

# Impact of Covid-19 Pandemic on the Indian Economic Sectors

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## **Abstract:**

*It has been more than year and a half since the COVID-19 pandemic penetrated the deepest core of human civilization and made us realize the power of Mother Nature. In India, after the first wave, we thought that we had gained control of the situation but the second wave found us wanting for basic necessities such as oxygen and medical supplies. It might appear that the second wave is on its way out with daily cases coming down to under 60,000 from the peaks of nearly 4 lakh cases, but we have lost over 3.8 lakh precious lives to COVID-19 already. With the hope that the situation will significantly improve on the medical side, it is time to assess the impact of the second wave on macroeconomics.*

**Keywords:** *Pandemic, Crisis, Economic Development, Global Economy.*

## **1. Introduction**

This paper is an analysis of the economic impact of the Covid-19 pandemic in India. It describes the nature of impacts inflicted by the lockdown in the economy between March 2020 and October 2020. It also attempts to quantify the extent of economic losses in India using an Input-Output framework. Finally, it critically assesses the economic response of the Indian government in a comparative framework.

The impact of the Covid-19 pandemic on the global economy has been profound. It was on a fragile global economy that the pandemic first arrived in the early weeks of 2020. Strict lockdowns became necessary in almost all countries; in many countries, a second lockdown has been imposed to respond to the second wave in winter. Economic activities came to a halt. As factories and offices are temporarily closed, the production of goods and services declined. Supply chains were severely disrupted. Concurrently, autonomous to the *supply* shock, shrinkage took place on the *demand* side. As economic units were shut down, people lost jobs and wages. Aggregate effective demand also fell.

In short, the economic crisis induced by the pandemic was marked by an autonomous,

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