

Jabbing pain

Covid-19 and its impact on economic activity in India

May 17, 2021

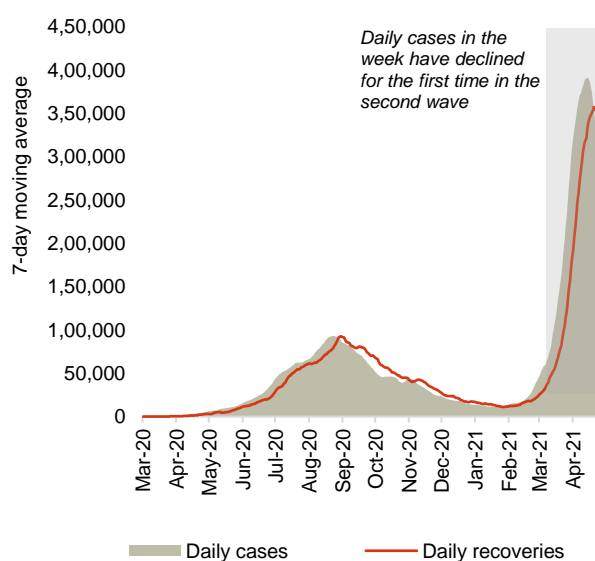
India's Covid-19 affliction curve has turned for the first time since the second wave began, with daily cases in the week ended May 16 falling 15% sequentially. The major affected states such as Maharashtra, Karnataka, Delhi and Uttar Pradesh have reported fewer new infections.

Nationally, new cases, after touching a high of 4.14 lakh on May 6, has now declined to average ~3.6 lakh as on May 16, offering some respite. Testing, though, has not dipped (in fact, it increased by a moderate 4% in this week when cases declined). However, it's too early to call a peak. The recovery rate has improved to 84.8% as of May 16 from 82.2% on May 9.

While vaccination was opened to all adults two weeks back to battle the fierce second wave, vaccine availability has become a national bottleneck. Consequently, some states have announced a temporary halt to their vaccination drive for the 18-44 age group and prioritised those in the 45+ bracket, especially the second doses. Daily vaccinations have reduced to ~1,455 per million people (week ended May 16), from 1,770 at the end of April. The world average is 2,962 per million.

Meantime, high-frequency indicators of the economy have continued to soften. Mobility indicators, in particular, have fallen to June 2020 levels.

Daily recoveries growing faster than daily cases



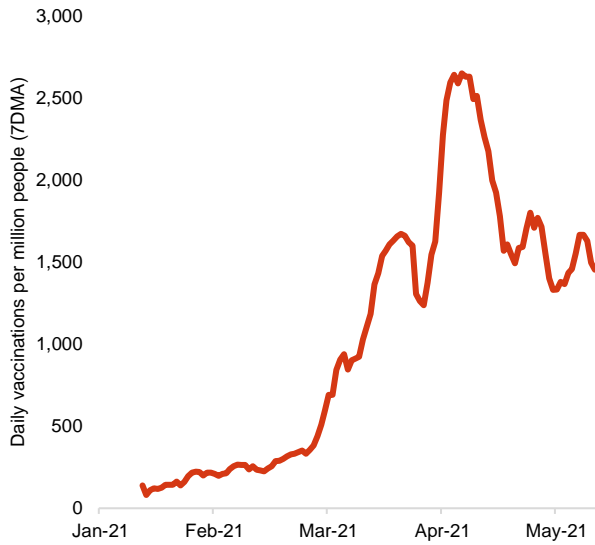
Southern states reporting higher growth in cases

State	Share in cases	Weekly growth rate in cases
Maharashtra	12.0↓	4.7↓
Karnataka	11.7↓	11.6↓
Kerala	10.7↑	11.3↓
Tamil Nadu	9.5↑	13.4↑
Andhra Pradesh	6.4↑	10.2↑
West Bengal	6.1↓	11.9↓
Uttar Pradesh	5.0↓	6.2↓
Rajasthan	4.5	11.2↓
Haryana	3.4↓	10.5↓
Odisha	3.4↑	12.4↓

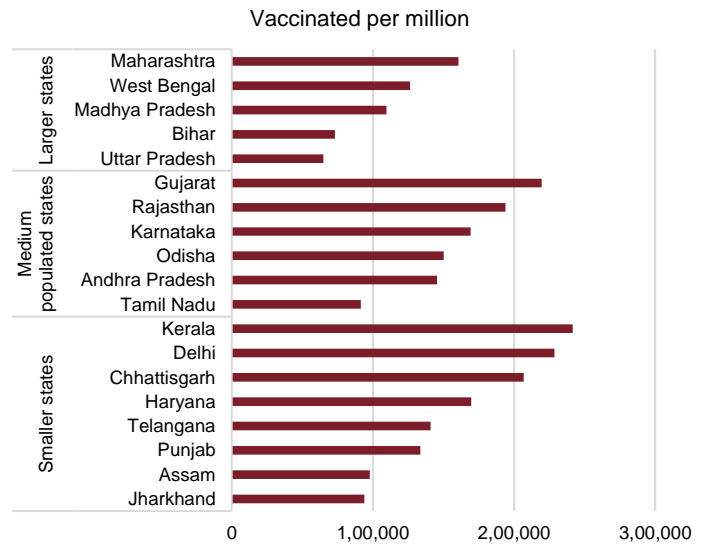
Note: Top 10 states with highest share in all India cases for the week May 10-16, arranged in descending order. Upward arrow indicates increase in share/growth rate in cases compared to the week prior; downward arrow indicates decrease. Rajasthan's share in all-India cases was unchanged

Source: Ministry of Health and Family Welfare (MoHFW), CEIC

Pace of vaccination remained slow in May



Kerala, Gujarat, Maharashtra have the highest proportion of vaccinated citizens among respective groups



Note: States categorized as 'small', 'medium' 'large' based on their population
Source: Ministry of Health and Family Welfare (MoHFW), CEIC

High-frequency indicators continue to soften

W-o-W %	08-Feb	15-Feb	22-Feb	01-Mar	08-Mar	15-Mar	22-Mar	29-Mar	05-Apr	12-Apr	19-Apr	26-Apr	03-May	10-May
Google Mobility*														
Retail and recreation	-25.1	-21.9	-21.7	-22.1	-20.9	-20.7	-21.7	-21.7	-26.4	-28.0	-36.7	-48.6	-54.9	-60.1
Grocery and pharmacy	14.0	16.9	16.0	16.4	19.9	19.7	19.1	20.9	13.7	16.4	7.9	-6.3	-13.4	-20.7
Transit stations	-9.9	-6.9	-5.0	-5.7	-5.1	-5.3	-5.1	-5.7	-12.4	-13.3	-22.7	-34.4	-41.1	-45.6
Workplaces	-15.1	-15.4	-15.4	-13.4	-11.4	-14.9	-10.3	-11.7	-22.6	-19.0	-28.7	-37.0	-43.4	-45.7
Electronic toll collections	1.7	4.1	15.5	7.1	-2.0	-5.7	13.2	-5.3	-11.1	3.7	-6.6	-7.8	-8.5	-9.4
Power supply: energy met	0.3	0.1	-2.4	3.3	4.1	0.4	1.8	-0.7	-1.5	3.5	-3.3	-1.9	0.9	-4.2
Railway freight	-0.2	-1.2	1.7	2.1	1.3	-1.6	2.9	2.0	-0.6	-11.2	3.6	-0.7	-2.1	-3.0
GST e-way bills	1.4	3.1	0.2	9.9	-7.5	0.0	3.6	3.5	-14.0	0.7	-6.2	-6.9	-13.7	

Note: *Mobility indicators data is % change from baseline (January-February 2020)
Source: Google LLC, NETC, POSOCO, Ministry of Railways, GSTN

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