

THE EXPECTED POST CORONA (COVID-19) PANDEMIC EFFECT AND ECONOMIC EVOLUTION IN INDIA

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ABSTRACT

In accounts of present situation, the study focused on the economic evolution in India and expected economic future of India on the base of the gross domestic product's data from many sources. The study used secondary data before and after pandemic and GDP is used as an indicator of the economic growth and decline measurement tools. The many institution and famous and common econometricians and industrialist gave many suggestions how to protect the Indian economy during and after the pandemic. From that point of view some fearing came in our mind but few comparative scenarios give us some opportunity with the secondary report of the other country over the world like USA, UK, France, and Italy etc. The most important and the fastest growing sector of Indian economy are services. Trade, hotels, transport and communication, financing, insurance, real estate and business services and community, social and personal services account for more than 60 percent of GDP. Agriculture, forestry, and fishing constitute around 12 percent of the output, but employs more than 50 percent of the labor force. Manufacturing accounts for 15 percent of GDP, construction for another 8 percent and mining, quarrying, electricity, gas, and water supply for the remaining 5 percent.

Keywords: *Pre and Post Effect on COVID-19, Economic Evolution, GDP Affected and Indian Scenario*

INTRODUCTION

After the born of critical pandemic of COVID-19 all over the world, the situation all around has been changed in an amazing way and it affected the social, political and economic grounds. All the creatures of the earth have been facing new challenges during the most harmful pandemic period. It also affected to perform the different religion practice which gives peace to the human mind and created a big distance from one to another not only within a state of the county but also in the outer world, and one intensity came in the minds of many people to come back to their homes as soon as possible from the their job which outside of the local area. So, in one word it can be said that everyone is feeling the fear to be affected by the corona various. The COVID-19 pandemic has effectively broken the normal life. The importance of social distancing and a lockdown in curbing the spread of the virus cannot be stressed enough, but these measures have also huge repercussions on livelihoods and the economy at large, which has already been seen in a slowdown over the past year. It's a very harmful matter that lots of people intentionally rejects their jobs, and on the other hand, lots of institutions do not want to start existing business, and for that consequence lots of labours and workers

lost their jobs. According the overall situation with correspond in India, the study expresses and imagines the post corona effect on corporate sector and what kind of economic evolution is carrying in the country.

Relevance of the study

The COVID-19 pandemic has effectively brought normal life to a halt in India. The importance of social distancing and a lockdown in curbing the spread of the virus cannot be stressed enough, but these measures also have huge repercussions on livelihoods and the economy at large, which has already been seeing a slowdown over the past year. With more than 25 lakh people infected worldwide and 1.30 lakh dead, the Covid-19 pandemic shows no signs of abating. As vaccine is yet to be found, lockdowns remain the only way to slow its spread. However, the lockdowns are also pushing major economies to the brink.

The International Monetary Fund (IMF) has revised its global GDP growth estimate from 3.3% just 3 months ago to a contraction of 3%, something not seen since the Great Depression of the 1930s. ET Wealth studies how India is placed in the scenario. So, the study on the post corona pandemic effects on economic evolution in India with other country.

LITERATURE REVIEW

1. Ozili & Arun (2020) studied and raised few legitimate questions:

- How did a health crisis translate to an economic crisis?
- Why did the spread of the coronavirus bring the global economy to its knees?

The answer lies in two methods by which coronavirus stifled economic activities. First, the spread of the virus encouraged social distancing which led to the shutdown of financial markets, corporate offices, businesses, and events. Second, the exponential rate at which the virus was spreading, and the heightened uncertainty about how bad the situation could get, led to flight to safety in consumption and investment among consumers, investors, and international Trade partners. They focused on the period from the start of 2020 through March when the coronavirus began spreading into other countries and markets. We draw on real-world observations in assessing the restrictive measures, monetary policy measures, fiscal policy measures and the public health measures that were adopted during the period. We empirically examine the impact of social distancing policies on economic activities and stock market indices. The findings reveal that the increasing number of lockdown days, monetary policy decisions and international travel restrictions severely affected the level of economic activities and the closing, opening, lowest and highest stock price of major stock market indices. In contrast, the imposed restriction on internal movement and higher fiscal policy spending had a positive impact on the level of economic activities, although the increasing number of confirmed corona virus cases did not have a significant effect on the level of economic activities.

2. Kumar, Thombare & Kale (2020) concluded on their opinion that globally coronavirus has produced an unstable environment for people. This has spread all over the world and called as a pandemic by World Health Organization. This has stopped many economic activities due to the extremely contagious nature of the disease. It has produced economic impact on globe and India. It may produce recession in many parts of the world. In every sector in India most of the products are imported from China, especially in medicine and manufacturing industry.

3. Dev & Sengupta (2020) studied that the outbreak of the COVID-19 pandemic is an unprecedented shock to the Indian economy. The economy was already in a parlous state before COVID-19 struck. With the

prolonged country-wide lockdown, global economic downturn and associated disruption of demand and supply chains, the economy is likely to face a protracted period of slowdown. The magnitude of the economic impact will depend upon the duration and severity of the health crisis, the duration of the lockdown and the way the situation unfolds once the lockdown is lifted. In this paper we describe the state of the Indian economy in the pre- COVID-19 period, assess the potential impact of the shock on various segments of the economy, analyses the policies that have been announced so far by the Central Government and the Reserve Bank of India to ameliorate the economic shock and put forward a set of policy recommendations for specific sectors.

4. Nicola *et al.*, (2020) studied the COVID-19 pandemic has resulted in over 1.4 million confirmed cases and over 83,000 deaths globally. It has also sparked fears of an impending economic crisis and recession. Social distancing, self-isolation and travel restrictions forced a decrease in the workforce across all economic sectors and caused many jobs to be lost. Schools have closed, and the need of commodities and manufactured products has decreased. In contrast, the need for medical supplies has significantly increased. The food sector has also seen a great demand due to panic-buying and stockpiling of food products. In response to this global outbreak, we summaries the socio-economic effects of COVID-19 on individual aspects of the world economy.

5. Fernandes (2020) studied and discussed that the economic impact of COVID-19 caused crisis across industries and countries. It also provides estimates of the potential global economic costs of COVID-19, and the GDP growth of different countries.

The current draft includes estimates for 30 countries, under different scenarios. The report shows the economic effects of outbreak are currently being underestimated, due to over-reliance on historical comparisons with SARS, or the 2008/2009 financial crisis.

At the date of this report, the duration of the lockdown, as well as how the recovery will take place is still unknown. That is why several scenarios are used. In a mild scenario, GDP growth would take a hit, ranging from 3-6% depending on the country. As a result, in the sample of 30 countries covered, we would see a median decline in GDP in 2020 of -2.8%. In other scenarios, GDP can fall more than 10%, and in some countries, more than 15%. Service-oriented economies will be particularly negatively affected and have more jobs at risk. Countries

like Greece, Portugal, and Spain that are more reliant on tourism (more than 15% of GDP) will be more affected by this crisis. This current crisis is generating spillover effects throughout supply chains. Therefore, countries highly dependent on foreign trade are more negatively affected. The results suggest that on average, each additional month of crisis costs 2.5-3% of global GDP.

Objective of the study

The main objective of the study to try to find out the two expected scenarios after the end of the lockdown:

- To find out the expected decline or growth of the Indian economy after the end of lockdown in full fledge.
- To find out the expected future of the Indian corporate sector compared to the other countries after the end of the COVID-19 pandemic.

RESEARCH METHODOLOGY

The most dangerous and emergency time has been passing since more than three months not only in India but all over the world. At this kind of situation many econometricians, corporate resource persons and industrialist express their own opinion through the different public and social media, and the study has been conducted on secondary data on newspaper and government bulletin of the country along with the world. With the help of descriptive statistic like graph, chart and other tools have been used to explain and conclude the given figure and value of the data set.

Before the corona pandemic growth

Before the pandemic over all corporate as well as economic growth position was a reasonable condition be it banking sector, real estate sector and agricultural sector. On the other hand, total GDP growth of the country also flowed a certain value of increase rate.

Figure 1: GDP Growth Before the Pandemic

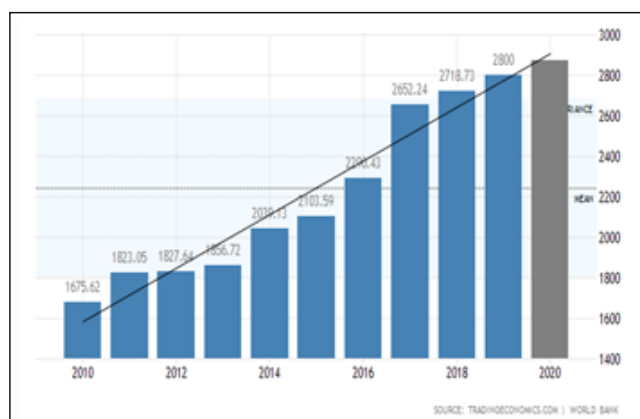


Figure 1 shows that the GDP growth before the pandemic and the Gross Domestic Product (GDP) in India was worth 2800 billion US dollars in 2019, according to official data from the World Bank and projections from Trading Economics. The GDP value of India represents 2.31 percent of the world economy.

Figure 2: The Expected Growth but Corona Pandemic Push to Decline GDP in India

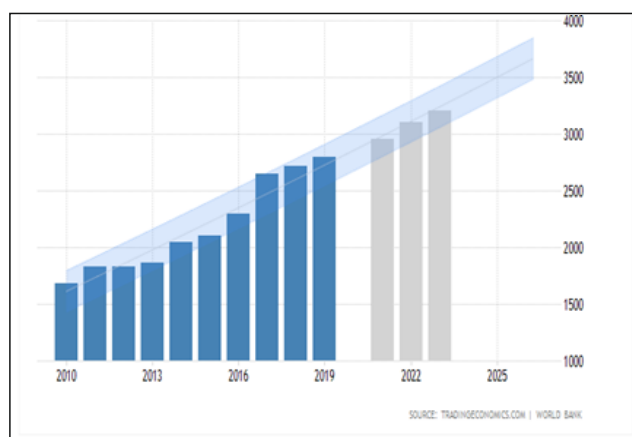


Figure 2 shows the expected growth but corona pandemic push to decline GDP in India is expected to reach 2950.00 USD Billion by the end of 2020, according to Trading Economics global macro models and analysts' expectations. In the long-term, the India GDP is projected to trend around 3100.00 USD Billion in 2021 and 3200.00 USD Billion in 2022, according to our econometric models. The Gross Domestic Product per capita in India was last recorded at 2104.20 US dollars in 2018. The GDP per Capita in India is equivalent to 17 percent of the world's average.

After the corona pandemic decline growth

The global economy could shrink by up to 1 per cent in 2020 due to the coronavirus pandemic, a reversal from the previous forecast of 2.5 per cent growth, the UN has warned that it may contract even further restrictions on the economic activities that are extended without adequate fiscal responses.

The analysis by the UN Department of Economic and Social Affairs (DESA) said that the COVID-19 pandemic is disrupting global supply chains and international trade with nearly 100 countries. In the best-case scenario with moderate declines in private consumption, investment and exports and offsetting increases in government spending in the G-7 countries and China and global growth would fall to 1.2 per cent in 2020.

Figure 3: GDP Annual Growth Rate in India

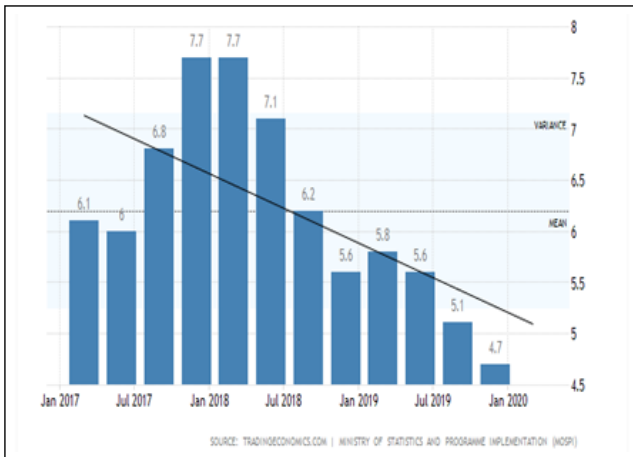


Figure 3 shows that GDP Annual Growth Rate in India averaged 6.16 percent from 1951 until 2019, reaching an all-time high of 11.40 percent in the first quarter of 2010 and a record low of -5.20 percent in the fourth quarter of 1979. This page provides India GDP Annual Growth Rate - actual values, historical data, forecast, chart, statistics, economic calendar, and news. India GDP Annual Growth Rate - data, historical chart, forecasts, and calendar of releases - was last updated in May of 2020.

Figure 4: GDP Annual Growth Rate in India

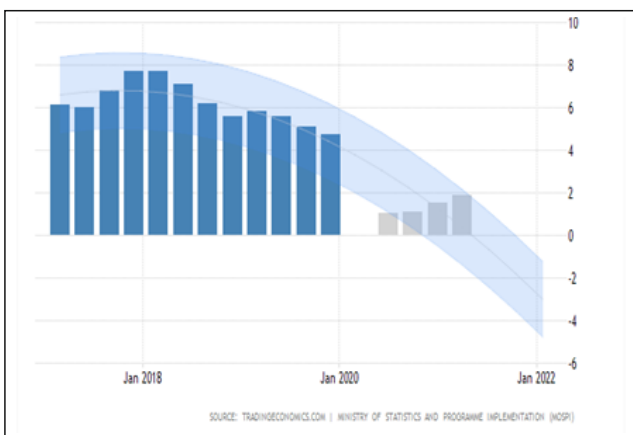


Figure 4 shows that GDP Annual Growth Rate in India is expected to be 1.00 percent by the end of this quarter, according to Trading Economics global macro models and analysts' expectations. Looking forward, it can be estimated that GDP Annual Growth Rate in India to stand at 1.90 in 12 months' time. In the long-term, the India GDP Annual Growth Rate is projected to trend around 2.50 percent in 2021 and 4.00 percent in 2022, according to our econometric models.

Figure 5: Krungthai Card (KTC TB)

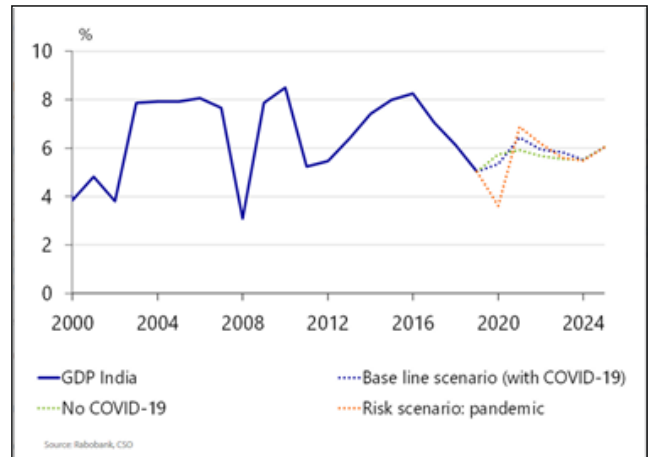


Figure 5 shows that Krungthai Card (KTC TB) shows bullish signs developing of base line support at 24/25 with fresh long support just above this pivot zone that will act as a solid risk level. Upside will be limited near term with overhead sell pressure expected near 33.50 to 37.

Accumulation volumes are noted in the 27 region and an early supportive input. RSI and MACD bullish channels outlined reflect the basing nature of the down cycle and the process of seeing sell pressure exhaust. Consumer spending patterns will ultimately be altered in coming years but clearly will be hard pressed to see any major recovery in coming months.

Figure 6: Accumulation volumes



RESULTS & DISCUSSION

Figure 5 shows that a rebound can be expected after the COVID-19 crisis. It also tries to show the expected trend of Indian economic growth or decline after the recovery

of COVID-19 and end of lockdown period. The graph is two part in blue line drawn exact on GDP data in past record and second three-line draw on base of assumption and expected with the past data.

The study used secondary data before and after pandemic and GDP used as an indicator of the economic growth and decline measurement tools. The many institution and famous and common econometricians and industrialist gave many suggestions how to protect the Indian economy during and after the pandemic (Dev & Sengupta, 2020; Nicola *et al.*, 2020; Fernandes, 2020)

CONCLUSION

The study focused on the economic evolution in India and expected Indian economic future on the base of the gross domestic product's data from many sources. From that point of view some fearing came in the mind but few comparative scenarios give us some opportunity with the secondary report of the other country over the world like USA, UK, France, and Italy etc.

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Conflict of Interests- The authors declare that they have no conflict of interest.

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