



# Impact of Covid-19 on Healthcare Sector with Reference to India

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*Abstract: A few months back, a deadly coronavirus hit globally which leads to the deaths of approx 1million people. This paper presents the impact of the deadly virus on the Indian economy, especially the healthcare sector. It tries to bring out different opportunities and threats it poses for the healthcare sector. Although being a new topic not much conclusion can be made but this paper focusses on swot analysis for the healthcare sector because of the pandemic.*

**Keywords:** *Pandemic, coronavirus, healthcare, opportunities, threats*

## 1. INTRODUCTION

Recently a pandemic spread by a deadly virus, COVID- 19 has triggered the Indian Economy. Different sectors of the Indian economy are worst hit by the virus and result in an economic slowdown. Amongst those are the Education sector, Financial sector, FMCG, Healthcare sector, etc.

However, it cannot be ignored that the pandemic has also created great opportunities for many sectors. The industry which adapts itself to this situation will have the opportunity to capture a larger market share and those who wait for the pre-COVID situation to come will danger their existence in the market. The government of Indian has clearly issued some guidelines to cope with this situation because of which there has been a shift in consumer preferences. The shift in consumer preferences has led to altering market demand for different products and services in different sectors of the economy.

Every firm has to face a business environment which consists of the internal and external environment.

The internal environment defines the strength and weaknesses of a business and the external environment determines opportunities and threats of business.

Now this pandemic has posed different challenges to the external environment, so the business firm needs to be dynamic and adapt itself to this new normal instead of waiting for the pre- COVID situation to come.

In this paper, different opportunities and threats for the Healthcare sector are being analyzed in the current and post COVID era.

## 2. OBJECTIVES OF THE STUDY

- How the pandemic caused by SARS COV-2 affects the health care sector and various other sectors of the economy?
- What are the opportunities this provides to various firms in the health care sector of India?
- What threats it poses for these firms?
- The impact of pandemic on the relationship of India with other countries.

## 3. BUSINESS ENVIRONMENT

Business Environment is the sum total of forces (external and internal) affecting a business or industry. A Change in any of these forces may affect business in a significant way. So a business firm must be dynamic to adapt to the changes in the business environment.

A business has to perform a SWOT analysis before dealing with any situation. Every external force brings threats and opportunities and every internal force brings strength and weakness for a business firm.

This pandemic caused by the virus SARS COV-2 posed external threats and opportunities for the Healthcare Sector.

## 4. OPPORTUNITIES FOR HEALTHCARE SECTOR

1. **INCREASED AWARENESS:** Due to pandemic and guidelines issued by WHO, people are becoming more aware of various healthcare products. Almost everybody starts using Sanitizers, face masks, face shields. Many people started using immunity boosters, organic products. They started shifting towards Ayurveda. All this results in boosting the sales for these products. The

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demand for Oximeters starts increasing. Consumer's preferences are shifting towards more sanitization.

- 2. **INNOVATION:** This pandemic enables the companies to come out with innovative products. E.g.; Some ice cream companies come out with Haldi and Chawanprashflavor to cope with changes in consumer taste and preferences as a way towards healthier products. Companies like Mother diary comes with Haldiflavored milk. This leads to increased revenue in the healthcare sector.

Coming to the medical sector, a glucometer-like device is being developed which can detect antibodies against Covid-19. Another device is being developed that uses magnetic nanoparticles to collect virus fragments or antibodies from a sample within a few minutes under the CAWACH initiative.

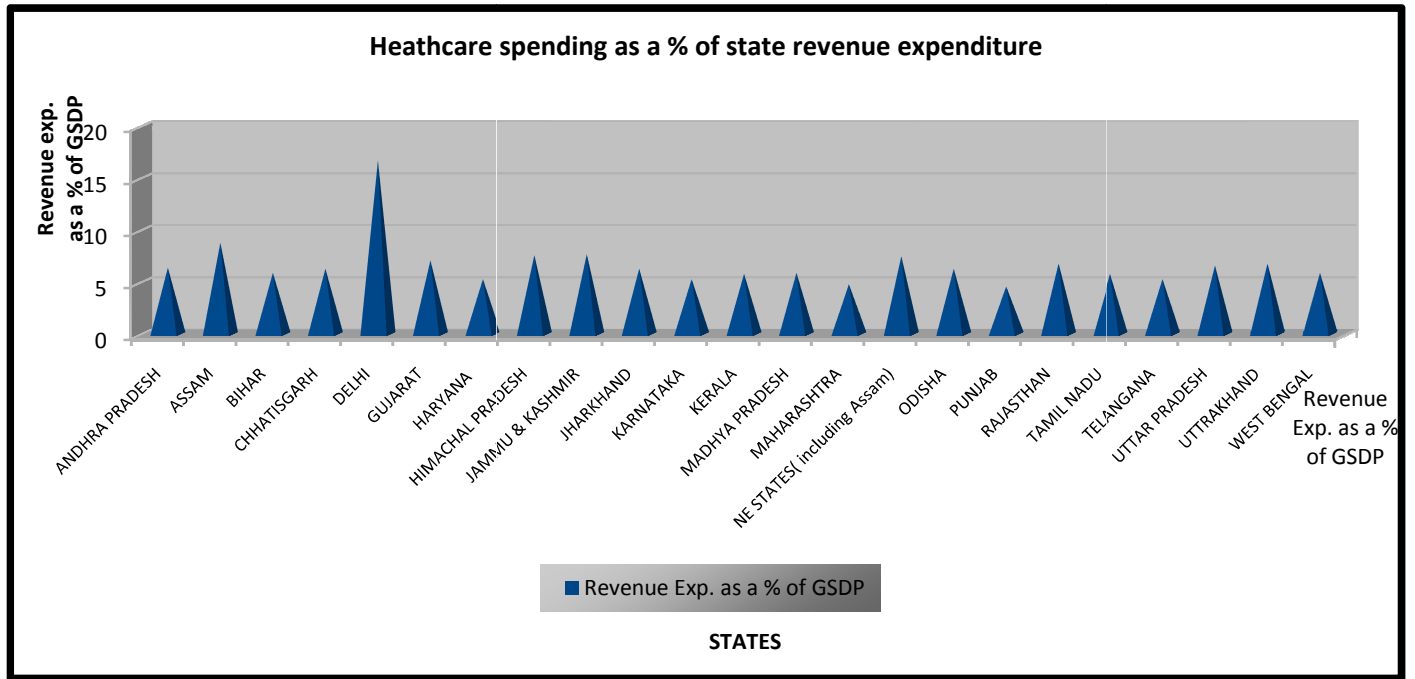
- 3. **MARKETING STRATEGIES:** To bring innovation in marketing strategies, companies are offering free masks and sanitizers with the purchases made by customers. In restaurants and hotels, food is being served in disposables. Some companies are even changing their logo to adapt to the situation.
- 4. **SELF- RELIANCE:** The emergence of COVID-19 from Wuhan, China, and the stand-off between India and

China has led India to restrict the import of medical equipment, syringes, disposables, etc. This paves a way for Indian Companies to start producing their own products and attain global standing by being self-reliant. As a part of this initiative Serum institute ,Bharat biotech and zyduscadila in collaboration with foreign universities are producing their own vaccines to deal with the pandemic. This paves the way for these companies to make India- a self reliant nation.

### 5. THREATS FOR HEALTHCARE SECTOR

- 1. **DEMAND- SUPPLY IMBALANCE:** Due to the spread of COVID-19 across the world, most of the imports-exports are being restricted. The majority of products of healthcare and medical equipment are imported to India from countries like China, the USA, UK, etc., the reduced supply adversely affects the healthcare sector.
- 2. **LOSS OF JOBS:** Due to shifting in demand of consumers, many people have lost their jobs.
- 3. **COMPETITION:** As a result of increased awareness and demand for healthcare products, many rival firms enter the market by offering a low price to capture the market which in turn risks the survival of existing firms.





**SPENDING ON HEALTHCARE IN DIFFERENT STATES AS % OF STATE REVENUE EXPENDITURE IN FY2020.**

STATES	% of total revenue expenditure
ANDHRA PRADESH	6.4
ASSAM	8.8
BIHAR	5.9
CHHATISGARH	6.3
DELHI	16.7
GUJARAT	7.1
HARYANA	5.3
HIMACHAL PRADESH	7.6
JAMMU & KASHMIR	7.7
JHARKHAND	6.3
KARNATAKA	5.3
KERALA	5.8
MADHYA PRADESH	5.9
MAHARASHTRA	4.8
NE STATES( including Assam)	7.5
ORISSA	6.3
PUNJAB	4.6
RAJASTHAN	6.8
TAMIL NADU	5.8
TELANGANA	5.3
UTTAR PRADESH	6.6
UTTRAKHAND	6.8
WEST BENGAL	5.9

Source: Reserve Bank of India, National health profile

From the above it can be clearly analysed that on one extreme there is Delhi with highest spending followed by Assam, Jammu& Kashmir, NE states and on other extreme there is Punjab, Maharashtra with lowest spending, all other states are in between Delhi and Punjab. Delhi having highest per capita spending also has highest spending as a % of state revenue expenditure.

## 6. FINDINGS

Due to the Covid-19 crisis, the private sector in the country continue to reel under negative impact of pandemic. Both in-patient and out-patient footfall for private hospitals, diagnostic centres, multi-speciality has dropped significantly. This leads to a permanent loss and has put pressure on working capital and liquidity. They are not able to sustain fixed costs, debt obligations increased. There was a sudden decline in medical tourism. People from different countries suffering from various health problems had to wait for the restrictions to ease so that they can travel India to get treatment. So many surgeries, organ transplants were pending due to restrictions.

## 7. RESEARCH METHODOLOGY

The study has been done using secondary sources of data collection. I have collected data from authorised sources on internet, various newspapers, published research papers etc. Due to the lack of much research and time, not much data has been collected.

The methodology used here is descriptive research. It tries to explain how and what are the impact of pandemic on Indian economy specifically health care sector.

### 8. CONCLUSION

Being a new topic, not much research has been done on it in past few months. We can conclude that this pandemic brings both opportunities and threats for the healthcare sector in specific and the entire economy. Although its opportunities outweigh threats to the healthcare sector it adversely affects the Indian economy negatively. It's for the firms to take first-mover advantage by adapting to these external changes so that they can survive in the market in long run. Only by anticipating and adapting to change can the rivals away from the market. The government should take steps to revive regressing healthcare system of the country. They can cut GST on covid related medical supplies, tax credit for manufacturers or cheaper credit facilities for them, standardise the cost of covid-19 tests across the country.

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