Impact of COVID-19 on Indian economy

Introduction

- Coronavirus (COV) is large family of virus's illness. It ranges from the common cold to more severe diseases like middle East Respiratory syndrome (MERS-COV) acute respiratory syndrome. the world heath organisation has declared the coronavirus a pandemic. The Corona Virus has travelled from China to Europe to United States of America to our country. Corona Virus has not just rattled lives, but also economies across the world and our country, has not been spared either. It is no longer only a global health crisis; it is also a major labour market and economic crisis that is having a huge impact on people.

Adversely affected sectors in India

- Apparel and textile
- Automobile sectors
- Aviation and tourism
- Building and construction
- Real estate sector
- Financial services – banking and non-banking financial company

Sectors with a possible uptick

- Digital and internet economy .
- Speciality chemicals(disinfectants, drugs and medicines)
- Pharma
- insurance

Governments actions towards covid-19

- Over 8.3 crore poor women, who get free gas connection since 2016, will get free LPG connections for next three months, while poor citizens, widows and disabled will get an ex-gratia cash of RS,1000.
- Union cabinet approved a 30 per cent reduction in salary and allowances of members of the Parliaments for one years.
- Governments has decided to suspend MPLADS (members of parliament local area development scheme) and funds would be directed towards improving medical infrastructure.
- Governments also providing RS 6,000 through PM-KISAN scheme in three equal instalments. First instalment will be provided from April 2020.
- MNREGA workers wage is increase by governments from RS 182 to RS 202.

- For SHG (self-help group) which provide benefits to households, government providing collateral-free loans to RS 200,000.
- State giving district mineral fund, worth about 310 billion RS will be used for those who are facing economic disruption because of the lockdown.
- The Employees Provident Fund Organization (EPFO) has announced - employees who contribute to EPF can withdraw up to 75 percent of the account balance or 3 months' basic salary and dearness allowance, whichever is lower.
- Debit card holders can withdraw cash from any bank ATM for free of charge
- Bank charges for digital trade transactions will be reduced for all trade finance customers

Addition measures

- The Government should ensure that proper sanitizations facilities be made available across the country.
- lockdowns end government should more focus on temporary jobs at local areas, they should lose their jobs.
- The Government should reduce compliance burdens on business houses and give them the liberty to transact business at their maximum capacities.
- Reserve bank of Indian should provide more liquidity to banks and financial initiations.

- RBI should implement measures to avoid bankruptcies of small and medium-scaled industries.
- The Securities and Exchange Board of India should encourage people to more invest through Mutual Funds so their will more investment.
- To increase liquidity and increase consumer confidence, the Government of India should provide a pay roll tax holiday for a quarter to help support demand in these stressful times.
- A disaster management framework focused on managing disease outbreak will become essential in the large and densely populated country

Conclusion

- COVID-19 is unaccepted challenge to India which affected large scale of population. Over economy is also been affected by it due to lockdown. Government have redesigned this situation and trying there best to overcome this problem. Policy makers need to be prepared to scale up the response as the events unfold to minimise the impact of the shock on both the formal and informal sectors and support the poor families in this difficult situation.