Opportunities for Indian Economy in Pandemic: Economic Impact of COVID-19

Sarika Gupta
Research Scholar
Department of Commerce, D.D.U. Gorakhpur University, Gorakhpur, Uttar Pradesh, India

Dr. Sanjeet Kumar Gupta
Professor
Department of Commerce, D.D.U. Gorakhpur University, Gorakhpur, Uttar Pradesh, India

ABSTRACT
Outbreak of Chinese virus COVID-19 has devastating impact on human life and on Global economy. Entire world has witness the downfall of their economy. Social distancing and worldwide lockdown is only available protection from this novel corona virus. Country wide lockdown in India prevailing for months and stagnant economy led Global organizations to project decreased growth rate of India. Amid epidemic chaos India has a ray of hope to support falling economy by capitalizing its opportunity lying in Doordarshan, healthcare sector, online platforms, and revive its Make in India projects.

This research paper tries to explore the possibilities of revenue earning in these areas and convert virus threat Indian economy into its opportunities.

Keywords: COVID-19, lockdown, economy, opportunity.

1. Introduction
The outbreak of COVID-19 from its inception turned out to be a curse for humankind and precipitous loss to global economy. Epidemic and economy both are positively co-related with each other (Lee & Mckibbin 2004). COVID-19, a Chinese virus had devastating impact on human life as more than 2,44,000 approx. people decease and till date 3.43 million people are affected(3 march,2020 Wikipedia)

On other hand, global economy is suffering from downfall as lockdown is prevailing in every infected country to stop transmission of virus.
In India lockdown was announced on 23rd March, 2020 putting all economic activities at a standstill leaving only essentials services to operate which includes, stock exchange, manufacturing of essentials commodities, logistics, healthcare, etc.

On the very first day of lockdown direct impact was registered on Indian Stock Market, BSE Sensex plunged 2991 points to 26924, while NSE benchmark NIFTY fell 824 points to 7903 (23rd March, 2020, ET market). This resulted SEBI to trigger lower circuit and trading on the bourses halted for 45 minutes. After a week of lockdown, Western Indian Railways confirmed that it suffered a loss of Rs. 178.5 cr till 29 March 2020 due to cancellation of tickets and halted operations.

IMF in its report, “Confronting the Crisis: Priorities for the Global Economy” anticipated that Global growth is turning sharply negative in 2020 and worst economic fallout since the Great Depression, and India too will face hardship. According to the report of CMIE total unemployment of India will be 23.4% and urban unemployment will account 30.9%.

The worst situation of India is anticipated by World Bank, as India to record worst growth performance since 1991 due to devastating impact of corona virus and GDP of India is targeted between 4.8%–5%. Asian Development Bank, anticipate India’s growth down to 4%.

Overall economy is having a downfall but there are certain areas of economy which are recording an upward trend amid in the chaos of Epidemic 2020.

Objective:

This research work is designed to explore the areas in economy which still stand firm in the time when Global economy is harshly affected by COVID-19. These sectors, working on their strength can turn the virus threat into their opportunity.

2. Review Literature

Research work is based on secondary data, which has been collected from journals, Research paper, Newspaper, Literature Reviews, Statement of Interview of business officials, websites. An exploratory research was chosen in order to develop a profound understanding of the research topic and obtain in depth data about the research objectives.

3. Sectors finding opportunities in Epidemic

(i) Doordarshan Channel

Development in the broadcasting industry, OTT platform have been serious challenge to government owned Doordarshan Broadcast. Since Doordarshan is bound by its mandate to offer programs that is not just commercially driven, but one that “educate, inform, and
entertains”. Doordarshan was operating in an industry which is aggressively competitive in matters of TRPs with international broadcasting industry and other private broadcasters. Thus, Doordarshan was facing serious challenges of featuring contents of public interest while competing for resources with private broadcasters who are not bounded by such orientation. This led revenue of Doordarshan to grow with creeping rates.

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross revenue</th>
<th>Net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>990.5</td>
<td>884.2</td>
</tr>
<tr>
<td>2015-16</td>
<td>856.6</td>
<td>753.8</td>
</tr>
<tr>
<td>2016-17</td>
<td>958.3</td>
<td>828.5</td>
</tr>
<tr>
<td>2017-18</td>
<td>1027.7</td>
<td>884.4</td>
</tr>
<tr>
<td>2018-19</td>
<td>1113.7</td>
<td>943.8</td>
</tr>
</tbody>
</table>

Figure: Gross and Net Revenue of Doordarshan

With changing in genres and working on contents to broadcast, DD is trying to cope up with meeting new demands of viewers managed to record 5years highest revenue of RS 943.8 cr as on 31st march 2019.

Amid lockdown, old popular tele-shows are replayed such as Mahabharata, Ramayana, etc made Doordarshan most watched channel in third week of lockdown stretching from march 28 to April 3, 2020(BARC data) and raised TRPs for DD resulted in attracting commercial advertisements to play their advertisement in intervals of show(Jog, Patel & Prateek, 2015). This flood of commercials advertisements plays an opportunity for loss making channel to revive their future existence. Lockdown due to corona virus and Replay of old shows proved to be a golden opportunity for Doordarshan to attract new viewers and sustain the existing one and also, adding up revenue to launch new programmes for future.

(ii) Pharmaceutical Sector:

India is called ‘Pharmacy of the world’ as India exported pharmaceutical products worth $4 billion to Africa in 2015. Apart from this India ranks third worldwide for pharmaceutical production at affordable price.

In this pandemic, India is fortunate to be largest producer of Hydrochloroquine (HCQ). As Indian scientist ICMR and FDA of US both approved uses HCQ as treatment of COVID-19.

Thus, India can garner opportunity in this epidemic in supplying HCQ drugs and other related drugs to US, Nepal, Bhutan, Bangladesh, Spain, Germany, Bahrain, Brazil, Sri Lanka and Afganistan. For this purpose, Indian Pharmaceutical Industries are increasing their production capacity to make 200million tablets a month. During March 2020, 2.75million strips of drugs worth Rs. 21cr were sold in comparison average 1.7million strips per month from March 2019 to Feb 2020(Market Researcher AIOCD-AWACS).
Therefore exporting the surplus HCQ tablets to different nation, by optimally utilizing their production capacity will increase turnover of Pharma Industries in India, which hit four year low growth rate in recent fiscal year 2017-18 recording growth of 3.03 % from previous fiscal year.

With opportunity knocking Pharma Industry, Pharma Shares also shows bullish trend on Indian Stock Exchange either be on Nifty Pharma or BSE healthcare Index.

As fear of corona virus led economic slowdown, the Pharma Industries assured Government to supply enough drugs & medicine to tackle contingency period in India as well as world. It is recorded that BSE Healthcare Index has gained 1.87% in one week, 1.80 in one month and 5.72% since the beginning of 2020. Spread of virus has led Global investors to rush for Pharma Shares. Pharma Industries had strengthened their ability to deal with increasing demand for drugs which resulted into better market expansion and bullish trend in Pharma Share give large market capitalization.

Opportunities lies with investors to trade in Pharma Shares and other Pharma Industries can increase their turnover by meeting Global demand of medicines.

(iii) Online Platform:

Online Gaming Zones.

India is the largest emerging market of online gaming applications, nearly 3 billion annually users and with online gaming segments is estimated to be $1.1billion opportunity by 2021(Google-KPMG Report).

Founders of Gaming Zones stated, that lockdown proves to be the best time for online gaming platforms as users are spending 70-80%m more time on the platform (Run Games Noida)

Industries are stagnant due to pandemic, in this digital gaming industries is booming and giving opportunities for gaming startups a ready market with potential users. Lockdown proves golden time for Gaming startups to work differently to engage the user base with the surge in number of users and longer hours of engagement.

Online learning Apps

Outbreak of COVID-19 has disrupted the classroom learning. At such a time, several startups using technology trying to bring quality education to students across the country and fixing the hindrance of place, problem by aiding virtual classes for learners and teachers.

Massive surge has been recorded in online education as per Edtech Unicorn Byju’s, there has been a 60% increase in number of students using app to learn from home daily.(Divya Gokulnath, Byju’s)

Another Edtech, Bright Tee witnesses’ growth of 124% increase in students for e-learning (Anant Goyal, Bright Tee)
Testbook, an online learning platform for Government job exam preparation, recorded 41.7% of the first time users registering for the courses at Testbook (Ashutosh Kumar, Testbook).

Corona Virus, pandemic proved to be robust online model for education; Indian Edtech startups have oceans of opportunities to cater the need of learners when offline model of education has come to a standstill.

(iv) Make In India Campaign, a second chance

Make In India campaign was launched in Sep 2014, was aimed at boosting manufacturing in India but failed to achieve its objectives (Kumar, 2016). Make In India tends to violate the theory of comparative advantage in its production (Sahoo, 2018) when it is compared with China. Outbreak of corona virus disrupts the operations in China and manufacturing units are shutdown. This makes Global Company relying on China to switch for different components supplier. Japan already earmarked $2.2 billion to help its companies to shift production out of China. Similarly big organization like Apple Inc. And Wistron are planning to switch their production from China to some other country. Over the year China emerged as manufacturing powerhouse but as China is suffering due to economic lockdown, India gains a comparative advantage for manufacturing the components which were earlier manufactured in China. Hero Motor Corporation of India has already received queries from the companies who have operations in China, but now want to de-risk their supply chain (Pankaj Munjal, MD).

With new opportunity, it is expected that India would double its exports of electronics products in 3 years (Amit Manwani, President) as per Electronic Industries Association of India. Nailing the opportunity, March 2020, India’s Cabinet announced a production linked incentives (PLI) scheme for the electronics sectors with an outlay of over Rs.40,000 cr. With this India’s export of electronic products will be worth $9 billion each year, while domestic market is estimated for $120 billion. Indian firms depending on imports from China will now localize their production and will revive the aim of Make In India projects and let India become ‘second China to the world’.

4. Conclusion:

This research was done with an objective to find out hidden opportunities lies in Corona virus chaos led economy.
Research findings exhibit that Prasar Bharti Doordarshan is turning crisis time into revenue by telecasting old popular shows and becoming highest TRPs channel and attracting revenues for its future projects.

India profoundly called ‘Pharmacy of the world’ stands true as India is supplying drugs to world to fight against Covid-19, which results into increase in export of India. Online platforms are booming and giving ocean’s of opportunities to entrepreneurs & budding software engineers to execute their startups and generate revenue out of it which will add up to GDP of India.

Lastly, unsuccessful Make In India campaign can be revive as world is looking for second China, and India earns comparative advantage of it.

These sectors in India have advantageous time to capitalize their opportunity and neutralize the threat economic impact of corona virus.

Undoubtedly, loss accounted in this epidemic chaos is unaccountable but a ray of hope is needed to uplift virus strangled Indian economy.

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