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AIBEA threatens to organise more strikes

NEW DELHI, India

NEW DELHI, India, April 17 -- ALL INDIA Bank Employees Association (AIBEA) is all set to organise more strikes if the Government proceeds with its policy of reducing its capital in public sector banks, merger of public sector banks and 74 per cent FDI in Indian private banks.

AIBEA General Secretary C H Venkatachalam said this while addressing a press conference in Indore today.

He announced that the association would run a national campaign "People's money should be utilised for people's welfare and national development," all over the country against these proposals of the Government.

Venkatachalam said that banking industry today has total deposits of more than Rs 16 lakh crore of the common people and only the Government can be the custodian of these savings and not private sector banks.

Hence AIBEA is opposed to any further reduction of government's capital in public sector banks, he added.

He said that India is a developing country where emphasis needs to be placed on priority sector like agriculture, health, cottage industries etc but private

sector banks are not interested in priority sector lending and it is only public sector banks that can address the issues related to domestic development.

He added that the association strongly opposes the entry of FDI in Indian private banks with unrestricted voting rights as against 10 per cent ceiling on voting rights.

He said that investing a relatively meagre amount of around Rs 2,000 crore the foreign capital and multinational banks would be in position to corner and control huge resources and savings of Indian people.

He said that to facilitate the takeover of banks by private corporate and foreign investors, Government is proposing to bring a bill in the Parliament session to amend Section 12(2) of the Banking Regulation Act 1949, that aims to give unlimited voting rights upto their share holding.

Venkatachalam said that association also opposes the proposals of the Government to merge all the 27 public sector banks into five to 10 banks to make banks international.

He said India's share in global trade is mere 0.75 per cent and asked, why is there a need to go global.

Instead, emphasis must be placed on making public sector domestic banks strong to expand in **un-banked areas** and to extend credit to agriculture, rural and other sectors, he said.

He said that Government argument in favour of all these decisions is to raise capital but the association feels that there are other ways to raise capital like recovery of bad loans that are nearly Rs one lakh crore.