

# Demonetisation of rupee to hit luxury retailers

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**NEW DELHI:** Luxury brands will be hit by the government's decision to demonitise ₹500 and ₹1000 banknotes as consumers are likely to postpone spending.

Industry experts said the move is the only latest to hit luxury retailers already under pressure from measures such as customers having to show their PAN cards for cash transactions of more than ₹50,000 and any transactions over ₹2 lakh.

"There will be an impact on luxury retail in the short term, essentially because most of luxury sales in India constitute a large amount of cash, and consumers will hold on to large spends," said Dhanraj Bhagat, partner at consulting firm Grant Thornton India LLP.

"However, once the mindset changes, may be after a period of six months or so, things will stabilise," he added.

Dinaz Madhukar, senior vice president at DLF Luxury Retail, which operates luxury shopping mall DLF Emporio, agreed: "There will be impact. But it is too early to quantify the quantum. We have to wait and see how things streamline over the next couple of months."

Such measures have a short term effect and do not impact the underlying demand for luxury products, said Pranav Saboo, co-founder of Ethos Watch Studios, who also recognises the posi-



■ People shop at a mall in New Delhi.

HT FILE

tive effect of the move. "When the PAN-card rule came out in January, there was a short-term hit for three months. In this case, there will be an impact till 31 December. Things will shape up after that. I think it is a very fortunate and positive step because our biggest competition today is the black market in watches," Saboo said.

Sanjay Kothari, vice chairman of luxury gems and jewellery retailer KGGK Group, also believes the government's decision will have a positive impact on luxury retailers in the longer term.

"Initial disquiet is supremely temporary and that too for a particular group. But while following the global path, India has promisingly announced the channelised reformation, which ultimately leads to the survival of the fittest and that is delightfully commendable. Putting an end to lawbreaking formats will not only earn great benefits for luxury retail brands like

Entice, but will determinedly augment the entire economy of the nation," Kothari said.

"There could be some decline in cash sales because people won't have liquidity," said Rajesh Jain, managing director and chief executive of Sports and Leisure Apparel Ltd, which markets premium French brand Lacoste in India.

Jain also said that in the long run, the move would stabilize and benefit economy on the whole. "It is too early to comment but I believe it would take at least six months to a year to get things back to normal. There are withdrawal limits and people won't have liquidity. For a premium brand like ours, there is need for liquidity on consumer's end if they want to buy in cash," he said.

The luxury goods market in India was projected to cross \$18.3 billion by 2016, according to a study by industry lobby Assocham.

## India Inc eyes US market

New Delhi, Nov. 9: With Donald Trump set to become the next American President, India Inc on Wednesday sought greater access for the country's pharmaceutical products in the US market and mobility of skilled labour.

The industry also tried to allay concerns related to the billionaire businessman, expressing confidence that apprehensions linked to him would "certainly prove wrong", saying it looks forward to take the bilateral economic engagement to a greater level under the Trump administration.

"We hope that challenges relating to mobility of skilled labour, market access for pharmaceutical products from India, and financial services institutions and SMEs will be addressed," CII president Naushad Forbes said.

"Our primary focus areas with the US have been standards, manufacturing competitiveness, defence collaboration and mobility of high skilled labour. We look forward to working with the Trump administration to further cement this critical partnership."

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— SUNIL KANORIA,  
President, Assocham

## *Seeks more access for pharma products in USA, mobility of skilled labour*

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In a stunning result, Trump beat seasoned politician Hillary Clinton in the knife-edge polls, defying the odds to become the 45th US President after starting off as a rank political outsider.

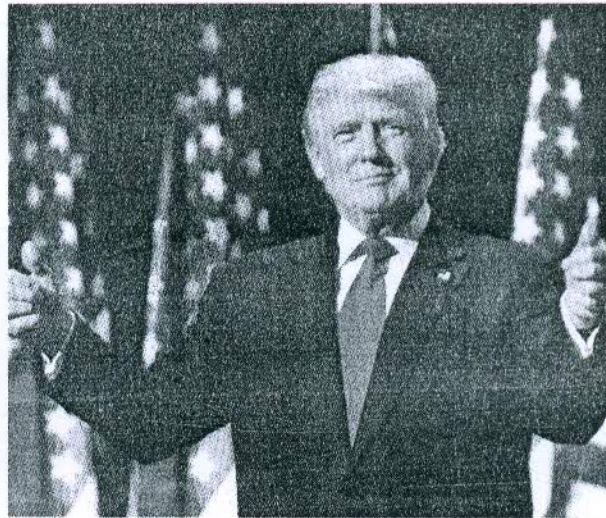
Seeking to "bind the wounds of division" after a bitter and divisive campaign, Trump pledged to be the President for all Americans and asked Republicans, Democrats and independents across the country to come together as one united people.

Skipping policy issues in his victory speech, the 70-year-old President-elect congratulated his Democrat rival Hillary Clinton with whom he had crossed words during the long, often ugly campaign, saying she fought very hard.

"We saw a different Trump who as President-elect of the United States of America sounded so conciliatory and sober promising a fair deal with the rest of the world," Assocham President Sunil Kanoria said.

"His words appeared so convincing that the financial markets which were nervous in the beginning recovered quite a ground rightly hoping that the Republican inmate of the White House has a great plan for America up his sleeve."

Engineering exporters' body EEPC India Chairman T S Bhasin said: "Trump has stated clearly that his focus would be to spend huge funds on building the US infrastructure like highways, airports and the like. That would gener-



ate great demand for engineering exports in areas like steel, machinery and high technology domains."

Bhasin added: "The Indian industry would certainly look forward to be a partner in that great endeavour of the next US President." "I am certain that Trump will further strengthen the ties between India and US that have been on an upturn in the last decade reflecting convergence of interests on bilateral, economic, regional and global issues," said Yes Bank MD and CEO Rana Kapoor.

"From an economic perspective, India enjoys a trade surplus of USD 20 billion with the US, with the latter being the 5th largest contributor to

FDI inflows in our country. The symbiotic dependence between India-US is only bound to increase as India remains the fastest-growing economy in the world."

He said leaders of both India and the US must galvanise fresh efforts on unfinished agenda such as the Bilateral Investment Treaty (BIT) and explore newer avenues of trade and investment.

CMD of trading and investment firm Amrapali Aadya Capt Sanjeev Sinha termed Trump's victory as "a rescuer" for the Indian pharmaceutical sector. "We are expecting some sign of relief for pharma after the victory of Trump," he said. P11

## 70% रेवेन्यू आईटी कंपनियों का अमेरिका से इंडस्ट्री ने कहा, ट्रम्प कारोबार बढ़ाएंगे

नई दिल्ली | ट्रम्प के राष्ट्रपति चुने जाने से सॉफ्टवेयर और आउटसोर्सिंग इंडस्ट्री की मुश्किलें बढ़ सकती हैं। लेकिन असर ज्यादा नहीं होगा। 110 अरब डॉलर की भारतीय आईटी इंडस्ट्री का 70% रेवेन्यू अमेरिका से ही आता है। हायरिंग फर्म टीमलीज की सीनियर वीपी ऋतुपर्णा चक्रवर्ती ने कहा, संरक्षणवादी बातें कहकर ट्रम्प जीत तो गए। लेकिन उम्मीद है कि पद संभालने के बाद उनके भीतर क बिजनेसमैन बाहर आएगा। नेस्कॉम की उम्मीद जताई कि बिजनेसमैन हाने के नाते ट्रम्प की नीतियां भी बिजनेस को बढ़ावा देने वाली होंगी।

### दवा कंपनियों को ज्यादा पहुंच देने की अपील

इंडिया इंक ने अमेरिका के दवा बाजार में भारतीय कंपनियों को ज्यादा पहुंच देने की अपील की है। एसोचैम प्रेसिडेंट सुनील कनोडिया ने कहा कि जब ट्रम्प ने भाषण के साथ वित्तीय बाजारों में रिकवरी देखने को मिली। वहीं ईईपीसी चेयरमैन टीएस भसीन की राय में ट्रम्प ने साफ कहा कि वह इन्फ्रास्ट्रक्चर पर काफी खर्च करेंगे। इससे भारत से स्टील, मशीनरी और टेक्नोलॉजी एक्सपोर्ट का निर्यात बढ़ सकता है।

## इंडस्ट्री को आशंका, आईटी, फार्मा के बुरे दिन

■ विस, नई दिल्ली : इंडियन इंडस्ट्री का मानना है कि ट्रंप की जीत का असर भारत के आईटी और फार्मा सेक्टर पर सबसे अधिक पड़ेगा। अमेरिका को एक्सपोर्ट पर भी नरमी आ सकती है। भारतीय युवाओं को अमेरिका में नौकरी के अवसर कम मिलने की आशंका भी है। ट्रंप हमेशा ही भारत से जॉब्स वापस अमेरिका ले जाने की बात करते रहे हैं। इससे एच-1बी वीजा पर अमेरिका गए लोगों की दिक्कतें बढ़ेंगी। उनकी पॉलिसी निश्चित रूप से भारत के सॉफ्टवेयर सेक्टर को नुकसान पहुंचाएगी। इसका असर बुधवार को भारत की आईटी कंपनियों के स्टॉक्स पर भी दिखा। कोटक महिंद्रा एएमसी के एमडी और सीईओ नीलेश शाह का कहना है कि इलेक्शन कैंपेन में ट्रंप ने आउटसोर्सिंग के मोर्चे पर माहौल बनाने की कोशिश की है। अगर वह अपने वादों को जमीन पर उतारते हैं तो आईटी सेक्टर को झटका लग सकता है। पीएचडीसीसीआई के पूर्व प्रेजिडेंट एल.के. मल्होत्रा का कहना है कि अमेरिका में कारोबार करने वाली सन फार्मा और ल्यूपिन जैसी बड़ी भारतीय कंपनियों को इस वक्त बड़े पैमाने पर काम मिल रहा था। अब ट्रंप ने इस पूरी पॉलिसी के रिव्यू की बात कहकर सबको सकते में डाल रखा है।

इंडस्ट्री चैंबर एसोसिएम के डायरेक्टर जनरल डी.एस. रावत के अनुसार, ट्रंप ने इंपोर्ट कम करने की बात कही है। ऐसे में भारत और चीन जैसे विकासशील देशों से अमेरिका को होने वाला एक्सपोर्ट कम हो सकता है। अगर ऐसा हुआ है तो इससे भारत के एक्सपोर्ट को झटका लगेगा।

