

Job creation nearly halved in first three months: Industry

Employment generation in India fell 49 percent during January-March this year, largely due to a slow growth of services industries like IT and banking, according to an industry lobby survey.

'The Assocham placement parameter (APP) Index (the body's index for measuring employment generation) has shown a steep fall of 49 percent and has come down to 509.72 from the base value of 1,000,' the Associated Chambers of Commerce and Industry (Assocham) said in a statement.

The APP index Series consist of 26 sectoral indices and a composite index giving an overall picture. The composite index is developed on the principle of weighted average quarterly job creation and has a base value of 1,000.

The study, which tracked employment generation across various sectors throughout metro and non-metro cities, said most of the highest employment generating sectors have curtailed their hiring.

The worst performer in terms of job creation is the IT sector, with its share in the overall index falling to 34 percent from 41 percent, the original allocation for the segment in the base value.

'The IT sector is facing major challenges with contracted demand due to recession in the primary client countries of the US and Europe. The value of the APP IT index has substantially declined by 50.8 percent,' the report said.

The sectors that have recorded maximum decline in employment generation include education, hospitality, IT and IT enabled services, real estate, banking, media, textiles, auto, construction, and engineering.

However, some sectors like telecom and fast moving consumer goods (FMCG) have bucked the trend and created more jobs during the same period.

The telecom sector was a leading job generator with its share in the composite index rising from 3 percent to 3.35 percent during the period.

'The impressive performance of the telecommunications sector in terms of new subscribers addition can also be made out from the movement in the APP Telecom Index,' the survey added.

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