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THE INFLUENCE OF COVID-19 ON THE GDP OF INDIA

JIBY BABU P[1] AND DR KALPANA[2]

1Doctoral Scholar, PG & Research Department of Management, Sree Narayana Guru College

Palakkad-Coimbatore National Highway, K G Chavadi, Coimbatore,

Tamil Nadu- 641105

2 Principal , Sree Narayana Guru College

Palakkad-Coimbatore National Highway, K G Chavadi, Coimbatore,

Tamil Nadu- 641105

Abstract: The COVID-19 pandemic has had a profound impact on India's Gross Domestic Product (GDP), causing significant disruptions across various sectors of the economy. This abstract summarizes the key points regarding the influence of COVID-19 on India's GDP.

The strict lockdown measures imposed to contain the virus led to a decline in manufacturing output due to halted production activities, supply chain interruptions, and labour shortages. Sectors such as tourism, hospitality, retail, and transportation were severely affected by travel restrictions and reduced consumer spending. On the other hand, the agricultural sector showed resilience and quickly recovered from initial disruptions.

Widespread job losses, salary cuts, and reduced consumer confidence resulted in a decline in household consumption. Investments, both domestic and foreign, slowed down due to the uncertainty surrounding the pandemic.

Keywords: Covid19, Gross Domestic Product (GDP), Economy

INTRODUCTION:

The COVID-19 pandemic has wreaked havoc on global economies, and India is no exception. As one of the world's major emerging markets, India faced numerous challenges due to the public health crisis. This article examines the significant impact of COVID-19 on India's Gross Domestic Product (GDP) and highlights key factors that contributed to the country's economic downturn during the pandemic.

1. Impact on various sectors:

The pandemic affected different sectors of India's economy in varying degrees. The following sectors experienced significant disruptions:

a. Manufacturing: The strict lockdown measures imposed to contain the virus halted production activities, leading to a significant decline in manufacturing output. Supply chain interruptions and labor shortages further aggravated the situation.

b. Services: Sectors such as tourism, hospitality, retail, and transportation were hit hard by travel restrictions and reduced consumer spending. This resulted in job losses and reduced revenues, impacting the overall GDP.

c. Agriculture: The agricultural sector faced disruptions during the initial stages of the lockdown due to logistical challenges. However, it showed resilience and recovered quickly, contributing positively to India's GDP.

2. Slowing consumption and investment:

Widespread job losses, salary cuts, and reduced consumer confidence resulted in a decline in household consumption. Additionally, the uncertainty surrounding the pandemic led to a cautious approach towards investments, both domestic and foreign. These factors contributed to a decline in the GDP.

3. Government response and fiscal measures:

To mitigate the impact of the pandemic, the Indian government introduced several fiscal measures. These included stimulus packages, liquidity infusion, and reforms to stimulate demand and support businesses. While these measures provided some relief, the overall economic recovery was gradual.

4. Shift towards digital transformation:

The pandemic accelerated the adoption of digital technology in various sectors. E-commerce, online education, remote working, and fintech services witnessed substantial growth. This digital transformation played a crucial role in sustaining economic activities and minimizing the impact on the GDP.

CONCLUSION

The COVID-19 pandemic heavily impacted India's GDP, resulting in a significant economic downturn. Sectors such as manufacturing and services were hit the hardest, while the agricultural sector showcased resilience. Slowing consumption, reduced investments, and government response measures contributed to the economic challenges faced by the country. Despite these setbacks, the digital transformation brought about by the pandemic offers opportunities for recovery and future growth.

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