

Trade unions on strike to protest inflation, fuel prices; economy may lose Rs 20,000 crore

Major trade unions on Wednesday began a two-day strike, as the government prepares to present an austerity budget to parliament and weather a corruption scandal in a big arms deal.

The unions are demanding urgent steps to control price rise, strict enforcement of labour laws in all places of work, social security net for workers in the unorganised sector, end to disinvestment in PSUs and raising minimum wage to Rs 10,000.

Financial services, mining and transport are likely to be affected by the strike, called by all major trade unions to protest high inflation, a fuel price increase and what they say are violations of labour laws.

Prime Minister Manmohan Singh, grappling with the country's worst economic slowdown in a decade, asked the unions to call off the strike, but talks between a ministerial panel and union leaders broke down on Monday.

"As far as we have seen, the government has nothing to offer to labourers," said Atridev Tiwari, general secretary of Bharatiya Mazdoor Sangh (Indian Workers Union), one of the main unions leading the strike.

"It doesn't matter what the prime minister says now because we cannot rely on his word. He says something and does something else."

The Associated Chambers of Commerce and Industry said the two-day strike was expected to cause an estimated loss of Rs 15,000 -20,000 crore, hurting sectors such as banking, insurance and transport.

Narsing Rao, the head of Coal India BSE 0.74 % Limited which accounts for about 80 per cent of India's coal, said output losses this week could touch 4 million tonnes pushing the company further away from its production target of 464 million tonnes in this fiscal year through March.

"The strike is totally uncalled for and will be destructive," said Chandrajit Banerjee, director general of the Confederation of Indian industries.

Parliament's budget session begins on Thursday.

The finance minister plans to cut the public spending target for fiscal 2013/14 by up to 10 per cent from this year's original target, in what would be the most austere budget in recent history as he tries to avert a sovereign credit downgrade.

Apart from unions owing allegiance to the Left, the pro-Congress INTUC and pro-BJP BMS are also participating in the strike.

(Economic Times)