Volume 1, Number 4, August 2009 ISSN 0975-2889

ATLMRI INDIA LABOUR MARKET MONTHLY REVIEW

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Introduction

An impressive Gross Domestic Product (GDP) is likely to be impacted by various exogenous factors such as shortage of rainfall, drought etc. According to C Rangarajan, Chairman of Prime Minister's Economic Advisory Council, India's GDP growth would slow down between 6 and 6.5 percent in 2009-10 primarily due to monsoon deficiency. Furthermore, the Reserve Bank of India (RBI) has already projected the GDP growth will scale down to 6 percent for the current fiscal (The Hindu, August 19, 2009). Subsequently, the Planning Commission of India has declared that the economic growth target for the 11th Five Year Plan (2008-2013) would be 7.8 percent, scaling down from the earlier target of 9 percent, on account of global recession and drought in the country. However, select economy commentators viewed that monsoon deficiency might not affect the growth of GDP as agriculture sector contributes nearly 18-20 percent to the GDP. On the other hand, considering the overall industrial output, manufacturing sector, consisting of 80 percent of the industrial output, reports relatively stable growth rate which grew by 7.3 percent. Therefore, the failure in one sector may be offset by the growth of other sectors so as to maintain relatively stable GDP growth.

However, despite the substantial variations reported in agricultural sector, the inflation, according to the Wholesale Price Index (WPI), remains very low which stood at 0.95 during the week ended on august 15 and -1.58 for the week ended July 25. More aptly, though food prices are increasing with time the inflation stands around 1 percent. What is significant is that the exact magnitudes of increasing food prices have not properly been taken into account, indicating the calculation of inflation underestimates food price inflation. Furthermore, the revised inflation base 2004-05, shifting from the current base 1993-94, might mislead the food price inflation due to lower weights of primary article category, particularly food products in the data series, as the weights are determined by the share of respective sectors in GDP (Banerji, August 6, 2009). It is important to note that, during last two decades, share of agriculture in GDP has fallen from one third to below one fifth, resulting in lesser weight to food articles in the consumer basket. There is growing concern that the inflation may tend to increase in the coming months on account of increasing food prices, growing Centre's gross market borrowing and a fiscal deficit of 6.8 percent of GDP for the financial year 2010 (Bureau, Business Line, August 28, 2009).

In this context, it would be interesting to see the changes observed in various segments of the economy and consequent impacts in the labour front. Thus, the *India Labour Market Monthly Review* provides a profile on the growth performance of major economic activities in the month of august in two distinct sections. The section 1 provides an overall growth performance of major economic activities such as agriculture, manufacturing, electricity, banking, business services, real estate, education, and health[1] etc. In section II, based on the performance of each sector, we provide some cues about the recent issues in job market, employment, wage rate scenario, labour strikes, government's role in labour market, gender discrimination and complied data of jobs offered by firms in private and public sector in India.

[1] The major sectors are identified on the basis of NIC 2004 2 digit classification

1. Economic Growth: A Review

Agriculture

In India, agriculture sector plays a pivotal role in terms of ensuring sufficient food security and employment opportunities. Indeed, Indian agriculture has been witnessing some serious concerns emanating from drought and shortage of rainfall. It is estimated that a 2.5 percent decline in agriculture sector is likely to reduce the GDP growth rate to 6.3 percent in 2009-10. Around 252 districts are already listed under drought areas in major states like Uttar Pradesh, Bihar, and Orissa. It is observed that a deficiency of 26 percent rainfall affected the Kharif crop production, likely to cause 15 to 20 percent decline in output (Newswire 18, Business Standard, August, 28, 2009). For instance, the area sown, for the paddy, has significantly declined from 256.76 lakh hectares in 2008-09 to 191.30 lakh hectares in 2009-10 (Table 1).

Table1: Kharif areas under different crops (lakh hectare +)

Crops	Normal*	2009-10	2008-09
1. Paddy	391.17	191.30	256.76
2.Coarse Grain	228.62	159.56	153.25
(a) Jowar	42.08	25.61	22.66
(b) Maize	63.71	62.92	59.23
(c) Bajra	91.81	61.99	60.07
3. Cotton	83.73	89.90	78.22
4. Sugarcane	39.27	42.50	43.79
5. oilseeds	166.40	141.79	144.66
(a) Groundnut	53.59	33.11	41.35
(b) Soyabean	78.10	90.74	87.75
(c) Sesamum	14.94	11.28	11.17
(d) Sunflower	8.06	3.87	2.02
(e) Castor	7.89	2.18	1.74
(f) Niger	3.84	0.61	0.63
6. Pulses	111.698	73.58	67.12
(a) Arhar	35.80	27.12	21.92
(b) Moong	27.34	19.24	18.07
(c) Urad	24.61	16.39	15.66
7. Jute	8.24	6.89	7.06

Source: The Hindu Business Line, August 1, 2009
+Lakh = 0.1 Million
* Full year average for 2003-04 to 2007-08

Taking cues from table 1, while the area under cotton, pulses, maize and soybean has increased slightly, area under groundnut and paddy has fallen. This is likely to snowball to a scary situation for the poor in India, who will eventually bear the brunt of increase in food prices.

A similar trend was observed in some states. Table 2 shows that the largest rice production states like Uttar Pradesh, west Bengal, Bihar reported a sharp decline in area under paddy. For instance in Uttar Pradesh, for the referred period, area under paddy registered a sharp decline; area fell by a half. Further, Bihar, another major rice producing state, reports a decline of similar magnitude. In fact, reduction in area under cultivation of higher magnitude is consistent with some of major food producing states, though severity is lesser in Punjab. Contrary to this, for crops like Bajra, there is significant increase in area under cultivation in Maharashtra (Bureau, The Hindu Business Line, August 1, 2009).

Among oilseeds, the groundnut acreage was severely affected by inconsistency of rainfall in the largest groundnut producing states like Gujarat, Andhra Pradesh and Karnataka. For instance, groundnut acreage in Gujarat has fallen from 17.55 lakh hectares in 2008-09 to 15.88 lakh hectares 2009-10. Interestingly, those states report lower area under various crops also report 30 to 40 percent below normal rainfall.

Table 2: State-wise kharif areas (in lakh hectares)

Paddy	States	2008-09	2009-10
	Uttar Pradesh	57.92	29.86
	Bihar	24.53	10.32
	West Bengal	23.87	12.62
	Jharkhand	7.07	2.56
	Punjab	27.02	26.60
	Haryana	11.0	9.80
	Chhattisgarh	30.29	27.54
	Orissa	22.56	19.71
	Assam	12.41	11.76
	Maharashtra	6.67	6.62
	Andhra Pradesh	5.04	5.51
	Madhya Pradesh	10.15	10.23
	Karnataka	3.47	4.08
	Gujarat	3.79	3.91
Bajra	Maharashtra	2.23	9.11
	Karnataka	0.69	2.41
	Gujarat	3.43	4.19
	Rajasthan	39.32	35.91
	Uttar Pradesh	6.42	3.69
Maize	Karnataka	6.25	9.76
	Maharashtra	3.01	5.54
Jowar	Karnataka	2.12	2.31
	Maharashtra	5.98	9.66
Arhar	Maharashtra	7.0	9.55
	Karanataka	1.62	4.06
	Madhya Pradesh	3.28	4.11
	Gujarat	2.44	2.50
Urad	Madhya Pradesh	4.40	5.49
	Maharashtra	2.51	3.42
Moong	Karnataka	1.63	3.47
	Maharashtra	3.63	3.95
	Gujarat	0.88	1.28
	Madhya Pradesh	0.90	1.11
Cotton	Maharashtra	24.57	32.42
	Gujarat	21.61	23.65
	Madhya Pradesh	6.18	6.44
	Karnataka	1.76	2.62
	Punjab	5.27	5.36
	Haryana	4.55	4.55
Groundnut	Gujarat	17.55	15.88
	Andhra Pradesh	9.83	3.84
Soyabean	Madhya Pradesh	49.99	51.02
	Maharashtra	24.11	27.14
	Karnataka	1.85	2.23

Source: The Hindu Business Line, August1, 2009

Quite evidently, it appears India is slipping to a short run contraction of supply of food, in particular cereals. This situation may translate into more pervasive imbalances unless the state increases food availability through channels such as Public Distribution System.

The export of agricultural and allied products such as floricultural products, processed meat, spices, cashew-nuts and marine products to the US declined from $1,682 million to $735 million during April 2008 to February 2009. More specifically, spice exports declined to 10 percent in value terms during April-June of the current financial year (Table 3) (Joseph, Business Standard, August 28, 2009). However, the volume of agricultural imports has increased over the years (Table 4). India's import of agricultural commodities, consisting of pulses, wheat, rice, cotton, jute, oilseeds tea and spices, has recorded a sharp increase.

Table 3: Exports of spices during April-July 2009

Spice	Quantity (tonnes)		Value (in Rs Crore)	
	2008	2009	2008	2009
Oils and Oleoresins	2,915	2,250	292.40	233.86
Pepper	9,430	6,750	160.35	102.34
Chilli	81,000	55,000	415.52	342.03
Turmeric	21,000	21,000	91.58	132.43
Coriander Seed	12,745	16,750	83.06	84.80
Nutmeg and Mace	245	1,035	8.05	26.08

Source: Joseph, August 28, 2009, Business Standard

Table 4: India' Imports of Agricultural Products:

Commodity	April 2006-March 2007		April 2007-March 2008	
	Quantity	Value	Quantity	Value
Pulses	2,270.97	3,891.91	2,791.10	5,278.08
Wheat	6,079.56	5,850.49	1,793.21	2,657.51
Rice	0.16	0.41	0.15	0.42
Spices	118.51	738.90	140.45	938.22
Oilseeds	-	104.47	-	147.88
Edible oils	4,269.38	9,539.90	4,902.81	10,298.68
Cotton (raw)	81.48	663.07	136.34	911.89
Jute (raw)	83.05	115.21	147.36	161.34
Tea	23.29	127.07	19.84	131.66
Total	-	29,637.86	-	29,777.01

Source: The Financial Express, August 23, 2009-09-24 -Quantity (000'tonnes) Value: in Rs crore

During 2008-09, the prices of agricultural commodities have experienced an upward revision. Further, this is evident in prices for commodities such as sugar. India, world's largest sugar consumer and second largest producer, reported a significant fall in sugar production in recent months. Although Government of India undertook proactive measures to restrict hoarding of sugar in excess of the requirements, the prices of sugar remained high. Generally, Indian economy has witnessed relentless rise in prices for essential commodities. For instance, in Mumbai the prices of fruits have shown an increase of an average 40 percent, compared to the last year prices (Table 5). It is quite likely prices may go up further in the coming months due to widening gap between existing demand and contraction of supply.

Table 5: Comparative wholesale fruit prices

	August 2008	August 2009
Apple	36-45	55-80
Water melon	6-7	10-12
Papayya	10-12	16-18
Pomegranate	45-48	55-60
Mosambi	11	17-18
Orange	14-15	20-22

Source: Hindustan Times, Mumbai, August 31, 2009

(Prices are in Rs/Kg)

**retail prices may vary from market to market

Mining and Quarrying

The Planning Commission has recently suggested some modifications in the existing coal price policy with a view to refurbish the sector. According to the revised policy, the Government should keep its hands off price determination; rather, the coal prices should be determined by the market (The Financial Express, August 31, 2009). More precisely, the coal prices are currently decided by State owned companies and market has fewer roles to play. It is important to note that Coal India, a PSU, accounts for around 80 percent of the total coal reserves.

The Government of India has also announced Mine Policy allowing Indian companies to buy mines overseas. JSW, India's third largest steel company, is planning to acquire a coal mine in Africa at an estimated cost of around $ 350 million (Ramsurya, The Economic Times, August 28, 2009).

Manufacturing

In general, manufacturing sector in India has gradually been picking up, exhibiting a sign of recovery. While considering overall industrial output in India, manufacturing accounts for around 80 percent, grew by 7.3 percent in 2008-09.

It is important to note that the major commercial vehicles manufacturer such as Tata Motors, VE Commercial Vehicles Ltd. reported a clear sign of recovery in July 2009, compared to July 2008. While Tata Motors recorded 27 percent growth in sales volumes of commercial vehicles, Eicher trucks and buses, a segment of VE (Volvo and the Eicher Group) commercial vehicles Ltd, reported a 14 percent increase in July 2009 over July 2008. However, Ashok Leyland showed a 35.3 percent decline in the corresponding year (Sarkar, Business Standard August 6, 2009). Currently, Tata Motors, with a market share in commercial vehicles of three fifth, reports an increase of 6 percent. Perhaps, this indicates a recovery in domestic demand. Maruti Suzuki, the biggest car manufacturer in India, recorded a 28 percent domestic sales growth, mostly driven by its new models like Ritz and A-Star (Table 6). Meanwhile, Hyundai, the second largest car manufacturer in India shows an impressive growth in sales. In case of two wheeler market, Hero Honda remains in the dominant position; it showed a growth of 30 percent. Contrary to this, Bajaj auto, the second largest two wheeler manufacturer reported a negative sales growth of -0.73.

Table 6: Sales growth of passenger car/two wheelers in India

Car Manufacturer	Rank	New models launched	July'08	July'09	Growth (in %)
Maruti Suzuki	1	Ritz, A-Star	52,911	67,528	27.6
Hyundai	2	i20	15,006	23,193	53.9
Tata Motos	3	Nano	14,652	17,191	17.3
Mahindra	4	Xylo, Scorpio, Bolero	10,672	16,688	17.2
General Motors*	-	-	5,706	4914	-13.8
Fiat India*	-	Grand Puncto	412	2690	552.9
Two Wheeler Manufacturers					
Hero-Honda*	1		2,81,317	366808	30.4
Bajaj Auto*	2	100 cc discover, DTS-si	16,9971	168731	-0.73

Source: Business Standard, August 7, 2009 and *Financial Express, August 4, 2009

A related change, being an input to the automobile manufacturing, is increase in steel prices. Major steel makers such as Steel Authority of India (SAI), Tata Steel, JSW[2] and Essar have increased the prices of flat steel products by 2-3 percent due to high input costs, which likely to affect the major sectors like auto mobile and consumer durables. While the flat steel prices have increased by 2-3 percent, i.e. up to Rs 1,000 per tonne, prices of long steel products have been reduced to Rs 1500 per tonne, showing a decline of 4 percent per tonne (Bureau, The Economic Times, August 5, 2009). Despite the substantial efforts being taken to stimulate the steel industry, the Tata Steel reported a loss of Rs 2,209 in its first fiscal quarter.

Steel Demand declining: Domestic steel prices will remain at moderately high levels due to continued demand for next three to four years. This is despite poor condition of global steel markets due to weak demands elsewhere. Most of the global steel companies are operating at less than 50 percent capacity. India and china are the only two counties to have shown positive growth in demand for steel. While in the Chinese market the demand has grown by 3-4 percent this year, India has fared even better with a demand growth of 5. 5 percent. Higher activities in the infrastructure sector, particularly road construction and power generation, will maintain enough demand for steel in the domestic market. Globally, steel demand was down by 35 percent in the January-June period of 2009. While the demand in US was down by 50-55 percent, in Europe it was down by 40-45 percent. In Russia-Ukraine demand was down by 50 percent and in Japan-South Korea it was down by 20 percent. I feel the problems in these markets are rather deep-rooted, and these countries will take a longer time to recover. The US steel market may not recover before 18 months and European market will take even monger, two to three years, to recover: B Muthuraman, Managing Director, Tata Steel (*Source: Narayan, The Economic Times, August 7, 2009*).

Though manufacturing sector records relatively impressive growth, small and medium industries remain largely dormant in terms receiving sufficient support from Government during the economic slow down. The ministry of micro small and medium enterprise (MSME) has spent Rs. 1,920 crore in 2009-10 and as per the 2009-10 budget the funds have been marginally increased to Rs 2,033 (Bureau, Financial Express, August 21, 2009). The economic slow down, however, negatively affected the progress of small and medium enterprises. The worst hit sectors are textiles, leather, gems & jewellery and auto industries. Interestingly, small and medium enterprises

[2] Third largest steel company in India

contribute around 7 percent to the GDP and it provides employment to around 39.2 million people. In order to minimize high input costs, particularly energy costs, the Bureau for Energy Efficiency (BEE), an agency under the Union Ministry, has announced a plan to help Small and Medium Enterprises to utilize energy efficiently.

Electricity

The gap between demand and supply of electricity in India has widened since 2005. Currently, India has three sources of electricity: thermal, coal based and hydro power plants. Quite presumably, the hydro power plants may have to operate at sub-optimal levels due to monsoon failure. It generated around 9,600 million units of electricity in June 2009 as compared to 10,500 Million units in the last year (Pal Singh, Business standard, August 6, 2009). There seems to be an acute shortage of electricity, considering the gap between peak demand and peak availability since 2005, which impedes the production in the economy (Table 7).

Table 7: Power shortage in the country

Year	Peak demand (Mw)	Peak Availability (Mw)	Peak deficit (percent)
2005	88,250	76,795	13
2006	91,758	82,808	9.8
2007	99,377	88,392	11.1
2008	1,03,636	90,309	12.9
2009	1,11,066	95,722	13.8

Given this deficit in power supply, the Cabinet Committee on infrastructure sanctioned an investment of 40,000 crore for undertaking 11 thermal power plants of 660 MW each under NTPC and Damodar Valley Corporation (BS reporters and agencies, Business Standard, August 28, 2009). Furthermore, large scale private investments like Phatabyung Hydroelectric (Lanco), Mahan Project (Essar Power), and Bitibori project (Reliance power) have been undertaken in the financial year 2009-10.

Wholesale and retail trade

During the last few months, Fast Moving Consumer Goods (FMCG) recorded a notable growth in sales, an average growth of 15 percent, particularly in June quarter (Bureau, Business Line, August 2, 2009). It is important to note that, in spite of the economic recession, the FMCG sales growth is mostly due to the increase in the urban consumer spending, and various promotional offers. It is quite likely a substantial chunk of this increase comes from pay hike to government employees who benefited from the sixth pay commission. However, the rural consumer spending tends to come down in the coming years following the dampening effect of monsoon deficient.

Hotels and restaurants

The beginning of the year 2009 hotel industry in India has witnessed critical challenges such as falling of net profit accounts, excess supply due to deficiency in demand, around 26 percent decline in room tariff in the first quarter of this year partly due to the terror attacks in Mumbai (Gombar, Business Standard August 10, 2009). Table 8 shows that the average room revenue (total rooms available divided by number of rooms sold) has declined significantly in June 2009. Meanwhile, the prices of inputs like energy, costs of staffs increased tremendously which reduced the profitability of hotel business. It is important to note that, based on table 8, the average room revenue has come down steeply in most of the cities.

Table 8: Trends in average room revenue

City	RevPAR (RS)		
	June'09	June'08	Change (%)
Bengaluru	6,076	10,046	-40
North Mumbai	4,827	7,534	-36
Delhi	4,501	6,144	-27
South Mumbai	4,404	6,771	-35
Chennai	3,622	5,354	-32
Kolkata	3,581	4,898	-27
Goa	3,069	3,048	1
Hyderabad	2,938	4,653	-37
Ahmedabad	2,767	3,687	-25
Pune	2,754	5,388	-49
Agra	1,833	1,874	-2
Jaipur	1,572	1,391	13

Source: Gombar, Business Standard, August 10, 2009

To ensure the efficiency, the privatization has been extended to hotel industry aiming more participation from private partners. Of the total 34 hotel owned by the Indian Tourism Development Corporation (ITDC), 18 hotels were privatized under the government disinvestment. Furthermore, ITDC is looking for more private partners in its forthcoming ventures (Bureau, The Times of India, August 28, 2009).

Transport, Storage and Communications

It is estimated that airline industry suffered total loss of Rs 10,000 crore in 2008-09 as a result of high fuel prices, excess capacity and weak demand. Along with various levies like excise duty on ATF consumption, the airline firms are paying certain extra taxes such as state sales tax which varies from state to state. Interestingly, despite the substantial increase in the number of passengers, from 41.6 million in 2005-06 to 70.1 million in 2008-09 (Sikarwar and Kumar, The Economic Times, August 20, 2009), the companies like jet Airways experienced a loss of Rs 225 crore in the first quarter of 2009-10 and Kingfisher suffered a net loss of Rs 240 crore in the same period. Subsequently, the government of India has decided to set up a group of ministers to revise the taxes on ATF which currently stands around 40 percent in India compared to 30 percent globally.

Recently, the National Telecom Policy (NTP), formulated in 1991, is amended aiming 40 percent tele-density in the rural areas by 2014. In order to reduce the gap between rural and urban India, in the early 1990's DoT was set up. The primary purpose of the initiative was to provide all 6 lakh villages in the country with minimum one public telephone service by 1999. Interestingly, around 40,000 villages do not have any access of public telephone (Prasad, August 25, 2009, The Financial Express). Moreover, private companies expand their services not only to rural areas but also to other countries. For instance, India's largest telecom service, Bharati Airtel, aims to expand its network to neighboring countries like Sri Lanka. Interestingly, its plan to bid for Millicom's Srilankan Mobile Network, the third largest network in Srlanka with a net worth of $ 150-200 million would make Bharati Airtel the second largest mobile phone operator in Srilanka. Airtel has already invested around $125 million in the last year in Sri Lanka.

Financial Intermediation

The beginning of August, in fact, has witnessed two important steps: First, two-day bank employees strike demanding for hike in salaries and pension, second, reduction in home loan rates and interest rate on bank's fixed deposits. For instance, ICICI prepared a new home loan rates as follows: loans up to Rs 20 lakh will be charged 8.75 percent and between Rs 20 and 50 lakh will be charged 9.25 percent. The interest rate of 9.75 percent has been fixed for loan above 50 lakh (BS reporter, Business Standard, August 28, 2009). An interesting feature of the banking sector is the lowering of prime lending rates, rate at which banks lending to the borrowers, by major public sector banks such as State Bank of India, Punjab National bank etc. Furthermore, all banks have revised their interest rate on fixed deposits which are as follows (Table 9).

Table 9: The revised interest rates on bank fixed deposits

	Days								Year		
	15-29	30-45	46-60	61-90	91-120	121-179	180-270	271-364	1-2	2-3	3-5
Foreign Banks											
DBS	3.00	**4.25**	4.25	4.50	4.50	4.50	5.00	5.50	**8.50**	7.00	7.50
Citi Bank	2.75	3.50	4.00	4.50	5.00	5.50	6.00	6.50	7.00	7.50	7.50
Barclays	3.00	3.25	3.25	3.50	3.75	4.50	5.00	5.00	5.25	6.50	7.00
The BNS	3.50	4.00	4.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Public Sector Banks											
Andhra	**4.00**	4.00	5.00	5.00	5.50	5.55	6.50	6.75	7.25	7.25	7.25
Canara Bank	3.00	3.50	4.50	4.50	5.25	5.25	6.25	6.50	7.00	7.25	7.50
CBI	3.75	3.75	4.25	4.25	5.50	5.50	6.25	7.00	7.00	7.25	7.50
PNB	3.00	3.00	4.25	4.25	4.50	4.50	5.50	5.50	6.50	7.00	7.50
SBI	3.00	3.00	4.00	4.00	5.25	5.25	6.00	6.00	6.50	7.00	7.25
SBT	3.00	3.00	4.00	4.00	5.25	5.25	6.25	6.25	7.00	7.25	7.25
UBI	3.25	3.50	4.00	4.00	4.50	4.50	5.75	5.75	7.00	7.00	**8.00**
Private Sector Banks											
CUB	**4.00**	4.00	4.00	4.00	5.00	5.00	6.00	6.00	7.75	8.00	7.75
DCB	4.00	4.00	**5.75**	**5.75**	5.75	**6.25**	**7.50**	**7.50**	8.00	8.00	**8.00**
HDFC Bank	2.25	3.00	3.50	3.75	4.50	4.50	5.50	6.50	7.25	7.50	6.00
KB	**4.00**	4.00	5.00	5.00	**6.00**	6.00	7.00	7.00	7.50	7.50	**8.00**
TMB	3.50	3.50	4.50	4.50	5.75	5.75	6.50	6.50	7.50	7.50	7.75
CSB	4.00	4.00	5.00	5.00	6.00	6.00	6.50	6.50	7.75	7.75	**8.00**
SIB	**4.00**	4.00	5.00	5.00	6.00	6.00	6.50	6.50	7.75	7.75	**8.00**
TNSC Bank	**4.00**	4.00	4.50	4.50	5.50	5.50	6.50	6.50	7.50	7.25	7.25
Yes Bank	3.50	4.00	4.25	5.00	5.50	5.75	7.00	7.25	8.25	**8.25**	**8.00**

***Source**:* The Hindu Business Line, August 2, 2009
Figures in bold are the highest interest rate for that particular period

Real estate, Renting, and Business activities

Real estate industry in India showed a drastic decline in sales in the June quarter on account of the low demand for homes. India's major real estate developers such as DLF, Unitech, Indiabulls, Parsvnath, Omaxe, HDIL, Akruti have reported a sharp decline in profit for the June quarter. While DLF reported a 79 percent decline in profit with 57 percent sales down Unitech, the second largest real estate developer, reported a 63 percent reduction in profit with sales down by half (Choudhary, The Economic Times, August 7, 2009). Interestingly, real estate markets have shifted from the concept of 'luxury' to 'affordable' housing on account of the global slowdown. Real estate developers primarily targeted on medium scheme in order to maintain a sustainable growth. For instance, Nitesh Estates recently targeted affordable housing scheme priced between Rs 20 and Rs 40 lakhs (Chandramouly, Business line, August 28, 2009).

The Commerce Department, Government of India has recently issued instructions on area allotted to non-processing activities under the guidelines of Special Economic Zones. According to the guideline, out of the total area of land allotted to processing and non-processing activities, 50 percent of land must be used for processing and the remaining 50 percent can be used non-processing activities. The land used for non-processing activities is allotted in the following manner (Table 10). In addition to this, SEZs developers are entitled to lower interest rate for the infrastructure financing. Interestingly, the lower interest rate is applicable irrespective of whether the land is leased out or rented out to some other purpose. However, RBI has issued a clear guideline indicating that the lower interest rate will be charged only in case of infrastructure financing.

Table 10: Distribution of land for non-processing activities (in percent)

Types of SEZs	*Of the total land allotted to non-processing activities*		
	Residential	Commercial	Other (Schools, hospital etc)
Multi product SEZ	50	25	25
IT, gems and jewellery, bio tech SEZ	60	15	25

Source: Bureau, The Economic Times, August 5, 2009

Maharashtra IT/ITeS Policy 2009: The policy aims to extend new IT companies across the states by opening up of new centres in Nagpur, Aurangabad and Nashik. The specific purpose of the New policy is to trim down the degree of concentration of IT companies in Mumbai-Pune. In addition to this, the new feature includes 90 percent waiver in the stamp duty payable on merger, and restructuring of IT companies. It is important note that the first IT/ITeS policy was implemented in 2003 for fiver years have been revised with a view to boost information technology and employment. Moreover, a 30 percent space in IT parks can be allotted to financial services which stand an impressive step (*Ghadyalpatil, The Economic Times, August 31, 2009*).

Perhaps, in India, the IT sector is the worst hit of economic slowdown as this sector receives around 80-90 percent of its revenue from foreign countries like US and Europe. Taking cues from table 11, top 10 companies including Tata Consultancy Services (TCS), Wipro and infosys remained unchanged in the position of ranking compared to last year. What is most significant is that as a strategy to sustain, the major Indian IT vendors such as TCS, HCL, Infosys and Wipro have focused on domestic markets in India, with a particular emphasis on govrnment projects (Chatterjee, The Hindu Business Line, August 27, 2009).

Table 11: Top 20 IT companies in India (figures in Rs crores)

Company	Rank	Revenue	Net Profit	Market Cap
Tata Consultancy Services	1	27,386	5,256.4	1,01,715.6
Wipro	2	26,144	3,899.9	73,778.3
Infosys Technologies	3	22,166	5,988.0	1,16,866.2
Redington (1)	4	12,683	159.7	1,741.6
HCL Infosystems	5	12,248	239.4	2,226.3
HCL Technologies	6	10,492	1,319.6	17,419.1
Tech Mahindra	7	4,427	1,014.5	10,105.2
Mphasis	8	3,270	506.5	10,657.5
Patni Computer Systems	9	3,248	438	4,900.9
Oracle Financial Services Software	10	3,107	736.5	12,980.7
Teledata Informatics	11	3,063	46.1	147.4
Moser Baer (India)	12	2,762	-363.8	1,432.2
3i Infotech	13	2,382	282	976.6
Prithvi Information Solutions	14	1,905	36.7	116.7
Firstsource Solutions	15	1,779	30.7	1,320.7
Tulip Telecom	16	1,649	250.5	2,892.3
Sonata Software	17	1,602	76.6	368.2
Rolta India	18	1,442	293.8	2,523.9
Polaris Software Lab	19	1,404	130.7	1,283.7
MindTree	20	1,252	52.3	1,740.2

Source: ET 500, ET Intelligence group, August 28, 2009

In addition to this, the approval of 15 SEZs under the top three IT providers –Tata Consultancy Services (TCS), Infosys Technologies and Wipro Ltd- will be delayed on account of the economic slowdown (Shinde, Business Standard, August 28, 2009). It is important to note that some IT companies planned to shift their operations from STPIs (Software Technology Parks of India) to SEZs which allows a reduction of export profits for 15 years. What is most interesting is that Tech Mahindra, after Satyam computer services was taken over, has bagged 30 fresh IT contracts from Asia Pacific and Europe.

Public Administration, Compulsory Social Security

With a view to revise the existing norms and conditions of BPL households, the Ministry of Rural Development in its first kind, includes caste and religion as an important determinants. The Saxena Committee, which was formed on August 2008, revised the existing norms to identify the poor household recommending on broad three approaches. Currently, the BPL households are identified on the basis of 13 socio-economic parameters with a maximum score of 52 (BS Reporter, Business Standard, August 28, 2009). However, the new BPL criteria can score maximum of 10 marks. For instance, 4 is the highest point to the category of landless agricultural worker, point three for SC/ST, Agri-workers with some land. Furthermore, most backward caste, self employed artisans, fisher-folk or casual workers would achieve the point 2, and Muslim/OBC; household where no adult studied up to class 5; any member of the house with TB; leprosy, disability, mental illness or AIDS; household headed by a person of age 60 years and above or by a single women with major son (s) would get score 1 (BS Reporter, Business Standard, August 28, 2009). Table 12 makes a comparison between the 2002 criteria and the new criteria on the determination of BPL households.

Table 12: The exclusion criteria of BPL households

2002 Criteria	*New Criteria*
Operating more than 2 hectares of land	Owns double the district average of agri-land per agri-household if partially or wholly irrigated
Having a pucca house	Owns two-wheeled or more than three-wheeled motorized vehicles
Any member with yearly income more than Rs 20,000	Pays Income tax
Owns TV/fridge/ceiling fan/two-wheeler/ three-wheeler	Own at least one running bore-well or mechanized farm equipment like tractor, power tiller, thresher, harvester
Owns tractor/power tiller/ combined thresher/harvester	With any member drawing salary of over Rs 5,000 per month in non-government/private organizations or is employed with the government on a regular basis (including para-teachers but excluding Anganwadi workers, helpers, accredited social health activists

Source: BS Reporter, Business Standard, August 28, 2009, p: 14

New Pension Plan: A new pension scheme is being planned for low wage earners in India which would benefit more than 28 crore workers including rickshaw pullers, fishermen, wavers and street hawkers. The Pension Fund Regulatory Development Authority is assigned to develop a new scheme including more workers under this scheme. According to Pension Fund Regulatory Development Authority (PFRDA) the cost of retaining the records of the beneficiaries would be around Rs. 350 a year. Gautam Bhardwaj, the co-founder of Invest India Micro Pension Services who were the first to launch a pension scheme for low income workers says “the main challenge for PFRDA would be to bring the target population under the pension scheme and to providing the workers with reasonable retirement income from their very small savings. For a daily wage worker the main aim would be to feed his or her children rather than contribute to the pension scheme, convincing them to save for their retirement would be really difficult”. (*Chandan, August 06, 2009, The Economic Times, Mumbai*)

Education

The *Education Bill 2009*, one of the landmark legislations in India, was passed in both the houses to ensure free and compulsory education for all children between six and fourteen (see ATLMRI India Labour Market Monthly Review, Volume 3). Furthermore, in order to increase skills various measures are being taken. An important initiative is the memorandum of understanding (MoU) between Government of Maharshtra and Microsoft India with a view to build employability readiness skills (Special Correspondent, The Hindu, August 19, 2009).

With a view to expand the quality education for all, the Government of India has undertaken various steps. One of the steps is to set up sufficient number educational intuitions in the country. For Instance, in addition to the existing seven IIMs, The Government of India approved setting up of seven Indian Institutes of Management (IIMs) at Tiruchirappalli (Tamil Nadu), Ranchi (Jharkhand), Raipur (Chhattisgarh), Rohtak (Haryana), Jammu and Kashmir, Uttarakhand and Rajasthan allocating Rs 1,057 for establishment expenditure (BS reporters and agencies, August 28, 2009). Of the seven new IIMs, four is likely to start for the academic session 2010-11.

Health care sector

India's health care sector witnessed a striking growth of 42.44 in net profit for the first quarter of current fiscal year compared to same period in the previous year (Bureau, The Financial Express, August 31, 2009). What is striking is that despite the substantial impact of economic slow down, the growth of Indian health care sector remains impressive.

To sum up the overall performance of companies across the sectors, it is clearly visible that a decline of 21.4 percent decrease in net profit in 2008-09 mostly due to the high costs of raw materials, global meltdown, increasing global prices. But, taking top 1000 companies in India, the net sales and net profits are far better than a decade earlier. For instance, the cumulative net profit stood at Rs 190,010 crore is eight times higher than the net profit of 24,305 crore in 1998-99. Meanwhile, the net sales stood at Rs 30.06 lakh crore six times higher than a decade earlier (Shirsat, Business Standard August 3, 2009). Table 13 provides the net sales and net profit of 10 companies in India for the period 1998-99 and 2008-09. While compared to 1998-99 the period 2008-09 witnessed a tremendous increase in net sales and net profit.

Table 13: Performance of top companies during the last ten years

Companies	Net Sales		Net Profit	
	1998-99	2008-09	1998-99	2008-09
Reliance inds	12621.68	146291.00	1703.69	15279.00
Tata Steel	5564.55	145686.31	282.23	4909.96
Larsen & Toubro	6894.30	40187.00	389.62	3758.02
Bharti Airtel	499.99*	37352.08	93.04*	8044.18
TCS	1904.53 #	27812.88	553.21 #	5310.42
M&M	3446.70	26408.26	228.58	1716.86
Adani Enterp	2184.44	26181.81	67.32	505.44
Wipro	1781.73	25617.10	170.23	3909.80
Infosys Tech	508.69	21693.00	137.24	5988.00
Sterlite Inds	1813.87	21144.22	160.80	4807.13

Source: Shirsat, Business Standard, August 3, 2009

* 2001-02 for unlisted company Bharati Mobile

1998-99 for Tata Sons

2. Employment Growth and Prospects

The table 14 provides the recent scenario of major economies in the world. The impact of economic slowdown is worse in countries like United Sates, Japan and Britain. Taking cues from three measures -Gross Domestic Product, Industrial Production, and Unemployment Rate – most of the major economies report a negative GDP and Industrial production. At the same time, the unemployment rate has reached its peak level that is to say, around 19 percent. For instance, during economic slowdown, the unemployment rate in Spain is 18.1 percent, which is highest compared to other countries. Two countries, India and China show some positive signals in the growth of GDP and industrial production.

Table 14: GDP, IP and Unemployment in major economies

Country	GDP 2009	Industrial Production	Unemployment Rate (%)
United States	-2.6	-13.1 July	9.4 Jul
Japan	-6.4	-23.5 June	5.4 June
China	8.0	10.8 July	9.0 (08)
Spain	-3.9	-14.5 June	18.1 June
Britain	-4.2	-11.0 July	7.8 May
India	5.5	7.8 June	6.8 (2008)

Source: The Financial Express, August 31, 2009

The positive growth of India' GDP is currently contributed by a few sectors and many sectors are badly hit by economic slowdown. To assess the impact of economic slowdown on employment, Labour Bureau, the Ministry of Labour and Employment conducted the sample survey showing that about a half million workers lost their jobs during October- December, 2008. Based on seven sectors like mining, textiles, metals, gems and jewellery, automobiles, transport and IT/BPO, the survey reveals that the worst affected were the gems and jewellery, and transport and automobiles. It is important to note that employment in Gems and Jewellery declined by 8.58 percent, transport and automobiles report 4.03 percent and 2.42 percent decline in employment (Labour Bureau, 2008). It is Important to see that workers in the textiles and gems and jewellery units have shifted their jobs from these sectors to other sectors. As a result, these sectors reported an acute shortage of skilled labour force..

In fact, the situation of employment loss was not restricted to the above sectors which gradually extended to other sectors also. For instance, recently, 3,000 diamonds units are shut down and around 4 lakh workers lost their jobs (ET, August 28, 2009).

Role of Government-Governmental Schemes

Following severe drought and shortage of rain fall, the agriculture sector in India has performed a declining trend in the farm employment. Indeed, more than 141 districts were declared as drought areas in India, which severely impacted the daily wage earners particularly women workers. The impacts of draught on farm employments are two types: in to shift from farm to non-farm employment. For instance, Tamil Nadu labourers demand the NREGA should be extended to more than 100 days on account of the less demand for labourers in agriculture sector (Lakshman, The Hindu August 23, 2009). Second, many people started migrating to other states for searching new jobs.

"Even as the Centre is mulling to raise the number of jobs days under the NREGA, none of the states has provided the guaranteed 100 day wage employment to all the registered rural households in over three years of the landmark legislation. A total of

4,49,40,870 rural households were provided jobs under NREGA during 2008-09 across the country. But only about 14.48 percent of them could get 100 days of employment assured under the Act (Source: The Economic Times, August 7, 2009 p: 11)

Highlights of Foreign Trade Policy 2009-14: The Government of India announced its Foreign Trade Policy (FTP) for 2009-2011 year encompass the following major pillars: (a) the extension of income-tax benefit to It and export oriented units (b) extension of insurance coverage under export credit guarantee scheme till 2010 (C) Identification of additional 26 new markets in Latin America and Asia-Oceania
(d) technology upgrades and imports of duty free capital good under Duty Credit Scrips (e) Annual export growth of 25 percent and double India's exports by 2014. Increase the share of global trade by 2020 (f) lowering transaction costs

Fig. 1 (horizontal axis represents year and vertical axis represents billion dollars) indicates that in the past ten months exports in India have come down drastically due to economic recession in western countries as Indian exports are highly concentrated in Europe (36 percent), the US (18 percent) and Japan (16 percent). What is most interesting is that these countries are shoddily affected by the financial crisis (Reporter, Business Standard, August 28, 2009).

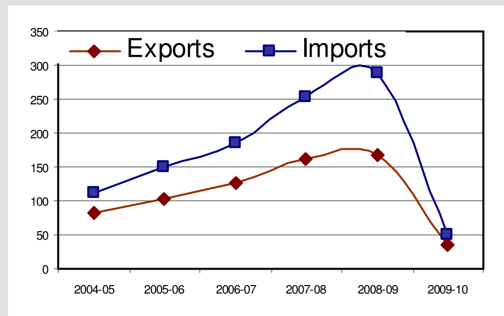


Figure 1: India's foreign trade in the last five years

Wage Rate Scenario

What would be the condition in which salaries and wages of the employees are more than the company's income? Interestingly, the period between 2004 and 2009, many firms reported an upward increase in salaries compared to income accrue to the companies. For Instance, in the construction sector the ratio of employees cost was 44 percent while the company's income was 39 percent. In fact, the construction sector has witnessed a boom since the liberalization period and a continuous development in the infrastructure sector demand more employees to this sector. Likewise, the IT sector witnessed 34 percent rise against 32 percent. Major IT players such as Infosys and Wipro increased 23 and 22 percent rise in salaries respectively. While employees in steel industries received 8 percent increase in 2008-09 changing from 7 percent in 2004-05, the employee cost in power sector was 25 percent and the income was only 16 percent (Dey, The Financial Express, August 1, 2009). This trend, in fact, has emerged partly due to the rapid expansion in accordance with the business cycle which results in increasing the strength of employees.

Perhaps, a stable government at the Centre may impact the decision for such hike in salary. It is important to note that even during the deep crisis the power sector reports a highest salary hike comparing to other leading sectors in India. Meanwhile, key sectors like banking, Information Technology also showed a similar trend. However, the healthcare and pharmaceutical sectors faced a high salary cuts on account of decline in growth and overseas business (Rawani and Mary, August 16, 2009, The Economic Times, Mumbai). Despite the large sales increase in Fast Moving Consumer Goods and substantial growth in automobile companies, these sectors reported a decline of 12 percent and 11 percent respectively (Table 16). According to Mr. Sudhakar Balakrishnan CEO of Adecco India, "the companies are in need of employees who are well versed with the power sector and such employees are found only in the government run industries. In order to attract these employees the companies are offering high pay packages" (Rawani and Mary, August 16, 2009, The Economic Times, Mumbai)

Table 15: Basic statistics of salary hike in major sectors

Company	Salary hike (percentage)
Power	78
Banks	30
Consumer durables	23
Information Technology	17
Fast moving Consumer goods	11
Auto Mobile	-11
Pharma	-12
Capital Goods	-16

(Source: Rawani & Mary Thomson, August 16, 2009 The Economic Times.)

Prices and Earnings 2009: The study by UBS group, based on the recent survey of 73 international cities, provides that India's Mumbai and Delhi take the lowest average wages. The survey shows that employees get highest gross earning in four major cities: Copenhagen, Zurich, Geneva and New York. "With its extremely high gross wages and comparatively low tax rates, Switzerland is a very employee-friendly country. No other city in our comparison allowed workers to take home more income at the end of the month than Zurich and Geneva" (Price and Earnings, 2009 p.9). Interestingly, while comparing average incomes across the cities, North America records highest gross and net income, which is significantly higher than any other cities. An interesting offshoot of this report is that the existence of persistent inequality in wage rates in same geography. For instance, in European countries, there is a large distinction Western Europe and Eastern Europe. More aptly, "On average, workers in Western European cities receive more than three times the pay of their colleagues in Eastern Europe. The lowest incomes are paid in Sofia, Bulgaria, and Bucharest, Romania. The wage level in these two countries, which joined the European Union in January 2007, is comparable with that of Colombia and Thailand. South American and African cities are the only ones with lower average wages than those of Eastern Europe" (Price and Earnings, 2009 p.9). What is most significant is that in most of the developing countries like India, Indonesia, Philipines the average wages are still lower. Interestingly, the study reveals that an average wage earner can purchase the iPod Nano with 8 GB storage capacity just after 9 hours of work meaning a day's wage in Zurich and New York. However, it takes 20 nine-hour work days in Mumbai to purchase a nano.

Employment in Traditional Industries

As described in the beginning of section 2, traditional industries such as textiles, have received much attention during the economic slowdown. The Indian textile industry has a link with most of the European countries and the United States but the recent global economic slowdown has adversely affected the industry. Normally, India exports around 60 percent of the textile to the US and EU. However, after the economic slow down the share has sharply comedown due to the lack of demand. Large chunk of textile units have export orders for three to four months. According to textile minister Dayanidhi

Maran "the new mantra of the textile sector is to manufacture in India, sell in Indian and make money in India. (Banerji, Business Standard August 25, 2009).

The government is promoting these industries with new funding in machineries and equipments under the Technology Upgradation Fund Scheme (TUFS). The 2009-10 budget has increased the allocation by 188 percent to 3,140 crore. Moreover, a 41 member working group under textile secretary Rita Menon is constituted to form a National Fiber Policy (NFP). The primary motive of the National Fiber Policy is to make India self sufficient in fiber consumption and export requirements. (Bureau, The Financial Express August 7, 2009). What is interesting in traditional industries is that despite the substantial amount spent for imparting training and vocational skills, workers are forced to give up skilled work and engage in unskilled work. As we pointed in the section 2, when the economic slowdown hits the export oriented units like textiles, gems and jewellery, millions of skilled workers lost their jobs. Then, the workers started migrating to some other unskilled jobs.

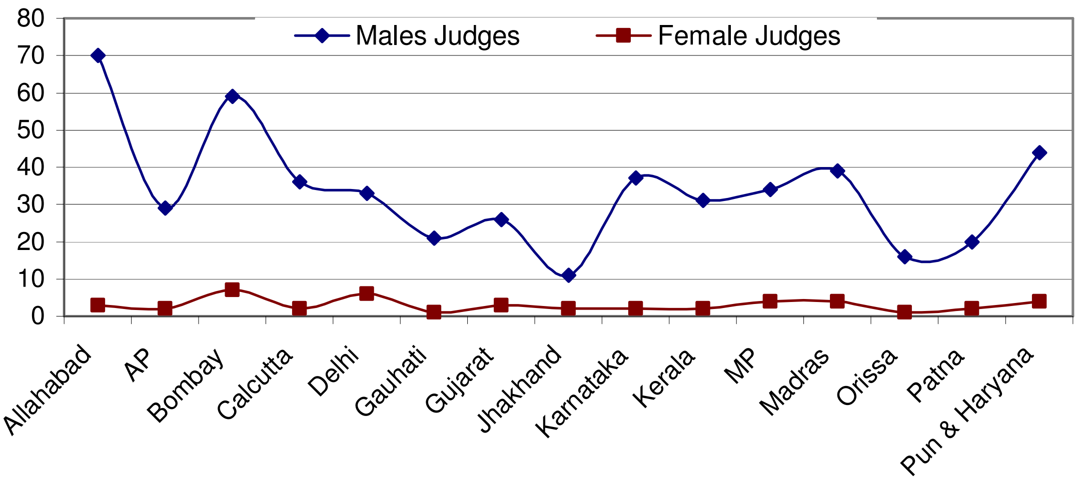
A similar trend was observed in handloom workers. Around 50 percent of the handloom workers lost their skilled jobs and these workers are forced to work as construction workers, rickshaw-pullers and vendors when many units shut down (Dongra, The Economic Times August 12, 2009). Similarly, Kerala has reported an interesting case. More than 60 percent of coir fibre comes from Kerala, and total coir fibre production is around 2,50,000 tonne. It is observed that around 4 lakh people are associated with Coir industry in Kerala. Interestingly, 70 percent of the work force consists of women workers. Now they earn around Rs 300 to 400 per week. Household unit workers, it was reported that 50 percent have outstanding loans from banks. Two important reasons may explain this. These reasons include shortage of raw materials and declining demand (Ramesh, Hindustan Times, August 31, 2009). Meanwhile, the Government of India announced financial package of around Rs 2,546 core under the Technology Upgradation Fund Scheme (TUFS) to revive the domestic textile sector which will be transferred through 121 financial institutions.

Farm labour in God's own Country: The Government of Kerala has recently declared a cash prize of Rs 10 lakh for the best manufacturer to invent a user-friendly machine for climbing coconut trees both for women and senior persons. In Kerala, the tree climbing is generally treated as traditional livelihood centred on a particular community: Vettuva community. However, the recent evidences suggest that vettuva members have shifted their nature of jobs from agriculture to the emerging sectors such as construction, and other services sector, primarily on account of increasing wage rates in the latter sectors. For instance, the average daily wage of an agriculture labour currently stands to Rs 250 while construction sector reports an average daily wage of Rs 350. Meanwhile, the average daily wage for some particular skilled workers engaged in foundation of building and carpentry are paid around Rs 450-500, which is relatively much higher. Interestingly, a loading worker on an average gets Rs 1500 a day from fishing harbours. This, in fact, result for large demand workers from other states such as Uttar Pradesh, Bihar and Assam (*Source: Joseph, George, Business standard, August 30, 2009*). However, despites the substantial increase in wage rate, a severe shortage of labour were reported in plantation sector in Kollam and Idukki districts. The reason is being argued that, until recently the plantation workers were mainly brought from Tamil Nadu, the NREGS has provided massive employment opportunities for Tamil Nadu workers in their own villages and various government scheme like providing rice at Rs 2/kg impede to work in Kerala (Nair, The Hindu Business Line, August 3, 2009).

Gender Discrimination

In order to avail equal representations to women Union Cabinet chaired by Prime Minister Manmohan Singh approved to amend article 243 (D) of the Indian Constitution. The New amendment declares 50 percent of seats in panchayats at all three ties should be reserved for women. It is important to note that the 50 percent reservation would be applicable to the total number of seats to be filled by direct election (Political Bureau, The Economic Times, August 28, 2009). Bihar was the first state declared 50 percent women reservation in panchayats and there are many other states which followed the Bihar Model. Among these the states are: Uttarakhand (55 percent), Himachal Pradesh and Madhya Pradesh. On the one side, major efforts are being taken to bridge the gap between male and female with the land mark approval to amend article 243 (D), on the other side, women are discriminated. CITU, the CPM's trade wing, is planning to submit a petition against the discrimination in recruitment of women in the State Bank of India (Political Bureau, The Economic Times, August 7, 2009). In addition to the existing norm and conditions, women have to ensure certain additional information. The discrimination includes in the form of a special guidelines for women such as fitness certificate, medical test three months after delivery, denying immediate appointment to pregnant women. This year SBI have reported around 11,000 vacancies, assumes that half of which filled by women, and is likely to be affected by this discrimination. Interestingly, if a woman was found to be pregnant, even if she successfully completed her written test and interview, would not be given an immediate appointment.

In addition to this, the figure 2 shows an interesting case. Taking the number of women representation in total sitting judges in India, it consists of a very small proportion. More aptly, out of 617 high court judges only 45 are women roughly constituting less than 8 percent. Interestingly, no single women judge in the Supreme Court and the Supreme Court strength is 24. The figure 2 shows that Bombay high court has the highest number of women judges in the country. Out of 21 Indian high courts, 6 high courts – Chhattisgarh, Himachal Pradesh, Jammu Kashmir, Rajasthan, Sikkim and Uttarakhand- do not have any women judges.



Employment Prospects

As per the survey conducted by the job portal, Timesjob.com, Indian companies have again started hiring employees. The survey was spread over 5,000 companies across various sectors. In Bangalore one fourth of the companies are planning to increase their employees by the first quarter. 52% of the companies will be undertaking replacement hiring. The growth in terms of revenue and profits, government stability, policy and commitment has led to an optimistic environment in the economy.

Table 16: Hiring plans for this fiscal year

Name of the Firm	Sector	Number of hiring	Time boundary
Maruti Suzuki	Manufacturing	300	By next April
Lupin	Pharmaceuticals	800-1000	Within 6-7 months
StanChart	Banking	1500-2000	-
Infosys	IT	18,000	-
Mahindra Satyam	BPO	300	In the coming months

Source: Data Compiled from various sources

India-Asean Trade Pact: India has become a member of the Association of South-East Asian Nations (ASEAN), a group consists of 10 south-east Asian countries, and signed a free-trade agreement on August 13, 2009 in Bangkok with a view to enhance the trade between these countries. The Free-trade agreement between India and Asean, a landmark trade pact facilitating to open up of the domestic economy to the South-east Asian Nations, does not incorporate the liberalization of cross-boarder movements of services like BPO, free movement of Indian professionals etc which has profound impact on Indian labour market by creating a large number job opportunities for Indian professionals in major services sector such as education, healthcare, communications, and banking. What essentially India needs to do that effort should be taken place to enhance the flow of investments and open-up of domestic services so as to boost the demand for Indian professionals. It is important to note that India-Korea Comprehensive Economic Partnership Agreement (IKCEPA), an agreement between India and South Korea signed in August, encompass important deal such as goods, investment, services etc.

While considering india's exports to Asean countries it stood around 6.5 percent of total export in April-march 2001 increased to 10.1 percent during April 2007-March 2008. On the other hand, the percentage share of imports from Asean was almost stagnant, that is to say, it stood around 8.1 percent of total imports slightly increased to 9 percent in the respective period. It is important to note that the percent share of India's total imports from Asean has come down to 8.9 during April 2008- February 2009 and exports stood at 10.6 percent during the same period. We provide the details of ASEAN country wise break-up in the following table 5. What table sows that among the Asean countries, a large volume of India's exports and imports depend on Singapore.

Table 17: ASEAN Country-wise trade with India: Apr'08-Feb'09

Country	Exports		Imports	
	($b)	% of total	($b)	% of total
Singapore	7.5	4.7	6.6	2.5
Malaysia	3.3	2.0	6.7	2.5
Indonesia	2.2	1.4	6.1	2.3
Thailand	1.7	1.0	2.4	0.9
Vietnam	1.4	0.9	0.4	0.1
Philippines	0.7	0.4	0.2	0.07
Myanmar	0.2	0.1	0.8	0.3
Total	16.9	10.6	23.4	8.9

Source: The Times of India, August 14,

Table 18: India's trade with other major economies: Apr'08-Feb'09

Country	Exports		Imports	
	($b)	% of total	($b)	% of total
EU	34.9	21.9	35.5	13.5
US	18.6	11.7	15.7	6.0
China	8.4	5.2	28.1	10.7
S Korea	2.8	1.8	7.5	2.8
Japan	2.8	1.7	6.9	2.6

Source: The Times of India, August 14

Concluding Remarks

In continuation with the previous month's ATLMRI Labour Market Monthly Review, the present volume, taking cues from both English and Vernacular Newspapers, provides an overview of emerging issues in India for the month of August 2009. Our investigation of emerging issues in Indian labour market in this series, consisting of two themes: first, we cover the performance of major economic activities such as agriculture, manufacturing, electricity, banking, business services, real estate, education, and health etc. in detail for the month of August using the growth indicators like sales, revenue and net profit. Second, we examine, based on the growth performance of each sector, the consequent changes in labour market. Indeed, it enables us to infer the strong link between the sectoral performance and labour market. Moreover, we discuss the labour issues like job market, employment, wage rate scenario, labour strikes, government's role, and nature of gender discrimination prevails in the economy. A complied data of jobs offered by firms in private and public sector in India, categorized according to National Industrial Classification three digits (see appendix 1, appendix 2, and appendix 3), would provides cues about the link between sectoral performance and employment growth in those sector.

The essence of the monthly review conveys three important phenomena: First, a situation of relatively high prices for almost all agricultural commodities. Second, the situation of rising prices is likely to go up in the future unless government has no role to tackle the current crisis caused by drought and shortfall of rainfall. Third, those sectors reporting high sales volume and net profit, for instance, manufacturing, health care sector, are likely to generate more jobs.

Appendix 1

Table 1: Public Sector Job Offerings in India under different sectors during August, 2009

S. No	NIC code	Description	Jobs
1	11	Growing of crops; market gardening; horticulture	19
2	14	Agricultural and animal husbandry service activities, except veterinary activities.	111
3	20	Forestry, logging and related service activities	54
4	171	Spinning, weaving and finishing of textiles.	3
5	312	Manufacture of electricity distribution and control apparatus	192
6	319	Manufacture of other electrical equipment	1
7	401	Production , collection and distribution of electricity	13
8	410	Collection, Purification and distribution of water	4
9	452	Building of complete constructions or parts thereof; civil engineering	6
10	552	Restaurants, bars and canteens	2
11	602	Other land transport	16
12	611	Sea and coastal water transport	7
13	621	Scheduled air transport	224
14	642	Telecommunications	1
15	651	Monetary Intermediation	5788
16	659	Other financial intermediation.	1
17	660	Insurance and pension funding, except compulsory social security.	156
18	700	Railway transport	574
19	731	Research and experimental development on natural sciences and engineering	252
20	751	Administration of state and the economic and social policy of the community	86
21	752	Provision of services to the community as a whole	1942
22	801	Primary education	1
23	802	Secondary/Senior Secondary education	22
24	803	Higher education	543
25	809	Other education	41
26	851	Human health activities	228
27	921	Motion picture, radio, television and other entertainment activities	6
28	923	Library, archives, museums and other cultural activities	5
29	930	Other service activities	53
		TOTAL	10351

Source: ATLMRI, August, 2009. Compiled from various sources

Appendix 2

Table 2: Number of Job offerings in August, 2009 for reserved classes-SC, ST, OBC, and PH under public sector

S.No	NIC Code	Descriptions	SC	ST	OBC	PH
1	11	Growing of crops; market gardening; horticulture	15	6	5	5
2	14	Agricultural and animal husbandry service activities, except vet nary activities.	4	3	7	1
3	20	Forestry, logging and related service activities	2		3	
4	271	Manufacture of Basic Iron & Steel	-	-	-	42
5	312	Manufacture of electricity distribution and control apparatus	3	-	2	-
6	351	Building and repair of ships & boats	-	-	-	1
7	401	Production , collection and distribution of electricity	1	2	2	-
8	552	Restaurants, bars and canteens	1	-	1	-
9	611	Sea and coastal water transport	1	-	-	-
10	621	Scheduled air transport	64	24	90	5
11	651	Monetary Intermediation	1804	1143	2629	458
12	700	Railway transport	142	38	365	-
13	731	Research and experimental development on natural sciences and engineering	23	21	35	10
14	751	Administration of state and the economic and social policy of the community	8	3	12	2
15	752	Provision of services to the community as a whole	583	240	796	-
16	802	Secondary/Senior Secondary education	5	1	2	-
17	803	Higher education	93	48	156	4
18	809	Other education	1	-	1	-
19	851	Human health activities	33	33	88	1
20	921	Motion picture, radio, television and other entertainment activities	-	-	1	-
21	930	Other service activities	6	13	6	2
		TOTAL	2794	1575	4201	531

Source: ATLMRI, August, 2009 Compiled from various sources.

Appendix 3

Table 3: Private Sector Job Offerings in Mumbai during August, 2009

S.No	NIC Code	Description	No of Jobs	No .of Advt.
1	222	Printing and service activities related to printing	1	5
2	291	Manufacture of general purpose machinery	5	4
3	300	Manufacture of office, accounting and computing machinery	2	9
4	359	Manufacture of transport equipment	2	-
5	452	Building of complete constructions or part, civil engineering	11	4
6	523	Other retail trade of new goods in specialized stores	116	41
7	551	Hotels; camping sites and other provision of short -stay accommodation	15	8
8	552	Restaurants, bars and canteens	5	14
9	611	Sea and coastal water transport	2	-
10	642	Telecommunications	182	15
11	659	Other Financial Intermediation	84	7
12	660	Insurance	147	21
13	724	Database activities and distribution of electronic content	21	69
14	729	Other computer related activities	7	4
15	741	Legal, accounting, book-keeping and auditing activities; tax consultancy; business and management consultancy	115	41
16	742	Architectural, engineering and other technical activities	9	2
17	743	Advertising	6	15
18	749	Business activities	93	17
19	801	Primary education	-	13
20	802	Secondary/Senior Secondary education	-	11
21	809	Other education	5	19
22	851	Human health activities	21	17
23	930	Other service activities	2	3
		TOTAL	851	339

Source: ATLMRI, August,2009. Compiled from various sources.

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About the Journal……….

India Labour Market Monthly Review is a monthly journal of Adecco-TISS Labour Market Research Initiative, devoted to the diffusion of knowledge concerning Indian labour market. In addition to this, the journal publishes quality articles in the field of labour related themes. This is the fourth issue in the ATLMRI series of Indian Labour Market Monthly Review.

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