

Media Coverage

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RECOVERY ROAD

Unemployment falls to 4-month low

July saw joblessness at 6.95%, staging a near-complete recovery in all parameters of the labour markets

FE BUREAU
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INDIA'S UNEMPLOYMENT RATE fell to a four-month low of 6.95% in July, staging a near-complete recovery in all parameters of the labour markets, which were hit by the second wave of the pandemic. In March, country's joblessness was 6.5%; it spiked to 7.97% in April and fur-

ther to 11.9% in May, according to the Centre for Monitoring Indian Economy (CMIE). In June, the rate stood at 9.17%.

"The July data suggests a near-complete recovery. The labour participation rate, unemployment rate and employment rate have all bounced back to close to their March 2021 levels," said CMIE's MD & CEO Mahesh Vyas.



Rural unemployment rate in July at 6.34% was closer to the March level of 6.15%. The unemployment rate in rural areas went up to 7.13% in April, further to 10.63% in May, but

softened to 8.75% in June.

Though the urban unemployment rate fell in July to 8.3%, it still remained high compared with 7.27% in March. The urban joblessness rate was 9.78% in April, 14.73% in May and 10.07% in June, according to CMIE. Genius Consultants' chairman and managing director R P Yadav said, "The whole industry is very hungry for growth of businesses for market share. Suddenly the demand for recruitment has increased from most of the industry. The unemployment is going to be reduced further in the second and third

quarter."

May 2021 was only the fourth month since at least January 2016 when overall monthly unemployment rate breached the double-digit mark. Amidst a country-wide lockdown, unemployment rate went past the mark during April, May and June last year.

The overall unemployment rate reached its peak of 23.52% in April last year, but started falling from the next month onwards. In May last year, country's unemployment rate was 21.73%. It was 10.18% in June last year.