

Bank Strike may Hit ₹1 L cr Transactions



NEW DELHI Industry body Assocham said the strike by PSU banks may

negatively impact transactions worth up to ₹1.3 lakh crore. "The all India bank strike might also impact deployment of gross bank credit worth up to ₹1,600 crore," said DS Rawat, secretary general of Assocham.

Bank strike may hit deals worth ₹1 lakh cr: Assocham

PRESS TRUST OF INDIA
New Delhi, 28 February

Industry body Assocham today said that the day-long strike observed by public sector banks today may negatively impact forex and paper clearing transactions worth up to Rs 1.3 lakh crore.

"The all India bank strike might also impact deployment of gross bank credit worth up to Rs 1,600 crore," said Mr DS Rawat, secretary general of Assocham.

He said that the Centre should work towards driving reforms in public sector banking to rein in the huge amount of non-performing assets (NPAs) and improve the lower levels of credit off-take.

Branches of public sector banks remained either

closed or non-operational today as staffers and officers went ahead with their day-long strike pressing for various demands, including accountability of top executives in the wake of mounting bad loans.

Services such as cash deposits and withdrawal from branches and cheque clearances have been hit hard by the strike, which was called under the aegis of the United Forum of Bank Unions (UFBU).

The UFBU is an umbrella body of nine unions, but two of Bharatiya Mazdoor Sangh affiliates ~ the National Organisation of Bank Workers and the National Organisation of Bank Officers ~ are not part of the stir.

Unions are also opposed to the proposed labour

reforms of the government and outsourcing of permanent jobs in the banking sector.

Some of the demands include compensation of employees and officers for extra hours they put in following demonetisation in November and early initiation of next wage revision.

They have also demanded adequate recruitment in all cadres, stringent measures to recover bad loans and accountability of top executives. Besides, they have pitched for criminal action against wilful defaulters.

The UFBU, which claims membership of nearly 10 lakh across banks, also requested the government for cost reimbursement of demonetisation to banks.

Bank strike affects deals worth ₹1L-cr

New Delhi, Feb. 28: Assocham on Tuesday said that the day-long strike observed by public sector banks on February 28 may negatively impact forex and paper clearing transactions worth up to ₹1.3 lakh crore.

"The all India bank strike might also impact deployment of gross bank credit worth up to ₹1,600 crore," Assocham secretary general D.S. Rawat said.

He said that the Centre should work towards driving reforms in public sector banking to rein in the huge amount of NPAs and improve the lower levels of credit off-take.

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Services like cash

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— PTI

GDP growth dispels note ban fear

Grows 7% in Q3;
CSO pegs current
fiscal at 7.1%

PNS ■ NEW DELHI

India's economy expanded by 7 per cent surprisingly in the third quarter of this financial year, dispelling the fears that note ban would severely impact the Gross Domestic Product (GDP) growth rate.

The GDP figure is lower than the revised 7.4 per cent expansion in the previous quarter, but is still well above the 6.1 per cent predicted by economists in their poll.

Retaining the growth projection in the country, the Central Statistics Office (CSO) on Tuesday released the growth projection for the current fiscal at 7.1 per cent, as projected in the first advance estimate in January. The CSO also marginally revised upwards the GDP estimates for the first and the second quarters to 7.2 per cent and 7.4 per cent.

Commenting on the CSO report, Economic Affairs Secretary Shantikanta Das said the third quarter and the 7.1 per cent growth projected for full fiscal are definitely something noteworthy. "We had said that most of the reports were anecdotal, not based on statistics. There were reports that manufacturing activities in many sectors were affected due to demonetisation but as we see from the numbers,



Economic Affairs Secretary Shantikanta Das and Secretary General of OECD Angel Gurría during the launch of OECD Economic Survey of India 2017 in New Delhi on Tuesday PTI

manufacturing growth at 8.3 per cent is very satisfying number and promising number," Das told reporters after the CSO released its figures.

Following the note ban, there was an overestimation done by the people of the country about the so-called negative impact of the demonetisation.

"The third quarter GDP numbers are out and as you have seen the numbers completely negate the kind of negative projections and speculation made about the impact of demonetisation," Das said.

However, India Inc is hopeful that the economy is getting back on track and reforms are needed to revive investments and push demand hit by the note ban. "The growth is expected to recover in the next financial year. The direction indicated in the Union Budget announced earlier this month is encouraging and will further strengthen the domestic econ-

omy. It is extremely critical to push the domestic capex cycle which has been persistently weak," said FICCI Secretary General A Didar Singh.

While Assocham president Sandeep Jajodia said, "Policymakers should take doable steps to revive fixed investments and production of capital goods which are falling continuously since the growth which is being supported by consumption demand does not have a sustainable impact."

The Reserve Bank of India (RBI) and other agencies like IMF and OECD had lowered GDP projections arguing that the note ban would have short-term impact on the Indian economy.

Proving it wrong, the CSO said in its statement that Real GDP or Gross Domestic Product (GDP) at constant (2011-12) prices in 2016-17 is likely to attain a level of ₹121.65

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ON THE MEND

- ❑ The Central Statistics Office retains its projection that the economy will grow 7.1 per cent in 2016-17
- ❑ The projections have surprised many experts
- ❑ IMF had projected that demonetisation will pull down India's GDP growth to 6.6 per cent in 2016-17
- ❑ Analysts polled by *Reuters* had expected a 6.4 per cent growth rate in Oct-Dec quarter
- ❑ Economic Affairs Secretary Shantikanta Das claimed the impact of demonetisation had been over-stated

GDP growth...

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lakh crore, as against the first revised estimate of GDP for 2015-16 of ₹113.58 lakh crore, released in January 2017. "The growth in GDP during 2016-17 is estimated at 7.1 per cent as compared to the growth rate of 7.9 per cent in 2015-16," it said. Real GVA (Gross Value Added) is anticipated to increase from ₹104.70 lakh crore in 2015-16 to ₹111.68 lakh crore in 2016-17. "Anticipated growth of real GVA at basic prices in 2016-17 is 6.7 per cent against 7.8 per cent in 2015-16," the official statement said. The agriculture, forestry and fishing sector is likely to show 4.4 per cent growth in its GVA during 2016-17, as against the previous year's growth of 0.8 per cent. The second advance estimates of National Income, 2016-17, revealed that the growth in the GVA from 'manufacturing' sector is estimated to be 7.7 per cent compared to 10.6 per cent in 2015-16. Commenting on the data,

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A closed branch of SBI as bank employees went on a nation-wide strike in Surat on Tuesday

— PTI

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