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70K jobs lost in Q2 2015-16 on dip in exports

New Delhi : Nearly 70,000 workers were retrenched during the second quarter of 2015-16 due to sharp fall in merchandise exports, a report says.

The joint study by Assocham and Thought Arbitrage noted that “sharp drop in merchandise exports mainly contributed to a loss of 70,000 jobs during the second quarter of 2015-16,” reinforcing a crucial point that the employment generation has to be led by the domestic demand. Decrease in livelihood opportunities in export units caused the retrenchment of around 70,000 workers during the said period, the report added. The textiles sector was most affected witnessing a massive drop in contractual employment as outward shipments shrank, it said, reports PTI.

Besides, slowdown in global demand also compelled some of the units to retrench people from payroll. “There is a concern because most of the export-oriented units in the economy are dependent on contractual workers. So massive reduction in contractual jobs in these sectors might imply deteriorating conditions in the export units,” the report said. Apart from marginal addition in jobs in the leather sector, as many as seven sectors saw drastic retrenchment in both regular and contractual employment. The study propagates that Indian economy has to look internally at its domestic scene to restart the growth story, which is only possible if there is extra demand generation within the economy. India’s exports declined for the second consecutive month in August by 0.3 per cent to USD 21.51 billion due to dip in shipments of products like petroleum and leather.

The outward shipments stood at USD 21.58 billion in August 2015. Since December 2014, exports fell for the straight 18th month till May 2016 due to weak global demand and slide in oil prices.