

Several may lose jobs, says CEO snap poll

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The coronavirus pandemic and the subsequent nationwide lockdown have deeply impacted the domestic economy, with a majority of firms expecting a significant decline in their top line and bottom line in the current and previous quarters, demand declining and jobs getting impacted, according to a CEOs' Snap Poll conducted by the Confederation of Indian Industry (CII).

The electronic survey saw a cross-country participation of close to 200 CEOs across sectors and indicated that a significant majority of firms expect revenues to fall more than 10 per cent and profits to decline more than 5 per cent in both the current quarter (Apr-Jun 2020) as well as the preceding quarter (Jan-Mar 2020).

The expectations of this sharp decline in both revenue and profit growth by domestic firms could foretell the significant impact of this outbreak on GDP growth.

Further, most firms (80 per cent) have claimed that their inventory was lying idle. However, more than 40 per cent of the firms expect their stocks to last beyond a month once the lockdown ends — indicating the firms' expectations of a demand slowdown in the post lockdown period.

During this lockdown, a majority of the firms engaging in production of essential products and supply of ancillary goods are facing constrained operations in production and supply of essential goods and services. Firms have revealed that access to manpower and movement of products have emerged as major constraints in essentials trade, be it

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Director General, CII



manufacturing or warehousing & transport or retail sales of these essential commodities. While the government has allowed manufac- ture, transportation and distribution

of essentials, the enforcement at the local level has implemented the lockdown on essential commodities as well as services.

On the jobs front, about 52 per

cent of the firms foresee job losses, in their respective sectors, resulting from the Impact of Covid-19 outbreak and the ensuing lockdown. While the proportion of jobs that are expected to be cut are quite staggering, a significant share of firms polled (47 per cent) expect less than 15 per cent job loss, CII said. However, a worryingly high 32 per cent of firms expect to shed about 15-30 per cent of jobs, once the lockdown ends.

"The government could announce a fiscal stimulus package and implement it on fast-track mode, given that the lockdown has significantly impacted industry operations and the uncertainty of a recovery threatens substantial loss of livelihoods going forward", said Chandrajit Banerjee, Director General, CII.