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PRESS RELEASE

Economic contraction may not be as bad as forecasted, signs of a sharp recovery: Dr Rajiv Kumar, Vice Chairman, NITI Aayog

- *Government working on the mechanism of a viable, efficient vaccine delivery system**
- *Focus on a need to increase size, specialisation, competitiveness and risk management capabilities of the Indian Banking Sector**
- *Huge Potential to mobilise domestic savings into financial capital**

New Delhi, October 22, 2020: Citing several signs of a sharp recovery in the months of August and September, **Dr. Rajiv Kumar, Vice Chairman, NITI Aayog** believes that the economic contraction may not be as bad as forecasted. He noted that a broad-based recovery cross sectors has been observed and the coming quarters are expected to be far better than forecasted.

Speaking at the **Public Affairs Forum of India (PAFI)'s 7th National Forum** that was held virtually today, on **"Building Trust, Charting Growth"**, **Dr Rajiv Kumar** urged that the next fiscal stimulus from the Ministry of Finance ought to be focused on infrastructure with special emphasis on short-gestation projects as this will have a strong multiplier effect and can sustain growth. He further said that productivity enhancing measures are required to boost the economy.

Talking about the vaccine delivery mechanism for COVID-19, he stated that the government is working on creating an effective system which involves aspects of universal coverage, unique and portable IDs and the optimum use of biometrics and technology.

Mr Uday Kotak, President, CII and Managing Director & CEO, Kotak Mahindra Bank Limited echoed Dr. Kumar, that there are strong signs of recovery in the Indian economy as compared to the situation in April and May. He was of the opinion that the COVID-19 pandemic has also brought about opportunities to use the crisis to our advantage. While appreciating the reforms in segments of agriculture and MSMEs, he stated that the government spending has to be increased dramatically in the areas of healthcare, education and sustainability in addition to infrastructure.

Mr. Kotak also said that the best time to invest in some key sectors of Indian economy is when things look challenging. While global investors are looking at money & stable, predictable and consistent policies over a period of time, he urged that domestic policy has to encourage unlocking of domestic risk capital.

Both the speakers agreed that there is a need for greater competitiveness, and risk management capacity in the Indian banking sector. Welcoming the formation of large public sector banks, they also supported a possible 50-50 market share between private and public sector banks.

In his closing statement, Dr. Kumar said that action has to be shifted to the corporate and the states to build trust and function in a cohesive manner. He said that building trust is going to be key going forward and also reposing trust in those who have already invested in India.

Mr Ishteyaque Amjad, President PAFI and Vice President, Public Affairs, Communications & Sustainability at Coca-Cola India and South West Asia in his welcome address said that the public affairs fraternity has played a crucial role in the dialog between government, private sector and civil society during this crisis.

Mr Ajay Khanna, Forum Chairman & Co-Founder, PAFI & Chief Strategic & Public Affairs, Jubilant Bhartia Group in his opening remarks welcomed the speakers and reiterated the importance of trust shared between industry and government.

Dr Subho Ray, Vice President, PAFI & President, Internet and Mobile Association of India (IAMAI) gave the closing remarks.

About Public Affairs Forum of India (PAFI):

Public Affairs Forum of India (PAFI), the only platform for corporate/public affairs practitioners in the country, has completed 11 years of work in the field of Public Affairs, Advocacy & Public Policy. PAFI has representation from large and medium-sized transnational, Indian and foreign companies. For more information, visit: www.pafi.in.

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