

# Manufacturing Industry and Coronavirus

**Reepu**

*Assistant Professor, Department of Management, Chandigarh University, Punjab.*

*E-mail: reepu.usb@cumail.in*

## **Abstract**

***WHO designated coronavirus as pandemic. A virus that shook world's economy and influenced multiple vicinities. There are multitudes who were infected, numerous recovered, some lost their lives and many are struggling. The great unwashed have adopted precautionary measures in order to break the chain. Sealings and Lockdowns are preventative methods to reduce the contacts of transmission. It's a state where it's like bottoms out concomitant to which manufacturing industries have been influenced. Human race is struggling to attain a better survival.***

***Keywords: Coronavirus, Human Race, Lockdown, Manufacturing industries, Sealings etc.***

## **1. INTRODUCTION**

The wellspring of COVID-19 from public perspective is such that it all began Huanan seafood market of Wuhan in December 2019 due to virus onset from an animal. And the rest is predicament as the pandemic affected cluster in Hubei, China which slew 80,000 people. Pangolin footages also emerged suggesting that the virus infected this animal way before than its infected human race.

As per WHO, COVs are classified as: alpha, beta, gamma and delta. Currently only alpha or beta has affected the human race.

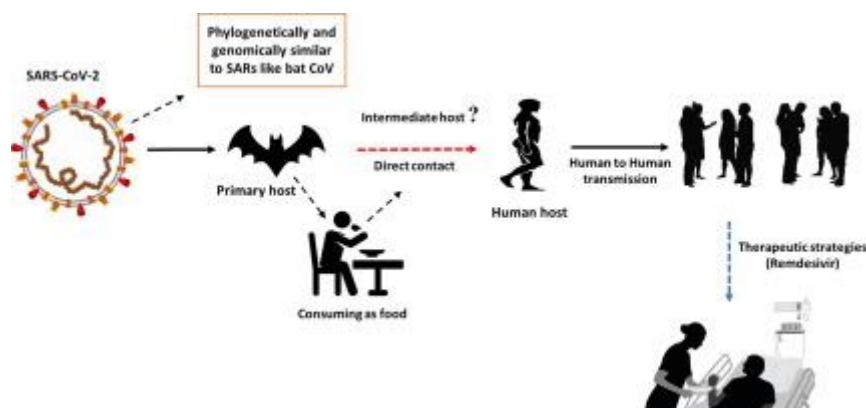


Fig.1 Origin of Coronavirus (Source: Science Direct)

WHO said that the virus has bionomic reservoir in bats and transferral might befall due to animal host. However, there is not much known about its zoonotic source. It is recommended by WHO that:

✚ Hygienic measures must be practiced by the visitors of animal or wet marketplace. Consistent hand-wash duly with soap and water must be practiced. Abstain touching eyes, mouth and nose. Contact with animals living across the streets or unwell must be avoided.

✚ Raw/Undercooked food must not be consumed.

This pandemic would have huge impact over the global economy. Statistics say that Chinese economy make up 16% of world GDP. Therefore, a mar onto Chinese economy would have huge consequences onto the globe.

Secondly, diminishing supply chains wraps up credit expansion yielding more shocks.

Thirdly, demand would drop due to uncertainty.

Exchange rate devaluation henceforth would tumble world economies.

As per the reports of The State of Food Security and Nutrition in the World, countries majorly depending upon imports would be hit hard. The demand shudders would worsen the scenario.

## **2. REVIEW OF LITERATURE**

[1]said that entire scientists are trying hard to get a vaccine for it. Amid to this, chloroquine phosphate a drug used to cure malaria, has proved to be effective in the trials of China. [2]researched that R0 in case of COVID-19 is 2-3 which is believed to be unswerving with WHO. Although for SARS, it reported out to be in the range of 2 to 5. [3]found that the country has actively responded to the varying circumstances but more intensive planning is needed to cope the pandemic out in future. [4]delivered newer insights into the pathogenesis of SARS-COV-2. [5]found that virus shed at max 37 days into the survivors by conducting a retrospective study of two troop inpatients amid Dec 29, 2019 to Jan 31 2019.

## **3. MANUFACTURING INDUSTRY**

COVID-19 has ushered an array of challenges to multiple sectors. Pandemic strikes manufacturing undertakings too. A recent study conducted by National Association of Manufacturers said that nearly 80% and 48% manufacturers as well as cross-industry companies believe that they will definitely be tumbled down with financial impact.

Aloof situation of oil prices, demand supply grid-locks, impeding credit arrangements exacerbates the state of affairs. There are few who initiated closures and now are pondering over the extent of dismissal of workers. Consider the exposition of manufacturing undertakings of US. They bear industrial units which employ onsite 13 million workers. Demand is to be hit hard. Moreover, their jobs cannot be conducted remotely, which give rise to distress. PWC gives more clarity on the current status quo by enquiring about the current concerns in this COVID-19 phase in US:



Fig.2 US Survey (Source: PWC)

Now as per the above survey, done by pwc, following are noteworthy:

- ✚ Now, most of the people 84% believe that there are more chances of global recession.
- ✚ 64% said that there would be huge financial impact over their manoeuvres, liquidity as well as resources.
- ✚ However, the figure now decreased to 45% in comparison to 48% where they believe that there is weakening of consumption by mass.
- ✚ Supply chain issues have resolved as per the survey is concerned.
- ✚ Funding difficulties have risen to 15%.
- ✚ There are 9% who do believe that they don't have adequate information to make precise decisions.
- ✚ 4% are of the perspective that there is huge impact on tax, trade as well as immigration.
- ✚ 4% didn't have such emergency preparedness.

**EUROPE**

Obviously, Europe is not devoid of COVID-19 impact. As claimed by ACEA, the figures may not be exhaustive since the affected and recovered number of people change and accordingly the lockdown decisions vary.

Country	Employees affected	Production lost
Austria	14,307	16,289
Belgium	30,000	17,725
Croatia	700	-
Czech Republic	45,000	90,379
Finland	4,500	11,222
France	90,000	114,354
Germany	568,518	456,977
Hungary	30,000	47,695
Italy	69,382	79,803
Netherlands	13,500	16,511
Poland	17,284	44,628
Portugal	20,000	19,166
Romania	20,000	51,048
Slovakia	20,000	80,721
Slovenia	2,890	8,950
Spain	60,000	264,384
Sweden	67,000	18,253
United Kingdom	65,455	127,310
<b>TOTAL (EU + UK)</b>	<b>1,138,536</b>	<b>1,465,415</b>

Table 1  
Production loss and affected employees (Source: ACEA)

So as per the non-exhaustive data, number of employees affected are 1,138,536 and there has been a production loss of 1,465,415. Further the production has come to halt in EU.

Measures undertaken:

European Central Bank, European Investment Bank and European Commission Bank have commenced numerous measures to defer the temporary stich.

- European Central bank have purchased bonds from member states and commercial companies in order to have liquidity affluence.

- ✚ They have also embraced a Pandemic Emergency Purchase Programme which ensures them to buy sovereign bonds under lithe conditions. It has a sleeve of €750 billion till the end of 2020.

- ✚ Under Monetary package program, they planned to operate extensive refinancing in order to extend immediate liquidity solutions.

- ✚ Further sleeve of additional €120 billion net asset purchase has been shaped to assist private sector as well as their purchase initiatives.

European Investment bank have advocated a package that comprise of:

- ✚ Banks are nominated with guarantee schemes up to €20 billion.

- ✚ Ancillary support to banks through working capital support €10 billion for SMEs and mid-caps

- ✚ Asset backed purchase initiatives support of €10 billion support.

Continuing to support is European Commission:

- ✚ Taxation benefits, Direct subvention of €800,000 is structured to serve illiquidity crisis.

- ✚ Loan extending to others when so ever is needed.

- ✚ Subsidised loan amounts with affirmative interest rates.

## **MIDDLE EAST AND CENTRAL ASIA**

Iraq, Sudan and Yemen contention rich areas, have less preparedness for such uncertainty. They don't have excellent graded infirmary facilities. Moreover, scenario is aggravated with reduction in oil imports which have further condemned medicinal supplies. Regions are even trying hard to absorb economic shocks as demands both domestic and external are sinking. Trade statistics have tumbled down. Sluggish productions are not encouraging too. All this have lowered consumer confidence and tapered financial affluence. Curtailment of travel across the globe have diminished oil demand. There is no new agreement of production among OPEC+ nations which surfeits oil. As a consequence of all this, prices of oil have lessened to over 50%.

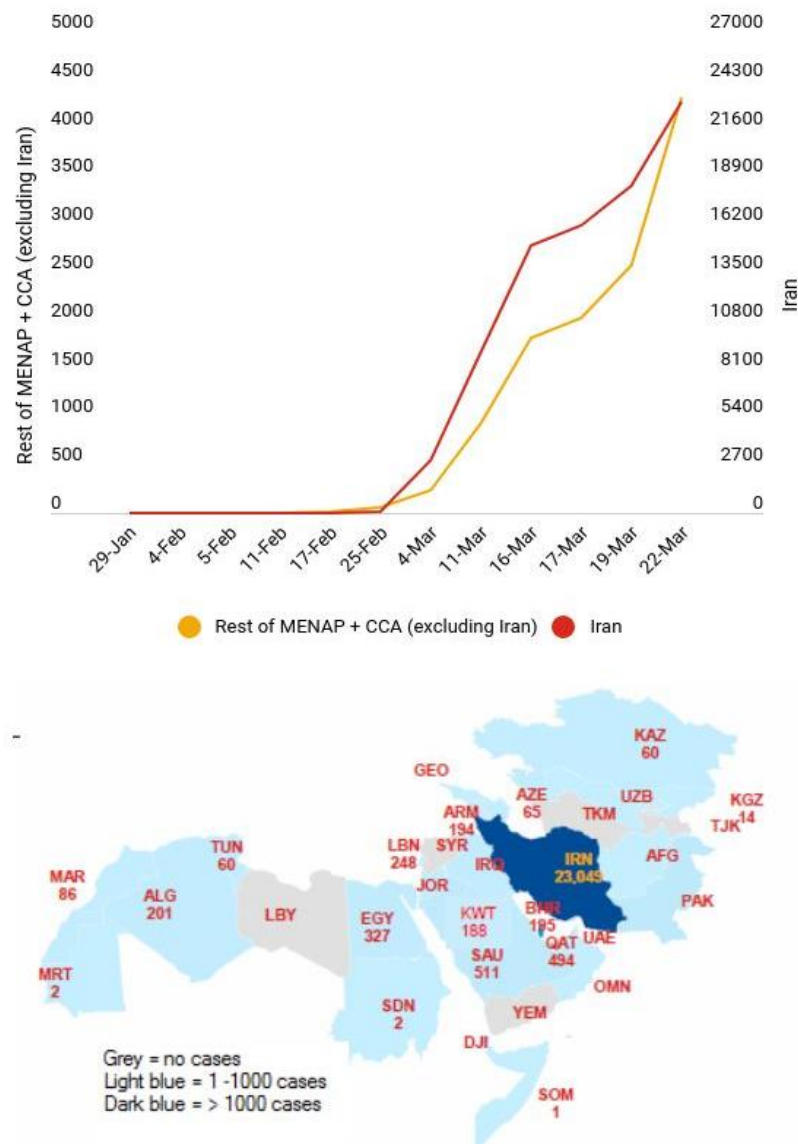


Fig 3. COVID-19 cases, late February (Source: Bloomberg)

- ✚ Egypt has undergone 80% travel annulments due to which economy is hard hit. Influence over hospitality and retail of United Arab Emirates is extensive.
- ✚ Fall in export revenues lead to intense pressure on government budgets.
- ✚ There has been abundance of risk aversion investors due to which sharp edged decline in portfolio returns nearly \$2 billion is recorded.

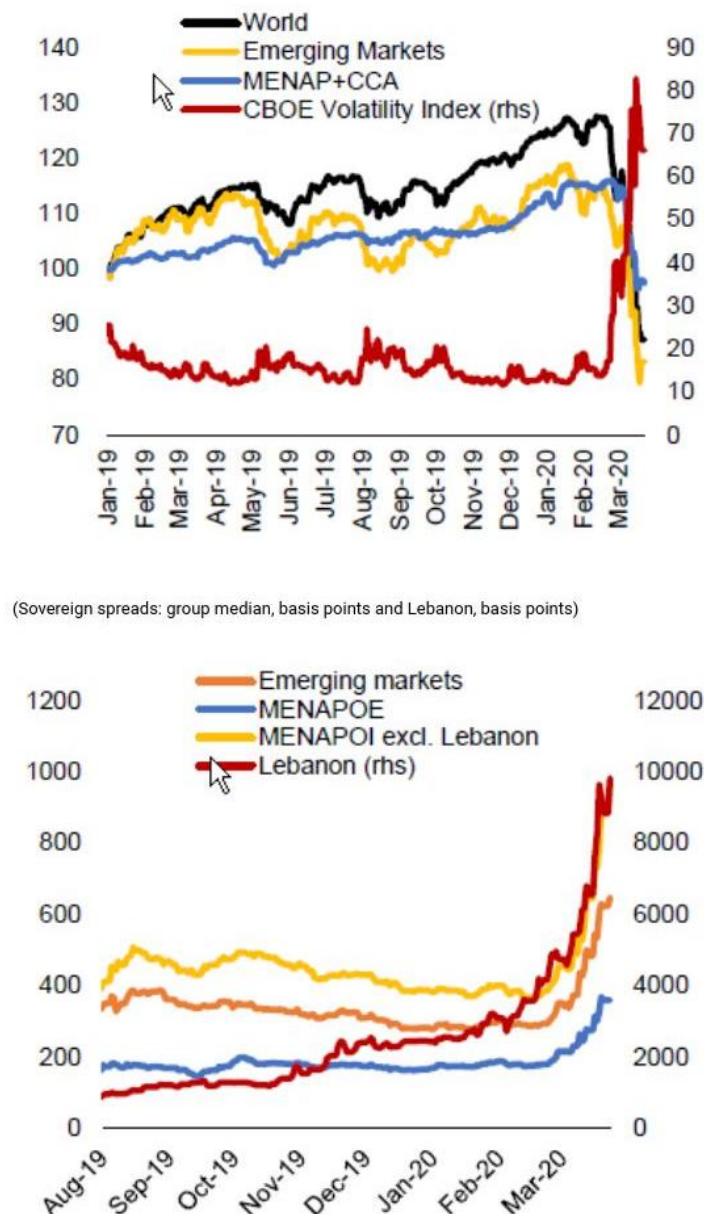


Fig.4 Financial fallout Source: Bloomberg

## India

Indeterminable damage to the production units of Automakers, smartphone manufacturers, appliances would occur due to shutdowns. Recently India considered to permit few manufacturing undertakings amid this COVID-19 outbreak. Entire nation undergoing with a phase of 3-week lock down, has authorised few micro, small and medium enterprises to function like cement, fertilizer, paints, defence, automotive, paper, steel etc but with nominal man power. Department for Promotion of Industry and Internal Trade suggested that even fewer services are permissible like mobile phone, air conditioner, television repairs etc.



#### 4. CONCLUSION

Damages yet on date due to the monstrosity of Coronavirus is incalculable. The outbreak created an impact over diverse countries across the world. There are only few countable in numbers which does not have the onset of virus. In order to combat with the situation, there are countries who have instigated lockdowns and sealings. This assures human safety but tumbles the economic progress. Indeterminable losses prevail with manufacturing industry too as presented in numbers across the different nations of the world.

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