

The Impression Of The Corona Virus-19 Pandemic On India-Nepal Trade

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Abstract

Due to increased positive tests and deaths globally, the novel Coronavirus (COVID-19) has sparked a severe catastrophe in India and Nepal. This issue already impacted the economy and labor markets, affecting both demand and supply networks. Nepal has experienced the most abrupt and broad stoppage of economic activity since the emergence of this fatal disease (Covid-19). This paper aims to examine the fast-developing literature on the influence of COVID-19 on various financial and commercial sectors and integrate findings from a variety of studies. COVID-19 has harmed the country's macroeconomy, lowering national GDP in both countries, slowing economic growth, cutting revenue collection, and cutting pay rates, according to this report. Price inflation is occurring, as is the loss of work opportunities.

Moreover, the analysis found this in practically every socioeconomic field. COVID-19 outbreak has brought to light two aspects of the Nepal-India economic relationship: Nepal's growing trade deficit and both countries' free cross-border travel. Considering the trade deficit exclusively for supply shortages is neither suitable nor advantageous to the relationship's overall health. This brief proposes a more stable commercial relationship between India and Nepal. Moreover, with this, the paper attempts to explain the positive and negative effects of Covid 19 on both countries.

Keywords- COVID-19, GDP, Socio-economics, Nepal, India

1. INTRODUCTION

COVID-19 After a rapid spread across the world, India-Nepal relations took a worse turn in South Asia when India was inaugurated in May 2020 (Kharel,2021). Kalapani in West Nepal, despite subsequent objections, was made, and as a result, the incident pricked a raw nerve in the Himalayan nation, which has been enraged by Indian forces in its far-western territory and other examples of alleged border infringement on India (Kharel,2021). It brought up memories of India's 2015-16 blockade of the Indo-Nepal border enforced immediately after the terrible earthquake in Nepal (2). As a result, a big Nepalese language broadsheet was motivated to create a parallel drawing between two episodes (Kharel,2021).

The logo's impact on cross-border domestic industry, local law and order, local livelihood opportunities, and national security is unabated (Kharel,2021). The disease has raised pressure on the Nepalese government to create migrants, especially migrant workers who have returned or will return home after losing their jobs overseas (Kharel,2021). Simultaneously, the operations carried out by foreigners in order to regulate the border call attention to the prospect of Nepalese citizens finding work (Kharel,2021). In the past, insurgents and terrorists used the Porus border with Nepal to their advantage (Kharel,2021).

There were some tasks which India and Nepal were not ready to do. Because of the virus, Nepal was able to try something that would not have happened otherwise: closing the border to all individuals except those returning home (Kharel,2021). While difficulties are regulating the wall in this fashion, and enforcement is far from perfect, epidemic-induced border controls have shown that cross-border cargo movement can occur even if people are not moving unintentionally. Industrialists and tax officials alike are pleased with the decrease in smuggling (Kharel,2021).

Hence, the focus of this study is on **the INDIA-NEPAL trade system**. We go through with the first object- to examine the effects of corona in the Indo-Nepal trade and, secondly, to study the nature of COVID 19 and to identify Government of India initiatives regarding COVID 19.

2. RESEARCH METHODOLOGY

The study is based on secondary sources collected from various censuses or government departments like housing, social security, electoral statistics, tax records, internet searches or libraries, GPS, remote sensing, km progress reports.

Numerical Data

Table 1: Trade statistics data with Nepal and Total

Year	India's Import to Nepal	India's Export to Nepal	India's total Import	India's total Export	% Share Import	% share Export	Growth (%)
2018-19	508.14	7766.20	514078.42	330078.09	0.0988	2.3528	17.440
2019-20	711.61	7160.35	474709.20	313361.04	0.1499	2.2850	-07.801
2019-21	525.65	5108.76	304358.78	228771.73	0.1727	2.2331	-28.652

Source: Ministry of commerce and industry, Department of Economics(Kharel,2021)(all in \$US Million)



Figure 1: India's Trade with Nepal

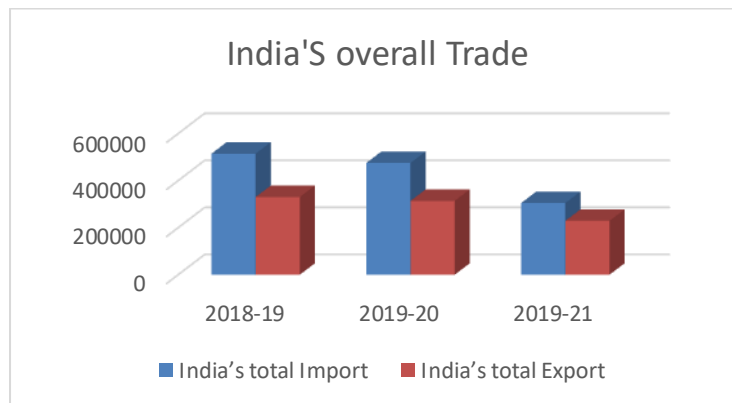


Figure 2: India's Trade with world

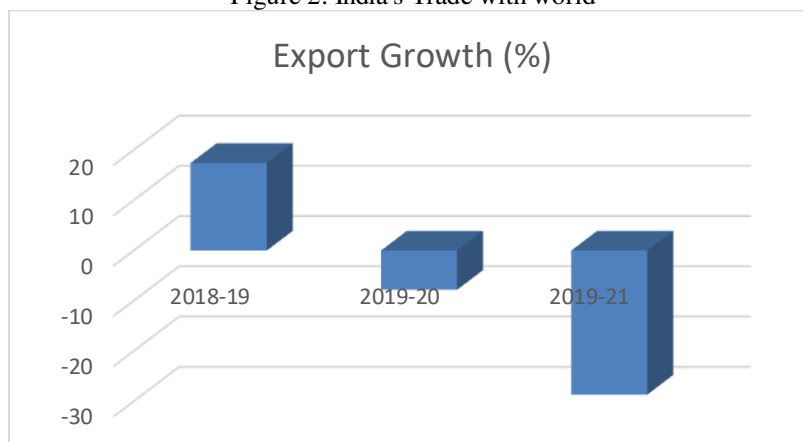


Figure 3: India's Export Growth with Nepal during Pandemic

From Table 1, it can be concluded that during the Covid-19 pandemic, India's trade is highly affected. There is a 28.652 fall in India's Export with Nepal. The Import not much affected with Nepal while with the world the Import also has a significant fall.

3. DISCUSSION

Kritika Paudel and Pramod Subedi (2020) attempted to present Covid-19's consequences as well as the unique limitations of restricted resources in a straightforward manner (Poudel et al., 2020). The author used graphs to review the infected cases and deaths in Nepal (Poudel et al., 2020). This article examines the outbreak's impact and the ensuing lockdown on Nepalese society's economic, social, mental health, and other elements (Poudel et al., 2020). However, it has impacted people's entire mental, physical, social, and spiritual well-being (Poudel et al., 2020).

The economic crisis brought on by Covid-19 has put much financial strain on many families, resulting in family dissolution, unhealthy tension, abuse, depression, and domestic violence (Khanal, 2020). As a result, the government and the general public require enough health facilities to address the epidemic's issue and the development of health funding capacity to meet future opportunities and challenges (Khanal, 2020; Poudel et al., 2020).

The effect of COVID-19 is well-reviewed by Nirdosh Khanal (2020). The paper's analysis revealed that remittances, tourism, labor and employment, education, and agriculture had poorly been impacted (Khanal, 2020). According to the analysis, Nepal's economic development rate will be severely slowed due to lower remittances (Khanal, 2020). To deal with the consequences, the Nepalese government should use various monetary and fiscal policies to contain the virus's spread and preserve the country's economy. Simultaneously, the government should re-establish resources in critical areas and abolish common institutions that have been created at all three levels of government (Khanal, 2020).

COVID -19 has a unique nature

Acute respiratory distress syndrome (ARDS) is a severe form of acute respiratory distress. SARS-CoV-2 is a highly contagious and virulent coronavirus that surfaced in late 2019 and has caused acute respiratory disease known as 'Coronavirus' sickness 2019', posing a hazard to human health and public safety (Kumari et al., 2021A & Kumari et al., 2021B).

SARS-basic CoV-2's virology, including genetic characteristics and receptor utilization, is described, highlighting the virus's critical changes from previously known coronaviruses (Kumari et al., 2021A & Kumari et al., 2021B). Coronaviruses are a genus of viruses that can infect various animals and cause mild to severe respiratory infections in humans (Kumari et al., 2021A & Kumari et al., 2021B).

There are two highly deadly coronaviruses of zoonotic origin- the severe acute respiratory syndrome coronavirus (SARS-CoV) and the Middle East respiratory syndrome coronavirus (MERS-CoV). These viruses appeared in humans and caused deadly respiratory diseases in 2002 and 2012, respectively (Kumari et al., 2021A & Kumari et al., 2021B). It resulted in the emergence of a novel coronavirus, posing new public health problems in the twenty-first century. SARS-CoV-2, a novel coronavirus, was discovered in late 2019 in Wuhan, China, and triggered an outbreak of atypical viral pneumonia (Kumari et al., 2021A & Kumari et al., 2021B). This is unique coronavirus virus, also known as COVID-19, has spread fast worldwide due to its high contagiousness, and it was substantially higher than MERS and SARS in terms of severity (Kumari et al., 2021A & Kumari et al., 2021B).

The ongoing outbreak of COVID-19 poses an extraordinary threat to global public health. In this study, we summarize the current understanding of the nature of SARS-CoV-2 and COVID-19. Based on recently published findings, this comprehensive review covers the basic biology of SARS-CoV-2, including its potential zoonotic origin, genetic features, and its receptor binding (Kumari et al., 2021A & Kumari et al., 2021B).

In late December 2019, groups of patients with pneumonia of unknown patients were reported at several health facilities in Wuhan in Hubei Province in China (Kumari et al., 2021A & Kumari et al., 2021B). Like patients with SARS and MERS, these patients showed signs of viral pneumonia, including cough, fever, chest discomfort, and severe cases of dyspnea and bilateral lung infiltrates (Kumari et al., 2021A & Kumari et al., 2021B).

The majority of the concerns among the first 27 hospitalized patients were epidemiologically linked to a wet market in Wuhan that sells seafood and other animals, including poultry and wild animals (<https://www.pathfinder.org/covid->). The first known instance, according to retrospective analysis, began on December 8, 2019. Creating a community and a health system amid a crisis, Pathfinder collaborates with governments in 17 countries to build stronger health and social systems that preserve reproductive health services, protect our workforce (<https://www.pathfinder.org/covid->), and disseminate COVID-19 part of its COVID-19 campaign. Please reduce and stop (<https://www.pathfinder.org/covid->).

Corona's Impact on Indo-Nepal Trade

In late 2019, the Seafood Market in Wuhan City, Hubei Province, China, discovered a new coronavirus dubbed severe acute respiratory coronavirus for the first time(Poudel et al.,2020). Coronavirus Disease 2019 or COVID-19 is the name of the infectious respiratory disease caused by this unique coronavirus (on January 30, 2020, the World Health Organization designated a novel coronavirus ID COVID-19 as a "major cause of international concern") (Poudel et al.,2020). With the first death from COVID-19 in France in February 2020 and a surge in positive cases in Italy, the coronavirus epidemic in Europe, the United States, Australia, Asia, and Africa became a significant concern(Poudel et al.,2020).

Globally, the new Coronavirus (Covid-19) is wreaking havoc on people's lives, and in many ways, this epidemic has created a crisis(Poudel et al.,2020). The financial crisis has been established in place in both countries and worldwide to deal with immediate health and economic issues. The Covid-19 dilemma has already produced an economic downturn and a labor market setback, affecting supply and demand for products and services (consumption and investment)(Poudel et al.,2020). Production bottlenecks, which started in Asia, have now expanded to supply shops all across the world(Poudel et al.,2020).

Similarly, the prospects of the economy and the quantity and quality of employment are also deteriorating rapidly(Poudel et al.,2020). While updated forecasts significantly and substantially underestimate the situation. They all point to a significant negative impact on the country's national economy(Poudel et al.,2020).

The impact of the COVID-19 epidemic on both countries' social economies will be determined by how events unfold on three fronts: i) reliance on tourism, trade, and foreign employment, and the consequences that will spread across the services and industrial landscape; ii) if and when epidemic outbreaks provide widespread inadequate infrastructure and antivirals or vaccines, and iii) Nepal's heavy reliance on tourism, trade, and foreign employment, and iv) Nepal's heavy reliance on tourism, trade. As a result, our country requires a policy mix capable of managing both health and livelihood problems. Therefore, our country needs to adopt a policy mix capable of managing health crises and livelihoods(Poudel et al.,2020; Hu et al.,2021).

Simultaneously, in addition to strengthening the health system, the government should be well equipped to handle the food and energy crisis(Poudel et al.,2020).India accounts for about two-thirds of Nepal's trade imports and exports and is a source of it. From the very beginning, for India's transit purposes, landlocked Nepal in Nepal has relied exclusively on India: about two-thirds of Nepal's imports from countries other than India through India(Poudel et al.,2020; Hu et al.,2021), the rest being freight goods, Or overland Chinese imports Nepal's overall trade deficit, with India accounting for a substantial portion of the deficit, will be expressed as a macroeconomic identity - a reflection of the difference between savings and investment in its current account (Poudel et al.,2020; Hu et al.,2021).

This macroeconomic identification, however, is not a claim regarding the causation. Nepal demanded the elimination of 18-year-old quantitative limits on vegetable ghee, acrylic yarn, copper goods, and zinc oxide at frequent bilateral trade discussions (Hu et al.,2021). Para-tariffs on Nepalese exports have also risen since the modification in 2002. Simultaneously (with introducing the Goods and Services Tax (GST) in India in 2017, however, the imposition of border taxes other than customs duties has become more transparent, and para-tariffs have been chiefly abolished (Hu et al.,2021). Due to epidemic-induced border controls with the entry of foreign workers into the country, the manufacturing sector is reportedly grappling with labor shortages(Hu et al.,2021).

This has prompted the government to formally consider allowing in foreign labor, although it indicates a difficult choice in the short term(Hu et al.,2021). With this, the epidemic has failed unprecedented public scrutiny on the employment front for more than a decade since the 2006 regime change and has worked on the road to prosperity even after federalism was introduced in 2015(Hu et al.,2021).

Government of India activities around COVID 19

Employment and labor benefits for construction and daily wage work (A&P,2020). The government has announced relief for daily wage earners and construction workers at Rs 1000 per person for all states and union territories. However, under the Building and Other Construction Workers Act, 1996, such an amount will be created through direct benefit transfer from the BOCW pool(A&P,2020).

Critical Points of Finance Ministry Announcements(6)

Income Tax Act, 1961

1. The Financial year 2018-2019 - In which the last date for filing income tax returns has been increased from March 31, 2020, to June 30, 2020.2
2. TDS in the year 2020 - No extension has been made on the delay in depositing TDS till June 30, 2020, but the interest chargeable has been reduced from 30% to 9% - June 30, 2020.

3. On any late filing, the interest rate has been reduced from 12% to 9% for FY 2018-2019
4. TDS - There is no extension on the delayed deposit of TDS till June 30, 2020, but the interest chargeable has been reduced from 18% to 9% - till June 30, 2020.
5. Aadhar Pan Linking - extended from March 31, 2020, to June 30, 2020.
6. Compliance including application, approval order, approval order, filing of an appeal, information, notification, bogus return, return statement, reporting of any other documents, and tax on roll instrument or investment for profit by the taxpayer. Due to various activities, the fixed capital gains, the deadline was extended to June 30, 2020.

Goods and Services Tax

The due date for March, April, and May 2020 3B, GSRT1, and Structure will be June 30, 2020(A&P,2020). Companies having a turnover of fewer than five crores will also be exempt from penalties, interest, and late fees. Companies with a revenue of more than five crores will not be charged late fees, but interest will be charged at 9%(A&P,2020).. While the choices composition scheme will be available until June 30, 2020, staggered dates will be made available at the appointed period (A&P,2020)..

Customs Act, 1962 and Central Excise Act, 1944

This included the "Trust of All" scheme, the Indirect Tax Arrangement Settlement Dispute Plan (no additional charge), extended until June 30, 2020 (Ngcuka et al., 2020). While customs clearance will operate 24x7 until June 30, 2020, it is essential despite the lockdown(Ngcuka et al., 2020).

Ministry of Corporate Affairs (MCA) Complaints

From April 1, 2020, through September 30, 2020, the MCA21 registration will be open(2). There will not be any additional fees. As required by the Companies Act, 2013, the timetable for having board meetings has been relaxed for the next two quarters for 60 days(Ngcuka et al., 2020).. Furthermore, CARO 2019 will apply from 2020 to 2021 rather than 2019 to 2020(2). It will not be considered a violation under Schedule VI of the Companies Act if an independent director of a firm has not attended a single meeting(Ngcuka et al., 2020).

The residence clause is exempted if the directors of a company do not stay in India for more than 182 days; it will not be regarded as a violation of section 149 of the Companies Act. The 20% deposit will be held on June 30 as a result (Ngcuka et al., 2020).It was extended until 2020, which was previously set to expire on April 30, 2020. 15% Debentures 30 percent 2020 extended till June 30, 2020, in a particular year's investment in defined equipment (Ngcuka et al., 2020).

Department of banking and financial services

Debit cardholders will not be charged a fee if they withdraw cash from any ATM for the next three months(2-3). All trade financing customers will see a reduction in bank charges for digital business transactions due to this. A savings bank account has no minimum balance requirement(2).

Insurance Sector Progress and Development India (IRDAI)

1. In the case of life insurance policies, renewal is a grace period for premium payment. However, the insurers have been asked to extend the grace period by an additional 30 days if desired by the policyholders.
2. In the case of health insurance policies, insurers can confirm delays in renewal up to 30 days without removing such condoms as a cease policy. However, insurers are requested to contact the policyholders in advance to avoid dissatisfaction with coverage.
4. In insurance companies and insurance intermediaries submitting monthly returns for March 2020, 15 days of additional time will be given. Similarly, in the case of quarterly returns, a further period of up to one month will be allowed.

Business

For all practical purposes, the extension of time for eligibility and procedural approaches, no extension or modification of planning guidelines will apply(Ngcuka et al., 2020;<https://tradestat.commerce.gov.in/eidb/icntq.asp>).

1. The time of covid-19 has changed the situation of many women from bad to worse. However, the rise in violence against women should be dealt with immediately by measures contained in incentive packages and funding that meet the scale of gravity and challenge and reflect the needs of women who face multiple forms of domestic violence and discrimination(Ngcuka et al., 2020;<https://tradestat.commerce.gov.in/eidb/icntq.asp>). The Secretary-General called upon all to form a significant part of their national response plans for COVID-19 to prevent and prevent violence against women.Along with this, shelters and helplines for women should be

considered a specific service for each country. Special funds and extensive efforts can be made to raise awareness about their availability. Grassroots and women's organizations and communities have been instrumental in preventing and responding to past crises and need to be strongly supported in their current frontline, with funding that lasts longer (Ngcuka et al., 2020; <https://tradestat.commerce.gov.in/eidb/icntq.asp>).

4. CONCLUSION

The global economy has been severely crippled by the unprecedented crisis posed by the COVID-19 pandemic. Covid-19 is spreading in the form of the catastrophic epidemic, whose end and the result are unknown. The government has given its full support to deal with this epidemic. In late 2019, a virus named Severe Acute Respiratory Kovid-19 was identified for the first time at the Seafood Market in Wuhan City, Hubei Province, China. The Covid-19 crisis has already caused an economic decline and a setback to the labor market, impacting the supply of goods and services and on-demand (investment and consumption). Production bottlenecks, initially in Asia, have now spread worldwide to supply chains.

Similarly, the economy's prospects and the quantity and quality of available jobs are steadily worsening. While the most recent predictions drastically understate the situation, they all indicate a considerable negative impact on the country's economy. COVID-19 has hurt the country's macroeconomy, lowering national GDP in both countries, according to this analysis. This brief argues that India and Nepal have a more stable commercial relationship, and the study uses this to explain the positive and dire consequences of Kovid 19 on both countries.

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Conflict Of Interest

The authors declare no conflict of interest.

Authors' Contribution

All of the contributors produced the systematic analysis. Sunita Prajapati and Shahnawaz Alam wrote the manuscript. Both authors have read and accepted this manuscript.

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Ethics Statement

Not applicable

Data Availability

All datasets generated or analyzed in this study are included in the manuscript.

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