

A REPORT ON IMPACT OF COVID-19 ON INDIAN ECONOMY

Submitted by

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PART-1

Summer Training Report

ACKNOWLEDGMENT

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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. Pratheesh) 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 states 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	
Construction and real estate	-50	8	11	54
Textiles	-50	2	3	
Freight and logistics	-40 to -45	8	2 ⁶	22 ⁶
Metals and mining	-35 to -40	7	7	
Oil and gas	-20 to -25		2	
Power	-20 to -25	2	9	3 ⁸
Consumer and retail	-20 to -25	11	11	47
Chemicals	-15 to -20	2	1	
Agriculture	-15 ²	15	18	205
IT services	-10 to -15	5	0	4
Pharmaceuticals	-10 to -15	1	1	
Telecommunications	0 to -5	2	2	1 ⁹
Total		67³	69	402¹⁰

Manufacturing
56

Note: GDP share, bank credit, and employment estimates are rounded up.

¹Pre-COVID-19 Q4 FY 2020 estimates used; output compression dynamically revised with new inputs. ²Q1 FY 2021 vs Q1 FY 2020, given seasonality.

³Remaining sector share of GDP mapped to related NAS sectors; separate assumptions made for sectors such as community, social, and personal services.

⁴100% = non-retail bank. ⁵Only hotels, restaurants, and entertainment. ⁶Includes airlines. ⁷Only hotels and restaurants. ⁸Includes power and other utilities.

⁹Includes media and entertainment. ¹⁰Does not include employment in financial services, public administration, other professional services, education, healthcare, and others.

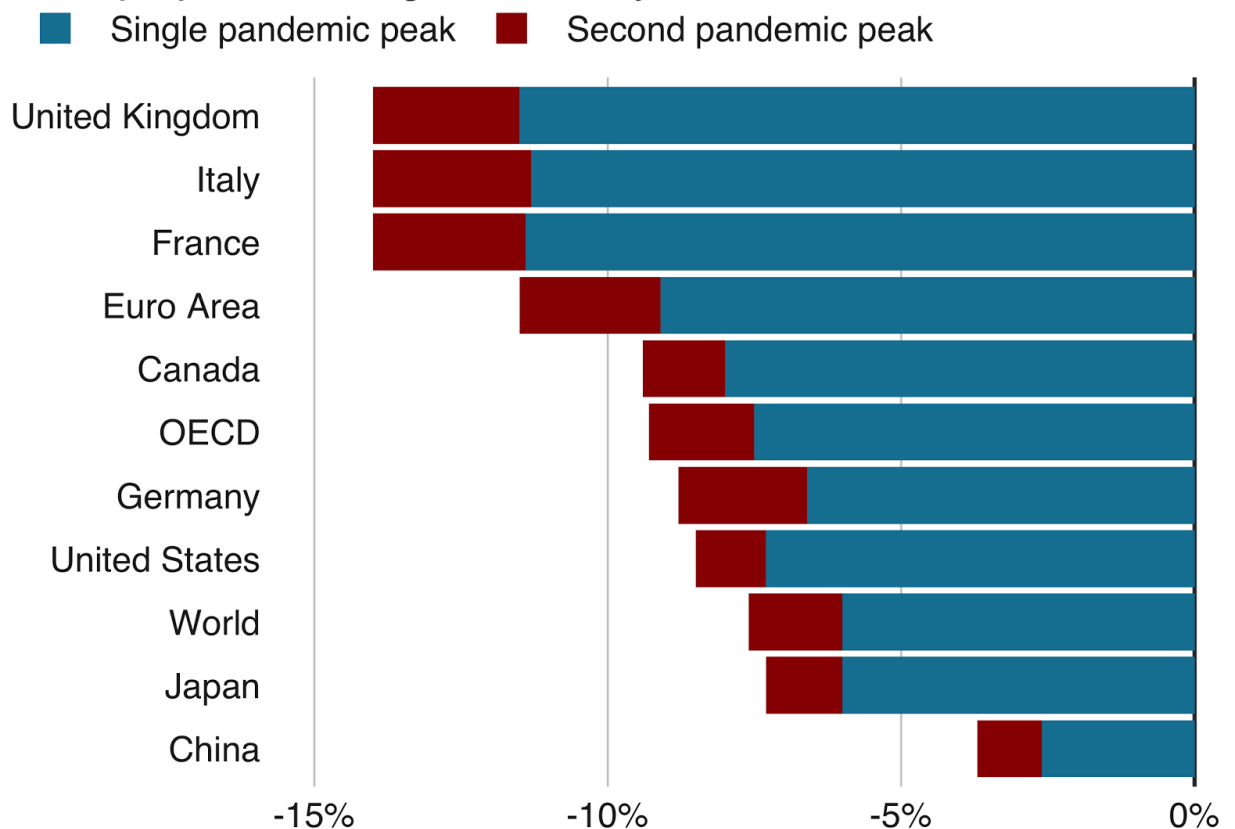
Source: Expert interviews; Indian Ministry of Statistics & Programme Implementation; National Account Statistics; PLFS 2018; RBI; press search; McKinsey survey of >600 senior executives in 100 companies operating across a variety of sectors in India; McKinsey analysis

**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.

Pandemic hits UK economy the hardest

2020 projected change in GDP by scenario



Source: OECD

BBC

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

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Introduction to Systematic Review and Meta-Analysis

Course Duration

- Self-Study 6 week course

Study Time commitment

- 3 hours per week

Course Content

- Week 1: Introduction (1hour to complete)
5 videos (total 40 min), 3 readings.
- Week 2: Framing the Question(4hours to complete)
7 videos (total 73 min), 1 reading, 2 quizzes
- Week 3: Searching Principles and Bias Assessment (2hour to complete)
11 videos (total 119 min)
- Week 4: Minimizing Metabias, Qualitative Synthesis, and Interpreting Results(2hour)
9 videos (Total 88 min)
- Week 5: Planning the Meta-Analysis and Statistical Methods(2hour to complete)
9 videos (total 109 min)
- Week 6: Wrap up and Final Peer Review Assignment(2hour to complete)
2 videos (total 13 min), 1 reading, 1 quiz.

Website

- <https://www.coursera.org/> (Coursera provides universal access to the world's best education, partnering with top Universities and Organization to offer course online.

Course Description

Systematic review and meta-analyses present results by combining and analyzing data from different studies conducted on similar research topics. In recent years, systematic review and meta-analyses have been actively performed in various fields. These research methods are powerful tools that can overcome the difficulties in performing large-scale randomized controlled trials. This course covers methods for performing systematic review and meta-analyses, including building a team, formulating a research question and hypothesis, developing a search strategy, abstracting and collecting data, assessing the risk of bias of randomized controlled trials (using the latest Risk of Bias tool 2.0), and synthesizing the evidence both qualitatively and quantitatively. Acquaints students with a few practicalities of conducting a systematic review through interactive hands-on exercises, including using Stata software to perform meta-analyses.

Learning objective

- To understand the terms ‘systematic review’ and ‘meta-analysis’
- To be familiar with different types of reviews (advantages/disadvantages)
- To understand the complexities of reviews of health promotion and public health interventions
- To be familiar with international groups conducting systematic reviews of the effectiveness of public health and health promotion interventions
- To be familiar with the resources required to conduct a systematic review
- To understand the rationale for documenting the review plan in the form of a structured protocol
- To understand the importance of setting the appropriate scope for the review
- To understand the importance of formulating an answerable question
- To be able to formulate an answerable question
- To understand the complexities of searching for health promotion and public health studies

- To gain knowledge of how to locate primary studies of health promotion and public health interventions
- To gain basic skills to carry out a search for primary studies
 - To understand the importance of a well-designed, unambiguous data abstraction form
- To identify the necessary data to abstract/extract from the primary studies
- To understand the components that relate to quality of a quantitative and qualitative primary study
- To understand the term 'bias' and types of bias
- To gain experience in the assessment of the quality of a health promotion or public health primary study
- (qualitative and quantitative)
- To understand the different methods available for synthesizing evidence
- To understand the terms: meta-analysis, confidence interval, heterogeneity, odds ratio, relative risk narrative synthesis
- To be able to interpret the results from studies in order to formulate conclusions and recommendations
- from the body of evidence
- To understand the factors that impact on the effectiveness of public health and health promotion interventions

Learning Methodology

- Lecture
- Video
- Quizzes
- Assignment

Key learning

- To understand the role of systematic reviews and meta-analyses in health care.

- The essential steps are used for conducting a systematic review
- Develop an answerable question using the “Participants Interventions Comparisons Outcomes” (PICO) framework
- Describe the process used to collect and extract data from reports of clinical trials
- Appraise the quality of a systematic review
- Methods to critically assess the risk of bias of clinical trials
- Explain and interpret the results of meta-analyses
- Be familiar with some of the key challenges of conducting systematic reviews of health promotion and public health interventions
- Formulate an answerable question about the effectiveness of interventions in health promotion and public health
- Identify primary studies, including developing evidence-based strategies for searching electronic databases
- Evaluate the quality of both an individual health promotion or public health study and a systematic review
- Synthesize the body of evidence from primary studies
- Formulate conclusions and recommendations from the body of evidence