

52% of firms foresee job losses, revenues falling 10%, says CII survey of CEOs

'Centre should announce a fiscal stimulus package for industry and implement it in fast-track mode'

OUR BUREAU

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The coronavirus outbreak, and the subsequent countrywide lockdown, have deeply impacted the domestic economy with the

majority of firms expecting a significant decline in their topline and bottomline in the current and previous quarters.
This will lead to job losses, according to a CII

CEOs' Snap Poll on 'Impact of Covid-19 Lockdown on industry'.

The survey was done with 200 CEOs across sectors. The survey results indicate that a significant majority of the firms expect revenues to fall more than 10 per cent and profits to decline more than 5 per cent in the current quarter (April-June 2020) as well as the preceding

quarter (January-March 2020). Further, most firms (80 per cent) have claimed that their inventory is lying idle at present. More than 40 per cent expect their stocks to last beyond a month once the lockdown ends — indicating their expectations of a demand slowdown in the post lockdown period.
Amid the lockdown, the

majority of the companies engaged in the production of essential products and supply of ancillary goods are facing operational constraints. Access to manpower and movement of products have emerged as major constraints in essentials trade, be it manufacturing, warehousing and transport, or retail sales of these essential commodit-

ies. While the Centre Central Government has allowed manufacture, transportation and distribution of essentials, the lockdown is being enforced at the local level even with regard to essential commodities and services.

Stimulus package

About 52 per cent of the companies surveyed foresee

job losses in their respective sectors. While there is varied opinion on the proportion of jobs that are expected to be cut, 47 per cent expect less than 15 per cent job loss and 32 per cent of the companies expect to shed 15-30 per cent of jobs once the lockdown ends. In view of this adverse industry expectations, "the government could an-

announce a fiscal stimulus package for the industry and implement it in fast-track mode, given that the sudden imposition of 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.