
Slowdown signs - French jobless hit record high in 10 years

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UKPA reported that France's unemployment rate jumped to 10%, the highest in a decade a figure likely to influence voters ahead of regional elections. Unemployment has been climbing for seven quarters, since the economy dipped into recession in 2008, but the leap announced on Thursday was especially high, from 9.5% in the third quarter.

The announcement was an embarrassing setback for conservative President Mr Nicolas Sarkozy, who pledged in a television interview in January that joblessness would drop in the coming months.

The opposition Socialist Party asked that "Where is the drop in unemployment promised by Nicolas Sarkozy?" They added that France should have plans to stimulate consumer spending and investment, and also boost efforts to help the unemployed.

Jobs are a main topic of concern in regional elections scheduled for March 14th 2010 and March 21st 2010. Mr Sarkozy came to power in 2007 on a pledge to get France working more, but he ran into trouble pushing through many planned labor reforms even before the economic crisis hit.

Mr Christine Lagarde finance minister and Mr Laurent Wauquiez junior minister for employment tried to put a positive spin on the joblessness figures, saying the job market in France has resisted the crisis better than many countries.

France's number of unemployed is 22% above its level in May 2007, when Mr Sarkozy was elected while joblessness across the 16 country eurozone rose 34% in the same period and the United States' rose 119%.

Mr Marc Touati, an economist at Paris based brokerage Global Equities, said that the unemployment rate could not be blamed on the crisis alone. He cited structural problems in the French labor market, saying education and youth training programs were poorly adapted to employers' needs.

Prospects are worst for French youths under 25, nearly a quarter of whom are unemployed. When France's quarterly unemployment rate was last at 10% in 1999, the labor market had a much different look: The Socialist-led government was pushing through a reform to shorten the working week to 35 hours, on the rationale that employers would be forced to hire more people. Ensuing conservative governments have claimed the shorter working week was a mistake and parliament has substantially chipped away at the law that put it in place.

(Sourced from UK Press Association)

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