

OM No. A 1/Misc. 2020- Admn. II
Government of India
NITI Aayog

NITI Bhawan, Sansad Marg
New Delhi, the 19th May, 2020

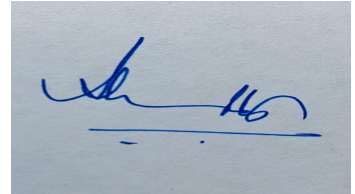
OFFICE MEMORANDUM

Sub. : Sixteenth Meeting of the Empowered Group on Coordinating with Private Sector, NGOs and International Organisations for COVID-19 related Response Activities: Retail Industry

The sixteenth (16th) meeting of the Empowered Group 6 constituted vide OM No. 40-3/2020/DM-I (A) dated 29/03/2020 under the Disaster Management Act, 2005 with the industry representatives from the Shopping and Retail industry was held on 18 May, 2020.

2. The minutes of the 16th Meeting of the Empowered Group are annexed for necessary action.

3. This issues with the approval of the CEO, NITI Aayog.



(Sanyukta Samaddar)
Adviser
NITI Aayog
011-23096733

Copy to:-

1. Sr. PPS to CEO, NITI Aayog
2. Members of the Empowered Committee (6)
3. List of participants as annexed.

Government of India

NITI Aayog

Sixteenth Meeting of Empowered Group 6 on Key Takeaways in Engagement with Private sector, IOs and NGOs and Leveraging them in COVID-19 Response

May 18, 2020

The sixteenth meeting of the Empowered Group 6 constituted vide O.M No. 40-3/2020/DM-I(A) dated 29/03/2020 under the Disaster Management Act 2005 was held under the Chairmanship of CEO, NITI Aayog, on 18, May 2020, to address the issues pertaining to leveraging the 3 key stakeholders in creating effective solutions for Covid19 response. The members of the Empowered Committee include Dr Vijayaraghavan (PSA); Shri Kamal Kishore (Member, NDMA); Shri Sandeep Mohan Bhatnagar (Member, CBIC); Shri P. Harish (AS, MEA); Shri Vikram Doraiswami (AS, MEA); Shri Anil Malik (AS, MHA) Shri Gaurav Shrestha (JS, PMO), Ms. Aishvarya Singh (DS, PMO) and Ms. Tina Soni (DS, Cabinet Secretariat). The participants from NITI Aayog included Ms. Sanyukta Samaddar (Adviser, SDG, NITI Aayog).

2. Apart from the above-mentioned members, the list of other participants from the Retailers Association of India (ROI) is annexed.

3. CEO, NITI Aayog briefed all participants about the objectives of the meeting and the assistance, support, and mobilization required from the participants. He focussed on the importance of the retail industry for the economy, in terms of jobs supported by the industry. He remarked that the Government of India is aware of the issues being faced by the industry and will take adequate measures to support it.

4. The participants briefed the members of the about the various issues being faced by the industry post the COVID-19 outbreak and the strong hit in case of no government intervention. The key issues raised by Shri Rakesh Biyani (Future Retail), Shri BS Nagesh (Shoppers Stop Group), Kulin Lalbhai (Arvind Group), Shri Amit Agrawal (Dmart) and other members are summarised:

- i) Retail industry is one of the key engines of employment and consumption and contributes around 40% to consumption and accounts for 10 percent of the nation's GDP. The industry contributes around 8 percent of the nation's total employment. While food and grocery retail employ 21 million people, apparel retail provides jobs to 8 million. Sub-industries (jewellery and watches, electronics and appliances, health & beauty, home interiors) employs at least 22 million people. The sector contributes around Rs 4000 crore per month as GST.
- ii) The retail sector has taken a strong hit due to lack of cash flow, due to capital tied up in inventory; lack of support from banks and high rental costs. Measures to revive the retail sector are direly needed in the form of permissions to allow operations of all retail formats, and RBI support in the form of moratorium extension, debt waivers etc.

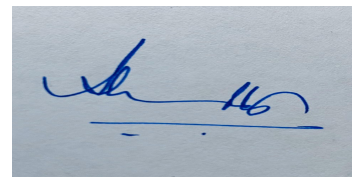
iii) Immediate support to the retail sector will restart the cash cycle in the economy. While revenues are close to zero for the month of April and May, they are likely to remain at only 50-60% levels for the next 4- 6 months at best. Support to retail will benefit the entire production and supply chain linked to retail including Micro, Small and Medium enterprises (MSMES), Distributors, C & F agents and Real estate sector. It will kick-start a consumption led recovery in the economy.

iv) Almost 3 million jobs directly in the retail sector could be at risk. Associated sector that depend upon retail would also be impacted. In Textile sector alone, across the entire value chain almost 10 million jobs are at risk. Finally, it will prevent NPAs in the financial system. Retail sector represents an investment of Rs 2.5 lakh crore and almost Rs 75,000 crore could turn NPA.

5. The participants highlighted that organised retail needs to be supported on account of the seasonal nature of their inventory and the compounding of several issues such as outstanding rentals, delayed salaries, loan payables etc.

6. Shri Amitabh Kant (CEO, NITI Aayog and Chairman, Empowered Group 6), in his response, reiterated the need for all stakeholders to work together. He agreed to the views that the shopping and retail industry has a cascading effect on several sectors of the economy, given the scale of employment and linked supply chain. It was also decided by the group that detailed proposals will be taken up by EG 6 with Ministry of Home Affairs and Reserve Bank of India.

9. The meeting concluded with vote of thanks by the Chairman.



Annexure-I

List of Participants

1. BS Nagesh, Chairman-RAI, and Non- Executive Chairman, Shoppers Stop
2. Rakesh Biyani, Managing Director, Future Retail
3. Kulin Lalbhai, Executive Director, Arvind Ltd.
4. Rahul Mehta, Chief Mentor & President, Clothing Manufacturers Association of India (CMAI)
5. Ashish Dikshit, Managing Director, Aditya Birla Fashion & Retail Ltd.
6. Kumar Rajgopalan, CEO, Retailers Association of India (CMAI)
7. Lalit Agarwal, Chairman and Managing Director, V Mart Retail