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Exports and Imports Stagnation in India During Covid-19- A Review

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Abstract

The present paper is presenting the exports and imports stagnation in India during COVID-19. The authors have explored the Exports and imports of India- at a glance, trends in the industrial sector, Industry and Infrastructure of India at a glance, Economic inflation, foreign trade and national income present scenario, Inflation forecast, Union budget 2020-21 and controversy of COVID-19 Circumstances, Logistics performances of India during COVID-19, Exports and imports stagnations. The authors have suggested to the government of India such as sales inventory cost will go up, so all companies will have to look at newer methodologies to dispose of their inventories. In India, we should build capabilities of regional logistics companies to change with the change in demand at a short interval of time. India should stockpile oil when the prices are favourable in the international markets. The government should consider industrial productions and growth for encouraging export from India. All are predetermined as the consumer price index will be hovered between from 3.5 per cent to 4.2 per cent. But the COVID-19 will change the determination to increase the consumer price index due to the COVID-19 natural disaster. These will help the policymaker to commensurate the economic conditions to uplift the export from the stagnation.

Keywords: Logistics performances, Union budget 2020-21, Inflation forecast, Economic Inflation, Foreign Trade and National Income Present Scenario

Introduction

A part of the National economy is in its EXIM policies. Basically, the balance of payment in international trade determines the money value, and it creates the demand for foreign exchange. The excess of domestic productions to be exported and deficiencies of domestic productions to be imported under the priority and essential requirements, depending upon the

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central and state government restrictions and relaxations on the circumstances prevailing in the national and international EXIM environments. During the COVID-19, the export and import of international trade are abstruse of the movement of goods from one country to another due to the pandemic of the disease and panic of the people. The government has to take necessary actions regarding the demand and supply of the goods to survive the situations prevailing in the country. The government of India is better in the protection and quarantine activities when compared to other developed countries in the world. The people's culture and the practices of the government mechanism are highly appreciable during the COVID-19. The Rapid Kits are useless while testing of the virus; China kits do not assure the trust during the tests. China diplomatically abused the kits exports to India, America and other countries have affected. China is the maker of disease at the international level, they producing the rapid kit for marketing the goods not for testing the virus. China's products are always substandard; the Rapid Kit is one of the best examples during the pandemic of COVID-19.

Exports and imports of India- at a glance

According to Vasundhara Rastogi (2019)[1]has given the data relating to exports and imports during the "fiscal year (FY) 2018-19, India's total merchandise exports registered a 9.06 percent growth to hit a new high of US$330 billion, surpassing the earlier peak of US$314 billion clocked in 2013-14 FY. India's total imports grew at a much higher rate at 10.41 percent, amounting to US$514 billion. Monitoring the evolving nature of India's imports and exports can help investors understand country's trade patterns and identify opportunities in the domestic market. Below, India Briefing analyzes India's export and import trends in FY2018-19." Among the imports of India, from China involve around US$70.3 billion of goods have been imported. Among the exports of India, to America alone involve around US$52.4 billion of goods have been exported. Among the major items of exports of India is mineral fuel including oil (48.3 billion) and among the major items of imports is the same mineral fuel including oil (168.6 billion). "The data from the Export Import (EXIM) Bank of India highlights that the exports to North American and European countries have increased. Although the majority of India's exports continue to go to Asian countries, it has declined in the last five years. Asia's share in India's overall exports fell from 48.52 percent in 2014-15 to 47.62 percent in FY2018-19. While

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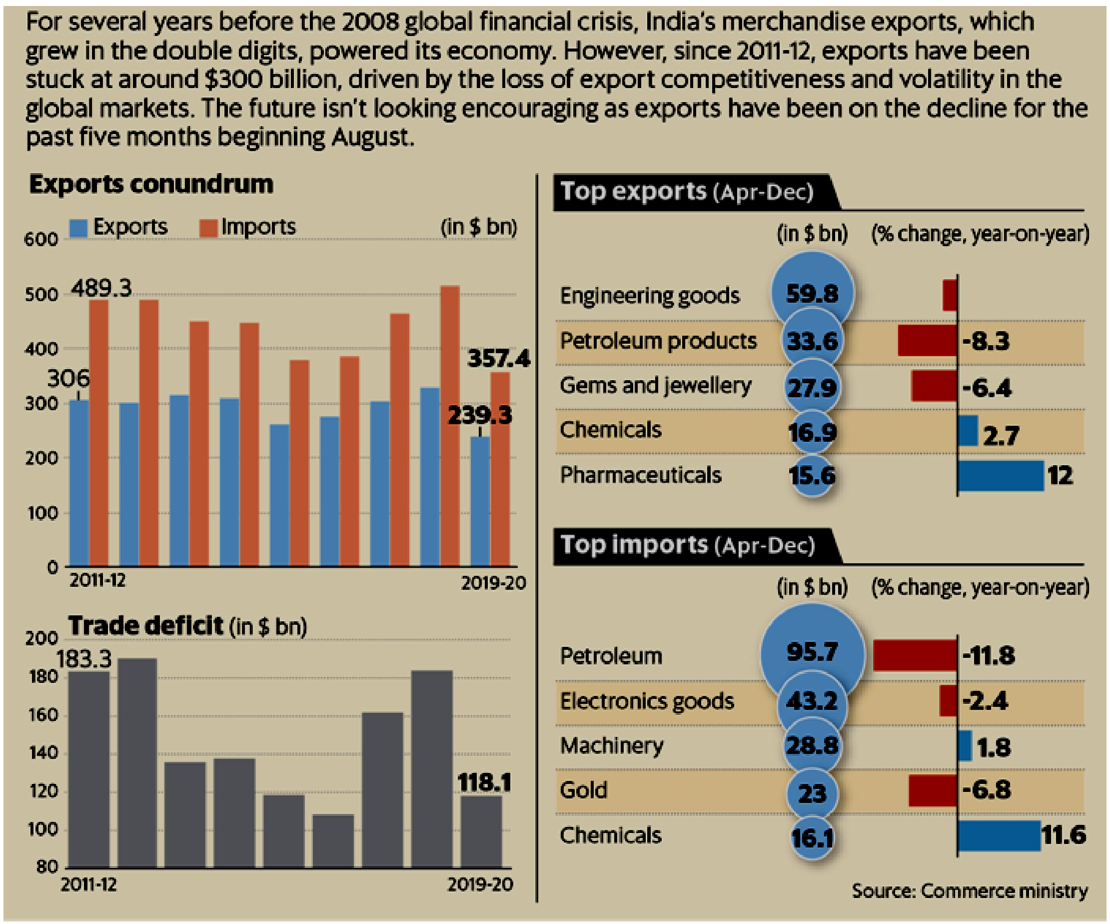
North America's share increased from 18.16 percent to 19.49 percent, and Europe's from 15.31 percent to 17.9 in the same period."

Asit Ranjan Mishra (28.Jan.2020)[2] reported entitled "What the Union budget can do to re-energize India's stagnant exports" and said that Government needs to allocate funds for faster 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.



Retrieved from: https://www.livemint.com/budget/news/what-the-union-budget-can-do-to-re-energize-india-s-stagnant-exports-11580151799789.html

Figure 1 Exports and trade deficits in India during (2012-2020)

Trends in Industrial Sector

The industrial sector performance in terms of its contribution to GVA improved in 2018-19 over 2017-18. However, as per the estimates of Gross Domestic Product by National Statistical Office (NSO), the real GVA of the industrial sector grew by 1.6 percent in the first

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half (H1) (April-September) of 2019-20, as compared to 8.2 percent in H1 of 2018-19. The low growth in the industrial sector is primarily due to the manufacturing sector which registered a negative growth of 0.2 percent in 2019-20 H1. The growth of real GVA at basic prices for the industrial sector is given in Table 1. The IIP is a measure of industrial performance. It assigns a weight of 77.6 percent to manufacturing followed by 14.4 percent to mining and 8.0 percent to electricity. Overall, IIP growth has moderated to 3.8 percent in 2018-19 compared to 4.4 percent in 2017-18. During the current year 2019-20 (April-November), it grew at 0.6 percent as compared to 5.0 percent in the corresponding period of the previous year (Table 2). The moderation in growth is mainly arising from subdued manufacturing activities due to slower credit flow to medium and small industries, reduced lending by NBFCs owing to liquidity crunch, tapering of domestic demand for key sectors such as automotive sector, pharmaceuticals, and machinery and equipment, volatility in international crude oil prices, prevailing trade-related uncertainties, etc. Exports of key labor-intensive sectors, such as gems & jewelry, basic metals, leather products, and textile products under-performed during the current financial year.

Table 1: **Gross Value Added (GVA) Growth Rate in Industry at Constant Prices**

(in per cent)

Sectoral Classification	Share in GVA*	2017-18	2018-19 (PE)	2019-20 Q1	2019-20 Q2	2019-20 (1st AE)
Mining & Quarrying	2.4	5.1	1.3	2.7	0.1	1.5
Manufacturing	16.4	5.9	6.9	0.6	-1.0	2.0
Electricity, Gas, Water Supply & other Utility Services	2.8	8.6	7.0	8.6	3.6	5.4
Construction	8.0	5.6	8.7	5.7	3.3	3.2
Industry	29.6	5.9	6.9	2.7	0.5	2.5

Source: NSO, Note: * – Share in GVA is at current prices (2018-19), AE – Advance Estimate, PE- Provisional Estimate.
Retrieved From https://taxguru.in/finance/industry-infrastructure-economic-survey-2019-2020.html

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Table 2: Growth Rates of Index of Industrial Production (IIP)

(in per cent)

Particulars	Weight	2015-16	2016-17	2017-18	2018-19	2018-19 (April-November)	2019-20 (April-November)
General Index	100.0	3.3	4.6	4.4	3.8	5.0	0.6
Sectoral Classification							
Mining	14.4	4.3	5.3	2.3	2.9	3.7	-0.1
Manufacturing	77.6	2.8	4.4	4.6	3.9	4.9	0.9
Electricity	8.0	5.7	5.8	5.4	5.2	6.6	0.8
Use Based Classification							
Primary goods	34.0	5.0	4.9	3.7	3.5	4.8	0.1
Capital goods	8.2	3.0	3.2	4.0	2.7	7.2	-11.6
Intermediate goods	17.2	1.5	3.3	2.3	0.9	0.7	12.2
Infrastructure/ construction goods	12.3	2.8	3.9	5.6	7.3	8.3	-2.7
Consumer durables	12.8	3.4	2.9	0.8	5.5	7.8	-6.5
Consumer non-durables	15.3	2.6	7.9	10.6	4.0	4.0	3.9

Source: NSO,
Retrieved From https://taxguru.in/finance/industry-infrastructure-economic-survey-2019-2020.html

As per the use-based classification of IIP, the growth of capital goods and consumer durables declined by 11.6 percent and 6.5 percent respectively during the current financial year 2019-20 (April-November). Consumer durables segment was hit mainly due to a lack of demand from the household sector, especially in the Automobile industry. The growth of infrastructure/ construction goods declined by 2.7 percent in the current financial year 2019-20 (April-November). However, intermediate goods, consumer non-durable, and primary goods registered a growth of 12.2 percent, 3.9 percent, and 0.1 percent, respectively, during 2019--20 (April-November) (Table 2). Figure 1 shows the monthly growth of IIP by use-based classification. Intermediate goods and consumer non-durable registered positive growth in November 2019, however, primary goods, capital goods, infrastructure/ construction goods, and consumer durables reported negative growth in November 2019.

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Industry and Infrastructure of India at a glance

According to the Industry and Infrastructure – Economic Survey 2019-2020 conducted by the taxguru of India (05 Feb. 2020)[3] the industrial sector as per Index of Industrial Production (IIP) registered a growth of 0.6 per cent in 2019-20 (April-November) as compared to 5.0 % during 2018-19 (April-November). Fertilizer sector achieved a growth of 4.0 % during 2019-20 (April-November) as compared to (-) 1.3 per cent during 2018-19 (April-November). Steel sector achieved a growth of 5.2 % during 2019-20 (April-November) as compared to 3.6 % during 2018-19 (April-November). Total telephone connections in India touched 119.43 crore as on September 30, 2019. The installed capacity of power generation has increased to 3, 64,960 MW as on October 31, 2019 from 3, 56,100 MW as on March 31, 2019. Report of the Task Force on National Infrastructure Pipeline released on 31.12.2019 has projected total infrastructure investment of Rs. 102 lakh crore during the period FY 2020 to 2025 in India.

Increasing significance of services sector in the Indian economy:

- About 55 % of the total size of the economy and GVA growth.
- Two-thirds of total FDI inflows into India.
- About 38 per cent of total exports.
- More than 50 % of GVA in 15 out of the 33 states and UTs.
- Gross Value Added growth of the services sector moderated in 2019-20 as suggested by various high-frequency indicators and sectoral data such as air passenger traffic, port and shipping freight traffic, bank credit etc.
- On the bright side, FDI into services sector has witnessed a recovery in early 2019-20.

PTI (April 27, 2020)[4] says that India Ratings and Research on April 27, 2020 revised its growth forecast for India further down to 1.9 percent financial year 2020, the lowest in the last 29 years, citing the Covid-19 pandemic and its impact on economy. The rating agency said the revised number is based on the assumption that the partial lockdown will continue till mid-May. It, however, sees GDP growth to slip further to negative 2.1 percent if the lockdown continues beyond mid-May. "We have revised our FY21 Gross Domestic Product growth further down to 1.9 percent from our forecast of 3.6 percent published on March 30, 2020," its principal

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economist and director public finance Sunil Kumar Sinha said in a report. The country's economy had grown by 1.1 percent in FY92. "However, if the lockdown continues beyond mid-May 2020 and a gradual recovery takes root only from end-June 2020, GDP growth may slip further to negative 2.1 percent, lowest in the last 41 years," Sinha said, adding it will be only the sixth instance of contraction since fiscal year 1952. Many global and domestic research agencies have also cut their FY21 growth forecast for the country amid the Covid-19 pandemic and its impact on economy. The agency said the Reserve Bank of India, on March 27, had announced reduction in repo rate by 75 basis points, cut in the cash reserve ratio by 100 basis points to 3 percent and a Targeted Long Term Repo Operations worth Rs 1 lakh crore, focused on easing the tight monetary conditions building up in the economy. However, the financial market reacted otherwise. Sinha said due to risk aversion, deployment of TLTRO funds so far has largely been into the bonds issued by public sector entities and large corporates.

Rachael Noyes (April 17, 2020)[5] says that the economic recession during the COVID-19 is not a financial shock, not a regular recession, "Antonio Fatas, Professor of Economics, INSEAD clarified that "it is a natural disaster".[6] The global effect of COVID-19 is a health shock, unlike previous recessions caused by bubbles; there isn't a particular policy or business error behind the economic decline. It's spurred by the pandemic and the consequences and the likely path of the economy will depend very much on how the pandemic evolves, Fatás said.

Economic inflation, foreign trade and national income present scenario

INFLATION	Units	2020	2019	Difference
All Commodities	%	2.26	2.93	-0.67
Food Articles	%	7.79	4.21	3.58
Non-Food Articles	%	6.82	2.07	4.75
Primary Articles	%	6.71	4.77	1.94
Minerals	%	2.5	18.42	-15.92
Fuel & Power	%	3.38	1.72	1.66
Manufacturing Products	%	0.42	2.34	-1.92
Consumer Price Indices (CPI)	%	-0.73	0.21	-0.94

Source: www.IndiaStat.com, Key Economic Indicators of India as on 18.04.2020

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FOREIGN TRADE & INVESTMENT	Units	2020	2019	Difference
Export	US $ Billion	27.65	26.87	0.78
Import	US $ Billion	37.5	36.59	0.91
Trade Balance	US $ Billion	-9.85	-9.72	-0.13
FDI Inflow	US $ Billion	5.44	3.32	2.12
Forex Reserves	US $ Billion	476.09	398.27	77.82

Source: www.IndiaStat.com, Key Economic Indicators of India as on 18.04.2020

NATIONAL INCOME	Units	2020	2019	Difference
GDP	%	4.7	5.6	-0.9
GDP from Agriculture	%	3.5	2	1.5
GDP from Industry	%	0.1	5	-4.9
GDP from Services	%	7.4	7.4	0
GVA at Basic Price	%	4.5	5.6	-1.1
Per Capita Income on NNI	Rs.	96563	87623	8940
Tax Collection	Rs. in Lakh Crore	9.95	8.47	1.48
GST Collections	Rs. in Crore	105366	97247	8119
GST Returns Filed	In Lakh Nos	83.53	73.48	10.05
Fiscal Deficit	Rs. in Crore	53747	69388	-15641

Source: www.IndiaStat.com, Key Economic Indicators of India as on 18.04.2020

INDEX OF INDUSTRIAL PRODUCTION (IIP)	Units	2020	2019	Difference
General	%	2	1.6	0.4
Mining	%	4.4	3.8	0.6
Manufacturing	%	1.5	1.3	0.2
Electricity	%	3.1	0.9	2.2
Primary Goods	%	1.8	1.4	0.4
Capital Goods	%	-4.3	-3.6	-0.7
Intermediate Goods	%	15.8	-2.8	18.6
Infrastructure / Construction Goods	%	-2.2	6.4	-8.6
Consumer Durables	%	-4	2.5	-6.5
Consumer Non-Durables	%	-0.3	3.8	-4.1

Source: www.IndiaStat.com, Key Economic Indicators of India as on 18.04.2020

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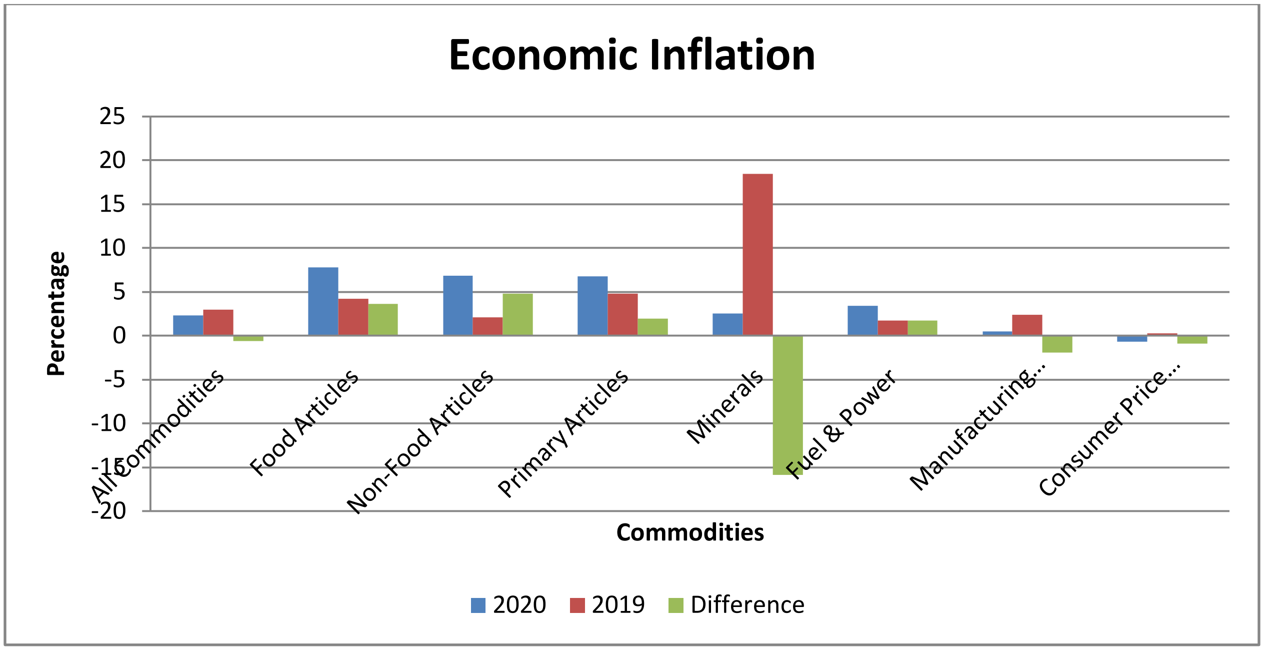

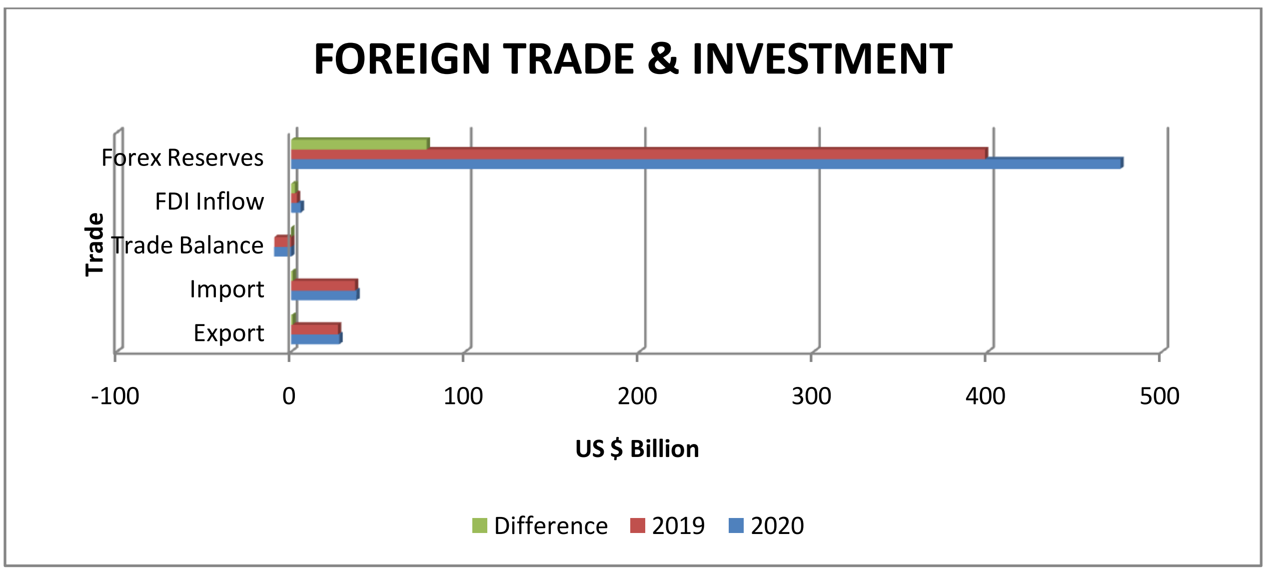

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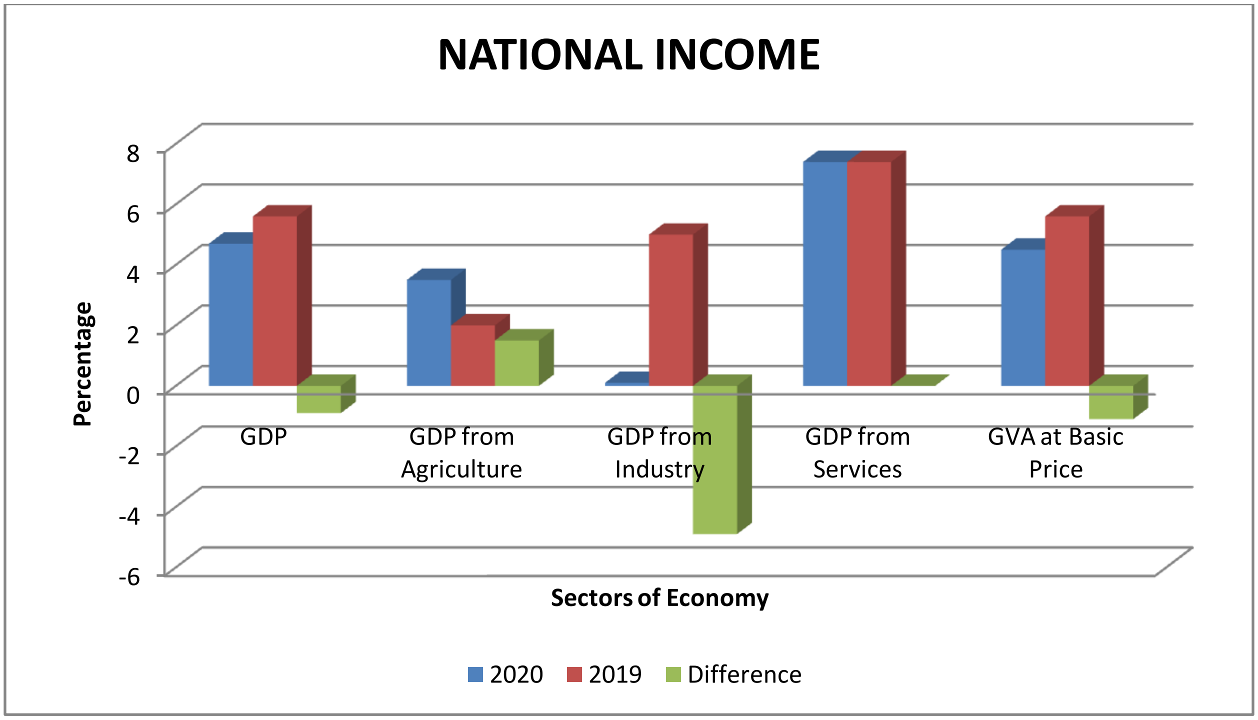

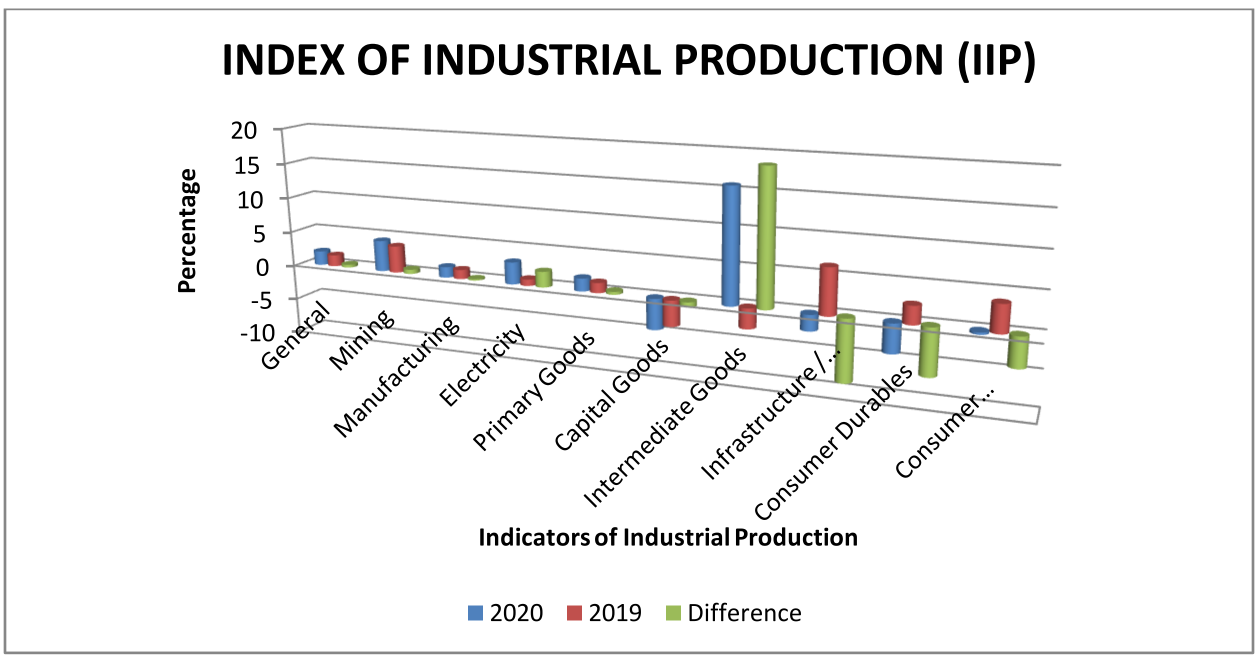

From the above Table and Chart authors inferred that mineral resource of India is reducing the economic inflation highly along with the manufacturing and consumer price index. The foreign trade and investment is affected in the trade balance. National income is highly

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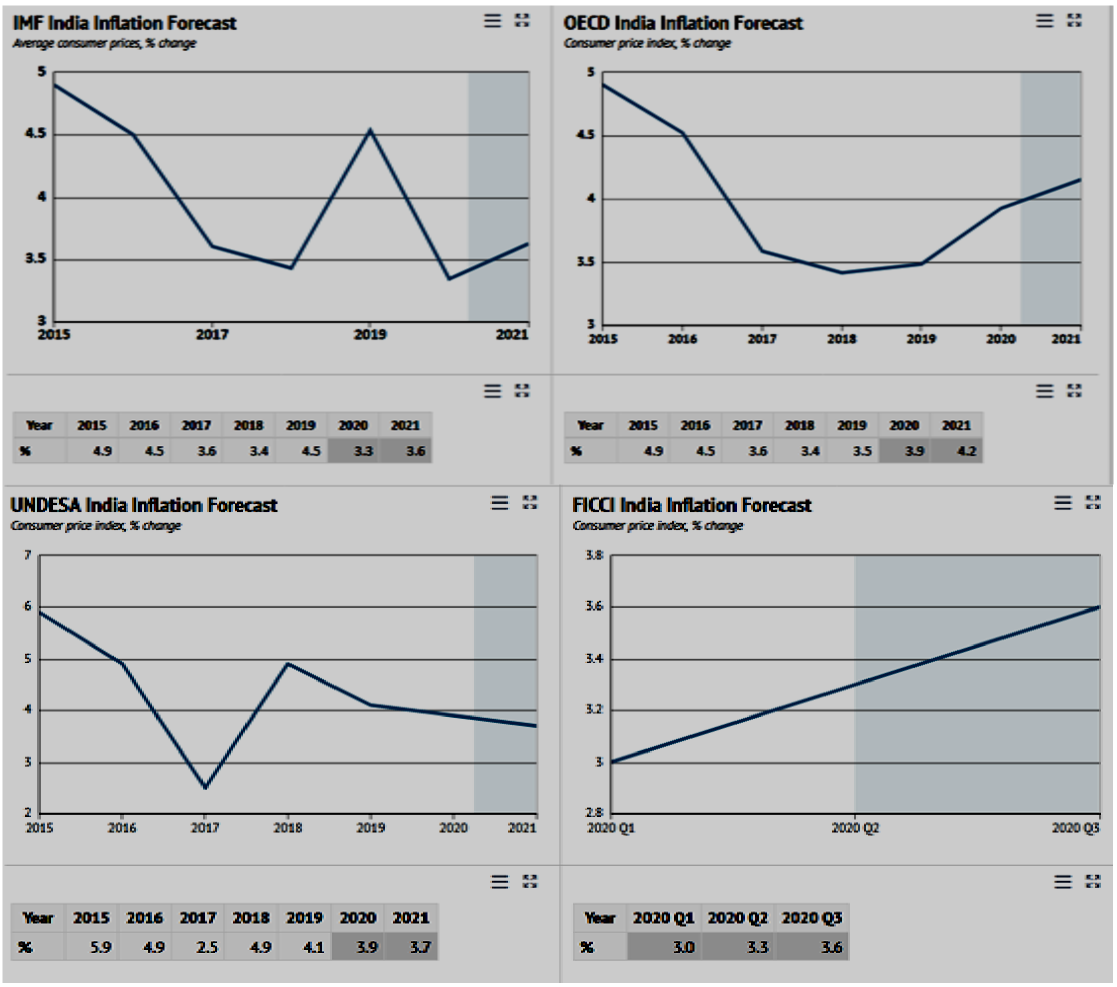
affected from the industrial productions related GDP growth and also it causes the GVA basic price and GDP have been showing negative views. The index of industrial production is affected by the way of capital goods, infrastructure/ construction goods, consumer durables and consumer non-durables. Hence, the government should consider the industrial productions and growth for encouraging the export from India.

Inflation forecast



Source: https://knoema.com/sllksof/current-inflation-rate-in-india-2020-forecast-data-and-charts

The inflation forecast is determined by the analysis of previous year data relating to the consumer price index inflation (%) through authenticate institutions like IMF, OECD, UNDESA, and FICCI. All of them are showed that the down trends from the past six years in India. All are predetermined as the consumer price index will be hovered between from 3.5 per cent to 4.2 per

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cent. But the COVID-19 will change the determination into increase consumer price index due to the COVID-19 natural disaster. Hence, the government and RBI should take necessary actions to reduce the CPI.

The World Bank reported that the India would not affect through COVID-19, the GDP will be in the position of 3 per cent the following table will explore the reasons. Despite, the situation of the COVID-19 panic and the epidemic are undeterminable.

	GDP	Manufacturing	Exports	Manufactured exports	COVID19 cases	COVID-19 deaths
US	24%	16%	8%	8%	159	11
China	16%	29%	13%	18%	80,410	2,991
Japan	6%	8%	4%	5%	331	6
Germany	5%	6%	8%	10%	262	-
UK	3%	2%	2%	3%	85	-
France	3%	2%	3%	4%	285	4
India	3%	3%	2%	2%	28	-
Italy	2%	2%	3%	3%	3,089	107
Brazil	2%	1%	1%	1%	4	4
Canada	2%	0%	2%	2%	34	-

Sources: World Bank, World DataBank, FT COVID dashboard (https://www.ft.com/content/a26fbf7e-48f8-11ea-aeb3-955839e06441)

Union budget 2020-21 and controversy of COVID-19 Circumstances

During the COVID-19, the Union Budget for FY 2020-21 has been announced on 1 February 2020, to herald a decade of growth and prosperity. Prominent themes of this Budget are its focus on governance and the financial sector to enhance the ease of living. Continuing on the aspiration to deliver maximum governance with minimum government, the Budget envisages structural reforms, the digital revolution, and inclusive growth. Likewise, the financial sector receives renewed priority with various reforms such as increasing the deposit insurance coverage, divesting remaining government holding in IDBI Bank & separation of National Pension System (NPS) Trust for government employees from PFRDAI (Pension Fund Regulatory & Development Authority).[7] The economic times has been analyzed The Budget and presented its pro and cons. First, the good are Aadhaar-PAN interchangeability, EVs on a faster road, One nation, one card for seamless mobility, Rs 70,000 crore for banks, NRIs to get Aadhar

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on arrival, Breather on Angel Tax, Govt waives MDR charges on cashless payments, Rs 3,000 pension per month for informal sector workers, Reform of rental housing, Local sourcing norms to be eased for single-brand retail, To merge NRI portfolio with FPI route, Zero-Budget farming, and Education. Second, the bad are Shareholding norm tweak for listed companies, Corporate tax, Defence, and Jobs. Third, the ugly are Tax dampener, LTCG remains a pain in the neck, Super-rich has bad news, Fuel bill, and Raiding the RBI.[8] The authors have noted the ugly points to be explored to understand the academician such as standard deduction and TDS threshold didn't find a mention in Sitharaman's budget. It came as a dampener for the salaried taxpayer because Piyush Goyal had promised to hike these limits in his February interim budget. If there was one factor that riled investors no end, it was Jaitley's LTCG tax on equities. There were hopes in some quarters that Sitharaman's budget could do something to address the issue. Well, it didn't. For the wealthy, Sitharaman's budget was a big blow. The finance minister shunned the wealth tax, but increased the surcharge for the rich, proposing to increase the surcharge for those earning Rs 2-5 cr 3 percent and for those earning above Rs 5 cr to 7 percent. "The government is increasingly making the economy uncompetitive with neighbours with high levels of corporate tax and income tax. Expect more Indians to disappear to low-tax land," said Aiyar. In a blow to owners of cars and bikes, Sitharaman proposed to increase Special Additional Excise duty and Road and Infrastructure Cess each by one rupee a litre on petrol and diesel. Sitharaman said the government expects a higher dividend payout from the Reserve Bank of India, bringing a contentious issue back into focus.[9] Hence, during the COVID-19, the budget 2020-21 has been announced without knowing the causes and effects of the COVID-19. The announcements have mostly affected the situation against the general public as considered these are controversies to the budget.

Logistics performances of India during COVID-19

According to experts, the lockdown has brought the entire domestic manufacturing supply chain to a grinding halt. “Ramifications of a massive lockdown are manifold. From the factory gate to the warehouse, or from the warehouse to the end-users, the entire supply chain is severely jeopardized. With countries across the world locking-down, there are minimum export-import movements, and this has aggravated the crisis in the logistics space,” contends Singh of

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D&B. Further, according to KR Sekar, partner, Deloitte India, the 21-day lockdown will see logistics players' supply chain cost going up, and their global supply chain will be severely impacted since sourcing of inputs will become more challenging now. "Prices of diesel and petrol are going up under the government's plan to shore up revenues in these hard-pressed times. Thanks to the lockdown, footfalls across cities will go down. The sales inventory cost will go up, so all companies will have to look at newer methodologies to dispose of their inventories," says Sekar. He, however, opines that digital sales will now get pushed up. Across the country, the lockdown has resulted in labour shortages, which in turn has added to the limited availability of transportation facilities. "The delayed deliveries are likely to disrupt the businesses that operate on "just in time or limited inventory" basis," adds Singh. The complete lockdown of other businesses and supporting services has also aggravated the situation. Due to the complete shutdown of public transport facilities, workers required for handling and transportation of essential commodities and supplies now needs to commute to their workplace on foot. For those living in the margins in the informal sector, the same is very exhausting, leading to lower productivity.[10]

Exports stagnations

According to Nikita Kwatra (15 March 2020)[11] reported that the India's rising tariff walls and lack of integration into global production chains is probably the reason why India's share in world merchandise exports has largely remained stagnant in a 1.6-1.7% range since 2011. This stagnation has occurred at a time when China's share in merchandise exports has dropped significantly over the past few years, with the gap being filled by other Asian countries.

According to Arun Singh, chief economist at Dun and Bradstreet India (D&B), the performance of the manufacturing and logistics sectors are quite interdependent. "If manufacturing activity is halted, what is there to transport?" he reasons, adding the current lockdown has effectively put curbs on both the above mentioned segments - certainly not a good sign for an already slowing Indian economy. "For long, the Indian logistics sector has had its own set of peculiar problems, which will get further amplified, thanks to Covid 19," Singh remarks. Shedding light on these 'peculiar' problems, Harpreet Singh, Partner at KPMG, says that Indian logistics is largely an unorganised sector. Thus, the sector is severely hit as most of

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the industry players do not have any backup, recovery plan or intermittent operation plan, says Singh, adding logistics in India is majorly driven by a traditional approach of trucking, loading & unloading and material handling. “This sector still lacks technological development. Thus, lack of modernised tool and equipment to disinfecting the goods/supplies before delivery, may further add to the problems,” he opines.

It is imperative that regulators and law enforcement authorities recognize logistics industry as essential services sector, and are able to manage and sustain the supply chain of manufacturers, healthcare, and pharma sectors. This is the need of the hour. “Deployment of additional customs personnel, faster clearances at airport courier and cargo terminals to move out the on-hold shipments will help clean up the channel for critical shipments to flow faster,” he says. According to Singh, suspension of document scrutiny at check posts for vehicles carrying essential supplies, exemption from toll collection, passing on the benefits of the fall in crude price by not increasing the taxes are some of the measures that the government may consider for the logistics sector. His other suggestions to the government include, giving subsidy/ tax deduction on salaries paid to drivers and a higher deduction for capital expenditure on commercial vehicle etc. In Singh’s view, amid the outbreak, it is crucial that companies assess their supply chain risks and proactively develop mitigation approaches. These, according to him, include, looking at alternate channels of transportation, combination of transportation services – small trucks, tying up with three wheelers, two wheelers etc. for last mile essential goods delivery and consolidation of consignments. Stressing that India is a consumption-based economy, where India is manufacturing primarily for internal consumption, Sachin Haritash, founder & CEO of Mavyn, a digital trucking platform, says in India, we keep stock up to 90 days. In contrast, in developed countries, the inventory is of 30 days only. “It is one of the main reasons that our logistics cost is 14% as compared to 7-8% in developed countries,” Haritash says, adding Coronavirus outbreak has given a new thought to firms to out of the box. It was easy in China for logistics companies to support SMEs as there are regional or provenance specialised companies that reach to interiors to provide logistics support at the lowest cost, adds Haritash. “In India, we should build capabilities of regional logistics companies to change with the change in demand at a short interval of time.”[12] Now it has been solved to recover the

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situation. “India has started export of major farm products such as rice, meat, dairy and processed food items after the government stepped in to resolve the issues related to transportation and packaging in the wake of COVID-19 lockdown. The Union Agriculture Ministry, in a statement, said exporters' problems are being resolved by the farm export promotion body Agricultural and Processed Food Products Export Development Authority (APEDA).”[13]

Imports stagnations

According to Indiatoday report wrote by Prabhash K Dutta (18 March 2020)[14] says that “India runs on coal and travels on oil. Oil and coal and their products make up four of top five imports for India. The only exception is centuries-long longing for gold among Indians. In value terms, crude oil is the single largest import contributor and has consistently accounted for more than 20 per cent of India's imports basket. India imports about 85 per cent of its fuel oil needs. It is the third largest consumer and importer of the crude oil in the world. Any fluctuation in the crude oil prices is bound to impact Indian economy. Inflation, current account deficit (CAD), fiscal deficit and overall GDP (Gross Domestic Product) growth rate gets favourably or adversely impacted. The RBI estimates that a crude price shock will be followed by high CAD to GDP ratio if price increase is passed on directly to the final consumers, this January 2020 RBI paper says. There have been suggestions that India should stockpile oil when the prices are favourable in the international markets. The current prices of crude oil present one such situation for India. The crude oil fell below $30 per barrel on Monday. On Wednesday, the prices fell below $26 per barrel. The last time crude oil prices had fallen to $26 per barrel level in 2016 after which it started increasing. In January, the crude oil was selling at $70 per barrel. Indian government has decided to increase its strategic petroleum reserve (SPR) by buying oil from Saudi Arabia and UAE, the principal players responsible for sharp cut in crude oil prices due to rivalry between the factions of oil exporting countries. Saudi Arabia increased its oil output from less than 10 million barrels a day to 13 million barrels per day. The favourable oil situation for India is punctuated by the novel coronavirus spread. It has reduced demand for oil sharply in many countries. It is time for India to gain in oil. India's current SPR or crude oil reserve is about 39 million barrels stored at Visakhapatnam in Andhra Pradesh, Mangalore and Padur in

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Karnataka. The oil ministry is reported to have sought clearance from the finance ministry for buying over 22 million barrels for which it has placed a demand for $673 million. This much oil is enough for three weeks at current consumption rate in India (2.45 lakh barrels a day). Since the market experts are of the opinion that the oil prices due to ongoing rivalry and side-effects of novel coronavirus pandemic may continue to dip. This will hit the oil producing countries severely and they will intend to increase the prices of crude oil when normalcy returns to the market in coming weeks and months. This is an added reason why India must resort to oil hoarding when its economy is in a deep downward spiral."

According to Srivastava D. K. (31. March 2020)[15] (EY India Chief Policy Advisor) said that "for the Indian economy that there would be both supply and demand side disruptions. On the demand side, sectors bearing the brunt of the adverse impact of COVID-19 include sectors such as trade, transport, travel and tourism, hotels, sports and entertainment as also the financial services sector. On the supply side, disruptions are coming through supply chain breakdowns emanating from countries such as China, South Korea, Italy, Spain, France, Germany, the UK and the USA. India has substantive trade relations through exports and imports with all these countries. On the demand side, sectors such as wood products, mineral oils, plastics and chemicals derive a substantial share of their export demand from China and hence may be adversely impacted. Similarly, Germany and the UK account for a significant share of Indian exports of leather products, footwear, machinery and instruments while Iran is a major export destination for vegetable products. Among the countries fulfilling India's import requirements, Australia and Iran are major suppliers of mineral products. China alone fulfilled 17.4% of India's import requirements in FY19 especially those related to ceramic products, glass wear, machinery, electrical equipment, etc. India is dependent on Germany for imports of transport equipment. Metal articles and instruments are imported from Japan and foodstuffs and beverages from the UK. There may be a potential negative impact on all these sectors. An UNCTAD study (4 March 2020) estimated that the most impacted sectors in the EU, US, Japan, Taiwan and Korea include machinery, automotive, communication equipment and chemicals sectors. The impact on India's exports was estimated at a magnitude of US$ 348 million equivalent to approximately 0.1% of India's total goods exports in FY19. Chemicals sector was estimated to

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be most adversely impacted with a 36.8% share in the total decline in exports, followed by textile and apparels at 18.4%, and automotive at 9.8%."

Discussion and suggestions

From the above discussion, authors have suggested that the sales inventory cost will go up, so all companies will have to look at newer methodologies to dispose of their inventories. In India, we should build capabilities of regional logistics companies to change with the change in demand at a short interval of time. India should stockpile oil when the prices are favourable in the international markets. The government should consider industrial productions and growth for encouraging export from India. All are predetermined as the consumer price index will be hovered between 3.5 per cent to 4.2 per cent. But the COVID-19 will change the determination to increase the consumer price index due to the COVID-19 natural disaster. Hence, the government and RBI should take necessary actions to reduce the CPI. Monitoring the evolving nature of India's imports and exports can help investors understand the country's trade patterns and identify opportunities in the domestic market. The government needs to allocate funds for faster adoption of technology to digitize trade operations, implement new foreign trade policy. Due to the complete shutdown of public transport facilities, workers required for handling and transportation of essential commodities and supplies now needs to commute to their workplace on foot. For those living in the margins in the informal sector, the same is very exhausting, leading to lower productivity. Even in these situations, the present government has been allowed the bad debts to defaulters. It is another panic of the Indian economy. According to semantic Sen (28 April 2020)[16] has reported to The Logical Indian Crew that "A reply to Saket Gokhale under RTI from the Reserve Bank of India (RBI) revealed that Indian banks have technically written off an amount of Rs 68,607 crore due from 50 top willful defaulters, including absconding diamantaire Mehul Choksi. An RTI query was earlier filed with the RBI by prominent RTI activist Saket Gokhale, seeking details of the 50 top willful defaulters along with their current loan status till February 16. "I filed this RTI because Finance Minister Nirmala Sitharaman and Minister of State for Finance Anurag Thakur had refused to reply to this starred question asked in the Parliament by Congress MP Rahul Gandhi in the last Budget Session on February 16," Gokhale told IANS." The authors have suggested that India is going on the wrong side of the

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economy with the help of holes in the banking laws. It will not help them in al long run. The economic panic of India will be started after the epidemic and panic of COVID-19. It is sure. The dream of the APJ Abdul Kalam will be the dream of the morning.

Conclusion

From the above discussion and conclusion authors have concluded that the export and import of India have been stagnated during the COVID-19 lockdown. The Indian central and state governments have to face many problems socially, economically, politically, and institutionally after the COVID-19 lockdown. The common people are unknown in the effects of stagnant of export and import, if it is revealed by the people, then the problem will persist to stringent the people as like as an after the battle. The basic needs that are not fulfilled by the government will decline the capabilities of Indian willful in the global arena. Therefore, the government of India should consider the export and import are the essential sectors to survive the needs of the society and economy.

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