



## Coronavirus Impacting the Crucial Sectors of the Economy:

<sup>1</sup>Dr. Tanu Aggarwal, <sup>2</sup>Dr. Manoj Verma

<sup>1</sup>Assistant Professor of Business Administration, MAIMS

<sup>2</sup>Head of Department, Business Administration, MAIMS

### ABSTRACT:

The Coronavirus has been drastically impacting the different sectors of the economy in India. The crucial sectors of economy like textiles, auto and auto components, aviation and tourism, consumer business retail and internet, education and skilling and telecom has been impacted by coronavirus. The global economic growth of the country has been effected by 1.5% to 2.5 % and global trade will lead to slowdown in the country.

These sectors also provide the large employment opportunities which has become low due to the coronavirus pressure because the labours are migrating to their hometowns.

This results in the loss of the demand and supply in various sectors of the economy.

**Keywords:** Coronavirus, Textiles, Auto Components, Aviation, Tourism, Education, Telecom Cough, breath etc.

### Introduction:

The novel coronavirus has been started in the Wuhan China by the end of the December 2019. In starting, the nine countries have seen the coronavirus virus cases like China, Thailand, Japan, Korea, Vietnam, Singapore, Nepal, Thailand and the United States a total of 830 positive cases. The details of the outbreak of coronavirus like the origin of the coronavirus and increasing number of the coronavirus cases remains unknown which resulted in the human to human transmission. After the severe acute respiratory syndrome coronavirus (SARSCoV) which has been spread in 2002 and the spread of the Middle East Respiratory syndrome (MERS). The 2019 coronavirus is the third coronavirus which has been spread in the humans after the third decade. The China has shared the information quickly with the WHO (World Health Organization) after identifying the spread of the coronavirus causative agent (Woo et al., 2010).

The Coronavirus refers to the large viruses of the family which can infect the birds, Mammals including the humans according to the World Health Organization (WHO, 2020). This will lead to the several outbreaks in the world by affecting the various sectors of the economy because of the nationwide lockdown has been imposed in the various countries.

The coughing and sneezing drops will spread the droplets into the air and touching or the shaking of the hands with the infected person can affect the virus between the different individuals. The highest number of the people that can affect the coronavirus includes:

- Young child
- The people aged between 67 years and more old.
- The women that are pregnant

The coronavirus will infect the people in dangerous way leading to cause of death of the infected person if possible care has not been taken because there is no vaccination for the effect of coronavirus.

The first person who has been impacted by the coronavirus had the links to the animal and sea food market. The virus has been transmitted from the infected person to the other humans. This virus also leads to the community transmission which affects the large number of the persons and the situation becomes very dangerous for the country because it is incurable virus. The India has reported 273000 cases of coronavirus on 9<sup>th</sup> June 2020.

The different sectors in the Indian economy has impacted by the coronavirus. This study focuses on the impact of coronavirus on different sectors of the economy.

---

## Review of Literature:

The spread of different type of viruses like Spanish Flu in 1918, Ebola virus in 1970, SARS in 2003 and now the outbreak of Coronavirus in 2019 has impacted the different sectors of the economy of the whole world and causes financial and human life loss in the whole world. The various researches shows the different type of viruses and give information about the coronavirus in India.

Skowronski and Babiuk(2005) has defined that the Severe Acute Respiratory syndrome(SARS) has been started from China in 2003. It is a given strain of coronavirus and it can be denoted by fever, measles, headache, pneumonia, Respiratory distress illness. The infected person can further impact the large number of individuals which is also become the serious epidemic in 2003.

Kimura(2015) shows that Ebola virus is the life-taking virus with fatality rate ranging from 30 to 92% and it was found in Zaire(Congo) in 1970. There are about 11002 cases of this virus in the West Africa in the Year 2014. The symptoms of this virus are headache, cough, diarrhoea and fever. It is presently one of the most feared disease in the world.

Gregory and Markos (2016) have defined that the pandemic Spanish Flu in 1917 that have been appeared worldwide and it has been first appeared in USA. The outbreak of this virus is very devastating which leads to the death of the large number of people that has been more dangerous than the exploitation of World War 1. The main reason for this virus causing is the influenza which is a subtype of H1N1 strain. It mostly impacts the 2 to 5 percent of the world population.

Fitch Ratings (2020) has depicted the global economic crises which has largely impacted the different sectors of the economy. The Gross domestic product is slowing down because of the effect of Covid-19 on different sectors which lead to the slowdown in the economy. The main reason is the nationwide lockdown which has been imposed by the government to less down the impact of coronavirus.

---

## Objectives of the Study:

This paper provides an insight to analyze the Coronavirus Impact on Textile Sector, Auto and auto components, Aviation and Tourism, Consumer Business Retail and Internet, Education and skilling and Telecom Sector.

---

## Methodology:

The following research is descriptive in nature and have been taken from the various published sources like newspapers, Fitch Ratings and KPMG Reports. This has become the full source of knowledge and has played the key role for modelling up research.

According to the KPMG Reports (2020) and Fitch Ratings Reports (2020) there are some of the key points which affect the different sectors of the economy with the outbreak of coronavirus in India:

<b><u>Coronavirus Impact on Different Sectors of the Economy in India</u></b>
<b><u>Textile Sector</u></b>
<b><u>Auto and Auto Components</u></b>
<b><u>Aviation and Tourism</u></b>
<b><u>Consumer Business Retail and Internet</u></b>
<b><u>Education and Skilling</u></b>
<b><u>Telecom</u></b>

---

## Coronavirus Impact on the Textile and apparels sector:

- The prices of the raw material will remain stable but the demand of it has been impacted adversely.
- The textile is one of the largest sector which is giving the employment to around 45 million workers and the contractual laborers as well but the nationwide lockdown lead to the closure of the factories and temporary layoff the low wage workers.
- There is low profitability in the sector because of the decline in the imports and exports in the country.
- There is very high fall in the global demand and the ban on the export of some critical material to other countries which has been used to make the masks which adversely effects the exports of these items in the country.

---

## Coronavirus Impact on the Auto and Auto Components:

- There is the price variation in the raw materials for producing these components.
- The automotive sector have already seen the low demand and shutdown because of the nationwide lockdown and will see further decline due to the outbreak of the coronavirus.

- The China provides the 25 percent of the imports to India automotive parts because of this coronavirus, it affects the supply of the raw material and other critical components.
- The contract labour which has been used for the operations and the support functions which will greater issue because they have migrated to their home towns.
- The consumers have postponed their decision to purchase the vehicles because of the outbreak of this coronavirus in India.
- The global slowdown in the economy and key markets production shutdown will impact the economy.

---

### **Coronavirus Impact on the Aviation and Tourism Sector:**

- The demand for the fuel has been declined as the international travel has been closed due to the impact of the coronavirus.
- The IATO(Indian Association of the Tour operators) have shown the estimates that Aviation, hotel and the travel sector will incur together the loss of INR 84 billion due to the restrictions imposed on foreign tourists
- There is impact of covid-19 on both the white and blue collar jobs as the salary has been cut off by these industries of the employees.
- The outbound travel from the India will become low in the year 2020 as the international flights are not allowed.

---

### **Coronavirus Impact on the consumer, Business retail and Internet:**

- The raw material availability will become the major problem due to the disrupted supply chains.
- The fall in the imports will adversely affect the selected categories in the retail and durables business.
- The production of the non-essential goods will become the major challenge as the demand has been severely affected.
- The cash rotation for all the categories excluding the food and grocery retail would be less impacted.
- The labour force related to the service sector will be impacted as they are migrating.

---

### **Coronavirus Impact on the Education and Skilling sector**

- The skill providing institutes are training more than 10 million trainees yearly and lockdown has decreased the availability of the skilled manpower by the 10 to 15 percent which likely to increase the unemployment in the country.
- The students and technical institutes had opted for the online systems which includes the simulation based, platform only and the ad-tech players had been adopted for teaching.
- The examinations has been put on hold but the various certificate awarding bodies like Directorate General of Training(DGT), Sector Skill councils(SSC) would prefer to fast track their computer testing of the candidates to maintain the continuous learning environment.
- Due to the low margins the private training partners will become the insolvent and unable to service their loans which lead to working capital issues in the near term.

---

### **Coronavirus Impact on the Telecom Sector:**

- There is adverse impact on the supply chains and suspension of the manufacturing facilities from the handset and the network equipment manufacturing perspective will adversely impact the telecom sector. The telecom service providers are expected to provide the uninterrupted services.
- The coronavirus have impacted the much awaited 5G auctions as the operators are busy in focusing servicing on the current demand and service quality.
- The demand is expected to be low of the handsets and the new subscriptions will likely to slow down.

---

### **Conclusion:**

The different sectors of the economy like Textiles, Auto and Auto components, Aviation and Tourism, Consumer Business Retail and Internet, Education and skilling and Telecom due to the impact of the coronavirus will be seen more in the coming months. So, the government should take more steps to reduce the covid-19 impact on different sectors of the economy in India. The banks should provide more help and relaxation to these sectors because of

the impact of the coronavirus on these sectors. Despite the challenging situation of covid-19, there will be a growth pattern in these sectors as the government is taking more and more steps to put the economy on track again which leads to the development of the economy in India.

---

**References**

---

Danuta M. Skowronski, Caroline Astell, Robert C. Brunham, Donald E. Low, Martin Petric, Rachel L. Roper, Pierre J. Talbot, Theresa Tam, and Lorne Babiuk (2005), "SEVERE ACUTE RESPIRATORY SYNDROME (SARS): A Year in Review", *Annual Review of medicine*, pp.357-381

Hirokazu Kimura, Hiroyuki Tsukagoshi, Akihito Ryo, Yoshiro Oda, Toshinobu Kawabata, Takashi Majima, Kunihisa Kozawa, Masayuki Shimojima (2015), "Ebola virus disease: a literature review", *Journal of Coastal Life Medicine*, Volume 3 Issue 2, pp.85-90.

KPMG (2020), "Potential Impact of Covid-19 on Indian Economy", KPMG India, pp.1-66.

Gregory Tsoucalas, \*, Antonios Kousoulis, Markos Sgantzios (2016), "The 1918 Spanish Flu Pandemic, the Origins of the H1N1-virus Strain, a Glance in History", *European Journal of Clinical and Biomedical Sciences*, Volume 2 Issue 4, pp.23-28.

Fitch Ratings (2020), "Global Economic Outlook, March-2020-Lockdown", pp.1-36.

Woo PC, Huang Y, Lau SK, Yuen KY (2010). Coronavirus genomics and bioinformatics analysis. *Viruses*, 2010; 2: 1804-20

World Health Organization (2020), nCoV Situation Report 22 on 12 February, 2020. [source/coronaviruse /situation-reports/](https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports/), 2019