



VED's WEBINAR LIST

Webinar – “Post Lockdown – The Road to Recovery”

Date: Sat., 25th April 2020

Speakers: Amit Waikar, Dr. T. S. Rawal, Pravin Tapadia

The Road to Recovery after COVID-19 though difficult has a silver lining. What was the future likely to be, globally, economically and regionally were discussed at length by eminent Panelists, Dr. Amit Waikar, Dr. T.S. Rawal and Mr. Pravin Tapadia respectively.

Amit Waikar, Senior VP, Doehler Ltd, China, a die-hard Nagpurian in Shanghai, with the help of slides, explained there's a sharp reduction in global oil prices, other commodities, lower global demands, reduction in global trade, consumption, services and investments. The uncertainty has pressed the brakes on the plans of govts., companies and individuals, globally. Though heading for a global recession, the silver lining was that we would not see such a big drop in Asian countries as in the world, and would see a robust growth later soon. There would be huge depreciation in currencies, with long-term effect up to, even, 2022.

India would recover in some points and open for schools, offices, stores and services with restricted capacity, some non-essentials in manufacture, construction workers. Later on probably flights, but with every passenger being tested there would be a big drop. In another 12-18 months, restaurants would reopen, followed by herd-immunity, vaccines, and antibiotics.

Dr. T. S. Rawal, eminent economist and Partner, TS Rawal & Co., linking the present crisis to over-exploitation of nature, said this extraordinary situation would require extraordinary measures for recuperation. One of the worst recessions ever, with very difficult times ahead, this global crisis would have to now be global cooperation instead of a divided world.

There would now be the highest outflow of capital from the nation to the tune of Rs. 35,000 crores per day, and 9-10% of our GDP would be washed away in a short period of time. The repercussions could go on for 10 years, but simultaneously, on the bright side, would be the PM's Make in India - a big game-changer – that would take the economy to a different level, and provide great opportunities due to its great potential. As for relief packages, it would be better to give money to low wage earners for their survival, then to the MSMEs and the urban middle class, and finally to the people who can create wealth.

All companies are going bankrupt as they have to pay the wages and other liabilities. Govt. liquidity could save some, even if more money was needed to be printed. The Govt. would have to open up everything, and not worry about deficit, and even waive taxes for a while. The economy would take 2-3 years to get back to normal. We would need a lot of foreign investment and technology, define policies precisely, speed up labour and land acquisition reforms and welcome foreign investment by providing them with ease of doing business.

Pravin Tapadia, illustrious industrialist, Tapadia Polyestere PL, erstwhile President, Vidarbha Industries Association, speaking on the regional economic perspective, informed businesses are now looking forward to restart but their worries are simple – salaries of workers, power, permissions, all of them bothersome issues. He stressed 5 point would be – 1) Immediately facing the problem of liquidity to mobilise the businesses. Though the Govt. has given some stimulus, it may take time to work them out. 2) Man-power, as workers have left and may not be ready to return soon for fear of the virus; 3) Starting again to make it profitable; 4) Getting back the customers; 5) The logistics. Industry would have to sort out all these, which would take time, at least a month to get back to 60 % of the original.

The webinar was attended by over 60 citizens. Moderator: Varun Vijaywargi, Secretary-General, VED