



# IMPACT OF COVID-19 ON VARIOUS SECTORS OF GLOBAL ECONOMY

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## ABSTRACT

The impact of covid-19 is observed in every sector around the world. The various sectors such as -Global tourism, Education, Economic activity are badly affected by this. It has enforced the world wide lockdown creating very bad effect almost all sectors of the economy. Amid the coronavirus pandemic several countries across the world redorted to lockdown to "flatten the curve" of the infection. These lockdown meant confining millions of citizens to their homes, shutting down businesses and ceasing almost all economic activity. The outbreak of Covid-19 has taught us catalyst for the various sectors of the economy to grow and opt for platforms with technologies which have not been used before. The global economy has been fighting to survive the crises with different approach and digitizing the challenges to wash away the threat of pandemic. This paper highlights the impact of pandemic on various sectors of global economy and provide some measures taken by government to wash away the threat of the pandemic. Both the positive and negative impact of COVID -19 are discussed and some fruitful suggestions are also pointed to carry out economic activities in various sectors during pandemic situations.

**KEYWORDS:-** COVID-19, Education, Tourism

## INTRODUCTION

On 12 January 2020, the WHO confirmed that a novel coronavirus was the cause of a respiratory illness in a cluster of people in Wuhan, Hubei, China., which was reported to the WHO on 31 December 2019. On 22 March, India observed a 14 hour voluntary public curfew at the insistence of Prime Minister Narendra Modi. It was followed by mandatory lockdown in COVID -19 hotspots and all major cities. Further on 24 March, the prime minister ordered a nationwide lockdown for 21 days, affecting the entire 1.3 billion population of India. The pandemic COVID-19 has spread over whole world and comoelled the human society to maintain social distancing. It has significantly distrupted the various sectors which is a critical determinant of a country's economic future. The pandemic has left a severe impact on indian economy, leading to a negative growth rate for the first time in decades. Nevertheless, the economy started to rebound after the lockdown was eased. Increased requirement for consumption had led to government and private firms to repurpose their factories and production lines for manufacturing of more hospital beds , PPE and ventilators. India emerged as the world's second largest manufacturer of PPE during the pandemic. The Union government also launched a major self-sufficiency campaign to substitute imported products with domestically produced counterparts, espically to replace goods imported from China. The world is facing an unprecedented global health, social and economic emergency with the COVID-19 pandemic. Travel and Tourism is among the most affected sectors with

airplanes on the ground, hotels closed and travel restrictions put in place in virtually all countries around the world.

According to UNESCO report, it had affected more than 90% of total world's student population during mid april 2020 which is now reduced to nearly 67% during June 2020. Outbreak of COVID-19 has impacted more than 120 crores of students and youths across the planet. In India more than 32 crore of students have been affected by various restrictions and the nationwide lockdown for COVID-19 . The economic impact of the 2020 coronavirus pandemic in India has been largely disruptive. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to Ministry Of Statistics.

## OBJECTIVES

The present research paper focused on the following objectives.

1. To enlighten various measures taken by government of India to uplift economic activity during this pandemic.
2. To highlight various positive impact of COVID-19 on various sectors like-eductaion, Travel and tourism etc.

## METHODOLOGY

Data and information in current study are collected from various reports prepared by national and international agencies on COVID-19 Pandemic. Information are collected from from various authentic websites. Some journals and e-contents relating to impact of COVID-19 on educational system are referred.



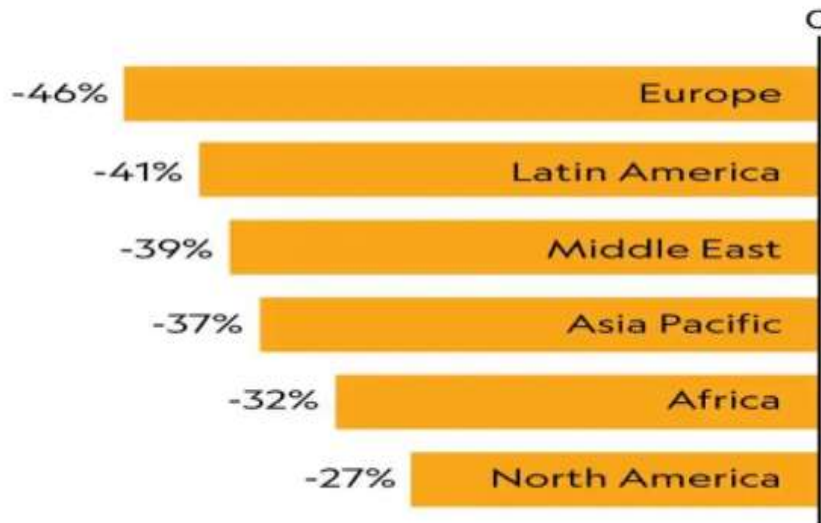
**CORONAVIRUS IMPACT ON GLOBALISATION**

The coronavirus outbreak is having a significant impact on the global economy and markets. \$6 trillion has been wiped off the value of a basket of nearly 7000 stocks. From interest rates to oil prices, other areas of global economy are also set the feel the effect.

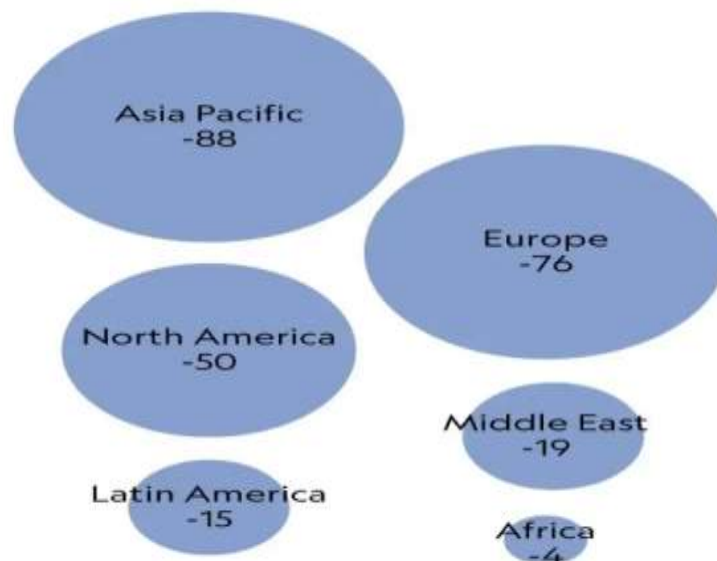
Due to rapid worldwide spread of coronavirus, travel plans and conferences cancelled, airlines grounded and even the Tokyo Olympic games were in doubt. Based on travel restrictions and an expected global recession IATA( International Air Transport Association) estimated that global air trnsport industry revenues could fall \$252 billion, 44% below 2019's numbers.

**Percentage change in revenue from 2019 to 2020**

Per passenger and kilometers



**Estimated loss, billions of U.S.D.**



MONICA SERRANO, NG STAFF. SOURCE: INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA)



## POSITIVE IMPACT OF COVID-19 ON GLOBAL ECONOMY

Though the outbreak of COVID-19 has created many negative impacts on travel and tourism, hospitality, education etc.

The following points may be considered as the positive impacts.

1. Sudden Fall Of Nitrogen Dioxide-Data shows that the main cities are recording much lower levels of harmful microscopic particulate matter known as PM 2.5 , and of nitrogen dioxide which is released by vehicles and power plants. The sudden fall

in pollutants and the subsequent blue skies signal a dramatic shift for India-which has 21 of the world's 30 most polluted cities, according to IQ AIR visual's 2019 World Air Quality Report. The data from the Central Pollution Control Board(CPCB) , part of India's Environment Ministry, was collected by the Centre for Research on Energy and Clean Air) . Nitrogen dioxide went from 52 per cubic meterto 15 in the same period-also a 71%fall.

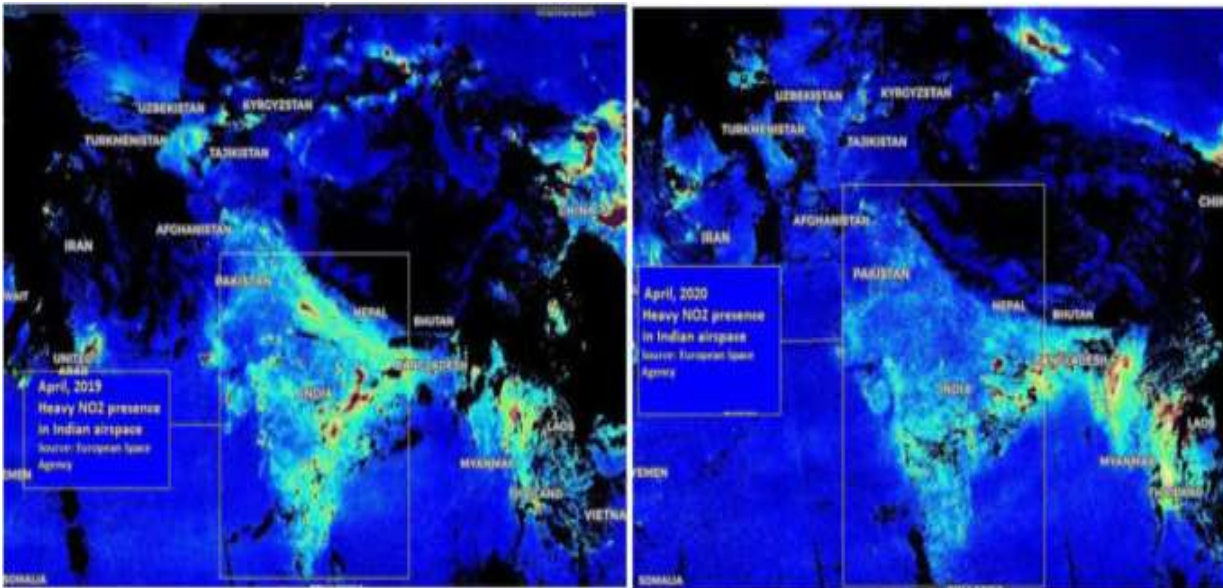
# MASSIVE FALL

## NO<sub>2</sub> levels fell dramatically after India's lockdown

Average daily nitrogen dioxide emissions in March, micro grams per square meter



Mumbai, Chennai, Kolkata, and Bangalore have also recorded a fall in these air pollutants.



NO2 level in 2019

NO2 level In 2020

2. World Wide Exposure- Educators and Learners are getting opportunities to interact with peers from around the world. Learners adapted to an international community.

3. Enhanced Digital Literacy:- The pandemic situation induced people to learn and use digital technology and resulted in increasing the digital literacy. With the COVID-19 lockdown forcing people indoors, political parties and state government offices are now getting used to holding virtual meetings.

4. The Himalayan Range seen after 30 years- The Himalayan range, Dhauladhar, visible from Jalandhar, Punjab. With the reduction of air pollutant due to lockdown, people in Punjab can see the Himalayan range from more than 100 miles away.

5. Swams Return to Venice canals- Italy is one of the countries beside Iran and South Korea that is worst affected by the pandemic. The country is in a state of lockdown and most are quarantined in their homes. For the unversed, the city of Venice is known for the popular gondola rides, gondolas, and its canals. Swams can be seen in Venice canals after the nationwide lockdown was imposed by the government due to the coronavirus outbreak in the country.

6. No traffic in Sao Paulo- with the lockdown, South America's most populous city of Sao Paulo is now witnessing calm streets and clearer skies.

7. Reduction of Air pollution in Bangkok-

Analysis of air quality in Bangkok since the Thai government began enforcing strict social isolation measures had found a significant drop in dangerous pollution levels of more than 20% as compared with the same time last year. The average level of PM 2.5, tiny atmospheric particulate matter mostly produced by vehicles, refineries and other heavy industries, was reduced by 22% in roadside areas of the capital, and 15% in air monitoring stations in general areas between March 15 and March 10. Bangkok has experienced better air quality during the outbreak of COVID-19.

## NEGATIVE IMPACT OF COVID-19 ON GLOBAL ECONOMY

Global economy has suffered a lot due to the outbreak of COVID-19. It has created many negative impacts on the global economy and some are pointed out below-

**Tourism** - According to the World Travel and Tourism Council, tourism is a huge sector contributing to 10.4% of the global gross domestic product (GDP) and 10% of global employment. With Chinese visitors facing a global ban, the tourism business has taken a hit. Dozens of airlines have trimmed the number of flights destined for China until the close of April 2020, thus leading to a steady decline in the tourism industry. This has had a domino effect with serious implications across industries like food and beverage, entertainment and luxury goods.

**Oil**- the decline in the price of oil creates a disturbing economic imbalance and forces manufacturers to cut down the cost of production. Sinopec Corp (a Chinese oil and gas enterprise) plans to reduce its output in February 2020 by about 600,000 barrels per day or 12% which is the steepest cut in a decade.

**Coronavirus and Education**- No country in the world was already ready for the coronavirus. In many countries, schools were interrupted indefinitely due to the coronavirus and thousands of conferences, seminars, etc. were cancelled. The field of education entered a serious crisis.

**Impact on jobs of coronavirus crisis**- The effect of the coronavirus crisis on jobs outweighs the hit to GDP. The lockdown in some of the largest developed economies (including US, UK, Germany, France, Italy, and Spain) since February has led to a virtual halt in activity in some sectors and their full impact on employment and growth has yet to be seen.



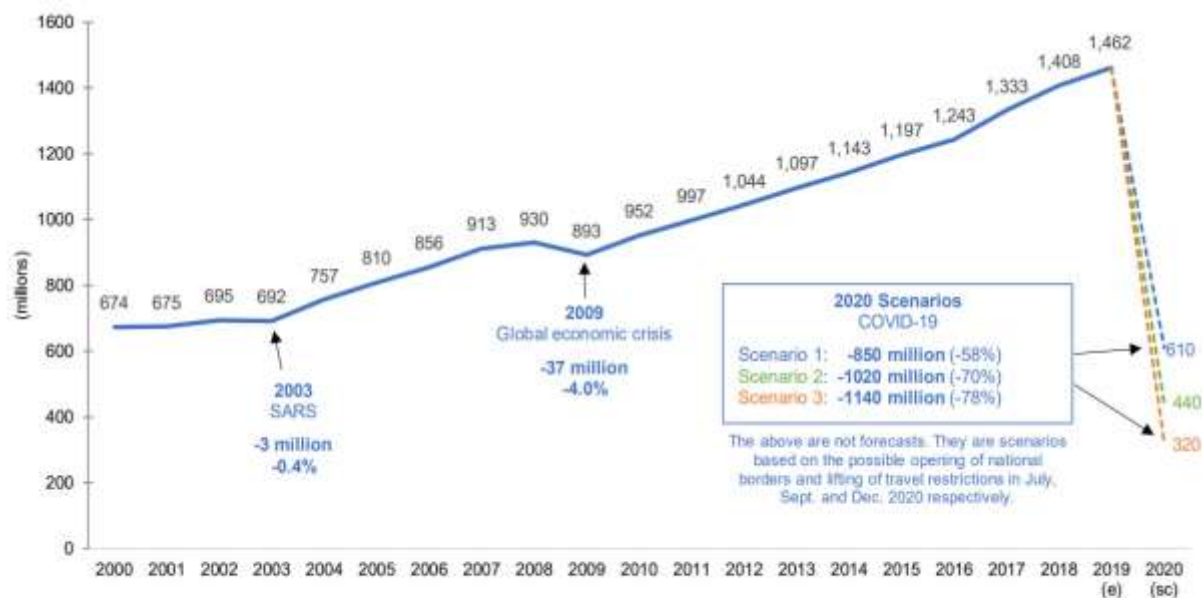
The impact of the coronavirus crisis on jobs could be larger than implied by the contraction in individual countries GDP.

Government of India considering serious measures to boost economy

Various expert groups In the government are working on specific fiscal incentives and policy reforms that are expected to take effect from the third quarter (October-December) Of the current financial year to accelerate growth.

The government is considering a series of measures to boost the economy, including offering upto Rs 3 lac crore in incentives spread over six years to create global supply chain in some sectors, tariff protection to key industries, further relaxation in foreign investment rules, and schemes aimed at the urban unemployed.

## SUGGESTIONS



Source: World Tourism Organization (UNWTO) (e) Estimate (sc) Scenario-based data

## OIL AND NATURAL GAS

Due to the fall in travel, global industrial activity has been affected. Oil prices fell further in March as the transportation section, which accounts for 60% of the oil demand, was hit due to several countries imposing lock down. Not only oil, early this year in China, due to COVID-19 related containment measures, the demand of natural gas fell. As a result, which many chinese LNG (Liquified Natural Gas) buyers halted their impirts as storage tanks filled.

## INDUSTRIAL METALS

As per IMF, china accounts for roughly half of the global demand for industrial metals.

Further, even as economic activity resumes gradually, the situation will take time to normalise, as consumer behaviours chanfe as a result of continued social distancing and uncertainty about how the pandemic will evolove.

For instance, in its world economic outlook report 2020 the IMF mentions that firms may start hiring more people and expanding their payroll only slowly, as they may not be clear about the demand for the their output.

Broad monetary and fiscal stimuli will be required to be coordinated on an international scale for maximum impact and, " would be most effective to boost spending in the recovery phase".

## CONCLUSIONS

The IMF 's estimate of the global economy growing at -3% in 2020 is as outcome, "far worse" than the 2009 global fibancial crises.

Economies such as the US, Japan, the UK, Germany, France, Italy and Spain are expected to contract this year by 5.9, 5.2, 6.5, 7, 7.2, 9.1 and 8 per cent respectively.

## FOOD AND BEVERAGES

IMF projects a decrease in food by 2.6% in 2020. In the lock down period, while the prices of cereals, oranges, seafood, arabica coffee has increased. Prices of tea, meat, wool and cotton have declined. Further, the decline in oil Prices has put a downward pressure on the prices for palm oil, soya oil, sugar and corn.

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