

India has been the second worst affected country in the world after the United States with over 9 million cases and 140,000 deaths. Rajeshwarie VS, FIA and Rishabh Gulati share their country's journey through the crisis. Rajeshwarie is the Head of Reserving, Chubb Business Services India. Rishabh is a student member of the IFOA and a student in the Department of Mathematics, Delhi University, India.

Highlight of Disease Status:

Population as at Mid 2020 ¹	1,380,004,385
Population Density per Sq km ²	464
First Official Case	30-Jan-20
Lockdown ³	A nationwide lockdown announced was announced on 24-Mar-2020. In phases, restrictions have been eased. Some restrictions are still in place.
Number of Days	Number of days varies by state. Some states remained under total lockdown until July.
Did Lockdown reduce New Cases?	Varies by state and municipality.
Sufficient Capacity in Healthcare System	Varies by state and municipality as well as private vs public health system.
Cumulative Cases as at 30 Nov 2020	9,431,691
New Cases in Nov 20	1,294,572
New Cases Per 000 Population	0.94
Case Fatality Ratio	1.45%

India's Initial Response

India's first coronavirus case was reported on 30-January-2020, a student of Wuhan University from the South Indian town of Thrissur, in the state of Kerala, who returned from China. Two more cases were reported in the same town in the next few days. But there were no further infections until the end of February. This was partly attributed to the fact that the state of Kerala had dealt with similar outbreaks of viral infections in the past, most notably Nipah virus 2018 and so were quick to isolate patients, trace contacts and test them.

All seemed under control until more imported cases began to be reported from 23rd February. Several other states began reporting more and more cases, mostly people returning to India from various countries. The Prime Minister announced the first nationwide 21-day lockdown on 24th March when the country had reported 519 cases and 10 deaths.

Although the lockdown was imposed at a time when cases were few relative to population, there had been some super-spreader events that had occurred in early March. A religious congregation in the national capital, some weddings with a large number of invitees, a local vegetable market in a big city all caused the number of cases to spiral. Some states struggled to contain the spread of infections while the smaller, less populated ones managed to bring down and contain community transmission.

¹ <https://www.worldometers.info/world-population/india-population>

² <https://www.worldometers.info/world-population/india-population>

³ <https://www.mha.gov.in/notifications/circulars-covid-19/>

The lockdown was extended by 21 days another couple of times and the worst affected states further extended restrictions until July.

Balancing the economy

With 1.3 billion people under lockdown, all economic activity came to a standstill, and what was touted as the largest growing economy of the world suddenly came to a halt. Only essential services, food and healthcare were functioning. In the first two quarters of FY21, every sector except understandably agriculture saw a decline in growth. Agriculture grew 3.4%⁴ in each of the first two quarters. The construction sector, trade, hotels and entertainment sectors took the largest hit as a result of infection control measures.

With a 90%⁵ of people employed in the informal sector (without any social insurance), this first and subsequent extension of the lockdown saw a mass exodus from the cities of this work force of mostly migrants back to their villages. This sudden huge shortage of labour added to the woes of factories and construction companies that reopened when restrictions began easing.

A leading economic daily, The Economic Times has forecast a loss of nearly 40⁶ million jobs, with the majority being in the unorganised sector, comprised of the self-employed such as weavers, artisans and small farmers as well as those not governed by government regulation. The country's Ministry of Statistics released its figures for the first quarter in June indicating that the economy had contracted 23.9%⁶. This sparked fierce criticism of the government's measures in handling this crisis with a lot of divided opinion. Some lauded the measures for reducing infections and deaths while others criticised the measures for ruining the livelihoods of many thousands.

COVID-19 Relief Packages

The government, while easing restrictions in phases, has also announced a slew of economic reforms, relief and stimulus packages⁷. The relief measures included providing free food grains to families living below the poverty line and cash transfers to farmers, the physically challenged and the elderly, as well as health insurance cover to healthcare and frontline workers. Other welfare schemes focussed on training and generating employment for the large numbers of people returning to their villages from large cities and towns as a result of job losses due to the lockdown.

The economic stimulus, announced in tranches, amounted to 308 billion USD. The central bank lowered the repo rate, liquidity coverage and Cash Reserve ratios for banks to improve liquidity in the economy. Medium and Small Enterprises received collateral free loans, moratoriums on loans were extended to six months and insolvency rules were slackened to ensure fewer MSMEs went bankrupt.

Throughout this crisis and the recovery phase post lockdown, there has been a growing call for making India self-reliant. The Prime Minister has announced the "Make in India"⁸ programme which is an ongoing project to boost local industry. Global tenders for government contracts up to 26 million USD were suspended to promote local participation.

⁴ <https://www.statista.com/statistics/1107798/india-estimated-economic-impact-of-coronavirus-by-sector/>

⁵ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_734503.pdf

⁶ <https://government.economicstimes.indiatimes.com/news/economy/opinion-impact-of-covid-19-on-the-indian-economy/75021731>

⁷ <https://home.kpmg/xx/en/home/insights/2020/04/india-government-and-institution-measures-in-response-to-covid.html>

⁸ <https://www.makeinindia.com/home>

Indian Health System and how it coped with COVID-19

India's health system has by and large coped well with this crisis. A few cities have seen their healthcare systems getting overwhelmed, especially in the early days. Initially government hospitals were identified for treating COVID-19 patients, and soon they were full. Then private hospitals were enlisted to treat infections. There were several issues that came up regarding costs of treatments at public and private facilities, so the government stepped in to regulate this and ensure that private hospitals were affordable.

The pandemic induced lockdown has had other health implications as well such as increased stress levels and rise in mental health issues. Lower affordability due to job losses or pay cuts and a pause in noon-meal schemes for children in government schools are likely to exacerbate nutritional deficiencies in the local population.

India has a huge population but very low insurance penetration. Thanks to a couple of government insurance and employee-employer schemes, up to 37% of the population have at least basic hospitalisation cover. An immediate reaction to this crisis from the insurance regulator was to mandate that all insurance companies should pay COVID-19 claims under all active health insurance policies. In addition, they also came up with the structure for two COVID-19 specific policies and instructed all non-life insurance companies to start selling these. There has been a huge increase in awareness and demand for health insurance since March 2020.

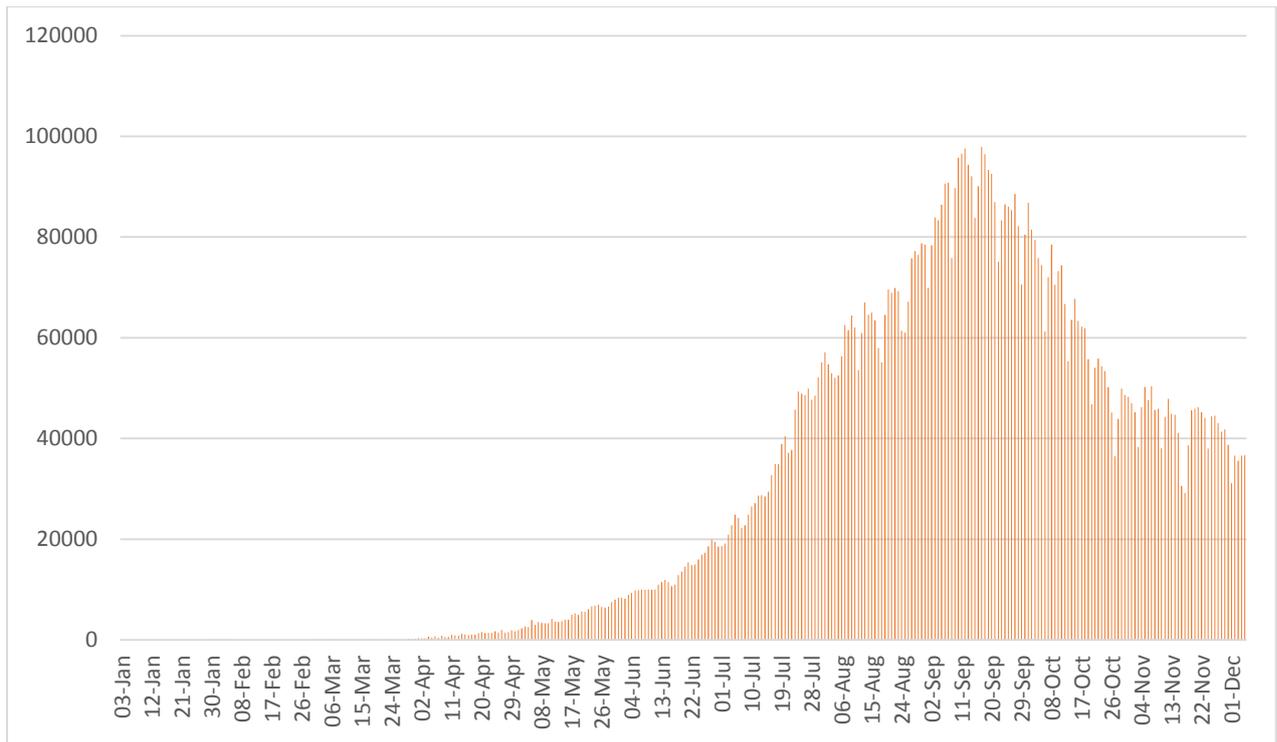
Current Situation

As at 30th November, the total confirmed number of cases of COVID-19 is 9,431,691, the second highest in the world after USA. India has had 137,659⁹ deaths, among the lowest deaths per million population in the world. Almost all businesses are open and functioning with reduced staff, while educational institutions are still closed. The peak of the first wave was in early September, and currently while most states are seeing falling numbers of cases, the national capital is believed to be in the middle of its second wave. Contributing factors to rising infections could be the high levels of air pollution and cold weather in October and early November. The reproduction number R has risen marginally from 0.9 to 1.04¹⁰ in the last week of November. Although there has been a lot of debate on the way the government has handled the pandemic, social distancing norms are still in force, people are more aware of basic hygiene and there is a lot of optimism now that a vaccine appears to be in sight. Still, the social cost of the disruption has been high, as evidenced by factors such as an increase in suicide rates.

⁹ <https://www.worldometers.info/coronavirus/country/india/>

¹⁰ <https://theprint.in/health/indias-covid-r-value-crosses-1-again-kerala-delhi-maharashtra-show-an-increase-too/552710/>

New COVID-19 Cases by notification date, as at 30th November



COVID-19 Deaths by notification date, as at 30th November

