



Speech of the Hon'ble Governor of Andhra Pradesh
Sri Biswa Bhusan Harichandan
at Dr. A.P.J. Abdul Kalam Memorial Webinar
on "Global impact of Covid-19 on the development of Rural Economy –
Challenges and Opportunities"

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Dr. G. Sateesh Reddy, Chairman, DRDO, Dr. Anil Sahasrabuddhe, Chairman, AICTE, Dr. K.S.M.S. Raghava Rao, Director, CSIR-CFTRI, Dr. Anil Dutt Semwal, Director, DFRL, Prof. K. Hemachandra Reddy, Chairman, APSCHE, Padmasri Uddabh Bhareli, Indian Inventor from Assam, Dr. S. Srinivas Kumar, Vice Chancellor, JNTU-Anantapur.

A very Good Evening to all the esteemed participants of today's "Dr. A.P.J. Abdul Kalam Memorial Webinar on Global impact of Covid-19 on the development of Rural Economy – Challenges and Opportunities".

I appreciate the efforts of Jawaharlal Nehru Technological University Anantapur and Lead India Foundation, U.S.A for coming together and arranging the webinar which is a need of the hour.

According to the UN Secretary General, the current outbreak of the novel corona virus, is the biggest challenge the world has experienced since the World War II.

It is also being said that Covid-19 might bring an unprecedented economic recession, considering its widespread economic consequences.

Global macroeconomic and financial landscape is witnessing an unparalleled turmoil with the Covid-19 pandemic emerging as the biggest threat to the economic growth. The COVID-19 induced impact is extremely unconventional in terms of factors such as enormity, uncertainty, unpredictability.

The duration of Covid-19 as well as its overall consequences cannot be predicted very accurately at this stage. The corona virus-sparked global slowdown, will no doubt, have an adverse impact on rural economy all over the world.

As per IMF's World Economic Outlook, the year 2020-21 is projected to experience the worst recession since the Great Depression. Far worse than the Global Financial Crisis with global growth contracted by 3 per cent. Cumulative loss to global GDP over 2020-21 is estimated to be around USD 9 trillion – greater than the economies of Japan and Germany, combined.

Growth in advanced countries, experiencing widespread spread of the virus, is projected to contract sharply by 6.1 per cent in 2020.

India is witnessing sharp contractions since March 2020 both on the production and consumption side with the lockdown enforced from the last week of March. Industrial production steeply contracted by 16.7 per cent and manufacturing shrinking sharply by 20.6 per cent in March 2020 compared to same period of 2019. When such crisis emerges, it is natural to experience turmoil in the economies of the world.

There are two sides to the COVID-19 crisis – one is the medical emergency and the other is economic impact – both are closely linked with each other. Many developing countries are the ones who suffered most by the economic impact. Fall in commodity prices, drop in tourism revenues, reduced remittances from citizens abroad and the rapid outflows of capital are contributing factors for the fall in economies of developing countries.

The economic devastation, in turn, will undermine their capacity to respond to the virus and threatens social and political stability in the coming days.

To summarise the situation, all sectors of the economy have been impacted very badly. Recovery from the economic downfall and sustaining the economy appears to be very tough task.

Coming to India, the economy expanded at 3.1 percent in the first quarter of 2020, exceeding market expectations. Still, it is the slowest GDP growth rate, owing to nationwide lockdown imposed from March 24th with an aim to contain spread of the corona virus.

In the Indian context, implementation of rural livelihood programmes such as Mahatma Gandhi National Rural Employment Guarantee scheme is helping to strengthen the rural economy by increasing local productivity to support national economic growth as well as provide food security and reduce poverty.

Today, whole world is in under the control of Covid-19 virus pandemic where sustenance of economic balance itself has become a big challenge. To gear up growth in the economy, countries have to look into their internal strengths and external opportunities as well as make strategies to overcome and convert market threats into opportunities. Internal resources like development of human capital by improving adaptive skills, technical skills, knowledge skills of individuals and empowering them to face emerging technologies in the agriculture, industrial sector and service sectors. Making policies which increase employment opportunities, income levels, consumption level among individuals.

Government of India has launched several measures to mitigate the suffering of people living rural areas as well as migrant workers. Government has made arrangements to provide 5 kilograms wheat or rice and 1 kg pulses every month during April to November to 800 million poor people under Pradhan Mantri Anna Kalyan Yojana. Free cooking gas has also

been supplied to 80 million families. 200 million women with Jan Dhan bank accounts are given Rs 500 per month. 30 million senior citizens, widows and disabled are given Rs 1,000 and 87 million farmers were paid Rs 2,000 under direct cash benefit transfer schemes. A loan scheme of Rs.10,000 for the benefit of street vendors without collateral, was announced under the 'Atma Nirbhar' programme, as a working capital to re-start small businesses.

Government of India has also announced implementation of 'One Nation – One Card' for supply of essential commodities under the Public Distribution System, anywhere in the country. Issue of job cards under Mahatma Gandhi National Rural Employment Guarantee scheme to mitigate the suffering of millions of migrant workers who returned to their native places during the Covid-19 pandemic.

Public investment in healthcare and a participatory mode of governance coupled with the support of local bodies can help in pandemic mitigation.

A truly federal set-up with shared responsibilities between the centre and states is better suited to deal with situations like the present one.

To tackle the impact of COVID-19 on the development of rural economy, an effective strategy to face the challenges is urgently needed.

I hope the deliberations of this webinar will touch upon these issues and the participants would propose feasible solutions to find a way out of the present situation.

Jai Hind