A REPORT ON

IMPACT OF COVID-19 ON INDIAN ECONOMY

Submitted by

V Manohar Reddy

Under the guidance of

Dr. Dhirendra Kumar

Professor

MBA Hospital and Health Management

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The IIHMR University, Jaipur

1, Prabhu Dayal Marg, Sanganer Airport Jaipur, 302029, Rajasthan

Ph: 0141 3924700, Fax: 3924738 Website: **www.iihmr.edu.in**

PART-1

Summer Training Report

ACKNOWLEDGMENT

To begin with I am most grateful to my Institute, Indian Institute of Health Management Research for providing me with this opportunity to conduct a research study in these difficult times of global pandemic.

This project would not have been possible without the support and unfailing guidance of my academic mentor Dr. Dhirendra Kumar, Professor, IIHMR University.

This summer project has been an important part of my career development and I would like to express my sincere and wholehearted thanks to all the individuals contribute to this study and taking me ahead in this journey. I shall endeavor all the skills and learning I procured while doing this study to the best of my abilities and will strive for improvement every step in my career.

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Acronyms/ Abbreviations

SARS-COV2	**Severe Acute Respiratory Syndrome**
GDP	**Gross Domestic Product**
US	**United States**
UK	**United Kingdom**
i.e.	**That is**
OECD	**Organisation for Economic Cooperation and Development**
SBI	**State Bank of India**
Q1	**Quarter 1**
Q2	**Quarter 2**
Q3	**Quarter 3**
Q4	**Quarter 4**
MSME	**Micro, Small and Medium Enterprises**
CEO	**Chief executive Officer**

Introduction

Corona virus is one of the deadly viruses which is caused by Severe acute respiratory syndrome corona virus 2 (SARS-CoV2). The first reported case of this disease appeared in Wuhan (China). The World Health Organization (WHO) named the disease as COVID-19. The WHO declared the disease as a Pandemic. Corona virus has affected more than 11 million people with more than 500 thousand deaths. About 216 countries have been affected by this disease. This Pandemic is imposing two kind of shock on countries, first is health shock and other is economic shock. This disease is a communicable disease which spread due to contact with infected people or through infected surfaces. Due to the fact that there is no vaccine to this disease yet, only effective way to reduce the spread of this disease is shown to be through imposing social distancing, self-isolation at home, closure of institutions, and public facilities, restriction on movement of public or even country wide lockdown. These steps lead to economy of the country to stop its normal functioning. These measures have caused a fear of global recession worse than the recession in 1930s. The pandemic have impacted both developed and developing countries around the world. Almost every country hit by corona virus will see a slowdown in their economic growth. Many countries will see their GDP growth in negative. Even the most developed countries like US and UK bear the brunt of this Pandemic not just economically, US has registered more deaths due to corona Virus than the World War II.

India recorded the first case of Corona virus on January 30, 2020. Since then the number of cases are increasing rapidly. Nationwide lockdown was announced on March 23, 2020, due to lockdown the number of cases increased at a slower rate. But due to lockdown the economy of our country took a bit hit and we were unable to cope with the fall in the economy and a large number of people losing their jobs so on June 1, 2020 government announced unlock 1 i.e. phase wise reopen of work with restriction of social distancing and maintaining proper hygiene. Since the unlock the number of cases have risen rapidly leading to enormous amount of strain on Health Care System.

This Pandemic has struck India at a time when our GDP was already slowing down and Unemployment was on a rise due to poor economy over the years. The treacherous condition the economy was in has made it even worse. Earlier the economy was suffering from a demand slowdown but it is suffering from both demand slowdown and supply chain disruption. This study analyzes the Impact of this Pandemic on the Economy of India.

Research Methodology:

This study is based on Secondary data which was collected from Google scholar, newspaper article, like the Economic times etc. The top recommended articles were selected from the Google scholar. All the articles selected were based on impact of corona on Indian Economy.

Discussion

According to Impact of Corona Virus on Indian Economy: An Overview (Dr. M. Murgeswari) it shows that various industries have been affected by the crisis. A decline of 17.8% has been seen in the consumption of petroleum. Fertilizer companies have either been shut or have cut production. Disruption in the supply chain have affected the food industry, Automobile industry. Moody’s predicted GDP growth from 5.3% to 2.5%.

Impact of Corona Virus in Indian Economy and Banking Sector (Dr. J. T. Pratheeesh) according to CLSA report pharmacy, chemical and electronics business might see supply chain issues and prices might go up by 10%. Due to supply chain disruption almost every sector is been affected due to this, from chemical industries to auto industry. Aviation and Tourism has been affected the most due to the pandemic as there are travel restriction internationally as well as domestically.

Impact of Corona outbreak on Global Economy (by Dr. Kishor P. Bholane), OECD downgraded the growth forecast for almost every country. It suggest that every countries GDP will fall due to the current pandemic that is being going on around the globe. Due to the restriction in the global export the demand for oil has reduced causing the oil prices to hit the lowest prices for year. The service sector of US also contracted which is the largest consumer market. During January and February in Wuhan approximately 5 million people lost their job. In March more than 10 million Americans lost the jobs and applied for government aid. According to the Federal Reserve Bank the pandemic may cost about 47 million jobs in America.

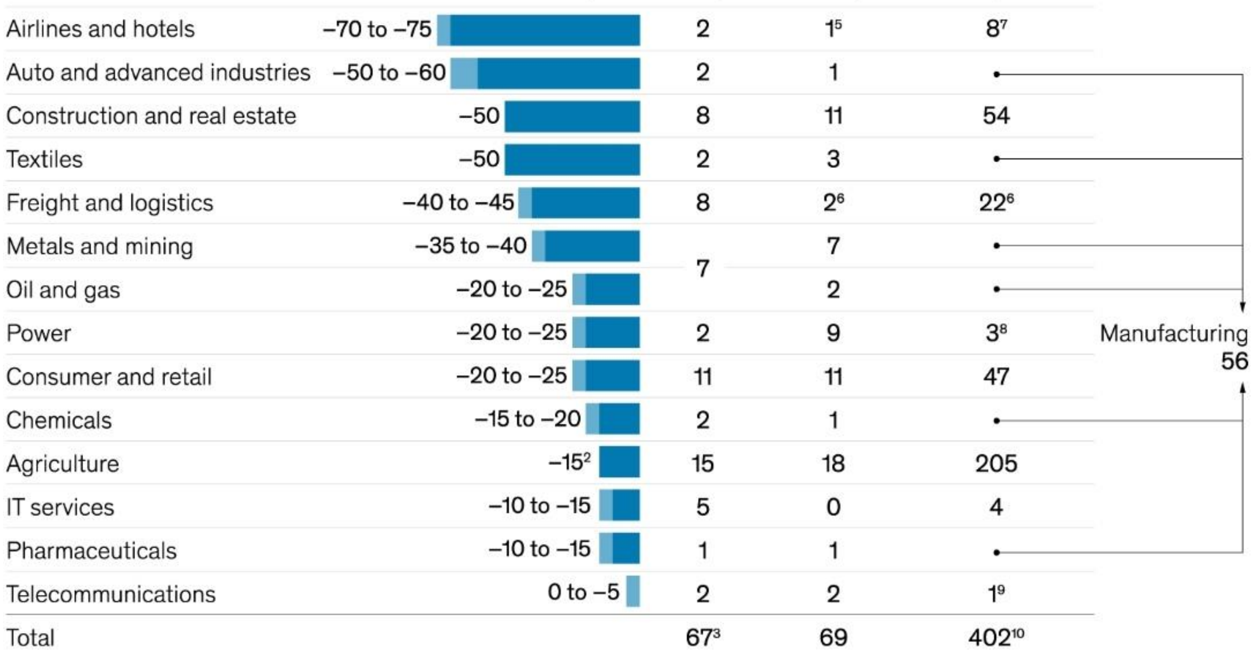
According to the Outlook article on Rebooting the Indian Economy post corona shock, stated that many sectors have been hit badly by the pandemic. The major sectors which were the back bone for growth of Indian economy i.e Consumption, manufacturing, exports, Capital inflows had been effected drastically. Due to less demand due to lockdown and fear of catching the virus and social distancing measures the consumption sector is being impacted. The pandemic led to supply chain disruptions hence manufacturing sector is hit as there is no supply of raw material from the other countries. Emerging markets felt the impact of Capital outflows or slowdown in capital inflows.

In India many companies have laid off their employees due to various reasons during the pandemic, hence increasing the unemployment in the country.

Another report published by SBI in Economic Times, the GDP of India might contract by 40% in the FY21 the economy may contract by 6.8%. “The good news is that Q2 GDP growth in the FY21 could see a bump up because of a significant contraction in Q1 GDP,” said SBI group chief economic advisor Soumya Kanti Ghosh. It also estimated a loss of around 30.03 lakh crore in red and orange zone. The top 10 stated contributed 75% of the total with Maharashtra with 15.6%, Tamil Nadu at 9.4% and Gujarat at 8.6%.

According to the publication on impact of coronavirus on Indian economy by Jagran Josh, there will be huge pressure on economic growth as there is delay in the investment due to weak domestic consumption. If the economies shift from china, it can create a huge opportunity for India. According to KPMG, this opportunity will depend on how quickly the economic recovers. KPMG Indian chairman and CEO Arun M kumar Said “Apart from providing robust safety nets for the vulnerable, a focus on ensuring job continuity and job creation will be imperative”. “And there is urgent need to mobilize resources to stimulate the economy for increased demand and employment”. Dependence of India on China is immense as 45% of electronic import is from china, two third of machinery and almost two fifth of organic chemicals. Automotive part and fertilizers share is about 25% and 60 to 70% of pharmaceutical ingredients and 90% of certain mobile phones.

Coronavirus’ impact on India by McKinsey has shown the impact of corona virus in India will be different on different sectors of the economy. The effect of the restrictions that are there because of the corona virus will cause damage to the GDP of different sectors. As aviation business is hit badly as compared to the IT enabled sectors. Given the risk of unemployment, business failure and financial- system risk, a comprehensive package of 20 lakh crore was announced in five tranches.



The economic impact of COVID-19 in India will vary by sector.

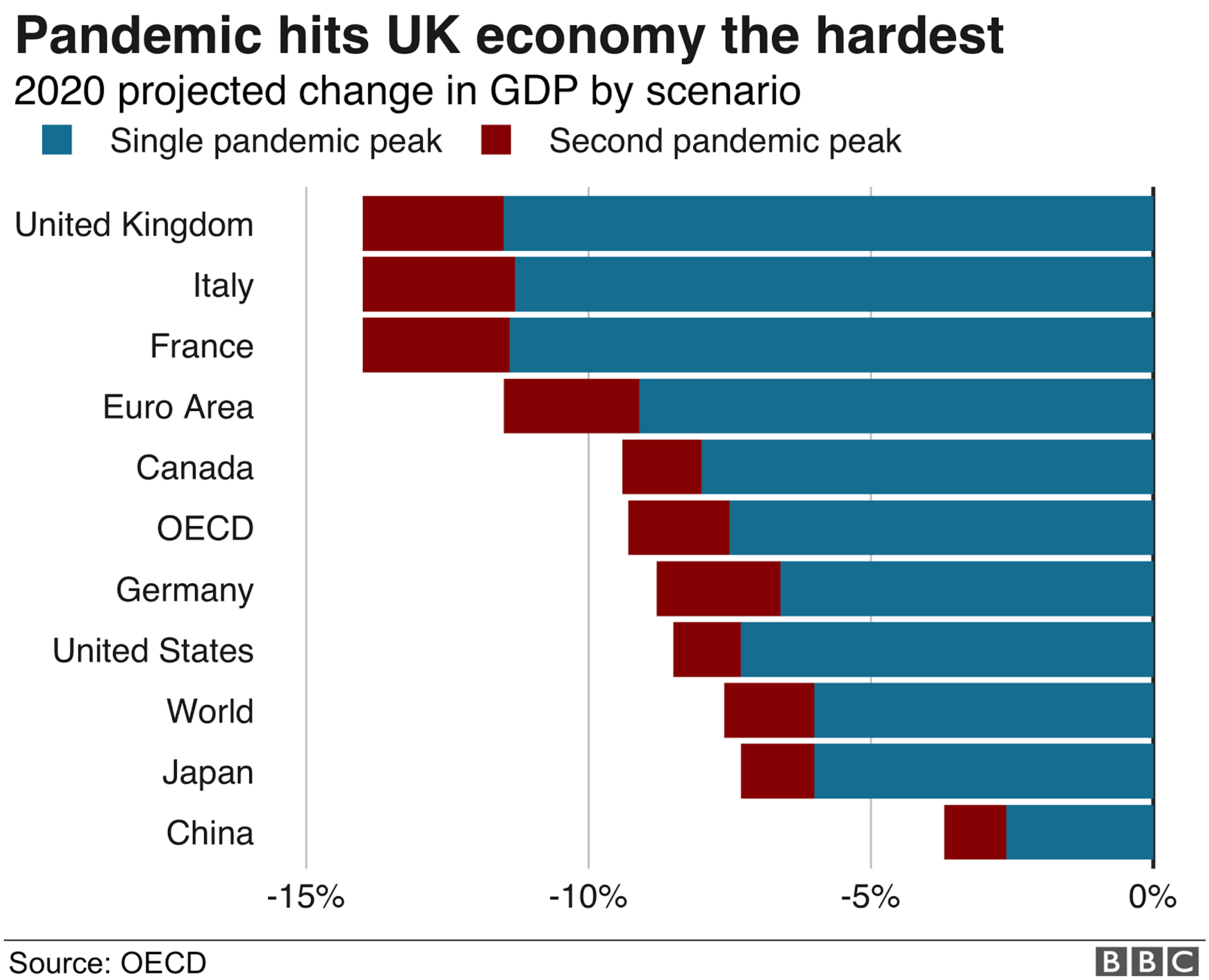
Scenario 2 (lockdown continues until mid-May 2020): Potential impact on key sectors

	Output change Q1 FY 2021 vs Q4 FY 2020,[1] %	**GDP share,** %	**Bank credit FY 2019,** %[4]	**Employment FY 2018,** millions
Airlines and hotels	–70 to –75	2	1[5]	8[7]
Auto and advanced industries	–50 to –60	2	1	Manufacturing 56
Construction and real estate	–50	8	11	54
Textiles	–50	2	3	Manufacturing 56
Freight and logistics	–40 to –45	8	2[6]	22[6]
Metals and mining	–35 to –40	7	7	Manufacturing 56
Oil and gas	–20 to –25		2	Manufacturing 56
Power	–20 to –25	2	9	3[8]
Consumer and retail	–20 to –25	11	11	47
Chemicals	–15 to –20	2	1	Manufacturing 56
Agriculture	–15[2]	15	18	205
IT services	–10 to –15	5	0	4
Pharmaceuticals	–10 to –15	1	1	Manufacturing 56
Telecommunications	0 to –5	2	2	1[9]
Total		67[3]	69	402[10]

Note: GDP share, bank credit, and employment estimates are rounded up.
[1]Pre-COVID-19 Q4 FY 2020 estimates used; output compression dynamically revised with new inputs. [2]Q1 FY 2021 vs Q1 FY 2020, given seasonality.
[3]Remaining sector share of GDP mapped to related NAS sectors; separate assumptions made for sectors such as community, social, and personal services.
[4]100% = non-retail bank. [5]Only hotels, restaurants, and entertainment. [6]Includes airlines. [7]Only hotels and restaurants. [8]Includes power and other utilities.
[9]Includes media and entertainment. [10]Does not include employment in financial services, public administration, other professional services, education, healthcare, and others.
Source: Expert interviews; Indian Ministry of Statistics & Programme Implementation; National Account Statistics; PLFS 2018; RBI; press search; McKinsey survey of >600 senior executives in 100 companies operating across a variety of sectors in India; McKinsey analysis

McKinsey & Company

Almost every major country is being affected by the Pandemic and many expert suggest that there can be a second wave of the virus that can affect the economy. The graph shows the effect on the GDP of major countries of the world and also shows the impact that a second wave of virus can have over the economies of these countries. Since there is no vaccine to this disease till now the second wave can have a similar effect if things remain same way. As the graph shows UK being hit badly due to the corona virus worst than Italy.



According to Impact of corona virus on Indian Economy (by Rekha Rani) almost every sector is hit by the corona virus. Aviation sector is being hit badly. Hospitality sector is also effected as there are lot of empty rooms in the hotels, Restaurants have reported a decline of 30-35% in business. And restaurants at malls have recorded a sharper drop. Multiplexes are also hit by the current condition. Apparel sector, Export brings 60% of Indian apparel makers' revenue Europe alone accounts for a third of India's garment export. 15% decline in mobile shipments in January to March. India depend on china for components like Compressors for Air conditioners and open cell TV panel. Poultry and sea food, 30% fall reported in demand for chicken. As there is being fake rumors that eating Chicken causes corona virus has caused the fall in demand for chicken. Film industry, atleast 40-50% of the business will be affected and may be more. Analyst estimate that the virus has already cost global box office as much as $5 billion.

Impact of corona -19 Pandemic on Indian Economy(by S.N Venkatesh), stock market are also affected by this disease as NIFTY saw record lows due to this pandemic, Gold usually gains when there is risk aversion and equity in free fall.

Effect of Covid-19 on Indian Economy and Supply chain(by Shruti Agarwal), according to this article 35% manufacturers have reported problems due to covid , Manufacturing sector are facing labour force shortage. Due to migration of labour from major cities to villages have caused a labour shortage issue in the country. India can be an alternative to china for manufacturing as many countries want to shift from China, India can present itself as an alternative to china. IMF predicted the GDP growth at 1.9% and this is the worst Growth performance of India after liberalization policy of 1991. Tourism which account for 9% of GDP might shrink for 2-3 quarters. Auto which contribute 10% to GDP will also contract due to corona virus. According to World Trade Organization, world trade might shrink between 13 to 32% in 2020.

Following up on the Immediate economic response (Deloitte), this article suggest four scenarios for predicting the recovery of the economy. Scenario 1, a temporary impact of covid 19 and a V shaped recovery. This model predict that the economy will start recovering in Q2 FY2021 as due to positive market sentiment and rapid growth from Q3 FY2021 as consumer spending gain momentum. Scenario 2 A severe and extended impact of covid-19 and a U-shaped recovery. The model predict economy will recover and resume in Q4 FY2021 and pick up pace by FY2022. Scenario 3 a prolonged severe downturn, leading to a new low level normal. The model suggest that over two year economy will grow by 1.5 to 2 percent. The Pandemic has caused economic, financial and social shock. The main concern of the policy makers is to protect lives of the people, jobs, livelihood and industries and MSMEs.

Conclusion

Almost, all the sectors have been effected by the pandemic. Researchers feel that, it is still early to exactly measure the impact but, estimates can be given based on recent data. The aviation sector is among one of the worst hit, as travel ban has led the planes grounded. The constant maintenance of the planes adds to the burden to survive the pandemic. Other sectors which were involved with tourism sector were also badly hit. Due to lockdown, the movement of people came to a halt except for essential needs. This has left the hospitality sector in great trouble. The fear of contracting the corona virus will not allow people to move freely for the next few months, which means these sectors will take time to recover. Even though the sectors such as construction, mining, textiles, freight and logistics, oil and gas, power, pharmaceuticals, etc have been effected, the recovery in these sectors is estimated to be quicker than others.

According to the experts, the economy of India might start recovery almost after one year ie. By the third quarter of 2021. They also suggested that the Indian economy might gain momentum by the end of 2021. Even though the economy of India is not as badly effected when compared to other countries, the experts still find a hope that India will be the quickest to recover from this. The main problem caused by the pandemic, is pushing many middle class families into poverty and poor to below poverty line. This may lead to slow recovery in various sectors in India.

Altogether, the economy of India has faced great damage because of which the shrink in GDP is estimated from 5.3% to 2.5%. Even after all these challenges, India is expected to recover from this by the end of 2021. Once recovered, the growth in the GDP after that is expected to be huge and best among countries effected by the pandemic.

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PART-2

Online Course Report

A REPORT ON

E-Health: MORE THAN JUST AN ELECTRONIC RECORD

Submitted by

V Manohar Reddy

Under the guidance of

Dr. Dhirendra Kumar

Professor

MBA Hospital and Health Management

2019-2021

The IIHMR University, Jaipur

1, Prabhu Dayal Marg, Sanganer Airport Jaipur, 302029,
Rajasthan

Ph: 0141 3924700, Fax: 3924738 Website: **www.iihmr.edu.in**

Why this course?

I chose this course because of the importance of this topic in the near future is priceless. It is the newest innovation where the healthcare data can be recorded and maintained, with easiest techniques and comfortably than ever. It quickly grew on me when the course started to unveil itself. The ways by which the implication of the topic was shown in the coming future of healthcare, led me to choose this course.

Course description

The course is provided by the University of Sydney on the coursera platform. The instructor of the course is Mr. Tim Shaw. The course explains and shows the importance of recording the data of health and maintaining it electronically. It focuses on the key domains where eHealth intersects and impact healthcare.

The course is divided into modules, which is supposed to be completed in 5 weeks. In each week the introduction, objectives and outcomes were described.

Each module is planned strategically to explain in the best way possible from simple topics to the topics which require high level of understanding. Each module also conducted exams to check the understanding of the learners. Few modules were designed to explain the implications of the topic while another module was designed to involve the learners to assess and make a report about any implication of the eHealth technique in the area of healthcare.

Course objectives

- To explain the importance of mobile technology to support the shift from “healthcare” to “health”
- To consider the strategies for including mobile health apps in your professional practice.
- To find the issues and challenges in the designing effective health apps.
- To describe and evaluate the innovations in eHealth interactions between the consumers and healthcare professionals.
- To appreciate the differences between online and face to face health service interactions.
- To consider new models of healthcare supported by telehealth, social media and personalized apps.
- To appreciate how eHealth can be used to support professional development.
- To provide an evidenced based rationale for adopting an eHealth strategy suitable for own professional practice.
- To describe how you would anticipate this strategy improving healthcare services for both yourself and healthcare consumers.
- To use eHealth principles from previous modules to review and comment constructively on those eHealth strategies suggested by other course participants.

Contents of the course :-

Module 1 :- What is eHealth

1	An introduction to eHealth?
2	What does eHealth mean to you?
3	What the experts say.
4	Introductory learning activities.

Module 2 :- Health in our hands

1	Health in your hands
2	Collecting your own data
3	Apps, social media and health online
4	Designing and evaluating eHealth solutions
5	Assignment

Module 3 :- Data and the ‘Quantified Self ‘

1	Introduction
2	Electronic health records
3	Predictive and precision medicine
4	Patient reported data
5	Privacy and security
6	Using data to improve performance

Module 4 :- Interacting with health professionals using new technologies

1	Improving access to healthcare
2	Innovations in healthcare
3	Supporting health professionals
4	Practice quiz
5	Readings

Module 5 :- eHealth in professional practice

1	Course review
2	eHealth case studies
3	Assignment guide and peer review

Learning methodology

The course was a well planned outcome which included different ways to teach. It consisted primarily of video based teachings. The videos were made with appropriate length and the speakers in the video were explaining things in a very comfortable speed. It made the learning to be easily understandable and without getting tired of long duration. The other methods used to teach were the use of references and video links. The references were given to further improve the understanding of the topic to the interested minds. The reference videos were based on giving more information by some other experts outside the course. It really was used to show how the study topic has been implemented and effected others , by showing their case studies or by sharing their personal experiences.

Other most important way of teaching in this course was by conducting exams and by doing peer review. The exams were multiple choice questions directly related to the previous topic. The other method was to ask the learners to describe about their experience or views about the topic. It helped the learners to share their thoughts and be a part of the program. It also provides a platform where the learners were asked to submit their assignment and which is corrected by other learner. The correction done by the learners is based on certain criteria also explained in the course. The final outcome of this kind of peer reviewed assessment is that the learners also get to go through what other learners have learnt or shared. It allows the learner to better understand the topic and and also know what other learners want to share, more like a group discussion.

Overall, it was nice combination of audio-visual aids, along with other methods like, reference articles, you tube videos, exams based on recently explained topics, peer graded assessment system, etc.

Key learnings

Through this course,

- I learnt about the importance and potential of mobile technology to help in the shift from “healthcare” to “health”

Understood how the mobile apps have influenced the life style of the people and how it is use for the better understanding of health of the community.

Understood where the innovation in this technology can take healthcare In future.
Learnt to consider different strategies in including mobile health apps in professional practice and also among individuals for better monitoring of health.

Learnt about the issues and challenges in designing effective health apps.
Understood about different ranges of innovations in eHealth interactions between consumers and healthcare professionals.

This course explained about the advantages of technology based eHealth services to improve the access and communication in healthcare and how it can be useful to shift from face to face to online interactions between the consumer and the healthcare provider.

The course explained about new ways in which the healthcare is supported by telehealth, social media and personalized apps.

This course also gave details of eHealth strategies by using case based examples and also gave the evidence how the new strategy has influenced the health need of individuals and also the healthcare providers.

Finally, the course made the individual learners to assess few healthcare apps and share the strategies among the participants of the course. This allowed to review the course and apply the learnings in the strategy making process. It also allowed to know the views of other learners which is a great way of knowing what the co learners know and to share the opinions.