

THE FEDERATION OF BANK OF INDIA OFFICERS' ASSOCIATIONS

(REGD.No.7364)

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Circular No 2012/ 34

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Dear Comrades,

We are ushering yet again into a New Year – 2013, emerging from the bygone year which had its share of triumphs and tribulations. We will be entering a New Year with all hopes for a better future, a brighter horizon with intent to remove the shackles of inequalities and imbalances in society and live in amity, peace, harmony and universal brotherhood.

We all have traversed through the year 2012 with high hopes and aspirations but felt miserably let down in some spheres. Though the Indian economy was slowing down since year 2009, after clocking 9 percent average growth in the previous three years, the year 2012 started on a note of optimism as the global meltdown started correcting, giving an opportunity for our economy to bounce back. Basic resilience to overcome the difficulty was always there in the economy as the economy of India is the eleventh largest in the world by nominal GDP and the fourth largest by purchasing power parity. With vast talent of human resource, it was indeed not difficult for us to overcome the slowdown. But it required sustained and productive reforms, a reform which could bring substantial long term investments of permanent nature in infrastructure, primary health, education etc. On the contrary, what ushered in is a reform which brings haphazard growth, increase inequality & snatch sustained employment. The happenings in aviation sector throughout the year are classic example of unmindful policies. Having lost most of the opportunities and pushed to the corner owing to drastic deficit, criticism on policy paralysis by so called high and mighty, the government brought in so called pending economic reforms including FDI in multi-brand retail and civil aviation, partial phasing out of fuel subsidies and most important from our view point Banking Laws (Amendment) Bill. The divided political class was used as a pawn to bring in these policies by coercion rather than through consensus among the stakeholders. Whether these hurried reforms are going to bring in opportunities or create further divide in society can be gauged only with time. The banking reforms, in particular, is an area where we have to be very watchful with every event that unfolds and remain united to take on any oppressive measures that may come.

On the political front, there was lot of euphoria and hope for a corruption free administration. The 'India against corruption' movement initiated by Sh. Anna Hazaare was hoped to be a force for change, but the opportunistic elements in the political class played its card well to ensure that the movement fizzles out.

But these are all evolving times and we should never lose hope. While several uncertainties persist, in the baseline scenario factoring in a normal monsoon, average inflation of around 6.0-6.5% in 2013, monetary easing of around 100 bps over the course of 2013 and some resolution to the European sovereign debt crisis without a major credit event, it is expected that GDP growth may remain around 6.9-7.0% in 2013.

The developments across the globe have a ray of hope in them for the mankind, to look forward to the future with positive optimism and live with the hopes of a world free of tensions, strife and disturbances. The forecast of India emerging as one of the economic Super Powers of the world is a heartwarming development. When the banking industry across the globe is on a slippery wicket, the Indian Banking Industry's resilience is a major contribution of all of us.

The year 2013 will be a year when the 10th Bipartite Settlement will be thoroughly negotiated upon with IBA. With our past experience, we know that many new issues are likely to be raised by IBA &

Government in the negotiations to avoid giving Bank Employees their due share. However, with the combined strength of all of us, we can take on the mighty powers and hope to achieve substantial improvement in wage and service conditions.

May this New Year bring many opportunities in your way, to explore every joy of life and may your resolutions for the days ahead stay firm, turning all your dreams into reality and all your efforts into great achievements. I wish you and your loved ones success in professional as well as personal lives. Let us all embrace the new year with a renewed vigour and new spirit !!

With warm greetings,

Yours comradely,

A handwritten signature in black ink, appearing to read 'Harvinder Singh', with a horizontal line extending to the right.

(HARVINDER SINGH)

GENERAL SECRETARY