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IMPACT OF COVID-19 ON INDIAN SERVICE SECTOR***Dr. Ramavat Vaijayanti Tulsiram**

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Abstract:

The service sector can be defined as an intangible economic activity that cannot be stored and does not result in any ownership, but plays a vital role in the economy of a country. The service sector, which accounts more than 60 percent of India's GDP, has a huge impact on the country's economy. The services sector is not only the dominant sector in India's GDP, but has also attracted significant foreign investment, has contributed significantly to export and has provided large-scale employment. The covid-19 pandemic brings change in the consumer choices and preferences which could highly impact the markets. This paper is written by keeping in mind the COVID situation and would depict how the service providers changed themselves during this challenging time in their business approach and how it has impacted on the growth of the Indian service sector.

Keywords: Indianeconomy, servicesector, GDP, Covid-

Introduction

The service sector is a key driver of India's economic growth. The economy of every country, such as India, is built on three primary pillars: the industrial sector, the service sector, and the agricultural sector. Since independence, India's economic development has resulted in the agricultural sector declining from 57.41 percent in 1950-51 to 16.5 percent in 2019-20. The service industry, on the other hand, has been flourishing, with a positive trend from 28% in 1950-51 to % in 2019-20. The globe has been shocked by the latest pneumonia outbreak that began in the Wuhan sea food market in China's capital city, Hubei Province. It's been dubbed "severe acute respiratory syndrome - corona virus disease 2019" by scientists. The virus quickly spread across 196 nations, prompting many of them to declare a lockdown for state of emergency in attempt to contain the virus. This paper is written by keeping in mind the COVID situation and would depict how the service providers changed themselves during this challenging time in their business approach and how it has impacted on the growth of the Indian service sector.

Objectives of the study

- To highlight the impact of COVID-19 on the service sector of the Indian economy
- To know the impact of change in consumers behavior on service sector
- To estimate the Covid-19 impact on service sector thereby Indian economy

Impact of COVID-19 Pandemic:

According to the current World Investment Report 2020 by the United Nations Conference on Trade and Development (UNCTAD), India rose from 12th to 9th place in the list of the world's largest FDI beneficiaries in 2019. Despite the global downturn, the COVID-19 pandemic, lockdown measures, and supply chain delays, FDI into India increased by over 17% from April to September 2020 compared to the same time previous year. Following table described the condition of various services with pre Covid and Post Covid.

Sr.No	Sector	PreCOVID	DuringtheCOVID
01	Transportation	Norestriction	Restriction
02	Education	PhysicalClasses	Virtual

03	ECommerce	NonEssential	OnlyEssential
04	Communication	Typicalpacks	ModifiedPacks
05	Healthcare	Prefer visiting the physician	VirtualConsultation
06	Recreation(Hotels&GYM)	Regular	RestrictedorCompletely closed

The above able described are as follows:

1. Transportation:

Transport industry contributes to a greatest extent to the country's economy. The rail, road, air and waterways are busy round the clock. The Indian road ways are the 2nd top busiest road ways in the world. Due to Covid-19 a global pandemic all transport activities except those are essential as per requirement of circumstances, have been stopped. For few months, and the unlock has brought relaxations and given freedom for travelling anywhere within the county. The public transport like rails, metros, buses and flights have not seen a recovery even after the lockdown. When the respondents were asked about their most preferred mode of transport

Between March and May, Indian aircraft were grounded for approximately two months as the government imposed travel restrictions to halt the spread of the pandemic. Air passenger traffic, thus, fell sharply in April 2020. Airlines were allowed to resume domestic operations from late May in a calibrated manner. Domestic air passenger traffic has been showing a gradual recovery since August on a monthly basis, although travel remains muted as compared to last year. According to Directorate General of Civil Aviation (DGCA), 63.54 lakh domestic passenger travelled by air in November, which was 20.54 per cent higher than the passenger traffic in October when 52.71 lakh passengers flew. The domestic air traffic, however, stands 50.93 per cent lower in November 2020 as compared to November 2019, wherein 1.3 crore passengers had flown. The public transport like rails, metros, buses and flights have not seen a recovery even after the lockdown. (Source: DGCA)

02. Education:

Education plays a vital role in development of country as well as the economy. After the COVID, the Indian education system was completely new to online education. The COVID situation forced the system to close all schools and colleges, forcing millions of people who were dependent on this sector to change to online mode to teach students, which was a difficult task for many teachers to accept and students to adapt to.

03. E-Commerce:

It is the service provider whose business was not affected, but the government restricted them to selling only essential goods and services that are very much required to lead a normal life when everything was shut down and not functioning as it should, and in service marketing the company has to go a step further to understand the needs of the customers, the companies understood the gravity of social distancing and promised that they would help.

Keeping in view of current pandemic the consumers mostly preferring the online mode of shopping.

Following are the top 10 e-commerce websites in pandemic.

Sr.no	Retail website	Millions
1	Amazon.com	4059M
2	Ebay.com	1227M
3	Rakuten.co.jp	804M
4	Samsung.com	648M

5	Walmart.com	614M
6	Appel.com	562M
7	Alliexpress.com	532M
8	Etsy.com	395M
9	Homedepot.com	292M
10	Allegro.pl	272M

04. Communication:

Prior to the Pandemic, major telecommunication service providers had regular plans in place to meet the needs of customers/consumers; however, when the country was confronted with a pandemic situation, companies creatively responded by offering lockdown/work from home packs to meet the needs of individual employees who were asked to work remotely.

05. Health Care:

Healthcare professionals across the country are doing an outstanding job meeting the demand for services in these critical times, with professional physicians making them available remotely to speak with patients who require services other than COVID.

06. Recreation(Hotels&GYM):

The recreation sector, which includes movie theatres, gaming zones, and so on. In India, recreation has become extremely popular, resulting in a vast number of establishments. Theatres and recreational centers have been closed as a precautionary step to limit the infection. All recreational activities that draw large crowds and unknown people to a certain location are prohibited, including staging events, conducting GYM classes, and operating Fantasy Parks. People who rely on this sector for employment would encounter difficulties in leading a normal life as a result of these constraints.

In general, the COVID situation in the country during the first wave was not that harsh on the majority of the people; they struggled and lost their lives during that time; however, the second wave, which we are seeing now, has created havoc everywhere; vaccinating everyone would restore confidence amongst the people and investors to invest in various avenues in the country; we can see 9000+ crore has been withdrawn from the Share(equity)market from India solely due to the fear that India may not be able to withstand the COVID crisis this time.

Conclusion:

The corona virus disease, which was found in India in 2019, has a significant impact on the Indian service sector. According to several respected organizations reports, the Indian service sector has a significant impact on the country's economy. The service industry can recover in a short amount of time by using effective methods and suggestions.

Suggestions:

A few measures can help the service sector, which is a crucial pillar of the Indian economy, recover. Following a few preventive measures such as maintaining a social distance, wearing a mask, 2 Dose of Vaccinations and having employees wear personal protective equipment can boost the travel sector. The Impact of Covid-19 has been enormous on services sector but the country is coming to normalcy from the Covid-19 second wave but with the efforts of GOI, we are sure to see tackling of the cases in case of third wave of Covid-19 pandemic.

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