

# Impacts of Covid -19 in Global Economy in various industries and other financial services

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**Abstract:** Globally, the COVID-19 pandemic has not only affected the public health and social life but also has deeply affected the economical standards of countries. This study demonstrated the various aspects of post-COVID-19 pandemic effects over the economic phases worldwide. And contented with how lockdown have reasonably influenced the GDP of each nation in the substantial economic aspects. Traders who were completely dependent over the transportation system have been affected due to the stoppage of logistics. This aimed to clarify about how industries have been dealing with severe cash flow issues that has become bane to the developing countries. Attempted to study about the growth of cashless economy, bit coins and crypto currency during lockdown and post-pandemic period. And focused on how some of the industries (Pharma, Telecom) which has been on the rise during the initial and post pandemic period which also become a boon factor to the nations in such a desperate time to save the economic affluence. Economy of various nations has faced the issue of increased joblessness due to the unexpected challenges created by pandemic. Concluded with the policy recommended action to boost the productivity and GDP per-capita during these post pandemic consequences. Knowledge about these challenges provides an important background for analyzing the impact of the pandemic on the global economy, predicting the policy measures in combating the pandemic and reviving the global economy.

**Keywords:** GDP, Economy, Post-Pandemic, Industries

**Introduction:** The global pandemic Covid -19 have affected our planet as an unexpected threat. The day all the countries started to separate people from one another and started to introduce the practice of Isolation, Livelihood of people started to change. Industries like Aviation, Tourism, Small scale Industries, Agriculture have got hit badly. Whereas Industries like Health care, Financial Insurance, software developers, Telecommunication, E-commerce websites and online currencies such as bit coins, crypto currency have got a big reach even among common people during this pandemic. This paper is an attempt to give the economical conditions faced by various Industries. What are the challenges faced by the most affected Industry? What are the advantages faced by most benefitted Industry? Have been discussed. And how these changes in Industries affected stocks and GDP. And how the digital currency got reached has been discussed.

**Literature Review:**

**Pandemic and Industries:**

**Industries got affected the most:**

**Aviation:**

Industry most impacted is the Airlines industry. We can see that PD (Probability of default) have definitely declined to more moderate levels, but are higher than they were at the start of the year. Some global air travel demand has increased but is still depressed and airlines have indicated large scale layoffs to stay solvent. After nearly all the countries have announced lockdown two third of the aviation was left jobless. As the transport and overseas flying is totally restricted. Aviation sector have faced excessive damage due to corona virus outbreak, Most of the countries have cancelled domestic and local flights as the livelihood was left with a question mark and all the borders have closed without time limit. ICRA stated that the impact is severe and prolonged for the selective sectors like hospitality, aviation, retail and allied businesses

**Tourism:**

Tourism Industry have got affected worldwide due to the lockdown of countries borders and Transport inter and intra states. It questioned many jobs and livelihood of people. Especially the Tourist guides in the small towns, Daily wage workers, vendors Worldwide, Most countries are dependent on tourism industry for the contribution in their economy. Tourism is one of the most labor-centric work zones in the world. Covid -19 outbreak has threatened millions of jobs. Especially the down line workers and small craft men Hospitality sector have faced extreme challenges like border closures, events cancellation, and fear of spread the tourism sector is one of the largest industries and accounts for 6.23 per cent of the country's GDP.

### **Manufacturing:**

The COVID-19 pandemic drastically hit the manufacturing industry. As has been the case after other major upheavals, such as the 2008-2009 financial crises, a return to pre-crisis levels took several years. It takes more time for the manufacturing industry to return back to the normal state of production nearly two years of time period was a hard time for the manufacturing industry made it to slow down The flow of supply and demand shock with shutdowns has made an extremely deep crises and an "up and down" recovery is more likely than a steady curve. As, China is always a giant in production covid-19 breakdown made the giant to slip. Worldwide, countries started to boycott Chinese products in order to prevent the spread through the products. Manufacturing sectors have faced crisis throughout the lockdown time. One main factor should taken into consideration is "Labor". Due to the lockdown 144 all over the cities unavailability of workers have become big crises to Industries. As intermittent lockdowns have kept on imposing in countries manufacturing workers have returned to their hometowns because of uncertainty and lack of income. Raw materials have got stuck up in the place of its origin or at Manufacturing unit or at ware house rather than getting into intermediate agents or to consumers. And imports and exports of Machinery, goods and other raw materials have also become challenging. Sectors which were dependant on importing heavy machinery and goods were faced a deep challenge during this period. According to a survey conducted

by United Nations Industrial Development Organization (UNIDO), after lockdown was imposed, manufacturing in India has stopped, except for the rice milling sector where production reportedly dropped by half. Some of the highly affected industries were metals and chemical products, motor vehicles, machinery and equipment, textiles, etc. The MSME (Micro, Small and Medium Enterprises) sector is dependent on the work of the labors and the livelihood of India's manufacturing sector. It has tried hard in manufacturing small and spare parts manufacturing to somewhat provide the need of manufacturing industries to supply the demand. As per a parliamentary panel report, the Indian automotive industry suffered Rs 2,300 core loss per day and an estimated job loss in the sector was also increased and made the people face difficult time of unemployment and loss of job, as a direct report of the pandemic.

### **Agro -food Industry:**

Agriculture and food industry is a wide range of Industry, Starts right from the farmers and ends with consumers; it is a very big chain and includes stages of workers and Intermediates in between. Though online food delivery Applications have provided food in the parts of the countries and increased their revenue that however doesn't benefit farmers and middle line workers in Agriculture and food Industry. To dig deeper, Agents in middle, wholesale and retail sellers, roadside vendors all have seen a massive drawback during the time of lockdown. Some of the E-commerce websites like Amazon have introduced the idea of selling grocery and vegetables directly to buyers which have totally supported the websites and haven't created big change in the lockdown livelihood of people. According to the survey of (NBARDM) National Bank for Agriculture and Rural Development Mumbai. The impact of covid-19 greatly affected the production in agriculture and other food industry declined the overall production of agro products. Some of the reasons for decline in agricultural activities include lack of availability of labor and machines, restrictions due to social distancing, and restriction on free movements of men and unavailability of transportation of machineries. Pandemic has also impacted in the sub sectors of agriculture such as Horticulture, Poultry, Dairy, Fisheries and Pig/Sheep/Goat. In

which each have declined minimum 3% to 20%, Poultry and dairy with high percentages.

### **Construction and Real Estates:**

The unprecedented scale of the impact of covid-19 on Indian real estate and construction can be measured from the fact that the sector has experienced a loss of over Rs 1 Lakh core since the pandemic broke out (Source: KPMG). According to the KPMG report, the pandemic resulted in a serious liquidity crunch for real estate's developers. The credit shortage brought down the residential sale of places from four lakh units in 2019-20 to 2.8 Lakh units in 2020-2021 across the cities in India. Stocks have started to stay unsold in real estates and properties got recession as it is considered to be less important to migrate or buy new properties when livelihood is under question mark. In addition to the effects on property sales, due to the reach and high practice of work from home concept purchase of office space, companies, Leasing of commercial places have declined. After the first wave people have started to show interest in getting ownership in stocks, properties and goods which is an investment for their secured life. Jitendra Haitian, Managing Director, Pioneer Property Management Ltd, says, "In the past eight months, since the corona virus induced Lockdown was lifted, the real estate industry has witnessed a gradual recovery. Along with the real estate sector the allied sectors were also dependent on the construction sector inflicted heavy losses during the year 2020. Small scale manufacturers such as construction machinery parts, wooden parts, steel bars, plumbing tool manufacturers, furniture manufacturers, interior designers and the laborers, daily wage workers, painters have undergone financial crises due to low or no income. A midst of this Ashok Mohanani, President, ( NAREDCO) have stated that Covid Vaccines are giving hope to the Construction owners that getting vaccinated will make the workers to resume the work with safety.

### **Industries to which Pandemic turned as boon:**

#### **Pharmaceutical Industry:**

Pandemic made a hike to the Pharma Industries and medical device manufacturing companies, to the Chemical Industries which made a big profit in producing Disinfectants, Sanitizers and other Safety measure tools. Pharma Industries though they

benefitted by the sale of drugs and other pharmaceutical products they have faced loss by investing in research for inventing vaccines and antibiotic drugs for vaccine such as Modern drug development, Herbal drug development, Healthcare and equipment. Trial and error research have made Pharma Industries to face financial drawbacks. The number of deals made in Indian pharma market increased by 20% and more, likely due to the pandemic. And especially the drugs like chloroquine, Remdesivir, steroids, favipiravir had a great demand during the pathetic time making people wander in search of these medicines which increased the manufacturing and supply of these products which have brought a hike to the pharmacy Industries.

#### **Software and E-learning:**

As governments executing very important rules such as half Lockdowns and businesses striving to find ways to overcome adequate levels of productivity, many are shifting to unsocial able working apps. Invaluable and unfamiliar companies as many companies added or fallen into great value in pandemic situation, for example Zoom was not had much value before pandemic but now it's shares arises to unreachable extended due to pandemic spread in this covid-19 era. Another example is, in that short span of time Microsoft team increased their users to 44 million and gained 37% equivalent numbers to slacks number users. Universities and colleges were shutdown which made distance education and Online learning as reality for all disciplines of learning. Which made the educational Institutes and students to totally depend on online software, Meeting Applications and other supporting systems to make learning possible during the pathetic time. However, this elevated the revenue of E-portal Applications and business behind it. Telecommunication, E-commerce, Entertainment Applications (Ex: Netflix, Amazon) have reached hike during the pandemic.

#### **E-commerce:**

Countries online shares of retail sales have rose to a big percentage, Customers have switched to the digital mode customers attitude towards purchase have changed during the time of pandemic E-commerce websites were left as the best and available option for the common people this made the companies to benefit with the high amount of turnover. Nearly

20% of revenue is increased to e-commerce websites as per the report of Times of India Magazine. And even in the post pandemic people continue to stay in purchasing from the digital portal since it saves time it provides offers, options, assurance with quality product with buyer's reviews which makes the customers to start preferring online mode. New online websites are started to arise on seeing the reach of online products among people, Small scale investment start-ups, cottage industries have started to expand their business across districts, states, even among countries with the help of e-commerce, where they find customers online getting paid and shipping worldwide when the cargoes are released to transport.

#### **Impact in Financial aspects:**

Covid19 have majorly damaged and benefitted the above mentioned Industries and sectors but all these changes are directly or indirectly altering the graph of stocks in worldwide stock market and directly involved in determining the GDP (Gross Domestic Product) of the nations. At the point of benefits and damage in Industries and GDP their raised the reach of Crypto currency- bit coins. By March 2020, Bit coin was back to trading at \$5,000. Bit coins value rose 300 percent. By the end of December 2020, the crypto currency was trading at record high. This rise has made the investors to consider Bit coins as digital gold and a store of values. New investors have gained a great hope in investing Bit coins since it has a great hike and it is considered as a better investment.

#### **Impacts on Stock Market:**

The economic impact of many countries has influenced stock market values into negative due to the strict movement restrictions and uncertainties of to the COVID-19. This Pandemic COVID-19 has put more the world to fall into economic crises and everything put into pause in the busiest world. Our own Indian country was also in that list because Indian government also implemented the severe Lockdowns. The collision in the global market economy is due to major drop in oil prices, and increasing unemployment are some of the most important aspects that pandemic COVID-19 has drowned the economy around the world. India was in the alignment of next to get the impact of COVID-19 on their economic growth, development, economy and stock market.

#### **Impacts on GDP:**

GDP (Gross Domestic Product):

The global covid-19 health crises have caused massive perturbation and dramatic slowdown of global economy. Gross domestic product is abbreviations GDP is the total value added created in an economy. GDP is the standard indicator of the economic growth for welfare of the countries. GDP, or gross domestic product, arise from the count of total goods and services manufactured by the countries in a year. It is determined by adding complete consumers expenditure, government expenditure, investments and export business; and then subtracting the country's imports. GDP is significant in determining the economic welfare and development in the country, and it is used to compare several countries economic growth and seen which countries has been progressed and regressed. Till 2020 GDP of every nation has a gradual increase in GDP percentage every year for a certain percentage in its imports and exports but due to the intervention of Corona virus GDP have went through an unexpected alteration.

#### **Conclusion:**

The above given boons and banes faced by Industries during the unprepared and unexpected time of covid pandemic have thought the Industries to come up with new challenges and this study have classified how pandemic time has benefitted the Industries and at which place it made other Industries to lag behind. After studying the background of the challenges faced by the industries here some solutions have been suggested to make the banes as boon to the Industries. \*Expanding Digital Infrastructure for Online trading for agricultural products, Introducing digital mode to small sub sectors of Agriculture like poultry, Dairy. \*Banks and Societies can tie-up with the farmers to provide an online platform for the farmers to sale their products directly to consumers by building apps.

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