

Italy's unemployment rate hits highest level since 2004

ROME, Oct. 31 (Xinhua) -- Unemployment in crisis-hit Italy soared to 10.8 percent in September, the highest level since 2004, national statistics institute Istat said on Wednesday.

Some 2.8 million Italians were out of job, 0.2 percent more than in August and 2 percent up compared to the same month last year, said the report.

Youth unemployment was especially high, with 35.1 percent of those aged between 15 to 24 unemployed, 1.3 percent more compared to August and 4.7 percent up over September 2011.

Italy, whose debt to GDP ratio has reached a record 126.1 percent in the second quarter of 2012, according to the EU statistics agency Eurostat, is struggling amid deepening recession.

A series of painful austerity measures carried out by the technocratic government led by Prime Minister Mario Monti is weighing heavily on households' propensity to save.

According to the head of the national central bank Ignazio Visco, austerity reforms will have positive long-term effects, despite enduring problems such as rising unemployment and public debt in the short-term.

"The budgetary measures adopted by the Monti cabinet have a negative impact on short-term economic trends, but have avoided scenarios far worse than what we presently experience," he said.

On Wednesday, Economy Minister Vittorio Grilli said achieving the commitment of balancing the budget next year was necessary but not enough to help Italy out of the economic crisis.

"Balancing the budget in 2013 is a fundamental target of the government, but we know it is not enough. We have to do more," he said.