

Simplifying Asian Supply Chains

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TRADE LANE INDIA

Current situation and opportunities (FAQS-II)

What is the current situation in the country?

Lockdown is maintained from March 25 (Non-essential activities stop, Border Closure, Public Transportation, and cancellation of national and international flights).

As of May 18, the so-called lockdown 4.0 phase has been entered with some flexibilities:

- Transport of goods of all kinds allowed.
- Retail e-commerce of all types of products, even non-essential ones, is allowed.

To be noted:

Logistical problems:

- Transport and customs clearance congestion
- Port blocking
- Mobility of workers.

Usual problems:

- Lack of liquidity
- Fall in demand
- Fixed costs

When is the country expected to open?

There are no flights, trains, public transport or public meetings allowed. Normal life is slowly returning.

How do the major ports (Nhava Sheva / Chennai / Mundra / Tuticorin) work?

There are not many changes since the last update, there is still congestion of import containers (14 days quarantine on arrival) and a shortage of drivers and trucks for the movement and delivery of containers.

How are customs working, do they need original documents or can they be submitted via EDI?

With a capacity of 50% in all major ports and cities. Priority is given to essential goods.

Is it possible to make pick-ups and deliveries by truck?

Movement between states is gradually increasing with limited restrictions.

Does the train work as usual or are there limitations?

Still no service until May 31. Special trains are operated to help those who are blocked from returning to their homes.

What is the plan to open up the country, i.e. by areas, commodities, etc.?

The current plan is to normalize the supply of all types of products, both essential and industrial and consumer products, with some limitations on the days and times when they can be distributed.

Will the government help factories/companies with credits or waive taxes for the import/export of commodities?

To date there is no tax exemption, but a deferral is allowed for settlement. Advance payment plans for micro, small and medium enterprises, etc.

An economic stimulus package equivalent to 10% of the country's GDP has been created with the threefold objective of overcoming the economic and health crisis, caring for the vulnerable population and promoting self-sufficiency.

How will it affect and which sectors in the imports and exports of Spanish companies?

Threat:

The sharp contraction of international trade is causing a situation of protectionism in the country's industry; the sectors that will be most affected in the short term are:

- Consumer Goods
- Industrial Goods
- Food
- Defense sector products

In addition, tenders will only be opened to foreign companies from EUR 25 million and a substitution policy will be implemented for the imported products mentioned.

Opportunity:

Export companies:

- High value-added products without a local substitute in the country
- Companies investing in projects of more than 25 million euros (Major advantages)
- In the long term, all those products whose policy of replacement by local products is incompatible with growth

How is the communication and contact with customers?

Office, operational and sales staff are teleworking, contact with customers is only through phone calls and conferences. Only the production staff is physically in the factories.

Are cancellations and changes in sea and air services foreseen?

There will be cancellations of scheduled stopovers and changes to flight schedules based on the volume at any given time.

[If you would like to receive regular updates on the situation and opportunities in India follow this link](#)