

THE ECONOMIC IMPACT AND THE CHALLENGE OF RECOVERY IN COVID-19 PANDEMIC

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Abstract:

In the present article, the authors are briefed on the difficulties and challenges that have been caused to the country's economy by the first and second wave of COVID-19, where they are detailed about inflation, tax increases, unemployment, recovery of the economy, the challenge of the economy and what will happen to the country's economy as a result of the third wave of COVID-19.

[Keywords: Covid-19, Third wave of Covid-19, Unemployment, Tax, Economic impact, Pandemic]

INTRODUCTION

First of all, Covid - 19 has to adjust to the pre-Covid background and adjust to the country's economic situation. The economy is recovering as Covid pandemic moves. Since there is now a potential wave of potential Covid-19, it is not undeniable that the economy depends on you. The economy of India is recovering in the same way as English's telecommunication letter, but despite the shocking decline, the economy of the country has been costly, with every shock before it regenerated. This epidemic has inevitably fluctuated the balance sheet of households. Now there is an attempt to balance everything in monetary policy in the country with the creation of new lines of fiscal consolidation. Growth should be the first priority of the government and the finance department.

The rate of economic growth must be increased to correct monetary shocks from Covid-19. The primary duty of the RBI is financial management and price control. But in the present situation, all the estimates of the RBI are not fully met. Covid is second. The tide has worsened inflation and unemployment. The value of money also fell. The price of bonds went up. The RBI Finance Committee has made many suggestions to the government. Indirect taxes should be reduced, but the government has a lack of resources. Governments should look at the economic attacks on the most underprivileged.

The cooking gas rate is again 25 s. Raised, 265 s in a single year. In addition to the increase in the subsidy of LPG, the people are confused. The challenge before the RBI right now is to see the country's economic growth accelerate. In this regard, the rate of repo is about to improve economic recovery, regardless of inflation. 4 is reserved in its current state.

As a result, interest rates on various loans have been missed. And the RBI calculates that it will accelerate economic recovery to facilitate industrial development. In addition, interest rates on loans are not high and demand for personal, home, auto and other loans in banks is likely to increase. Similarly, growth in credit will also boost banks' profits. At the beginning of August, the banking sector had an additional liquidity of 8.5 trillion. In this regard, the RBI has implemented all its agenda to enable economic growth.

COVID 19 ANALYSIS OF THE EFFECTS OF THE ECONOMIC IMPACT ON THE COUNTRY

1. Inflation:

The central government has given the RBI an inflation tolerance rate of around Rs. Set for 6. RBI forecasts 2021-2022 inflation rate from 5.1 per cent. Expressed an estimate of 5.7. Similarly, the rate of inflation for 2022-23 is expected to be 10%. From 5.1 per cent. An estimate of 5.7 is expressed. Retail inflation in July Food inflation fell to 5.59 per cent in July. The downside to 3.96 is optimistic growth. Inflation based on the Wholesale Index (WPI) had risen 10% in July. Standing in 11.4. In June 12.07 and the all-time high in May. It had fallen to 12.94.

2. Tax:

The main reason for non-conforming inflation is the excise duty on petrol and diesel. The tariff cuts have been rejected by the finance minister. And the previous government was Rs 1.44 lakh crore. Fuel prices have been lowered by the issuance of oil bonds and now the reason for the bondholders to pay back the money and interest to the government, and to the repayment of the principal and interest on the UPA-era oil bond. That is why the fuel price tax cut is impossible.

3. Unemployment:

The result of this epidemic is a serious unemployment problem that plagues the country's economy. There is a kind of anxiety disorder in the industry. Unemployment fell in July to 32 lakh people have lost their jobs. Unemployment has many economic consequences, both at the individual and national level.

Their contribution to the development process is zero for the unemployed. In the urban areas, a total of one crore payers have lost their jobs since July 2019. This is down from 8.60 crore to 7.60 crore. Now the unemployment rate for August 12th is at 1%. Unemployment remains low for those earning a month's wage, though it has fallen to 8.3. High-income jobs are under uncertainty. Urban Unemployment Reported to be 8.9. Unemployment is an ever-present problem for a country with large populations such as India.

How can unemployment remain if the number of recipients of caste, sub-caste, creed and caste reservation system is increasing due to various problems? All rights reserved. Join the working people. Tax concession, interest rate reduction, limited access to free labor, creating a conducive environment for demand and supply. Educated peers, more risk than insurers. India needs to see that the real power of democracy is in the government, the citizens. Health and infrastructure costs can simultaneously increase job creation.

4. The recovery of the economy:

Tax collections rose in July as economic activity returned to normal, largely due to the lockdown. The amount of production in factories is Sh. The growth in the manufacturing, mining and power sectors has increased by 13.6 per cent. In addition, the country is committed to implementing economic reforms in the event of an epidemic. At the same time, the country's current foreign exchange reserves have risen to over \$ 1 trillion.

5. The Challenge of the Economy:

The challenge for the country right now is the increase in the amount of debt from monetary deficits. The central government relies on debt for most of its income. In 2019-20, the monetary deficit is expected to increase by half. Was down to 4.6. 20 per cent for 2020-21. It was expected to drop to 3.5. But the government's coffers are draining from the shocking scenario of the infection. Covid is undisputed. Monetary deficit for 2020-21 Jumped to 7.3. The rate of economic growth must be increased to correct for these unexpected monetary shocks.

Financial sector growth, price and wage leverage, and the increase in commodity supply are possible with non-tax revenues. Percentage of Revenue 36 Coming out of debt and spending about half of the cost. The most worrisome scenario is that 20 should be paid for debt interest.

6. The start of the third wave of panic:

Beginning in the third wave country of Covid-19, with the onset of the third wave of Covid - 19 resumption of lockdown, India's economy is again in a state of disarray, inflation, tax increases, high unemployment, disruption of economic recovery, economic challenges, poverty and crops to be imposed.

CONCLUSION:

The report said that around 200 million people in the unorganized sector worldwide are at risk of their working lives. Especially in developing and impoverished countries, the situation is expected to reach a further dismal state. The currently implemented lockdown has had a severe impact on daily wage labor in India. Already day laborers have moved to their homes. The ILO has made it clear that the global economy has never faced such a crisis in its five-year history. It is suggested that this situation can be alleviated only by mutual cooperation between the countries of the world. It has been stressed that they need to support the people of the countries most affected by the corona virus.

The decisions we make now will affect people's lives in the future. It is hoped that by corrective measures, the crisis may reduce the bitterness it saves. Housing, food, manufacturing, retail, business and governance are expected to have a major impact. It says it affects four out of every five employees worldwide. It is ironic that the third wave of the Covid-19 has started again in the wake of such a situation.

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