemployment rate in the country. The long-term impact of the pandemic will be a result of how the masses and the government react to the prevailing situations and the changes made in policies and businesses. Price increases could occur in sectors like agriculture so measures should be taken to maintain adequate harvest and keep the supply chain operating smoothly. The risk of a rating downgrade and fiscal deficit spike will make it harder to borrow and spend in the future. The government must increase the scale of direct benefits to specific target groups like the MSMEs and the unemployed by other schemes like MNREGA and Jan Dhan Yojana. There should also be a temporary increase in the quantity of food distribution to ensure the food security of the vulnerable groups. Given the limited nature of available resources and other limitations, the policymakers in India have to carefully weigh the policy options and choose only those that have the largest payoffs in the short-run as well as the long-run.⁷ Another paper considered the electricity consumption and night-time light intensity to find out the We then quantified the drop in electricity consumption in response to the COVID-19 pandemic and the national lockdown, which the Indian authorities implemented from March 25 onwards. Compared to predicted consumption based on a model explaining 90 percent of the variation in electricity consumption, actual electricity consumption declined around 20 percent shortly after the lockdown was implemented. It fell further subsequently, to a maximum decline of 30 percent at the end of March. It was around 25 percent below normal throughout April and subsequently recovered somewhat, following the stepwise relaxation of restrictions, but was on average still 13.5 percent lower than normal in May electricity

⁶ Kamal Deep Garg¹, Manik Gupta^{2*} and Munish Kumar³ IOP Conf. Series: Materials Science and Engineering 1022 (2021) 012085 IOP Publishing doi:10.1088/1757-899X/1022/1/012085

⁷ IMPACT OF COVID-19 ON THE INDIAN ECONOMY, Article DOI:10.21474/IJAR01/11461 DOI URL: <http://dx.doi.org/10.21474/IJAR01/11461>

consumption tracks GVA fluctuations closely and has been used to assess the economic impact of lockdowns in the European Union. We showed that electricity consumption can also be used in emerging markets and developing economies. For India, we can update this measure of economic activity with only a one-day delay, which provides a nearly real-time view of economic activity.⁸ Covid-19 has posed an unprecedented challenge for India. Given the large size of the population, the precarious situation of the economy, especially of the financial sector in the pre-Covid-19 period, and the economy's dependence on informal labor, lockdowns, and other social distancing measures are turning out to be hugely disruptive. The central and state governments had recognized the challenge and had responded but this response should be just the beginning. The eventual damage to the economy is likely to be significantly worse than the current estimates. On the demand side, the government needs to balance the income support required with the need to ensure the fiscal situation does not spin out of control. The balance struck so far seems to be a reasonable one but the government needs to find greater scope for supporting the incomes of the poor. Involvement of the state and local governments may also be crucial in the effective implementation of further fiscal initiatives. Policymakers need to be prepared to scale up the response as the events unfold to minimize the impact of the shock on both the formal and informal sectors and pave the way for a sustained recovery. At the same time, they must ensure that the responses remain enshrined in a rules-based framework and limit the exercise of discretion to avoid long-term damage to the economy.⁹

3. Research Methodology

To analyze the impact of the COVID 19 on the Indian Economy the comparative analysis was done between the data collected for the year 2019-20 and 2020-21. The data analysis was divided into three sections, one was the comparative analysis between various sectors such as FMCG, AVIATION, FINANCIAL SERVICES, HOSPITALITY, AND TOURISM

⁸ Examining the Economic Impact of COVID-19 in India through Daily Electricity Consumption and Night-time Light Intensity, Robert C. M. Beyer Sebastian Franco-Bedoya Virgilio Galdo, Policy Research Working Paper 9291.

⁹ Covid-19: Impact on the Indian Economy, S. Mahendra Dev and Rajeswari Sengupta, Indira Gandhi Institute of Development Research, Mumbai April 2020

INDUSTRY, AUTOMOBILE was considered. By analyzing the data for these various industries the impact of COVID 19 as a whole was found out.

Secondly, to confirm the impact of COVID 19, the study considered the various factors which contribute to analyze the economic condition and performance as a whole. The various parameters such as GDP, Export Import, Inflation, Interest Rates, Employment rate, Industrialization rate etc.

Objective:

1. To find out the impact of COVID 19 on the various industrial sectors of the Indian Economy.
2. To find out the impact of COVID 19 by using the various parameters of the Indian Economy.
3. To study the various corrective actions and policies taken by the Government of India.

The secondary data was collected from various authentic sources of the government of India and various financial institutional websites. Few financial reports of the ministry of finance and ministry of economic affairs were also used to find out the various corrective policies designed to overcome the pandemic situation.

Data Analysis & Interpretation:

Section I:

In the first section of the analysis, the impact of the COVID 19 pandemic on the various selected industries was analyzed.

4. Impact on the FMCG sector of the Indian Economy

The fast-moving consumer goods are the 4th largest sector in the Indian Economy. The FMCG sector is divided into three major sections Food and Beverages, Healthcare, Household, and Personal care. The food and beverages sector contributes 19% to the sector; Healthcare contributes 31% and household and personal care contribute 50%. During the pandemic situation, the FMCG sector showed upward performance and the market rose by 7.1%. The Indian Grocery market exceeds by Rs. 22,500 cr. in 2020 as a significant jump of 76% as compared to the previous year 2019. Growing awareness and easier access and changing lifestyle are the key growth drivers for the consumer market. The focused on the agricultural sector, infrastructure, MSME, education healthcare and tax

rebate was the key factor behind the good performance of the FMCG sector.

5. Impact on Tourism & Hospitality Industry

The WTTC's economic impact 2019 report said that India's travel and Tourism GDP contribution grew by 4.9% which was the third-highest after China and the Philippines. This industry has shown the strongest growth in the number of jobs created during 2014-19. But because of the pandemic situation in India during 2020 tourism and hospitality industry was the highly impacted sector. During 2019 the foreign tourist arrivals in India were 10.89 million with a growth rate of 3.20%. But in 2020 the growth rate was negative. Because of the restriction forced by various countries on travel from one country to another due to the outbreak of COVID 19. To boost the industry, post COVID 19 the Ministry of tourism has created a policy for the development and promotion of caravan and caravan camping parks in Kargil to promote adventure tourism and winter sports. India's GDP is expected to increase from Rs. 15.24 lakh crore (US\$ 234.03 billion) in 2017 to Rs. 32.05 lakh crore (US\$ 492.21 billion) in 2028. Total earnings from the sector in India are targeted to reach US\$ 50 billion by 2022. In 2020, a total of 8.38 million (Jan-Nov) foreign tourists arrived on e-Tourist Visa registering a growth of -67.2%. As of March 2021, the e-Tourist Visa facility was extended to citizens of 171 countries¹⁰.

6. Impact of COVID 19 on the Automobile Industry

The Indian automotive industry is going through a very rough patch due to the COVID 19 pandemic. The passenger vehicle sales declined by 50%, commercial vehicles to 88% two-wheelers by 40%, and three-wheelers by 60% as compared to pre-COVID 19 sales. The total size of the Indian automotive sector is 21550494 units with degrowth in 2020. Two-wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and mid-sized cars. Two-wheelers and passenger cars accounted for 80.8% and 12.9% market share, respectively, accounting for a combined sale of over 20.1 million vehicles in FY20. Two-wheeler sales stood at 1,426,865 units in February 2021, compared with 1,294,787 units in February 2020, recording a rise of 10.20%. Overall, automobile export reached 4.77 million vehicles in FY20,

¹⁰ <https://www.ibef.org/industry/tourism-hospitality-india.aspx>

growing at a CAGR of 6.94% during FY16-FY20. Two-wheelers made up 73.9% of the vehicles exported, followed by passenger vehicles at 14.2%, three-wheelers at 10.5%, and commercial vehicles at 1.3%¹¹. The Indian automobile industry has shown growth during FY 2020 as compared to 2019. Passenger vehicle sales increased by 28.39 % as compared to 2019. The two-wheeler sales increased by 35.26% as compared to the previous year. The electric vehicle sales also faced a growth of 20% and reached 1.56 Lakh units in the year 2020. The various corrective policies designed by the Government of India to boost up the Automobile industry. In February 2021, the Delhi government started the process to set up 100 vehicle battery charging points across the state to push the adoption of electric vehicles. Under NATRiP, the Government of India is planning to set up R&D centers at a total cost of US\$ 388.5 million to enable the industry to be on par with global standards. On 29th July 2019, the Inter-ministerial panel sanctioned 5,645 electric buses for 65 cities.

NATRiP's proposal for "Grant-In-Aid for test facility infrastructure for EV performance Certification from NATRIP Implementation Society" under the FAME Scheme was approved by Project Implementation and Sanctioning Committee (PISC) on 3rd January 2019.

7. Impact of COVID 19 on Aviation Industry

The Indian aviation industry is growing compounded annually by an 11.13% rate. But during the financial year 2020-21, the airports in Indian airports face the traffic decreased by -53.4 million i.e. by 62% over the fiscal ended March 31, 2021. The average number of passengers on Indian flights during the pandemic was an average of 121 as compared to pre-COVID 19 was 136. The aircraft movement grew at a CAGR of 9.56% in 2020. The Indian domestic and international aircraft movements grew to reach 2155 thousand and 433 thousand during the financial year 2020-21. According to a report India's aviation industry is expected to witness Rs. 35,000 crore (US\$ 4.99 billion) investment in the next four years. The government also taking the initiative to promote the Aviation industry by coming up with various policies. In March 2021, on the launch of the 'Azadi Ka Amrit Mahotsav (India@75)' by the Government of India, the Ministry of Civil Aviation (MoCA) has proposed 392 routes under the UDAN 4.1 bidding process. The Airport Authority of India plans to abolish royalty and offer steep discounts in lease rent to encourage MRO

¹¹ <https://www.ibef.org/industry/automobiles-presentation>

units to set up facilities at its airports. In November 2020, the Government of India announced that it is likely to increase the total number of allowed domestic flights to 75% of the pre-COVID-19 levels, as it expects a rise in passenger numbers due to the festive and holiday season.¹²

8. Impact of COVID 19 on Financial Services

The Indian financial services sector consists of the capital market, insurance sector, and non-banking financial companies. The S&P small caps and mid-cap BSE gives a one-year absolute return of 33.53% and 21.31% respectively during the last year. India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by the Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020 report. 16% of assets in the mutual fund industry were generated from B30 locations in December 2020. These assets increased by 3%, from Rs. 4.95 lakh crore (US\$ 62.26 billion) in December 2020 to Rs. 5.13 lakh crore (US\$ 70.75 billion) in January 2021. Indian stock markets—S&P Sensex and Nifty50—rose 15.75 and 14.90%, respectively, in 2020. For the decade ended in 2020, the Sensex gained a whopping 173% and Nifty surged by 169%. Fundraising from the equity market grew by 116% to Rs. 1.78 lakh crore in Initial public offering (IPOs), Offer for Sale (OFS), and other market issuances in 2020. The Government of India has taken various steps to deepen reforms in the capital market, including simplification of the IPO process, which allows qualified foreign investors (QFIs) to access the Indian bond market.

9. Indian GDP during the COVID 19 Pandemic

Because of the Pandemic, the overall GDP of the world was sinking low. Almost all the sectors of the world economy are in doom during the year 2020-21. Except the Health care and pharmaceutical sector as they are performing well due to the impact of pandemic all over the world. The gross domestic product of the world was shrink to -3.27% during the year 2020. It is expected that in the future the world GDP will grow by 6.8% annually as per. The IMF predicted the growth of the world economy for the next 5 years. As per the prediction of the IMF, it is said that the world

¹² <https://www.ibef.org/industry/indian-aviation.aspx>

GDP will grow by 6.026% for the year 2021, and again it will go decreasing till 2024 by an average of 1.5% annually.

Table No. 1

Projections by IMF*			
Year	GDP (billions of \$/Int. \$)		Growth (%)
	Nominal	PPP	
2020	84,537.69	131,656.47	-3.267
2021	93,863.85	141,962.06	6.026
2022	100,104.69	151,543.26	4.415
2023	105,476.85	160,354.53	3.513
2024	110,882.23	169,173.02	3.374
2025	116,469.81	178,185.79	3.335
2026	122,363.46	187,448.22	3.296 ¹³

The INDIAN GDP is the most affected one during the COVID-19 pandemic. Various lockdowns were imposed by the government to tackle the pandemic situation the result is the pandemic somehow comes in control but the Gross domestic product is negative for the last one and a half-year almost. The Survey says India's GDP is estimated to contract by 7.7 % in FY2020-21, composed of a sharp 15.7 % decline in the first half and a modest 0.1 percent fall in the second half. Sector-wise, agriculture has remained the silver lining while contact-based services, manufacturing, construction were hit hardest, and have been recovering steadily. Government consumption and net exports have cushioned the growth from diving further down. As anticipated, while the lockdown resulted in a 23.9 percent contraction in GDP in Q1, the recovery has been a V-shaped one as seen in the 7.5 percent decline in Q2 and the recovery across all key economic indicators. Starting July, a resilient V-shaped recovery is underway, as demonstrated by the recovery in GDP growth in Q2 after the sharp decline in Q1 of 2020¹⁴.

During 2020-21, it is expected that the GDP to be worth Rs. 74.4 lakh crore, which is roughly the same as the GDP in 2019-20 about Rs 74.7 lakh crore. For the full year of 2020-21 then, India's GDP is likely to be Rs 134.4 lakh crore as against Rs 145.7 lakh crore in 2019-20 India's per

¹³ <https://statisticstimes.com/economy/world>

¹⁴ <https://pib.gov.in/PressReleasePage.aspx?PRID=1693232>

capita GDP will fall to Rs 99, 155 in 2020-21 last seen four years ago during 2016-17.

Indian Real GDP in 2020-21 compared with the previous 5 years shows that the GDP in 2020-21 is lower than the last two years but it is higher than 2015, 2016, 2017.

Table No. 2

Sr. No.	Year	Real GDP in Rs. Lakh Crore
01	2020-21	134
02	2019-20	143
03	2018-19	139
04	2017-18	132
05	2016-17	123

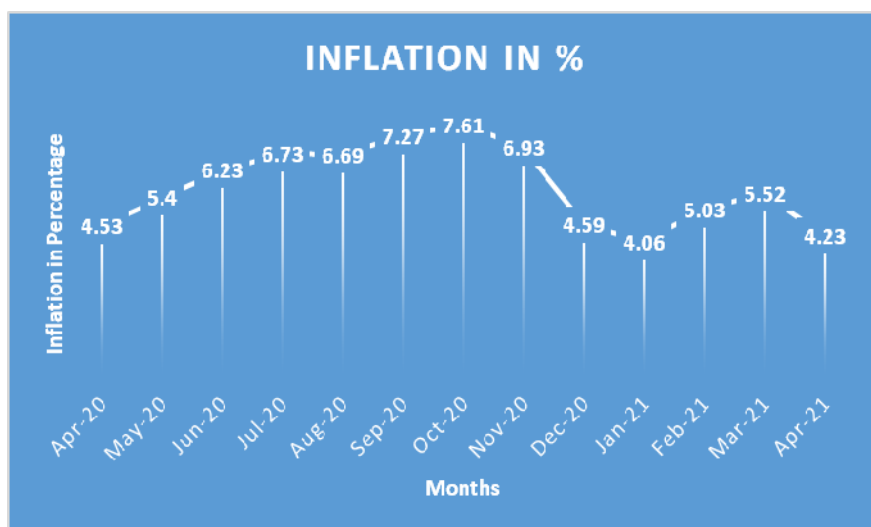
Similarly, the per capita GDP was also near about the level at 2016-17. It has been seen that the per capita GDP is near about 99155 Lakh Crore for the year 2020.

Table No. 3

Sr. No	Year	Per Capita GDP (in Lakh Crore)
01	2020-21	99155
02	2019-20	108620
03	2018-19	105361
04	2017-18	100268
05	2016-17	94751

10. Inflation in India during COVID 19 Pandemic

It has been observed that the inflation rate during the pandemic in 2020-21 was the highest compared to previous years. At the initial stage of the pandemic from April 2020 to May 2020 the inflation was below 5%. From June the inflation showed an upward trend. In June 2020 the inflation was 6.23%. which shows the sharp increase in retail inflation as the lockdown was imposed and the productions were stopped everywhere. The trend was continuing till October 2020 and the inflation reaches the highest 7.61 percent. After the lockdown took off the production and all industries were started then the inflation starts showing a downward trend. In November 2020 it drops to 6.93% and shown a sudden drop to 4.06% in January 2021.



Graph 1.

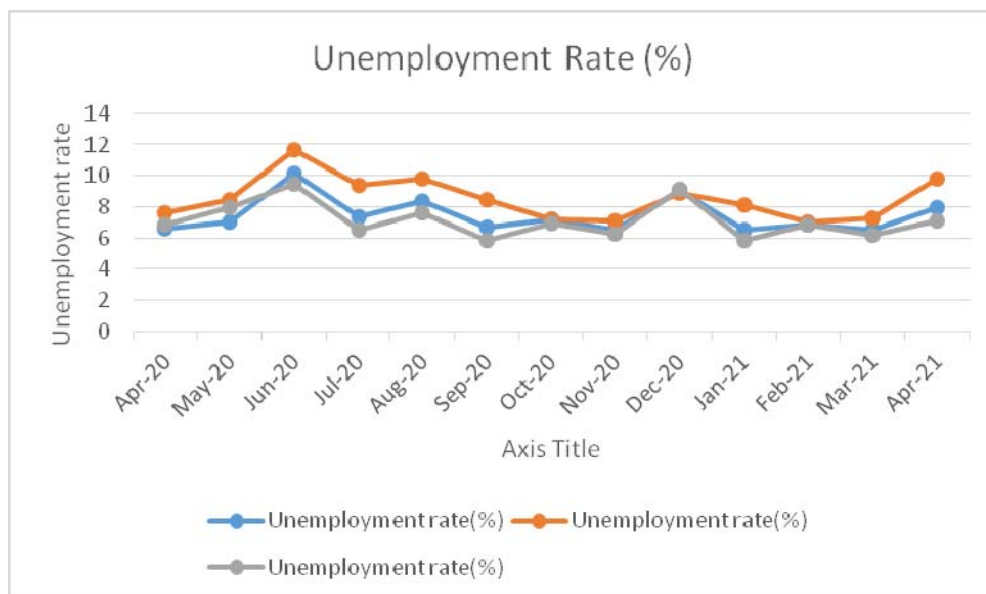
11. Unemployment Rate in India during COVID 19

The unemployment rate in India was the highest in the last decade. The unemployment rate matches the period of lockdown imposed in India. During the initial phase of the pandemic, the lockdown imposed by the government of India and the unemployment rate shows a drastic upward trend. The Unemployment rate reaches 10.18% during June 2020. From that, it shows fluctuation. In December 2020 also the unemployment rate touches 9.06% as a whole. From the data, it has been seen that the unemployment rate is higher in urban India as compared to the rural area. On average the unemployment rate during the pandemic situation in 2020 was 7.45 % as a whole. Urban India shown average job cuts of 8.51 % and the rural area also shown the average job cut to 7.12%.

Table 4.

Month	Unemployment rate(%)		
	India	Urban	Rural
Apr-20	6.63	7.58	6.89
May-20	7	8.5	7.92
Jun-20	10.18	11.68	9.49
Jul-20	7.4	9.37	6.51
Aug-20	8.35	9.83	7.65
Sep-20	6.68	8.45	5.88

Oct-20	7.2	7.18	6.95
Nov-20	6.5	7.07	6.24
Dec-20	9.06	8.84	9.15
Jan-21	6.52	8.09	5.81
Feb-21	6.89	6.99	6.85
Mar-21	6.5	7.27	6.15
Apr-21	7.97	9.78	7.13



Graph 2.

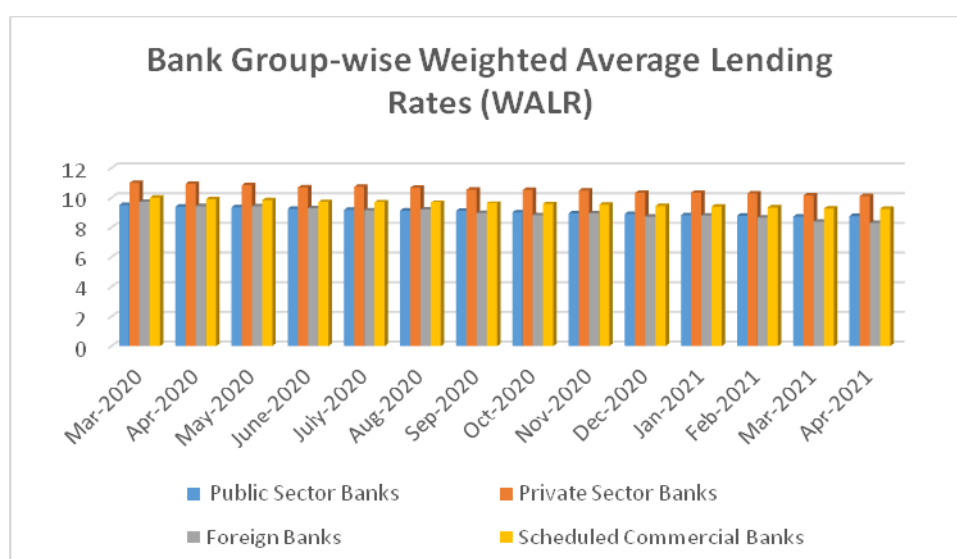
12. Interest rate during the COVID 19 situation

It has been seen that the lending interest rate of the banks was decreasing from 9.45% in March 2020 to 8.3 in April 2021 for public sector banks. For Private sector banks, the rate was decreased from 1.95% to 10.1 percent during the last year. The foreign banks showed a decreasing the lending rate from 9.74% to 8.28 %. The schedule and commercial banks also lower down their lending interest rate by 0.8% during the last financial year 2020-21. Other rates also decreased by the associated banks of RBI when the repo rate and reverse repo rate changed by the central bank of INDIA (RBI)¹⁵.

¹⁵ https://www.rbi.org.in/Scripts/Pr_DataRelease.aspx?SectionID=369& DateFilter =Year

Table 5

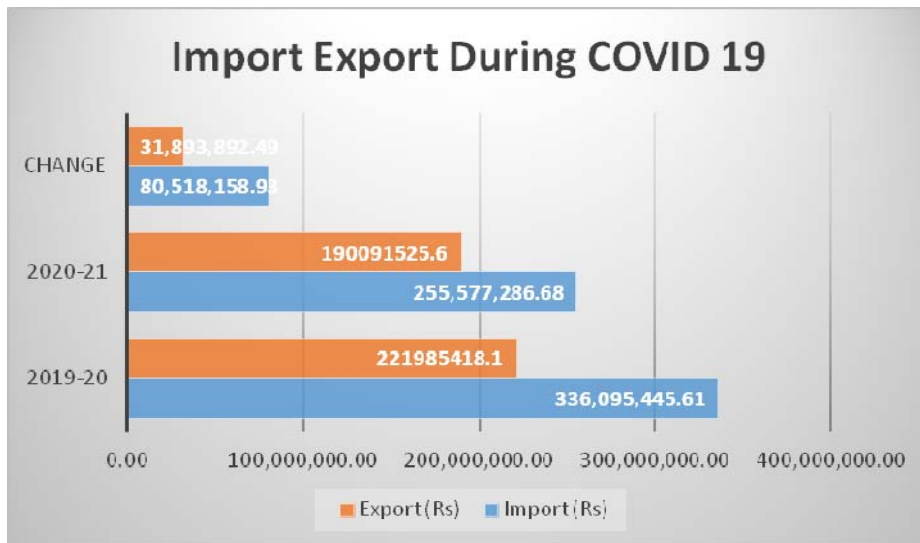
Bank Group-wise Weighted Average Lending Rates (WALR)				
(On Outstanding Rupee Loans)				
(Percent)				
Month-end	Public Sector Banks	Private Sector Banks	Foreign Banks	Scheduled Commercial Banks
Mar-2020	9.45	10.95	9.74	10
Apr-2020	9.34	10.9	9.37	9.9
May-2020	9.3	10.81	9.36	9.84
June-2020	9.2	10.66	9.24	9.72
July-2020	9.13	10.71	9.09	9.7
Aug-2020	9.08	10.64	9.15	9.65
Sep-2020	9.07	10.52	8.93	9.59
Oct-2020	8.97	10.5	8.79	9.52
Nov-2020	8.91	10.46	8.91	9.47
Dec-2020	8.87	10.31	8.69	9.38
Jan-2021	8.79	10.32	8.76	9.34
Feb-2021	8.75	10.27	8.63	9.29
Mar-2021	8.7	10.14	8.37	9.21
Apr-2021	8.73	10.1	8.28	9.2



Graph 3.

Table 6.

Year	2019-20	2020-21	Change
Import (Rs)	33,60,95,445.61	25,55,77,286.68	8,05,18,158.93
Export (Rs)	22,19,85,418.10	19,00,91,525.60	3,18,93,892.49



Graph 4.

13. Import and Export during the COVID 19 situation

During the pandemic situation in 2020-21, all the gates of international trade were closed for some time as every country was imposed lockdowns. The COVID 19 pandemic also impacted the export and import of the countries in the world. In India, various commodities were exported to other countries. But in 2020-21 it has shown less demand from the other countries. The export was decreased 221985418.10 Rs. To 190091525.61 Rs. From 2019 to 2020. The export was decreased by near about Rs. – 1678926107.51 for the financial year, 2020-21 compared to 2019-20.

The imports in India were also decreasing as the demand in the market was less. It has been seen that in the financial year 2019-20 the total import was Rs. 336,095,445.61 and in 2020-21 it is Rs. 255,577,286.68. The total imports have shown a downward trend. The import was decreased by Rs. 80518168.93.

14. Interpretation & Findings

From the study, it has been seen that some of the sectors of the Indian Economy were affected the most due to the COVID 19 pandemic. During the first wave of the pandemic, it has been found that the economy was impacted the most. The second wave came to India during the last month of December 2020 and the cases were increased drastically in March 2021.

All the economic parameters which were considered for the study shown near the same trend.

The GDP of India shown the negative impact of COVID 19. The Indian GDP dive to -23% during the first wave of the pandemic in 2020. Afterward, it has shown improvement and no the GPD was showing a -7.7% downtrend. This happened because of the various financial corrective measures taken by the Government of India. The Finance ministry provides the financial packages to the various sectors of the industry that were impacted most in 2020. India announces a \$22.5 billion stimulus package to help those affected by the lockdown and Pandemic.

The unemployment rate is shown an upward trend in the first wave of the COVID 19 pandemic. As soon as the lockdown was announced by the government of India in April 2020 the unemployment rate sores to above 10 %. After the lockdown was removed by the government the rate shown a steady downward trend and comes to near about 6% till November 2020. But in the initial months of 2021, the news of the second wave comes up ant again the unemployment rate shown an upward trend. But from the analysis, we can say that the unemployment rate was not that much higher and harmful to date as the government of India taking corrective action to tackle it.

The finance ministry and the RBI took corrective measures to tackle the inflation in the economy. The interest rates were managed by the RBI very carefully. The interest on the lending by banks was lower down by near about 1.5 percent. Which helps the banks to lend more money and to manage the market demand. All the banks including private, public, scheduled, foreign bank decreased their interest rates on loans. But also they had decreased the interest payable on FD, RD, Saving Deposits, etc.

Inflation in India was increased during the peak period of the COVID 19 pandemic first wave. The inflation rate sores to 7.1% during October 2020 due to the high demand and low production. As the impact of COVID 19 lowers down the inflation rate shown downward and now in April 2021 it is in a range of 4%.

The selected industries to find out the impact of the COVID 19 shows that the first wave of pandemics faced a tremendous slowdown. According to the report of IATA India, there was a total deficit of -61% in total revenue of the Aviation industry during 2020.

The FMCG sector was a good performing industry during the pandemic as the demand for FMCG goods was all-time high and the production was hampered due to lockdowns. The ease in the purchase of these FMCG goods through various E-commerce such as amazon, BigBasket, Flipkart, dunzo, zomato, etc. helps this industry to work well. Only quarter 2 of the year 2020 showing a downfall in the performance of the sector. Except that the demand and supply of the industry were in line.

One of the important sectors of the Indian economy is the automobile industry. For the last few years, the automobile industry was showing a stable upward trend. During the COVID 19, the automobile sector faced some setbacks as the sales were going down. But after the first wave, the industry is in a recovery mode. Many of the new entrants in the auto industry flourishing the industry. Old giants are also performing well by coming with the new technologies and new variants of their vehicles. TATA, MARUTI, MAHINDRA, HONDA, HERO, TVS, there are some of the companies that are handling the industry's growth. The passenger vehicles are showing an upward growth trend.

Truism & Hospitality industry are in doom. The hotel industry stuck their business due to lockdown. They are hoping for a good future demand after the lockdown and the pandemic situation comes in control.

15. Conclusion

During the study of the impact of COVID 19 on the Indian economy, it has been seen that the economic condition was worst during the first wave of COVID 19. The first few months hampers the economy most. Meanwhile the government's initiatives and financial policies the Indian economy is in a recovery mode. The setback of the pandemic will require the next 3 to 4 years to get the economy recovered completely.

Scope of Further Study:

A detailed study of individual industries can be done so that the complete details and the impact can be found out on that industry and its share in the Indian Economy. Also, the various parameters of economic development can also be studied individually in detail.

Limitation:

To make the comparative analysis the data availability was not there. So the comparative analysis had not been done. The complete study was on the basis of secondary data available on various government portals, and authentic websites.

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