

Easing away from lockdown

DESPERATE to cut losses and get back to their game quickly, owners of small and medium businesses loathe the recommendation of caution and resent provincial governments for their reluctance to ease the Covid-19-induced lockdown.

“If death is our destiny, we at least deserve a chance to go down fighting,” a leader who wished not to be identified said while commenting on the wisdom of easing the lockdown weeks before the pandemic peaks in Pakistan.

Ease lockdown or face economic deprivation: What should countries like Pakistan do?

They might be anxious about the rising number of Covid-19 cases and deaths, but they equate the endless lockdown with surrendering to a mighty enemy that wishes to implode the economy. Underplaying the health risk, local business leaders describe the PTI government's decision to end the 50-day lockdown as the first step in a very long journey to a painful recovery.

Prime Minister Imran Khan announced last week that the lockdown would be lifted in phases from May 9. He advised citizens and businesses to observe standard operating procedures (SOPs) to avert a surge in Covid-19 cases.

Joblessness seems to have weakened the government's resolve to extend the lockdown until the deadly virus plateaus

More than anything, it was probably the spike in joblessness and the growing heat of the local chambers' argument that melted the government's resolve to extend the lockdown until the deadly virus plateaus after hitting the peak towards the end of the current month.

Numerically strong and operating mostly under the radar, the trader/retailer base is spread to the farthest nook and cranny of Pakistan. They have the power to turn the tables if tested. It is, therefore, not easy for any government to ignore their demands. The manufacturing base, in comparison, is narrow and mostly regulated. It is, therefore, easy for a government to discipline this segment.

Corporate Pakistan, including multinational companies (MNCs) wizened by the experience of other nations/trading partners, found the prime minister's decision a little premature. They think ending the lockdown at this point is not apt as it will expose the country that has already taken a massive economic hit to a higher risk of what has been dreaded — a high mortality rate.

Anjum Nisar, president of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), was overwhelmed by the intensity of the situation. He narrated multiple alarming tales shedding light on collapsing businesses and the rising sense of despair in his circle.

“It is heartbreaking to see people watching what they build in decades crashing into the ground in weeks,” he said over the phone from Lahore.

“Someone shared a horrific video of tiny furballs of chicks thrown in a dead well live in thousands to adjust supply to the sudden dip in demand post-lockdown.

“A harried friend cried for help as his consignment of packaged food with a close expiry date has been stuck at the port. Eyeing congestion and dead-slow clearing process by the customs, he believes nothing less than a miracle can save his merchandise from sinking, leaving him burdened with piles of shipping fines and demurrage.”

He appreciated the government’s intent to support businesses, but expressed doubts about the implementation of announced schemes. “It will kill the purpose if whatever little is offered fails to reach the targeted beneficiaries in time. We understand the government’s financial limitations and know that in the end we will swim or sink on our own strength.”

He was angry about the confrontational stance of the provinces and wished more pragmatism to deal with the current economic paralysis.

The Pakistan Business Council, voice of the big business in Pakistan, did not respond instantly to the said decision. It probably needed time to articulate a response that is palatable to both the government and its members. An insider said many foreign companies were tilted towards caution as their principals are sensitive about the image as much as about the bottom line.

At the end of their wits, many call for the kind of support that other governments are providing to enable fledgling firms to bounce back as lockdowns are gradually eased. The multiple government packages for the private sector to bring it back to its feet were considered too cumbersome for small guys struggling to cope with the pitfalls of a prolonged closure. They expressed distrust in the government for its weak writ and weaker team.

A top gun in business believes that textiles took the biggest hit. “The launch of lawns has been disrupted and Ramazan and Eid sales lost. People earn more in these three months than the rest of the year. The government means well, but doesn’t understand the dynamics of each trade and aggravates problems by mistake. It should have given a two-week notice before the lockdown so that export shipments could be despatched. Now all orders are cancelled and sales tax---paid stocks have piled up.” He was in favour of a smart lockdown as a blanket closure is unsustainable.

Some leaders warned of dangerous social unrest spilling into streets if provincial administrations fail to facilitate the revival of industrial and commercial activities or act too harshly over SOPs. The sector-wise data of actual losses is not available yet.