

Coronavirus COVID-19, Financial, Economic, Business (FEB) implications in India: Review and Agenda for Future Research

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Abstract

This article explore the literature related to very emerging and concerning global issue Coronavirus COVID-19 and its Financial, Economic, Business implications across global, the term coined as FEB implication for this review work. This review aims to critically examine all studies conducted on COVID-19 impact, from financial, economic, business perspective in general and same in particular context of India. Moreover the purpose is to develop the idea from future research perspective.

Keyword: Coronavirus, COVID-19, FEB (Financial, Economic, Business)

Introduction

Twenty first century becomes the victim for serious infectious diseases such as Ebola and Middle East Respiratory Syndrome (MERS) caused health and economic losses (Morens et al. 2004, Suwantararat, N. and Apisarnthanarak 2015). The Wuhan Municipal Corporation in China on December 31, 2019 reported 27 cases of pneumonia traced from Wuhan Southern China Seafood Market. On further laboratory test the unexplained pneumonia was named as Coronavirus. The World Health Organization (WHO) has declared the virus as pandemic and on January 31, 2020 considered the matter as Public Health Emergency of International Concern (PHEIC) (N. M. Ferguson et al. 2020). The new name for this unknown devil was given as COVID 2019 by WHO on “February” 13, 2020 in Geneva, Switzerland. The nineteenth century (1918-19) also witnessed the serious pandemic and finds the strategy that social distancing measures are correlated with excess mortality (Martin et al., Richard et al., 2007). WHO suggested social distancing as strategy for COVID-19 in absence of vaccine?

The COVID-19 is going to left more serious and longer financial loss footprints in comparison to 2008 global recession. Bobdey & Ray (2020) and Fernando (2020) study highlights the financial impact of COVID-19 mentioning the downfall in oil demand and price due to cancellation of larger domestic as well as international flights. The rapid price fall in metal and oil has an immediate impact on stock markets having a sharp decline of more than 20% more than 2008 downfall.

According to Bobdey & Ray (2020) the COVID-19 is having larger consequences on the world economy and will lower global Gross Domestic Product (GDP) growth by one-half a percent point for 2020 (from 2.9 to 2.4 percent).

A study conducted by Maffioli (2020) highlight the COVID-19 impact on China from business and industry perspective as China is the biggest manufacturing hub so almost all sectors ranging from pharmaceutical to automobile are going to be affected. Entire supply chain gets affected due to lockdown. The falling prices of metals used as raw material having consequences for metal producing economies.

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Method

The different approach are described by authors for conducting the review, this study is based on an approach “systematic review” suggested by Davis et al. (2014) referred as gold standard among reviews, and the approach has foremost been developed within medical science. Adopting the systematic review we explored the different data bases such as PubMed, Ebsco, Emerald, Jestor, Proquest. The use of multiple sources helped to include all studies although the biggest challenge was almost negligible studies due to initial stage of work with reference to financial, economic and business impact across globe and particularly in Indian context. As such no review work identified across globe or in Indian context which talks about future research questions going to be emerged as a challenges in front of researcher, practitioners, corporate entity, and government. The search run on March 29, 2020, common search key word was Coronavirus COVID-19 and changeable key words were Financial, Economic, Business, the PubMed shows in all 18 results most of the work was 2-3 pages short articles. All other data bases show zero results for the query. Hence this review work conducted to set the ball rolling with few research questions based on early stage of the topic.

Indian Perspective

When the entire globe was fighting with COVID19, the first case of coronavirus was reported in India on January 30, 2020, as on April 4, 2020 Ministry of Health and Family Welfare (MHFW), Government of India (GOI) has confirmed 2902 cases, out of which 184 recovered and 68 deaths in

country. The GOI declared 14 hours voluntary curfew on March 22, 2020 and further on March 24, 2020, the complete lockdown was announced by Prime Minister of India across 28 states and 8 union territories, with total affected population of 1.3 billion. India is the second largest population base after China, the issues of serious concern due to lockdown is its impact on informal workers, micro and small enterprise, self employed, farmers.

Financial Impact

Financial markets such as stock market saw the worst day on March 23, 2020 when index dip 4000 point (13.5%) and NSE dip 1150 points. On March 25, 2020 when complete lockdown announced, market recovered with highest percentage since last eleven years and adding a value of US\$66 billion for investors.

Economic Impact

Economies across globe are badly hit due to coronavirus according to Barclays due to 21days lockdown Indian economy will lost around US\$ 120 billion, on the other hand Moody's estimate as on March 27, 2020 for Indian GDP growth for 2020 is 2.5% rather than earlier figure 5.3%. India is one among the 15 worst effected economies across globe estimated trade losses as per UN report are US\$ 348million.

Business Impact

Mukherji (2020) pointed out that around 53% business will get affected due COVID-19, supply chains will also slowdown. The companies such as Larsen and Turbo, Bhart Forge, Aditya Birla Group, Tata Motors have temporarily suspended or reduced the production. Various E-commerce companies

such as Amazon, Walmart, Flipkart suspended the services. The Airline industry, Indian railways, Road transport services, private cab service providers such as Ola, Uber also confined to minimal services. FMCG manufacturing companies such as ITC, Hindustan Unilever, Dabur also suspended the manufacturing facility.

Discussion

Reviewed work is at the very initial stage entire globe at this stage is more concerned for saving the human life in their respective countries. Countries will take a long time to come out with this thrilling storm with respect to its financial, economic and business impact. The figures giving by any global research agencies at this stage are estimated figures but more research query and questions will emerged once the situation is going to Seattle down in any country across globe and the country is going to be the benchmark for others. This review has most of the data in context of two largest population based economies both China and India. These two economies have lots of scope to explore and experiment new ideas to show the path in future to other economies. The Indian government decision of 21 days lockdown is going to open multifold challenges and research questions in front of researchers from the financial, economic, business view point.

Agenda for Future Research

Coronavirus COVID-19 is the new and biggest challenge of twenty first century in front of global community, doctors, scientist, government, society, corporate, everyone is giving serious attention to find the solution at their respective level. The

immediate challenge for any country right now is to come out of this panic global epidemic. The next biggest challenges after this would be to bring the economy on right track. The solution of this challenge lies on what research question we can frame as researcher, practitioners to set the base for future. The research question can be frame in multiple directions;

RQ1- “Financial impact of Coronavirus

COVID-19 on India, corrective measures”

RQ2- “Economic impact of Coronavirus COVID-19 on India, corrective measures”

RQ3- “Business impact of Coronavirus COVID-19 on India, corrective measures”

RQ4- “Policy measures for slowing down the intensity of Coronavirus COVID-19 impact”

RQ5- “Sector specific, impact of Coronavirus COVID-19”

These are the few broader questions which are going to open multiple specific questions, so researchers has long way to work on those questions.

Conclusion

Pertaining to the review Coronavirus COVID-19 is most searchable key word and its impact in terms of financial, economic, business perspective is going to get lots of attention from researcher and practitioners. The different models, methods, theories are going to be test to find the solution of this serious problem. Every study will open another window of questions and thought process for researchers and practitioners.

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