

MSMEs will take at least 7-8 months to recover from COVID-19 impact: D&B Chief Economist

The MSMEs will take at least 7-8 months to recover from the impact of COVID-19 pandemic, and the recovery rate of an enterprise will depend on factors like its rate of digitisation and the sector in which it is operating, Global Chief Economist at Dun & Bradstreet Arun Singh said on Tuesday. The Micro, Small and Medium Enterprises (MSMEs) contribute 29 per cent to the country's GDP. The sector is among the worst hit by the pandemic.

Addressing a webinar, Singh said the recovery time of an MSME will be tied to the sector in which it is operational. According to him, sectors like online gaming, telecommunications and e-education operating in the digital space are witnessing a positive impact by leveraging opportunities arising from the pandemic. On the other hand, traditional sectors like food, drugs, pharmaceutical, ITes (IT enabled services), banking, retail, automotive, real estate and jewellery are witnessing moderate to high to severe impact. The recovery of these sectors will take six months to more than a year, said the Global Chief Economist at D&B. Sectors like logistics and warehousing, metals, media and entertainment will also take up to one year to recover and return to February 2020 levels, he added. "It will take at least 7-8 months for an average MSME to recover," Singh said.