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Graduate Development Service Newsletter

March 2014

INDUSTRIES AND RECENT HIRING TRENDS

India has been rated as best employment destination this year by Grant Thornton International Business report dated 26th February, 2014. This is in spite of the economic recession that has affected the country since 2011. According to a report presented by Nomura, India's economy is projected to grow at a rate of 4.5-5% in 2014.

There are clear indications of an upturn in the economy and consequently, employment growth projections. The positive outlook was reflected in the interim budget presented by the Indian finance minister, P Chidambaram who declared that "India is likely to create 10 million jobs this year" expressing the hope that this would make it the third largest economy after US and China in next couple of years.

According to a report published by Assocham, the economy is expected to recover and the following are the projected growth sectors. Information Technology (IT), pharmaceuticals, banking and agri-related industries such as farm equipment, fertilisers and seeds, will remain the largest employment generation sectors in 2014,

SECTOR REPORT:

- **Manufacturing:** Due to the cut in excise duty from 12% to 10% as per the proposed interim budget 2014, the manufacturing sector is expected to boom through higher sales with manufacturing passing the excuse duty benefit to consumers.

- The **automobile sector,** which witnessed an unprecedented downturn of 9.6 % in 2013 showed a 1% increase in February this year. Faster economic growth is likely to drive volumes. A fall in interest rates and stable fuel prices are expected to create an environment conducive for growth.

- **IT** will remain the net aggregator of jobs in 2014 due to recovery in the US economy. The US economy is showing signs of improvement. A large number of American firms are expected to increase their IT spending as consumer sales pick up. The continuous pressure on the Rupee will help increase the net income of IT companies and they will continue to hire. The IT lobby made its most optimistic forecast for software exports in three years, estimating a 13-15% increase in the next fiscal year with top clients such as General Electric Co. (GE) and Citigroup Inc. expected to spend more on farming out back-office software projects to cut costs. Including the domestic market, the Indian IT industry is currently pegged at $118 billion. According to NASSCOM while software exports will grow at about 13%, the domestic market, will witness slower-than-expected growth of 9-12% at Rs.125-128 crore in 2014-15, mainly due to uncertainty on spending by the government.

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- **Banking**: According to an article published by DNA dated 2nd January, 2014 the biggest recruiters are going to be banks this year. With the number of new licenses being approved and the expansion plans of a few banks, it is expected that banking sector will hire around 70,000 professionals this year, which means banks will soon be hiring from entry level through to senior level positions. While the new banks will leverage technology, job opportunities will arise both in bricks and mortar and also in the development and implementation of technology solutions.

- **FMCG and Consumer Durables**: Stock process of most consumer staples companies have fallen 10-15% over the Q3 (October to December 2013). Since 2011, with growth slowing and high inflation eating into household savings, the sector has been facing rough weather. The trend is expected to continue as earnings growth slows due to the rise in competition, a weak economic environment, unlikely margin expansion from the current high base and high advertising and promotion spends to fight competition amid limited scope for increasing prices. Rising interest rates and import costs due to rupee depreciation have added to the industry's woes. However footwear, kitchenware and paints are expected to have sustainable growth due to consistency in demand, relatively lower levels of competition with three-four large players controlling 70-80% market in their respective segments. The smart phone and tablets segment are performing reasonably well too.

- **Healthcare and Pharmaceutical**: The Healthcare industry is expected to grow at a rate of 13% every year as per a report published by Siliconindia on 6th February 2014. The pharmaceutical sector has shown consistent double-digit growth in the recent past. The US Food and Drug Administration's demanding guidelines have hit overseas sales, government initiatives such as allowing 100% foreign direct investment in health and medical services will also benefit the sector. The government also plans to increase health expenditure to 2.5% of gross domestic product by the end of the 12th Five-Year Plan (2012-17), which will give the sector another big boost. Generic drugs are emerging as one of the leading segments that will gain as a number of drugs go off-patent in the next few years.

- **Telecom:** 2013 was a game changer for the telecom industry. The government not only tried to reduce regulatory hurdles by ensuring clarity on questions of mergers and acquisitions but also increased the foreign direct investment limit in the sector from 74% to 100%. The clause of investment beyond will require prior government approval holds. The industry is coming out of the woods. The number of data services subscribers, who generate revenues, has been growing 30% on a quarter-on-quarter basis. With increasing profits, this sector is expected to grow.

- **Consulting:** According to reports published in all major dailies early this year, the Big Four professional services firms — Ernst & Young, PwC, KPMG and Deloitte — are together likely to hire over 40,000 people in the next four years. This is due to a rise in business in tier-II and tier-III cities, growing work in telecom, infrastructure and state government projects, aggressive ramp-up of global shared services centres, and increased focus on emerging markets by global headquarters.

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SANNAM S4 SUGGESTS:

If you are struggling to secure a role post returning to India, here are two recommendations;

Explore SME sectors: Candidates leaving university tend to limit themselves to applying to large MNCs, rather than to small or mid-sized companies. By doing so, candidates usually miss out on opportunities. Listed below are a few advantages of joining mid-size or small companies

- The sector represents 90% of the enterprise and contributes more than 50% of output in Indian economy.
- Working in this sector provides a candidates with opportunities to handle more responsibilities, create higher visibility and grow faster vis-à-vis opportunities offered by large organisations where growth and work styles tend to be structured.
- Hiring process perhaps more geared to non-standard practices, hence the SME are far more receptive to hiring international graduates as compared to larger corporates who largely rely on campus hiring for entry level recruitment.

Internships are the way into large corporates: Securing an internship, paid or unpaid, is often the route to enter an organisation of choice, particularly for those that hire through the campus placement route in India. Think of it as a really long interview, after which you've proved that you are a capable and hardworking employee.The duration of internship may vary between 1 month to 6 months. The following are the advantages:

- For a job seeker, it provides a platform to enter an organisation that is otherwise closed to hiring talent from out of the set candidate pools.
- It provides an opportunity to a candidate to get an understanding of the work culture, or a specific career prior to committing to full-time employment—a "try before you buy" type experience.
- Networking opportunity: Internships are a great way to meet people in your field. Even if the organisation where you have interned in cannot provide you with a full time role, it provides you with a platform to meet people from the industry, who could recommend you further.

Securing a job should be a priority instead compensation. There is a perception, that international degree holders demand higher compensation. Get an understanding of compensations offered. This can be obtained online. Glassdoor.com an online portal offers an insight into compensations.

SANNAM S4 GRADUATE DEVELOPMENT SERVICES

Sannam S4 offers an India career advisory programme to support returning graduates. Within the Sannam S4 team, we have extensive experience of the Indian recruitment environment. We will provide you with insightful guidance and local services to assist you with your first employment opportunity in India by preparing you for interviews and enhancing your employability.

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Sannam S4 can help enhance your employability:

- **Newsletters:** A Sannam S4 newsletter once every eight weeks will provide you with nuggets of information on industry trends, career planning and development as well as hints and tips to get you ready for the workplace.

- **Advisory Services:** We will provide additional support, by investing dedicated time to help you with your interview and will also connect you with alumni who can provide additional support

- **Tracking:** Three months before the end of your course, we will send you an email alerting you to the need for considering future career paths, offering our help regarding formulating winning CVs, researching jobs in areas of interest, and helping you acquire skills which match the requirements of your potential employers. We will keep in touch with you through Skype and emails.

- **Corporates Links:** We will match your skill sets with corporates to provide you with a platform to present your credentials to them.

HOW TO ENROL

To enrol for Sannam S4 Graduate Development Services, please email Ritu Singh directly at ritu.singh@sannams4.com where you will be required to fill an enrollment form that will capture educational and past work experience (if applicable), as well as preferred locations for work in India. The enrolment fee is Rs. 5,000 + applicable taxes and is valid for the duration of 12 months post the completion of your degree