

IN BRIEF

Swiss airline to ground half its fleet, cut work hours

Lufthansa subsidiary Swiss International is taking half its fleet out of service and reducing working hours for flight personnel to help safeguard its finances during the coronavirus outbreak, it said. "To compensate for the sharp fall in demand and resultant lost revenue, Swiss has decided to take immediate further precautionary action to secure liquidity," it said in a statement on Friday. Payout of variable salary components would be postponed to the end of this year for both flying personnel and senior management, the airline said, adding all recruitment besides apprentices and interns would also be halted and all non-essential projects halted or postponed. Major US and European airlines have begun discussions with governments on obtaining financial assistance to weather a crippling travel slump brought on by the coronavirus, which has hobbled global travel and is threatening thousands of industry jobs. **REUTERS**



Car owners can sell vehicles at Suzuki True Value outlets

Maruti Suzuki's pre-owned car network 'True Value' on Saturday announced the facility of vehicle buying from car owners. This introduction aims to facilitate True Value's motto of being a trusted one-stop destination for buying and selling quality pre-owned cars, a statement said. Through this, customers can get their cars evaluated digitally at their home, Shashank Srivastava, Executive Director (Marketing & Sales), Maruti Suzuki India said. **PTI**

Renault-Nissan halts Barcelona plant production

Production at a Renault-Nissan plant in Barcelona was halted on Friday due to disruptions in its supply chain, a Nissan Motor spokeswoman said on Saturday. "Production stopped in our Barcelona plant on Friday due to local restrictions on movement, which have impacted our supply chain," Azusa Momose said in an email. "For this reason, we have notified our employees that Monday will be a non-production day." Nissan will continue to discuss possible solutions with the authorities, she added. **BLOOMBERG**

PVR Cinemas to open 4 more screens in Indore

Film exhibitor PVR Cinemas on Saturday said it has received licences to operate four new screens at Indore in Madhya Pradesh. The company is opening the new screens at PVR Treasure Island Mall in Indore, a statement said. The now nine-screen property will introduce two mainstream and two special formats - PVR PlayHouse and PVR 4DX in the existing five-screen cinema, it added. **PTI**

Veego gets DoP nod to hold 100% equity in Wintac

Pharma firm Wintac on Saturday said its promoter Veego Pharma, LLC has got approval from the Department of Pharmaceuticals (DoP), Ministry of Chemicals and Fertilizers, to hold up to 100 per cent shares in the company. "Veego has now been accorded the approval of the DoP vide letter dated March 13, 2020, for 100 per cent FDI, thereby enabling Veego to hold up to 100 per cent shares in the Company," it said. **PTI**

Eldeco Housing sells 100% stake in Swarnim Nirman

Real estate firm Eldeco Housing and Industries on Saturday said it has sold 100 per cent stake in its arm Swarnim Nirman to Eldeco Infrastructure and Properties. "The Company today i.e. March 14, 2020 has sold 10,000 equity shares i.e. 100 per cent of the total equity capital of its wholly owned subsidiary Swarnim Nirman Private," it said in a BSE filing. **PTI**

Urban Company offers COVID-19 health insurance

Home services marketplace Urban Company on Saturday said it has rolled out Covid-19 health insurance and income protection cover for 30,000 service professionals active on its platform in India. This will be in addition to the existing life, accidental and health insurance plans provided by Urban Company to its professionals, it added. **PTI**

HMSI recalls certain units of three scooter models

Honda Motorcycle and Scooter India (HMSI) on Saturday said it is recalling certain number of units of three of its scooter models to rectify and replace the rear cushion. The company is recalling units of Dio, Activa 125 and 6G, manufactured between February 14 to 25, 2020, HMSI said in a statement. **PTI**

Premium purveyors see a slowdown coming

From apparel to cigars, supply chain is a major cause for concern

PAVAN LALL
Mumbai, 14 March

Step inside Japanese chocolatier Royce' in Mumbai and the sales staff are wearing masks, making the high-end confectioner feel more like a pathology lab. Retailers and resellers of premium and luxury goods alike are feeling the jitters of the interruption in global trade because of the coronavirus pandemic, which has disrupted capital markets, supply chains, weakening the rupee as well as slowing down consumer spending for the well-heeled.

Rolex dealers say that the jump in the Swiss franc to the rupee from ₹72 to ₹80 does eat into their profit margins and make the going harder. Gaurav Bhatia, director of multi-brand Swiss watch reseller Art of Time, an authorised dealer of watches from the Richemont Group, Breitling, and the Swatch group said the slowdown hasn't been affected by the supply chain issues or China but because of market crashes and the ongoing uncertainty.

For the luxury apparel and accessories business in India that includes labels like Coach, Armani, Burberry, Diesel, Ermenegildo Zegna, Paul & Shark, Gucci, Canali, and many more say that for the most part spring and summer collections have already made their way to the Indian market and store inventory constraint is not an issue.

"However, there will be a problem with fall and winter collections for those brands that are rooted in forward fashion markets, such as Italy, and that includes the majority," an executive in the apparel industry said.

"Those with strong cash reserves and balance sheets will stay the course but brands that are even slightly shaky will find it tough going ahead and may have to wind up and that could extend to



PHOTO: KAMLESH PEDNEKAR

WHO'S GETTING AFFECTED

- Luxury watch dealers see currency flux eat into margins
- Designer apparel stores expect stock delay in winter
- Perishables like cigars get squeezed by airport closures
- Apple stores shut in malls where state mandates apply

exits from malls which will mean higher rentals and a difficult cycle for luxury and premium stores," the executive adds.

Across the country, some malls have already started shutting down. UB City Mall in Bengaluru, the most premier mall in the state, has kept restaurants open but shut stores for at least a full week says one person aware of the mall's operations. In Mumbai, Palladium Mall is open but footfall on the weekend was scant with barely a dozen people compared to a couple hundred on a normal Saturday. At a Gucci store, the most recent shipments which come from Italy, have been held up in quarantine for over a week and it is not clear when they will be released to the store.



CORONAVIRUS PANDEMIC

Recently, there was a rumour about the government of Maharashtra ordering a lockdown on malls which would mean a further reduction in sales for companies that are operating their stores there. Lockdown in fashion capitals, such as Milan and Venice, where Armani shut stores, will no doubt also have an impact on business going forward in terms of supplies and inventory.

Kaizad Hansotia, founder of premium cigar maker Gurkha Cigars, which retails at five-star hotels and airports in India, said: "Gurkha Cigars has suffered economically due to coronavirus and its effects worldwide. Various ports and airports around the world have been closed to prevent the virus from spreading."

As a result, despite demand, Gurkha wasn't able to deliver to many of its customers. Hansotia says he has seen a significant impact at

several points of the supply chain. "The US is now systematically closing borders which might impact the ability to get the product out of our factories, though we have seen little spread of the virus in the Caribbean and Central America thus far," he said. "We will monitor the situation and fulfill orders as soon as the ports and airports open."

Premium electronic reseller Apple has also decided to shut stores where state laws have mandated such closures, and according to one industry insider, there's a good chance that may trickle down to non-mall Apple stores soon. Even as the impact is being felt by different brands and businesses see a variety of reactions and impact, the common denominator is the same. Everyone is waiting and watching to see how the dynamics are going to shape up in the next few weeks.

Xerox Holdings said it will pause its public pursuit of HP Inc amid the outbreak of the coronavirus.

"Xerox needs to prioritise the health and safety of its employees, customers, partners and affiliates over and above all other considerations, including its proposal to acquire HP," Xerox Chief Executive Officer John Visentin said in a statement Friday, adding that the company continues to monitor the situation closely.

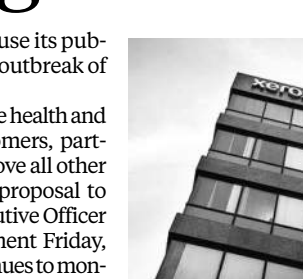
Norwalk, Connecticut-based Xerox intends to continue its pursuit of HP when the pandemic stabilises, according to a person familiar with the matter, who asked to not be identified because the matter isn't public. A representative for HP was not immediately available for comment.

Xerox offered to acquire the much

larger HP for \$24 a share in cash and stock, or roughly \$35 billion, in a hostile takeover. It has also nominated a slate of directors to replace the company's board. HP has repeatedly rebuffed its efforts, arguing the takeover price undervalues the company and has raised other issues with the proposal.

The printer maker said it would be forced to take a break from its hostile takeover and proxy fight in the wake of the pandemic. "We believe it is prudent to postpone releases of additional presentations, interviews with media and meetings with HP shareholders so we can focus our time and resources on protecting Xerox's various stakeholders from the pandemic," Visentin said.

Dealmaking across the world is being hampered by the spread of the coronavirus. The volume of M&A announced through the end of February was down 27 per cent to \$419 billion, the slowest start to a year since 2013, according to data compiled by Bloomberg.



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A doctor checks Union Civil Aviation Minister Hardeep Singh Puri at the Wings India 2020 event in Hyderabad

Puri: No need for aviation sector to worry about virus

DASARATH REDDY
Hyderabad, 14 March

Union civil aviation minister Hardeep Singh Puri said on Saturday that there was no need for any contingency plan for the aviation sector owing to the coronavirus outbreak. According to Puri, it was just a passing phase.

"No one has asked for any contingency plan or a bailout package even though issues like bringing aviation turbine fuel (ATF) — which forms 40 per cent of the operational cost of an airline — under GST was discussed. We meet stakeholders on a regular basis to understand their issues," said Puri, after attending the CEOs forum deliberations at the Wings India 2020 summit.

The minister said bringing ATF under the GST regime, extending credit for one month to airlines by oil companies or adjusting ATF rates every 15 days instead of one month would be implemented soon. The meeting also discussed matters like aviation financing and leasing, capacity building, aviation safety and unmanned aerial vehicles (UAVs), among other things.

The civil aviation minister asserted that agencies under his ministry were able to effectively monitor airports against the spread of coronavirus without causing any panic.

"There may be a 15-20 per cent drop in domestic passenger traffic due to the virus

threat but it is a temporary phase. We will not only overcome this challenge but also emerge as a robust aviation market in the future," Puri said at Wings India 2020.

He added that the country will have 1,200 aircraft in next few years, going by orders placed by some Indian operators. Referring to the passenger growth estimates, the minister also said India was going to touch the 1 billion passenger mark from the current 345 million, much ahead of the projected year of 2035.

He added, airport operators, airline companies and those in training and maintenance will all work independently to benefit from the aviation industry's growth potential.

According to the minister, Indian airports have so far screened 1.17 million international passengers for a possible coronavirus infection while 3,225 were subject to further examination.

"Our airports today constitute a benchmark for every airport in the world as to how they have to respond to a situation like this," the minister added. He defended the ministry's decision to go ahead with Wings India 2020 summit while stating that it was business as usual for the industry. The government was acting against the ongoing challenge in such a way that the country and the aviation sector will emerge stronger once the problem is behind us, he said.

E-comm gets a boost as customers prefer to stay indoors

Firms like Flipkart, Amazon, Bigbasket witness 30% spike in orders as COVID-19 spreads

PEERZADA ABRAR
Bengaluru, 14 March

Though the spread of coronavirus (COVID-19) cases in India has had some impact on the ride-hailing and online food ordering segments, it has come as a boon for the e-commerce companies as more people prefer buying goods, especially grocery items, vegetables and other daily needs from online platforms.

According to industry insiders, e-commerce companies such as Flipkart, Amazon, Bigbasket, and Grofers have witnessed about 20-30 per cent spike in orders as customers are avoiding visiting crowded places like malls and supermarkets.

In such an environment, where an increasing number of people are also working from home, these firms are doubling down to bring convenience to customers and win their trust. "In the last two weeks, there has been at least a 25 per



cent spike in orders. This has put extra pressure on the delivery network," said an e-commerce industry executive.

These companies are seeing an increase in demand for products such as fresh fruits and vegetables, milk, flour, rice, and lentils, and personal hygiene items like sanitizers and soaps and household cleaning products. Other products include instant noodles, baby food and Ayurvedic items. "There is even a huge spike in pet food," said a person.

These trends are similar to the pattern in China, where consumers increasingly relied on the internet to get their daily supplies and other products because of

COVID-19, according to experts.

"We have seen a very clear uptick in terms of orders, which have grown by 20-30 per cent compared to last month, and it is picking up pace as more people decide to order online," said Vipul Parekh, co-founder of Bigbasket, one of the largest online and food grocery stores.

"It is partly driven by new customers coming online because they don't want to go to the (physical) stores, and there are also existing customers who are stocking up much more products over fears of things running out," added Parekh.

SoftBank-backed e-commerce company Snapdeal said that the overall

order volumes remain strong, with some categories showing fast growth. The sale of masks and hygiene products like sanitizers and hand wash jumped 25X on Snapdeal in the last five days. Over 50 per cent of masks listed for sale on Snapdeal were sold on the day India reported the first suspected case of COVID-19. Neoprene masks and N95 masks are the top sellers. Customers are also buying home use products like floor cleaners, microfibre dusters, surface cleaning liquids, towel sets and bedsheets, which point towards an increased emphasis on hygiene. "We have witnessed an increase in the purchase of 4G routers as more users equip themselves to work from home," said Snapdeal. "Products like manicure and pedicure sets are being bought to minimise the need to visit beauty salons."

MoEngage, an intelligent customer analytics and cross-channel engagement platform, which works with internet first brands said it was also seeing a shift in consumer behaviour because of the outbreak. "Our platform has over 400 million monthly active users and we are certainly seeing an increase in the number

of users choosing to shop online instead of visiting supermarkets and stores especially for day-to-day items like grocery," said Raviteja Dooda, founder and CEO, MoEngage.

E-commerce firms are putting in extra efforts to monitor their supply-chain and delivery network, and have put in place thermal scanners and guns to check the temperature of their staff. Bigbasket said it was ensuring the safety of customers

and making sure its employees wear disposable gloves and masks while the grocery crates are wiped down regularly.

It is also monitoring the body temperature of all the delivery executives before and after they deliver products. "It is not just about customer safety, we also want our delivery people to be safe," said Parekh of Bigbasket. The company is in the process of implementing a 'no-touch' option, where customers don't need to come in direct contact with delivery people, and products can be left at the doorsteps of customers.

"In the last 15 days, the demand for sanitizers has increased by 559 per cent, face mask has increased by 334 per cent,

and disposable gloves has increased by 66 per cent," said Sandip Chhetri, COO, TradeIndia.com, an online business-to-business platform. "Apart from the three major cities (Mumbai, Delhi, Bengaluru), there has been a surge in demand in cities like Hyderabad, Kolkata, Chennai, Ahmedabad, Gurugram, Surat, Pune and Shrinagar," said Chhetri.

"This is a golden opportunity for the e-commerce industry to build trust with customers as ordering on platforms such as Amazon, Flipkart and Bigbasket is becoming a lifeline for them," said an e-commerce industry executive. "Suppose there is a lockdown because of COVID-19, e-commerce firms are more than willing to partner with the government and provide essential commodities to the people in a safe manner," said the person.

While there is a spike of products on online retail platforms, other consumer internet companies such as ride-hailing firms including Ola and Uber are witnessing 40-50 per cent drop in rides in major cities as fewer number of employees are commuting to offices, according to sources. What is also contributing to this drop is that there is a user perception about hygiene issues, as they think the taxis might have been used by international travellers.