



## Signs of Economic Recovery: CII

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### Why in News

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Recently, the **Confederation of Indian Industries (CII)** has said that there are early signs of a **V-shaped recovery** in the economy in the immediate aftermath of the **lockdown**.

### Key Points

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- **Economic Recovery:**

- Economic recovery is being **driven mostly by agriculture and rural lending**.

CII noted that rural lending by **Non-Banking Financial Companies (NBFCs)** is at about 80% of the usual levels.

- The **Fast-Moving Consumer Goods (FMCG), pharma and construction** have also contributed to the positive trends of economic recovery.

- FMCG is likely to grow at 15-20%, on account of an increase in in-house consumption of food and greater demand for sanitation and hygiene products.
- The construction sector, which has a large employment multiplier impact on the economy is also recovering back, with most construction sites resuming operations.

- **Reasons:**

- The positive recovery has been predicted based on the increase in **Goods and Services Tax (GST)** collections, railway freight traffic, petrol consumption, peak power demand and electronic toll collections.
- There are also expectations of a **bumper harvest** in the wake of a normal monsoon.

- **Suggestions:**

- In order to nurture the nascent signs of economic recovery, CII has argued to **mitigate the uncertainties** that are currently prevailing due to mini lockdowns imposed due to **Covid-19 pandemic**.

It has argued to **limit the containment zones** to micro areas to ensure that business activities are allowed to function seamlessly.

- CII has recommended a **dashboard approach**, where the progression of infections would trigger predictable responses in a way that would reduce uncertainty and boost consumer and industry confidence.

### **Confederation of Indian Industries**

- CII is a **non-government, not-for-profit**, industry-led and industry-managed organization.
- It works to create and sustain an environment conducive to the development of India, partnering industry, Government and civil society, through advisory and consultative processes.
- Founded in **1895**, it is headquartered in **New delhi**.

**Source: TH**