

High-frequency indicators point towards V-shaped recovery: CII

PRESS TRUST OF INDIA
New Delhi, July 28

INDUSTRY BODY CII on Tuesday said high-frequency indicators are showing a material improvement compared with multi-year lows seen in April, and pointing towards a V-shaped recovery after the economy suffered on account of lockdown amid the coronavirus pandemic.

A clutch of indicators including GST collections, railway freight traffic, petrol consumption, peak power demand, electronic toll collections, among others, have all mirrored the incipient signs of recovery, it said.

“Though still early, these are indeed promising signs, pointing towards a V-shaped recovery in the immediate aftermath of the lockdown,” the chamber said.

CII director-general Chandrajit Banerjee said that in order to nurture the nascent signs of recovery, it is important to mitigate the uncertainties that are currently prevailing regarding the restrictions.

“Corporates are unable to plan beyond a horizon of a few weeks, affecting all operations,” he said.

Even though the early signs of recovery are encouraging, it is critical to build on these, by deploying all the policy levers, he said and added the business activities must be allowed to function, by removing the uncertainties associated with imposing ‘mini lockdowns’, he said.

The CII official further said although it is not possible to predict the course of the pandemic, a dashboard approach, triggering predictable responses based on the progression of infections, can reduce uncertainty and boost both consumer and industry confidence, which in turn will support demand and investment recovery.