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# IMPACT OF COVID-19 ON INDIAN ECONOMY: A STUDY

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**Abstract**: T*he COVID-19 crisis will be penned down in history as one of the worst the world has undergone. Economically speaking, India is faced today with perhaps its greatest emergency since independence and ever since the pandemic has sneaked into the Indian Territory; it has claimed thousands of lives across the nation, virtually bringing the world economy to its knees with millions of people under lockdown. With thousands of death and challenges of not so well equipped medical system, this pandemic will devastate us financially as an economy and a nation. This paper examines the impact of COVID-19 on the global economy in general and the Indian economy in particular. It appraises the stimulus packages announced by the central government and assesses the potential impact of the shock on various segments of the economy government. It spells out policy changes to survive the downturn like to reduce uncertainty and improve growth scenarios by mobilizing all macroeconomic levers like fiscal, monetary and structural policies and retool and fortify the economy. It also emphasizes sharing and implementing best practices to support workers both employed and unemployed to name a few so that we can together beat this virus back and create a more healthy and hopeful tomorrow.*

**Key words:** Coronavirus, COVID – 19, Economic Impact, Policy Implications.

## Introduction

The first case of COVID 19 was detected in Wuhan, Hubei Province in China in December 2019, since then more than 80,000 people in China was diagnosed with the infection and with its spread across the world leading to an outbreak, WHO declared Novel Coronavirus Disease (COVID-19) as a pandemic on 11 March 2020. Initially, it seemed that the pandemic would be limited and confined to China only. However, it spread all around the world through the movement of people out of China to other nations of the world. With the disease spreading rapidly in countries all over the world, WHO has called for countries to respond to the pandemic and to trace, treat, reduce transmission to save people's lives and contain the on-going global health disaster. The health crisis increasingly becomes a financial one and the economic shocks out of it have caused gnawing pain and perhaps leaving deep scars in the global economy far larger than the other post-war pandemics. COVID-19 (novel coronavirus) has a far-reaching impact on society and business. It is not only spreading human suffering worldwide but also spreading economic suffering. Countries around the world are finding out measures to slow the virus down. Flights have been parked; towns and cities have been locked down and the governments have also urged people to stay at home.

## Objectives of the Study

1. To study the challenges and impact of COVID -19 on the economy of India.
2. To underline policy changes to reduce uncertainty and improve growth prospects in the midst of an economic slowdown in India.

## Materials and Methods

The research on COVID-19 is gaining momentum. The study is based on secondary data and relevant information and data have been collected from various publications in journals, articles, newspapers, editorials, analytical pieces, media houses, etc., available online.

## Literature Review

The literature on the economic impact of past pandemics is vast but since the origin of 2020 recession is caused by a novel Coronavirus which is the first of its kind in history, the literature available is sparse. Whatever literature is available has been put to review to study the impact of COVID-19 on economies across the globe. The emergence of the pandemic is just six months old but the health and economic impact it has created is devastating. In one of the first well-structured efforts in the study of the pandemic, Baldwin and Di Munro (eds.) in their study draws our attention to the economic mayhem the pandemic has created on almost all major nations basically the G7 nations who in cooperation share and contribute 65percent of world manufacturing, 41percent of world manufacturing exports and 60percent of world supply and demand [1].Evans in his study underscores the socio-economic impacts of novel coronavirus across various continents and provides policy solutions inspired from previous pandemics like health literacy, national and international shifts in investments, PPP, etc., to overcome the epidemic[2].

Using a NiGEM global macroeconomic model, Boone, Haugh, Pain, and Salins (2020) at the (OECD) produced a simulated base-case (contained) scenario and a downside (broader contagion to the Asia Pacific, North America, Europe, and other advanced countries. The outcome of the study underscores that even the base shows a modest recovery after a sharp fall in global economic growth in the first half of 2020, the downside base marks a long-lasting growth slowdown due to a larger decline in confidence [3].Fetzer, Hensel, Hermle and Roth in their study on perception of Coronavirus and economic perception highlight how the global COVID -19 pandemic has affected economic sentiment in the US. In order to carry out their study, they document those participants' subjective mental models which shape the extent of economic worries and understate the non-linear nature of disease spread. These results focus on the importance of public education about the virus for successful containment as well as the need for timely measures that decrease economic hardship and anxiety during a major global pandemic [4].Arezki and Nguyen examine the effects of a pandemic on the Middle East and North Africa due to impediments in the value chain, and tourism travels and disruption in oil price [5]. Kumar's way back home in India studies the sector-wise impact of coronavirus (COVID-19) on the Indian economy. The various sectors taken into consideration are foreign trade, electronics, auto industry, chemical industry and poultry [6]. Further, due to the prevention of cross-border travel in the EU, Meninno and Wolff underlines major interruption of economic activity [7]. Wren-Lewis in their study considers reduced workforce, reduced social consumption higher production cost, higher temporary inflation as the major reasons for slowing economic growth [8].

Fornaro and Wolf by using a variant macroeconomic model, show that the spread of the virus might cause a demand-driven slump, by forcing factories to shut down and disrupting global supply chains thus damaging an economy's supply-side and capital formation [9].The COVID-19 pandemic and has sparked fears of an impending economic crisis and recession. The scholars in this connection summarise the socio-economic effects of COVID-19 on individual aspects of the world economy and call for medium and long term planning to re-assess, re-evaluate and revamp economies [10]. In another study in India, scholars have given a few insights to business and the economic recession of the world economy and the Indian economy of before, during and after COVID-19. They give a few suggestions to improve the economy of India like all religious places entry fees to be collected by the government, investment in gold to be avoided, division of toll tax between states and centre, etc. [11]. Peterson and Thankom have drawn attention to the impact of coronavirus on the global economy. Their study high points how the spread of the virus has heightened uncertainties in consumers, investors and international partners. This directed policymakers in many countries to respond to the coronavirus outbreak by making fast policy decisions that embarked on many countries into a recession [12].Suborna Barua highlights that COVID-19 is putting both developed and developing nations vulnerable. As such, containing the disease becomes more important than economic recovery. Innovative and aggressive policy actions coupled with massive supply-side supports can be initiated to avoid economic depression [13].The studies discussed above suggest that the pandemic is going to generate long-run and possibly unrelenting mayhem across economies, which could generate global economic depression.

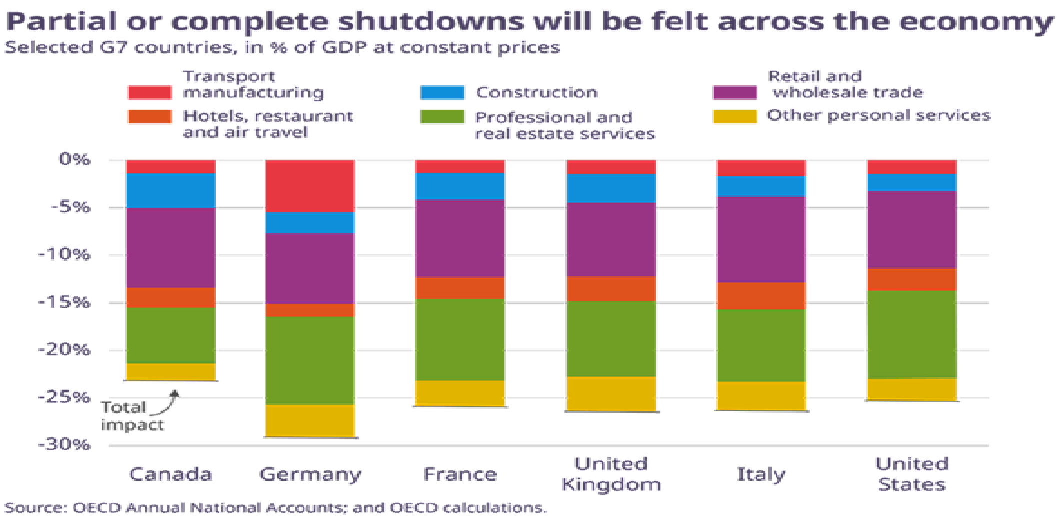
**The Coronavirus Shock**

As the COVID-19 pandemic has claimed thousands of lives across continents and has raised human cost, it is sending shocks through the world economy. It is transmittable economically as it is medically and its outbreak has revived the past memories of 2008-09 global financial crises. Economically speaking, this pandemic is different from previous post-war pandemics hit nations as they were at the time far less economically dominant. Moreover, those pandemics were far smaller in impact. The number of COVID-19 case is manifold times larger than the number of SARS cases. This pandemic may in fact have the potential to derail the world economy. The global real Gross Domestic Product (GDP) grew by 2.9 percent in 2019; it is forecasted by Organization for Economic Co-operation and Development (OECD), March 2020_ that that COVID-19 will cause the global real GDP growth to decrease by 0.5 percent in 2020 compared to the previous year, to 2.4 percent growth [14].

The hardest-hit nations are the G7 nations including China which has seen an exponential growth of COVID-19 cases. These nations have a great contribution in global trade. As per the World Data Bank, these nations contribute 65 percent of world manufacturing, 41percent of world manufacturing exports, and 60percent of world supply and demand (GDP). With increasing global tensions for the deadly Coronavirus, any economic menace in these nations will definitely produce supply chain contagion across the globe slowing down trade; disrupt production and logistics [14]. What is observed from the figure 1 is that in all G7 economies, the highest impact is on retail and wholesale trade and in professional and real estate services. The figure also reveals prominent cross-country differences in some sectors like the closure of transport manufacturing in Germany and weakening of tourist and leisure activities in Italy [14]. As per OECD Annual National Accounts and OECD calculations, 2020, the impact of the partial or complete lockdown in G7 economies due to COVID-19 outbreak has been felt across a wide array of sectors namely wholesale and retail trade, hospitality, air travel, transport manufacturing, construction, professional and real estate services, recreation, entertainment and other personal services. *Figure 1* reveals that assuming complete shutdowns in transport manufacturing and other personal services, on half assumed for output in construction and professional service activities; and the decline of three-quarters assumed in all the other output categories were directly affected by shutdowns [15].

COVID -19 emanated from East Asia being a manufacturing hub and spread fast to the other industrial giants, i.e., the US and other European nations thus creating direct supply disruptions. Since manufacturing goods depend on aggregate demand and purchasing power, less-affected nations find it tougher and more expensive to obtain the necessary imported industrial inputs from the hard-hit nations, and consequently from each other thus thwarting production. This has led to firms delaying investments and consumers resort to wait-and-see purchases. No doubt, the service sector which includes tourism, aviation, entertainment, restaurants, in all affected countries are also hit hard but it is quite visible that the manufacturing sector faces the biggest knockout.

**Figure 01: Partial of Complete Shutdowns will be felt Across the Economy**




Source: OECD Annual National accounts and OECD Calculations

What is relevant from the current situation is that three kinds of operating shocks are emerging from the virus globally. First, due to the dwindling global demand of crude oil, prices have been slashed down to boost consumption. Second, a supply shock from China which contributes a major part of global manufacture. Thirdly, a fiscal shock in almost all nations fighting with this health crisis is aggravating financial woes. COVID-19 is imperilling the steadiness of the financial system. If adequate tracing, testing and treating fails or if social distancing is relaxed immediately, casualties and economic repercussions will be serious.

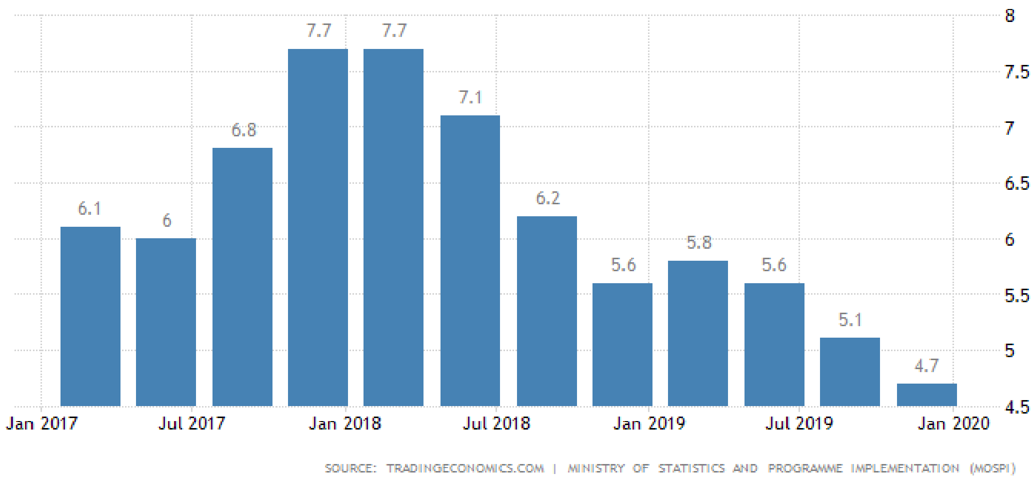
**Understanding Economic Impact of COVID-19 on India**

The COVID-19 pandemic which has caused upheaval in the global economy in general and Indian economy in particular and where there is great uncertainty about the depth and duration of the disruption has a far-reaching economic spill over's in Indian economy. India has 89987active cases and casualties of 4706 as per 29 May 2020. India is struggling to contain the economic and health fallout of the spreading coronavirus outbreak. In the midst of this infectious disease and no vaccine to inoculate people against this virus, flattening the epidemiologic curve is the one and only way to control Covid-19. This is possible only through a combination of measures like isolation, quarantine contact tracing and broad-based social distancing. Prime Minister Narendra Modi has imposed a three-week-long nationwide lockdown across India. To support this endeavour trains have been, flight and long-distance buses parked to help contain the spread of coronavirus infections.

**India's GDP Growth**

The Indian economy was already in economic slowdown since the last one year and this global pandemic along with the lockdown of economies around the world along with India has wrecked our economy. Its growth slowed to 4.7percent last year, the lowest level in six years in spite of being once one of the fastest-growing economies in the world [16].

**Figure 02: India's GDP Growth**




Source: Ministry of Statistics and Programme Implementation

Figure 2 reveals that corresponding market expectations, the Indian economy grew at a rate of 4.7percent in Q4 of 2019. It however follows an upwardly revised 5.1percent expansion in Q3 against 4.5percent earlier reported. This reveals the weakest growth rate since Q1 2013. More specifically, India's growth rate fell from around 8 percent in Q4 FY18 to a new low of 4.5 percent in Q2 FY20 on a quarterly basis [16].Various global and domestic rating agencies are unanimous that the Covid-19 pandemic will turn out to be an economic tsunami for India. The fallout of the move will be realized over to the financial year 2021, which began on April 1. Here's what major rating agencies forecast for India's GDP growth.

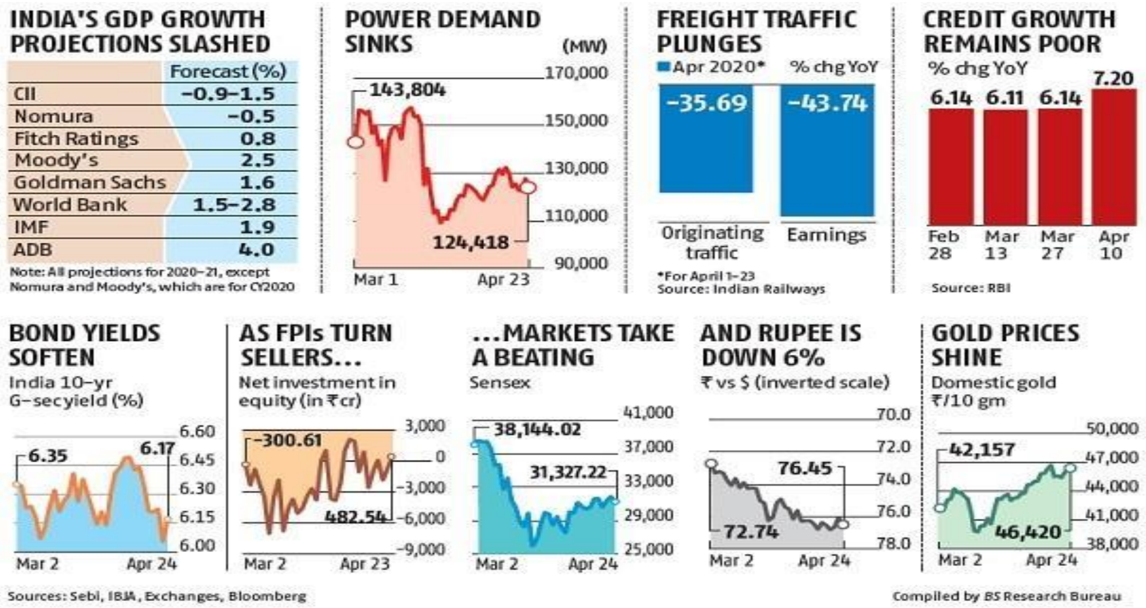
**India's GDP Growth Forecast**

Moody's forecast for the global economy is very glaring and forecasts a contraction of 0.5 percent in the on-going financial year. As far as India's GDP growth is concerned, it slashed its projection to just 2.5 percent from 5.3 percent. In its Global Macro Outlook 2020-21, Moody mentioned that India's banking and non-banking sectors are going to face stark liquidity constraints which will act as a deterring factor in its growth [17].Considering Covid-19 as a bigger threat than the global financial crisis of 2008, Crisil reduced India's GDP forecast to 5.2 percent from 5.7 percent. Crisil perceives that if the spread of coronavirus is not contained by April – June in India, it will not only affect domestic consumption but it also foresees additional downside risks and investment which would further cripple the Indian economy [17]. Global rating agency S&P foresee a recession in the Asia-Pacific area due to economic downturns in China brought in by the pandemic. Initially, it had forecasted for India a GDP growth rate of 6.5 but now it expects to fall to 5.2 percent. Similarly, it had forecasted a growth rate of 7percent in the subsequent year which it expects to fall at 6.9percent [17]. Fitch in its Global Economic Outlook 2020 projected a GDP growth of 5.1percent by reassessing its previous estimate of 5.6 percent for the financial year 2021. Fitch deliberates that apart from the Covid-19 pandemic, the failure of Yes Bank is another reason for the decline of growth in India [17].

CARE initially estimated growth of 4.7percent in January – March 2020 quarter. However, its forecast plunged to 1.5 - 2.5percent as production suffered due to the lockdown. It also says that the real impact of the lockdown could be estimated only in the first quarter of the financial year of 2021 which would further weaken the growth of 4.7 percent forecasted earlier. It also warns that if government expenditures and the banking sector doesn't direct credit to the required sectors than the growth could further plummet to 1.5 – 2 percent [17].Goldman Sachs had pegged growth at 5.8 percent in the financial year 2021 before the outbreak of COVID -19. However, amidst the decline of global growth, it projected a growth of 3.3 percent which it believes could further fall to 1.6 percent.

Apart from the above rating an agency, Reserve Bank of India forecasted 4 percent of the GDP and appraises that India will face losses around $120 billion due to this 21 day lockdown. Well the GDP estimates mentioned above may or may not be totally accurate; however they seem likely with the current shutdown of businesses and mass infections with the virus. Undoubtedly, there is a lot of uncertainty around these forecasts because the world never ever came across such a crisis however they will be revised based on ground realities. Two things can be deciphered from the above rating agencies. One, the global slowdown may turn out to be even more severe if globally the pandemic is not contained by April-June 2020. Two, domestic production, consumption and investment will be affected if it spreads rapidly in India. Some of the leading indicators reveal the enormity of the impact of 4 series of lookdowns which has hurt the economy as given in figure 03.

**Figure 03: Enormity of the Impact of 4 Series of Lookdowns**




Source: SEBI, IBJA, Exchanges, Bloomberg.

India financial markets could not keep itself away from the market and economic impacts of COVID-19. The Indian rupee has been depreciating against the US dollar during March and April due to the anxiousness of global risk (Figure 03). A continuous weakening of the rupee versus the US dollar has aggravated the struggles of firms burdened with dollar dominated debts to repay off their debts. The fact that foreign investors turned net sellers of equities by selling stocks worth Rs. 65,454 crore between March 2 and April 23, leading to a slump in the markets, and a fall in the rupee against the dollar. In fact, investors turned to gold to protect their capital [18].

There has been steep fall of 17.7 percent demand in power i.e., between March to April, power demand declined from 148,282 MW to 122,025 MW [18]. With the on-going lockdown and even after the lifting of lockdown, the approaching months ahead will probably be quite unpredictable and dynamic. Restrictions will be phased out slowly in the effort of containing the virus which might further affect key sectors of India. India is still doubtful whether she will be able to successfully contain the virus after lockdown is lifted because the vaccine to combat the disease is yet to be developed and distributed. The social and economic impact of the lockdown in India may be difficult to guesstimate but its magnitude may have far-reaching the negative bearing of 2008 financial crisis, 2016 demonetization or the 2017 GST rollout. To be more precise, the 2008 recession in India was preceded by a few years of strong double-digit growth in both GDP and profits which provided enough scope to overcome the post slump in profit and demand. However, in recent years since India Inc's liability have grown at a faster pace than earnings and revenues, it will be difficult for India to absorb a demand shock from three consecutive Covid-19 lockdowns.

**Challenges of Lockdown in India**

Prime Minister of India Narendra Modi took a bold but necessary step on the midnight of 24 March 2020 to lockdown and shutdown, a nation comprising 1.3 billion populations to break the chain and slow down the coronavirus transmission. India's economic growth was already decelerating prior to the arrival of the corona outbreak. The unexpected lockdown has crippled and weakened the economy further resulting in domestic demand and supply disruptions. Due to rising fiscal deficit in the past few years, a modest Rs. 1.7 lakh crore package doled out for the poor and vulnerable section of the society. However, for the already dwindling economy, stringent and effective action needs to be undertaken to minimize the economic impact. Some critical observations and challenges which emerge from this mass viral epidemic and twenty-one days lockdown are as follows:

**1. Unemployment Crisis:** India is facing a major unemployment crisis. Millions of migrant workers are the backbone of the big city economy. Construction of buildings, cooking , serving in eateries, delivering and takeaways, cutting hair in salons, making automobiles, plumbing toilets and newspapers delivering, among other things have lost their jobs due to the current lockdown to contain the virus.

**2. Agriculture Crisis:** Agriculture has been hard hit due to the spread of COVID 19. The agriculture industry contributes nearly $265bn to GDP. The outbreak has occurred at a critical farming time when the new crop is ready, waiting to be sold. The key challenge here is to transport food from rural areas to the cities in the midst of lockdown. In spite of food available in abundance, as the supply chains are not working properly, a lot of food is wasted leading to massive losses for Indian farmers. Further, prices in cities have risen because of profiteering and we consumers end up paying more prices for food.

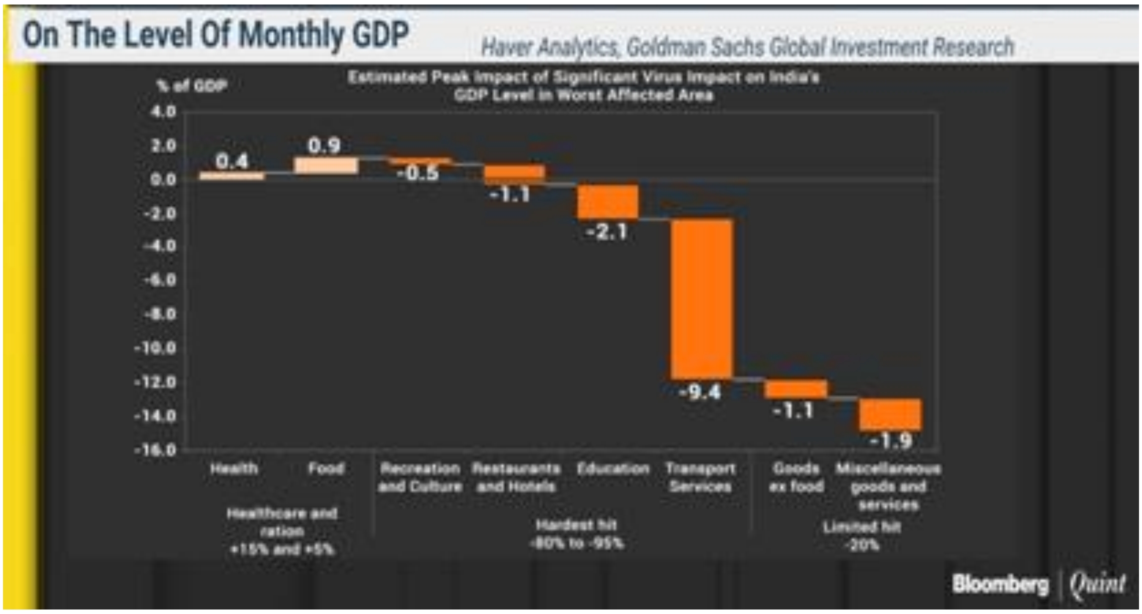
**3. Aviation:** After the Government of India indefinitely suspended tourist visas, airlines are said to be working under pressure. Nearly 600 international flights to and from India was cancelled for varying periods. Around 90 domestic flights have been cancelled. The Centre for Asia Pacific Aviation (CAPA) has assessed that the Indian aviation industry will post losses worth nearly $ 3.6 billion this year. With flights suspended until mid-April, the shutdown is also bound to push India's fast-growing aviation industry into peril [19].

**4. Tourism:** The dwindling aviation sector will likely have a cascading effect, affecting the hospitality and tourism industries. Hotels and restaurant chains across the country are empty and are likely to remain so for several months, sparking worries of large-scale layoffs. Further, India is big on cultural and historical tourism, attracting domestic and foreign nationals throughout the year. A large number of confirmed COVID-19 cases in India will not only affect foreign tourists with visas being suspended and tourist attractions being shut indefinitely, the whole tourism value chain, which includes hotels, restaurants, attractions, agents and operators are expected to face losses worth thousands of crores of rupees.

**5. Raw Materials and Spare Parts:** India depends a lot on China for imports as China is the fulcrum of global supply chains. Nearly 55percent of electronics imported by India originate from China. However, these imports have already slid down to 40 percent due to COVID-19 outbreak and following lockdown. Furthermore, India exports a lot of raw materials like organic chemicals, mineral fuels, cotton, etc. to China which has also declined due to China's demand for such goods. This will definitely lead to a considerable trade deficit for India.

**6. Consumption:** Job losses and a decline in income levels are having an impact on the consumption of people as well. The impact of the lockdown is high on particularly the daily wage earners due to slowing activity in several sectors including retail, construction, entertainment, etc. It is a known fact that when consumption gets impacted, economic recovery remains doubtful. In figure 04, Goldman's sectoral analysis shows that the steepest hit of consumption of services will come from the transportation, education, restaurants and recreation sectors. This has been calculated using the level of activity in these sectors and their contribution to GDP. It assumes a greater hit up to 95 percent on recreation and culture, and restaurant and hotel sectors which were previously 70-80 percent [20].

**Figure 04: Estimated Peak Impact of the Lockdown**




Source: Haver Analytics, Goldman Sachs Global Investment Research, Bloomberg/Quint

7.**Automobile:** With the rapid spread of the COVID-19 outbreak across the world in general and India in particular, as per the Delloitte March 30, 2020 report, global auto industry and consumption is likely to be impacted significantly with 23.1 major slowdowns.

Apart from the above-mentioned challenges, as per the Delloitte March 30, 2020, the report, the rapid spread of the COVID-19 outbreak across India has put a downward pressure on the automobile with 23.1 percent, 18.3 percent in power, 16.2 percent in IT, 16 percent in FMCG, 9.2 percent in healthcare, and 3percent in telecom. The shock out of COVID 19 is far different from other global financial crisis because in these crises fear and scare of life factor was not predominant. Covid-19 characterizes an exceptional physical restriction on physical activity and movement as well. One cannot deny that when restrictions are physical, the quarterly reductions in economic activity can be very unfavourable.

**Relief Package for Fighting COVID 19 in India**

Several countries around the world are already pumping in billions of dollars into their respective economies to prevent them from collapsing. The Modi government has also announced a 1.7-trillion rupee ($22.6-billion) economic stimulus package to provide relief to millions of poor hit by the lockdown to reduce their vulnerability to such a crisis. It is observed that Rs. 1.7 lakh crore may not be sufficient enough as the aid for the poor comprises less than 1 percent of India's gross domestic product and that a second stimulus package maybe required to be announced soon for lockdown 2.0 [21]. The bailouts of lockdown 1.0 are enumerated below:

- As a part of the relief package worth Rs 1.70 lakh crore from the Pradhan Mantri Gareeb Kalyan Ann Yojna (PMGKY) has been stimulated to help the nation's poor tackle the financial difficulties arising from the Covid-19 outbreak. It has been estimated that approximately 80 crore poor people will be covered along with an additional five kilos of rice/wheat will be given to 80 crore individuals -- over the 5 kilograms they already get They will also get a one-kilo pulse per household for a period of three months [21].
- Rs. 50 lakh insurance cover for each healthcare worker for three months will be given.
- Through direct cash transfers under Kisan Samman Nidhi, 8.69 crore farmers to be immediately benefited through direct cash transfers [21].
- As an additional income to help daily wage laborers, wages will also, be increased on an average by Rs. 2000 per worker under MNREGA. Under the Ujjawala scheme BPL families will get free cylinders for three months [21].
- Under the Deen Dayal National Livelihood Mission collateral-free loans have been doubled to Rs. 20 Lakh for women self-help groups. It is estimated to help seven crore women [21].
- The central government has passed orders to states to use funds worth Rs. 31,000 crore to provide relief for the welfare of building and construction workers. This fund is expected to be used to augment medical screening, testing, and providing better healthcare facilities [21].
- For the next three months the Government will bear the cost of EPF contribution of both employer and employee (24 percent). This is only for those establishments which have up to 100 employees and 90 percent of them earn less than Rs. 15,000. This is supposed to benefit around 4.8 crore employees. Government is considering amending the regulation of EPF due to this pandemic so that workers can draw up to 75 percent non-refundable advance from credit in Provident Fund account or three months' salary, whichever is lower
- In order to encourage and promote digital payment, our Finance Ministry has reduced bank charges for digital trade transactions and has also exempted account holders from maintaining a minimum balance. In fact, debit cardholders can withdraw cash from any bank's ATM completely free of charge. All these concessions will be applicable until 30 June 2020 [21].
- The Finance Minister has extended some deadlines like income tax filing for the financial year 2018-2019 and Aadhar – Pan Card linking further to June 30, 2020 [21].

The extended lockdown gives the government ample time to safely restart and rebuild the economy whenever health conditions permit. Economic policies targeted towards micro, small and medium enterprises, health care provisions, rural and urban poor, migrant labors require urgent attention. Further, expanding infrastructural and financial capacities to generate adequate production and employment is required to deal with the repercussions of the economic crisis created by the pandemic in the days to come. With the announcement of mega lockdown 4.0 stimulus worth Rs. 20 lakh crore (equivalent to around 10 percent of India's GDP) to support key sectors and make India a self-reliant nation, this financial support would tackle issues of a wide range of sectors of the economy as well as difficulties of the migrant workers.

**Policy Changes to Reduce Uncertainty and Improve Growth Prospects**

Against the backdrop of an already faltering economy, there emerges an unrelenting need for certain economic measures to stabilize and stimulate the economy mitigate adverse supply effects and protect people's jobs and livelihoods. Some measures which can be taken into consideration to reboot the Indian economy from the ill effects of the pandemic are as follows:

- First and foremost, it cannot be overruled that health is wealth and a healthy nation envisages a productive nation. At this hour when the world is reeling under catastrophe, adequate prevention, containment and mitigation measures are essential. Hence additional fiscal funding for health services is required for ensuring adequate medical infrastructures like staffing and testing facilities.
- Secondly financial system has its own role to play in the wake of such an outbreak of coronavirus and the subsequent lockdown. Besides a slight cut in bank rate, RBI can decrease reserve ratios like Cash Reserve Ratio and Statutory Liquidity Ratio. This will facilitate banks to keep production operational and avoid multiple companies from becoming NPAs or bankrupt.
- To help provide a short-term stimulus, stronger government investment spending, particularly bringing forward planned repairs and maintenance of the public sector capital stock could be utilized effectively. Pending works related to constructions of roads, highways, bridges, dams and new towns can be completed. In this case, the migrant construction workers who are stuck in various cities and towns can be effectively utilized which in a way will solve the problem of unemployment and enhance consumer spending in this period of recession [22].
- Tax reliefs to the specific sectors basically small and medium enterprises can be announced by the government so that they don't have to bear the brunt of lockdown and can keep their business a float [24]. Luxury goods could be taxed heavily to substitute the subsidized essential and vital goods for the masses. The industry sector needs compensation and adequate relief packages to restart factories but prior to that, the supply chain needs to be made functional [25]. Large corporate houses and business magnets also need to take responsibility and lead from the front to keep the economy running as part of their CSR regulations. At times of economic downturn - such as the one caused by the coronavirus pandemic - companies can utilize temporary furloughs, reduced hours and cuts to pay rates to avoid the trauma of mass layoffs [23].
- Stimulus packages are helpful but proper monitoring of these projects is also important. In times of such civil emergency, there will be people who jack up prices taking advantage of the situation and exploiting already panicking citizens. Such heightened economic vulnerability demands far greater government involvement and proactivity.
- The Indo-China war has been going on for sometimes and the COVID-19 outbreak in China has intensified production disruptions. The movement of companies away from China to other less-developed countries like India would generate a new wave of industrialization. With the right set of export policies and adequate corporate tax cuts, India can take advantage of this situation and boost the "Make in India" campaign.
- The corona virus-induced public health crisis has equipped and created every reason for the government of India to make lasting reforms in the public health sector and fix shortcomings in public health care infrastructure such as transition to online health education through mass media, disease detection in public hospitals, etc. The current crisis has restated the fact that healthcare and life sciences is the biggest opportunity for a country like India and the government can direct its focus on biotechnology, life sciences and healthcare. India can ramp

up exports in pharmaceuticals and pursue medical diplomacy by providing technical expertise to those nations whose healthcare systems are worse than India posts COVID -19.

## Conclusion

The COVID-19 crisis will be penned in history as one of the worst the world has undergone. Economically speaking, India is faced today with perhaps its greatest emergency since Independence ever since the pandemic has sneaked into the Indian Territory; it has claimed thousands of lives across the nation, virtually bringing the world economy to its knees with millions of people under lockdown. With thousands of death and challenges of not so well equipped medical system, this pandemic will devastate us financially as an economy and a nation. So containing this epidemic and saving human lives need to be the governments' utmost priority. With the right resolve and priorities like mobilizing all macroeconomic levers like fiscal, monetary and structural policies, sharing and implementing best practices to support workers both employed and unemployed to name a few, we can together beat this virus back and create a more healthy and hopeful tomorrow. By now we know that the magnitude of this crisis is enormous. However, the debatable question is whether the crisis will lead a necessary change in societal thinking? It is high time for the people that they realized that a lifestyle change is required.

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