

“An Analysis of the Impact of Lockdown due to Covid-19 on the Three Major Sectors of India”

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ABSTRACT

This paper discusses in detail about the major downfall that different industries of India had faced during the Phase I & Phase II of the lockdown due to COVID-19. After observing the surge in COVID-19 cases, the Ministry of Home Affairs imposed lockdown in India. This lockdown was very important to break the chain of public contact in order to curb the ever increasing cases of coronavirus since it is a disease which transmits from person to person but, this lockdown also brought havoc in the lives of common citizens. This lockdown also had a huge impact on the Indian Economy, not restricted to any particular sector. Every sector faced a huge blow from this lockdown which affected both the government and the self owned businesses or private businesses. This article is an effort to analyse the impact of lockdown due to COVID-19 on various important industries of India and what effect it will leave in these industries post COVID era. The work provided in this article also includes the analysis of various steps taken by the Indian Government to mitigate the impact of Lockdown.

Key words- COVID-19, Lockdown, MHA guidelines, Three Sectors of India, Impact on Industries.

INTRODUCTION

COVID-19, which stands for ‘Coronavirus Disease 2019’, is declared a pandemic by the World Health Organisation. It causes respiratory infections ranging from mild to severe. Old age people are more prone to suffer from this disease especially when they underlie medical problems like Diabetes, Cancer, Cardiovascular disease or chronic respiratory disease. According to WHO, from mere cold, Corona Virus can cause Middle East Respiratory Syndrome (MERS) which is again a fatal respiratory illness identified in Saudi Arabia in the year 2012 and Severe Acute Respiratory Syndrome (SARS) identified in China in the year 2003.

Coronaviruses are large family viruses as it transmits from person to person and its transmission is not only limited to humans but it can also cause illness in animals too.

Novel coronavirus was first reported by Wuhan, China in the month of December 2019. In the month of January 2020, the first case of COVID-19 was identified in India which

gradually outspread in most parts of the country. When the number of cases rolled up to 500, the whole nation observed 'Janta Curfew' on March 22, 2020 followed by Nationwide Lockdown. The Prime Minister of India, Shri Narendra Modi said "Janta Curfew is beginning of a long battle. Today countrymen have told us that we are capable, and once we decide we can take on any challenge together" and declared Nationwide Lockdown from 25th March to 14th April, 2020 with the purpose to curb the coronavirus cases, causing a deadly situation around the globe. The 21 days lockdown means that for the said period of time the whole Nation will remain shut including all the large and small scale Industries and other businesses. This major decision was taken by Ministry of Home Affairs under section 6(2)(i) of the Disaster Management Act, 2005 scrutinizing the threatening situation,¹ thereafter, the Union Home Secretary issued guidelines for this lockdown under his power in section 10(2)(1)². This decision certainly was a necessary step to be taken in order to fight against corona and break the chain of transmission, but it had a huge impact on the Small and Big industries, Businesses, Indian Economy, Different classes of society, Environment etc.

The Indian Economy was already facing serious challenges even before the Coronavirus outbreak. And this nationwide lockdown has acted as a 'fuel in the fire' by affecting various sectors of India. To be precise, these industries have faced a huge amount of losses during the first two phases of the lockdown.

Sectors such as manufacturing units, transportation sectors, agriculture sectors contribute significantly to the GDP of the economy and since all these sectors are to remain shut, they are eventually going to affect the Nation's economy. Not just the economy but also the workers, who were employed on the daily wages were now jobless pushing many into poverty.

In this paper, we will briefly discuss the impact of the first two phases of lockdown due to the COVID-19 on various sectors & industries of India.

INDUSTRIES

To start in detail, let us first discuss and understand the Industrial sectors of India. As we all know an Industry is a sector that produces goods or services within an economy. The industrial sectors are divided into 3 fragments - Primary Sector, Secondary Sector, and Tertiary Sector. Primary Sector is basically a raw material industry where the materials are produced; we can also term this industry as an 'Feedstock industry' where the raw materials are extracted for the production of future goods. Secondary sector includes all the activities related to manufacturing and construction of the future or finished goods. This industry basically works towards bringing goods to its final stage which includes manufacturing, processing, etc. The Tertiary Sector, which is also known as the service sector, is the one which helps in development of the previous two sectors. It, in itself, does not produce goods

¹ <https://www.mha.gov.in/sites/default/files/MHAorder%20copy.pdf>

² https://www.mohfw.gov.in/pdf/Annexure_MHA.pdf

but is an aid for the production. Service sector generally includes information technology, banking, healthcare, retail services, restaurants, etc.³

This paper will briefly outline the impact or effect of the first two phases of COVID-19 lockdown on these important industries of India such as Agriculture, Mining, Electronic, Defence, etc. and services such as Mass media & Entertainment, Financial, Hospitality, Education, etc.

1. PRIMARY SECTOR

Primary sector is one which produces primary goods by utilising the natural resources. Broadly, agriculture, mining or resource extractions are covered under the said sector. It is one among those sectors which provides the largest livelihood in India. Agriculture sector alone provided livelihood or employment to 42% out of all employed in 2019 in India.⁴ The Primary Sector is at the base of the pyramid, producing raw materials and other natural goods which are required for the production or manufacturing of the final products in the manufacturing sector and to be supplied to the Service sector.

If we talk about the past few months of lockdown which terribly affected the other sectors of India there was the agriculture sector which remained exempted from this difficult period. After the imposition of lockdown due to COVID-19, this was the only sector which was least affected. To be more precise, this sector observed improvement and abundant production.

● AGRICULTURE SECTOR

Agriculture Industry is the one which is full of uncertainties and Indian farmers by and large depend on the monsoon weather (whether it be rainy season or winter monsoon) for the production of crops. This year surely has been joyful, at least for the farmers, since India saw bumper crop production.⁵ In the year 1991, the Agriculture Sector employed 62.5% of the total employed which was reduced to 42.38% by 2019,⁶ contributing 16% (approx) to the GVA of India.⁷ The reason for the decline in this sector is that the income derived from these activities is not sufficient for the agricultural labourers and so in order to lead a better life the work force migrated to cities in search of better education and better job opportunities.

The Home Ministry imposed the lockdown on 24th March 2020,⁸ in the wake of Covid-19, subsequent to which the Home Ministry issued an order dated 27th March 2020⁹ declaring that the farming operations and the farmers on field are under the exception of this lockdown

³ <https://www.investindia.gov.in/team-india-blogs/indian-economy-overview>

⁴ <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS>

⁵ <http://agricoop.gov.in/sites/default/files/Time-Series-English.pdf>

⁶ data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=IN

⁷ <https://www.prsindia.org/report-summaries/economic-survey-2019-20#:~:text=Growth%20of%20agriculture%20sector%20has,of%20GVA%20in%202017%2D18.>

⁸ <https://www.mha.gov.in/sites/default/files/MHAorder%20copy.pdf>

⁹ https://www.mha.gov.in/sites/default/files/PR_SecondAddendum_27032020.pdf

which means that they are allowed to work on fields following the social distancing measures. Manufacturing of the fertilizers, pesticides and seeds will not stop and the inter and intra-state movement of farming machinery used for harvesting will be permitted during the lockdown period. This step by the government proved to be beneficial for the farmers and the laborers who earn daily wages working in the fields all through a day. But, for the labourers who migrated from villages to the cities faced severe crisis as their movement was restricted and were forced to stay at one place due to the spread of coronavirus in the country. Since many of these migrants were daily wage labourers, they had no source of income and since all the work was standstill, this lockdown felt like a hammer blow to these migrant workers with no place left to go but to their villages. Due to the lockdown, those, who wanted to go to cities in search of jobs, were not able to do so.

After the Bumper production,¹⁰ the farmers were in shortage of labour for the harvesting. These farmers who were searching for the labour now didn't need to search much for them anymore. Although there was shortage of labours, they found labours without much difficulty within their villages, for the harvesting which benefitted them since the bumper production and availability of labours meant easy harvesting and money earning. Labours also saw it as an opportunity in this time of difficulty. Because of the exemption of the Agriculture Sector in the lockdown, it proved to be a blessing for the farmers since they needed to sell the harvested crop. This gave money in the hands of farmers and also maintained the availability of food grains for supply to the whole of the nation.

In toto, the Agriculture Sector resulted to be the one which provided jobs to daily wagers (at least to those who were in the villages) and brought some relief to the government and the nation in such difficult times and helped India to sustain this lockdown. This sector is also the one which is least affected by the lockdown due to COVID-19.

The most affected ones in the primary sector are the vegetable farmers. Due to the lack of proper transportation facility and market, most of their produce was wasted since vegetables, unlike food grains, can sustain only from a few hours to few days (2-4 days at max.). The vegetable farmers were the one worst hit by the COVID-19 lockdown.

In the aforementioned order dated 24.03.2020, MHA declared that all the private and commercial establishments will remain shut. Due to this decision by the government mining industry which is considered as a part of both a primary as well as secondary sector, because of the functions it performs, was also to remain shut in the initial days of the lockdown. But soon, a virtual meeting took place between the ministers of the coal ministry and concluded that coal supplies and related services are to be considered as an essential service and should not be stopped. Therefore, the lockdown proved to be beneficial for the mining industry which will be discussed in detail in the secondary sector.

¹⁰ <https://pib.gov.in/newsite/PrintRelease.aspx?relid=199401>

2. SECONDARY SECTOR

Another important part of Indian economy is the Secondary Sector. Since it deals with manufacturing industry whether it be automobile, textile, steel, etc., is also called the “Manufacturing Sector”. It stands at the second stage of the pyramid, providing livelihood to 25.57% of the total employed (as of 2019).¹¹ Whatever has been produced in the primary sector comes to the secondary sector to get processed or molded and to become the final product ready to be in the tertiary sector. This sector accounts for 28.3% of India’s total GVA and hence, becomes the second largest contributor to India’s GDP.¹² This sector is worsley affected by the lockdown since it is by and large dependent on the labourers and mobility of raw material from one place to another. Further, we will be discussing the effect of lockdown on various important industries that fall under the manufacturing sector.

● MINING INDUSTRY

As discussed earlier, mining is not just about excavation and resource extraction but is also about production and exploration of all minerals. Mining Industry in India contributes significantly to the economy of India and also provides employment to a large number of people. Mining industry showed positive growth in March 2020. India was 2nd largest producer of steel, 3rd largest producer of coal, and 4rth largest producer of iron ore in the world rankings in the financial year 2020.¹³ Just like agriculture, the mining sector is no exception when it comes to COVID-19. The lockdown phase has affected the mining industry as it requires man force, labour power to carry out the groundwork. Mining industry is not only about manufacturing and production of the minerals but is also responsible for the transportation of such products.¹⁴ These minerals are imported and exported via inter and intra state borders and this is how it helps the economy to grow. After the imposition of the lockdown it was the government's order that all the Industrial establishments will remain closed, and the offices will work with minimum staff possible. In order to control the situation the mining companies had to stop their ground work as it was not possible for less people to carry out the work.

On 29th March 2020, MHA issued an order stating what goods and services are exempted from the lockdown.¹⁵ It further added a clause which states that all the essential and non essential goods will be permitted for the transportation. It brought some relief to the mining industry as it lifted a restriction on their transportation business. On 28th March 2020, the Union Minister of Coal, Mines and Parliamentary affairs declared coal supply as an essential service and ensured that during the lockdown period due to COVID-19 coal supplies should not stop and instead the ministry should work with full force so as to remain unaffected

¹¹ <https://data.worldbank.org/indicator/SL.IND.EMPL.ZS?locations=IN>

¹² https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf

¹³ <https://www.investindia.gov.in/sector/metals-mining>

¹⁴ <http://www.businessworld.in/article/Impact-Of-COVID-19-On-The-Mining-Sector/09-04-2020-188731/>

¹⁵ https://www.mha.gov.in/sites/default/files/PR_3rdAddendumtoLockdown_29032020.pdf

during this current situation.¹⁶ It was also kept in mind that these workers should not suffer from any symptom of coronavirus. Therefore, during the lockdown period the mining industry was operating without facing any difficulty. Neither the groundwork was stopped nor had the labourers or the workforce doing groundwork, to face any crisis.

● **ELECTRONIC INDUSTRY**

Coming to the ‘Electronic Industry of India’, it was observed that the global supply chain of the electronic products has been disturbed during the lockdown period. It also had dual impacts as other industries such as the chemical industry, textile industry etc. were shut. The manufacturing of electronic products was not possible with a low workforce and the import and export of these electronic items was also hampered due to the complete ban on transportation of goods, as only the essential goods were supposed to be transported. But to control the situation the government again came up with an alternative and asked the electronic industry to look over the opportunities that are arising out in this pandemic situation. Union Minister of Electronics and Information technology further advised the electronic industry to attract global investment and strengthen the sector by subsidizing the schemes introduced by the electronic ministry.¹⁷ The following schemes were notified by the ministry- Production Linked Incentive Scheme, the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, the Scheme for Promotion of manufacturing of Electronic Components and Semiconductors. These schemes were introduced so as to boost large investments, uplift domestic manufacturing, providing open employment opportunities for a long term period, etc. The above mentioned schemes are explained as follows-

- a) **Production Linked Incentive Scheme-** This scheme provides incentives to Large Scale Electronics Manufacturing to boost electronic manufacturing and attract large investments in the electronic value chain including electronic components and semiconductor packaging.¹⁸ The target segment of this scheme is mobile phones, SMT components, Printed Circuit Boards (PCB), Micro/Nano Electronic components, Assembly, Testing, Marking and Packaging (ATMP) units etc.¹⁹
- b) **The Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)** aims at establishing Electronic Manufacturing Clusters to create infrastructure with better facilities and amenities and to upgrade the infrastructure of Industrial Parks, estates, etc. to bring more investment.²⁰ It provides financial assistance to establish EMC projects and Common Facility Centres and to bring more investment.²¹
- c) **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductor-** The main objective of this scheme is to provide financial aid or incentive of upto 25% to the manufacturers of electronic components and

¹⁶ <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1608754>

¹⁷ <https://pib.gov.in/PressReleasePage.aspx?PRID=1619393>

¹⁸ https://meity.gov.in/writereaddata/files/production_linked_incentive_scheme.pdf

¹⁹ https://meity.gov.in/writereaddata/files/production_linked_incentive_scheme.pdf

²⁰ https://meity.gov.in/writereaddata/files/modified_electronics_manufacturing_clusters_scheme.pdf

²¹ <https://pib.gov.in/PressReleasePage.aspx?PRID=1607489>

semiconductors, if they are investing in new units or expansion of capacity, which is limited to certain goods only.²² But this scheme has a huge loophole. In the present time when the industry is already facing financial crunch it is very unlikely for such manufacturers to expand their business since the remaining 75% will have to be paid by them. In one piece, this scheme can not help the needy manufacturers, but can help those who wish to expand their business or invest in new units.

Also, the Union Minister of Electronics and Information Technology in the aforementioned press release dated 29th April, 2020, confirmed that ICT products are to be considered as essential goods so as to continue the sale of ICT essential goods and services related to ICT goods. The Government of India decided to provide the financial support of Rs 50,000 crores to the Electronic manufacturing industry and further mentioned that the initiative such as Aarogya Setu taken by the ministry of electronics and information technology will help in fighting against the coronavirus.

● **DEFENCE INDUSTRY**

The Defence industry is yet another industry of prime importance considering the ongoing minor border conflicts with countries like China and Pakistan. Looking at the situation in the country, it is important to maintain the import, manufacturing and supply of defence products to remain strengthened. The Ministry of Defence has been allocated with Rs. 4, 71, 378 Crore in the year 2020-21, which is 15.49% of the total Central Government Expenditure and 2.1% of GDP of the year 2020-21.²³ India is also one of the largest spenders on defence, which is on imports and exports of the arms and other products.²⁴ Since the MHA imposed lockdown and barred any type of service except essential goods and services, the defence was not covered under it, therefore the manufacturing/production and supply chain of defence products would have been affected, compromising with the supply to the Army personnels at the border. Amidst COVID-19, disruption in supply chain also could have arisen because of the disruption in supply of such products globally since we cannot import or export anything due to restrictions or shutdown of global trade.²⁵

● **FOOD INDUSTRY**

Food is the basic need of everyone, a need which forces a man to work day and night to earn food. It is considered as an essential commodity under section 2A of the Essential Commodities Act, 1955. As per the aforementioned Act, the 'essential commodity' means the commodity specified in Schedule I of the Act, which further includes foodstuffs, edible oilseeds and oils. To be precise, a person cannot live without food in any situation, be it a worldwide lockdown only. Since food is treated as an essential commodity it was therefore

²²https://meity.gov.in/writereaddata/files/scheme_for_promotion_of_manufacturing_of_electronic_components_and_semiconductors.pdf

²³ http://164.100.47.193/lssccommittee/Defence/17_Defence_5.pdf

²⁴ https://www.sipri.org/sites/default/files/2020-04/fs_2020_04_milex_0_0.pdf

²⁵ https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

exempted under the guidelines of the lockdown. The MHA Order dated 24.03.2020 issued guidelines regarding the lockdown due to COVID-19 and further mentioned that all the ration shops, food shops, groceries, will remain open for a specific time and home delivery will also be available so as to avoid crowd at shops, which helped the food & retail sector to run smoothly. Also, the fruits & vegetables, dairy and milk booths, meat and fish will be available during morning hours and not after that. People were also able to order food items through E-commerce sites with a notice that the delivery might fluctuate as per the current scenario. But, it eventually showed a good impact on the food sector as well as the E-commerce sector. Not only the availability of food was made easy but also the manufacturing, processing, transportation and distribution of food items was assisted by the Ministry of Food Processing Industries.²⁶ It was further decided what food items including the raw materials, packaged materials are to be manufactured, and how they are to be transported hassle free. All these steps were taken by the government to ensure that these industries which contribute to the economy of India do not face any difficulty post COVID-19 and also, to provide help to all those migrants who used to earn daily wages in the manufacturing industries. But, the places which were declared as containment zones faced difficulty as in these areas or districts the local administration in wake of COVID-19 is not allowing the food processing industries to continue their industrial work. Due to the minimum staff the export of these food items, the administration had faced hindrances. In clear terms, as compared to other industries, the food industry did not face much difficulty during COVID-19 times, as the office work operated smoothly with minimal staff and a grievance cell was formed where all the manufacturing, processing, transportation of food related problems were to be addressed and discussed to come up with a solution.

● PHARMA INDUSTRY

Indian pharma industry is well known, worldwide, for its quality generic products which it supplies to the global and domestic market. It has a significant contribution to the world trade of medicine occupying 20% of global share by volume. India is also the largest vaccine producer, supplying to 62% of the global demand.²⁷ These quality generics are even supplied to the economics like, US and EU.

The COVID-19 hasn't left any industry unaffected including the pharmaceutical industry across the globe. The effect of it has been seen in the form of rise in prices of essential drugs and transport challenges due to the lockdown. India relies heavily on China for the import of APIs.²⁸ Since China has also been facing lockdown, the manufacturing of API has been restricted or slowed down, resulting in the supply crunch of the essential ingredients of generic medicines. Since, there is also a lot of demand but due to lack of supply the costs are riding for the material required for the generic production.

²⁶ <https://pib.gov.in/PressReleasePage.aspx?PRID=1608340>

²⁷ <https://www.investindia.gov.in/sector/pharmaceuticals#:~:text=India%20is%20a%20prominent%20and,of%20global%20demand%20for%20vaccines.>

²⁸ <https://www.pharmatutor.org/articles/covid-19-impact-on-indian-pharma-companies>

Amidst the lockdown inter-state transportation has been a major issue. Due to the lockdown it was difficult for the transportation services to reach the distributors and then to retailers. To tackle this situation, the government did provide some ease in the lockdown, allowing the laboratories to operate and transport the samples, provided other sort of easement by including the pharma into the exempted industries which at least in some way eased the issues of pharma retailers and transporters.

In a report by HDFC Securities,²⁹ The Indian pharma has been witnessing regular 10-11% YoY growth to US\$20bn because of the healthy mix of volume and price led growth. The industry benefits from rising penetration of medicines, increasing affordability and growing incidences of chronic disorder diabetes, cardiac, CNS (Neuro) and oncology. In the report, it is also said that albeit the long term outlook is strong, there is expectation of deceleration in growth for H1 FY21. This is also due to the supply disruption and shut clinics resulting in fewer new prescriptions, delayed elective surgeries and attending only critical patients by hospitals.

● **TELECOMMUNICATIONS INDUSTRY**

The equipment manufacturing, Mobile Virtual Network Operators, expanding 3G and 4G coverage, Broadband, Telephone service providers are different parts covered under the telecommunications industry. It contributes 6.5% to the GDP of India and thus is known as the 2nd largest industry of India, providing employment to 4 million of the total population.³⁰ Telecommunications is yet another industry which remained under the exemption of the guidelines issued by MHA for lockdown due to COVID-19. In the abovementioned MHA order dated 24.03.2020, the telecommunications, internet services, broadcasting and cable services, IT services were considered as essential services and were allowed to work from home. Further, even in the second phase of the lockdown, this industry remained exempted, but it was certainly affected by the lockdown and faced other problems such as network glitch issues, coordination of network, connectivity issues due to increase in usage of network all around the world during this period. The reason for this was that all the companies, businesses, educational forums were now working from home i.e., The companies were supposed to go with virtual meetings, video conferencing, and similarly, educational forums were conducting webinars, online exams and viva-voce, distance learning, online courses and so the telecommunication companies have to come forward with alternatives to resolve the issue of network connectivity. Not only for business purposes but also for entertainment purposes telecommunication industry is at the spotlight today. This industry is facing different challenges in the COVID-19 as it is the only industry which is standing high when all the other industries are standstill. There was even a spike in the viewership of the streaming services like Netflix, Amazon prime etc. Further, the telecommunication industry faced several issues like fall in broadband speed, high load traffic, setting up more towers etc.

²⁹<https://www.hdfcsec.com/hsl.docs//HSL-Thematic-Pharma-Stock-Picks-280520-202005281521532768561.pdf>

³⁰ <https://www.investindia.gov.in/sector/telecom>

The manufacturing sector of telecommunication industry faced loss due to obstruction in the supply chains and suspension of production, and to ease this situation of loss financial aid needs to be provided to the industry which will again have different impact post COVID-19.

3. TERTIARY SECTOR

Tertiary sector is also called the service sector, which primarily deals with service providing like retail, education, mass media, finance, etc. In the 21st century India, a lot of focus has been given to the service sector which resulted in the employment of 32% (approx) in 2019 from 21.7% in 1991 out of total employed.³¹ It is also continuously out performing the agriculture sector and manufacturing sector, contributing around 55% to the total GVA in the year 2019-20.³² Since the behaviour of this sector is such that it has to, more or less, come into direct contact with the general public and provide service to them, like retail shops, banks, education, etc., it can't evade the adverse impact of the lockdown, which restricts the movement and contact among the general public. Albeit, few industries in the service sector were given exemption in the lockdown such as banking, healthcare, mass-media & entertainment but the overall impact on this sector was huge. Industries like education, transportation, hospitality, etc., were among few industries in this sector which were shut but were working under certain conditions only.

In this section of the paper, the author will discuss the role and position of the industries in the service sector during the lockdown and the impact of the same on them.

• EDUCATION

As rightly said by Malcolm X "Education is the passport for the better future, for tomorrow belongs to those who prepare for today", education builds the nations and prepares it for tomorrow and the students are the tomorrow. For the development of a nation and its future in the world, a nation has to educate its citizens and has to make them ready to lead their country ahead in technology and innovations and for the betterment of society.

After the imposition of lockdown under the MHA's aforementioned notification, the future of the country, the students were locked in their homes, away from their schools and colleges. Many subjects remained untaught due to imposition of lockdown amidst the semester, because of which students were deprived of the knowledge of many important subjects, which weakened the basics of the students. Many exams were postponed or cancelled since they can't be held online as India as of now is not properly equipped with infrastructure to organise something like online exams. According to UNESCO, COVID-19 situation affected 229 million students across 22 countries out of which 32 crores are affected in India only.³³ In simpler terms, the amount of loss faced by the students results in the loss of the future of the country and to mitigate this loss India has to come up with solutions. One can say that this

³¹ <https://data.worldbank.org/indicator/SL.SRV.EMPL.ZS?locations=IN>

³² https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap09_vol2.pdf

³³ <https://en.unesco.org/covid19/educationresponse>

is also an opportunity for India to develop the infrastructure and to realize what is needed to be done. To mitigate the loss India has seen a proliferation of e-learning or of digital education in India. Since the colleges have started providing digital education and e-learning the classes have become more interactive. Even though it cannot replace the classroom teaching, it does help in mitigating the situation. Digital learning also provides an option for learning something or a subject that one may not be able to study in their classroom. Online courses and distance learning programs have also seen a surge in the enrollment of students during these tough times. But digital learning and e-classrooms through zoom or other similar apps do pose certain problems since it requires proper infrastructure which India lacks. But e-learning is not such a viable option since one needs uninterrupted internet data service and other infrastructure which may not be available in small cities or towns or villages and such devices which the poor can't afford.

Education institutions in India, from schools to universities can use this present adversity as a blessing in disguise and make digital education a major part of the learning process for all learning since they are the future. Companies involved in the education sector can see this as an economic opportunity and also can be seen by India as an opportunity to properly evolve and develop the infrastructure which can properly support digital education in the upcoming future. To be precise this pandemic may prove to be the 'tipping point' for the reforms in the Indian Education System.

● **MEDIA & ENTERTAINMENT**

The Media & Entertainment industry comprises TV industry, Advertising Industry, and Print Media Industry, with 44.2%, 38.1%, and 24% of revenue share respectively. From 2016 to 2021 the Entertainment industry alone has contributed 11.8% to the annual growth rate. India is the 2nd largest TV market in the world, it has the world's largest film industry, and is also known for the largest newspaper circulation globally.³⁴

The COVID-19 lockdown proved to be a blessing in disguise for this industry or vice versa. Except the film and advertising industry, the overall Media & Entertainment industry has benefited from the lockdown since people were at home and were finding ways of entertainment during the lockdown. The Media industry brought back the Golden Era in this pandemic situation and recovered the loss occurred due to standstill of the industry. The Ministry of Information & Broadcasting highlighted the importance of Print and Electronic Media and said that this industry should operate even in the phase of lockdown.³⁵ Furthermore, all the TV channels, News agencies, radio stations helped in forwarding the important news and updates to the public at large and thus their proper functioning was necessary. If these are not operated properly, their outreach will stop and thus, will cause great disruption not only to the industry but will also result in misinformation among the general public. The Ministry of I&B further issued an advisory to print and electronic media,

³⁴ <https://www.investindia.gov.in/sector/media>

³⁵ <http://pibarchive.nic.in/newsite/pmreleases.aspx?mincode=11>

stating that all the media persons, reporters, cameraman who are covering the incidents and news related to COVID-19 in different parts of the country and also news in containment zones, hotspots areas which are affected by COVID-19 are to take precautionary measures while performing their job/ duties.³⁶

Ministry of Information and Broadcasting on 30th March³⁷ further advised the cable operators to carry on the functioning of Doordarshan Channel, LSTV and RSTV Channels. This gave Doordarshan an opportunity to bring back the golden era. Shows like Ramayana, Chanakya, Shaktimaan etc were back on the television and made the period of lockdown more enjoyable for the people. This all started when Prasar Bharti on 27th March 2020³⁸ decided to re-telecast the famous Ramanand Sagar's Ramayan on Doordarshan National channel. People at large gave their consent and expressed their happiness on Ramayan being re-telecast. The Press Information Bureau took another great step by setting up a portal which will release a daily bulletin covering all the government's decisions, progress and developments and spreading awareness among people related to COVID-19. The other TV channels such as Star Bharat, Star Plus, Zee TV also started re-telecasting their old shows. By this great step these channels, especially doordarshan, increased its viewership to the highest in the past few months of lockdown.

Coming to the other great initiative taken by the Media and Entertainment industry was that the DD National and All India Radio decided to broadcast educational content for students of classes 10th and 12th. This helped many students to continue their preparation for Engineering and Medical entrance examinations.

The Media & Entertainment industry performed well during COVID-19 pandemic situation, and further it can be said that all the measures taken by the Press Information Bureau, Ministry of Information & Broadcasting, Prasar Bharati proved to be beneficial for the industry in all aspects. It made the quarantine period interesting for people and made them stay home and prevent the spread of novel coronavirus. It also helped in balancing the economy by its continuous efforts and made the losses to the industry at minimum.

● **HEALTHCARE SERVICES**

It is a well known phrase that prevention is better than cure. For that cure, the healthcare sector is the one which helps in preventing any disease. In this time of COVID-19, the healthcare sector is standing with India as the backbone and helping to mitigate the effect of COVID-19. As the cases of Coronavirus are rising, the healthcare sector was supposed to be ready to deal with the blow by being fully equipped and ready. Since the Prime Minister said that the corona is nothing less than a war and to be prepared for the continuous war against COVID-19, it was necessary to have regular supply of medicines. After the imposition of

³⁶ <https://mib.gov.in/sites/default/files/Advisory%20to%20Print%20and%20Electronic%20Media.pdf>

³⁷ <http://pibarchive.nic.in/newsite/PrintRelease.aspx>

³⁸ <http://pibarchive.nic.in/newsite/pmreleases.aspx?mincode=11>

lock down, the Government and the healthcare sector was getting ready for the upcoming challenges, the government made beds, increased its production and import of medical equipment. After the imposition of lockdown, the private hospitals were ready for the patients but not for the upcoming consequences as there was also an ongoing crisis between India and China. In a report by FICCI on the impact assessment on the private healthcare sector,³⁹ It was told that due to strict measures being imposed to contain the outbreak of COVID-19, hospitals are witnessing a drop in both domestic and international patient footfalls and elective surgeries resulting in a drop of occupancy level to 40%. Although, it is good that the healthcare sector was ready for the Corona but since there is a drop in the number of other patients with lighter ailment, the economic blow to the sector is huge. They are incurring cash loss for the empty beds, which is more than 40% when compared to pre-COVID months, this burden is even greater for the diagnostic labs who are facing losses upto 80% in their revenue. As a result, this may prove to be a blow to the common people with the increase in prices. For complete preparations, there is a necessity of constant uninterrupted supply of medical tools, kits and devices but this is not the case because of the ongoing crisis on the border with china. India imports consumables, disposables and capital equipment like gloves, orthopaedic implants, syringes, bandages, etc from china and with the ongoing crisis this import looks hampered resulting into the shortages.⁴⁰ Overall it can be said that the Corona era hasn't left even the healthcare sector unaffected and have burdened them with losses.

● **FINANCIAL & BANKING SERVICES**

The impact of lockdown due to COVID-19 on the banking & financial sector has been severe as the business banks were observing low incomes, productions were shut so there was no revenue during this period.⁴¹ During the lockdown period Banks, ATMs and Insurance offices were under exceptions and were allowed to operate with the minimum staff possible. All the digital means were adopted for the proper flow of the transactions so that the general public does not face any problem during this lockdown period. Financial services have been down during this time whereas, there were several banks including Reserve Bank of India who were standing aside by the people by donating some amount to the PM Cares Fund.⁴²

Banks have taken steps to remove charges from the fund transfer through UPI, transaction through ATMs, and non-maintenance of balance of the accounts for the months of lockdown. To avoid contact, banks have adopted digital platforms through which customers can easily do transactions at their homes. All the bill payments, recharges can be done through various online platforms easily. Banks also made assure that they remain available 24*7 for their customers, though sometimes it is possible that the problem might take time to be solved due to the unavailability of complete staff. But the banking services were operative during the

³⁹https://www.ey.com/en_in/life-sciences/impact-of-covid-19-private-healthcare-sector-calls-for-urgent-financial-stimulus

⁴⁰<https://economictimes.indiatimes.com/markets/stocks/news/coronavirus-impact-on-healthcare-sector/articleshow/75136714.cms>

⁴¹ <https://www.tcs.com/covid-19-crisis-implications-for-financial-services-industry>

⁴² https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49735

lockdown but the numbers of transactions were less in these times as compared to the earlier times.

● **HOSPITALITY & TOURISM SERVICES**

When the lockdown was imposed in the country due to COVID-19, all the hospitality services were suspended. The only exception was that for tourists and the migrants, who were standstill, were to be provided with the hospitality services i.e., these people will be allowed to stay in hotel, lodge, and motels following all the social distancing norms and safety measures. Due to the sudden imposition of lockdown the very first step taken by the government was to stop the movement of each and every individual. The tourists were not able to return back to their native countries and similarly, the migrant labourers were not able to go back to their homes. For their stay, the Ministry of Tourism issued guidelines for all the Tourism Service Providers elaborating all the safety measures which are to be followed while providing hospitality services to all the guests.⁴³

All the service providers engaged in domestic as well as international tourism services were to ensure more safety by adopting methods which would trace the virus at the earliest point to avoid spreading it in public at large. Each and every single guest will be screened and if any similar symptoms of coronavirus are found, they will be isolated as soon as possible. Those tourists and migrant workers who are allowed to stay at hotels, lodges were supposed to maintain proper distance with each other in the hotel premises and were to use masks, gloves and hand sanitizers. Proper sanitation was taken care even at the time of booking for different services.

Therefore, we can say that hospitality services were on standstill with few exceptions as they were operative just to help those people who were stuck at different places and were having no place to stay. On the other hand, there were tourism services which showed no positive growth at the time of this pandemic situation. During the first two phases of lockdown, no individual was allowed to travel and thus this caused a large disruption since those tourists who visited India for discovering different places of India were now not able to visit tourism spots and had to stay in their respective hotels, lodges etc.

● **TRANSPORTATION SECTOR**

The largest and the most diverse sector of India has faced huge amounts of loss during the lockdown period. Since transportation (public & private) was the main cause of the spread of the deadly virus, the Ministry of home affairs decided to shut down all means of transportation, whether it be public transport or private. All the auto rickshaws, cabs, buses, trains, airplanes were to remain shut during the first two phases of the lockdown. As previously mentioned in the paper, only the transportation of essential goods was allowed via

⁴³<http://tourism.gov.in/sites/default/files/Operational%20Recommendations%20forTourism%20Service%20Providers.pdf>

railways and highways. Standstill of this industry not only showed downside to the economy but also had a drawback on the employment rate as well.

The movement of buses and cabs (taxis) have come to a halt, due to which the operators of these services are facing huge amounts of loss as they are not allowed to deduct the salary of the drivers during the lockdown period. They are not only facing financial loss but also the debt repayments are a big burden on them.⁴⁴ But this pause in the transport sector has shown a positive side to the environment. With the stop in the movement of these vehicles, there is a drop in pollution level too.⁴⁵

During the lockdown period, less than 1% of the bus services were operational on the government's orders for the people who needed medical emergency. Not completely but these bus services started operating for the migrants in the middle of the lockdown period, so that they can be sent back to their homes. This was not enough to cover the loss incurred during the initial phases of the lockdown. Even in the post COVID-19 situation the demand and supply of this sector will remain low. People will restrain themselves from travelling, and those who wish to travel will use their personal vehicles to travel so as to avoid contact from more people and prevent themselves from coronavirus. Therefore, from march to may, if we talk specifically about the first two phases of the lockdown then we can say that the positive impact on this sector was equal to 0% and even today the transport sector is facing losses because of its non-operational scenario.

● **RETAIL & E-COMMERCE SERVICES**

The most powerful and the growing industry of India i.e., The 'Retail and E-Commerce' industry contributes 10% to the GDP of India and provides employment to 8% of the Indian population.⁴⁶ Any positive or negative effect to the industry will directly affect the economy of India and many people (employees in this sector) will have to face consequences accordingly. This industry was worst affected by the COVID-19 pandemic. All the Kirana stores, shopping malls were shut down in the first phase of the lockdown. As per the MHA's guidelines for the first phase of lockdown, only the ration shops under the public distribution system, shops dealing with food and groceries were allowed to remain open.⁴⁷ This exception was available to only a few shops and not all. Shopping malls were completely shut and only 1 or 2 shops dealing with essential items were open in a particular area. The people used to depend upon their nearby kirana shops for buying essential items, and so these kirana stores showed a massive growth during this pandemic. But, these stores also faced a problem of shortage of goods since due to the complete lockdown the raw materials were not being able to be produced because of which the supply chain of essential goods went slow. Also, this

⁴⁴<https://blogs.worldbank.org/endpovertyinsouthasia/rethinking-indias-public-transport-after-covid-19-lockdown-over>

⁴⁵ <https://ncdc.gov.in/cpcb/qa.php>

⁴⁶ <https://www.investindia.gov.in/sector/retail-e-commerce>

⁴⁷ https://www.mha.gov.in/sites/default/files/Guidelines_0.pdf

sector is mostly affected by consumer behavior. Due to the salary cuts or pay cuts most consumers are avoiding the purchase of products.⁴⁸

Around 18% in India are food retailers and the remaining 82% are non-food retailers according to the Retailers Association of India.⁴⁹ Now due to the imposition of the lockdown the non-food retailers like garment showrooms, Saris showrooms, Mobile and electronic shops were completely shut. Only the food retailers' shops were open. Again, this 18% of the food retail sector was operational but it was and it is facing severe liquidity challenges. There is no proper money flow which will eventually lead to unemployment and economic losses in this sector.

On the other hand, the E-commerce sector has also faced loss during this period. The Flipkart, Amazon, and all other shopping sites were only delivering the essential items but the delivery time for these products was slow since the transportation of these products was paused and the complete ban on the movement of persons led to the delay in the delivery of the product. Therefore, we can conclude that the impact of lockdown due to COVID-19 on this particular sector was not good and positive. Even from the future perspective this sector has faced a long term loss which cannot be recovered steadily.

CONCLUSION

COVID-19 had a huge impact all around the globe and India was at no better position. Except the primary sector, which was least affected, most of the other industries faced hard blows by COVID-19. The Government on the other hand, was trying its best to curb the effect of lockdown due to COVID-19 on these different sectors and industries. For instance If we talk about the 'Primary Sector', the agriculture sector was the one which faced minimal blows and even saw bumper production benefiting the farmers. The problems farmers faced during the lockdown period was also taken into consideration and were allowed to carry on their field work with proper care.

Those workers who migrated from villages to cities were jobless during this phase and experienced havoc due to sudden shutdown of all manufacturing industries. This marginalised section of the society feared the spread of coronavirus, along with their basic needs such as food, shelter and made them anxious as to how they and their family will survive in this situation.⁵⁰ Keeping in mind the condition of all poor people, the government came up with 'Pradhan Mantri Gareeb Kalyan Yojana', which says that no individual, especially the poor, will suffer the non-accountability of food during these months of lockdown. All essential ingredients like cereals and pulses will be provided to them free of

⁴⁸ <https://www.investindia.gov.in/team-india-blogs/emerging-covid-19-trends-retail-sector>

⁴⁹ https://rai.net.in/COVID-19/RAI%20Survey_Impact%20of%20COVID-19%20on%20Indian%20Retail.pdf

⁵⁰ <https://www.mohfw.gov.in/pdf/RevisedPsychosocialissuesofmigrantsCOVID19.pdf>

cost by the government of India.⁵¹ This step by the government was able to help these migrant labourers to some extent.

Looking at the ‘Secondary Sector’, we agree that this sector experienced a great downfall, but there were some industries which were able to cope with this tough situation with the help of the government. For instance, the government assisted the electronic sector by implementing new schemes like Production Linked Incentive Scheme, the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, the Scheme for Promotion of manufacturing of Electronic Components and Semiconductors which are explained above. Also, the manufacturing industries producing essential products such as food products, coal production, were allowed to operate during lockdown.

Opposite to the agriculture sector, the Healthcare, diagnostic lab and pharma industry faced severe losses. They received the blow from two sides. First one is because of the fall in patients and elective surgeries and less visit to diagnostic labs and lesser number of prescriptions. The second was because of the ongoing border crisis with China resulting in the disruption in import and supply of medical tools, kits, diagnostic machines and essential drugs.

Also, some of the industries of the ‘tertiary sector’ faced the real disaster of this lockdown. COVID-19 has not only proved to be heavy on doctors providing medical facilities but also on educational services, entertainment services, financial services, real estate services etc. All the educational institutions were shut and students were sent back to their homes in the mid-year. No classes, no examinations, no practicals, no vivas were supposed to be conducted for the said period of time. This industry somehow came out with an alternative to start online classes, online examinations and due to this, not all but some institutions were able to overcome this crisis to an extent. All the business work, financial work were to be done from home. A staff of 2-3 people was appointed to stay in offices for the redressal of public grievances on time.

The first and the second phase of lockdown created chaos in the lives of people by putting a full stop on their sources of income of many people, deduction in the salaries of the employees, very less purchases and transactions were done which affected the economy in a negative way. Although this lockdown was necessary to flatten the curve of COVID-19 cases, the sudden imposition of lockdown without any proper measures proved to be useless. The ratio of people staying safe at home was very less as compared to people being attacked by the coronavirus. For the first 21 days, there were many migrant labourers who were having no source of income, no food, and no shelter to live. They were dying with hunger, depression and sadness and not from coronavirus. Again, golden days were back, but only for those who had enough to survive this period. Those who had nothing were living a cruel life.

⁵¹ <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1608345>

Overall, the impact of COVID-19 was huge on India and its already crumbling economy. It is said that due to COVID-19 there will be a loss of millions of jobs, pushing 12 million into poverty⁵² and also the National Statistical Office (NSO) has cut down the growth rates for the three quarters of 2019. Also due to the lockdown there will be huge loss of revenue.⁵³

⁵²blogs.worldbank.org/opendata/impact-covid-19-coronavirus-global-poverty-why-sub-saharan-africa-might-be-region-hardest

⁵³ <https://www.prsindia.org/theprsblog/impact-lockdown-government-revenue>