

Chapter 27

Strategies for Critical Sector Development Post–Pandemic

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ABSTRACT

Coronavirus disease (COVID-19) emerged in the world in the month of Dec. 2019 in China and rapidly spread all over the world. The major issue with the disease is that it spread just by coming into contact with the infected person or infected object, and therefore, it is very difficult to operate day-to-day operations, jobs, and various economic activities in a country. The most damaging impact of this pandemic is that it has disturbed various economic activities all over the world. Many people lost their jobs, many businesses shut down, and many services stopped. Now the point is how to operate these various activities in more strategic ways so that negative impacts of the same can be minimized. Every economic activity has its own parameters and system of operations, and therefore, every activity has to be dealt with in a unique way. This chapter discusses post-pandemic strategies for critical sectoral development to resume their development. The required data for the present study was collected from both primary and secondary sources.

INTRODUCTION

As on 7th September 2020, there have been 882,542 active cases 3,25,0429 recovered and 71,642 deaths in India. Carona has badly affected the Indian economy since March 2020. Yes it's also true that each one the sectors have different effects in terms of quantative and qualitative terms.

India's growth within the fourth quarter of the financial year 2020 went right down to 3.1% consistent with the Ministry of Statistics. The Chief Economic Adviser to the Govt. of India said that this drop is especially thanks to the coronavirus pandemic effect on the Indian economy. Notably India had also been witnessing a pre-pandemic slowdown, and consistent with the planet Bank, the present pandemic has "magnified pre-existing risks to India's economic outlook".

The World Bank and rating agencies had initially revised India's growth for FY2021 with rock bottom figures India has seen in three decades since India's economic liberalization within the 1990s.

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However, after the announcement of the economic package in mid-May, India's GDP estimates were downgraded even more to negative figures, signaling a deep recession. (The ratings of over 30 countries are downgraded during this era.) On 26 May, CRISIL announced that this may perhaps be India's worst recession since independence. Depository financial institution of India research estimates a contraction of over 40% within the GDP in Q1 FY21. The contraction won't be uniform, rather it'll differ consistent with various parameters like state and sector. On 1 September 2020, the Ministry of Statistics released the GDP figures for Q1 (April to June) FY21, which showed a contraction of 24% as compared to an equivalent period the year before.

Unemployment rose from 6.7% on 15 March to 26% on 19 April then backtrack to pre-lockdown levels by mid-June. During the lockdown, an estimated 14 crore (140 million) people lost employment while salaries were cut for several others. quite 45% of households across the state have reported an income drop as compared to the previous year. The Indian economy was expected to lose over 32,000 crore (US\$4.5 billion) a day during the primary 21-days of complete lockdown, which was declared following the coronavirus outbreak. Under complete lockdown, but 1/4th of India's \$2.8 trillion economic movement was functional. Up to 53% of companies within the country were projected to be significantly affected. Supply chains are anesthetize stress with the lockdown restrictions in place; initially, there was a scarcity of clarity in streamlining what an "essential" is and what's not. Those within the informal sectors and daily wage groups are at the foremost risk. an outsized number of farmers round the country who grow perishables also faced uncertainty.

Major companies in India like Larsen & Toubro, Bharat Forge, UltraTech Cement, Grasim Industries, Aditya Birla Group, BHEL and Tata Motors have temporarily suspended or significantly reduced operations. Young startups are impacted as funding has fallen. Fast-moving commodity companies within the country have significantly reduced operations and are that specialize in essentials. Stock markets in India posted their worst loses in history on 23 March 2020 However, on 25 March, at some point after an entire 21-day lockdown was announced by the Prime Minister, SENSEX and NIFTY posted their biggest gains in 11 years.

The Government of India announced a spread of measures to tackle things, from food security and additional funds for healthcare and for the states, to sector related incentives and tax deadline extensions. On 26 March variety of economic relief measures for the poor were announced totaling over Rs. 170,000 crore (US\$24 billion). Subsequent day the Federal Reserve Bank of India also announced variety of measures which might make available Rs. 374,000 crore (US\$52 billion) to the country's economic system. The planet Bank and Asian Development Bank approved support to India to tackle the coronavirus pandemic.

The different phases of India's lockdown up to the "first unlock" on 1 June had varying degrees of the opening of the economy. (RBI Governor Highlights: Shaktikanta Das cuts reverse repo; pumps in money, liquidity; eases rules for banks, NBFCs". The Financial Express. 17 April 2020). Retrieved 17 April 2020.

On 17 April, the RBI Governor announced more measures to counter the economic impact of the pandemic including Rs. 50,000 crore (US\$7.0 billion) special finance to NABARD, SIDBI, and NHB. On 18 April, to guard Indian companies during the pandemic, the Govt. changed India's foreign direct investment policy. The Department of Military Affairs placed on hold all capital acquisitions for the start of the fiscal year. The Chief of Defense Staff has announced that India should minimize costly defense imports and provides a chance to domestic production; also ensuring to not "misrepresent operational requirements". (Biman.Mukherji (23 March 2020). "Coronavirus impact: Indian industry seeks relief measures to assist economy". Livemint. Retrieved 9th Oct. 2020)

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