

# Problems and Impact in Several Sectors in Covid-19

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**Abstract:** As the COVID-19 pandemic spreads across the globe, so does its extraordinary impact in almost every country, business, and individual. Every day, the world is waking up to the growing number of cases and unprecedented reports of government efforts to keep citizens safe and stem economic impacts, efforts that depend on access to reliable and quality data.

With the number of COVID-19 cases tipping dangerously over 200,000 and the number of deaths worldwide exceeding 8,000, the World Health Organization (WHO) has declared the virus epidemic a pandemic in during the second week of March 2020. In this paper they were discussed the various sectors.

**Keywords:** Covid-19, WHO, Tourism, Pharmaceuticals, Aviation.

## 1. INTRODUCTION:

India reported the first confirmed case of coronavirus infection on January 30, 2020 in the state of Kerala. Those affected had a history of travel from Wuhan, China. With rising unemployment, interest rates, and the budget deficit, the Indian economy has seen better days. Adding fuel to this fire is the new Coronavirus that sends tremors to Indian commercial markets that depend on China for imports.

Industries at the forefront of the crisis are also using data in countless ways to inform their response to the crisis. Health care providers, for example, use data from countries that were previously affected by COVID-19 to forecast the need for hospital beds, masks, and ventilators. Supermarket chains use sales data to help distributors identify and ship the most important items to their customers. Meanwhile, the sectors we trust to drive the wheels of the economy use data to inform their operations. Telecommunications players, for example, use network traffic data to decide where to upgrade capacity in response to the huge demand for bandwidth from an increasingly distant workforce.

## 2. STATEMENT OF THE PROBLEM:

After covid-19 most of the sectors are severely affected. Almost 162 countries are gradually being blocked and companies around the world are operating out of fear of an impending collapse of global financial markets. This situation, marked by slow economic growth the previous year, especially in a developing country like India, leads to extremely volatile market conditions.

## 3. OBJECTIVE OF THE STUDY:

- To know about the various sectors in current situation.
- To know the impact of covid-19 in Indian economy.
- To give some suggestions to the organization.

## 4. LIMITATIONS OF THE STUDY:

It is based on the secondary data only.

Due to time constraints it is limited in some extent.

## 5. DISCUSSION: PROBLEMS IN VARIOUS SECTORS:

### Raw materials and spare parts

Almost 55% of the electronic devices imported by India come from China. These imports have already fallen to 40% in light of the coronavirus epidemic and subsequent foreclosure. As a countermeasure, India plans to promote indigenous production with the aim of reducing dependence on a single market. Furthermore, China is India's third-largest exporting partner for the export of raw materials such as organic chemicals, mineral fuels, cotton, etc. and a country foreclosure should lead to a substantial trade deficit for India.

The impact would depend on the scope of its activities with China. The shutdown in China has banned the import of various components that affect both Indian automakers and the auto components industry. However, current inventory levels seem sufficient for the Indian industry. If the shutdown in China persists, it should lead to an 8-10% contraction in Indian car manufacturing in 2020. For the emerging electric vehicle industry, however, the impact of the coronavirus

could be more significant. China is dominant in the battery supply chain, accounting for around three-quarters of the battery manufacturing capacity.

### **Pharmaceuticals**

The balance of the pharmaceutical industry is very worrying for India, mainly because 70% of the active pharmaceutical ingredients (API) are imported from China. These active pharmaceutical ingredients are essential for a large number of pharmaceutical companies in the country. As COVID-19 moves rapidly through India, the drugs will be the consumer's first demand, and since there are hardly enough APIs to manufacture them, the following traders and Market prices soar. The prices of vitamins and penicillin are already increasing by 50%.

Although India is one of the leading exporters of formulated drugs in the world, the national pharmaceutical industry is highly dependent on the importation of bulk drugs (APIs and intermediates that give drugs their therapeutic value). India imported around Rs 24,900 of bulk drugs in fiscal year 19, representing approximately 40% of total domestic consumption. Since Indian API imports from China represent on average around 70% of their consumption by value, importers are threatened with supply disruptions and unexpected price fluctuations. For many essential antibiotics and antipyretics, the dependence on imports from China is close to 100%. These APIs require large fermentation boiler capacities, a USP from Chinese manufacturers, which gives Chinese manufacturers the advantage. Delivery and shipment tracking remain uncertain in China, either inbound or outbound.

### **Tourism**

India is great in cultural and historical tourism, attracting national and foreign citizens throughout the year. Not surprisingly, a large number of confirmed cases of COVID-19 in India include foreign tourists. But with visas suspended and tourist attractions closed indefinitely, the entire tourism value chain, including hotels, restaurants, attractions, agents and operators, is expected to lose billions of rupees. Experts believe that the tourism industry is likely to be greatly affected, and this could end up paralyzing the industry for the foreseeable future.

IIC National Committee on Tourism said, "we estimate between 4 and 5 million million job losses for people directly or indirectly linked to the tourism sector. "The travel and tourism sector faces a "stalemate" with negligible demand from national and international business and leisure travelers, he said. "The hotel occupancy rate has increased to a figure and no recovery is expected in the near future. The industry plans to lose more than 2 billion jobs and the loss of revenue could be 60 to 70% this year. The tourism industry lacks oxygen and we urge the government to provide immediate sectoral relief for the industry. ICN said the industry will only see how its cash flows begin to improve in November 2020 and can reach normal levels in early 2021.

### **Aviation**

After the Government of India has suspended tourist visas indefinitely, the airlines will work under pressure. Almost 600 international flights to and from India have been canceled for different periods. Some 90 domestic flights were canceled, causing a dramatic drop in air fares, even on popular local routes. Private airport operators have called on the government to allow the imposition of a nominal passenger facilitation fee on air fares to cover increased operating costs.

### **Electronics**

China is an important supplier for both the final product and the raw material used in the electronics industry. India's electronics industry is concerned about supply disruptions, reduced production, the impact on product prices due to heavy reliance on the supply of electronic components, directly and indirectly, and local manufacturing. The spread of the coronavirus could have reduced sales for the major electronics companies and smartphone manufacturers that have significant supplies in India.

### **Solar power**

Developers of solar energy projects in India continue to source solar modules from China. The modules represent almost 60% of the total cost of a solar project. Chinese companies dominate the Indian solar component market and supply around 80% of the solar cells and modules used here, given their competitive prices. Chinese suppliers have informed Indian developers of delays in production, quality controls and the transportation of components due to the epidemic. As a result, Indian developers began to face the lack of necessary raw materials in solar panels / cells and limited stocks.

### **Information Technology**

The extended Lunar New Year holiday in China negatively impacted the revenue and growth of domestic IT companies operating from China. IT companies are labor intensive and cannot operate due to restricted movement of people due to blocking and quarantine issues. As a result, they are unable to complete or deliver existing projects on

time and also reject new projects. Furthermore, global customers of Indian IT companies in China have started looking for other service providers elsewhere, such as Malaysia, Vietnam, etc.

### **Textiles**

Many garment and textile factories in China have closed due to the coronavirus epidemic, which has affected exports of fabrics, yarns and other raw materials from India. The disruption is expected to decrease cotton yarn exports by 50%, which will have a serious impact on Indian spinning mills. Due to this slowdown in the circulation of goods and, therefore, of income, textile units may be hindered from making annual interest and repayments to financial institutions, so they cannot pay their contributions. This will also have a negative impact on demand from cotton producers, who already knew moderate prices and fear that this price will drop further if the Chinese crisis continues unabated. It can be mentioned that India already has a price disadvantage compared to countries like Vietnam, Pakistan and Indonesia that have duty free access to China for the export of cotton yarn. On the other hand, the coronavirus problem in China opens up a great opportunity for all industries where China is a major exporter.

### **Shipping**

There have been complaints of delays in shipments between India and China, there are serious concerns regarding the overall revenue of Indian shipping companies in the first quarter of 2020. There has been a sharp decline in the movement of dry bulk cargo since the third week of January 2020, as the closure in China prevented ships from entering Chinese ports.

### **Impact of COVID-19 on Indian economy**

Speaking about measures to address the economic impact of the rapidly spreading coronavirus, Gita Gopinath, chief economist at the International Monetary Fund, said government policy makers should implement a specific large budget. He also advised broader monetary stimulus and key rate cuts to help normalize the economic situation.

India no longer has a GST income, and fear of coronaviruses could make matters worse. With fewer than 200 active COVID-19 cases in a population of 1.33 billion, the Indian government is in no rush to make radical policy changes and offer tax breaks (even if Indian business leaders are calling for reductions in import tariffs). However, they announced an extension of GST refunds for the 2018-19 fiscal year until June 30, 2020. India has also postponed the introduction of mandatory electronic invoicing until October 1, 2020.

### **Suggestion to organization**

Every crisis is a learning opportunity for organizations, and this pandemic turns out to be a good lesson. This is how organizations determine their next actions.

### **Remote work**

With large cities closed, organizations had no choice but to dig deeper into their business continuity and emergency plans. Since the confirmation of the first COVID-19 case in India, many companies have implemented a task exercise using essential resources to understand if remote working conditions can be achieved. That said, remote work also has its limits and cannot be done by other sectors such as retail, hospitality or manufacturing, leaving them with no other option but to face an interruption in activities.

### **Security measures for employees**

Employee safety is the need of the hour. However, inexperienced in fighting a virus that can spread quickly, most companies brush their hands asking employees to stay home. However, some organizations are implementing measures such as temperature control, disinfection of offices, establishment of COVID-19 intervention teams, distributions of COVID-19 precaution kits.

### **An open line of communication**

Although COVID-19's death rate was lower than that of the 1918 influenza pandemic, it caused widespread panic due to unclear lines of communication. Organizations are stepping up and maintaining an open line of communication with all their stakeholders, including employees and customers.

### **Opportunity in a crisis**

Like India, many international economies are becoming aware of the risk they face by being too dependent on a single market. Turning the current situation into a learning opportunity, the CXOs of Indian multinationals, who recently attended the annual meeting of the Confederation of Indian Industry (CII), believe that it is time for the India can to capture potentially 40% of the market share of its competitors by watching indigenous goods production, advancing the country's Make-in-India campaign.

## 6. CONCLUSION:

Every day, the world is waking up to the growing number of cases and unprecedented reports of government efforts to keep citizens safe and stem economic impacts, efforts that depend on access to reliable and quality data. Most of the sectors severely affect by this covid-19. Only government productive measures will helpful to move the next step in the positive way. Government relaxed in financial packaging help to survive this situation.

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