

India resumes biz, but conditions apply

POST-LOCKDOWN Factories face shortage of workers, logistical hurdles as they restart work after over a month

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India started reopening its factories on Monday after spending more than a month in strict lockdown, a measure that helped contain the coronavirus outbreak but brought the economy to its knees. But challenges loom. Workers and materials are difficult to find. Logistics is a headache and demand in many categories has all but vanished.

Still, several companies, ranging from car maker Hyundai Motor India Ltd to two-wheeler manufacturer Hero MotoCorp Ltd, to consumer appliances major Whirlpool of India said they will be restarting operations gradually from this week, as the government eased lockdown curbs to allow companies reopen in green zones—areas that are covid-free for over three weeks.

The loosening of curbs based on whether factories or offices are located in red, orange and green zones—as per the level of infections in these areas—means the start of business operations will be uneven.

With most industrial areas falling in red zones, where curbs have not been eased, reopening factories in these areas will have to wait.

"The new guidelines provide flexibility for resumption of economic activities in the green and orange zones. Even in red zones, the government has allowed economic activities involving essen-



As curbs loosen, demand across categories has vanished. REUTERS

tial goods and services, with certain conditions," said TV Narendran, managing director of Tata Steel Ltd. "However, production is a function of demand, and from that view, it appears to me that we shall only see a gradual opening up." Narendran added that availability of labour and a liquidity crunch are two other bottlenecks for industry and urged the government to facilitate both for business resumption.

Industry executives said the government would also need to help build consumer confidence through health and sanitisation measures as well as public messaging. Harsh Pati Singhania, vice-chairman and managing director of JK Paper, said there is currently fear among people that they would get infected if they step out. Unless such a deep-rooted worry is removed, indus-

try will be hampered by not only low demand but also a shortage of workers, as many are dependent on migrant labour, he added.

"With most households at home and shops being largely closed, particularly in high-demand areas in cities, consumption is bound to suffer," said Vikram Kirloskar, president of the Confederation of Indian Industry (CII). "We hope that demand will revive as phase 3 of the lockdown kicks in."

While transportation of goods has been somewhat smoothed after the appointment of nodal officers to coordinate between Centre and states, requirements of social distancing for workers remain a barrier, he said.

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