

Retail industry may take a year to recover

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- **A survey showed that 20-25% of the firms may need a capital infusion to stay afloat and about 25% jobs may get impacted.**

MUMBAI: It would take at least 9-12 months for India's retail industry to recover from the impact of the covid-19 pandemic, according to the Retailers Association of India (RAI), an industry body.

RAI and a few industry experts hosted a webinar on Monday to discuss the impact of the covid-19 crisis on the Indian retail industry. This followed an RAI survey, which showed that 20-25% of industry players may need a capital infusion to stay afloat and about 25% jobs in the industry may get impacted.

Only 7-8% of the retail industry is functioning at the moment, as the retailers are selling only essential items, said Kumar Rajagopalan, CEO, RAI, which represents 13,667 member establishments with 500,000 stores employing 43 million people.

The situation will be bleak even after the lockdown is lifted, said Pinakiranjan Mishra, lead, consumer products and retail, Ernst & Young. "For a long time after the lockdown is lifted, the consumers will be in a reactive mode and will buy only what is needed. After that, we will have a recovery mode," Mishra added.

However, it's the job losses that are worrying the industry the most. "It looks like 20-25% of jobs could be a question mark. All of them are expecting some kind of support from the government," said Rajagopalan.

The industry has more than 15 million retailers, including big and small, traditional and modern trade. Retail employs 40-50 million Indians directly.

Anuj Puri, chairman, Anarock, advised the top leadership of companies to take a pay cut. "I genuinely believe that this time it is productivity loss and not capital erosion. Don't lose talent."

Last week, the retail industry had sought state support besides special support from the Reserve Bank of India.

The industry called for extending the moratorium to 270 days for payment of installments and interest of term loans, short-term loans, corporate loans, securitized loans, and bonds, from 15 March to 31 December. However, a key theme that emerged was not losing focus on communication, which is the key to survival in current times.

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