

Covid-19 and its Impact on Indian Industry and its Effect on Economy

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ABSTRACT

This paper spotlights the impacts of Covid-19 on Indian Economy sector wise i.e, agricultural, industrial, import-export trade and share markets. It has also been discussed the various challenges Indian Economy will face in coming periods of time. It basically presents the impact made by the Covid-19 pandemic on the economy and how markets especially the industrial sectors and small scale enterprises have reacted sharply to the pandemic and its implications for businesses.

A. In Abstract the Following Contents has been Mentioned

- **General Problems:** The Covid-19 pandemic is the most significant economic event in our lifetime. It has largely affected the agricultural sectors, decline in industrial growth, deficit in import and export trade, and mostly wide affected in employment. Many people lost their jobs due to Covid-19 pandemic. India has hit hard by the pandemic particularly during the second wave of the virus in the year 2021 in the April onwards. The sharp drop in GDP is the largest in the country's history, but this may still underestimate the economic damage experienced by the poorest households.
- **Objective of the Study:** The main objective of the study in this project is to analyze the impact of Covid-19 on Indian Economy, to identify the impact of Covid-19 on each sectors: agricultural, industrial production, import-export trade, unemployment and equity market.
- **Research Study:** This study is based on secondary data method which has been collected after depth analyzing the performance of country's economy on major sectors on pre-covid(before Covid-19), during Covid 19 and post-covid(after Covid-19) and graphs and tables are made. It presents the so far impact made by the pandemic on the economy and how markets and the economy have reacted sharply to the pandemic and its implications for businesses.

Keywords:- Covid-19, Economy, GDP, Analyzing, Manufacturing, Trade, Micro, Small and Medium Enterprises Sectors, India.

CHAPTER ONE INTRODUCTION

A. Background:-

The socioeconomic and global impact of the novel Covid-19 has been disastrous. Covid-19 has come up as a major challenge not just for the medical and research community but for the entire world. Beyond the transmission of the disease, the covid-19 pandemic has had far-reaching consequences. Predicted to be the worst economic crunch since the great depression of 1930, Covid-19 is probable to cause much greater hardships than any other disease. Talking about the social impact of Covid-19, it has been evident that this disease a check on social and cultural functions and marriage parties. Gold and silver form an important part of a social setup like India where people purchase and gift ornaments in functions. Therefore this paper discusses the hike in gold and silver prices due to Covid-19. Additionally, the essence of society is marred by the increase in the unemployment rate in a country. Both these sub-factors contribute to the societal factor, which has been studied in this paper. Most of the countries have gone through a period of economic slowdown during the pandemic showing marked changes in several factors such as unemployment, industrial production, consumer spending and foreign trade. Not only lower incomes but unprecedented conditions also forced businesses to lay off employees in large numbers across the world. However, the manufacturing sector, one of the hardest hit due to the covid-19 pandemic is estimated to cause the world Foreign Direct Investment (FDI) to shrink by 5% to 15%. Declining growth in industrial production had severely impacted the livelihood of workers leaving millions of people unemployed. With no income and almost zero savings, the migrant laborers and daily wage earners struggled for a livelihood. Due to adoption of social distancing and movement restrictions by different state governments, most of the operations involving the flow of goods and services came to a standstill. The production of non-essential items declined abruptly due to a fall in demand, the production of basic and essential commodities including food and pharmaceutical products maintained normalcy even in the lockdown. A surplus trade balance contributes to the positive growth of the economy but the limited industrial production and lesser demand in foreign markets have caused a decline in the export trade. This decrease in foreign trade has skeptically affected global supply chains and the economy. The Covid-19 novelty has affected our lives in various aspects and it has spread with alarming speed, millions and bringing economic activities to a near standstill. Covid-19 pandemic is not just health crisis but it is also affecting societies and economic crisis at their core. Major victims of Covid-19 outbreak are agriculture, manufacturing, micro, small and medium enterprises sectors. Particularly the enterprises are facing a variety of problems such as a decrease in demand, supply chain disruptions, cancelation of export orders, raw material shortages and transportation disruption among others. Therefore, it is quite clear that enterprises around the globe are experiencing the significant impact of Covid-19 outbreak on their businesses. This paper aims to assess the impact of Covid-19 outbreak on the economy and provide some recommendation and measures how to overcome and survive through the crisis.

Besides, over 83% of enterprises were neither prepared nor have any plan to handle such a situation. Further, more than two-thirds of participating enterprises reported that they could not survive if the lockdown lasts more than two months. Based on the results of the research, different policy recommendations were proposed to ease the adverse effects of the outbreak on the sectors mentioned above.

➤ *The conducted assessment will prove helpful in the future to analyze the long-term impact of any infectious disease outbreak on a country's society and economy. The motivation behind selecting India as a case study for this kind of analysis is multifold and can briefly explained as below:-*

- Indian economy is one of the major pillars of the global economy since India is the world's largest democracy. According to the world bank, over the past decade, India's integration into the global economy has been accompanied by economic growth. Thus, India has now emerged as a global player.
- India has a wide landscape making the economic impact assessment conducted in this study to be vital not just for the country itself but for Asia in its entirety.
- India ranks number two in the list of worldwide countries by population and accounts for 17.7% of the total world population.
- India has a rich cultural heritage involving multiple religions and various ethnicities presenting itself as a potential hub for economic activities.
- The economic crisis caused by Covid-19 by is one of the worst recessions in Indian history, affecting the country's Gross Domestic Product (GDP) per capita and global supply chains. According to the International Monetary Fund, India currently stands at fifth position in GDP(Nominal) and third position in GDP(Purchasing Power Parity) out of 195 countries across the world.
- India has developed as the quickest developing prominent economy on the globe and is expected to be one of the main three economic forces in the world.

All the above factors indicate the importance of the Indian economy in light of the global economy.

B. Analyzing of Variations in the Indian Economy in Three Phases:

- Pre-lockdown (01- January to 24-March)
- Lockdown (24- March to 31-May)
- Unlock (01-June to 31- Jul)

- Increase in the Unemployment rate.
- Low Industrial production.
- Trade deficit Balance.
- Fluctuations/movements in equity markets.
- Declining Foreign exchange rates.
- Hike in prices of gold and silver.

C. Objectives of the Study:

- To analyze the impact of Covid-19 on Indian economy.
- To identify the impact of Covid-19 on each sectors i.e. agricultural, industry, import-export, trade and service sectors.
- To identify and measure the performance of company during Covid-19 pandemic i.e., pre lockdown, during lockdown and after lockdown.

D. Scheme of Chapters:

- Chapter 1: Introduction
- Chapter 2: Related studies on Pandemic
- Chapter 3: Impact of various factors on the Indian Economy
- Chapter 4: Data analysis and Interpretation regarding the socioeconomic impact of Covid-19
- Chapter 5: Conclusion

CHAPTER TWO RELATED STUDIES

Multiple Studies have been conducted on the detrimental impacts of a pandemic or epidemic or natural disaster on a nation's economy. For instance, Bonaccorsi et al.(2020) focuses on Italian mobility data affected due to pandemic lockdown. The authors analyze variations in mobility relate to some fundamental economic variables and show how the reduction in connectivity leads to economic instability. With the onset of Covid-19, the research and analysis on its impact on different sections of society have become a topic of interest for researchers and scholars around the world. A comprehensive analysis of diverse factors affected by the Covid-19 pandemic will help us understand the setbacks and blessings offered by the disease rationally. The IMF report 2020 observes that in the face of Covid-19 pandemic, the global economy faces its worst downturn since the great depression.

Prior to the confirmation of these cases, the government had already established Covid-19 task force which was introduced travel restrictions and social distancing measures. The Covid-19 pandemic has created the largest disruption of education systems in human history, affecting nearly 1.6 billion learners in more than 200 countries. Closures of schools, institutions and other learning spaces have impacted more than 94 percent of the world's student population. Social distancing and restrictive movement policies have significantly disturbed traditional educational practices. Within a short span of the Covid-19 pandemic, many researchers have shared their works on teaching and learning in different ways. Several schools, colleges and universities have discontinued face-to-face teachings. But the Covid-19 pandemic has provided us with an opportunity to pave the way for introducing digital learning. This paper also aims to provide a comprehensive report on the impact of the Covid-19 pandemic on online teaching and learning of various papers and indicate the way forward.

The countries around the world cautioned the public to take responsive care. The public care strategies have included hand washing, wearing face masks, physical distancing and avoiding mass gathering and assemblies. Lockdown and staying home strategies have been put in place as the needed action to flatten the curve and control the transmission of the disease. Lockdown and social distancing measures due to Covid-19 pandemic have led to closure of schools, training institutes and higher education facilities in most countries. Due to Covid-19 pandemic, the government has cancelled Board examinations of classes 10 and 12 as well as universities which creates a huge loss for the students as well as for the Indian education system.

E-learning tools have played a crucial role during the covid-19 pandemic helping schools and universities facilitate student learning during the closure of universities and schools.

Due to fear of Covid-19 pandemic many raw employees are not coming to MSME sectors which results a huge loss for the companies. The ongoing Covid-19 pandemic is causing unprecedented disruptions to economic activities across counties and India is no exception. The pandemic has severely affected and continues to disrupt Global Value Chains (GVCs), domestic production network, trade, services and MSMEs thereby affecting overall growth and welfare. The current pandemic is working its way through a highly globalized world with interconnected financial markets and production networks. The complete lockdown and currently the ongoing partial lockdowns have both demand -side and supply-side effects on the Indian economy. In contrast to the above-mentioned studies, this paper presents a thorough analysis of pre, during and post lockdown periods on few major factors contributing to the Indian Economy identified as- unemployment, industrial production, import-export trade, equity markets, currency exchange rate and gold and silver prices.

CHAPTER THREE FACTORS INFLUENCING THE INDIAN ECONOMY

We adapt the socioeconomic framework as propounded by Roztocki et al.(2019) to develop a framework that incorporates the role of government policy and capital resources/market on various businesses, economic and sociological indicators affected due to the onset of the Covid-19 pandemic. For analysis of the Covid-19 imposed a lockdown on the Indian economy. We consider the following factors- human capital, business actions, commercial base, capital markets/resources, government policy and business environment. These factors serve as an overarching theme for us to select several sub-factors such as an increase in the unemployment rate, low Industrial production, trade deficit balance, fluctuations in equity markets, declining foreign exchange rates and hike in prices of gold and silver.

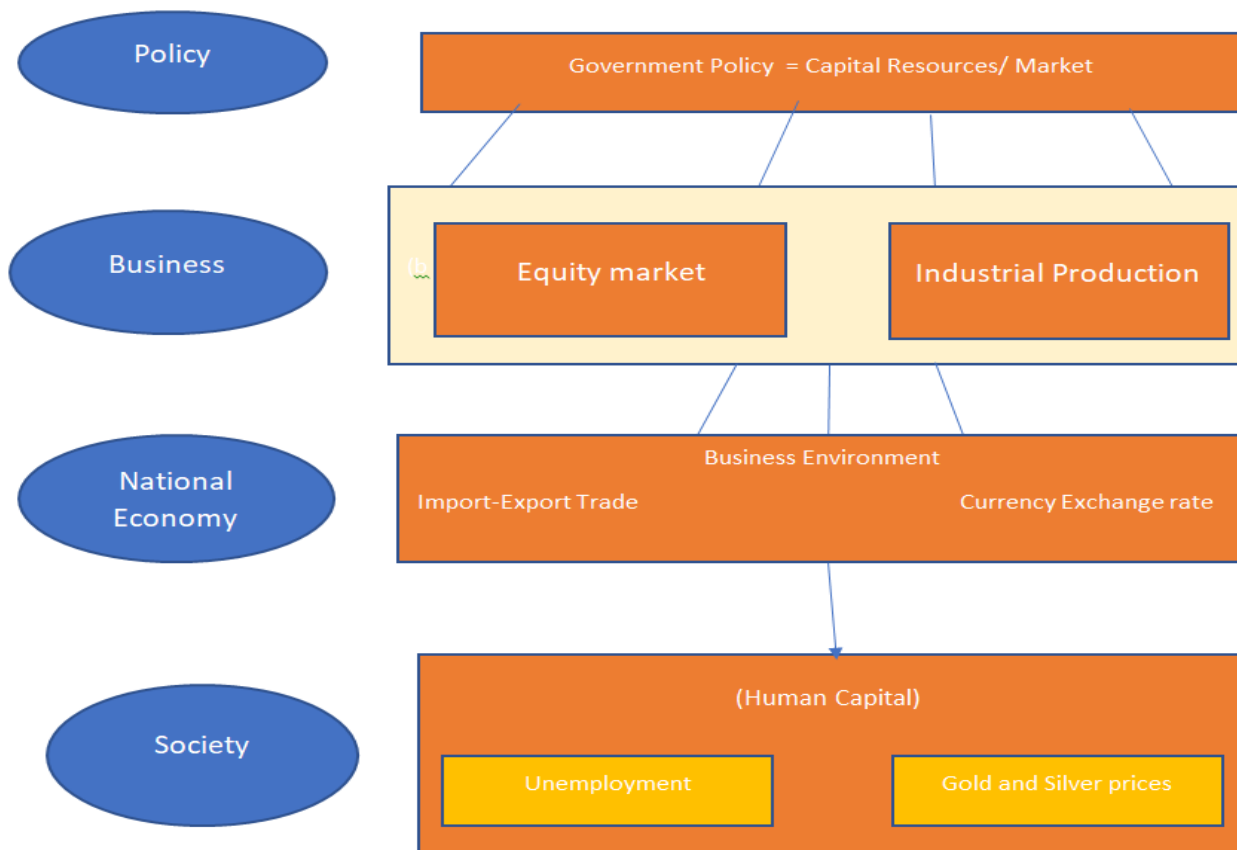


Fig 1 Factors Influencing the Indian Economy

The rationale behind selecting these sub-factors are the following:

- Unemployment is a measurable variable that surges and declines following the changing social and economic conditions. In a highly populated country like India, where a large pool of population is employed on daily wages on daily wages, it is highly essential to study the impact on unemployment during the Covid-19 period.
- Industrial production forms the backbone of a nation. A step-up in industrial production is an indicator of a strengthening economy. Moreover, being highly sensitive to consumer demand, industrial production is also used as a measure of consumption and brisk inflation.
- The stock market is a pivotal part of the economy of a country. Boosting equity in the economy can promote social bonding and stimulates long-term growth for the economy which in turn can serve as a stimulus to the eradication of poverty present in a nation.

A. Unemployment Rate

The unemployment rate can be defined as the section of labor pool that is out of a job, given as a percentage. The basic four categories of unemployment include Demand deficient unemployment, Frictional unemployment, Structural unemployment and Voluntary unemployment. Among these, demand deficient unemployment is one of the biggest cause unemployment that develops during a recession or economic crisis due to insufficient demand for products and services to maintain full employment. Due to the nationwide lockdown imposed by different state governments to curb the spread of coronavirus, the production of goods reduced drastically leading to lower demand for workers consequently increasing the unemployment rates. Costs of unemployment are visible in the economic health of the country as well as its people.

➤ *Unemployment Rate Variations with Lockdown*

During the lockdown, an estimated 140 million people lost employment while salaries were cut for many others. Unemployment in India rose from 6.7% on 15 March to 26% on 19 April and then back down to pre-lockdown levels by mid-June.

With the enforcement of a nationwide lockdown starting from March 25, production of almost all non-essential products was discontinued affecting approximately (28 million) informal workers in the urban areas. As shown in Fig.2, the unemployment rate for urban areas increased from an average value of 7% before lockdown to 27% during the lockdown, whereas the unemployment rate for rural areas surged from an average value of 6% before lockdown to 23% in the month of March, April and May. The impact on 92% of informal workers involved in the non- agricultural sector in urban areas is seemingly more by the lockdown due to a halt in economic activities in cities including industrial and business ventures. The major five sectors involving informal workers in urban areas include manufacturing, hotel and restaurant, construction, transport and real estate and among them. Construction is the most affected sector due to the unreliable nature of their jobs and daily- wage reimbursement. Left with no capital, small-scale businesses and startups are on the verge of shutdown.

➤ *Unemployment Rate State-Wise Comparison*

In the wake of nationwide lockdowns, the state- wise unemployment rate varied widely. Puducherry in South India observed the highest unemployment rate of 75.8% in the month of April compared to the lowest incidence of unemployment in hilly states like Himachal Pradesh with an unemployment rate of 2.2%. In the month of May 2020, the unemployment rate for many cities including Delhi, Maharashtra, Jharkhand and Punjab went up whereas others including Puducherry, Odisha and Tamil Nadu witnessed a dip in the unemployment rate as compared to the initial lockdown levels observed in April 2020.

Fig.3 given below depicts the worst- hit Indian states due to nationwide lockdown. The lockdown also made the lives of economically exposed people such as daily-wage earners, industrial workers and informal laborers much more difficult. As inferred from Fig. 3, high levels of unemployment were reported from the major states including Delhi (44.2), Tamil Nadu (49.83) and Haryana (43.22) with a strong industrial presence. The primary reasons include a halt in the production and manufacturing of goods in the month of April and May. The same goes for the other manufacturing hubs including Maharashtra (20.9), Gujarat (18.7) and Karnataka (29.8) which witnessed a more than threefold increase in the unemployment rate owing to the industrial laborer are being laid off. Migrant states including Bihar (46.64) and Jharkhand (59.23) have reported the highest unemployment rates due to the exodus of migrant workers from cities back to their home states.

B. Industrial Production

Industrial production is the real output in the manufacturing, mining, electronics and oil industry for the country and can be measured through the Index for Industrial Production (IIP), a monthly economic indicator assessing the produce of a country.

➤ *Industrial Production for use- Based Classification*

IIP is a key indicator in tracking the manufacturing activity in different sectors of an economy. Compiled and published by the Central Statistical Organization (CSO), IIP constituents fall in three broad sectors namely electricity, mining and manufacturing with weights as 8%, 14.4% and 77.6% respectively. Based on the use-based classification, goods are classified into six categories:

- Primary Goods consisting of electricity, mining and fuels with a weight of 34% (maximum of all categories).
- Capital Goods consisting of machinery items.
- Intermediate Goods consisting of chemicals, yarns, etc.
- Infrastructure Goods consisting of bricks, paints, tiles etc.
- Consumer Non-durables consisting of food items, medicines, etc.
- Consumer Durables consisting of garments, telephones, etc.

By providing a lot of job opportunities, manufacturing industries play an important role in the economic progress of a country, but the pandemic has disturbed the industry. Lockdown restrictions imposed by the government have put a lot of stress on the manufacturing industry. As can be inferred from Fig.4., the IIP for non-essential items including capital goods including capital goods and consumer durables dropped to 7.1 and 5.1 respectively during lockdown whereas IIP for essential items including consumer non-durables like food items and medicines did not observe a steep fall and hovered over an average value of 71.8 in the month of April. IIP for primary goods was reduced by only a little amount during lockdown compared to drastic falls in infrastructure and intermediate goods. With the ease of lockdown restrictions, industrial production picked up in India by the end of May.

➤ *Industrial Production for Different Goods and Items*

As a part of preventive measures to curb the spread of the Covid-19 pandemic, a majority of the manufacturing sector was shut from the last week of March 2020 onwards, terribly impacting the production of different commodities during the periods of lockdown. For several industries including the Indian automotive industry, facing a pre-lockdown decline in demand and production, the IIP values have reduced to a low of 0.5 during the lockdown. A slight reduction in the production of essential

items like food products is observed in the initial period of lockdown caused by the mass movement of daily-wage workers and interruption in the supply chain which then recovered back to normalcy in the month of May as restrictions overproduction and supply of essential items were removed.

As the lockdown restrictions are lifted and industrial production for essential and non- essential items restart, a high degree of uncertainty lies with respect to MSME’s ability to deliver the products in a very tight and capital- constrained market. Moreover, it will be a challenge to assure industrial workers migrating back to their hometowns a livelihood again after laying them off in the first place. Also, a break in the supply chain makes MSME’s dependent on foreign raw materials vulnerable to more losses.

C. Import- Export Trade

According to the expenditure approach, a country’s GDP depends on the following factors- Personal consumption expenditure on goods and services©, Gross Domestic Investment (I), Government Consumption and Investment on goods and services(G), Export Trade (EX), and Import Trade (IM) as

$$GDP= C+I+G+(EX -I M),$$

Fig. 6 depicts the trade performance during April to May 2019 and April to May 2020. The term (EX-1M) represents net exports. A net positive balance of trade contributes to the economic growth of the country in terms of GDP, inflation levels, exchange rates and interest rates. Positive net exports show a trade surplus and on the other hand, negative net exports show a trade deficit. A trade surplus balance contributes to the economic growth of a nation. Increasing the number of exports will lead to growth in industrial production and manufacturing and employment among people which contributes to the flow of funds in the country. But for the past few decades, India has been a trade deficit country. During the lockdown period, India’s trade balance has increased to – 9790 US \$Million in March 2020, -6765 US \$ Million in April 20320 and -3147 US \$Million in May 2020.

➤ *Impact on Trade in Goods Due to Covid-19*

The commodities exported by India can be categorized into three categories:

- *Essential commodities which include drugs, pharmaceutical products, cereals and other food- related goods.*
- *Non- essential commodities include organic and inorganic chemicals, engineering and electronic goods, iron ore and steel, aluminum, copper, plastic, tobacco and manufactured tobacco substitutes.*
- *Luxury commodities include gems and jewelry.*

Fig.2 depicts amount of India’s International Trade of Oil and Non- oil goods from October 2019 to May 2020. Fig 8. Visualizes the comparison of India’s Export Trade for different commodities in pre-lockdown, lockdown and unlock phases.

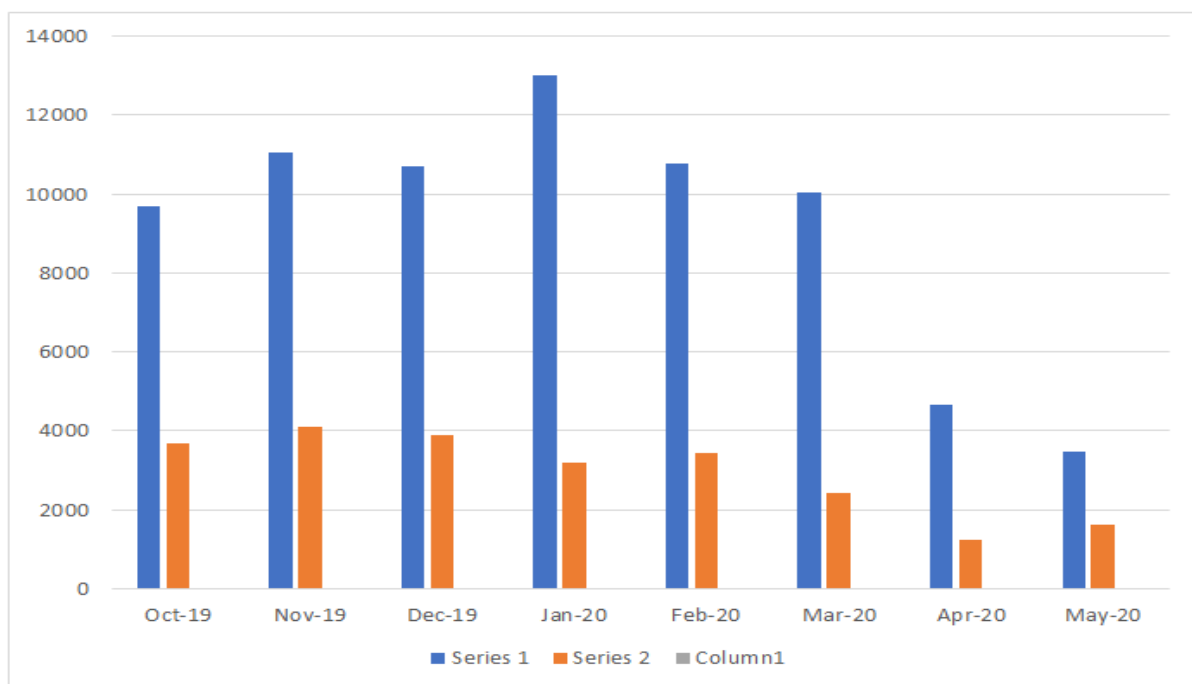


Fig.2- International Trade of Oil Goods

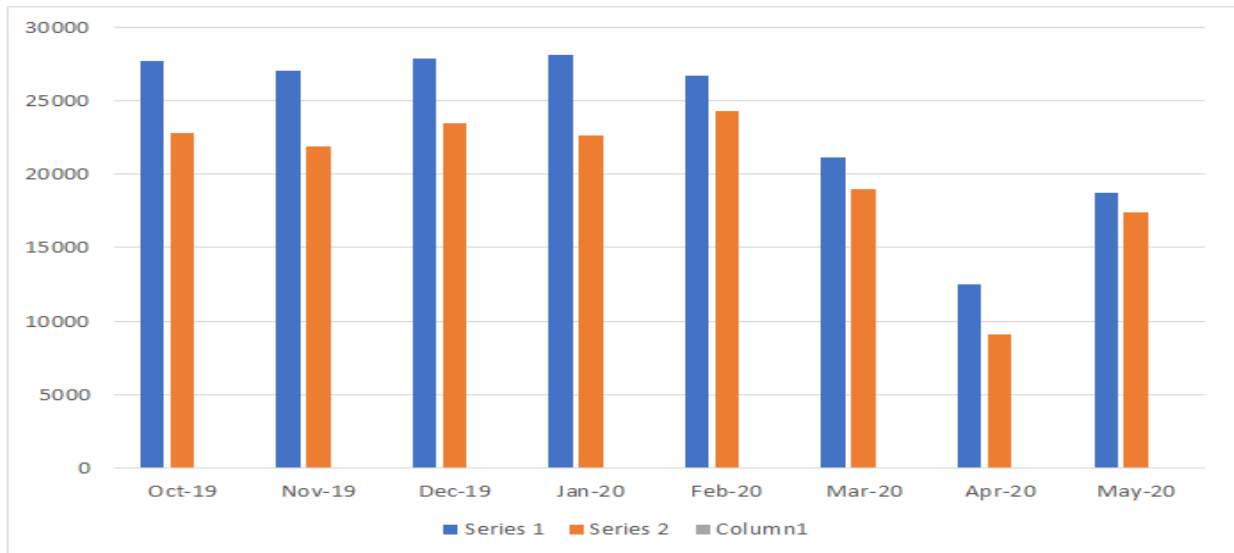


Fig 3 International Trade of Non-oil Goods

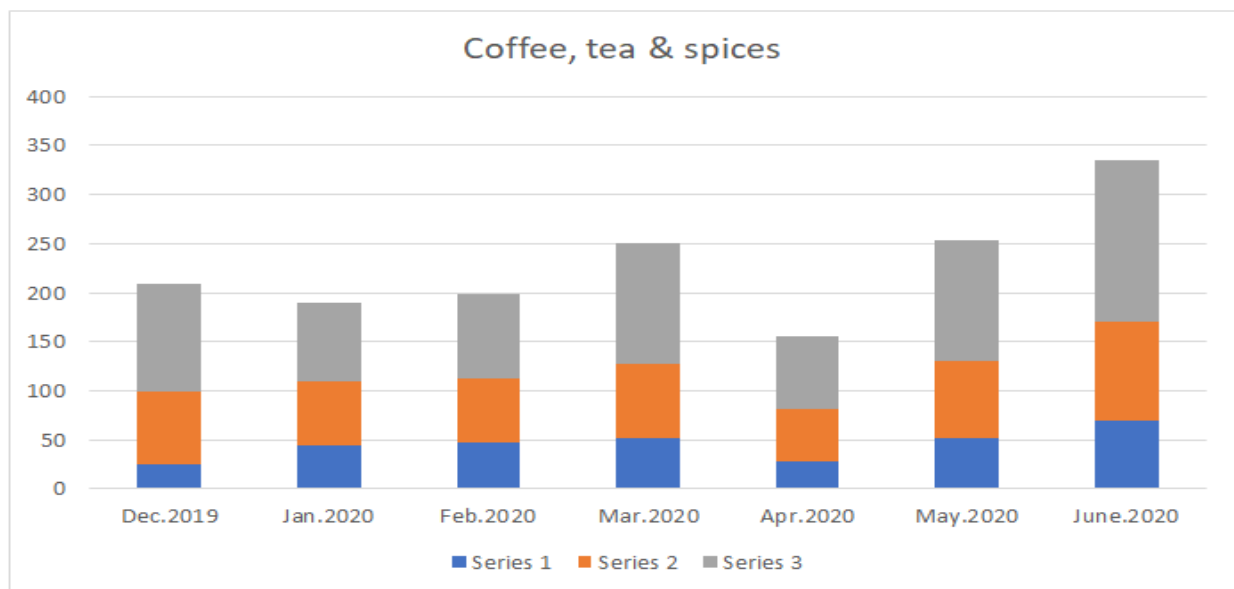


Fig. 4 Coffee, Tea And Spices

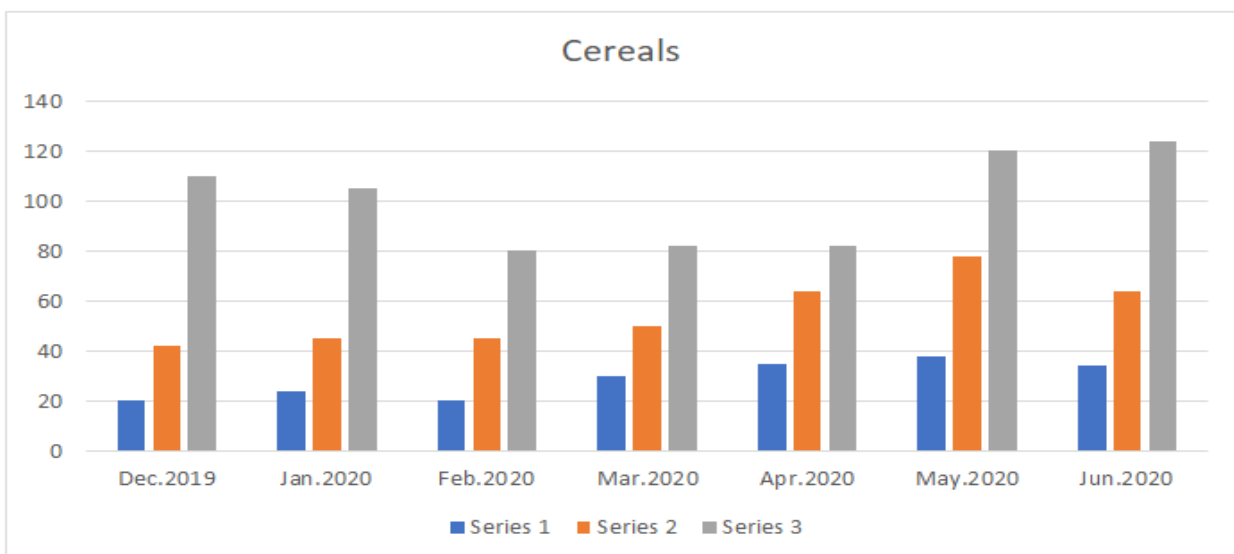


Fig 5 Cereals

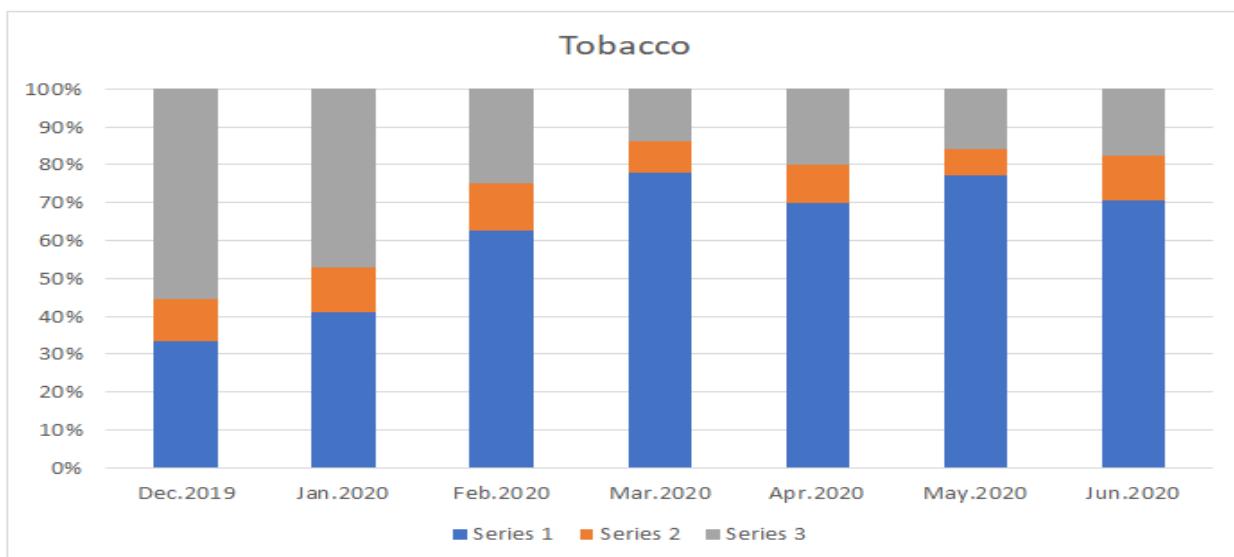


Fig 6 Tobacco

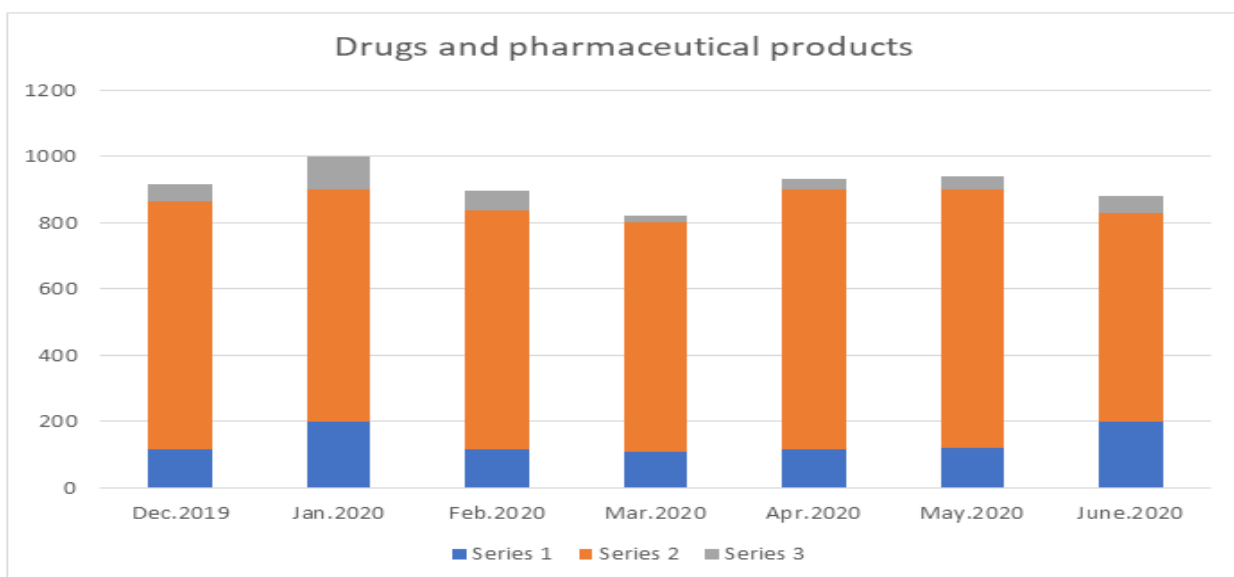


Fig 7 Drugs and Pharmaceutical product

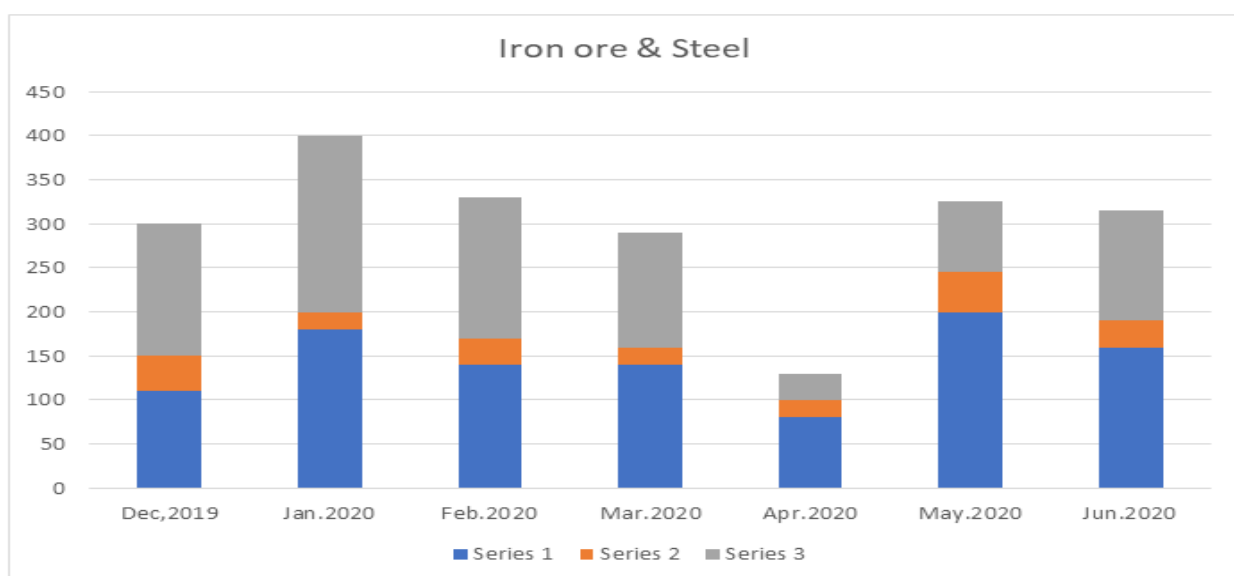


Fig 8 Iron Ore And Steel

In the Covid-19 crisis, India continued to increase its export trade growth in essential commodities- drugs, pharmaceutical products and cereals (mainly rice). The exportation of rice to the European Union, North American and South Asian countries has increased more than before the pre-lockdown period. Due to the heavy production of Hydroxychloroquine (anti- malarial drug), which is considered to be a constituent of the Covid-19 vaccine, India exported Hydroxychloroquine tablets and other virus - fighting drugs to more than 55 countries which includes United States, UAE, Mauritius and many more for vaccine trials.

Apart from the basic and essential commodities, India failed or lost in the exportation of non-essential and luxury commodities like plastics, gems, jewelry, steel, aluminum, tobacco, copper, rubber and cotton either due to delays in the orders or decline in the industrial production and demand of the commodities. Exportation of gems and jewelry declined the most, followed by petroleum products, electronic and engineering goods, chemicals and plastics. Export of organic and inorganic chemicals (aluminum, copper) have declined expect iron ore. Although the growth rate in export trade of iron ore has declined in April-May 2020 as compared to April- May 2019. Iron Ore was one of the major commodities whose exportation has contributed to the Indian economy in this crisis. Fig.9 shows the comparison of the growth rate of the top 10 commodities of India’s export trade performance during this Covid-19 pandemic.

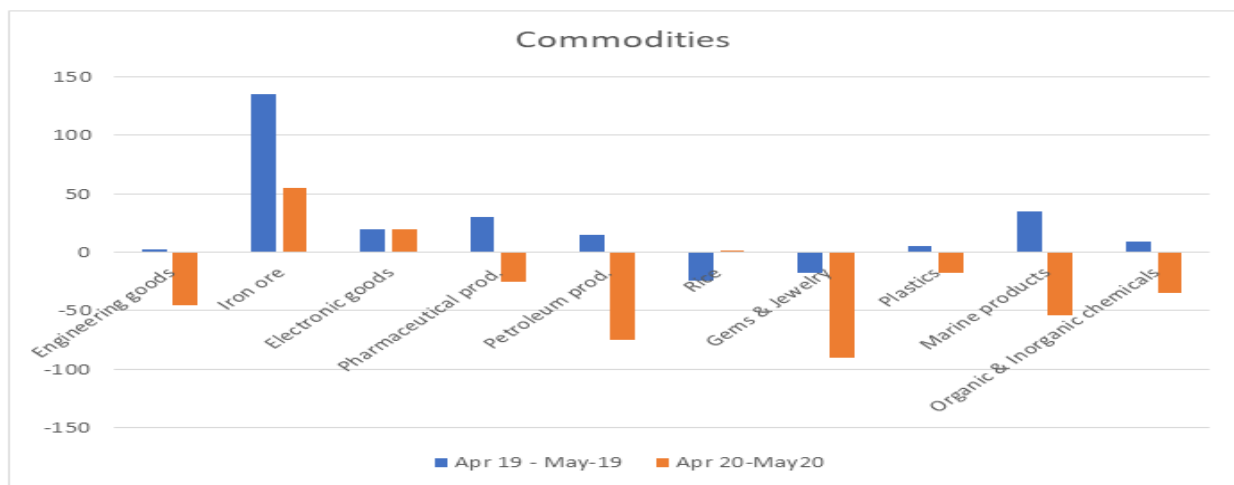


Fig 9 Growth rate of Export trade of Top 10 commodities

On the other hand, the import trade of India had drastically declined from the month of January. As the covid-19 cases started arising in early January 2020 across the globe, many countries had closed their borders for foreign trade and shipments get delayed. This had affected India’s import trade too. Import of both oil and non-oil goods has decreased from US \$41 billion in January 2020 to US \$ 17 billion in April 2020. As inferred from Fig 10 the top 10 commodities imported to India had a negative growth rate in April- May in the year 2020 as compared to the year 2019 due to the depressed requirements of goods in Indian markets. In April, Imports of electronic goods declined the most by – 62.72%, followed by petroleum, crude and products (-59%), machinery, electrical and non-electrical goods (-53.91%) and coal and coke (-48.83%). Depreciated demand for imports of products like petroleum products, electronic goods, nuclear reactors, furniture, machinery parts and chemicals from other countries showed a less contribution to the growth of the Indian economy. But due to decline in exports of non-essential commodities, the Indian economy was badly affected from March to May in terms of unemployment, farmers, traders and manufacturers due to loss of profit in foreign markets.

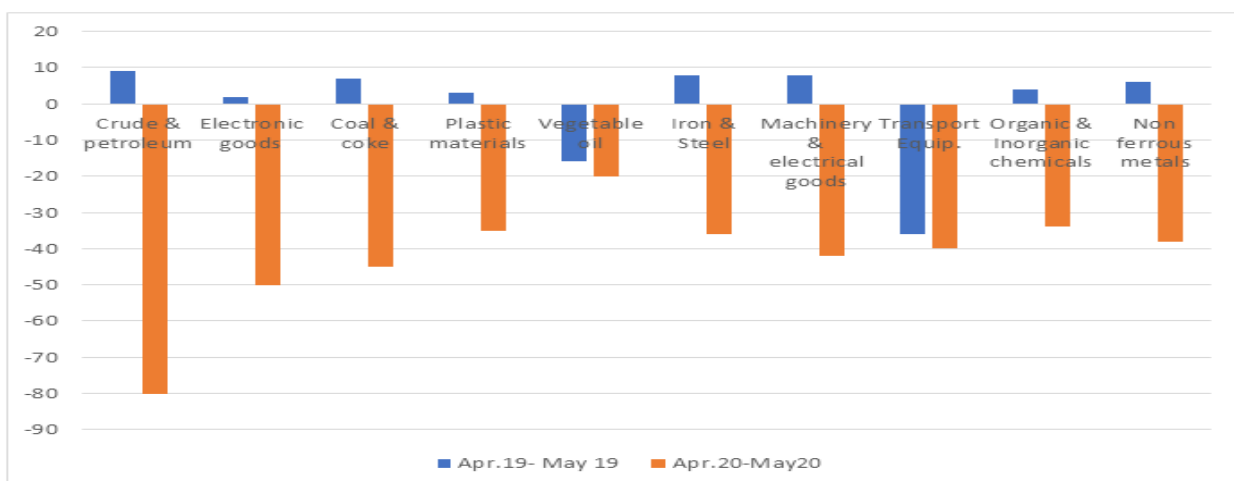


Fig 10 Growth rate of Import Trade of Top 10 commodities

➤ *Impact on Trade in Services Due to Covid-19 Pandemic*

Trade of services consists of services traded or exchanged provided by foreign based companies. These services include education, construction, communication, energy, travel, tourism, transport, health, social services and many more. It also contributes to the country's GDP and exchange rates. Unlike trade -in goods, trade- in services have become a trade surplus from the past ten years. Employees in the IT sector managed their work remotely. Telecommunication services were in high demand due to the increase in remote work culture. People also avoided going to markets due to social distancing measures and promoted E-shopping during the lockdown. Educational, IT, telecommunication, online shopping services generated good revenues through foreign trade. Although overall trade in services declined due to the enforcement of nationwide lockdown, trade in services became a trade surplus in the months from March to May 2020, therefore generating more revenues in the country.

D. Equity Markets

An Equity market is a public stock market where stocks or equities of business companies are traded by investors. These stocks represent fractional ownership and securities of a company. The main purpose of the stock market is to provide capital and funds to the companies in the form of shares invested by shareholder. The companies can expand or grow their businesses and pay off debts. The shareholders either got profit or loss from the shares invested and company dividend payments according to the market capitalization of the company. The capital of a company depends upon the consumer and business which can directly impact a country's GDP. As the Covid-19 cases started increasing in India started falling sharply. The equity markets fell abruptly before the announcement of the lockdown on 24 March 2020. However, the fall in the market was less as compared to the market crash in the year 2008, which recovered almost two years later. On March 24, NIFTY 50 fell to 7801.05 Rupees.

Table 1 represents the highs and lows as well as the highest percentage rise and fall in different NIFTY indices from February to March 2020. A decline in industrial production, low revenues in businesses and pause in worldwide trading lead to low market values of companies listed in NSE. Also pessimistic thinking, debt uncertainty and a negative approach towards equity markets influenced investors and venture capitalists to restrict their investment from bearish stock. Many companies including startups laid off their staff due to excess debt burden and low revenue amid Covid-19.

Table 1 Highest Percentage Rise and Fall Between Closing Prices of Two Consecutive Days of Various Stock Market Indices from February to March in the Year 2020

Stock Market Indices	High (in Rupees)	Low (in Rupees)	Highest percentage rise between closing prices of two consecutive days	Highest percentage loss between closing prices of two consecutive days
Nifty-50	12246.7	7511.1	6.62	-12.98
Nifty Reality	336.35	165.35	6.11	-11.35
Nifty Financial Services	14747.7	7984.2	9.31	-15.93
Nifty IT	16882.45	10991.25	9.02	-9.57
Nifty Pharma	8473.8	6242.85	5.11	-8.92
Nifty Auto	8212.2	4452.2	5.17	-13.84
Nifty Media	1906.1	979.05	3.87	-10.32

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

The shutdown and subsequent policy decisions like the moratorium would have varied impact across sectors. Although companies profit from cash conversation, financial institutions face a double whammy of restricted collections and no moratorium on capital market instruments. Recovery after the lockout will also differ across industries, depending on the sector's systemic resilience and improvement in the customer class underlying it. It is likely that the lock-down would have a major effect on the economy, most especially demand which is the largest position. Shutdown of factories and the resulting delay in the supply of goods may result in a shortage of raw materials in China for largely importing companies from that there. For most companies, the raging pandemic will threaten normal business operations. Steady economic growth, bouncing back in demand and normalizing working capital cycles are crucial to growth in the Indian economy and varying levels of resilience to the pandemic's market effect in the months ahead will be seen in different sectors.

Covid-19 's high risk impact industries are aviation, hostels, restaurants, jewellery, retail, shipping, ports and port services. The sectors of medium impact are cars, building materials, residential real estate while the sectors of low impact include education, dairy products, fertilizers, FMCG and healthcare among others. The economic impact of Covid-19 has been overwhelming for most of the infected countries, sparking a dark economic recession around the world. With a rise in unemployment and interruption in industrial production, international trade has been adversely affected, giving a major blow to the developing economies globally. Proactive implementation of successive lockdown assisted in controlling the spread of the disease in India but had adverse repercussions on its economy. To counter these issues, a befitting response from the government including the Pradhan Mantri Garib Kalyan Anna Yojana (Food scheme), Ujwala scheme (for women below Poverty Line), and PM-KISAN scheme acted as a buffer for rural India. Also, reduced interest rates and deferral of the tax return deadlines are some of the tax relaxation measures taken by the government.

The trends and analysis as depicted in this paper serve the purpose of visual summaries and the subsequent discussions indicate the causes and policy interventions behind those trends. The conducted assessment developed using the frameworks adopted in this study will prove helpful in the future to analyze the long-term impact of any crisis on a country's society and economy. In terms of government policy, we consider the policy interventions made by the Government of India. Additionally, in line with the recommendations of (Roztocki et al., 2019), we considered the Reserve Bank of India as the capital resources/market enabler.

CHAPTER FIVE CONCLUSION

The Covid-19 novelty has affected our lives in various aspects and it has spread with alarming speed, infecting millions and bringing economic activities to a near standstill. Covid-19 pandemic is not only just a health crisis but it also affects societies and economic crisis at their core. Major victims of Covid-19 outbreak are MSME sectors, industrial production, import-export trade and shortage of employment. After surveying the industrial sectors and the market through descriptive analysis method, it can be deduced that the nationwide lockdown led to deterioration of the business prospects of business entrepreneurs of industrial sectors in India. The main objective of the study was:-

- *To explore the impact of Covid-19 on industry, import-export and employment in India.*
- *To explore what are needs to be taken by Government in order to come out from this devastating state of Indian Economy.*

Factors responsible for affecting the Industry due to Covid-19:-

- *Shortage of Manpower*

Organizations across the State have experienced unprecedented workforce disruption. Virtually all companies are still determining how they will work in the short and long-term, as shortage of manpower exists which has affected the industry to a great extent.

- *Market Demand*

Consumer demand patterns have shifted; supply chains are disrupted and have been under pressure due to a stagnating economy and reduction in market demand. With the Covid-19 crisis, fundamental changes in consumer behavior and routes to market have knocked industry of balance in the State.

- *Logistics*

Due to lockdown, the supply chain has virtually come to a standstill. As a result, shipment lie pending as factories and warehouses were shut in a prompt response to the global health emergency. The crisis has severely affected transport services both in terms of supply and demand.

- *Export Issues*

Merchandise exports have collapsed by over 60% and imports contracted only slightly less. The trade collapse was not surprising as the spate of regional, national as well as lockdowns around the world have not only dented demand and investment but also severely disrupted supply chains and shipping routes.

- *Shortage of Funds*

In Industrial sectors there are small scale enterprises are hit by zero cash flow due to the nationwide lockdown. As there was a halt in the production and slump in demand, these small scale enterprises are unable to pay their creditors.

- *Shortage of Supplies/Input Materials*

Small industries across the state have faced a shortage of raw materials due to the ongoing nationwide lockdown. As a result there was a halt in the production which ultimately affected the entire supply chain. So , shortage of raw materials has been a factor which adversely affected the industries to a great extent.

- *Temporary Shutdown*

Workplace shutdown has been a major factor in hitting industries hard during the Covid-19 crisis as operations ceased due to unavailability of raw materials and leave the enterprises at a high risk of insolvency. So, it is indicative that the slowdown or the temporary shutdown is one of the major factors that have affected the Industries in India.

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