

News Analysis (29 Jul, 2020)

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New Supreme Court Building of Mauritius

Why in News

The Prime Minister of India and the **Prime Minister of Mauritius** will jointly inaugurate the new **Supreme Court building of Mauritius** on 30th July, 2020.

It will be the **first India assisted infrastructure project** within the capital city of **Port Louis, Mauritius.**

Key Points

	Mozambique Channel Mozambique	Indian Ocean • Mauritius Reunion (Fr)	Tropic of Capricorn
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- The new Supreme Court Building is expected to become an important landmark in the city center symbolizing the strong bilateral partnership between the two countries.
- It is one of the five projects being implemented under the **'Special Economic Package'** of 353 million USD extended by the Government of India to Mauritius in 2016.

India-Mauritius Relationship

- <u>Indo-Mauritian relations</u> refers to the **historical**, **political**, **economic**, **military**, **social and cultural connections** between the two countries.
- Connections between **India and Mauritius date back to 1730** and diplomatic relations were **established in 1948** before Mauritius became an independent state (1968).
- India has viewed Mauritius through the **prism of diaspora.** This was, perhaps, natural since communities of Indian origin constitute a significant majority in the island. More than **68% of the Mauritian population are of Indian origin**, most commonly known as Indo-Mauritians.
- It is a significant partner of India in celebrating <u>**Pravasi Bharatiya Diwas**</u> which is a forum for issues concerning the <u>**Indian Diaspora**</u>.
- Significance:
 - **Geo-strategic:** India has begun to see the strategic significance of Mauritius to the renewed great power contestation in the **Indian Ocean.**
 - In 2015, India signed an agreement to set up eight Indian-controlled coastal surveillance radar stations.
 - Mauritius is part of India's security grid including Coastal Surveillance Radar (CSR) station of Indian Navy's National Command Control Communication Intelligence network.
 - In 2015 India unveiled an ambitious policy called the <u>SAGAR</u> (security and growth for all).
 - It was India's first significant policy statement on the Indian Ocean in many decades.
 - Through SAGAR, India seeks to deepen economic and security cooperation with its maritime neighbours and assist in building their maritime security capabilities.
 - In 2015, India and Mauritius signed an agreement that allows India to develop infrastructure in terms of **establishing military bases** on the Mauritian islands.

The agreement covers within its purview our shared efforts in **antipiracy operations,** and enhanced **Exclusive Economic Zones** (EEZ) surveillance to prevent intrusions by potential economic offenders including those indulging in illegal fishing, poaching, drug and human trafficking.

• Geo-Economic:

- As a "central geographic point" Maurituis holds importance for commerce and connectivity in the Indian Ocean.
- As a member of the <u>African Union, Indian Ocean Rim Association</u> and the Indian Ocean Commission, Mauritius is a stepping stone to multiple geographies.
- As a founding-member of the <u>'Small Island Developing States'</u> (SIDS) it has been seen as a significant neighbour.
- India is Mauritius's largest trading partner and has been the largest exporter of goods and services to the Indian Ocean island nation since 2007.
- Mauritius is the second largest source of Foreign Direct Investment (FDI) for India after Singapore.
- **Regional Hub:** As **new investments pour into Mauritius from Africa**, Mauritius can be the fulcrum for India's own **African economic outreach**.
 - India could also contribute to the evolution of Mauritius as a regional centre for technological innovation. Therefore, India must respond to the demands from Mauritius for higher education facilities.
 - Mauritius could also become a valuable place for regional and international maritime scientific research.
- Pivot of Island Policy: Until now India has tended to deal with the so-called <u>Vanilla islands</u> of the south western Indian Ocean — Comoros, Madagascar, Mauritius, Mayotte, Reunion and Seychelles — on a bilateral basis.
 - If the Indian establishment thinks of them as a collective, it could make
 Mauritius the pivot of Delhi's island policy.
 - It can facilitate a number of Indian commercial activities in the south western Indian ocean — as a banking gateway and hub for tourism.
- **Keeping Pace with China:** In its **"string of pearls"** policy, China has built significant relations across the Indian Ocean, from **Gwadar** (Pakistan) to **Hambantota** (Sri Lanka) to **Kyaukpyu** (Myanmar).

Therefore, India should help Indian Ocean littoral states like Mauritius, Maldives, Sri Lanka and Seychelles as part of capacity and capability enhancement in strengthening their maritime domain awareness capabilities.

- Challenges:
 - **Deep Rooted Perception:** There is an urgent need to discard the deep-rooted perception that Mauritius is **simply an extension of India.**
 - Mauritius is a sovereign entity with an international identity of its own due to the island's special place in the Indian Ocean as a **thriving economic hub and an attractive strategic location.**
 - **China Centric Policies:** China's rapidly growing presence in the northern part of the Indian Ocean along with the deployment of Chinese submarines and ships in the region is a challenge for India.
 - However, India has often been accused of being self-centred in its relations with its smaller neighbours.
 - Much of India's move of reaching out to its littoral neighbours has been driven by China's increasing involvement in this region mainly through large and ambitious infrastructure projects.
 - **Obsessive Security Policy:** An obsessively security-driven policy of India towards its neighbours has not helped in the past.

Certain common challenges like **climate change, sustainable development and the <u>blue economy</u>** should be reconsidered in India's approach to Mauritius.

• **Global Integration:** Mauritius being an island nation, has been physically cut off from the rest of the world despite the fact anything that happens in the world affects Mauritius e.g, world economic crisis, declining FDIs, trade wars etc.

Therefore, it is important for India to broaden its perspective beyond just the maritime security of IOR.

• **Indian Ocean Region:** As the power dynamic in the **Indian Ocean Region** (IOR) is changing, world has started to view **Mauritius as an integral part of the new security architecture.**

Increased presence of China and efforts of countries like the USA, Australia, France and the U.K. to take advantage of small nations is a growing concern for India.

Way Forward

- Companies registered in Mauritius are the largest source of foreign direct investment (FDI) into India, making it crucial for India to upgrade its bilateral tax treaty, adopting the latest international practices that prevent multinational companies from artificially shifting profits to low tax countries.
- As India takes an integrated view of its security cooperation in the south western Indian Ocean, Mauritius is the natural node for it. Therefore, it is important to take course-corrections in India's **Neighbourhood First policy.**

Source: PIB

Why in News

In a recent meeting, the **Parliamentary Standing Committee on Finance** has been informed that the government is not in a position to pay the <u>Goods and Services Tax</u> (GST) **share of States** as per the current revenue sharing formula.

Key Points

• The Centre had released the **final instalment of Rs. 13,806 crore of** <u>compensation</u> for the FY 2019-20.

It comes as a relief for States seeking to finance efforts to ramp up public health-care capacity and contain **Covid-19** effects.

- For the **FY 2020-21**, there is going to be a **revenue shortfall** due to the **pandemic**. Even the **GST collections for March 2020 also saw a dip**.
- For such times, the **GST Act** has **provisions to rework the formula for paying compensation** to the State governments if the **revenue collection drops below a certain threshold.**

GST Compensations

- The GST became applicable from 1st July 2017 after the enactment of the 101st Constitution Amendment Act, 2016 and with it, a large number of central and state indirect taxes merged into a single tax.
- The Centre **promised compensation** to the States for any shortfall in tax revenue due to GST implementation for a **period of five years.** This promise **convinced a large number of reluctant States to sign** on to the new indirect tax regime.
- As per the GST Act, states are **guaranteed compensation for any revenue shortfall below 14% growth (base year 2015-16)** for the **first five years ending 2022.**
- GST compensation is **paid out of Compensation Cess every two months** by the Centre to states.
 - The Compensation Cess are **collected on the supply of select goods** (luxury and sin goods) **and/or services or both** till 1st July 2022.
 - All the taxpayers, except those who export specific notified goods and those who have opted for the **GST composition scheme**, are liable to collect and remit the GST compensation cess to the central government.
 - Subsequently, the central government distributes it to the states.

Concerns

• **Deviated Priorities:** The committee held its first meeting after the <u>lockdowns</u> and instead of discussing the state of the Indian economy amidst the ongoing pandemic and the fight against it, it chose the topic of **'Financing the Innovation Ecosystem and India's Growth Companies'** which is not so relevant given the times.

• Unclear Finances: The <u>Budget 2020-21</u> may no longer be relevant since it was based on certain assumptions about the revenue collections and there is no clarity so far from the government on overall revenue shortfall this year.

There is **no clarity over the efficacy of the government's rescue package** in the form of **different Economic Stimulus**.

• Widening Gaps: The gap between the compensation cess and the payment to states is expected to widen further with expected economic contraction denting GST collections as well.

Compensation cess inflows could reduce because of **people curbing discretionary spending on luxury goods** in order to conserve capital in the pandemic-hit economy.

• More Difficult Payments: Paying compensation to States this year is going to be even more difficult for the Centre because, for the FY 2019-20, the Compensation cess was almost Rs. 70,000 crore less than the payments due to States.

It was **overcome** by tapping cess balances from the **first two years of GST implementation** and from the <u>Consolidated Fund of India</u> by debiting **Integrated GST (IGST) funds.**

IGST is levied on inter-State supply of goods and services and some of this levy collected in 2017-18, had not yet been allocated to States.

• **Delayed Meetings:** The <u>GST Council</u> was scheduled to meet in July to try and work out the formula to rework the compensation but the meeting has not been **convened** so far.

Way Forward

- The chief solution officials have suggested the Centre to raise special loans against future GST cess accruals (an amount of money that accumulates) in order to help meet its compensation promise to States.
- The pandemic has thrown multiple challenges in front of the Centre and the States. They need to have more certainty and clarity on the cash at their disposal which would help them to battle the virus more effectively.
- There is a need to boost the economic growth of the country and the government needs to think about the ways through which it can increase GST collections.

Source: TH

100% FDI in Air India for NRIs

Why in News

Recently, the **Ministry of Finance** has allowed **Non Resident Indians** (NRIs) to have **100% Foreign Direct Investment** (FDI) in Air India.

For the same, necessary amendments have been made in the Foreign Exchange Management Rules (Non-debt Instruments), 2019.

Key Points

- Background:
 - In March 2020, the **Cabinet approved a policy** to permit foreign investment up to 100% by those NRIs who are Indian Nationals in Air India through the automatic route.
 - Foreign investments in Air India Limited, including that of **foreign airlines shall not exceed 49%** either directly or indirectly except in case of those NRIs, who are Indian nationals.
- New Rules:
 - Category of Citizens: The amendment removes the exception which permitted Overseas Citizens of India (OCI) 100% FDI in air transport, but not Air India. This category of citizens has been replaced with NRIs, now allowed to commit 100% FDI in air transport, including Air India, through automatic route.
 - **Role of RBI:** The <u>Reserve Bank of India</u> (RBI) has been vested with the sole **power to issue/interpret the rules** regarding **100% FDI of NRIs.**

Previously, it was required to do so in consultation with the Central Government.

- Significance:
 - **Disinvestment:** It would likely to **smoothen the divestment of Air India** and have an impact on the sale of the national carrier.
 - Substantial ownership and effective control of Air India will have to remain in the hands of Indian nationals after the divestment.
 - Further, it will lead to increased FDI inflows and thereby contribute to higher investment, income and employment.
 - **Liberalisation of FDI:** The amendment is meant to liberalise and simplify the FDI policy to provide **ease of doing business** in the country.
 - **Global Visibility of Air India:** The amendment would boost Brand India and provide **global visibility, alternate sources of capital** and **broaden the investor base** for Air india.
 - **Need for Privatisation:** <u>**Privatisation**</u> is necessary as airlines have been under strain due to <u>**Covid-19 pandemic.**</u>

Further, the **government may not be in a position** to fulfill the demands being made by Air India in the current situation, like providing measures for relief to its employees.

Foreign Direct Investment

• FDI is an **investment made by a firm or individual** in one country into business interests located in another country.

- Generally, FDI takes place when an investor establishes foreign business operations or acquires foreign business assets, including establishing ownership or controlling interest in a foreign company.
- It is different from **Foreign Portfolio Investment** where the foreign entity merely buys equity shares of a company. FPI does not provide the investor with control over the business.
- Routes through which India gets FDI:
 - **Automatic Route:** In this, the foreign entity does not require the prior approval of the government or the RBI.
 - **Government route:** In this, the foreign entity has to take the approval of the government.
 - The **Foreign Investment Facilitation Portal** (FIFP) facilitates the single window clearance of applications which are through approval route.
 - This portal is administered by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry.

Source: TH

Merger Under Tenth Schedule

Why in News

Recently, the Bahujan Samaj Party (BSP) has **issued a whip** in Rajasthan Assembly and asked all its six Member of Legislative Assemblies (MLAs) to vote against Indian National Congress (INC) government on floor test.

However all six BSP MLAs had joined the INC by announcing the **merger in September 2019.**

Key Points

- The BSP is arguing that a **state unit of a national party** cannot be merged **without the party being merged at the national level.** It has termed the merger of six MLAs as illegal and unconstitutional.
- It has cited **two decisions of the Supreme Court** to support its arguments:
 - Jagjit Singh v State of Haryana 2006 case.

In this case, four legislators from single-member parties in the Haryana Assembly, who said their parties had split and later joined the Congress. The court upheld the Speaker's decisions disqualifying them.

• Rajendra Singh Rana And Ors vs Swami Prasad Maurya 2007 case.

In the 2002 Uttar Pradesh elections, 37 MLAs — one-third of the BSP strength — "split" from the party after its government fell, to support Samajwadi Party. The SC ruled that the split cannot be recognised primarily because not all these MLAs split at once.

- It can be noted that the above two cases were prior to the 91st Constitutional Amendment of 2003 which deleted the Paragraph 3 of the Tenth Schedule. This amendment was made as the one-third split rule was grossly misused by parties to engineer divisions and indulge in horse-trading. One-third was regarded as an easy target to achieve and the law now exempts defection only when it is at two-thirds (in a merger).
- Constitutional Experts on Merger:
 - According to **P.D.T. Achary**, merger under the <u>**Tenth Schedule**</u> (anti-defection law) **can take place only between two original political parties.** There are two conditions that need to be fulfilled for a merger under the **Tenth Schedule**.
 - 1. There should be a merger between two original political parties.
 - 2. Subsequently, $2/3^{rd}$ of the members of that House belonging to that party should accept the merger. If $2/3^{rd}$ of the members do not accept it, then the merger doesn't happen as per the law.
 - According to Achary, the anti-defection law basically **aims at protecting the party system and not just at curbing defection.**
 - Subhash C. Kashyap also agreed with P.D.T. Achary by saying that for a merger, the party which sets up candidates for the election is the party which has to merge under the Tenth Schedule. And one of the requirements for this is that 2/3rd MLAs of that party should agree to the merger.
 - However, Faizan Mustafa disagreed with the above position and questioned the concept of merger between two original parties. According to him, this would mean that **the legislative party will not have any right to merge with anybody in any state.**
 - He referred to the definition of 'Legislature Party' under the Tenth Schedule, which is defined as a 'group consisting of all the members of that House'.
 - According to him, the merger has to be seen "locally" and not at the national level. Mustafa also pointed out that nowhere does the Tenth Schedule talk about how a 'national party' should split or a 'regional party' should split.

Previous Similar case:

- In June 2019, the Vice President issued orders to "**merge**" the Telugu Desam Party (TDP) with the ruling BJP in Rajya Sabha after four of TDP's five MPs defected.
 - Although TDP still has a presence in the Upper House through its lone MP, the party was deemed to have merged only for the purpose of not attracting penalty under the Tenth Schedule for the four MPs who defected.
 - The TDP, too, raised arguments similar to what BSP is now claiming that a "merger" can only take place at an organisational level of the party and not in the House.
- In 2016, 12 out of 15 of TDP MLAs joined the ruling TRS. The Speaker recognised the defection as a merger since more than two-thirds had moved.

Global Tiger Day

Why in News

The Ministry of Environment, Forest and Climate Change has released a detailed 'Status of Tigers, Co-predators and Prey in India (2018) Report' on the eve of the Global Tiger Day (29th July).

The report compares information obtained from the **earlier three tiger surveys** (2006, 2010, and 2014) with data obtained from the 2018-19 survey to estimate tiger population trends at country level.

Key Points

- St. Petersburg declaration:
 - With **2,967 tigers,** India, four years in advance, has achieved the target set in the **2010 St Petersburg Declaration** of doubling tiger population by 2022. India had around 1,400 tigers in 2006.
 - The Heads of the Governments of Tiger Range countries at St. Petersburg,
 Russia, had resolved to double tiger numbers across their global range by 2022
 by signing the St. Petersburg declaration on tiger conservation.
 - During the same meeting it was also **decided to celebrate 29th July as Global Tiger Day** across the world, which is since being celebrated to spread and generate awareness on tiger conservation.
 - There are currently **13 tiger range countries** India, Bangladesh, Bhutan, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, Nepal, Russia, Thailand and Vietnam.
- National Scenario:
 - The national tiger status assessment of 2018-19 estimated the overall tiger population in India at 2,967 33% increase from 2014 (2,226). The 2018 census (once in every four years) has set a <u>Guinness</u> record for being the largest camera-trap wildlife survey.
 - Tigers were observed to be **increasing at a rate of 6% per annum** in India from **2006 to 2018.**
 - The **largest contiguous tiger population in the world of about 724 tigers** was found in the **Western Ghats** (Nagarhole-Bandipur-Wayanad-Mudumalai-Sathyamangalam- Biligiri Ranganathaswamy Temple block).

- Regional Scenario:
 - **Madhya Pradesh** has the highest number of tigers at 526, closely followed by Karnataka (524) and Uttarakhand (442).
 - The Northeast has suffered losses in population. Further, the tiger status in Chhattisgarh, Jharkhand and Odisha has steadily declined, which is a matter of concern.
 - Out of 50 tiger reserves in the country, three reserves Mizoram's Dampa reserve, Bengal's Buxa reserve and Jharkhand's Palamau reserve - have no tigers left.
 - **Corbett Tiger Reserve** (Uttrakhand) had the largest population of tigers at about 231 in 2018.
 - India's **Project Tiger** was launched in 1973 with 9 tiger reserves.
- Concerns:
 - Most of the populations remain **confined to small Protected Areas**, some of which have habitat corridors that permit tiger movement between them.
 - However, **most of the corridor habitats in India are degrading** due to unsustainable human use and developmental projects.
 - Some **reserves nearing full capacity** is another issue.
- Solutions:
 - In areas where tigers have not been recorded or the population has declined, restoration needs to be proceeded by improving **protection**, **augmentation of prey**, and **reintroduction of tigers** from an appropriate source.
 - Some reserves like Similipal (Odisha), Pakke (Arunachal Pradesh) are below their potential and require resources and targeted management.

• Government's Response:

- Tigers and other wildlife are a kind of **soft power** that India has to show on the international front.
- Despite several constraints such as less land mass, India has **8% of biodiversity** because of its culture of saving and preserving nature, trees and its wildlife.
- India has **70% of the world's tiger population.** It is tirelessly working with all 13 tiger range countries towards nurturing the tiger.
- The Government is working on a programme to provide water and fodder to animals at the forest itself to deal with the challenge of human-animal conflict that is causing the death of animals.
 - For this, **Lidar-based survey technology** will be used for the first time.
 - **Lidar** is a method of measuring distance by illuminating the target with laser light and measuring the reflection with a sensor.

Source: PIB

Hong Kong's Extradition Treaties Suspended

Why in News

Recently, China has announced the **suspension of Hong Kong's extradition treaties and criminal justice cooperation agreements** with <u>Australia</u>, <u>Britain</u> and Canada.

Australia, Britain and Canada along with **New Zealand and the USA** are part of the **<u>Five Eyes (FVEY)</u>**, which is an **intelligence-sharing alliance** between these five countries.

New Zealand has already suspended its extradition treaty with Hong Kong, and the USA is preparing to do the same.

Extradition

- It is the **formal process** of one state **surrendering an individual to another state for prosecution or punishment** for crimes committed in the requesting country's jurisdiction.
- It is generally enabled through a **bilateral or multilateral treaty.**
- The **Extradition Act of 1962** provides India's legislative basis for extradition.

Key Points

- Background:
 - This move comes after these **three countries first suspended the treaties** after <u>China imposed new security law on Hong Kong.</u>
 - These western nations see the law imposed on Hong Kong as an **erosion of the civil liberties and human rights** it had enjoyed since its handover from Britain in 1997.
- Other Similar Moves Against China:
 - **London (UK) and Canberra (Australia)** offered pathways to **citizenship or residency to Hong Kong citizens** looking to leave because of the new law, which also angered China.
 - The <u>European Union</u> (EU) announced to restrict exports of equipment that could be used for surveillance and repression to Hong Kong.
 - However, this decision of restricting exports was not unanimous owing to the volume of trade between China and member states of the EU.
 - France and Germany proposed the restriction on so-called 'dual-use' technology.

Dual-use goods are products and technologies **normally used for civilian purposes but which may have military applications. For example,** radio navigation systems and nuclear power technologies.

 The EU will also bring in measures to support Hong Kong's population by making it easier for them to travel to Europe through the granting of visas, scholarships and academic exchanges.

- China's Stand:
 - China has accused these countries of **interfering in its internal affairs and defended the security law** as crucial to restore order in Hong Kong.
 - It held that these three countries **chose the wrong path of politicising judicial cooperation with Hong Kong,** and it has seriously hurt the basis of judicial cooperation.
 - They used the **national security law as an excuse** to announce the suspension of extradition treaties unilaterally.

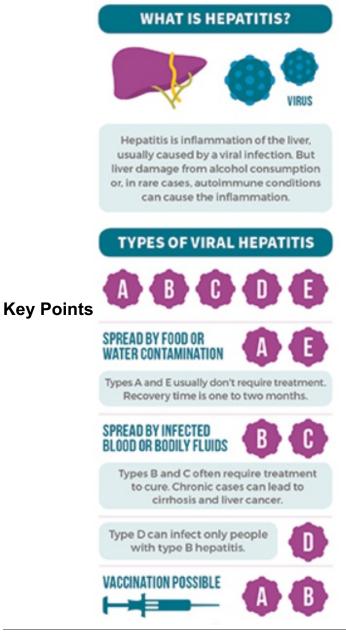
Source: TH

World Hepatitis Day

Why in News

World Hepatitis Day is observed each year on **28th July** to enhance awareness of viral hepatitis.

The theme for the **year 2020** is **"Hepatitis-free future"**, with a strong focus on **preventing hepatitis B among mothers and newborns.**



• Hepatitis:

- The word hepatitis refers to any **inflammation of the liver** the irritation or swelling of the liver cells **from any cause**.
- It can be **acute** (inflammation of the liver that presents with sickness jaundice, fever, vomiting) or **chronic** (inflammation of the liver that lasts more than six months, but **essentially showing no symptoms).**
- Causes:
 - Usually caused by a group of viruses known as the **"hepatotropic"** (liver directed) viruses, including A, B, C, D and E.
 - **Other viruses** may also cause it, such as the **varicella** virus that causes **chicken pox. SARS-CoV-2**, the virus causing <u>Covid-19</u> may injure the liver, too.
 - Other causes include **drugs and alcohol abuse, fat buildup in the liver** (fatty liver hepatitis) or an **autoimmune process** in which a person's body makes antibodies that attack the liver (autoimmune hepatitis).

• Treatment:

- **Hepatitis A and E are self-limiting diseases** (i.e. go away on their own) and require no specific antiviral medications.
- For Hepatitis B and C, effective medications are available.
- Global Scenario:
 - Hepatitis B and C together are the **most common cause** of deaths, with 1.3 million lives lost each year.
 - In 2016, 194 governments across the globe adopted **WHO's global strategy** which aims at eliminating viral hepatitis by 2030.

• Indian Scenario:

- 40 million people are chronically infected with Hepatitis B virus and 6 to 12 million with Hepatitis C virus.
- In 2018, the government launched the **National Viral Hepatitis Program.** The program is the largest program for Hepatitis B and C diagnosis and treatment in the world.

Note:

- Hepatitis B is included under <u>India's Universal Immunization Programme (UIP)</u> which provides free of cost vaccination against **eleven (excluding Hepatitis B) vaccine-preventable diseases** i.e. Tuberculosis, Diphtheria, Pertussis, Tetanus, Polio, Pneumonia and Meningitis due to Haemophilus Influenzae type b (Hib), Measles, Rubella, Japanese Encephalitis (JE) and Rotavirus diarrhoea.
- <u>Bangladesh, Bhutan, Nepal and Thailand</u> became the **first four countries in the** World Health Organization's Southeast Asia region to have successfully controlled Hepatitis B.
- Recently, an automated coronavirus testing device named <u>**'COBAS 6800'**</u> was launched which can **also detect viral Hepatitis B & C,** among others.
- It can be noted that only for **four diseases viz. HIV-AIDS (1st December), TB (24th March), Malaria (25th April), and Hepatitis, the World Health Organization (WHO) officially endorses <u>disease-specific global awareness days.</u>**

Source: PIB

Signs of Economic Recovery: CII

Why in News

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

Key Points

• Economic Recovery:

- Economic recovery is being driven mostly by agriculture and rural lending. CII noted that rural lending by <u>Non-Banking Financial Companies</u> (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 <u>Goods and</u> <u>Services Tax (GST)</u> 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