



2010

Ma Foi Randstad
Employment Trends Survey

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The Ma Foi Randstad Employment Survey (MEtS) is a study on Indian employment trends and opportunities conducted by Ma Foi Randstad. Started in November 2004, till 2008, MEtS was conducted once in a year. Considering the fact that we are witnessing significant shifts in employment trends within a year's time, the employment survey will now be conducted every quarter. This will enable capturing changes in employment scenario in India from one quarter to another. The prime objective of this employment survey is to understand the employment trends in the organized sector on a quarterly basis. The present survey captures the employment situation in the organized sector for the quarter January to March 2010 and the likely scenario for the next quarter, i.e., April to June 2010. The study is based on the sample survey conducted for about 650 companies across different sectors of the economy. The feedback was gathered from the top HR personnel or top management of the companies who could share the current and the likely scenario regarding employment related issues. The major parameter captured in the survey is change in hiring pattern or employee numbers.

The report is divided in four sections. The first section (Section A) provides the background as well as an overall view of the Indian Economy. This is followed by Section B, which discusses about the data and methodological aspects of the study. Section C presents a picture of the changing pattern of the employment for different sectors of the economy. This section also provides a snapshot of how the scenario is changing in selected cities. The final section (Section D) concludes the study highlighting key issues.



India economy
on a positive note

The first quarter of the year 2010 was characterised with several policy actions having considerable immediate as well as longer term implications to Indian economy.

The Union Budgets for 2010-11 were presented in February. The Right to Education Act, Women's Reservation Bill, the Food Security Bill were the focus of discussions at the social front, which will have immense impact on Indian population. Submission of report by the Thirteenth Finance Commission was another notable incidence.

Economic policy reforms were also in the agenda of the government. Policies such as permission for entry of new private sector banks, steps to rationalize fertilizer subsidy, consolidate FDI policy and reforms in fuel pricing policies were amongst the important ones.

Amongst a few unsettling issues in form of violence in the Naxal affected areas, disruption of economic activities in support and opposition to the new state of Telengana, the common economic agendas were not pushed to the back bench. The monetary policy for 2010-11 announced on April 20, 2010 raised the rates – repo and reverse repo – by 25 basis points. The Cash Reserve Ratio (CRR) was also increased by 25 basis points. Exit from the accommodative monetary policy stance to address inflationary tendencies was articulated in the Third Quarter Review of Monetary Policy by the RBI in January 2010. The shift in priority to controlling inflation was evident.

The Central Budget for 2010-11 reflected the need to restore fiscal balance with signs that the economic crisis of 2008 and 2009 has now abated. Provision of some relief to the income tax payers by increasing the upper limit of income range, where marginal tax rate was 20 per cent, was a welcome measure. The surcharge on Indian companies was reduced. Resource mobilization effort was evident in the increase in the indirect tax rates. Subsidies have been budgeted to be lower this year in absolute value than in the previous year.

The infrastructure sector has been given prominence in the budget speech. Fiscal deficit to GDP ratio has been budgeted at 5.5 per cent for 2010-11, lower than the revised estimate of 6.7 per cent for 2009-10. On the positive note, there has been significant progress in the much delayed G3 spectrum auction that will catalyse the telecom sector significantly.

The latest available official GDP estimates for agriculture indicated a marginal decline of 0.2 per cent over the previous year. However, the second advanced estimate of the Ministry of Agriculture in February 2010 suggested a sharp decline of 7.5 per cent for the same period. However, prices of many commodities have come down, though marginally, and also expected to maintain a further downward movement. If the monsoon turns out to be normal this year across regions, agriculture sector should witness significantly higher growth in the coming months of the year.

The industrial sector has shown high growth rates during the last quarter of 2009-10. The average year on year growth rate in Index of Industrial Production (IIP) is expected to exceed 10 per cent. Mining and electricity sectors have grown at significantly higher rates. In manufacturing sector, intermediaries, capital goods and consumer durables have experienced output growth of more than 10 per cent. However, the consumer non-durables have been weak within the manufacturing segment since these are strongly influenced by the agro-based industries and export markets.

Amongst the services sectors, external sector related services have shown slower growth in last two consecutive years. Inbound tourism to India, cargo traffic had been affected badly due to the recession. Telecommunication was the only sector that sustained growth momentum even during the economic crisis period. It is predicted that the subscription numbers for telephone connections will continue to rise at a rate of more than 40 per cent per annum.

The economy has witnessed consistently good Index of Industrial Production [IIP] growth in the previous months and is expected to do so in coming months also. There are mix of factors that had led to the recovery of the economy after the crisis.

The favourable monetary and fiscal policy stance and increased spending, especially in infrastructure projects, to improve internal demand condition and bringing down the interest rates to ease the liquidity situation, had played pivotal role towards the recovery. The second most important factor that helped the economy was low crude petroleum prices in the international markets. The average crude price was about 20 per cent lower in 2009-10 compared to 2008-09, which helped to keep the production expenses lower. Quick revival of capital inflows in 2009-10 was another factor that helped the capital markets to regain investors' confidence. Domestic capital issues nearly doubled in 2009-10 as compared to 2008-09.

- IIP registered a 13.5% in March 2010 which was a slight decline against 15.1% year on year growth in February
- Infrastructure sectors show robust growth, with steel at 9.2% and cement, coal and electricity at 7.8% growth over the previous year.
- Auto sales continued to zoom up, despite price hikes, seeing double digit growth in April
- 20.31 million new subscribers were added on the wireless network, bringing tele-density in India to 52.74% in March
- Consumer price indices fell for the second month in a row, bringing inflation down to 14.86% and 15.77% in March for CPI (Industrial Workers) and CPI (Agricultural labourers) respectively.
- Prices of commodities that are crucial inputs in manufacturing have been rising globally has once again fuelled price hikes.
- The Reserve Bank of India put in a hike of 25 basis points on the CRR, repo and reverse repo rates in its April 20th policy review
- The overall GDP growth for 2010-11 is projected to be around 8.5 per cent over previous year. The growth will be led by non-agricultural sectors.
- Exports for March, however, grew over 50% to \$19.9 billion compared to the same month during last fiscal year. Exports have grown steadily for the last five months.
- Fiscal deficit could go below the budget estimates essentially supported by the non-agricultural economy and higher indirect tax rates.
- FII flows in April netted \$ 2.099 billion in the equity market and \$0.684 billion in debt

data and methodology

The study has used both primary and secondary data to arrive at different estimates. Secondary data from various sources have been used. Historical data on the manufacturing sector has been culled from various rounds of the Annual Survey of Industries (ASI) and publications of the Central Statistical Organization (CSO). Apart from these sources, the other sources used for the study are various surveys of the National Sample Survey Organization (NSSO) Labour Statistics of India, Statistical outline of India.

The above sources have the advantage of almost universal coverage of the organized sector within their specific domains. However, data from most of these secondary sources are not up-to-date. Therefore the estimation procedure takes care of this problem through using up-to-date figures on sectoral GDP (Gross Domestic Product) and Index of Industrial Production (IIP).

Once estimates of base sectoral employment were obtained, the data captured through primary survey of 650 firms across sectors and selected important cities were used to arrive at estimates on different parameters. The primary data has been used mostly estimate parameters for the first and second quarter of the year 2010.

Coverage of Primary Survey

Sl. No.	Sector	No. of companies covered
1.	Banking Finance Services and Insurance (BFSI)	58
2.	IT & ITES	79
3.	Pharma	19
4.	Healthcare	34
5.	Trade including Consumer Retail Services	49
6.	Energy	17
7.	Transport, storage and communication	49
8.	Real Estate and Construction	40
9.	Hospitality	35
10.	Media and Entertainment	27
11.	Manufacturing of Non-Machinery Products	100
12.	Manufacturing of Machineries and Equipments	76
13.	Education, training and consultancy	60

sense of optimism observed across all sectors

Across almost all the sectors a sense of optimism has been observed. The performance of the economy during last year, especially, during January to March 2010, has provided the necessary impetus to growth for all the sectors. As a consequence, employment generation is on card for every sector, though in varying degree. A common trend was observed across all the sectors. High performance of the economy has encouraged sector players to recruit new employees in 2010-11. However, the recruitment will be done with a more planned manner and will be spread across the entire year rather than aggressive recruitment at one point of time. The intra-sector movement of skilled workforce is also expected.

Expected Employment Increase in Different Sectors

Sectors	Employment December 2009	Total increase in employees			Per cent increase		
		Jan - March 2010	April - June 2010	Jan - June 2010	Jan - March 2010	Apr - June 2010	Jan - June 2010
BFSI	852,000	4,400	15,800	20,200	0.52	1.85	2.37
IT & ITES	1,793,000	7,200	34,000	41,200	0.40	1.90	2.30
Pharma	243,000	5,900	6,100	12,000	2.43	2.51	4.94
Healthcare	3,123,000	52,752	96,248	149,000	1.69	3.08	4.77
Trade including CRS	630,800	2,600	5,000	7,600	0.41	0.79	1.20
Energy	874,000	4,200	5,900	10,100	0.48	0.68	1.2
Transport, Storage and Communication	2,638,000	7,100	8,800	15,900	0.27	0.33	0.6
Real Estate and Construction	730,000	9,012	52,115	61,127	1.23	7.14	8.37
Hospitality	5,951,000	21,500	49,000	70,500	0.36	0.82	1.18
Media and entertainment	1,272,000	10,300	28,700	39,000	0.81	2.26	3.07
Non-machinery Manufacturing	4,424,000	9,300	17,300	26,600	0.21	0.39	0.60
Mfg. of machineries and equipments	1,106,000	3,100	5,300	8,400	0.28	0.48	0.76
Education, Training and Consultancy	9,715,000	16,200	23,200	39,400	0.17	0.24	0.41

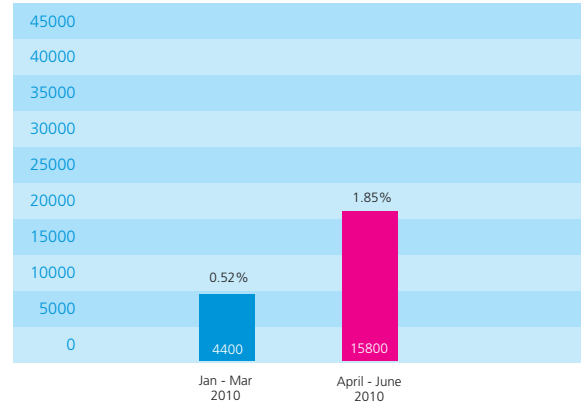
Ma Foi Randstad Employment Trends Survey
banking, financial
services and insurance

Employment in Dec. 2009	852,000
Estimated Employment in March 2010	856,400
Estimated Employment in June 2010	872,200 ▲

DABUR INDIA ▲ 3.00%
94.45
2.75
INDIA ▲ 3.02%

“stimulus provided in the union budget, release of licences to NBFCs and private players has created a significant positive impact.”

Estimated increase in employment



It is expected that by June 2010 the BFSI sector will register an increase in employment to the tune of 20,200.

- The positive developments in economic front and the stimulus provided in the union budget had raised the sentiment of the sector significantly. The industry is expecting the positive sentiment to continue. This is reflected in substantial rise in employment during the quarter April-June 2010.
- Though the recruitment is estimated higher during the second quarter of the year, companies are cautious from the past experiences and the recruitment will not be aggressive. Most of the players would like to spread the addition in existing employment at different phases during the year.
- Re-capitalisation of PSU banks and release of licenses to NBFCs and private players has a significant positive impact.
- New entries and collaborations of large foreign players in insurance market have also acted as a strong positive factor.
- It is expected that steps by the policy makers for a superior industry structure for banking in a phased manner through “managed consolidation” as well as by enabling greater capital availability will drive for a higher growth as well as boost employment generation in the sector.
- Insurance companies are witnessing increasing demand for project insurance apart from other already existing insurance components. Corporates are going for project insurance across sectors with the cover beginning right from the start of the project till it is declared ready for commercial use. Some of the big projects also take cover for financial loss arising out of delay in completion. This can act as a big booster for the insurance sector to grow further and create employment opportunity.

Estimates of Sector-wise Employment

in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
1160	1133	1129	1023	985	943	906	912	852	872

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases



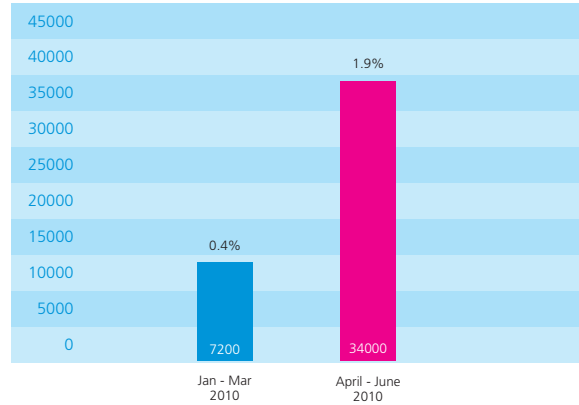
Ma Foi Randstad Employment Trends Survey
information technology
and IT enabled services

Employment in Dec. 2009
Estimated Employment in March 2010
Estimated Employment in June 2010

1,793,000
1,800,200
1,834,200 ▲

“the sector is expected to grow at around 15.5 per cent in 2010, on the back of growing investor confidence and favourable initiatives taken by the government.”

Estimated increase in employment



It is expected that by June 2010 the IT & ITES sector will register an increase in employment to the tune of 41,200.

- Continued demand from international markets for both IT and ITES sector is playing a critical role in hiring process.
- Demand from domestic sector is also playing its role to boost to the sector
- The UID project will also have a positive impact on hiring pattern
- Increase in Minimum Alternative Tax [MAT] from 15% to 18% is likely to affect the industry adversely
- No announcement on the tax rebate in the budget declaration is another dampening factor that will affect aggressive employment generation in IT & ITES sector.
- However, it is expected that the Indian information technology (IT) market is expected to grow at around 15.5 per cent in 2010, on the back of growing investor confidence and favourable initiatives taken by the government, which will act in renewing the positive sentiment.
- A few big outsourcing deals obtained by some large players of the sector are also playing the role of confidence booster for the sector.

Estimates of Sector-wise Employment


in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
-	522	670	821	1045	1343	1798	1888	1793	1834

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases



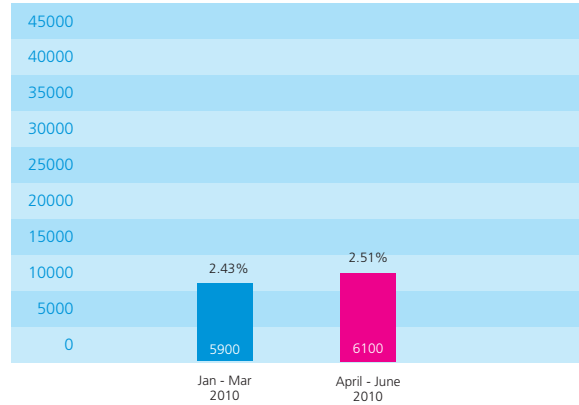
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pharmaceuticals



Employment in Dec. 2009	243,000
Estimated Employment in March 2010	248,900
Estimated Employment in June 2010	255,000 ▲

“rise in purchasing power and increased penetration of health insurance is expected to drive growth.”

Estimated increase in employment



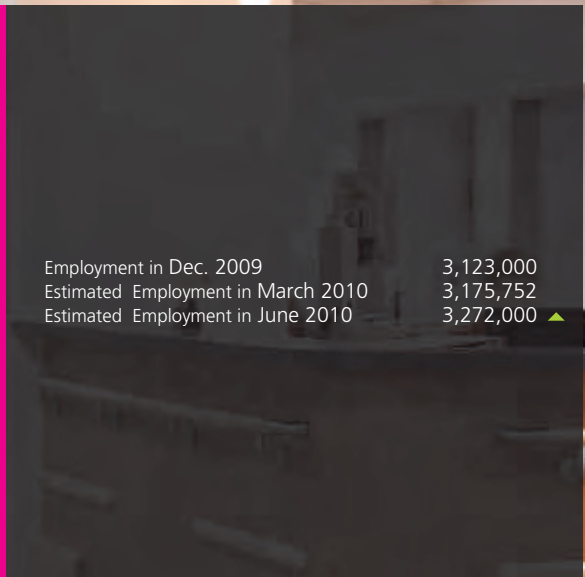
It is expected that by June 2010 the Pharma sector will register an increase in employment to the tune of 12,000.

- This is one of the fastest growing manufacturing sectors which is likely to experience almost the same level of increase in new employment creation in the sector during both quarters.
- The Indian Pharma sector, including domestic, generic exports and CRAMs (Contract Research and Manufacturing Services), continues to grow at about 13 per cent dwarfing the global average of five-six percent.
- The formulations industry is expected to prosper parallel to the pharmaceutical industry. It is expected that the domestic formulations market in India will grow at an annual rate of around 17 per cent in 2010, owing to increasing middle class population and rapid urbanization.
- An improved productivity trend has also prevented margin pressures on the companies allowing them to expand further.
- Rising purchasing power and increasing penetration of health insurance will support strong growth in business over the coming months. This growth is expected to be driven by every user segment - metros, tier-II cities, rural markets, hospitals etc.

Nurse Station

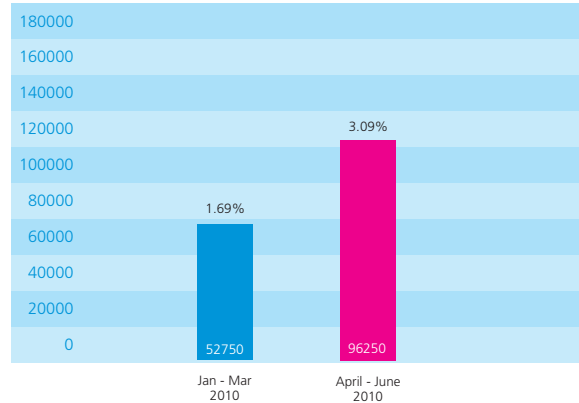
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Ma Foi Randstad Employment Trends Survey
healthcare



“opening up of new private hospitals and super-speciality hospitals combined with the expansion of existing health facilities will play a significant role in the growth of the sector and new job generation.”

Estimated increase in employment



It is expected that by June 2010 the Healthcare sector will register an increase in employment to the tune of 161,000.

- The healthcare industry in the country, which comprises hospital and allied sectors, is projected to grow 23 per cent per annum.
- Expected to grow fast and to contribute significantly large employment to the economy.
- The recovery from economic crisis has further strengthened the momentum of the sector.
- Private sector boom in healthcare sector continues as seen previously.
- Opening up of new private hospitals and super-speciality hospitals along with expansion of the earlier existing facilities, create huge opportunity for generating new employment
- Entry of new players into health insurance market is also another factor that boosts the likeliness of generating new employment in the sector
- As per data released by the Department of Industrial Policy and Promotion (DIPP), hospitals and diagnostic centres have received FDI worth US\$ 761.18 million during January to April 2010. This will further boost the growth of the sector.
- Announcements by the big players also boosted the sentiments substantially. For Example, Fortis Hospitals is planning to invest US\$ 53.7 million, to expand its facilities pan-India, Asia's leading hospital chain Columbia Asia Group, which already has six hospitals in the country, plans to open eight more multi-speciality community hospitals with a total capacity of 800 beds by mid-2012.
- Medical tourism in India has emerged as the fastest growing segment despite the global economic downturn. High cost of treatments in the developed countries, particularly the USA and UK, has been forcing patients from such regions to look for alternative and cost-effective destinations like India to get their treatments done. The Indian medical tourism industry is presently at a nascent stage, but has an enormous potential for future growth and development including being one of the significant contributor to employment generation.

Estimates of Sector-wise Employment

in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
2543	2639	2739	2843	2951	3063	3309	3511	3123	3272

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases

A photograph of a modern retail store interior, likely a clothing boutique, with glass walls and displays. A large pink rectangular overlay is positioned on the left side of the image, containing text. The store's floor is highly reflective, showing the ceiling lights and the store's interior. The store's branding, including the word 'ESPRIT', is visible on the walls and displays.

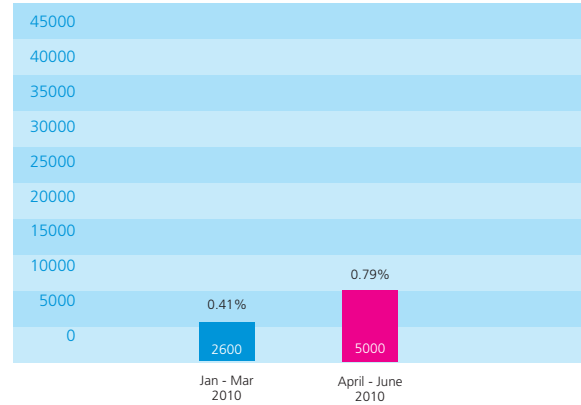
Ma Foi Randstad Employment Trends Survey
trade including
consumer, retail
and services

Employment in Dec. 2009 630,800
Estimated Employment in March 2010 633,400
Estimated Employment in June 2010 638,400 ▲

630,800
633,400
638,400 ▲

“the sector is expected to gain momentum during the later part of the year and this will result in increase in the number of jobs created.”

Estimated increase in employment



It is expected that by June 2010 the Trade sector will register an increase in employment to the tune of 7,600.

- The sector is yet to recover completely from the crisis mode. However, expectation of entry of new players as well as the boost in the economy and higher consumer spending are the encouraging factors for the sector to build momentum gradually.
- Growing positive sentiment has been reflected in higher expected recruitment during the quarter April to June 2010.
- Since growth in this sector is strongly correlated with growth in other sectors of the economy, it is expected that the sector will regain momentum during the later part of the year.
- The proposals in Union Budget 2010-11, such as abolition of Fringe Benefit Tax (FBT), hike in the personal income tax ceiling and huge increase in the outlay for infrastructure will bring indirect benefits to the sector, by raising consumer spending.
- No mention of either Foreign Direct Investment (FDI) or industry status for retail in latest Union Budget, despite the recommendation by the Economic Survey to allow FDI in multi-format retail, was a disappointment for the sector.
- However, as per a study conducted by the Indian Council for Research on International Economic Relations (ICRIER), the retail sector is expected to contribute to 22 per cent of India's GDP by 2010.
- Plans to penetrate into Tier II and Tier III cities of India by several players will also act as an instrument for employment generation by the sector in the coming months.

Estimates of Sector-wise Employment

in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
502	492	542	563	589	616	651	661	630	638

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases

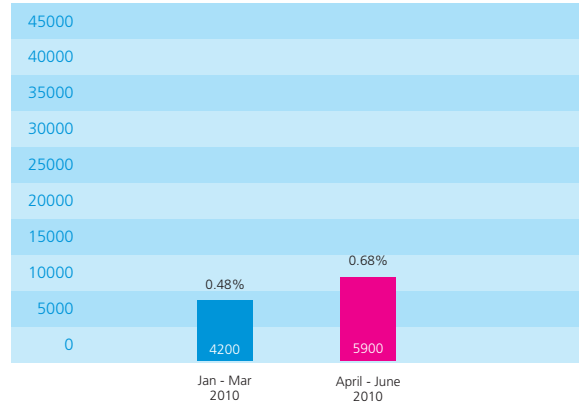
Ma Foi Randstad Employment Trends Survey
energy

Employment in Dec. 2009	874,000
Estimated Employment in March 2010	878,200
Estimated Employment in June 2010	884,100 ▲



“various benefits announced by the government is expected to create positive growth impact.”

Estimated increase in employment



It is expected that by June 2010 the Energy sector will register an increase in employment to the tune of 10,100.

- Various benefits announced by the Finance Minister while presenting the Union budget 2010 should have colossal impact on energy sector
- An allocation of Rs. 5,130 crore for Rajiv Gandhi Gram Vidyut Yojana (RGGVY), exemption of excise duty on wind power generation and concessional customs duty on equipments required for photovoltaic and solar thermal power units will play important role for the growth of the energy sector.
- The government also intends to initiate guidelines to establish "Coal Regulatory Authority" which would assist issues such as monetary costing of coal and setting a performance benchmark.
- An incentive hike of 61% for the Ministry of New and Renewable Energy from the previous Rs.620 crore to Rs.1, 000 crore has also been announced.
- The budget has suggested establishing solar plants and other micro power plants at a price of Rs.500 crore to deal with the problem of energy shortage in the Ladakh district of Jammu and Kashmir.
- 4% of reduction in central excise tariff on LED lights, an energy-efficient lighting option for home, office and street lighting and full central excise tax exemption on electric cars and automobiles that use eco-friendly energy substitutes are some positive steps by the government, which will help in the sector's growth.

Estimates of Sector-wise Employment

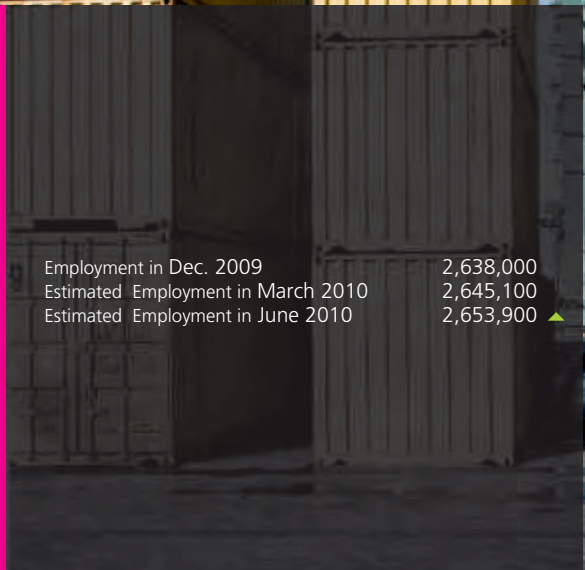
in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
987	965	963	951	941	930	927	938	874	884

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases

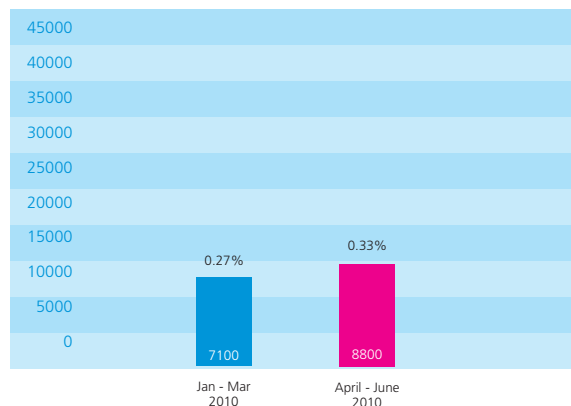


Ma Foi Randstad Employment Trends Survey
transport, storage
and communication



“immense thrust from the Union Government towards the infrastructure development both in rural and urban belts across the country has led to significant job creation in the sector.”

Estimated increase in employment



It is expected that by June 2010 the Transport, Storage and Communication sector will register an increase in employment to the tune of 15,900.

- The union budget 2010-11 has provided immense thrust to infrastructure development.
- Provision of Rs. 173,552 crore to plan allocation for infrastructure development, Rs. 48,000 crore for Bharat Nirman, an allocation of Rs. 20,000 crore for India Infrastructure Finance Company Limited [IIFCL] disbursement will have a positive impact on the growth of the sector and will result into new hiring also.
- Allocation of Rs. 66,100 crore for rural development and announcement of enhanced income tax benefit on investing in infrastructure bonds will also play positive role for the sector growth.
- An allocation of Rs 167.52 bn provided for Railways, which is about Rs. 9.50 bn more than last year.
- Mono Rail Projects for urban transport are being granted project imports status.
- Introduction of 3G will certainly boost the communication to expand further.
- However, improving operational efficiencies as well as the fact that a large proportion of employment in this sector is in unorganised sector, creation of employment in organised part of this sector is not commensurate to its growth.

Estimates of Sector-wise Employment

in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
3118	3085	3018	2969	2920	2870	2823	2824	2638	2654

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases



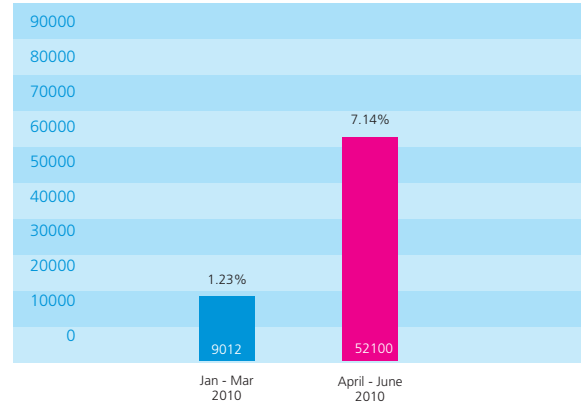
Ma Foi Randstad Employment Trends Survey
real estate and
construction

Employment in Dec. 2009
Estimated Employment in March 2010
Estimated Employment in June 2010

730,000
739,012
791,127 ▲

“recovery from economic crisis and positive sentiment towards the sector is expected to lead to a higher employment in the sector.”

Estimated increase in employment



It is expected that by June 2010 the Real Estate and Construction sector will register an increase in employment to the tune of 61,100.

- Real estate sector is again expected to grow at a fast pace during 2010-11. Recovery from economic crisis and positive sentiment towards the sector is expected to lead to a higher employment during April to June 2010.
- The union budget 2010-11 has provided boost to the sector for further growth. Interest subvention loan for houses costing upto Rs. 2 million has given the impetus to companies especially for those into affordable housing.
- Substantial increase in allocation in Rajiv Awas Yojana for slum dwellers, from Rs. 150 crore to Rs. 1270 crore, will play a positive role for the sector growth as well as employment scenario.
- Similarly, an increase in allocation for urban development, from Rs. 3060 crore to Rs. 5400 crore will also boost the sector further.
- Though the sector will employ substantial number of new recruits, it will be spread across the year.
- The real estate sector is also likely to get a boost from Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs).

Estimates of Sector-wise Employment

in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
1183	1082	992	926	863	804	771	804	730	791

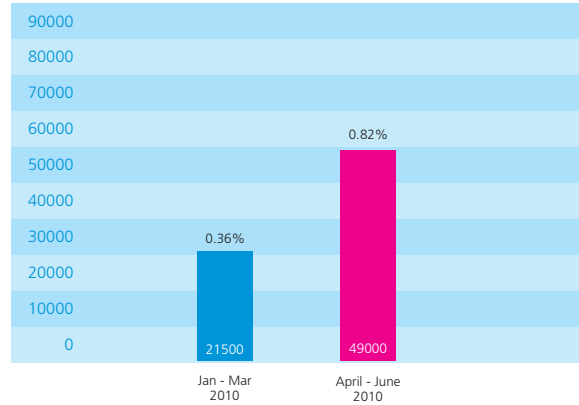
Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases

Ma Foi Randstad Employment Trends Survey
hospitality

Employment in Dec. 2009	5,951,000
Estimated Employment in March 2010	5,972,500
Estimated Employment in June 2010	6,021,500 ▲

“significant growth in the economy post recession and the development in infrastructure is expected to have a positive impact resulting in increase in the number of jobs created.”

Estimated increase in employment



It is expected that by June 2010 the Hospitality sector will register an increase in employment to the tune of 79,500.

- Hospitality was one of the fastest growing sectors which was hit hard during the recession. But it is now gaining momentum since end 2009 and is expected to grow again at a fast pace. This is also one of the sectors that generate significant employment in the economy and the survey suggests that it is expected to contribute a significant proportion of the new employment generation for the country.
- Announcement of Investment linked tax deduction in the Union Budget 2010-11 has given a big boost to the hospitality sector. This will play strong positive role of sector's growth in the coming months.
- Increase in allocation across schemes for infrastructure as well as road development will also play a positive role.
- Number of inbound tourists to India as well as of domestic tourists has increased significantly compared to the period of global economic recession. This has again helping the sector to regain confidence and to expand further.

Estimates of Sector-wise Employment

in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
4764	4946	5134	5330	5533	5744	6156	6452	5951	6022

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases

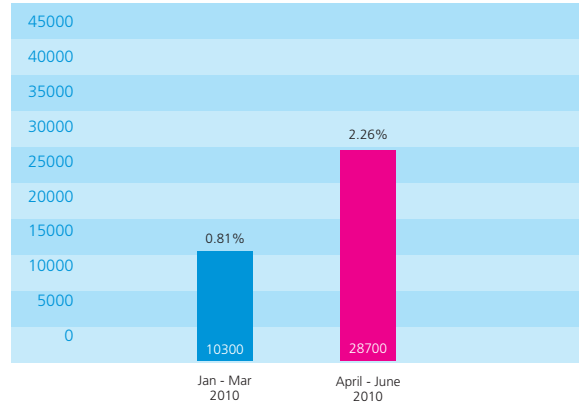


Ma Foi Randstad Employment Trends Survey
media and
entertainment



“favourable demographics, recovery in GDP growth rate and strong long term fundamentals of the Indian economy will result in a growth rate of 13% (CAGR) in the next 5 years.”

Estimated increase in employment



It is expected that by June 2010 the Media and Entertainment sector will register an increase in employment to the tune of 39,000.

- The sector, which is dependent on advertising for almost 38% of its revenues, was hit last year due to shrinking advertisement budgets.
- The year 2010 is expected to see the sector coming out of the shackles of the slowdown and a substantial increase in advertisement spending.
- Indian Premier League (IPL) as a sports property has grown from strength to strength and is there to stay boosting advertising revenue growth
- The sector is expected to grow at a rate of 13 per cent (CAGR) for next 5 years. This growth will be driven by the factors like favourable demographics, recovery in the GDP growth rate, strong long term fundamentals of the Indian economy, expected rise in advertising to GDP ratio and increasing media penetration.

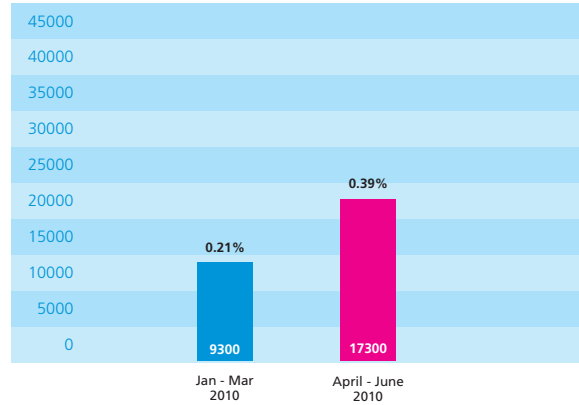
Ma Foi Randstad Employment Trends Survey
manufacturing
non-machinery products

Employment in Dec. 2009
Estimated Employment in March 2010
Estimated Employment in June 2010

4,424,000
4,433,300
4,450,600 ▲

“there is widespread positive sentiment across sectors due to the strong growth experienced in the last few months.”

Estimated increase in employment



It is expected that by June 2010 the Manufacturing [Non-Machinery Products] sector will register an increase in employment to the tune of 26,600.

- A positive is widespread across the sectors. This is due to strong growth experienced by the sectors since last few months which is expected to continue and strengthen further.
- Most of the sectors are optimistic about hiring; however, will maintain a cautious stand regarding the same.
- Efforts towards increasing productivity level to optimize the cost of production are leading towards planned recruitment as well as recruitment of manpower with specific required skills.
- Small players are still recovering and more cautious about new recruitments.

Estimates of Sector-wise Employment

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
Employment (in '000)	6580	6383	6545	6459	5496	5315	5045	4934	4,671	4710

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases

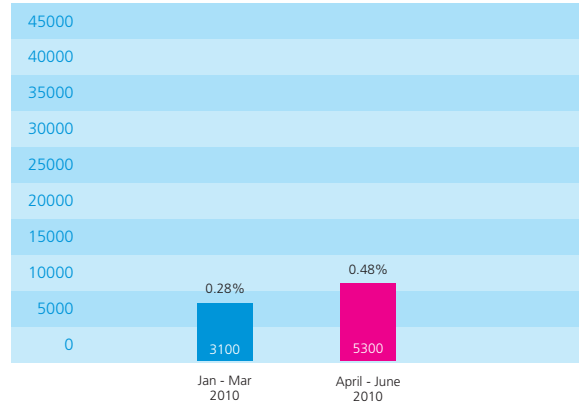
Ma Foi Randstad Employment Trends Survey
manufacturing
machineries and equipments

Employment in Dec. 2009
Estimated Employment in March 2010
Estimated Employment in June 2010

1,106,000
1,109,100
1,114,400 ▲

“increase of sales in the automobile sector and high growth experienced across various segments has created an optimistic outlook.”

Estimated increase in employment



It is expected that by June 2010 the Manufacturing – Machineries and Equipments sector will register an increase in employment to the tune of 8,400.

- This sector is experiencing high growth in previous months, especially in terms of sales, which has spread optimism across the board.
- Significant increase in sales of automobiles and other engineering products are in the forefront to spread the positive sentiments across the sector.
- Consumer durables are expecting further upsurge in sales as well as production.
- However, the small scale sector is still cautious about expanding activities as well as employment base.
- Overall, a positive situation is expected towards hiring scenario for the sector.

Estimates of Sector-wise Employment

in '000

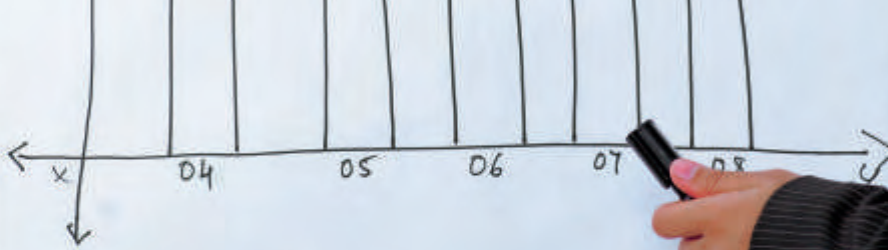
2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
1296	1231	1259	1263	991	943	894	901	1106	1114

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases

BFS I

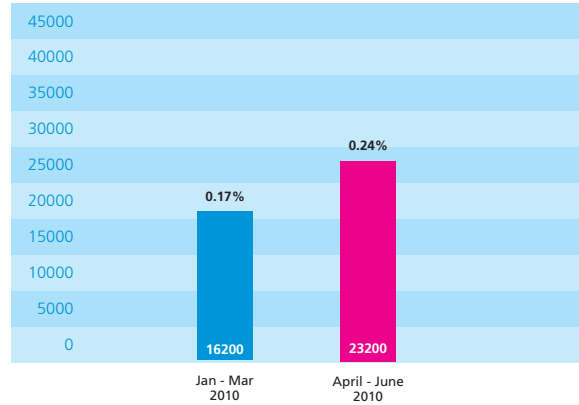
Ma Foi Randstad Employment Trends Survey
education

Employment in Dec. 2009 9,715,000
Estimated Employment in March 2010 9,731,200
Estimated Employment in June 2010 9,754,400 ▲



“government's thrust through introduction of Right to Education Act, increased plan allocation combined with the demand from the private educational institutes has increased the demand for manpower in the sector.”

Estimated increase in employment



It is expected that by June 2010 the Education, Training and Consulting sector will register an increase in employment to the tune of 39,400.

- With 13.5 crore children in primary schools, India has the largest student population and it requires continuous flow of manpower (teaching as well as non-teaching) for the educational sector to cater such a large number of students in the country.
- Along with education sector, the recovery of the economy will boost the need for training, research and consultancy.
- An increase in plan allocation from Rs. 26,800 crore to Rs. 31,036 crore and grant to the states of Rs. 3,675 crore will help the sector positively.
- Demand from the private sector educational institutes will play a major role in generating new employment in the sector.

Estimates of Sector-wise Employment

in '000

2001	2002	2003	2004	2005	2006	2007	2008	2009	June 2010
7566	7950	8353	8777	9222	9690	10262	10383	9715	9754

Source: MEIS 2008 and current estimates. Estimates are arrived at using NSSO, ASI, CSO and other databases



city wise employment outlook

Ahmedabad

Substantial hiring has taken place since December 2009. The mood of the companies is upbeat since most of the sectors including manufacturing as well as services have experienced positive growth and are also expecting further growth with the hope of renewed investment. A positive trend is expected during April to June 2010.

Bangalore

Hiring has gone up compared to last year. The major driving force is IT & ITES sector. However, it's still a quite away from the last week. It is expected that during the course of the current year this will improve gradually.

Chennai

Hiring went up significantly compared to the last quarter of 2009. The prime leaders were IT and manufacturing. It is expected that as the year progresses, hiring scenario will also be improved significantly.

Delhi & NCR

Compared to the last quarter, hiring has gone up significantly. However, the expectation of better performance by Media, BFSI, trade and other services is expected to result in strong hiring intentions by the companies in the coming months.

Hyderabad

Not much hiring activities have been reported by the companies though performances of the companies from different sectors are gradually looking up. However, the cautious movement about hiring might change once the sectors bounce back with greater performances. Expectations for the coming months are positive, though not very strong.

Kolkata

Hiring situation has improved compared to the last quarter of 2009 with manufacturing and IT related sectors as frontrunners. The situation is expected to become even better in the coming months with the hope that media, trade and some other services will bounce back strongly.

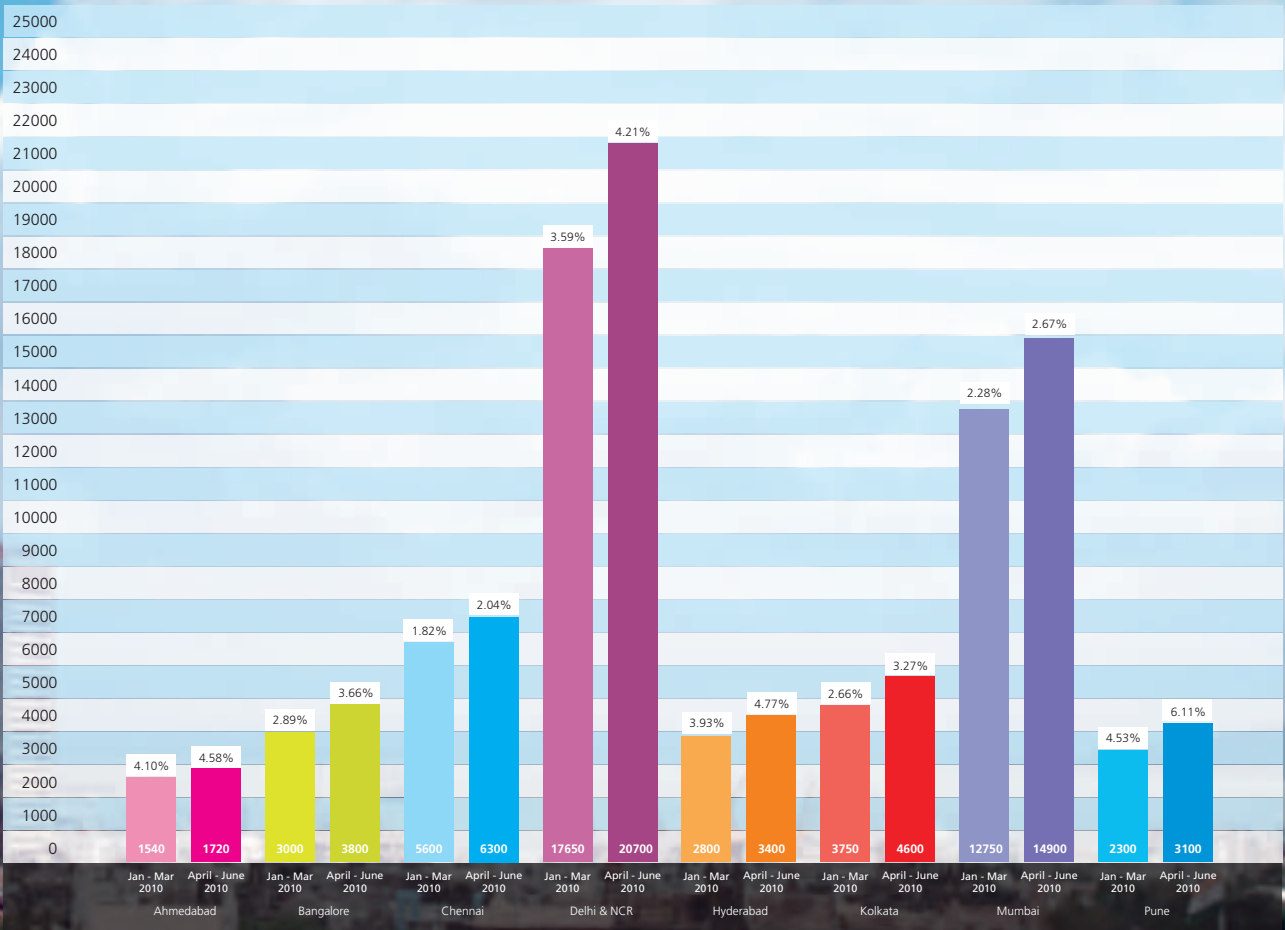
Mumbai

Mumbai hiring situation did not show any significant difference from the last quarter of 2009. A cautious approach and efforts towards optimizing the cost are the major reasons behind this, although there is optimism. However, the situation is expected to reverse once the companies are convinced that the economy has stabilized. Increased hiring scenario is expected during the next quarters of the year.

Pune

Pune shows a strong positive movement in hiring across sectors in comparison to the October-December quarter of 2009. Real estate, IT&ITES and manufacturing sector growth are the major driving force behind this. Responses from the companies suggest that this will grow stronger in the coming months of the year.

estimated increase in employment - city wise



summary and conclusion

The organized sector employment accounts for about 9 per cent of the total workforce of India in 2005. Though the country experienced stagnation in growth in organized sector employment, the situation was certainly better afterwards except the period of economic recessions during last couple of years. Previous employment survey of Ma Foi in 2007 suggested that the worst was over for the organized sector. The survey results indicated that stagnation in employment opportunities in the organized sector was likely to transform into increased employment growth mostly fuelled by the economic reforms and greater participation of the private sector. This was experienced till the global economy was affected by one of its worst recession period. Although India was affected, it still showed better performance compared to many other economies and registered a GDP growth of about of 6.5% which was above the general expectations.

The growth of the employment in organized sector was certainly affected by the recession and was diverted from its course of higher growth. A stable growth coupled with several policies has put the economy back in track. Industries have regained their confidence with higher output and profit levels. The sector players are again back on hiring. The present survey, based on the responses from HR persons and others at the top management level, confirms that hiring will once again be at a higher rate. However, most of the players indicated strongly that although they would go for hiring, it will be in a much planned and cautious manner. This survey shows that in the case of most of the sectors the expected hiring during the 2nd quarter of the year, i.e., April to June 2010, hiring will be higher than the quarter January to March. But, it has also been mentioned by most of them that the recruitment will not be aggressive and rather spread across the year to avoid risks.

Amongst the sectors covered under the survey Healthcare, Hospitality, Real Estate & Construction, Education are the key sectors to contribute significant amount to employment increase in the economy. The sectors with their likely performance are given in the following table. All together it is expected that more than 5 lakh jobs will be generated in the economy during the first two quarters of the current year.

Expected Employment Scenario till June 2010

Sector	Employment in Dec. 2009	Expected Increase in Employment during Jan to June 2010	Expected growth in Employment during Jan to June 2010
1. BFSI	852,000	20,200	2.37%
2. IT & ITES	1,793,000	41,200	2.30%
3. Pharma	243,000	12,000	4.94%
4. Healthcare	3,123,000	149,000	4.77%
5. Trade including CRS	630,800	7,600	1.20%
6. Energy	874,000	10,100	1.20%
7. Transport, Storage and Communication	2,638,000	15,900	0.60%
8. Real Estate and Construction	730,000	61,127	8.37%
9. Hospitality	5,951,000	70,500	1.18%
10. Media and entertainment	1,272,000	39,000	3.07%
11. Non-machinery Manufacturing	4,424,000	26,600	0.60%
12. Manufacturing of machineries and equipments	1,106,000	8,400	0.76%
13. Education, Training and Consultancy	9,715,000	39,400	0.41%

A-1: Increase in Salary across Sectors

(in per cent)

Sector	Expected Average Increase 2010-11	Estimated Average Increase during 1st Quarter of 2010	Expected Average Increase during 2nd Quarter of 2010
BFSI	10.3	1.2	2.6
IT & ITES	11.1	2.0	3.1
Pharma	13.2	2.5	3.3
Healthcare	12.1	2.0	3.9
Trade including CRS	10.6	1.7	2.0
Energy	12.8	2.7	3.2
Transport, Storage and Communication	9.1	1.9	3.2
Real Estate and Construction	12.1	2.0	4.3
Hospitality	10.6	2.1	2.8
Media & Entertainment	8.1	1.3	2.1
Non- machinery Manufacturing	9.3	1.8	2.8
Manufacturing of Machineries and Equipments	8.6	2.3	2.5
Education, Training and Consultancy	12.6	2.3	3.3

A-2: Increase in Salary across Sectors and Size of the Companies

(in per cent)

Sector	Expected Average Increase 2010-11			Estimated Average Increase during 1st Quarter of 2010			Expected Average Increase during 2nd Quarter of 2010		
	Cat.1	Cat.2	Cat.3	Cat.1	Cat.2	Cat.3	Cat.1	Cat.2	Cat.3
BFSI	13.1	9	9.4	1.9	1.2	0.7	3.5	2.5	2
IT & ITES	13.3	9.7	9.0	2.6	2.0	1.2	4.1	2.5	2.1
Pharma	13.7	14.1	9.2	2.8	6	2.5	3.6	3	3.1
Healthcare	14	11.5	11.6	2.4	2	1.8	4.3	3.7	3.8
Trade including CRS	12.4	10.8	8.2	1.9	1.8	1.3	2.7	1.9	1.2
Energy	12.8	13.1	8.2	3.1	3.3	2.1	3.4	3.5	2.9
Transport, Storage and Communication	10.2	9.3	8	2.1	1.9	1.6	3.9	3.2	2.7
Real Estate and Construction	13.3	11.9	11	2.3	2.1	1.5	5	3.8	3.8
Hospitality	12.8	10.1	8.2	2.8	1.8	1.5	1.9	1.4	2.5
Media & Entertainment	8.9	7.9	7.6	1.7	0.9	1.3	2.9	1.9	1.5
Non- machinery Manufacturing	10.4	7.7	9	1.6	1.7	2.4	4.5	1.7	0.8
Mfg. of Machineries and Equipments	10	7.2	8.2	2.4	2.2	2.2	2.6	2.7	2.1
Education, Training and Consultancy	13.5	11.5	9.6	2.7	1.8	1.4	3.6	2.8	2.2

Note:

Cat. 1 stands for companies with turnover >500 crore.

Cat. 2 stands for companies with turnover between 100 crore to 500 crore

Cat. 3 stands for companies with turnover <100 crore,

A-3: City wise Total Employment

City	Employment Dec 2007	Employment Dec 2008	Estimated Employment Dec 2009	Estimated Employment March 2010	Expected Employment June 2010
Ahmedabad	27,323	32,487	37,555	39,095	40,815
Bangalore	80,666	93,462	103,705	106,705	110,505
Chennai	264,125	289,343	308,329	313,929	320,229
Delhi & NCR	369,556	433,800	491,411	509,061	529,761
Hyderabad	46,605	60,427	71,267	74,067	77,467
Kolkata	113,077	127,792	140,807	144,557	149,157
Mumbai	464,084	517,008	558,464	571,214	586,114
Pune	33,792	43,300	50,752	53,052	56,152

A-4: City-wise Increase in Employment

(in per cent)

City	Estimated Change Jan to March, 2010	Expected Change April to June, 2010	Expected Total Increase Jan to June, 2010	Growth rate Jan to march 2010 (%)	Growth rate April to June 2010 (%)	Growth rate April to June 2010 (%)
Ahmedabad	1540	1720	3260	4.10	4.58	8.68
Bangalore	3000	3800	6800	2.89	3.66	6.55
Chennai	5600	6300	11900	1.82	2.04	3.86
Delhi & NCR	17650	20700	38350	3.59	4.21	7.80
Hyderabad	2800	3400	6200	3.93	4.77	8.70
Kolkata	3750	4600	8350	2.66	3.27	5.93
Mumbai	12750	14900	27650	2.28	2.67	4.95
Pune	2300	3100	5400	4.53	6.11	10.64

Note: The employment figures for 2007 and 2008 are taken from MeTS 2008. Growth figures are relative to December 2009 estimates.

A-5: Expected Increase in Salary across Cities

(in per cent)

City	Expected Average Increase 2010-11	Estimated Average Increase during 1st Quarter of 2010	Expected Average Increase during 2nd Quarter of 2010
Ahmedabad	10.9	2.9	2.1
Bangalore	10.9	1.8	6.0
Chennai	6.4	2.2	4.8
Delhi and NCR	8.9	2.4	2.1
Hyderabad	8.2	2.0	4.3
Kolkata	8.4	2.5	3.3
Mumbai	9.1	2.6	1.8
Pune	13.2	1.9	3.6

A-6: Estimated Proportion of Fresher/Experienced Manpower across Sectors

(in per cent)

Sector	Proportion of Fresher (%)	Proportion of Experienced (%)
BFSI	34.1	65.9
IT & ITES	27.1	72.9
Pharma	13.5	86.5
Healthcare	36.7	63.3
Trade including CRS	24.5	75.5
Energy	25.5	74.5
Transport, Storage and Communication	28.8	71.2
Real Estate and Construction	25.2	74.8
Hospitality	27.8	72.2
Media & Entertainment	23.1	76.9
Non- machinery Manufacturing	28.7	71.3
Manufacturing of Machineries and Equipments	29.4	70.6
Education, Training and Consultancy	24.7	75.3

A-7: Estimated Proportion of Fresher/Experienced Manpower across Cities

(in per cent)

City	Proportion of Fresher	Proportion of Experienced
Ahmedabad	32.1	67.9
Bangalore	29.7	70.3
Chennai	21.4	78.6
New Delhi & NCR	34.6	65.4
Hyderabad	22.7	77.3
Kolkata	13.8	86.2
Mumbai	23.6	76.4
Pune	25.4	74.6

A-8: Estimated Proportion of Fresher/Experienced across Sectors and Ownership

(in per cent)

Sector	Public Limited		Private Limited		Public Sector	
	Proportion of Freshers	Proportion of Experienced	Proportion of Freshers	Proportion of Experienced	Proportion of Freshers	Proportion of Experienced
BFSI	31.5	68.5	35.3	64.7	35.1	64.9
IT & ITES	23.4	76.6	28.2	71.8	21.1	78.9
Pharma	10.7	89.3	14.8	85.2	-	-
Healthcare	26.1	73.9	33.9	66.1	33.0	67.0
CRS	22.4	77.6	25.9	74.1	12.3	87.7
Energy	25.9	74.1	28.0	72.0	-	-
Transport, Storage and Communication	24.9	75.1	29.9	70.1	23.8	76.2
Real Estate and Construction	21.4	78.6	26.7	73.3	18.5	81.5
Hospitality	21.5	78.5	29.5	70.5	-	-
Media & Entertainment	20.0	80.0	24.1	75.9	-	-
Non- machinery Manufacturing	26.5	73.5	29.9	70.1	15.0	85.0
Manufacturing of Machineries and Equipments	28.7	71.3	29.7	70.3	19.0	81.0
Education, Training and Consultancy	24.1	75.9	25.0	75.1	20.3	79.7

A-9: Estimated Percentage of Work Outsourced Across Sectors

(in per cent)

Sector	Percentage of work outsourced
BFSI	14.4
IT & ITES	12.8
Pharma	10.7
Healthcare	5.8
CRS	20.0
Energy	8.2
Transport, Storage and Communication	13.1
Real Estate and Construction	16.5
Hospitality	11.5
Media & Entertainment	10.0
Non- machinery Manufacturing	18.0
Manufacturing of Machineries and Equipments	14.7
Education, Training and Consultancy	13.4

about

Ma Foi Randstad

Ma Foi Randstad is an international HR service provider servicing world class companies across the globe. Started in 1992, the company has grown into a full spectrum HR services provider for clients worldwide. It has helped generate career opportunities for more than 2, 90, 000 individuals in 36 countries and has worked for over 250 Fortune 500 organizations.

Ma Foi Randstad offers the broadest HR services portfolio ranging from Search, Selection, Staffing, Consulting, Outsourcing, Training and HR Automation. The organization has a vast network of offices across the country to be within reach of candidates and flexi workers.

Ma Foi Randstad continues to focus on developing customized and innovative HR services, leveraging on its unique strengths of geographical presence and end-to-end capability across all HR service functions.

about

Randstad

Randstad specializes in solutions in the field of flexible work and human resources services. Our services range from regular temporary staffing and permanent placement to inhouse, professionals, search & selection, and HR Solutions. Since acquiring Vedior in 2008, the Randstad Group is the second largest HR services provider in the world with top three positions in Argentina, Belgium & Luxembourg, Canada, Chile, France, Germany, Greece & Cyprus, India, Mexico, the Netherlands, Poland, Portugal, Spain, Switzerland and the UK, as well as major positions in Australia and the United States. End 2009 Randstad had approximately 25,500 employees working from over 4,100 branches and inhouse locations in 44 countries around the world.

Randstad generated revenue of €12.4 billion in 2009. Randstad was founded in 1960 and is headquartered in Diemen, the Netherlands. Randstad Holding NV is listed on the NYSE Euronext Amsterdam, where options for stocks in Randstad are also traded. For more information see www.randstad.com

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- Resource pool analysis helps in the assessment.

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about Indicus Analytics

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The endeavour of this research is to use it to broaden the public policy debate to promote liberalism and the mechanisms of the market for the stimulation of growth in India. The extension of the competitive market mechanism of resource allocation to the economy as a whole requires rigorous and robust understanding of institutions that will facilitate the extension. Indicus research thus focuses on the institutional capabilities as well as the regulatory processes of these institutions.

Our research services have been used by academia, government, research organizations, civil society, media, international institutions and industry. Academic institutions such as Harvard, Cambridge, Stanford Universities; national and international government organizations such as RBI, Finance Commission, DFID, USAID, various ministries; international organizations such as World Bank, UNICEF, UNDP; media groups such as India Today, Outlook, Indian Express; industry such as IKEA, Microsoft, VISA; consulting firms such as McKinsey, BCG, E&Y; NGOs and civil society organizations such as National Foundation of India, Liberty Institute have been some of our key sponsors.

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