

Farmers protest may impact economic recovery

By : Editor Published On : 15 Dec, 2020 09:21 AM IST



Detours due to Blockades of highways led to 50% more time and distance for movement of goods About 8-10% increase in logistics costs

INVC NEWS
New Delhi,

The current agitation by farmers in many parts of India has led to disruption in supply chains and logistics. This will have a bearing on the economy over the coming days and may impinge the ongoing recovery from the economic contraction due to COVID.

The farmers' protest which has intensified over the past couple of weeks has led to obstruction of traffic and road blockades across multiple checkpoints in the northern states of Delhi-NCR, Punjab, Haryana, Uttar Pradesh and Rajasthan, and in smaller measure, in many other states. The already broken supply-chain which was recovering post the pandemic induced lockdown has come under severe stress.

Around two-third consignment in transit are taking 50 percent extra time to reach destination in states of Punjab, Haryana, Rajasthan and Delhi-NCR. In addition, the transport vehicles are forced to travel up to 50 percent longer to reach Delhi from the warehouses in Haryana, Uttarakhand and Punjab. This may push logistics cost by up-to 8 to 10 percent. Many companies in industrial belt surrounding Delhi are facing labour shortages as people struggle to reach production facilities from neighbouring towns.

Mr Nikhil Sawhney, Chairman, CII Northern Region, said, "The ongoing farm agitation requires an immediate amicable solution as it is impacting not only the economic growth but also putting a huge dent to the supply chain which is affecting the large and small industries alike.

The effect of the agitation is more acute for industries in hilly regions of Himachal Pradesh, Uttarakhand and Jammu and Kashmir who are dependent on goods transported by road. There is also uncertainty around the transportation of farm products to the major markets of Delhi-NCR, it could lead to significant losses to the farm sector in these states. Tourism, a major revenue and livelihood source in these states, is likely to get adversely impacted at a crucial time when the sector is looking forward to regaining some momentum following the unlocking of the economy.

Given the challenge to get the economy back on the growth trajectory, Confederation of Indian Industry urges all the stakeholders to urgently seek ways to end the ongoing protests and reach an amicable solution, in the interest of industry and economy.

URL : <https://www.internationalnewsandviews.com/farmers-protest-may-impact-economic-recovery/>



12th year of news and views excellency

Committed to truth and impartiality

Copyright © 2009 - 2019 International News and Views Corporation. All rights reserved.
