

Deccan Chronicle

Poor exports cost 70,000 jobs in FY16

Mumbai: The loss of 70,000 jobs during the second quarter of 2015 was mainly contributed by the sharp drop in merchandise exports.

This reinforces a crucial point that the employment generation has to be led by the domestic demand in the wake of subdued global demand, an ASSOCHAM–Thought Arbitrage study noted.

The study said “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 as well imply deteriorating conditions in the export units.”

Seven sectors saw drastic retrenchment in both regular and contractual employment while textiles was most affected and saw a massive drop in contractual jobs with some new regular jobs.

The leather sector also saw a marginal increase in new jobs. Merchandise exports had dropped by over 17 per cent in the first two quarters of the fiscal 2015-16 and this continues 2016-17.

The cumulative value of exports for the period April-August 2016-17 was \$1,08,519.94 million as against \$ 1,11,853.88 million registering a negative growth of 2.98 per cent.

The Indian economy has to look internally at the domestic economy to restart the Indian growth story said ASSOCHAM secretary general D.S. Rawat.

“That is only possible if there is extra demand generation within the economy. Employment generation is the most important factor to generate such extra demand. More employment means extra purchasing power in the hands of the people, and subsequently more demand generated for all kinds of commodities and services”, he said.