

## CII tells govt to remove uncertainties over 'mini' lockdowns

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Industry body Confederation of Indian Industry (CII) on Tuesday batted for removing uncertainties associated with imposing 'mini' lockdowns so that businesses can function smoothly. It said there were early signs of economic recovery and it was important to build on them.

To ensure that supply chains function seamlessly across state and district boundaries, containment zones should be limited to small areas, said Chandrajit Banerjee, director-general, CII.

It is important to reduce uncertainties regarding restrictions to aid recovery, he said. "Corporates are unable to plan beyond a horizon of a few weeks, affecting all operations," he added.

"Consumer-facing industries, such as staple-based FMCG, are likely to grow at 15-20 per cent in FY21, primarily on account of an increase in in-house consumption of food and greater demand for sanitation and hygiene products," said Banerjee. In contrast, sectors such as aviation, hotels, and commercial vehicles are still very stressed, he added.

The construction sector, which has a large employment multiplier impact on the economy, is bouncing back, too, with most construction sites resuming operations. Commercial real estate is holding up on lease renewals, though new leases are not being signed.

On the services side, the information technology sector is expected to grow at about 0-5 per cent in FY21. Companies in this sector are well capitalised with no layoffs expected. While growth in health sector is likely to be flat, the crisis has expedited digital health servicing, which otherwise would have taken a few years to actualise, said Banerjee.