



The Impact of COVID-19 Pandemic on Different Sectors of the Indian Economy: A Descriptive Study

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Received: 16 June 2020

Accepted: 28 August 2020

DOI: <https://doi.org/10.32479/ijefi.10461>

ABSTRACT

COVID-19 is changing the world we live in for the worst, and almost all parts of the world are stuck with hung economies and people's lockdown in their homes. This pandemic is not only taking a toll out of health care systems and peoples' lives but also its impacting world economies and resulting in job losses, business disruptions and making us head towards one of the worst times ever for people on earth. Almost, all the industries are undergoing massive declines in their businesses, and the impact is that much gigantic of this pandemic, that they are projecting worse times ahead. This paper focuses on different industries, which are most affected by the pandemic and how this results in job losses and the world economy.

Keywords: COVID-19, Indian Economy, Industries Fallout, Recession

JEL Classifications: E44, O5

1. INTRODUCTION

The disease of Coronavirus started in China in late 2019. However, in early 2021, it started to spread to other parts of the world (Wu, et al., 2020). The eruption of the Covid-19 pandemic is an exceptional stun to the Indian economy. The economy was at that point in a parlous state before Covid-19 struck. On and off the chance if Indian economy were an individual, its salary in 2020-2021 and 2021-2022 would be not as much as what it was in 2019-2020, this is the thing that the most recent World Bank estimates let us know. It is enormous, exceptional, and financial torment ahead. Both preparations and governmental issues should assume a significant job to reduce this instead awful strategy can even wreck financial restoration. With the darnation of interest and flexibly chains, the economy is probably going to confront an extended time of hiatus. The size of the financial effect will rely on the span of the wellbeing

emergency—the term of the lockdown, and the way where the circumstance unfurls once the lockdown is lifted.

Most businesses that figure out how to endure the COVID-period monetarily, will be able to develop successfully. As it's been said, "You have to live, to be in the game." When the world sees through this pandemic, there will be a hope of interest in purchasing, travel, and the tourism industry. The transportation, development material, metals, and product areas will likewise observe an upswing. Businesses will reevaluate their technique of concentrating on deals without productivity/benefit development. Associations guaranteeing heavy valuations just based on deals development will no longer discover purchasers—center around benefit and benefit development will be the new typical.

The lockdown came when the economy was battling. Exchange across areas was assessed to be affected. Other than the import

and fare business, one more significant income generator that got a blow was the travel industry. India's prevalently chaotic retail showcase was one more setback with the lockdown pressing the online retail section to meet the challenge at hand. In any case, organizations offering computerized installment administrations, for example, Paytm and Google Pay seemed to have some degree profited by the circumstance. Because of the lockdown declared by the Indian government, the economy may slow throughout the following coming months. For most businesses, the layoff could be interruptions, fall in utilization demand, and weight on the banking and budgetary areas. The COVID-19 pandemic and the multi-staged lockdown have brought about a staggering hit to the Indian Economy. The monetary effect of Coronavirus pandemic in India has been, to a great extent, considered problematic. India's development in the final quarter of the fiscal year 2020 went down to 3.1% as indicated by the Ministry of Statistics. The monetary package comprised to blend of change in an edifice, backing to focus on businesses, and a specific measure of direct monetary support. India's comprehensive financial package reported as Rs20 lakh crore (US\$280 billion), 10% of India's GDP. The package, however, declared on 12 May by the Prime Minister, included past government activities, including the RBI declarations. The past RBI declarations included around Rs8 lakh crore (US\$110 billion) liquidity. The financial package likewise incorporated by the Finance Minister's declaration of a package totaling Rs. 170,000 crores (US\$24 billion) on 26 March. The technique of joining financial and fiscal liquidity measures was safeguarded by the government. The finance minister Sitharaman clarified that different nations had additionally done likewise. Assessments of the size of India's financial upgrade as a level of GDP differed between 0.75% and 1.3%. The manufacturing, a significant piece of any economy, experiences an absolute absence of clearness. Lockdown has put extraordinary weight on the flexible chains of fundamental wares, and thusly, a considerable lot of the Indian organizations have concentrated on the production of basic things just, along halting all other exercises, in this manner cutting down the development sketch.

Moreover, different segments like horticulture being the essential division, and the tertiary area are additionally not liberated from its effect. There is not any labor accessible for agrarian purposes in various states. Lockdowns have made the ranchers hard to make their products available to be purchased in the markets. The casual segment of India, the foundation of its economy, will be hardest hit taking into account monetary exercises reaching an all-out gap. These limitations on business exercises and open social affairs are fundamentally prone to affect household development firmly.

The wild spread of COVID-19 across the outskirts and geologies has severely affected nearly the entire world and activated noteworthy drawback dangers to the general worldwide financial standpoint (Fernandes, 2020). With COVID-19 spreading quickly in India, policymakers stressed over how to battle the infection and limit its effect on the economy (McKibben and Fernando, 2020). There are no simple answers notwithstanding containing the spread of the malady and bolster the individuals who influenced. Policymakers must set up for the drawn-out difficulties and openings that may emerge once the emergency finished. This Corona Virus pandemic merely destroyed the Indian economy. The

degree of GDP may additionally fall, all the more so when India is not resistant to the worldwide downturn. Indeed, it accepted that India is increasingly powerless since its economy has debilitated and in a profound situated stoppage for a few quarters, much before the COVID-19 got known. The Prime Minister of India has just talked about setting up an Economic Task Force to devise strategy measures to handle the monetary difficulties emerging from COVID 19, as additionally on the steadiness of the Indian economy. Be that as it may, the solid plans would need to set up to help the economy and its recuperation.

The world is in a lockdown state with almost all the countries are supporting social distancing as the best possible method to prevent Coronavirus until its vaccination appears in the market. This pandemic is infecting the world and countries are seeing an exponential rise in the number of cases with increasing fatality rate. Economies around the world are ruined and stock markets have collapsed like never before; the great recession is started and will continue to damage deep to the businesses worldwide except the healthcare, and FMCG (Fast Moving Consumer Goods) as they are the basic needs (Barua, 2020). Considerable drops in terms of internet traffic are tracked in February as bar graph shows in Figure 1.

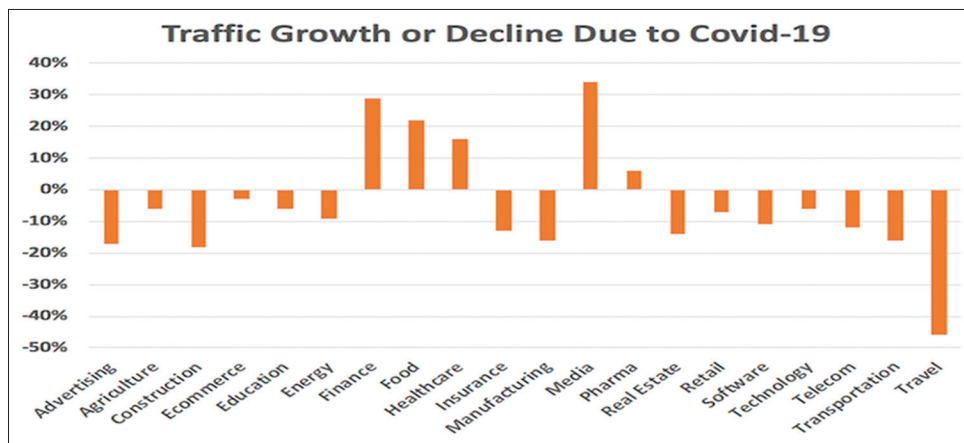
As shown in the Figure 1, news, finance, healthcare and food industry have shown tremendous growth, while travel industry has shown a massive drop with advertising, construction, manufacturing and transportation industries also declining at a rapid pace. Many major marketing events that include Facebook's Global Marketing Summit and Mobile World Congress have called off. Event organizers will lose opportunities where they might be cracking deals along with the product announcements.

2. COVID-19 AND STOCK MARKETS

Stock Markets are crashing worldwide to record lows and affecting economic states of countries worldwide as shown below in Figure 2, which shows the American and European market day, week, month and year based stock market evaluation as on April 03, 2020. As one can see in Figure 2, Dow Jones shows the fallout of -22.29% on monthly and -20.08% on a yearly basis which will account for rising with the number of cases in the United States (Gormsen and Koijen, 2020).

It is absurd to expect a fast-economic bounce back from the current COVID-19 impact. Even though the financial emergency is unavoidable, think about hard efforts by national banks and monetary specialists, to mellow the blow and profound economic droop. The issue in the current situation is how rapidly and altogether the general wellbeing challenge will be met; financial analysts cannot anticipate the endgame of this emergency. The year 2020 is set to fall steeply in each locality of the world and substantially over all divisions. In any case, it would rely upon how rapidly the pandemic managed, and the approach decisions which the governments took to help their economies. When this pandemic is doing with commonality coming back to business and economy, the financial exchange will begin moving positively, and recuperation would be quicker than anticipated. It is valid about

Figure 1: Decrease in organic traffic growth since COVID-19



Source adopted from <https://ssrn.com/abstract=3562570> authored by Ozili and Arun (2020)

Figure 2: Stock markets crashing worldwide

United States	Price	Day	Weekly	Monthly	Yearly	Date	
Dow Jones	21,053	▼ 360.91	-1.69%	-2.70%	-22.29%	-20.08%	Apr/03
S&P 500	2,489	▼ 38.25	-1.51%	-2.08%	-20.49%	-14.06%	Apr/03
NASDAQ 100	7,528	▼ 107.54	-1.41%	-0.79%	-15.88%	-0.94%	Apr/03
S&P VIX	46.80	▼ 4.11	-4.11%	-18.74%	14.81%	33.62%	Apr/03
Europe	Price	Day	Weekly	Monthly	Yearly	Date	
FTSE 100	5,416	▼ 64.72	-1.18%	-1.72%	-20.54%	-27.33%	Apr/03
DAX	9,526	▼ 45.05	-0.47%	-1.11%	-21.45%	-20.38%	Apr/03
CAC 40	4,147	▼ 58.26	-1.39%	-4.69%	-23.98%	-24.20%	Apr/03
FTSE MIB	16,384	▼ 449.68	-2.67%	-2.61%	-25.34%	-24.75%	Apr/03
IBEX 35	6,567	▼ 7.45	-0.11%	-3.12%	-26.13%	-30.42%	Apr/03
MOEX	2,572	▲ 26.28	1.03%	7.13%	-9.04%	0.48%	Apr/03

Source: <https://www.tradingeconomics.com/stocks>

the market that whether it is the rectification or development, the two stages make the value or securities exchange intriguing and worth taking exposures.

One S&P analysis, covid-19-daily-update (2020) shows that whenever the market goes down by 20%, it takes average 536 days to recover. However, due to the problem of COVID-19, S&P has fallen below 20% in record 17 days, and we have no idea how much more will it fall. S&P has seen below 20% drawdowns in 2020 during COVID-19 pandemic, is way faster than others as shown below in Figure 3.

Investors around the globe, fear that the Coronavirus pandemic will destroy the economic growth and the actions taken by the governments may not be enough to stop the decline. Interest Rates in various central banks of different countries have seen the decline in interest rates in order to reduce the impact on the banks, which in turn allows borrowing cheaper and helps in the

encouragement of spending to boost the economy again. Global Markets have also recovered by some extent after the US Senate passed \$2 trillion Coronavirus aid bill in order to help workers and businesses in the United States.

3. COVID-19 AND JOBS

US jobless claims are increasing at a rapid rate as the number of American people filing for unemployment hits a record high by signaling an end of an ever-expanding decade for world’s largest economy as shown in Figure 4.

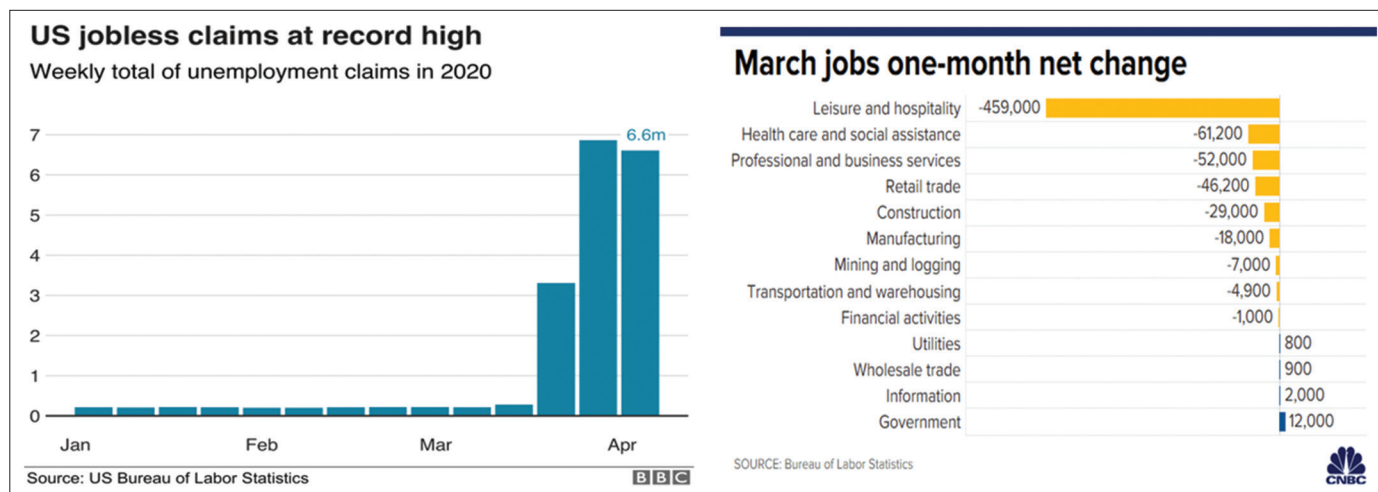
The origin results indicated that loss of employment was considered as the most extreme prompt effect of the emergency with lower economic growth and the ascend of imbalance to be likely long-haul sway. This current lockdown across all the countries has been the most magnificent activity savage ever in history. Nonetheless, these appraisals uncover the effect on employments during the

Figure 3: S&P fallouts over 20% since 1957

S&P500 drawdowns over 20% since 1957 (Dec 2018 was less but included)			
Date of bottom	Drawdown	How long to get to bottom	Days back to previous high
1957-10-22	-20.3%	70 days (3 months)	227 days (10 months)
1962-06-26	-27.9%	136 days (6 months)	310 days (14 months)
1966-10-07	-22.2%	168 days (7 months)	142 days (6.5 months)
1970-05-26	-36.1%	370 days (17 months)	450 days (20 months)
1974-10-03	-48.2%	437 days (20 months)	1461 days (66 months)
1982-08-12	-27.1%	431 Days (20 months)	55 days (2.5 months)
1987-10-19	-33.2%	39 days (2.5 months)	446 days (20 months)
2002-10-09	-49.1%	638 days (29 months)	1165 days (53 months)
2009-03-09	-56.8%	355 days (16 months)	1021 days (46.5 months)
2018-12-24	-19.8%	66 days (3 months)	80 days (3.5 months)
Close Mar 12th	-26.9%	17 days!	?

Source: <https://www.spglobal.com/en/research-insights/articles>

Figure 4: US jobless claims during Coronavirus pandemic



Sources: <https://www.bbc.com/news/business> and <https://www.cnn.com>

lockdown period, and ought not to be considered as permanent loss of work. This can increase the economic anxiety among employees (Fetzer et al., 2020). A considerable number of employees have the option to return to employment after the lockdown finished. In any case, the facts confirm that a significant number of them would likewise not have the option to land their positions back. For instance, casual workers who are associated with random or legally irrevocable work, those individuals already moved to their home towns.

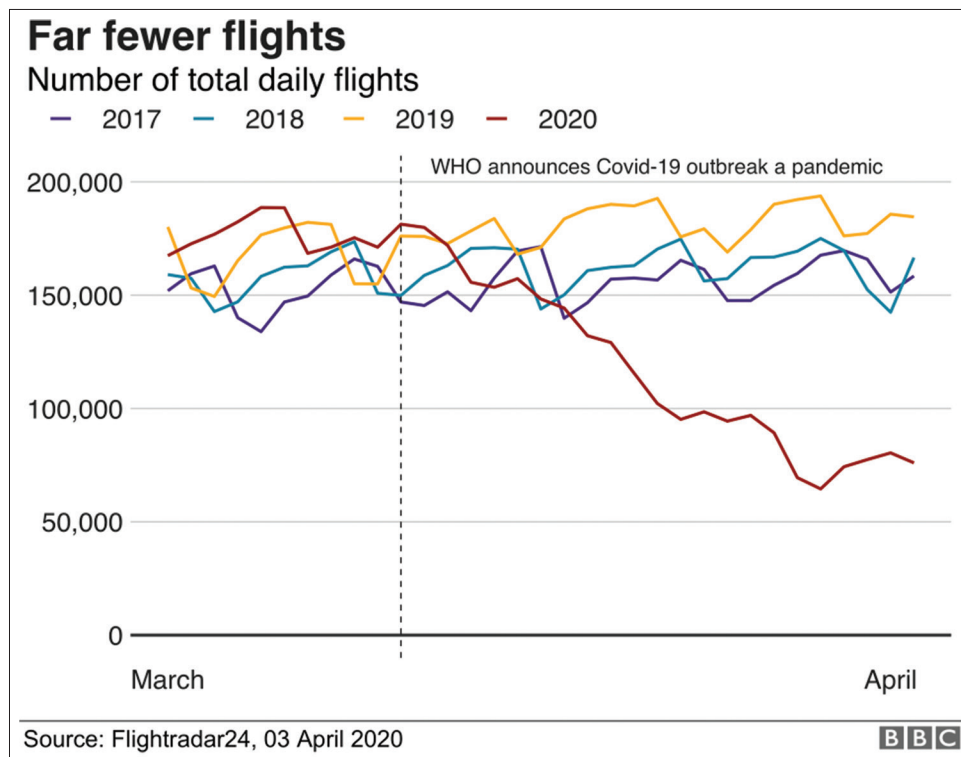
Of these, the casual workers are the most powerless because of the unpredictable idea of their work and daily wage installment, which are more elevated in the development part. In this way, all these admittedly imperative representatives, the individuals who are presently not working, talented workers and frivolous business people who might be sitting inert at home or come back to their local places or remaining in cover homes will most likely be unable to recoup their occupations once the lockdown period finished. Included safety measures like social distancing, contact following, as well as severe wellbeing competence over section at the workplace and the market would likewise affect the business

worker relationship, in this manner ending up being an immense takeoff from the casual the same old thing approach.

4. COVID-19 AND TRAVEL INDUSTRY

More than 100 countries have travel restrictions due to Covid-19 pandemic, which has affected the travel industry the most. Data analysis from Flight Radar 24 shows that the number of flights over the globe has seen a significant fallout as depicted in Figure 5.

The Indian tourism industry anticipated to book an income loss of Rs. 1.25 trillion in schedule 2020 as a drop out of the shutdown of hotels and suspension in-flight tasks after the beginning and spread of the Coronavirus (Covid-19) pandemic. During April-June, the Indian tourism industry is relied upon to book an income loss of Rs. 69,400 crore, meaning a year-on-year loss of 30%. The travel and tourism industry in India have been a noteworthy supporter of the country's GDP. The division even creates an enormous employment base. In this way, when, by mid-March, the well-known vacation spots in India began to shut down, and the news on putting an end on flying started to make adjusts, as a whole

Figure 5: Daily flight rate decline after WHO announces COVID-19 pandemic

Source: <https://www.bbc.com/news/business>

began to foresee the inauspicious fate of the travel industry in the country as of now.

5. COVID-19 AND MANUFACTURING INDUSTRY

The development of materials, just as fuels and people, has overall reached a sudden stop. MSMEs solely flexibly different industries, which have likewise quit working, bringing about decreased interest and abrogation of requests as no matter how you look at it, except for bottom line industries. In any case, their demands for fundamental contributions from superfluous industries can't be met.

The congregate industry has hit from various perspectives because of the Corona impact. It takes somewhat longer to show itself, as a few merchants, detecting a chance to procure benefits in a creating deficiency circumstance with an all-encompassing agenda of conceded installments. An ever-increasing number of representatives quit coming into work, because of government orders, lessening the size of activities, with a resulting impact on quality, cost, and volume. The slower pace of banking tasks, shorter working hours, stuck and over-burden correspondences lines lead to deferred cash exchanges, in this manner, raising money-related issues. The providers to huge makers begin feeling the squeeze, and begin to withdraw, and play safe, to secure their inclinations, because their ability to tolerate insecurity is a lot lower than their large customers. At last, because every one of these interferences, the end client additionally begins deferring superfluous buys, and withdraws from the expending forms, by delaying their demands.

6. COVID-19 AND GOLD INDUSTRY

The Coronavirus pandemic has damaged India's economy. In the same way as other industries, the gem business also has been hit hard attributable to a considerable rundown of dropped or deferred occasions, shows, displays, and weddings for the following span of months. People are not spending money on luxury items and more concentrated towards putting their money on hygiene stuff or grocery products. As the Coronavirus alarm held purchasers, the gems and adornments industry lost its sparkle. As a prudent step, the administration has urged the citizens to delay wedding capacities and endeavor out for fundamental commodities during the lockdown- the Indian gems market blossom with weddings. The business further lost its gloss on Gudi-Padwa which fell during the lockdown and again, an extraordinary chance to clock high deals was lost. While the businesses are as yet exploring money related difficulties, the outcome of Coronavirus on the gold industry is by all accounts overwhelming. Thus, the businessmen at this very point bringing about enormous misfortunes in the Indian market.

7. COVID-19 AND IT INDUSTRY

IT is also having a share of impact as top Software Companies like Tata Consultancy Services, Infosys and HCL impacted as technological spending reduced from US and Europe amid lockdowns across the globe. HDFC Securities expect around 2-7% of reduction in IT revenue because of slow decision making over the next 6 months as businesses will be evaluating the loss of global economy due to COVID-19 pandemic. There will be pricing pressure and reduced revenue, client bankruptcies due to lower spending in the market as per ICICI Direct. As per Global

Data reports, IT Services will be hit hardest during COVID-19, and they listed all the 17 tech, media and telecom related sectors to have a negative impact during COVID-19 as shown in Figure 6.

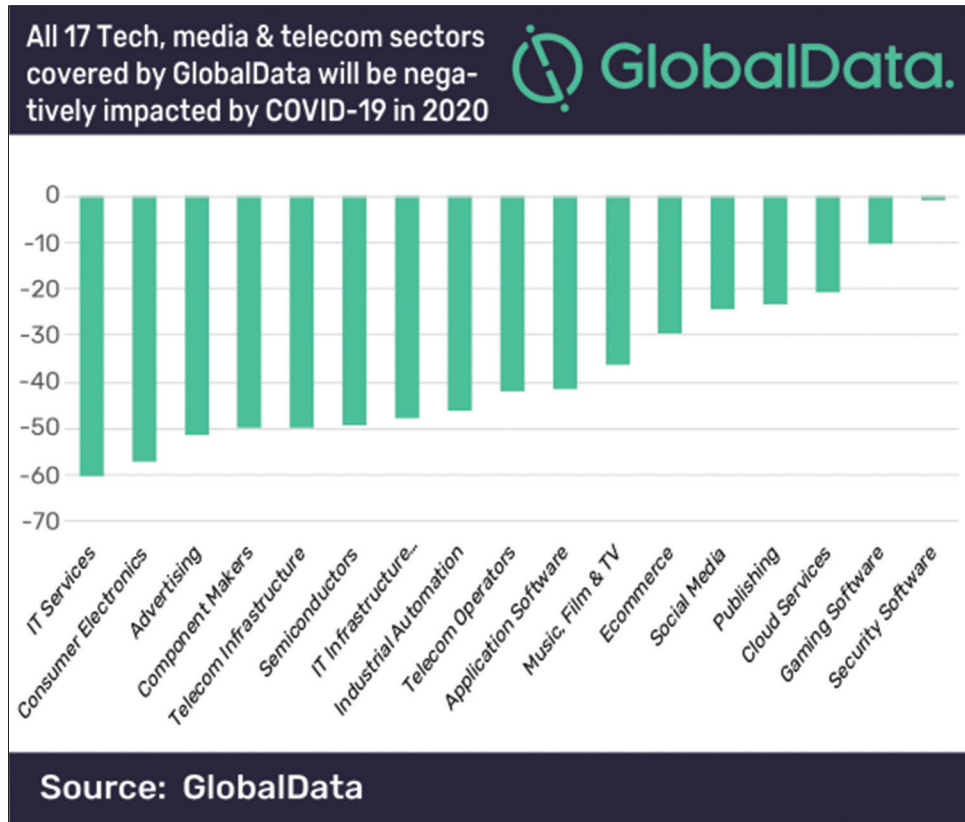
8. COVID-19 AND OIL INDUSTRY

Oil prices have fallen to the new lowest since June 2001, as most of the world is in lockdown state, and the oil demand is decreasing with every day. The vaccine for COVID-19 is around a year away as per experts, which makes the lockdown situation assumed to go far till this pandemic controlled (Albulescu, 2020). Apart from

Coronavirus, there's a row going on between OPEC group of oil producers and Russia, which further marks the decrease in oil prices in the world as shown in Figure 7.

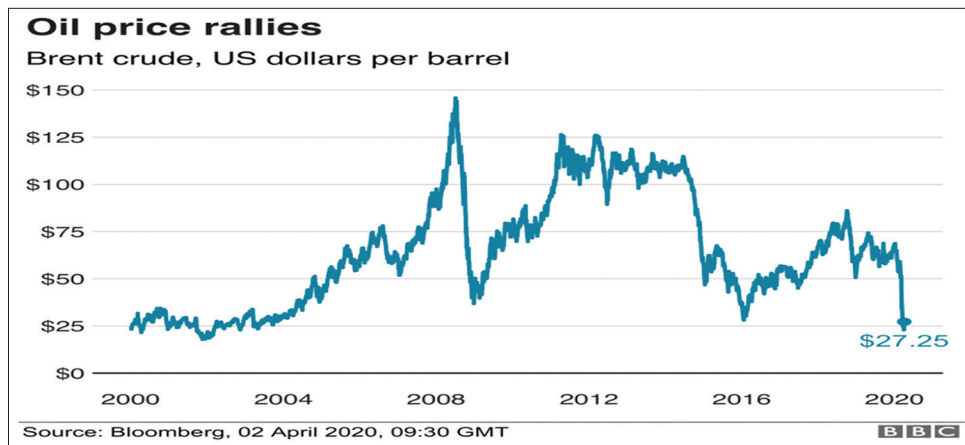
The Indian government draws an enormous piece of its income from excise obligations with generally 90% of originating from oil imports. It is intriguing to take note of that the prices for retailers have not been marked down since the government sustain to fund its costs. According to the Reserve Bank of India, India's Current Account Deficit (CAD) remains at 0.2% of GDP, as of December quarter in FY20 when contrasted to 2.7% of the same quarter in FY19. Since, India imports over 80% of its oil utilization, lowering

Figure 6: COVID-19 impact on tech sectors

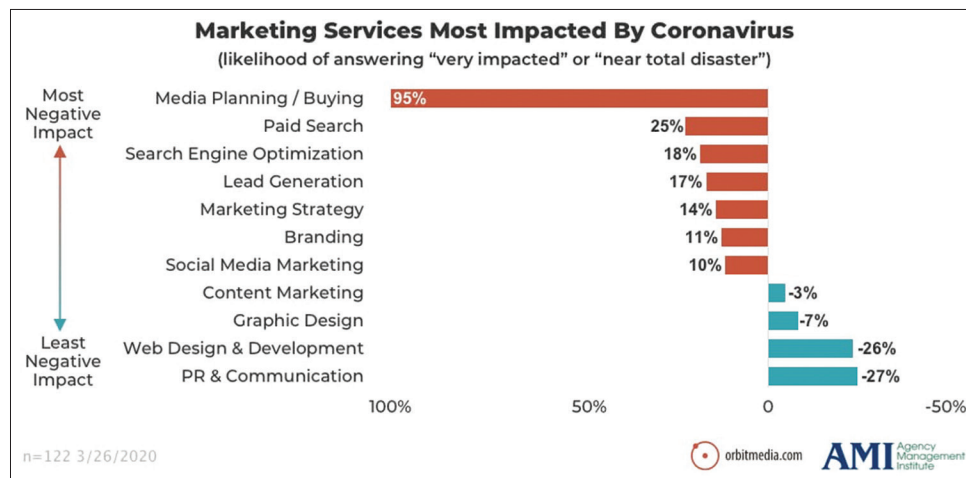


Source: <https://www.globaldata.com>

Figure 7: Oil price declines in Covid-19 pandemic



Source: <https://www.bbc.com/news/business>

Figure 8: Marketing Services which are most impacted by Covid-19

Source: <https://www.orbitmedia.com/blog/coronavirus-agency-impact>

oil prices are probably going to diminish the CAD considering the economy. The current investment concerning the funds in CAD at this very point be utilized to keep the financing of alleviation against the Covid-19 outbreak.

Indian oil companies, particularly in the E&P field like ONGC and Oil India, may confront extreme possibilities in view of strain to sell their items at lower prices beforehand. The merchants like HPCL, Reliance and IOCL are probably going to see rectified edges in the coming quarters when the interest gets late. With respect to the capacity, if the Indian companies can deal with their store bearing, this is an ideal opportunity to purchase and reserve oil for some subsequent time. Nevertheless, when the lockdown closes, the government can confront expanded strain to decrease the fuel prices for consumers.

9. COVID-19 AND HOTEL INDUSTRY

Hotel Industry is one of the worst affecting industry during this pandemic, and it will become more and more severe with the time if the pandemic situation does not get better. Hotel Industry holds around 8.3 million jobs in the United States alone that include hotel operations, guest spending, extended supply chain, but as occupancy rates are declining rapidly, this will lead to massive job losses. It projected that around 4 million employees related to hotel industry would lose their job in the United States only. Since the start of Coronavirus in the United States, hotels have lost over \$10 billion just in room revenue till the 1st week of April 2020, and it will increase to \$3.5 billion in case the situation worsens. The condition of the hotel Industry is much worse than 2001 and 2007 to 2009 United States combined. The condition will become totally out of hand if more decline in occupancy seen in coming months and up to 6.5 million jobs lost in United States Hotel industry and with that much jobs drained in a single country; one can assume the impact of COVID-19 on the worldwide hotel industry.

10. COVID-19 AND MARKETING INDUSTRY

The marketing relates the business interacts with the customers and other businesses, mainly called as B2C and B2B i.e. Business

to Consumer and Business to Business. Now, as the majority of the population is in their homes in this very lockdown state. Hence brands worldwide spends millions to billions on their marketing in order to increase the selling of their services by thinking on different ways of traditional marketing methods and understanding of customers' requirement and spending habits (Figure 8).

11. CONCLUSION

The impact of COVID-19 pandemic on all sorts of industries is unimaginable, and it will continually disrupt the world economy until its prevention vaccine comes in the market and given to at least half of the population. The pandemic results loss of millions of jobs in all industries and has a much broader impact than the recession in the year 2008. Worst hit industries are hotels, travel, transport, oil, entertainment, real estate, construction and advertising. Alone US, Hotel Industry projected to lose \$3.5 billion/week and around 6.5 million jobs out of 8.3 million total hotel jobs and by looking at the COVID-19 growth at present. Thus, future predicted moving towards one of the worst recessions of all time. COVID-19 is turning out to be the worst nightmare for humans, and we can hope that a specific vaccine should come out or some miracle could happen to end this pandemic and make our world and economies stronger again.

The following measures must boost the economy with the well-being of the overall population in this hard time. The first perspective is facing "Eventual fate of Workforce transformation" – a glimpse of zero-based optimization of both the workforce and the working environment, recalibration of roles in the workspace, shift away from ideal on-site employments to a grouped group of jobs across virtual, gig, hybrid and on-site. It can take into consideration of worker adaptability, pay rebuilding, workspace and infra essentiality. Workforce segmentation and optimization: Segmentation of individuals taking a glance at criticality and contribution to the value chain and afterwards arranging compensation as well as ability to develop essential aptitudes plus hoping to rebuild, redeploy and mechanize for non-basic. The

second aspect centers around building “Supply chain Resilience,” by tending to stockpile uncertainty while guaranteeing stable conveyance and dealing with the expense to-serve. It requires to adopt of micro-segmentation to control stock and credit risk, re-adjust stock/basic standards, have confidence in the strategy and explicit dependency on micro-segmentation of retail franchises and customers. The drive of next-level supply chain cost efficiencies: develop zero-based planning to catch enormous costs versus awful expenses, defer/reduce fixed expenses, adopt on forex and commodity hazard mitigation strategies. The third prospect is about re-envisioning as to how one works together through the digital focal point or “Digital Value Enablement.” While digitalization is undoubtedly not another discipline, rather the spotlight must be on value realization to additionally catalyze against COVID-19. Digital can be a key to accomplish quicker recuperation in the present time and could adjust to the new prevalent in the longer term.

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