Sectoral Performance

There are three major sectors of an economy viz Agriculture, Manufacturing and Services

In this report the performance of these sectors during the Covid induced Lockdown will be explained and how it has affected the economy will be analysed with a clear picture regarding the forecast of future.

Agriculture:

To start with let's take the Scenario of Agriculture Sector. Historically Indian economy has always thrived upon agriculture sector for its functionality, but in recent times this sector is the worst performing sector in the country. One major reason for this downfall is changes in policies and reforms which the farmers are no able to comply with.

But, on the contrary the agriculture sector has performed pretty well during the nationwide lockdown. This has been possible due to two major reasons:

1-Lesser pollution level due to non-functioning of various factories & industries and less traffics on the roads which has led to a cleaner environment for the crops to survive.

2-The demand for outside foods has dropped quite significantly which has led to an increased sale of fruits and vegetables by domestic households.

Apart from that, after the announcement of economic package in which various upgrades of old reforms and policies & formation of some new reforms regarding technology used in agriculture it is expected to perform a bit better in the new future. Although realistically it might not be the case until ease in restrictions are placed in a somewhat planned way.

Manufacturing:

This sector has been the core of India's development in the near past and same will be the case in future. Governments' main focus under "Atmanirbhar Bharat Yojana" is related to production of goods in the country itself demoting most of the imports that India makes.

During the lockdown this sector has performed quite poorly because each industry was shut and production was halted. As a result of no production a no sale a no job scenario occurred, this sector is the main contributor to any country's unemployment as most of the people (skilled or unskilled) have either lost jobs or a salary cut has been imposed on them due to no revenues earned by companies.

It is expected to perform better and recover fast from this downfall as local production is encouraged by the government and an ease in restrictions after lockdown will work in the favour as well.

Services:

This is the sector which has performed the best since LPG reforms of 1991 in India. Although its contribution in GDP has been low because of low nature profile, it is considered to be India's best in case of results it provided.

The impact of lockdown on this sector has been moderate due to its non-physical nature. This is also the reason that most of the Employees working in BPOs and Health industries are able to keep their jobs intact.

But some sub sectors like hospitality, education and tourism are one of the most affected sectors as well, which means that overall services sector had a mixed impact of lockdown.

The future forecast also remains the same with early chances of recovery in these sub sectors being quite low. However, sectors such as medical services are there to thrive and survive as it comes under the section of essential services as termed by the government.

Apart from these three major sectors of the economy a brief summary of the sub sectors is explained below:

1-Sectors such as Pharmaceuticals, Insurance and FMCG are the least hit sectors as goods and services under Pharma and FMCG are considered as needs i.e. the goods which are required by all whatever the scenarios are. These sectors are expected to perform well in near future as well. These sectors come under governments.

2-Sectors such as Construction, Energy, Minerals are some of the worst affected sectors due to non-functioning of the industries and halted production.

3-Rest all other sectors such as telecom, automobiles etc have shown a quite downfall although it is not expected to show much degrowth in the near future under the new normal scenario.