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GLOBAL IMPACT OF COVID-19



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WORD QUEST

COVID-19: GLOBALIZATION OR DE-GLOBALIZATION

By Jyoti Mishra-19221017 (MBA 1st Year)

COVID - 19 has made a significant impact on economic and social life of all the people around the globe. It has also impacted badly to all the employed people across various organizations. Now, this seems fairly obvious from the fact of this pandemic growing at a tremendous rate in many countries. This pandemic has led to closure of all the educational institutions, offices creating a social distancing among all of us subsequently leading to sharp decline in the national and global stock exchanges. The most affected sectors are tourism, gastronomy, culture, show business, cinematography, transport, education, health, trade and financial, banking and insurance sectors and fuel extraction and processing.

Moody's one of the biggest research firm has predicted that India's growth would be downgraded to 5.3% in 2020 due to the impact of COVID-19. "By first quarter of the next fiscal year, we can definitely see a shaving off of at least half a per cent of GDP, which could go up to 1% depending on how much it permeates through the economy," said Madan Sabnavis, who is currently the chief economist at CARE Ratings Agency.

Sectors such as aviation, tourism, hospitality and trade will be hit hard and will be facing the first brunt of the severe travel, assembly and activity curbs by the impositions provided by the government across the world. The sectors which would face supply constraints would be consumer durables, pharmaceuticals and automobiles. Productions would be also hit hard due to COVID-19.

China exports a business of \$163 billion across borders. However, this COVID-19 has ruined all their business being the epicenter and it would definitely affect their international trade with various other countries in the near future. This will create an opportunity for various countries to start developing their own resources and reduce their dependency rate on other countries especially with China.

India is less likely to get impacted since exports of goods and services is just one-fifth of the total economy. The oil prices in turn has reduced providing an additional benefit to India as it would provide a cushion, boosting the government revenue and creating room for household budgets.

The question arises, whether COVID - 19 will contribute to the increase of globalization or may lead to de-globalization practices. All the structural tendencies show the increase in globalization. The continuous growing needs for health and medical activities led by the pandemic would strengthen the corporation base on the global scale. The role of the national government is very important during the pandemic. It is solely responsible for taking all the decisions, such as emergency decisions, sealing the borders, forced quarantine, isolation of the citizens, hospitals construction, mobilization of army and other services. WHO and the European Union is also playing a very crucial role on combatting the pandemic. Countries are looking for more radical options in the context of health and public concerns. Though, it looks like slowdown in the pace of globalization in the current scenario as an ongoing reality but it may be too early to conclude that era of de-globalization has come.

COMMERCIAL RISE AND FALL AMIDST COVID-19



CORONA VIRUS IMPACT: GAINS AND LOSS

By Ruchika Tripathi-19221029
(MBA 1st Year)

It's really painful to see how corona virus has affected all our lives and many of us has lost their dear ones as well. People in masses are struggling with their lives to recover and the pandemic has taken the shape of a typhoon which looks unstoppable at this point of time. Though, China the epicenter seems to recover from this disease and people has started resuming back to their normal lives, there are many other countries including India who are yet to overcome this challenge. In a country like India, where 92% female and 82% male workers earn less than 10,000 per month, mostly people are living on what they are earning and not what they are saving. People have a short sighted approach towards life and their priorities are to meet up today's requirements. However, the increasing demand for insurance policies reflects that people are sensing the need for such investments as well.

The biggest gainer during this lockdown is the technology sector since the physical movement of people within and across countries have come to a pause. People across various sectors are mostly relying on internet and other electronic advancements for any communications and other information related to work and life. For example, me being a professional graduate of a B-school have been attending sessions over video/audio conferencing conducted by our professors to ensure that our studies must not get affected. Even kids and elderly people are spending most of their time on internet services for availing entertainment packages and listening to daily updates.

As people have gone in isolation, along with our real heroes (i.e. our cops, doctors and nurses) our logistics sector have been playing a crucial role since it is very challenging to deliver the necessary items to all the people across the globe where physical movements are completely restricted enforced by the jurisdiction of law. Due to the complete lockdown, entire tourism industry has been impacted very badly. Aviation, rail, and other means of passenger transport has come to stand still. Hospitality industry is facing a surmounting challenge since the business have come to a dramatic slowdown. IATA quoted that by the end of 2020, aviation sector may face a loss of 11% – 19% in global passenger revenues.

There has been a temporary full stop on the retail and ecommerce. Companies like amazon has eclared a temporary shutdown and the malls have been closed down to avoid social gathering and hence these companies are facing a significant loss. The Fintech firms have suffered a drop in transaction at all levels. As people are isolated they are spending less, which has led to slowdown in flow of funds. SENEX crashed like anything and the investors are struggling amidst. There is major dip in crypto currencies like BITCOIN. China has always been the major supplier and manufacturer both for the raw material as well as for the final product in the electronic industry. However, due to the outbreak of virus, China's production and supply got disrupted for electronic components thus leading to decrease in sales of electronic companies.

In this highs and lows there are many industries that were not affected at all whereas there are some which have maintained equilibrium and one such is the entertainment industry. Movie theater has been temporarily locked down, the theme parks being shut down to avoid large gathering, sports events being postponed has led to result in loss of the entertainment industry but it has also seen increase in users downloading gaming app, Netflix, Prime videos, etc. The homes which did not have Disney subscription have signed up for it.

All of us are affected by the current situation in one or the other way still we can hope for new beginning and wish for our economy to flourish again. Here is a glimpse of the industries with gains and losses due to the pandemic.

REALITY CHECK!!!

CASE-STUDY

By Kumar Pritam Mehta-19221013 (MBA 1st Year)

The stocks of Indian real estate companies are facing the negative impact because of the pandemic situation. Real estate companies like Mahindra Life spaces, Reliance Infra, DLF, have lost a significant share of their market capitalization, bringing the overall stock market in a state of panic. Koshy Varghese, MD, Value Designbuild Pvt Ltd. stated that “The effects of the closure and delay will definitely affect the Real estate investment trusts (REITs). I am apprehensive about the targets being met by all concerned stakeholders. On the positive side, I am confident that at the end of this, we will see an upward increase in fundraising activity.”

The outbreak of coronavirus from Wuhan, China and the recent spread of the virus all across the globe have adversely affected all the sectors like manufacturing, trade, business, market etc. India which is the fifth largest economy in the world is also no doubt under the negative impact of this pandemic.

Among all the major sectors which are being adversely affected by this pandemic the real estate industry in India has also seen deep downfall in terms of their business. The new launches and constructions all across the country have been put at bay, site visits and physical attendance of people working in this sector have come down and construction activities have come to a complete halt because joined businesses such of steel, heavy machinery, iron, electronic equipment's and other raw materials are heavily dependent on Chinese import. The manufacturing industries in all over China has been severely affected and leading to a direct impact on the prices of steel and other raw components required in the construction process. China which has the largest production capacity of 928.38 million ton (MT) of steel as per 2018 report, whereas India being the second-largest producer but still severely lags behind in terms of production capacity, which is at 106 million ton. China also ranks on the top for the production of other components like iron, cement and India stands fourth in it but still India is among the biggest importer of these components. Because the production in China is going down, the prices in the mutual industries are forced to increase, ultimately increasing the costs and reducing the profit margins of real estate developers in India.

But on a positive note it also can be stated that once this viral situation gets over then India can implement the learning's and whatever downfall it has experienced or faced during this tough time especially from the Indian business perspective, the coronavirus outbreak might be an opportunity for Indian businesses especially to the real state sector to increase the production capacity and give a boom to the “Make in India” campaign. The Indian Government has asked the steel companies to increase their production capacity and enroll into a larger market share.

The Ministry of Steel, Government of India, is preparing a strategy paper which will result in the production of 10 million tons of special steel at the cost of 500 billion with 50,000 employment potential in the current scenario.

WORDSEARCH

By Niharika-19221022 (MBA 1st Year)

S J G C H X C Q B T G S D D F B V E Y B B A O U
 D U Z K I J T I L W M V K V O P O K W P L B R I
 D N V U G J X R T C F L S U I C Y O B Z E F M T
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 I E T E V Q A E K X K T U X B S X L S Z A S Y P

fomite zoonotic morbidity contagion incubation
 asymptomatic pandemonium pandemic quarantine

PREPARING FOR THE SPREAD OF COVID-19

HOW DO I PREPARE?

CREATE A HOME EMERGENCY KIT

- NON-PERISHABLE FOOD
- BOTTLED WATER
- MEDICATIONS
- FLASHLIGHT + EXTRA BATTERIES
- FIRST AID KIT
- WARM CLOTHING
- BABY SUPPLIES
- PET SUPPLIES

KNOW THE SYMPTOMS OF COVID-19

- FEVER
- COUGH
- SHORTNESS OF BREATH
- SPREADS THROUGH CLOSE CONTACT

TAKE EVERYDAY PRECAUTIONS

- WASH YOUR HANDS
- DON'T TOUCH FACE
- AVOID SICK PEOPLE

INFORMATION + UPDATES: HEALTH.PA.GOV

pennsylvania GOVERNMENT OF PENNSYLVANIA
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HOW TO USE HAND SANITIZER

1. APPLY THE PRODUCT ON THE PALM
2. RUB IN THE PALM HAND
3. RUB THE BACK OF HAND
4. RUB BETWEEN THE FINGERS UNTIL DRY

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