

Private Sector Hiring to Remain Muted Till March 2018: Assocham

New Delhi: Prospects of fresh hiring by the private sector “do not look bright” in the remaining part of 2017-18, with wage cost control being a key priority for India Inc, Assocham said today.

The chamber said that PSU banks would bring down their employee cost to operation ratio, post re-capitalisation by the government, and fresh hiring may come down there as well. The chamber based its assessment on the feedback received from its members.

“The focus right now is how to deleverage, consolidate, exit from non-core businesses and achieve a lean and mean balancesheet. Going forward, at least in the next quarter and a half, the corporates would be busy improving their margins and reducing their debt costs, even as the top line growth may take a back seat,” it said. However, Assocham believes things should look up in next fiscal. It noted that most of the churning is taking place in telecom, financials, IT, realty and infrastructure. —PTI

DENTED HOPE

Job outlook dim: Assocham

■ Cites India Inc's focus on rationalisation of costs as primary reason

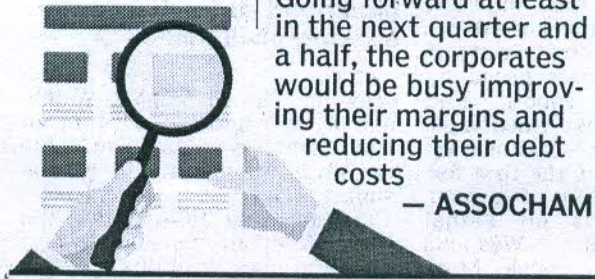
AGE CORRESPONDENT
NEW DELHI, NOV. 19

With corporate India placing most of its energies on rationalising costs, including the wage costs, the hiring outlook in the private sector, is expected to stay muted till beginning of fiscal 2018-19, Assocham said on Sunday.

"The focus, right now is how to deleverage, consolidate, exit from non-core businesses and achieve a lean and mean balance sheets. Going forward at least in the next quarter and a half, the corporates would be busy improving their margins and reducing their debt costs, even as the top line growth may take a back seat," said a paper by Assocham.

"Under these circumstance, the fresh hiring prospects do not look

THE PAPER noted that most of the churning is taking place in telecom, financials, IT, realty and infrastructure.



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— ASSOCHAM

bright maybe, for the two quarters. However, things should look up in the next fiscal," the paper noted.

The wage cost control would remain a key area of priority in the short term, it said.

The paper noted that

most of the churning is taking place in telecom, financials (including private sector banks, non-banking finance companies), IT, realty and infrastructure.

"Significantly, as the PSU banks would also

bring down their employee cost to their operation ratio, post re-capitalisation by the government, the fresh hiring may also come down there as well," it said.

"Though the Moody's upgrade has given a sentiment boost, the next two quarters would be challenging for the private sector. But things would then improve and some of the pain points of the present like high debt, slow consumer demand, should ease from April, 2018. In any case, barring any untoward event, the fiscal 2018-19 would be better than the current financial year," said Assocham secretary general D.S. Rawat.

He said in fact, the boom in the stock market, though being triggered by a huge liquidity play, is also reflective of the uptick in the economic

growth going forward.

"The market is at ease even with higher valuations, riding on the hopes of a pickup. The GST related problems should be settled in the next few months," he added.

Assocham said that optimism also stems from India's sound macro indicators like moderate inflation, stability in foreign exchange, robust foreign exchange reserves and an improving trend line in exports.

"However, a thing to watch would be crude oil prices which could be a spoiler if they move up significantly from the present level. Some of the issues relating to agriculture like price fluctuations for the crops and farmers' vulnerability are likely to be addressed in the coming Budget with a focus on the rural landscape," it added.

Hiring by private sector to remain muted till March 2018: Assocham

NEW DELHI: Prospects of fresh hiring by the private sector "do not look bright" in the remaining part of 2017-18, with wage cost control being a key priority for India Inc, Assocham said on Sunday.

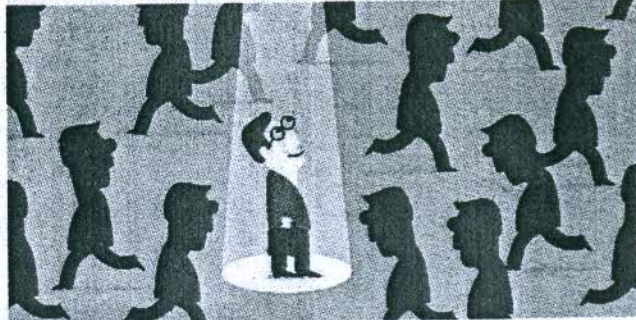
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"Going forward, at least in the next quarter and a half, the corporates would be busy improving their margins and reducing their debt costs, even as the top line growth may take a back seat," it said.

However, Assocham believes that things should look up in the next fiscal. It noted that most of the churning is taking place in telecom, financials -- including private banks and non-banking finance companies -- infor-



mation technology, realty and infrastructure.

Assocham Secretary General D S Rawat said, "Though the Moody's upgrade has given a sentiment boost, the next two quarters would be challenging for the private sector."

He added: "But things will improve and some of the pain points of the present like high debt, slow consumer demand, should ease from April 2018. In any case, barring any untoward event, the fiscal 2018-19 would be better than the current financial year."

According to Assocham, the stock market boom, although triggered by a huge liquidity play, is also reflective of the uptick in economic growth, going forward.

Moreover, it said, the GST-related issues should be settled in the next few months.

The optimism stems from India's sound macro indicators like moderate inflation, stability in foreign exchange, robust foreign exchange reserves and an improving trend line in exports, stated Assocham.

"However, a thing to watch would be crude oil prices which could be a spoiler if they move up significantly from the present level," the industry body cautioned.

It said some of the issues relating to agriculture like price fluctuation of crops and farmers' vulnerability are likely to be addressed in the coming Budget, with a focus on the rural landscape.

PTI

ASSOCHAM PREDICTS SLOW CORPORATE HIRING

Team Absolute | New Delhi

Industry chamber Assocham has predicted that the hiring in the private sector would be slow till the end of this fiscal year as the corporate sector is busy shearing balance sheets and rationalizing costs. Based on a survey of association members, the Assocham report comes in the context of tepid job growth in the economy which has been recently impacted by demonetisation and implementation of the Goods and Services Tax.

The association report said, "With corporate India placing most energies on rationalizing costs, including wage costs, and trying to deleverage its balance sheet, the hiring outlook in the private sector is expected to stay muted till the beginning of fiscal 2018-19. The focus right now is how to deleverage, consolidate, exit from non-core businesses and achieve lean and mean balance sheets. Going forward at least in the next quarter and a half,



corporates would be busy improving their margins and reducing their debt costs, even as the top line growth may take a back seat."

"Under these circumstances, the fresh hiring prospects do not look bright, maybe for the two quarters; however, things should look up in the next fiscal. The wage cost control would remain a key area of priority in the short term," Assocham added.

The industry body also noted that as the state-run banks also bring down their employee-cost-to-operation ratio, post their re-capitalisation recently announced by

the government, "fresh hiring may also come down there as well".

The non-performing assets or bad loans in state-run banks on account of the private sector have accumulated to a staggering Rs 7.3 lakh crore.

D.S. Rawat, General Secretary, Assocham said, "Though the Moody's upgrade has given a sentiment boost, the next two quarters would be challenging for the private sector. But things would then improve and some of the pain points of the present like high debt and slow consumer demand should ease from April 2018."

कंपनियों में नई भर्तियों में गिरावट, मार्च के बाद सुधार की उम्मीद: एसोचैम

एजेंसी | नई दिल्ली

देश का कार्पोरेट जगत जहां अपने बैलेंस शीट पर कर्जों का बोझ कम करने के लिए अपने लागत को तर्कसंगत बनाने में (मजदूरी के खर्चों सहित) अपनी ज्यादातर ऊर्जा लगा रहा है, वहीं निजी क्षेत्र में भर्तियों में वित्त वर्ष 2018-19 तक गिरावट जारी रहने की आशांका है। एसोचैम ने सदस्यों की प्रतिक्रिया के आधार पर किए गए मूल्यांकन में यह बात कही गई है।

एसोचैम ने स्टडी में कहा है कि फिलहाल कंपनियों का जोर कर्ज घटाने, संगठित होने, गैर प्रमुख उद्योग से निकलने और बैलेंस शीट को हल्का और मजबूत बनाने पर है। यह अगले डेढ़ तिमाहियों तक जारी रहने की संभावना है। कंपनियां अपने मार्जिन में सुधार और ऋण की लागत को कम करने में व्यस्त होंगी, यहां तक कि शीर्ष कंपनियों की वृद्धि दर भी प्रभावित होगी। रिपोर्ट में कहा गया है कि इन परिस्थितियों में नई भर्तियों की संभावना कम से कम दो तिमाहियों के लिए

उज्ज्वल नहीं दिख रही है। हालांकि अगले वित्त वर्ष से चीजें सुधरेंगी।

एसोचैम के महासचिव डी. एस रावत ने कहा कि हालांकि मूडीज द्वारा भारत की रेटिंग बढ़ाने से उद्योग जगत की भावना में सुधार हुआ है, लेकिन अगली दो तिमाहियों तक निजी क्षेत्र की स्थिति चुनौतीपूर्ण रहेगी। लेकिन उसके बाद चीजें सुधरेंगी और वर्तमान में उच्च कर्ज, ग्राहकों की धीमी मांग जैसी समस्याएं 2018 के अप्रैल से दूर होनी शुरू हो जाएंगी।

