

Covid-19: A Review of Economic Impacts on Different Sectors and Industries

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ABSTRACT

COVID-19, a pandemic which flared in December-2019 has shaken the world thoroughly. The causative agent is Novel Coronavirus which was reported to be seen particularly in animals like bats, camel, cows and pigs. Despite the rare evidence of transmission of viruses from animals to the human population the new mutant version of virus was reported to be originated from bats. A correlation of first case of COVID-19 was tracked back to an animal market in Wuhan. Different theories on transmission of this infection and safe distancing were put forth. The virus was found to be most infectious when an individual had high viral load. The symptoms of this infection varied from No symptoms to severe respiratory distress resulting in death. Until the exact case and definitive treatment was outlined, prevention was the only option to stay safe. So steps like quarantine, lockdown and limitations of mobility were suggested and implemented globally for containing the pandemic. This affected all the domains of business, production, industry, transportation and the supply side and resulting in diminished business. The world economy witnessed drastic downfall. Production deficiencies were also witnessed. On the contrary, sudden demands for certain items resulted rapid flourishing of business of few items including masks, sanitizers, antimalarial and antiviral medicines. This article has tried to incorporate reviews of impacts of Covid-19 on various sectors, industries and business.

KEY WORDS: ECONOMICAL DOWNFALL, COVID-19, IMPACT, INDUSTRIES, GDP, GLOBAL ECONOMY.

INTRODUCTION

Coincidentally the beginning flare-up of the pandemic in China harmonized with the Chunyun, a significant travel season festival related with the Chinese New Year occasion. Various events were dropped by public and governments, including New Year celebrations, with privately owned business shutting their shops and vacation spots, for example, Hong Kong Disneyland and Shanghai Disneyland. Numerous Lunar New Year occasions and tourist hot spots were shut to forestall

mass social events including customary sanctuary fairs (Sohrabi et al., 2020).

A compromise exists between shielding populaces from direct impacts of extreme intense respiratory disorder Covid disease and the invariable genuine potential threat of compelling business and monetary activity. Some organizations, including basic administrations, have been burdened by the virus that have had genuine results on the labor force and encompassing community. Therefore bosses have a duty to give a sheltered workplace to their employees. In fact creating company cohorts can adequately diminish the danger of far reaching flare-ups; this methodology has been actualized effectively at a huge Canadian enterprise.

In an effort to curb these issues, leaders of various nations have ordered fringe closures, travel bans and home quarantine especially in countries with large economies

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like the USA which can cause serious chain reaction effects to the economy of other countries (Buck et al., 2020). This has instilled fears on the already deteriorating economic crisis. There are numerous consequences on various sectors due to the effect of the infection as the financial crisis in different countries have declined. It is amazing and shockingly surprising to everyone that the World Health Organization (WHO) is powerless to battle in a worldwide pandemic. To understand the consequences of the impact, we summarize the effects on world economy in different sectors, zeroing in on certain primary areas which constitute enterprises involved with crude material extraction, and manufacturing industry and tertiary sector like tourism and sports (Oswal, 2020).

Agricultural Sector: Agriculture is the foundation of any economy. It is the essential area which creates business with the goal that the monetary circulation goes on. At this point when we talk about the Indian economy, majority are confined to farming. During the pandemic, The fate of all the farmers and the farm laborers who work on the field are in grave danger. Just a small impact of the pandemic will leave a never-ending impact on the rural area.

The government's budget being less than 1% of the Indian GDP on the farming category poses a serious threat to the country. Moreover, the ban on travel, hindering interstate movement have made it difficult for them to get hold of food with good nutrition. For instance farmers in the country of India couldn't even harvest their yields because the laborers they had hired have left the crops to go back to their village. This has caused the wastage of food and loss of the possible income that could be gained because the crops have either been dried out or dead (Latif 2020). There were different limitations forced in the starting of the month during the ban on travelling as movement of vehicles was not permitted. Moreover, entry of automobiles into a different state was also prohibited. It is imperative to know that farming produce has a low small shelf life of usability, this obstructive nature of the production network caused serious repercussions. In addition to this, the shutting down of cafés various restaurants and street vendors eliminates the customers for every one of these farmers.

Impact of Corona Virus on Migratory Workers: The impact of corona virus on migratory workers is of paramount importance as the occasional relocation for jobs is an inescapable reality in the rural places of India. A movement of lakhs of individuals occurs from rural villages to metropolitan city, urban markets and farms. Most of these laborers earn minimum wage and have no other way to ensure their earnings in the event that they lose their jobs (DAS, 2020). A significant proportion of the minimum wage workers take up jobs in places that are not monitored by the government and these people constitute approximately 90 percentage of working population strength especially in a country like

India.. These populations are therefore known to be most affected for a reason, as they live in crowded slums where everyone is in close proximity. In addition to this they consider the access of respiratory masks and sanitary products to be expensive and not worth spending money on, which indirectly puts them at the hazard of various diseases including the corona virus.

A large number of workers who are migrating are foreseen to be with no job because of the restrictions and impending danger of economic crisis. Huge number of labourers have gone back to their village, and a lot more are simply anticipating for the lockdown to be lifted. Lock downs and social distancing measures are rendering migrant workers unemployed with low wages (Carte, 2016). moreover, there is high likelihood that it will hinder agricultural raw material production, logistics, and supply chains. This represents a gruesome challenge to prevent food crisis and to control the preexisting exacerbating impact of malnutrition, especially among kids, which is probably going to bring about the rise in child mortality. There constitutes thousand lakhs of migrant workers in India, which includes around 20 percent of complete labor force. They contribute an expected ten percent of Indian financial yield and assume a significant part in the economy of the nation. A considerable population of these workers migrate from underprivileged states, for example, Bihar a poor state and the state of Uttar Pradesh in north part of India to work in the center points of industry in the states such as Gujarat and Maharashtra in central portion of India, or to various metropolitan areas.

Crude Oil and Petroleum: A vital aspects worldwide is the oil industry. The current situation of Corona Virus and the continuous development of pandemic radically reduced the desire and thus, cost of unprocessed oil. USA, one of the biggest economies on the planet, also the greatest buyer of crude oil (20.46% of all out world oil creation), winds up at the highest point of the charts with numerous patients who are infected. Whereas China, which is the second biggest customer (13.52%) is by all accounts on the way of recovery. India is the third biggest consumer of the total world oil production at 5.16%. The airline industry is the second significant customer of oil with almost 12% used in the travelling sector. Worldwide travel bans alongside grounding flights prompts decline in utilization of aircraft fuel across the world.

The countries which are top oil customers have a consolidated GDP which is more than billions and this constitutes 79% of the worlds GDP. This fall in trade could invariably lead to downturns followed by global economic recession. It is obvious from the above information that Covid-19 has completely ruined the worldwide economy. This infection has constrained co operations to back off or sometimes stop every single activity. In the upstream area, off shore oil production has been notably affected due to the corona virus. The energy delivered offshore is a critical part for the supply of oil and natural gas globally. Governments across different

nations are likewise supporting the arrangement to decrease offshore laborers, which in turn, will adversely influence oil production capacity.

Oil costs fell significantly in the beginning phases of the pandemic and just halfway recovered, whereas on the other hand metal costs reduced moderately and have become stable to similar levels before the pandemic. Oil costs are expected to be about 45 dollars for a single barrel in the year 2021, which had increased from 40 dollars in the previous year. Oil demands are predicted to increase just gradually as the hospitality, tourism industry and aviation industry are continued to restricted by health ministers. Stock of oil barrel limitation is predicted to be relaxed steadily.

Manufacturing Industry: This industry is one of the most severely affected industries among all the other. The virus started in China, which is the production house for most of the plants that produce crude items to a few assembling units around the globe. Chinese production flourished in light of the fact that their laborers worked at low wages combined with different components like tax laws and import-trade efficiency. The larger part of those in the assembling area (53%) expect COVID-19 to affect their activities as per the NAM survey revealed. Without a doubt, we're now observing these conditions become a reality in this sector, in the midst of declining oil prices and demand, production bottlenecks, reduced spending and chaos over the credit markets. The restrictions that followed caused to production process to a halt, disrupting the whole worldwide production and sales. In a nut shell, in excess of 75 percent of manufacturers have direct inventory from Chinese manufacturers.

Pharmaceutical Industry: The impacts of the COVID-19 have put the worldwide stockpile of clinical products under huge demand due to supply shortages and increase need of ventilators. America being the most significant pharmaceutical and medical equipment producing countries depend intensely on importing these equipment from the Chinese nation, which was the starting point of the infection. With the ongoing restrictions placed in China, all the countries are currently facing a decline in stock of these products and equipment. Certain nations that are relying on other countries for the raw materials in the pharmaceutical business are significantly affected by this spread of the infection, as it caused a disruption in the supply of all the products between two nations. For example, the US are incredibly relying upon the Asian pharmaceutical companies for their raw materials of drug and medical equipment's and now they have to face supply deficiencies.

In United States, for instance, gets almost 14 percent of their medical equipment and products manufactured in the Chinese nation. Moreover India also resort to china for the active pharmaceutical ingredients which is estimated to be approximately 79 percent. On the hind sight India is the highest supplier of active ingredients just by sheer volume. Additionally, the Indian sub-Continent, halted the sale of almost 27 key active ingredients generally

utilized in the making of drugs as a measure to guarantee uninterrupted supply to the people of India.

The pandemic have constrained numerous pharmaceutical companies to produce sanitizers in excess due to impending fear, medical equipment, ventilators etc. Thus, this have limited the effect of the infection to a certain degree but this same strategy cannot be continued as business model in the long run as they should focus on key aspects such as development and research. All this have led to setup of targets for these companies to come up with a cure or vaccine as the current situation is getting worse (Ncola, 2020).

Eateries and Beverages: At present situation, eateries and beverages industry is experiencing decreased buying and demand. The stock of farm fresh food and basic ingredients which as to be directed to factory destinations is being severely hampered the production which in turn has lead manufacturers to halt their operations. In addition to this the stockpiling of grocery items have made it less available for people who are actually in need of eateries (Jack, 2020). Moreover, labor accessibility in the time of isolation and restrictions is seen to be another growing concern. Due to this outcome, the eateries and beverages industry experienced an approximately 23 percent decrease in margins around the world. While online ordering and buying of eateries has dramatically experienced a hike the traditional grocery store shopping that usually produces the majority of the return, is experiencing a stand still.

Paint and Coating Industry: worldwide dye, pigment and coatings producing industry is seen to additionally expect a possibility in profound downturn because significant business sectors are closed down due to the spread of the novel Corona virus. Once more, The Chinese nation on top of the list of vital exporter of some basic coating and crude paint, pigments and certain key ingredients like preservatives, varnish and additives, experienced a downfall recently. Also, an ongoing expansion in worldwide oil costs has prompted a rise in the costs of these oil based crude paints in which these industries are heavily reliant on.

Hospitality and Sports Sectors

Sports: As predicted the virus has caused a chaos in the sports schedule, with professional teams halting the activities and matches to abate the further spread of the disease. This industry earns majority of its income in three ways. First being viewership broadcasting, second being the business aspect such as advertising other brands for some cash and finally the incomes and revenue by the sales of ticket on the match day. Indeed, even the Olympics, the most popular event where people from different countries and background come together to compete, is being postponed or cancelled. Other prominent occasions that experienced a similar issue are formula one grand Prix, IPL, champions alliance, French open and NBA (Eurogame 2020).

The worldwide estimation of this industry was assessed and calculated to be around 470 billion dollars

but now the main direction appears to be downwards. Presently, all aspects of this industry is being drastically experiencing a downfall. The worldwide legal media rights is estimated to be approximately 49 billion dollars, in spite of this almost 59 percent of this is represented by only ten sports teams. Moreover, the disease hazard was high for the players, even without spectators. Those taking an interest in exercise should be aware that face masks increment the physiological weight of the body, particularly in those with different underlying co morbidities.

Tourism Industry: The movement business is one of the world's major financial regions. It is considered to be the third-greatest fare category (just behind oil followed by chemical compound)and during the year 2019,it boasted about 6.9 percent in overall exchange. In specific countries, it has been recorded to over 19 percent of the entire GDP moreover as a rule, it is the third greatest fare area in exporting of the overall economy. The movement business is one of the areas seriously influenced by the virus, influencing finances, households, public administrations and openings on all mainland. All pieces of its immense worth chain have been affected. Export earnings from the movement business is predicted to be decline by 900 dollars

This could lead to a more broad impact and could reduce overall GDP from approximately 1.4 percent to almost 3 percent. The travel industry maintains one out of 10 jobs and provides livelihoods for countless individuals in developing as well as developed countries. In island countries such as Maldives the movement business has spoken to represent as much as 80% of the countries revenue. In fact explorers decide to drop or delay their outings immediately, with the impending fear of the virus as news regarding it spreads. Moreover, scrutinized examinations uncovered a couple of subjects involved comments on benefiting from movement protection and insurance because of the movement boycott forced by numerous nations to control the spread of infection.

As countries consistently lift travel impediments and the movement business steadily restarts in numerous parts of the world, prosperity of individuals should be remembered and their general health that secure laborers, networks and voyagers, while supporting organizations and laborers, should be kept in mind while supporting co operations (Carter, 2020). A number of studies discussed on economic aspects of Covid-19 (Gaidhane et al., 2020; Jachak et al., 2020; Joshi et al., 2020). Effects of socioeconomic factors on different health issues reflected in studies by (Patel et. al., 2020; Khatib et. al., 2020). Effects of Covid-19 pandemic on different groups were reported in studies of (Taksande et. al., 2020; Spoorthy et. al., 2020; Raut et. al., 2020; Prasad et. al., 2020).

CONCLUSION

An infection of this sort is not something new in humankind's arrangement of encounters. Nonetheless,

the reason why the current situation is so remarkable is that it occurs in a phenomenal foundation when the entanglement of network and connection between people, among countries are so significant. Taking into account that the emergency is an aftermath of an obscure infection, a powerful approach measure, in our view, is to expand spending on clinical and health programs, which would be directed not just at innovative cure (vaccine discovery), yet in addition a far and wide mission to build testing centers and quality control in order to identify the infected early, and take quick remedial action. Moreover we should considered a program for rebuilding of the supply chain, albeit in a limited manner, may also be thought of.

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