



*Endurance of*  
**Indian Economy**  
**Amidst The Global Pandemic**  
*(Survival, Stability and Continuity)*

*Edited by :*  
**Dr. Elina Kanungo**  
**Ganesh Prasad Panda**

# **ENDURANCE OF INDIAN ECONOMY AMIDST THE GLOBAL PANDEMIC**

***(Survival, Stability and Continuity)***

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***Endurance of Indian Economy Midst the Global Pandemic (Survival, Stability and Continuity)***

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# IMPACT OF COVID-19 WITH SPECIAL REFERENCE TO INDIAN AGRICULTURAL SECTOR

*Gourab Das*

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## **Abstract:**

*India is agriculture based economy. The outbreak of the Covid-19 pandemic is a severe attack world economy. With the prolonged country-wide lockdown, global economic downturn and associated disruption of demand and supply chains, Indian economy is likely to face a serious period of battle with its existence. Indian agricultural sector also effect for this. In this paper tried to show the impact of Covid-19 in Indian agriculture sector and government initiatives for this... Due to non availability of machinery, fertilizers, loan and migrant labour agricultural operation hampered to a great extent. Farmers have faced huge losses. Agricultural based industry also effected for this reason. Government support is very much important to develop the situation. We can hope the situation will change soon with this government intervention and in this unlock period sufficient measures can be taken solve the problems of agricultural sector.*

*Keywords:* Covid-19, pandemic, agriculture, supply chain, industry etc

## **INTRODUCTION:**

Agriculture contributes about 17 per cent to Indian GDP. Agriculture, with its allied sectors, is that the largest source

of livelihoods in India. 70 percent of rural households still depend totally on agriculture for his or her livelihood. COVID-19 has struck deep into the worldwide financial system and India is no exception. In early March the core area of infections shifted from China to Europe especially Italy and later to the whole world. In late January 2020 China was the first nation to impose travel restrictions along with South Korea and Vietnam. The pandemic haven't left a single sector of the world's economy. Due to the fear and uncertainty the Global Stock market has lost US\$6 trillion in one week. The standard and poor index lost over US\$5 trillion in the same week. The International Air Transportation Association stated that air travel industry would lose US\$ 113 BILLION if the Covid 19 pandemic was not controlled. In the on the brink of future, there'll be limitations like weak financial quarters, activity losses, profits cuts, and lower income margins. However, this section too shall pass. Today, everybody is talking about the impact of COVID-19, however simplest from a countrywide attitude or urban centric angle. Unfortunately, not an awful lot has been spoken approximately the impact of COVID-19 on the rural quarter, which constitutes a big part of the economic system and standard consumption across product categories within the country. For the record, as in line with a United Nations document posted in 2019, 69% of India's populace is living in rural areas, which constitutes to extra than seven hundred million humans comprising farmers, housewives, SME's, authorities servants and youth.

#### LITERATURE REVIEW:

*Sahoo & Samal (2020)* found in their study the different impact of agriculture in Indian economy. They further show the effect of SME's due to the problem of agriculture in this pandemic situation.

*Li, wang et.all (2020)* showed in their study, increase of stress anxiety etc over the people of china. People are more concern with health and hygiene of the family rather than any economic activity in the epidemic period.

*Arunugam, Kanagavalli & Manida (2020)* focused their study different problems and restriction of agri business in this covid-19 situation and also analysed the measurement taken by government to improve the situation.

*Sumner, Hoy and Juarez (2020)* suggested the potential short-term economic impact of COVID-19 on global monetary poverty.

*Ali & Khan (2020)* discussed the challenges and opportunities of agriculture sector in this pandemic situation. They analyses the impact on wholesale prices on fruits and other agri-outputs in wholesale market.

*Dev and Sengupta (2020)* explained that Covid-19 created an unprecedented challenge for India especially of the sector like finance and industry. Lockdown social distancing difference concepts crated a barrier in labour centric industry which effect Indian economy at large.

*Wani (2020)* focused on immediate challenges and mitigation measures on Indian agricultural sector in covid-19 situation.

#### **OBJECTIVE OF THE STUDY:**

The primary objectives of the study are -

1. To understand the impact of Covid-19 in economy.
2. To examine the effect of Covid-19 in Indian agricultural sector.

#### **RESEARCH METHODOLOGY:**

The paper performs an extensive research on the basis of the data and information obtained from secondary sources. It involves the use of journal, research paper, and various reports of WHO and authenticate government website and online resources etc. for the collection of secondary data needed in the analysis.

#### **IMPACT OF COVID 19 ON GLOBAL ECONOMY**

The financial situation of different nations remains highly

fluid. Uncertainty about the length and depth of health care crisis related economic effects are influencing perceptions of risk and volatility in the global financial scenario. Compounding the economic situation is a historic drop in the price of crude oil that reflects the worldwide decline in economic activity. On April 29 2020 Federal Reserve Chairman Jay Powell stated that the Federal Reserve would use its full range of tools to support economic activities as because the commerce department stated in a report that a 4.8% drop in US GDP in the first quarter of 2020-05-13

The organization for Economic Cooperation and Development (OECD) On March 2 2020 lowered its forecast of global economic growth by 0.5% for 2020 from 2.9% to 2.4% based on the contingent assumption that the impact of the novel virus will be seen from the first quarter.

### **IMPACT OF COVID 19 ON INDIAN ECONOMY**

Analysts and Economists stated that lockdown situation had badly impacted the countries worldwide. There is a situation of worse Unemployment in the nation. There is an expectation of biggest stock market crash i.e. Nifty will fall below 5000-7500 points. No job security among all sectors, companies are laying off their employees. Indian exports and imports are impacted a lot due to non availability of transport and labour. People's normal lifestyle has been impacted too. Pandemic impact on Agricultural, MSME, travel and tourism etc are affected. Cotton prices have been reduced by 3% in the nation. Petrochemical prices are likely to be low. There was a huge pressure on supply chain of India due to non availability of labour.

### **IMPACT OF COVID 19 ON INDIAN AGRICULTURAL SECTOR**

- Till date there are no shortages of seeds for production of crops. So there will be no such impact in seeds availability. But if the situation continues, seed availability may have an effect in agriculture sector.



- Due to the prolong lockdown situation and globally trade disturbance there are some problems of supply of raw materials for production of fertilizers. So in Indian agriculture sector farmers have already facing problems of shortage of fertilizers and pesticides.
- Due to ban of travelling, lockdown, home quarantine, ban of trade with other state or country, Indian agricultural sector affect a lot as Agriculture produce is mostly perishable in nature and farmers are not able to hold this for a long time. So food quality is reduced as well as distribution process of agricultural output hampered to a great extent.
- March onwards is the peak season of Rabi crops. Due to lockdown and Covid-19 situation production of Rabi crops hampered due to non availability of labour, proper equipment, fertilizers etc. this will affect our economy indirectly.
- Due to the lockdown repayment of loan is one of the major issues in case of farmer as they are not able to sale there product in the market and for this cash inflow become less for farmer's point of view. For these a huge number of farmer did not carry there agri-production in this situation.
- The absence of transport facilities with blocking roads has a great effect on the movement of migratory harvest labour and agri-machinery. Transportation of public distribution system (PDS) items to last-mile delivery agents, by both rail and road, has been severely impacted in the beginning.
- The small and medium industries that totally depend on agriculture based raw material or any kind of raw material relating to agri-products cannot continue their production due to shortage of raw material.

- Due to shortage of labour and delivery problem Covid 19 situation impact very hard on livestock farming.
- The demand for food has affected due to reduction in income and purchasing capacity. Panicked Consumers are stock piling the foods which in turn has affected the food availability and price.
- Stoppage of transport, shortage of migrant labour causes agricultural prices fall for which farmers faced a huge losses and they stop their future action for producing agri based goods to stop this losses.

#### **INITIATIVE TAKEN BY GOVERNMENT**

- Different application like Kisan sabha, Kisan Rath has been introduced to facilitate the farmers for their shortcomings in logistics.
- Strengthen the platform of National Agricultural market [NAM]
- Government focused on the coming Kharif cropping season, with proper availability of seeds, fertilisers, pesticides, credit and other inputs.
- Government will give subsidy to the farmer for agricultural operation. Bank loan are easier for farmer for purchasing agri-machinery and agri-inputs.
- The wages under MGNREGS will rise.
- The Government will invest Rs. 10,000 crore under National Investment Infrastructure Fund (NIIF) whereas the rest of the investors like LIC, DFI and SWF .

#### **CONCLUSION**

Indian economy is agricultural based economy. Agricultural sector is always the priority sector for the government for generating income, good security and solution of unemployment. Due to this pandemic situation agricultural sector of India affect a lot. Due to non availability of

machinery, fertilizers, loan and migrant labour agricultural operation hampered to a great extent. Farmers have faced huge losses. Agricultural based industry also effected for this reason. Government support is very much important to develop the situation. Lack of government intervention situation will become worse. But it is not the ultimate. Agricultural sector needs reforms for its development. We can hope the situation will change soon with this government intervention and in this unlock period sufficient measures can be taken solve the problems of agricultural sector.

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