

## **Short Report**

**Subodh Kumar Agarwal**

**Online Business Dialogue: A unique initiative of FNF to RESTART Economies in Asia**

**RESTART ASIAN ECONOMIES:  
Ideas and Actions for the Construction Industry  
Monday, 20th July 2020**



**Photo Courtesy: econaur.com**

### **Background:**

These are unprecedented times. The world has never witnessed a situation in recent times, when half the world has been forced under a Lockdown. Countries across continents have closed borders, implemented stringent measures to keep their citizens safe, isolating them to the confines of their homes, schools and colleges shut, businesses coming to a grinding halt, public transport suspended and fear gripping the world population. WHO was compelled to give in to the situation calling it a pandemic, spreading through human to human transmission. It named the pandemic COVID-19. Of course, the pandemic is not just a health crisis but has spilled over to other socio-economic impacts of nations and their people.

The adverse economic impact of the COVID-19 pandemic is being seriously felt across the globe. Economies are on a free fall with a precipitous decline in employment, income, and consumer demand. Regional as well as global trade (import and export) has dropped sharply. Government expenditure has increased considerably primarily to meet immediate needs of households and to save businesses from collapsing. With a decline in tax revenue generation, deficit spending by the government to assist consumers and businesses will diminish inevitably. In these difficult situations, entrepreneurs will have to find ingenious ways to survive as well as to open windows of opportunities to sustain and grow.

Concurrently, external factors such as the effects on the supply chain, consumers shift in demand and changes in government regulations will have to be taken into consideration by an entrepreneur. The challenges and opportunities businesses are encountering in today's situation will differ across the sectors and sub-sectors, and by their size of operation. Understanding and appreciating how different types of businesses are functioning across countries can lead to useful conclusions and prescriptions on what are essential ingredients for businesses to remain functional and contribute to the economy in this changing environment.

### Objective:

In order to **RESTART** the economic activity in Asia, the South Asia office of the Friedrich Naumann Foundation (FNF) decided to organise a series of Online Business Dialogues called **RESTART ASIAN ECONOMIES: Ideas and Actions**, addressing different sectors from the Industry. As a provider of fresh viewpoints, FNF has always been at the forefront in providing liberal solutions to the burning issue of the day. The aim of this initiative is to establish a cross-regional business dialogue thereby encouraging businesses to exchange ideas and to harness enabling economic relations. At the same time to deliver concrete advice to entrepreneurs.

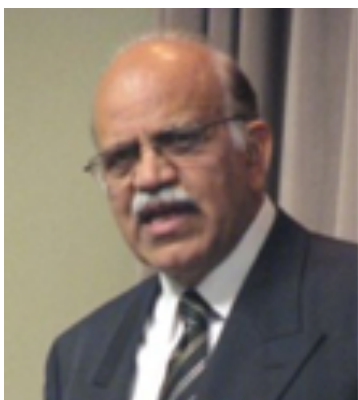
### Introduction to the topic:

The second programme under the series was held on **20th July, 2020** on the topic **“RESTART ASIAN ECONOMIES: Ideas and Actions for the Construction Industry”**.

### Speakers:

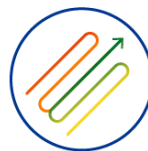
FNF invited two business representatives from the Construction industry to share their views and experiences of the practical challenges faced by them during the COVID 19 times. The discussion was moderated by Dr Najmul Hossain, country representative, FNF Bangladesh and the question moderator was Mr Subodh Kumar Agarwal.

### Mr Zaigham M. Rizvi, Pakistan



Mr Zaigham M Rizvi is the Secretary General of Asia Pacific Union for Housing Finance and is also the Chairman of PM New Pakistan Housing Program to build 5 million housing units. He is also an Advisor to the Ministry of Science and Technology in Pakistan. He has experience of Housing and Housing Finance in more than 25 countries covering Africa, Middle-East, South Asia, East Asia and the Pacific and as an expert consultant with a number of multilateral agencies like the World Bank, IFC and UN-ESCAP to name a few. Over the years Zaigham has developed a passion for Low-Cost Affordable Housing for Economically Weaker Sections of the society. He has also served in many Development Finance

## ONLINE BUSINESS DIALOGUE



**RESTART  
ASIAN  
ECONOMIES**

**REGISTER**

Ideas and Actions for the Construction Industry

**PANELIST**

**Mr ZAIGHAM M. RIZVI**  
PAKISTAN  
Secretary General,  
Asia-Pacific Union for  
Housing Finance

**PANELIST**

**Mr RUWAN EDIRISINGHE**  
SRI LANKA  
Chairman and Managing Director,  
RN Group of Companies

**MODERATOR**

**Dr NAJMUL HOSSAIN**  
BANGLADESH  
Country Representative,  
FNF Bangladesh,  
Economist, Entrepreneur

Monday, July 20, 2020 at 17:00 hrs (Indian Standard Time)

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Institutions both in Pakistan and abroad and has been a banker on the board of Meezan Bank, Dubai Islamic Bank and a few others. He has also a passion to address growing challenge of Energy Poverty mainly through Solar Power.

Mr Rizvi is equally diverse in his educational background. With degrees in Engineering, Economics and Management, he also has been a Fulbright Scholar.

### **Mr Ruwan Edirisinghe, Sri Lanka**

Mr Ruwan Edirisinghe is the Chairman and Managing Director of RN Group of Companies. He started with a meagre capital just 3 workmen, which today encompasses over 2500 workmen with over 400 professionally qualified staff members and have become today's one of the leading construction companies in Sri Lanka with strong professional and financial background.



### **Target Group:**

The main target group of the Online Business Dialogue will be entrepreneurs from South Asia. Participation from India and Bangladesh topped the list. It was noteworthy that the programme had participation from the United States, Singapore, German and even Iran.

FNF needs to work on increasing its outreach and participation from Pakistan and Sri Lanka. In all approx. 47 participants attended the programme.

### **Highlights:**

The discussion highlighted the current situation as far as the construction industry is concerned in both Sri Lanka and Pakistan with their implications for other countries of South Asia and beyond.

Some of the salient points are as follows:

### **Sri Lanka:**

Whereby, the contribution of the construction industry to GDP is significantly higher in South Asia with figures of 6-7% in 2019, there has been a construction recession in SL since 2018. The lockdown from 3rd week of March was an additional damage which remained in force for 2 months. During the Lockdown period, extensive discussion was held between the Chambers/Business Associations with the President to maintain the economy. The incomes dropped and it was imperative that Government took steps to arrest the economy from spiralling down. Import of Luxury Items was banned to save the foreign exchange and control the appreciation of dollar. The local contractors were given preference and through such measures the Government was able to control the economy. A stimulus package was also introduced.

### **Pakistan:**

In Pakistan, the Imran Khan government is devoted to the revival of the economy. Housing sector is one of the main drivers of the economy as it provides job-creation in rural, semi-urban and Urban areas.

There have been incentives, both fiscal and regulatory, which have been introduced in the construction industry in Pakistan. The discussion centred around the point whether Pakistan can afford to go in for a complete Lockdown. However, this was not feasible and it was decided to go for a Smart Lockdown. This meant that one continued to work, albeit at a

lower scale. There has been aggressive plans for the construction industry, more liquidity has been provided for the buyer and seller (finance side). The interest rates have been substantially reduced and the banks have been asked to advance loans to low-income housing.

The governments role in strategic areas would be appreciated. More interventions from the governments side, in hand-holding the small producers is the need of the hour. The use of technology in future will help the industry in reaching out to end-consumers as well as expand the outreach.

**Conclusion:**

The importance of the Construction industry cannot be undermined. The discussion did highlight the challenges faced by the Construction Industry, the government interventions that could play a crucial role in reviving the industry and even the real of technology that can help in boosting output for the industry.

The programme ended with the closing remarks by Dr Carsten Klein, the Regional Director, FNF South Asia. The programme was much appreciated by the participants.

