iJRASET
International Journal For Research in Applied Science and Engineering Technology



INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Volume: 9 **Issue:** VII **Month of publication:** July 2021

DOI: https://doi.org/10.22214/ijraset.2021.35820

www.ijraset.com

Call: 08813907089 | E-mail ID: ijraset@gmail.com

International Journal for Research in Applied Science & Engineering Technology (IJRASET)
ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.429
Volume 9 Issue VII July 2021- Available at www.ijraset.com

Impact of Covid-19 Pandemic on Trade

Ghulam Omer Haidary
MBA Research scholar, Punjab Technical University

Abstract: ***Covid-19 surprised the whole world. It was originally seen as problem for china and then for the South-East Asia. On 17 November 2019 in China, the first COVID-19 infection was identified and on 30 January 2020 in India. As the pandemic continued, many countries had to enter a partial or total lock-down that affected the world economy. China, which was the epicentre of the pandemic, has suffered thousands and thousands of deaths and, at first, had news in the world because the economic trade was not kept too long shut and rapid recoveries were also thought to have occurred. The epidemic Covid-19 definitely very infectious and dangerous disease; spreads rapidly and has a major negative effect on the life and economy(WHO). More than 1 million people have lost their lives since the outbreak in 2019 coronavirus disease (COVID-19), and the global economy is projected to decline by 4.3% in 2020.The virus spreads mainly through small, coughing, sneezing and talking droplets during close contact with people. Instead of travelling over long distances, droplets usually come to the ground or surfaces. Unfortunately, it can be infected by touching and then touching the face of a contaminated surface. It is most contagious in the first three days after symptoms begin, but spreading is possible before symptoms occur and in persons with no symptoms. Millions of jobs are lost, millions of livelihoods are at risk, and another 130 million people are estimated to live in extreme poverty if there is a crisis that continues. This pandemic poses immense challenges and human suffering. The COVID-19 is still unfinished. In many countries there is an increasing number of new COVID-19 cases, while a second wave is already an unhappy situation for many countries. While the pandemic is still highly unclear as to how and when, the unprecedented economic shock caused by the world health crisis has already strongly exposed the pre-existing weaknesses of the world economy and has seriously sparked progress in development around the world. In current literature, the effects of epidemics and pandemics in the manufacturing sector and trades have not been taken into account. Rather, most research on the disruptive effects of public health crises such as these has focused on humanitarian issues, such as the effective distribution of food and other forms of relief (Dasaklis et al. 2012; Ivanov 2020a; Paul & Chowdhury 2020). The effects of these disruptions are serious because these crises have lasting reaction and can have simultaneous impacts on operations at multiple levels, including procurement, production and distribution.***

Keywords: ***Covid-19, Trade, Transaction, Monitoring, Technology***

I. INTRODUCTION

The pandemic and the resulting socio-economic impact have affected almost all areas of life, the report focuses on the massive impacts of the pandemic for trade and development. In order to avoid the further spread of this virus, several countries took a range of emergency steps, including whole area lockdowns, travel bans and workplace locks, which damage both demand and supply because people are locked up at home.

The pandemic of covid-19 greatly reduced Global Economic activity. The consequence of factory shutdowns resulted in a pause in China, India, USA, Australia Germany and so many countries due to the slide in supply and supply of products, which affected a large number of production sectors. The overall electronic imports of India are equal to 45% of that of China. Around 1/3 of the machinery and nearly 2/5 of all organic chemicals that India buys from China. China's share of Indian imports is more than 25 percent for automotive components and fertilizers. Approximately 65% to 70% of active pharmaceutical products and approximately 90% of certain mobile phones come from China to India. Moreover, trade relations during Covid-19 the need for indigenous production and importation of medical supplies has been increasing since the shadows of COVID-19 have fallen on the world. The COVID-19 has impacted the Indian economy and hence could add fuel to the trade deficits which has been persistently high in the recent years. The current pandemic also involves international trade as one of the potential victims. The objective of this text is limited, as it is too early to assess the real impact of the various processes now under way. The intention is to highlight one possible course of action which seems to emerge on the field, not to identify and analyse the probabilities of different scenarios. (Baldwin & di Mauro, 2020)

In general, China is said to be the largest source of raw materials for different finished products and this has a significant effect on the manufacturing industry. In certain industries, including the automobile sector and electronics, 0% of items have been produced and sold in most of these months. The total economic effect on India is projected to be the highest for chemicals: $129million, clothing and apparel; $64M, the automotive market: $34 M, electrical equipment: $12 M, leather products: $13 M, metals and metal

©IJRASET: All Rights are Reserved

products: $27 M, timber products: $15 M. According to the **UNCTAD** estimates, worldwide value chains exports could decline by 50 billion dollars a year, should China's intermediate input exportations decrease by two percent.

An import is a good or service bought in one country that was manufactured in another country. Imports and exports are the parts of international trade. If the value of a country's imports exceeds the value of its exports, the country has an adverse effect on the balance of trade, also known as a trade deficit. Export means to a product or service produced in one country but sold to a buyer abroad. Exports are one of the oldest forms of transfers between countries and are occurring on a huge scale **(Investopedia, 2021).**

II. LITERATURE REVIEW

A COVID-19 has a very disturbing economic impact. No one has been left of its ill effects. The World economic market is undergoing a major shift, with the share market falling day by day. It has shut down all the business such as factories, restaurants, pubs, markets, flights, supermarkets, malls, universities, schools, etc. Fear of the corona virus has restricted people's movement. People didn't even purchase the everyday items and they all had an impact on the overall world economy. It has also impact on trade. Moreover, The COVID-19 has a negative impact on Indian enterprise, according to a survey. Jobs are highly risky, as companies are searching for job cuts. The pandemic has had a profound effect on the Indians. The economy has a negative effect on its GDP, unemployment; inflation; domestic and international trade. Financial markets; the government budget. The MSME sector has witnessed a disturbing stage in its functioning as a result of this crisis, the most vulnerable sector in its current economy. In the financial year 2019-20, China accounted for over 5% of India's total exports and over 14% of its imports. In other words, with China, the largest exporter in India, India runs an enormous trade deficit. Although our neighbour's absolute values may have fallen, their share of the total pastry in the previous fiscal year rose to 13.68%. India is the seventh largest export destination for Chinese products according to state-supported Invest India data. In this section, an attempt has been made to produce the Indian relevant research objectives these are followed by:

Mr Marcus (2008) in his article, the researcher's attempt, through the unification of parameters of the condition and planning policies, to estimate the potential cost to the world economy. The models of policies include reduced labour supplies due to morbidity, mortality and closure of schools.

Panda et al. (2013) studies that China overshadowed the United States as the world's biggest trading nation and India became the 15th largest trading nation, according to World Trade Organization data. As emerging countries become more visible in world trade, the dynamical trade of these economies becomes important to understand. This study analyses China's and India's trade flows aim to compare the two nations' bilateral trade flows by using data over the period of nine years (2004-2013).

George and.al, 2013, the researchers indicate that the effect of a high-infection pandemic is more devastating than high-virulence rates. They also concluded that more economically inclusive countries globally are affected than their counterparts.

W.Kiu et al.(2016) This study examines and reviews previous literature in order to study previous pandemics concepts, which present a summary of the adverse consequences of these outbreaks on the global economy, safety, health and social security.

W Qiu and al, (2019) the present study explores and examines previous literature on the concepts of previous pandemics that summarise the negative effects of these outbreaks on the global economy, security, health and social security.

(Mishra, 2019) has studied in all areas, including growth, international trades, financial markets, unemployment, income, poverty and many more variables, COVID 19 is expected to have the economic effect. The effect of the propagation of the virus is expected to cause a major loss due to a serious impact on global trade.

Sharma et al. (2019) in this paper the Policies and Procedures to take corrective actions in such episodes and to broaden the conceptual & analytical measures. Employee a qualitative research design, based on Sentiment analysis to understand s industry expert's opinion concerning the economic impact of COVID - 19. Experts are still warning that zoonotic conditions will continue to present a danger to millions of people worldwide and that an integrated world economy will suffer similarly.

Sunil et al., (2020) has studied India's economy has also been adversely affected by the manufacturing slower in China, according to United Nations reports and India in the top fifteen countries has disrupted global trade too. This pandemic is estimated to have an impact on trade of approximately $348 million.

According to the WTO, (2020) the Indian growth model hinges on the export growth), so the lockdown in the spread of the virus can have a huge impact on growth. On the international market front, optimistic and pessimistic scenarios should fall between 13% and 32% respectively.

The Imperial College of London COVID 19 Ferguson et al. (2020) claim that the pandemic of COVID-19 is the worst episode since 1918. Despite comparisons, Barro (2020) found that the Spanish influenza pandemic was failing in 1918 to reduce overall deaths through non-pharmaceutical interventions.

©IJRASET: All Rights are Reserved

Martín-Calvo et al., (2020) for a time spent in different locations, mobile companies are proxies. You can't determine whether you place in the workplace or on the general community. You need to understand the diffusion of COVID-19.

Barua, (2020) has carried out research related to the COVID 19 pandemic and international trade, where the data are taken monthly before and following COVID 19 and there are a few economic theories used as the standard trade analysis framework. The conclusion says that the pandemic will introduce a new trade pattern and will affect trade relations, which will make certain economies winners and certain economies lose, and will certainly be affected by trade regulations.

Gruszczynski (2020) has studied relationships with the pandemic COVID 19 and international trade. The methodology of comparison is used and data is collected for short and long periods before COVID 19 and after COVID 19. The conclusion which is drawn is that COVIT 19 is a threat and a disaster which hurts every country's educational system, tourism, health care, financial system and economy. But COVID 19 is to be rejected for a long period and it is all going to be normal.

The Hindu Business Line (2020) shows that the esteemed daily paper has highlighted that the UN report has estimated of $348 million on the Indian economy. Further the report indicates that India is among the 15 economies which have been most affected due to the corona virus pandemic. Industries. This virus has a major knock-on effect on people's daily lives and on the world economy.

TejalKanitkar (2020) the input-output framework in this paper serves to estimate the scale of losses that the Indian economy will probably face in the first instance. These losses differ in different sectors both because of the particular shutdown periods faced by each sector and because sectors interdependent. This paper shows the use of a model for evaluation of the economic – large impact of lockdown to hamper the spread of Covid-19 and provides a method to connect the economy – broad impacts to specific sectoral issues as highlighted in this paper.

Mollik (2020) In India the increasing volume of COVID-19 cases is under consideration and different approaches to overcome the existing situation are discussed, including economic, human and environmental impacts during the lockout period of COVID-19. Social end-of-locking regulations have been used in India, with further economic, human and environmental impacts.

Baldwin & di Mauro (2020) argued that world trade could fall by 1.4 percent in the first half of 2020 due to this pandemic.

Mishra (2020) reported entitled “What the Union budget can do to re-energize India’s stagnant exports” and said that Government must allocate funds for rapid adoption of technology to digitize trade operations, implement new foreign trade policy. Once growing at over 20% India’s exports have been stuck at around $300 billion for the last one decade. In this circumstance, where the company's profit variability only depends on its exchange rate, higher exchange volatility - not necessarily changing at its average level - causes output and export reductions, reflecting the reduced exchange-rate risk exposure. That is, this fundamental model, which later was refined by Hooper and Kohlhagen (1978), establishes a rather negative relationship between the volatility of the exchange rate and international trade.

Testing is another factor of the study COVID-19 Baunez et al., (2020); Gollier and Gossner, (2020). This process is vital if we are to inform people with COVID-19 and to understand whether the pandemic dynamics are accelerating or disappearing in real time Baunez et al., (2020). It also allows non-infected people to be reintegrated into the workforce without being a risk to others. However, the level of the mass tests in all affected countries is insufficient for mass testingGollier and Gossner (2020).

III.METHODOLOGY

A descriptive research design is used in this study with the questionnaire as a primary tool for collecting the data. The question uses five- point scale, whereas 5 points measures strongly agree and 1 measures for strongly disagree. The questionnaire is prepared out for the literature review above discussed. The research is based on an empirical survey of 50 participants studying in Punjabi University. I used descriptive statistics and on a few questions I also used factor analysis test. These tests are really helpful me to getting a results of my questionnaire.

IV.RESULTS

A. Most affected sector by Covid-19

The investigation of pie chart depicts that the in question 1 we ask from the respondent that are like the most affected sector due to the covid-19 so in the response 45% of the respondents said there is a great impact on manufacturing sector while on the other hand 26% of the respondents said they had the covid-19 also affected add to the hospital Sector 2 it can be seen in the figure that there is a minimal impact of covid-19 on Indian agricultural are because we already know that India is known as for the agriculture land and as a service sector is also affected by the covid-19 has already shown in the in the pie chart at 8:20 around 21% of the respondents said agree on it. Descriptive statistics– Mean= 2.15, Median = 2.00, Standard deviation= 1.262 and Range is 3.

©IJRASET: All Rights are Reserved

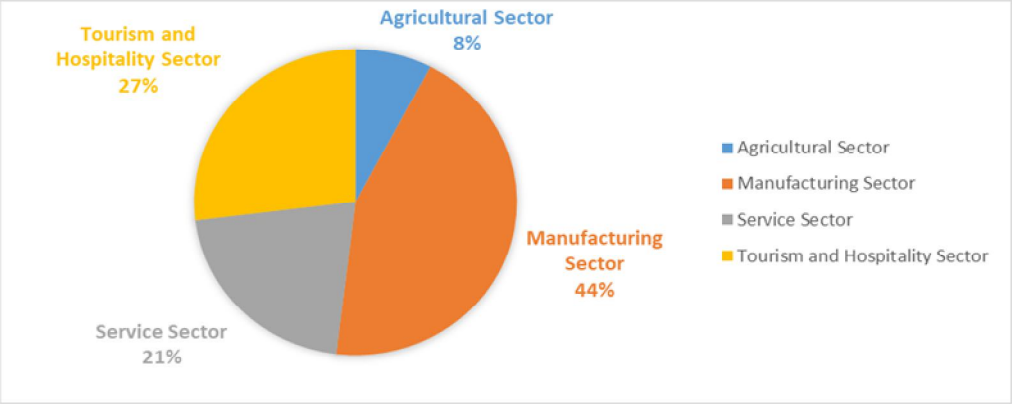


Fig. 1 Most affected sector by Covid-19

B. Impact of Covid-19 On Mobile Industry

On analysing the report, it is vividly seen that 29 respondents, who are firmly in the favour of that COVID-19 has impact on telecom industry. Apart from this, 20 and 3 students gave response to neutral and negative, respectively.

The data Interpretation describes that out of 53 responses mean=3.72, median = 4.00, standard deviation=.863, range = 3, Min= 1, and Max= 5 of this above bar graph.

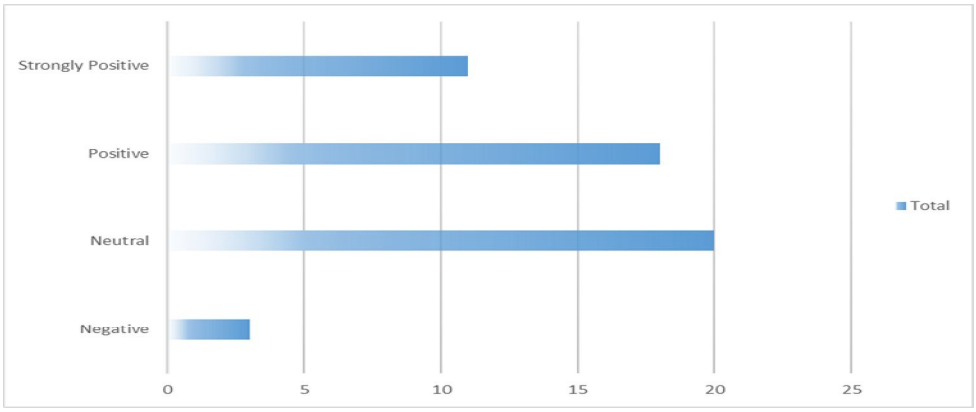


Fig. 2 Impact of Covid-19 O Mobile Industry

C. Border clash between India and China has affected trade relations

I ask from the respondents that had what do you think that really border clash Bade India China is affected relation so we did a survey and found it was around 80% of the respondent agree on it. Yes, because there is an Indo China border clash which affected trade relations between India and China because India's mobile sectors totally dependent on the China so as we know, most of the production and terms of the mobile and mobile accessories is take place in China. There are 53 respondents and the Mean= 1.38, Median = 4.00, standard deviation = .863 and range 2.

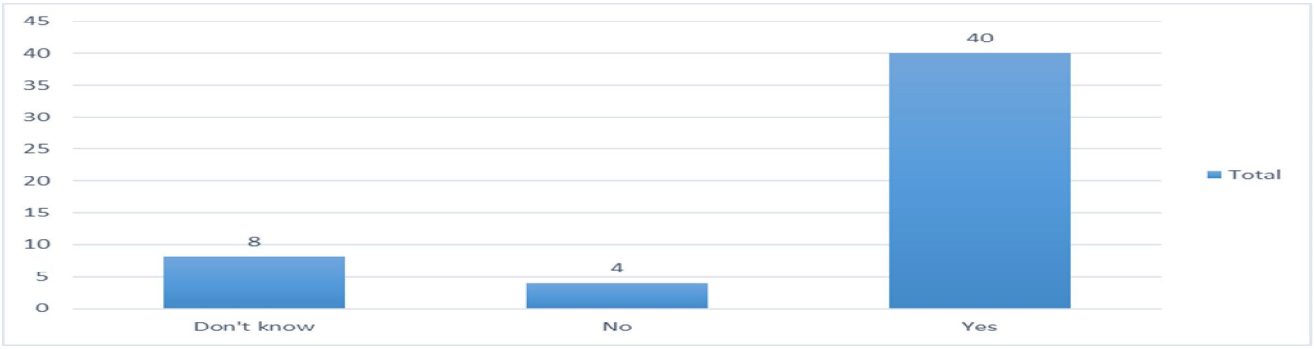


Fig. 3 Border clash between India and China has affected trade relations

©IJRASET: All Rights are Reserved

D. Mobile Industry Had Positive or Negative Impact

In this bar graph, it depicts that vast majority of respondents say that, COVID-19 has positive impact on mobile industry, whereas 20% gave responses that it has negative impact on mobile industry because their production and growth was decreasing day by day due to this pandemic. The data interpreters that the mean= 1.42, median= 1.00, standard deviation= .719 and the range is 4.

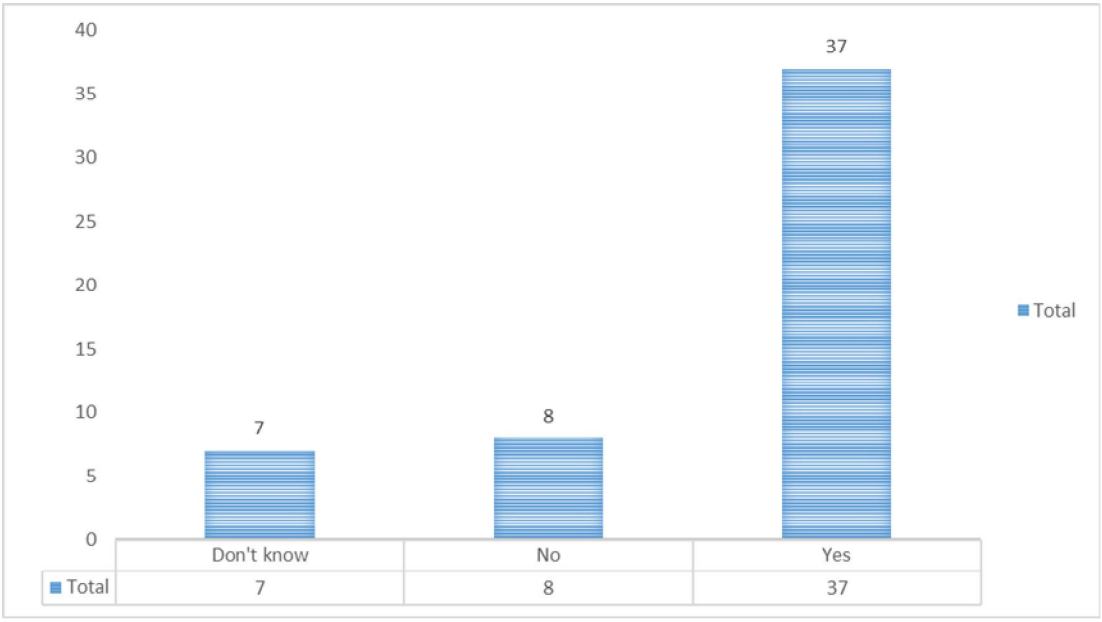


Fig. 4 Mobile industry had positive or negative impact

E. Challenges faced by Companies

There are the top challenges of that companies facing now due to the covid-19 pandemic there is the least border closed decline in labour decline production issue with changing business Strategies and chill in the Logistic and procedure.

Around 53% of the respondent agree on and border clothes are there is a great challenge between India and the China with restriction on the trade and after that the there is an equal percent of the respondents were agreeing on the decline production and issue with the changing business strategies. The data interpretation is that out of 53 respondents, the mean = 2.52, median= 3.00, standard deviation= 1.250 and range is 4.

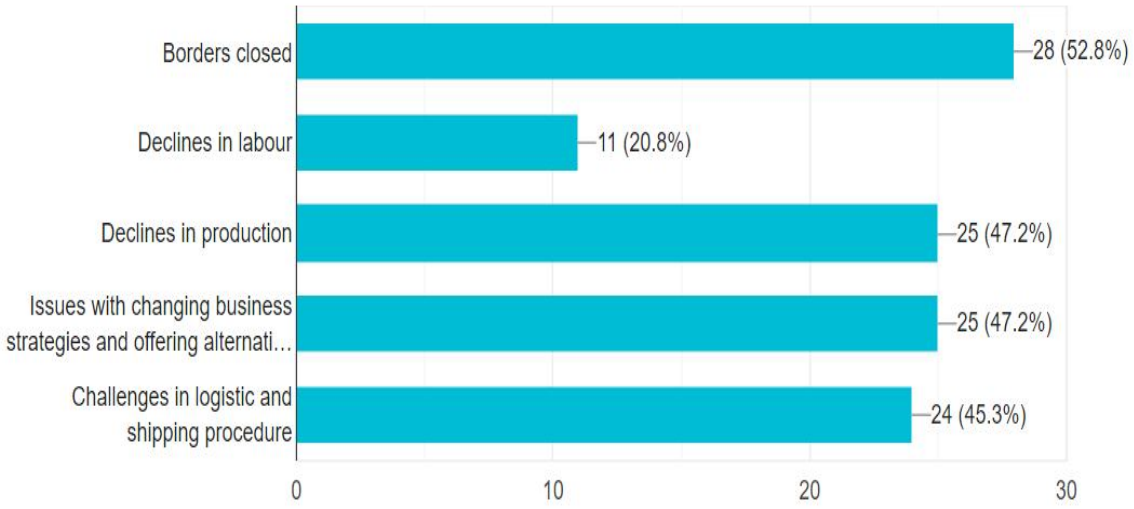


Fig. 5 Challenges faced by companies

©IJRASET: All Rights are Reserved

F. Unemployment Due to Covid-19

In this pie chart it shows the response, yes covid-19 has badly affected the employment of in all sectors and it brings unemployment in the in both the economy in and around the world economy 83% of the respondents were agreed at yes the covid-19 impact has bring the state unemployment and rest of the respondents give their difference like ignore covid-19 has not impact or bring the unemployment. The data interpretation explains that Mean = 1.25, Median = 1.00 and the standard deviation is 3.

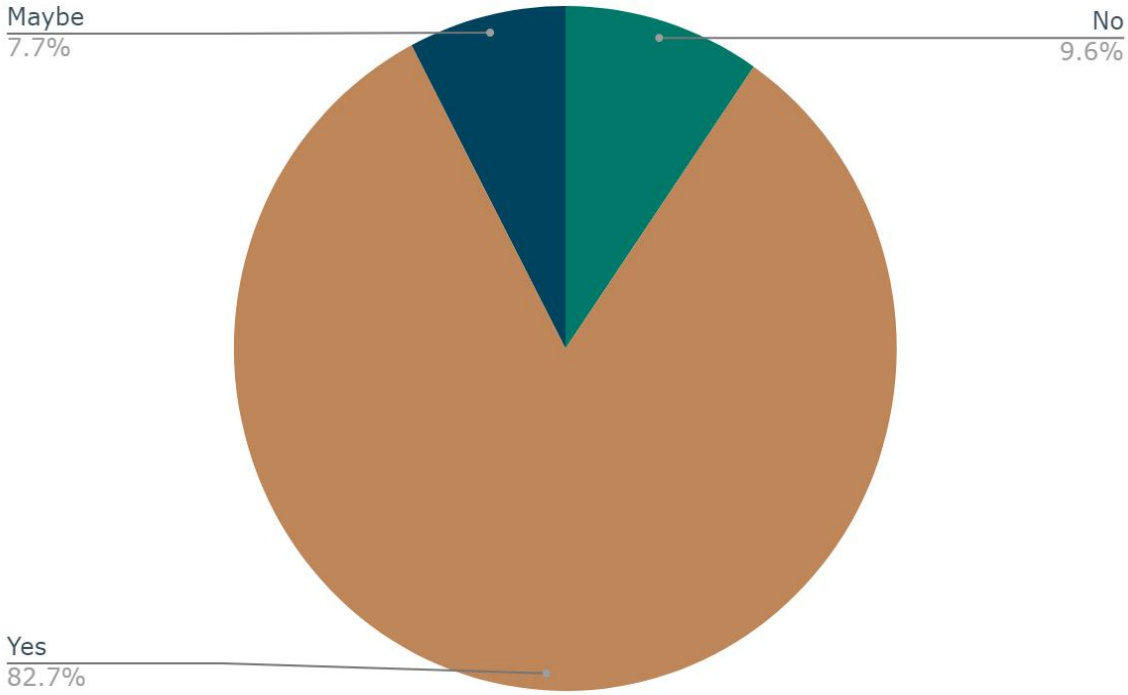


Fig. 6 Unemployment due to Covid-19

G. Reduction in Level of Salary

This pie chart indicates that reduction in level of employment salary due to the covid-19 respond references according to their services around 82% of the respondents were agree on the idea that the covid-19 has bring the salary down and unemployment High 17% of the respondents were confused about the reduction in the level of employment in due to the covid-19 they said there is there is a possibility that the community has reduced or not reduce the level of employment. The data examines that mean is 1.36, median is 1.00 and the standard deviation is 2.

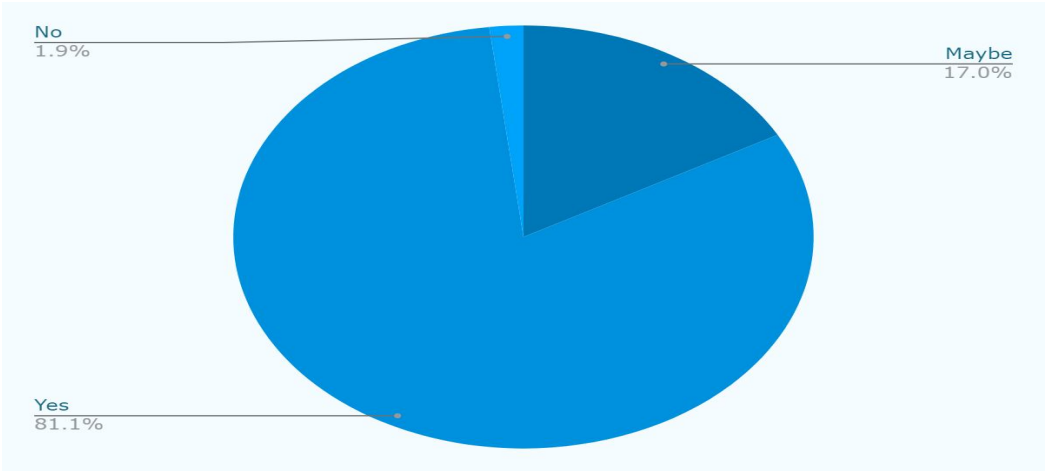


Fig. 7 Reduction in level of salary

©IJRASET: All Rights are Reserved

V. RECOMMENDATIONS

A. In all areas, more power should be provided for "digital India" – technology.
B. Supply chain network improvement is a must.
C. Policies will have to develop faster, more inclusively, and more agile than market leaders.
D. Whenever two countries are involved in bilateral trade, they should formulate pragmatic policies and try to keep good relations with each other.
E. The government of India should provide payroll tax holidays for a quarter to assist demands in these stressful times to increase liquidity and increase consumer confidence.
F. Many countries will move their businesses from China to countries like India following de-risk strategies. There will therefore be plenty of great opportunities for India to resist.
G. India should be maintained their bilateral trade relations
H. Government should make policy formulation to improve the trade barriers
I. Government ought to do more investment in their home country because it would help to reduce the dependency of china's trade.'
J. While preparing the marketing strategy, it should be kept in mind that there should not only be involvement of higher authorities but also the lower grade employee because they also have an opinion which could be helpful ineffective marketing strategies.
K. Government should do the SWOT analysis and remove all the weakness and focus on strength before preparing the marketing strategies
L. Globalization in manufacturing, and increasingly in-service provision, creating international competition and the development of new markets for goods andservices.
M. The efficiency of the product should be in such a way so that supply chain is not halted. All the policies should be efficient, either domestic or international.
N. They should invest in their own country rather than depending on any other nation for buying any goods or services.
O. Government should have good domestic policies so that national interest level is maintained. All these would aid in development as well as research and development is paramount for customers.

VI. CONCLUSION

Corona outbreaks are catastrophic impact and in times such as this anything is very uncertain and we are surrounded by many uncertainties. COVID-19 presents new challenges for market trends and economic operations. India has not begun to solve this condition in a systemic manner, but this issue must be placed first. Crises from COVID-19 are expanding and new challenges are emerging. It's therefore high time for us to understand the situation and coordinate this issue closely and clarify new plans and operations. It is evident that the new norm will emerge after COVID-19.

In India this has not been systematically started yet, and steps to deal with the health crisis must be made a priority. The effect of the COVID-19 on the Indian economy might be known after the implementation of the measures by rationalising tax rates or providing tax relief. The government policymakers need to apply substantial, targeted fiscal, broader monetary stimulus and policy cuts to help normalise the economic situation on the measures necessary to combat the economic impact of the rapidly spreading coronavirus. Increasingly, with the COVID-19 crisis, producers will likely face challenges in many ways.Furthermore, manufacturers must look beyond economic viability. They will need to co-ordinate closely with the public sector to develop plans essential both for public safety and the solvency of their workforce, while maintaining a climate of difficult light in their operations. Some are austere but austerity measures should be tempered in order to maintain long-term goals.

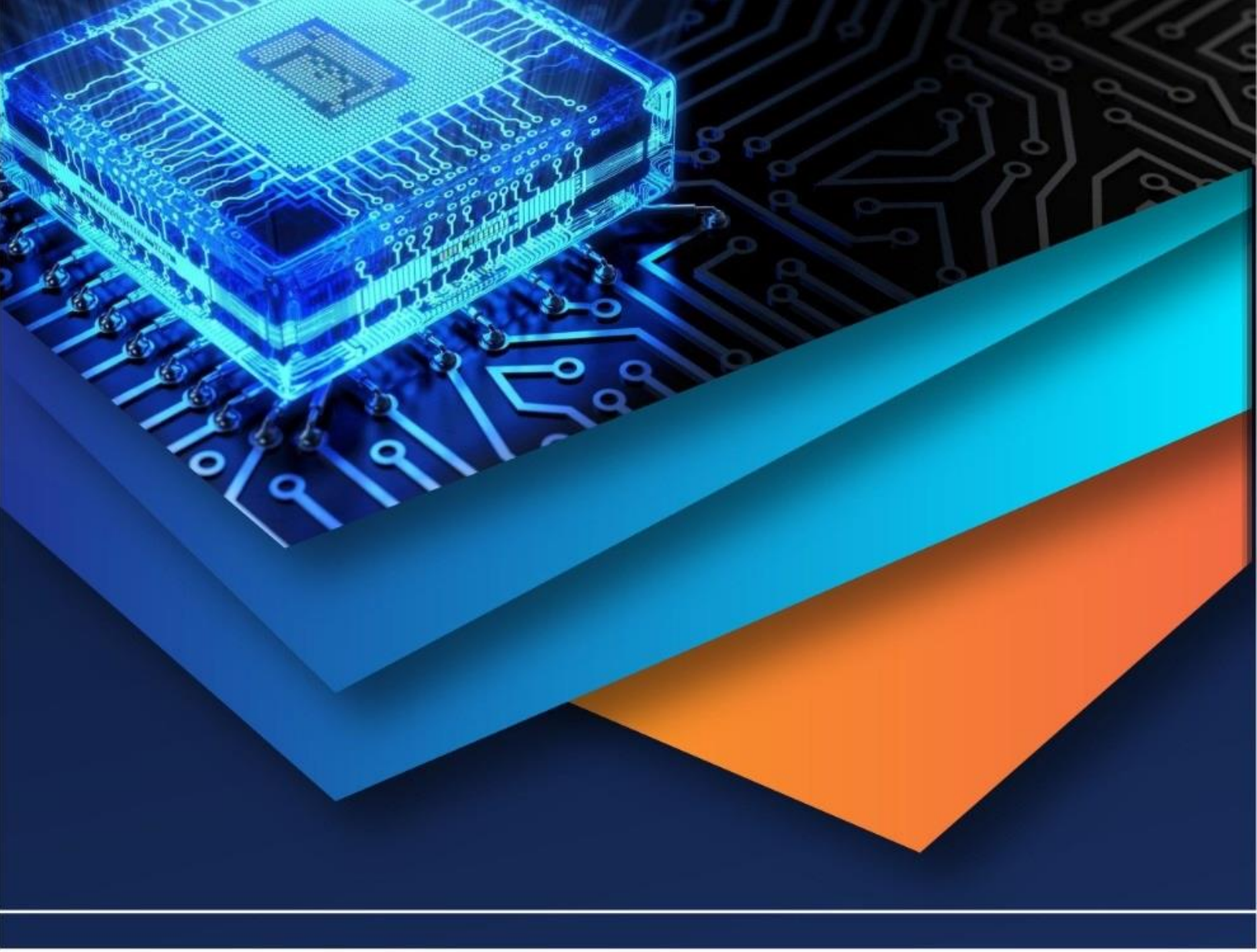
REFERENCES

[1] Kumar, Sandeep, et al. "Social economic impact of COVID-19 outbreak in India." International Journal of Pervasive Computing and Communications (2020).
[2] Kumar, S., Maheshwari, V., Prabhu, J., Prasanna, M., Jayalakshmi, P., Suganya, P& Jothikumar, R. (2020). Social economic impact of COVID-19 outbreak in India. International Journal of Pervasive Computing and Communications.
[3] McKibbin, W., & Fernando, R. (2020). The economic impact of COVID-19. Economics in the Time of COVID-19, 45.
[4] Shen, H., Fu, M., Pan, H., Yu, Z., & Chen, Y. (2020). The impact of the COVID-19 pandemic on firm performance. Emerging Markets Finance and Trade, 56(10), 2213-2230.
[5] Maliszewska, M., Mattoo, A., & Van Der Mensbrugghe, D. (2020). The potential impact of COVID-19 on GDP and trade: A preliminary assessment. World Bank Policy Research Working Paper, (9211).
[6] Kothari, C. R. (2004). Research methodology: Methods and techniques. New Age International.

©IJRASET: All Rights are Reserved

[7] Verschuur, J., Koks, E. E., & Hall, J. W. (2021). Observed impacts of the COVID-19 pandemic on global trade. Nature Human Behaviour, 5(3), 305-307.
[8] Gruszczynski, L. (2020). The COVID-19 pandemic and international trade: Temporary turbulence or paradigm shift?.European Journal of Risk Regulation, 11(2), 337-342.
[9] Barua, Suborna. "Understanding Coronanomics: The Economic Implications of the Coronavirus (COVID-19) Pandemic". Manuscript. 2020. Available at SSRN: http://dx.doi.org/10.2139/ssrn.3566477
[10] Arezki, Richard. and Nguyen, Ha. "Novel coronavirus hurts the Middle East and North Africa through many channels. In Economics in the Time of COVID-19. edited by Richard Baldwin and Beatrice Weder di Mauro, London: CEPR Press, 2020.
[11] Baldwin, Richard and Beatrice Weder di Mauro. Economics in the Time Of COVID-19. 1st ed. London: CEPR Press. 2020
[12] Baldwin, Richard, and Tomiura, Eiichi. "Thinking ahead about the trade impact of COVID-19". In Economics in the Time of COVID-19. edited by Richard Baldwin and Beatrice Weder di Mauro, London: CEPR Press, 2020.
[13] Barua, Suborna. "Understanding Coronanomics: The Economic Implications of the Coronavirus (COVID-19) Pandemic". Manuscript. 2020. Available at SSRN: http://dx.doi.org/10.2139/ssrn.3566477
[14] Beck, Thorsten. "Finance in the times of coronavirus." In Economics in the Time of COVID-19. edited by Richard Baldwin and Beatrice Weder di Mauro, London: CEPR Press, 2020.
[15] Berman, J. FourKites' research takes long look at COVID-19-related delays and dwell times. Logistics Management. 2020. Available at: https://www.logisticsmgmt.com/article/fourkites_research_takes_long_look_at_covid_19_related_delays_and_dwell_tim/logistics
[16] Biron, Bethany, and Yuru Zhu. "Major Fast-Food Chains And Retailers In China Are Shutting Their Doors As The Deadly Coronavirus Continues To Spread. Here's A List Of Closures.". The Business Insider, 2020. Available at: https://www.businessinsider.com/coronavirus-fears-mcdonalds-starbucks-close-2020-1.
[17] Bloomberg. "China's Exports Slump as Coronavirus Forces Shutdowns". Bloomberg News. 2020a. Available at: https://www.bloomberg.com/news/articles/2020-03-07/china-s-jan-feb-exports-fall-17-2-y-y-in-dollars-est-16-2
[18] Bloomberg. "China's Inflation Slows as Coronavirus Locks-Down Economy". Bloomberg. 2020b. Available at: https://www.bloomberg.com/news/articles/2020-03-10/chinese-inflation-slows-in-february-factory-deflation-returns
[19] Boerner, Lars, and Battista Severgnini. "Epidemic trade." 2011. Available at SSRN: https://ssrn.com/abstract=1896603
[20] Moore, Molly. "APAC: COVID-19 impact on tourist arrivals by country or region 2020". Statista. 2020. Available at: https://www.statista.com/statistics/1103147/apac-covid-19-impact-on-tourist-arrivals-by-country/

©IJRASET: All Rights are Reserved



10.22214/IJRASET

45.98

IMPACT FACTOR: 7.129

IMPACT FACTOR: 7.429

INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

Call : 08813907089 (24*7 Support on Whatsapp)