

# An Analytical Study on Post Pandemic Economic Challenges and Opportunities in India

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## ABSTRACT

The Pandemic has created a very severe impact on Globe. The Precaution parameters with a different type in limitation and Stoppage of all utilities have influenced the global economy severely. Quantity of instances of on-going pandemic ascending round the globe, Unchangeable misfortunes made both Mundane existences just as developing economies. The development Economy of India relies on performance out of on-going business which is exhaustive in strategies and activities. Bend in contamination is somewhat more slowly in our country India however its impact is not fortunate in several ways. There was a deficiency of 4.5 billion dollars consistently in the underlying lockdown period of 21 days. A portion of the organization's country are influenced harshly, and logistics are additionally casualty of the Covid-19.

**KEY WORDS:** COVID-19, GLOBAL, ECONOMY, PANDEMIC, GDP, WORLD BANK.

## INTRODUCTION

It has been observed that there may be a profound effect on monetary movement expansion of the curfew on public authority which may forcefully cut GDP figure of India of the present monetary, constriction over 2% is normal. In the World Bank, Prospects Reports on Global Economic anticipated that GDP of India should decrease by 3.2% in 2020-21. Morley showed mild recuperation to 3.1% development of monetary period 2021-22. According to the data, India's GDP in 2019-20 will be higher than India's GDP in 2021-22.

**Problem Statement:** There is need for this study as its occurred due to on-going slowdown in economy due to Pandemic, this study will help to analyse the Challenges and Opportunities in Indian Economy.

### Objectives

**To Study the Economy Challenges and Opportunitites of Post-Covid 19 on India:** The COVID-19 which has created a pandemic has wilted the Economy of India by carrying to it an end. The effect of the curfew goes from all money classes of the population. A Keen decrease seen in India's mechanical creation from April when the country went into curfew and the majority of the creation unit was closed totally. Record of Production by Industries was shrunk by 55.5% contrasted and a similar period a year sooner which incorporates areas like mining, assembling and power. The keenest decay for the long stretch of June was found in the Production of customer durables products.

An extreme decline was seen in the Business movement of the administration's area in May 2020 as the on-going covid-19 thwarted activities negligible interest on the lookout. A Keen decrease was likewise seen in the travel

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of Domestic and the travel industry areas which added to the decline in administrations commerce movement. Agreeing measurements of “Society of Indian Automobile Manufacturers”, vehicle fabricating area experienced the day-by-day turnover of losses for approx. \$300 million everyday conclusions by the curfew. GDP of India is all set to contract everywhere and somewhere in the parameter of 5% and 10% this year – without example for 40 years. With business, transport, shops, and shopping-centres closed, India’s monetary action will come to an end in March 2021. There an absolute crash of utilization, which contribute GDP approx. 57%. Pay cuts and spending cuts, coupled with a lack of purchasing, have culminated in a fully disintegrated request.

In India, work accessibility has consistently been a significant issue with the business opening being vigorously dwarfed by the unemployment up-and-comers. Indeed, even during the curfew, the Economy in Indian confronting jobless development for example circumstances where develops GDP yet work stays stale or falls and if this pattern proceeds further, the monetary recuperation will take quite a while. Without enough positions, families’ earnings will be under strain and the monetary recuperation will be drowsy. The decline in family use since lockdown damagingly affects more modest organizations, which have effectively been influenced by the demonetization strategy of 2016, and the merchandise and enterprises charge (GST) being presented by the public authority in 2017.

With the organizations the country over managing misfortunes, there are new difficulties to handle the unfurl of pandemic returns in a growth economy. Infection is escalating more noteworthy speed across the nation, which may not readily bear the cost of additional limitations and the monetary movement re-establishes. “Danger will exude for the life span through the pandemic degree for mark brought about in the economy.” said “Harshad Borawake, head of value research at Mumbai-based shared asset Mirae Asset Investment Managers India”. He again commented that there may be deferral or wrecking in recuperation interaction if the curfew gets again implemented in the important states.

On due occasion, monetary interruption goes on for quite a while bringing about a few exercises being renounced as opposed to being conceded. In such a condition, and accepting salaries and occupations are not forever lost, the monetary development recuperates forcefully and gets back in a way that creates a flow of disturbance. Which is known as “V”-moulded recuperation. On the off chance that this recuperation is the increasingly slow additional time because the financial disturbance brought about a few positions being cancelled and individuals’ earnings are dropping, disinvestment funds and so on, at that point “U”-moulded way will be created in the economy.

For a situation like this, underlying declining recuperation is slow before recovering its energy. On the off chance that this interaction is more-since quite a while ago

drawn than it hurls the “stretched U” shape. Considering the Covid-instigated disturbance, there is a chance of “W”-formed recuperation too. This shape considers the chance of a V-moulded recuperation, fixed supported by the second rush for diseases obviously, recuperates subsequent on timely bases. Lastly in this situation, one policymaker generally fears known as “L”-moulded recuperation. Also, the economy neglects to recapture GDP degree even after years, a long-term loss of a company’s ability to deliver, even though the market is stable in the current fiscal year.

The distinction in assessment just for the degree of compression. To reach fluctuates in the range less than 4% to more than 14%. Numerous business analysts assess in the wake of arriving in a desperate predicament the current year, the begin recuperation following the monetary year of 2021 and 2022. As per a nitty gritty examination by “Pronab Sen”, previous Chief Statistician of India, distributed course of the end of the week, “As things stand, and the public authority holds the 2020-21 consumption spending plan for 2021-22 too, almost certainly, 2021-22 will observe a GDP development pace of - 8.8%. This is a startling impression since it implies that the nation could encounter an out and out wretchedness, the first in our set of experiences as an autonomous country,” Sen composes this in his investigation. Provided a shortcoming emergency just not exactly a satisfactory monetary upgrade, India is probably going to wind up with a “lengthened U-shape” recuperation.

**Literature Review:** “According to President, of Federation of Indian Micro and Small & Medium Enterprises (FISME), simply 30 to 40% MSME units had opened for work in Unlock Phase 1. Most MSMEs have a set number of individuals and the vast majority of them are actually qualified and you need them to run your activity. Around 30 to 40% units have opened and work had started as they had some incomplete orders to finish, which they couldn’t do in light of the closure however buyer interest and reimbursements of credit actually stay an extraordinary worry for the MSMEs who are consistently experiencing monetarily COVID-19 pandemic.” (Animesh Saxena, 2020).

“Most forecasters are overhauling their development projection for the current monetary year. The Reserve Bank of India in its most recent month to month release noticed that the Indian economy can break out of constriction in the current quarter – one quarter sooner than its prior figure. The authority information for the July-September quarter (Q2) will be delivered for this present week, which will give a clearer feeling of the condition of the economy. Corporate area execution during the quarter astonished on the potential gain, and it is conceivable that (GDP) information would likewise be on comparable.” (Rajesh Kumar, 2021)

## RESEARCH METHODOLOGY

The present study used Secondary data from Data

Analysis & Interpretation from sources like World Bank, National Statistics of India, RBI etc.

Figure 1: Forecasted quarterly bases effect arising out of Post Pandemic Scenario on GDP of India's growth in financial year 2020-21:

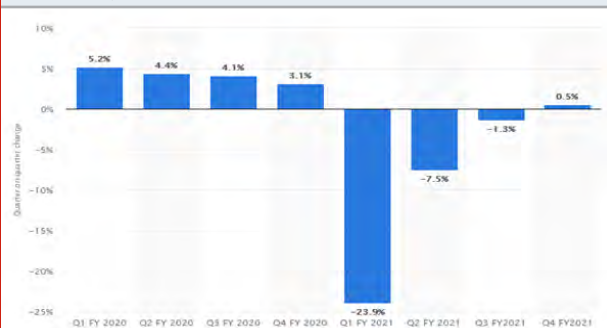


Figure 2: Countries of BRIC: Rate of the growth real gross domestic product (GDP) from 2015-25:

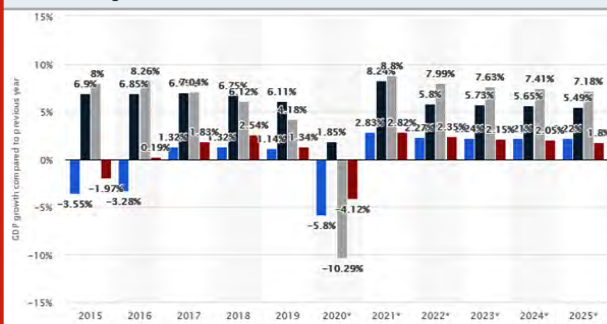


Figure 3: Inflation rate in India, projected till 2025:



**Inference:** The new patterns show that India's monetary recuperation is bound to be a 'W' or 'U' formed instead of 'V' effect of a pandemic may be significant in the country at that point battling for development preceding the pandemic. According to the results of Centrum Institutional Research (CIR), "Before the beginning of COVID, Indian economy had eased back down to 4.5 percent GDP development, not taking part in the worldwide resurgence of 2018 and 2019". The flare-up in COVID-19 all things considered an inauspicious moment of economy gave incipient indications recuperation striking measures, public authority and the RBI. Rustic probably going to recuperate quicker for economy metropolitan. In normal estimate an ordinary rainstorm,

opportune beginning combined possibilities for guard yield crop alongside least help value (MSP) climb and as of late reported provincial centered projects to forecast well for the economy of the country.

This looks good for rustic pay and request. These improvements are probably going to cheer ranchers and strategy which may decrease the impact of a going pandemic. As reported by CIR, "These patterns arise as a silver covering amid an inevitable development compression in FY21". The eventual fate of the Indian Economy will exceptionally rely upon significant elements like the general length of the pandemic, the impact on positions and family unit salaries, the degree of monetary upgrade given by the public authority, and so forth Further, the bundle will do little to invigorate development except if it incorporates arranged expenditure of governments and advantages a few parameters required for just found in the middle category. Moreover, relies upon approaches acquainted public authority with secure MSMEs and casual area in the country and to help customer interest. A portion of the ventures who have confronted the most noticeably terrible result during the troublesome COVID-multiple times additionally requests encouragement from the public authority to guarantee their restoration and recuperation.

The government of India chooses to eradicate the vast majority of boundary been provided genuinely vital to uplift organizations, huge & little. Notwithstanding lockdown proceeds in the wake of seeing instances increase of Pandemic through India. Anyway, rebound one year from now. As indicated by "Vishrut Rana", "a business analyst at New York settled S&P Global Ratings, the resumption of ordinary financial movement will drive a large part of the development". He further commented "Families will spend all the more regularly instead of careful and restricted spending amid the Covid-19 flare-up. Firms will likewise restart deferred ventures and as utilization restores, credit score offices expect India's financial development to bounce back.

Genuinely not discovered a solution for on-going pandemic at this point, till we are watching the globe discovering approaches for attempt get back for 'New typical', "as work from home" get the best of choice for churning economy during the troublesome pandemic-multiple events. Work in Office, Academics, Vegetables and Fruits markets and so forth utilizing on the web method, anyways likewise openings & challenges. Most significant enterprises avionics, diversion & genuine had seen lasting harm for appearance in a pandemic, adjusting dynamic occasions get proficient adapt to the Covid-19 & guarantee restoration of the country is by all accounts the most pragmatic way, which is a test just as a chance for Indian Economy post-COVID-19.

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