

Thema: Die Auswirkungen des Coronavirus (COVID-19) auf die Außenwirtschaft

Topic: The impact of the Corona virus (COVID-19) on foreign trade activities

Einschätzungen des Auslandsbüros Indien

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1) Wie schätzen Sie die Gesamtsituation in Ihrem jeweiligen Land ein?

How do you assess the general situation in your respective country?

India introduced complete lockdown for 21 days effective 25th March. Long-distance trains, domestic air-travel, international air travel has been stopped. Road travel is restricted and allowed only with special approval. Groceries, food stores are open. But entry is restricted. Home deliveries are encouraged. The restrictions are well enforced by police on the streets in cities. Situation in rural areas is unknown. But those areas are also less vulnerable as they have little contact with Indians/foreigners coming in from abroad. Most of the spread so far is in that manner, and limited to cluster level. In the next week it will be clear if it gets contained or spreads at community level.

Present toll: Infected 906. Deaths 20. Recovered 83. Active cases 803. (Source: Worldometres 28.03.2020 12 noon IST).

2) Was sind die aktuellen Auswirkungen auf die Wirtschaftspolitik, Konjunktur und Branchenentwicklungen?

What is the impact on the overall economy and specific sector developments?

All factories have been closed. Office staff is allowed to operate from home. There will be severe impact on business.

Automotive was already in downturn, will be severely impacted. Construction, Airlines, Hotels, Cotton Yarn, Gems & jewellery, Leather, Seafood, Generic medicines, Aluminium and Steel sectors will be impacted – either due to lack of demand from affected European nations, or non-availability of raw material from China, or reduction of discretionary spend by domestic consumers.

3) Welche Maßnahmen sind von der jeweiligen Regierung vorgenommen worden, um die Folgen der Corona-Epidemie einzudämmen?

Which measures have been taken by the respective government in order to contain the consequences of the corona outbreak?

To start with, the Government is focusing on containment of the disease, and feeding the rural and urban poor affected by the lockdown. On 26th March, US\$ 23 Billion worth package was announced towards the medical staff working in the frontline, and farmers, daily-wagers, construction industry workers etc.

On 27th March the Central bank – Reserve Bank of India (RBI) announced some financial measure to bring in liquidity in the market and address immediate concerns – especially of small businesses and the middle class. Repo rate was reduced by 75 basis points, Cash reserve ratio (CRR) was reduced by one percent point. Moratorium of three months was introduced on term loans and EMIs (Equal Monthly instalments).

More such measures are expected – especially offering relief to SMEs.

4) Ihre Empfehlungen für BVMW-Mitglieder / Unternehmen mit Geschäftsaktivitäten in Ihrem Zielmarkt?

Your advices for BVMW members / companies with equivalent business activities in your target market?

- a) 31st March is the end of Fiscal Year 2019-20 in India. So, the offices will have a lot of year-end activity to carry out during the next days. This should be possible to a great extent online. This will include financial accounting, consolidation etc. involving finance staff, management and auditors, tax advisors. But this will also include plans for 2020-21, budgets etc. Considering the prevailing uncertainty about the impact and timing of the lockdown situation – it will be difficult to plan for the future. May be various scenarios need to be planned.
- b) German manufacturing companies in India must consider the following scenarios:
 1. Reduction of dependence on Chinese suppliers for raw material/components, if any
 2. Reduction of dependence on Chinese market for finished products, if any
 3. In the likely scenario of international companies moving their supply chains out of China – how to take advantage of it? Increasing capacities, skilling the staff/workers etc.
- c) Apart from this the companies should focus on e-training of employees. Conducting webinars, e-learning platforms, group online meetings etc.

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