

INDIA'S ECONOMY AFTER PANDEMIC

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INDIA'S ECONOMY AFTER PANDEMIC The economic impact of the 2019–20 coronavirus pandemic in India has been largely disruptive. The World Bank and credit rating agencies have downgraded India's growth for fiscal year 2021 with the lowest figures India has seen in three decades since India's economic liberalization in the 1990s. The former Chief Economic Advisor to the Government of India has said that India should prepare for a negative growth rate in FY21 and that the country would need a ₹710 lakh crore (US\$10 trillion) stimulus to overcome the contraction. However, the International Monetary Fund projection for India for the Financial Year 2021-22 of 1.9% GDP growth is the highest among G-20 nations. Within a month, unemployment rose from 6.7% on 15 March to 26% on 19 April. During the lockdown, an estimated 140 crore (140 million) people have lost employment. More than 45% of households across the nation have reported an income drop as compared to the previous year.

The Indian economy was expected to lose over ₹32,000 crore (US\$4.5 billion) every day during the first 21-days of complete lockdown which was declared following the coronavirus outbreak. Under complete lockdown, less than a quarter of India's \$2.8 trillion economy was functional. Up to 53% of businesses in the country were projected to be significantly affected. Supply chains have been put under stress with the lockdown restrictions in place; initially there was a lack of clarity in streamlining what is an "essential" and what is not. Those in the informal sectors and daily wage groups are the most at risk. A large number of farmers around the country who grow perishables are also facing uncertainty. Various businesses such as hotels and airlines are cutting salaries and laying off employees.

ECONOMIC SITUATION OF INDIA -

In India up to 53% of businesses have specified a certain amount of impact of shutdowns caused due to COVID-19 on operations (FICCI survey). Various business such as hotels and airlines are cutting salaries and laying off employees. By 24 April the Unemployment Rate had increased nearly 19% within a month, reaching 26% unemployment across India, according to the "Centre for Monitoring Indian Economy". Around 140,000,000 (14 crores) Indian lost employment in the lockdown. More than 45% households across the nation have reported an income drop as compared to the previous year.

ECONOMIC RECOVERY SUGGESTIONS -

State governments have incurred huge losses to the extent of having to cut capital expenses, government plans in the near future, and finding alternate ways to pay salaries. The Delhi government has fallen 90% short in tax collection as compared to 2019 and is planning to take loans and raise taxes in certain sectors. Maharashtra put a hold on all new capital works till March next year; spending under government development schemes has been reduced by 67% for the current fiscal.

"Covid-19 has affected everybody have a major relook at our operational priorities and what we actually need. Boost 'Make in India' by hand-holding our domestic industry even if they deliver weapons with only 70% of the GSQRs (general staff qualitative requirements) in the beginning...given the opportunity, they will eventually deliver cutting-edge technology. We are not expeditionary forces that have to deploy around the globe. We should not go in for large amounts of imports by misrepresenting our operational requirements"

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