

POST-EVENT REPORT
INTERACTIVE VIDEO CONFERENCE
with
Dr Junaid Kamal Ahmad,
Country Director, World Bank (India)

On
IMPACT OF COVID 19 TO THE INDIAN ECONOMY
AS WELL AS WORLD ECONOMY

WEDNESDAY, 20 May 2020

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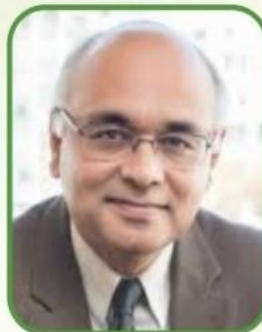
NATIONAL APEX CHAMBER



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**INTERACTIVE SESSION
ON
IMPACT OF COVID-19 TO THE INDIAN ECONOMY
AS WELL AS WORLD ECONOMY
with**



Dr. Junaid Kamal Ahmad
Country Director, World Bank (India)

Wednesday 20th May 2020 | 5:00 PM onwards

About PHDCCI

PHD Chamber of Commerce and Industry (PHDCCI) has been working for the promotion of Indian industry, trade and entrepreneurship as a catalyst for the past 114 years and is a forward looking, proactive and dynamic pan-India apex organization present in 23 states and 2 Union Territories. As a partner in progress with industry and government, PHDCCI with a special focus on MSMEs, works at the grass roots level, with strong national and international linkages for propelling progress, harmony and integrated development of the Indian economy.

About Konrad-Adenauer-Stiftung (KAS):

The KAS is a German foundation and has its headquarters situated in Berlin. KAS is active in more than 120 countries and in India since 1968 with the basic philosophy of respect for partner country's sovereignty in a spirit of partnership and cooperation. KAS is associated with many Think tanks, Apex bodies and non-profit organizations. Specifically, KAS offers to contribute by assisting India in its process of social, structural and political transformation based on democratic values and the rule of law; strengthening economic reforms, the small and medium business sector and an effective social market economy as well as supporting the integration of India into the global economy; intensifying the dialogue between Germany, Europe, and India and other major powers, especially on current foreign and security policy as well as promoting the education of young print journalists.

Interactive Session with
Dr. Junaid Kamal Ahmad, Country Director, World Bank (India)
ON IMPACT OF COVID 19 TO THE INDIAN ECONOMY
AS WELL AS WORLD ECONOMY
20 May 2020 through Video Conferencing

INTRODUCTION

PHD Chamber of Commerce and Industry, organized an Interactive Video Conference with Dr Junaid Kamal Ahmad, Country Director, World Bank (India) on “**IMPACT OF COVID-19 TO THE INDIAN ECONOMY AS WELL AS WORLD ECONOMY**” on Wednesday, 20 May 2020.

The Objective of the Video Conference was to have a meaningful discussion to understand the Impact of COVID 19 and the challenges being faced for promoting business activities as regards export and import, travel restrictions, and also understand the potential opportunities and possibilities of enhancing bilateral trade post lockdown. The session was attended 150 participation including industry players and senior members of PHDCCI.

The world is witnessing the carnage of the novel coronavirus (COVID-19) pandemic. There has been a significant loss of human lives and the global economy has also felt the impact severely. Global markets are in a free fall with supply-chain disruption and manufacturing falling to the lowest levels in decades.

THE PROCEEDINGS OF THE SESSION ARE AS FOLLOWS:

Dr. D. K Aggarwal, President, PHDCCI welcomed Dr Junaid Kamal Ahmad, Country Director, World Bank (India) for sparing his precious time to interact with the members of Managing Committee of PHDCCI.

Dr. D K Aggarwal in his Presidential Address mentioned that financial assistance provided by the government and World Bank has helped every sector of the society and every Indian industry to bounce back in the world economy. He also gave a brief outlook about the measures and reliefs undertaken by the Government of India to mitigate the impact of COVID-19 and how India is witnessing an opportunity to grow itself in the economy of trade, factory, and business.

The President requested Dr Junaid to suggest measures to overcome the losses being faced by industries during lockdown. He also asked how potential 3000 companies who are looking options to move out from china can be invited to India. As even if 50 companies come to India to set up their manufacturing unit, it will create employment and potential for MSME sectors. He also requested the inputs from Dr. Junaid that whether Covid 19 should be taken as an opportunity in digitalization era.

Addressing the Members of PHDCCI, Dr Junaid Ahmad showed his gratitude for the opportunity to interact with the members. Dr Junaid showed his concern that Covid 19 has pounced on the weaker portions of countries and our health system is not ready to deal with this. It is important lesson for whole world that we need to change the delivery

systems. He mentioned that India is moving around at a 7% growth rate and needs to work harder to sustain itself. He stated that the scheme provided by Hon'ble Prime Minister Shri Narendra Modi Ji of Pradhan Mantri Garib Kalyan Yojana is a fundamental intervention to support the economy during these times of crisis. He suggested that India has announced 10 percent of GDP which is combination of monetary and fiscal policies and is aspiring to achieve.

Dr Junaid, while deliberating on "Impact of COVID-19 on the Indian Economy as well as World Economy" gave an insight into the nature of economic and social shock witnessed by India and World due to this pandemic COVID-19 by giving a flashback of the 2008 financial crisis. He mentioned that in 2008, government responded with stimulus packages and increased expenditure in health. Also, in 2008 so many issues were laid out and took long years to overcome that situation. He said that what distinguishes the 2008 financial crisis with the current times is the focus on supply and health care systems and faculties. He also emphasized that it is important to protect the economic base of the country which will help to stabilize the economy.

Dr Junaid mentioned that every country has adopted a practice of social distancing which has resulted in different ways of locking down the economy. The health system around the world couldn't deal with a spike that was emerging due to massive spread of infection. The countries had to slow down the process of infection and lockdown approach was adopted. He mentioned that USA from beginning has imposed similar kind of lockdown 4.0 of India with set of guidelines. New York from beginning

allowed states to come up with their solutions. Sweden asked their people to take strict measures to protect themselves. In Europe, minorities and senior old age homes are vulnerable to deaths as they are low income people with bad health conditions. This lockdown led to a slowing down of the economy of whole world which has resulted in fall growth.

Dr Junaid appreciated that India is only country where Central Government took strict action to impose complete lockdown unlike others. However, the migrant labourers are facing unexpected burden and problems fall on them and even after two months, the same condition continues. He appreciated the policy being adopted by some states to overcome the pandemic in India such as Kerala and also showed concerns over the situation in Maharashtra. He also appreciated the coding of Zones done by India as it is serving to understand the situation even better. According to him, after letting go the workers to their homes, it will be difficult for industries to start production again.

Dr Junaid highlighted that every country needs to have a social intervention so that they can move from slowdown to the revival of the economy. He highlighted that every country has adopted a sequence that will help the economy to bounce back through the art of engaging in a slowdown, protecting the people and assets of economy and then re-starting the economy. He acknowledged that political leadership is supporting well to each other across world. He mentioned that we need to open lockdown slowly in such a way that the economy grows and the spread of the COVID-19 pandemic doesn't happen. He stated that there is no way this pandemic can be dealt with without the states' intervention

and it is important to focus on the nature of economic and health conditions of the state. He suggested that we need to strengthen the federal system and the states and unite them all to fight against the crisis.

Dr Junaid mentioned that due to lockdown, it was a time for the healthcare sector to search for a solution which can be a vaccination or other. He appreciated that medical fraternity has come together all over the world and the reports/surveys or results are being shared with others which is incredible. Medical industry is doing trials for vaccination, preparing mixture of drugs to deal with symptoms to kill virus without vaccine. He suggested that after healthcare, poor people shall be protected and bridge shall be provided for revival to the vulnerable community which is almost 50 percent of any country. Currently we require commitment to behavioural changes such as hand washing and wearing masks. The same could be linked to intensive intervention by states and community organizations.

On question of coming of global companies to locate in India, Dr Junaid showed the concern over problems such as land acquisition in India due to various issues, and power sector due to subsidies and free supply to agriculture, and stressful financial sector, labour laws, transport and logistics etc not met the global standards, tendency to create SEZ, FDI Laws etc. Such issues require great structural shift instead of issuing grants to make India a welcome place for investors.

Talking about the MSME sector which is one of the backbone sectors of the country, Dr. Junaid said that the government has created some liquidity in

the market for the MSMEs. But the challenge is how to use the liquidity. MSME needs strong intermediation with the NBFCs along with banks for coming back as an impactful sector that creates jobs and opportunities for growth in the country. Also, government shall allow de-risk those who want to invest in bank/ NBFCs and to those who want to lend in MSMEs. Currently, government is using their two to three existing guaranteeing vehicles and trying to strengthen them. He mentioned that World Bank is supporting health, social protection and economic stabilization across the world.

Konrad Adenauer Stiftung (KAS) in India was the partner of PHDCCI for the Interactive Session and Mr. Peter Rimmele, Representative of KAS in India also interacted with the Members. Mr. Peter gave a brief insight into the measures and reforms taken by Germany to combat the impact of COVID-19. He also gave a global perspective about the financial packages announced by different countries of the world.

Mr. Peter highlighted that even before corona hit, politicians and economists were expecting economy slowdown for 2020-2021 and therefore, we were partially prepared for it. He mentioned that as prices have impacted the services sectors and India has a large informal sector, it is affected adversely in current crisis. The most challenging situation in long run is breakdown of international production process which is impacting our domestic needs as well as imports and exports. He apprised that now world is looking at India for medical supplies after China. He suggested that protectionism support could help in short term only and for long term we require comprehensive approach and also nationalized

production of goods to overcome the situation. He suggested that countries shall try to make their supply chains fit for future.

Mr Sanjay Aggarwal, Senior Vice President, PHDCCI concern of globalization which actually means diverse area of buyers and sellers but now it has become monopoly of china only. While answering the question on whether globalization is the need of hour, Dr Junaid mentioned that world is interdependent and an open trading system and global exchange is right approach towards it. However, countries often put barriers by laws that impacts world trade. He suggested that we require multilateralism and shall also adopt different form of political engagement to make it more transparent which is absent today. The roots of world trade need to be changed like taxation and other laws. He mentioned that rules of transfer overseas needs an overhaul including the mechanism of World Bank.

Mr K S Mehta, Former President, PHDCCI and Mr Sanjeev Gupta, Chairman, Energy Committee, PHDCCI highlighted that PHDCCI is a great champion for MSME sector and has hold of enviable networking knowledge and understanding of MSME. He highlighted that fund of fund benefit has provided by Ministry of Finance to MSMEs and it is time to structure such schemes to use that funds effectively. He requested Dr Junaid to suggest that whether World Bank may come up with rules to provide the collective benefit of all schemes to MSMEs and how PHDCCI can work in this regard.

On query regarding revival of MSME sectors post lockdown, Dr Junaid suggested that MSME requires three windows which needs to be worked

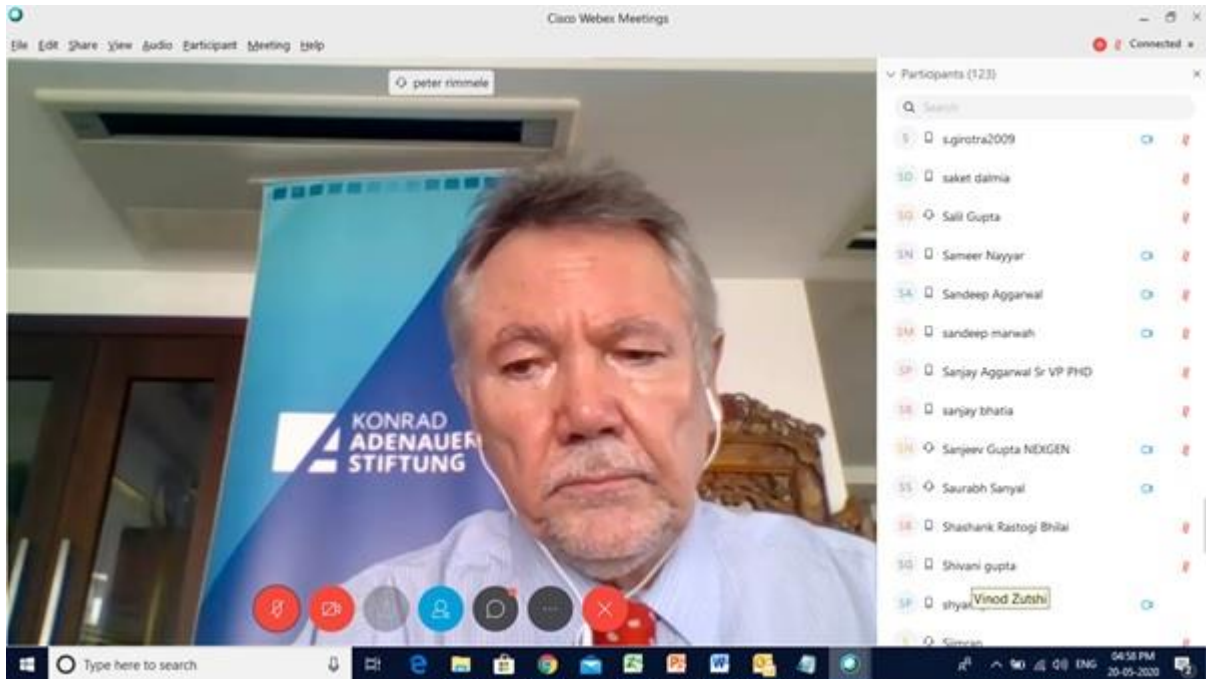
upon simultaneously such as Access to Finance by providing liquidity and guarantees; Access to Markets as there is lot of information gap due to different rules by different states and lastly the Access to Capacity Window which requires ecosystem of institutional providers who can invest accordingly. He highlighted that to develop MSMEs in India, state level programmes should be organised where big clusters of MSMEs exist to understand their situation. Also the Central and State Government needs to work together and should have a coordinated system of schemes for better utilization by the MSMEs. He suggested that now government shall invite more public funds to invest in MSME. He also mentioned that PHD Chamber is powerful voice to reflect challenges faced by MSME to government and need to do deep analyse of such issues. He also assured that World Bank will try to get views from the group of leaders for drafting suggestions and come out with great policy.

On query of whether centralized system of social schemes shall be provided to people and also one single window of registration by companies under all laws to improve ease of doing business, Dr Junaid mentioned that currently more than 460 social protection schemes prevailing in India and coordination of all such schemes will definitely create great impact on society. In this regard, central government has already started to function as under jeevan jyoti bima yojna, accident yojna and pension yojna, people can get benefits from anywhere. This initiative of societal healing will be a game changer and will reshape social protection system from rural to pan India. He suggested that PHD Chamber as voice of MSMEs shall work in direction to find out measures of data security and submit an impactful representation to government.

Mr Sanjay Aggarwal proposed a hearty vote of thanks to Dr Junaid Ahmad and Mr Peter Rimmele for sharing their valuable views. The Session was moderated by Mr. Saurabh Sanyal, Secretary General, PHDCCI.

The session witnessed participation of senior members of the PHD Chamber all over the country including industry stalwarts all over the country.

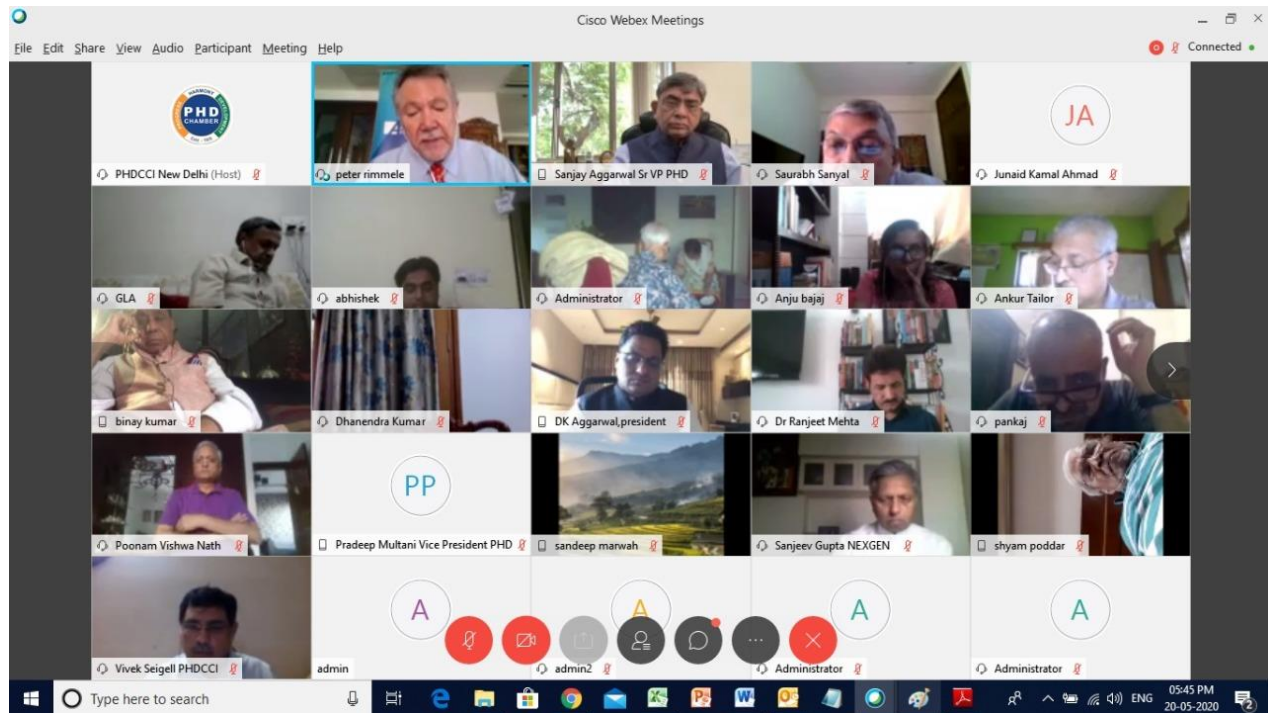
GLIMPSES



Mr. Peter Rimmele, India Representative to KAS, sharing the German perspective on the Impact of COVID-19 on the Global Economies AND spoke about the insight into the measures and reforms taken by Germany to combat the impact of COVID-19. He also gave a global perspective about the financial packages announced by different countries of the world.



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Dr Junaid, while deliberating on “Impact of COVID-19 on the Indian Economy as well as World Economy” gave an insight into the nature of stock witnessed by India and World due to this pandemic COVID-19 by giving a flashback of the 2008 financial crisis.



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PHDCCI New Delhi (Host) Junaid Kamal Ahmad DK Aggarwal, president Saurabh Sanyal Hp Ultrabook

Vivek Seigell PHDCCI abhishek Administrator Alok Krishna Agarwal Anju bajaj

Ashok Khanna binay kumar Deepak Pahwa Dhanendra Kumar Dr Ranjeet Mehta

GLA Mukul Bagla pankaj peter rimmele Poonam Vishwa Nath

s.girotra2009 sandeep manwah Sanjay Aggarwal Sr VP PHD Sanjeev Gupta NEXGEN shyam poddar

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Vivek Seigell PHDCCI Administrator Anju bajaj Ashok Khanna binay kumar

Deepak Pahwa Dhanendra Kumar Dr Ranjeet Mehta GLA mahendra

Mukul Bagla Nasir Zaidi pankaj peter rimmele Poonam Vishwa Nath

Pradeep Multani Vice President PHD Rajendra Somany Ravi Gupta s.girotra2009 Sanjay Aggarwal Sr VP PHD

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Online Coverage:

The event has been highlighted by leading Financial, English, and Hindi news portals.

S.NO	Website	Date	Links
1	Business standard	21-05-2020	https://www.business-standard.com/article/pti-stories/covid-19-reveals-strength-of-states-to-deal-with-crisis-world-bank-official-120052001724_1.html
2	Money Control	21-05-2020	https://www.moneycontrol.com/news/world/covid-19-reveals-strength-of-states-to-deal-with-crisis-world-bank-official-5294781.html
3	Business Insider	21-05-2020	https://www.businessinsider.in/business/news/covid-19-reveals-strength-of-states-to-deal-with-crisis-world-bank-official/articleshow/75854724.cms
4	News 18	21-05-2020	https://www.news18.com/news/india/covid-19-reveals-strength-of-states-to-deal-with-crisis-world-bank-official-2629371.html
5	Outlook	21-05-2020	https://www.outlookindia.com/newscroll/covid19-reveals-strength-of-states-to-deal-with-crisis-world-bank-official/1841147
6	Dt Next	21-05-2020	https://www.dtnext.in/News/World/2020/05/20233413/1231283/COVID19-reveals-strength-of-states-to-deal-with-crisis-vpf
7	Devdiscourse	21-05-2020	https://www.devdiscourse.com/article/business/1059879-covid-19-reveals-strength-of-states-to-deal-with-crisis-world-bank-official

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