
Recession reports - US jobless rate in October crosses 10pct

Friday, 13 Nov, 2009

Reuters reported that US jobless rate unexpectedly jumped to 10.2% in October 2009, a 26 and a half year high, adding to pressure on the Obama administration to do more to tackle unemployment even as signs of recovery mount.

Labor Department said that employers cut 190,000 jobs in October, more than the 175,000 markets had expected but fewer than the 219,000 jobs lost in September. Job losses for August and September were revised to show 91,000 fewer jobs were lost than previously reported, taking some of the sting out of the report.

Mr Barack Obama President of US said that the administration was considering infrastructure investments and business tax cuts to aid the economy's recovery. He added that "I can promise you that I won't let up until the Americans who want to find work can find work and all Americans can earn enough to raise their families and keep their businesses open."

Mr Mohamed El Erian CEO of bond giant Pacific Investment Management Co said that "Unfortunately, the problem is becoming deeper and more protracted. It's not just the increase in the headline number. It's also about the longer term nature of unemployment, the increase in underemployment and the prospect for only a very gradual recovery."

The US economy grew at a 3.5% annual rate in the third quarter, likely ending the most painful recession in 70 years, but the jobs data suggested employers are wary of the prospects for a strong, sustained recovery.

(Sourced from www.reuters.com)

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