

17 November 2010

Employment Statistics

3rd quarter 2010

The unemployment rate was 10.9% in the 3rd quarter of 2010

The estimated unemployment rate for the 3rd quarter of 2010 was 10.9%. This is 1.1 percentage points (pp) higher than in the same period of 2009 and 0.3 pp up on the previous quarter. A total of 609.4 thousand people were estimated to be without employment. This is 11.3% higher in year-on-year terms and an increase of 3.3% higher over the previous quarter. The number of people in employment fell 1.1%, compared with the same period of 2009 and was 0.6% lower than in the previous quarter.

1. Labour force (active population)

The Employment Survey for the 3rd quarter of 2010 shows that the labour force (active population) resident in Portugal rose by 0.1% (or 7.7 thousand people) compared to the same period of 2009, and fell by 0.2% (8.4 thousand) compared to the previous quarter.

The proportion of the labour force of working age (those aged 15 and over) was estimated to be 61.8% in the 3rd quarter of 2010. This is 0.1 percentage points (pp) higher than in the same period of 2009 and 0.1 pp lower than in the previous quarter.

In the 3rd quarter of 2010, 56.3% of women of working age were in the labour force, compared to 67.7% of men.

2. Labour force in work

A total of 4,963.6 thousand people were in work in the 3rd quarter of 2010, a year-on-year fall of 1.1% (53.9 thousand people) and a quarterly decrease of 0.6% (28.0 thousand).

The year-on-year fall is essentially accounted for by:

- A fall in the number of women in work (-32.2 thousand). A somewhat lower fall in the number of

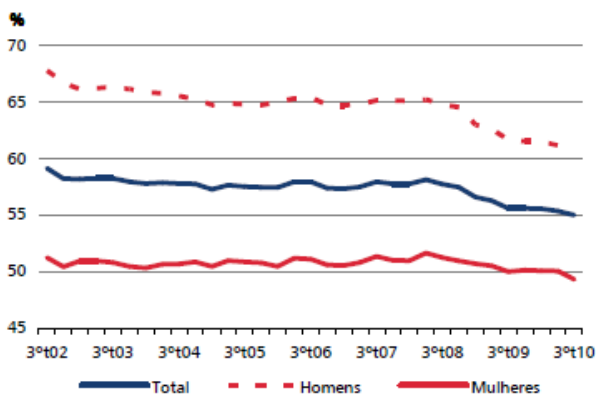
men in work (-21.7 thousand)

- A fall of 86.7 thousand in the employment bracket of those aged 15 to 34. The number of those aged 65 and over who were in work fell less (-12.7 thousand).
- The number of people in employment with a level of education equivalent to no more than middle school fell by 140.2 thousand. On the contrary, the number of people in employment with a level of education equivalent to secondary school or post-secondary non-tertiary, on the one hand, or tertiary education, on the other, rose by 54.5 thousand and 31.8 thousand, respectively.
- The decrease of 34.1 thousand jobs in the industry, construction, energy and water supply sectors and of 28.0 thousand jobs in the agriculture, livestock, hunting, forestry and fishing sectors. The fall in employment in the industry, construction, energy and water supply sectors is largely explained by a fall-off in manufacturing, which employed 23.7 thousand fewer people. On the contrary, employment rose by 8.2 thousand in the services sector.
- A fall in the number of self-employed (-54.8 thousand). The number of employees remained practically unchanged. There was a fall in the number

of employees with permanent contracts (-44.0 thousand) and an increase in the number with fixed-term contracts (+56.3 thousand). The number of employees with other types of contracts also fell (-13.8 thousand).

- The 47.8 thousand decrease in the number of full-time workers, which accounted for 88.7% of the overall fall in employment.

In the 3rd quarter of 2010, the employment rate (for those aged 15 and over) stood at 55.0%. This is 0.6 pp lower than in the same period of 2009 and 0.4 pp lower than the previous quarter.

Graph 1: Employment rate by gender


[Key: Total / Males / Females]

The male employment rate (61.2%) was 11.9 pp higher than that for females (49.3%). Both rates fell compared to the same period of 2009. In comparison to the previous quarter, the female rate declined whilst the male rate remained unchanged.

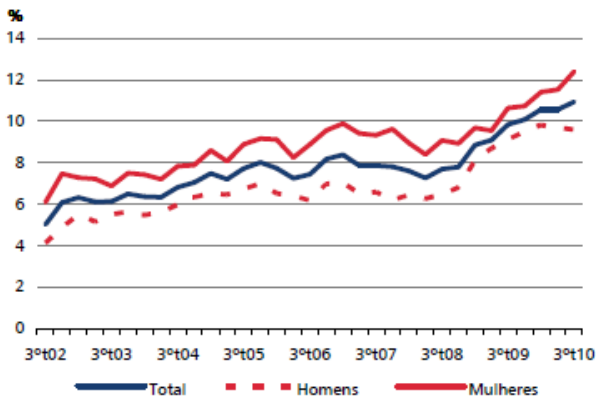
3. Unemployment

A total of 609.4 thousand people in Portugal were unemployed in the 3rd quarter of 2010, a year-on-year rise of 11.3% (61.7 thousand people) and a quarterly rise of 3.3% (19.6 thousand).

The year-on-year change in unemployment is largely explained by the following:

- The increase in the number of unemployed women (+48.1 thousand) accounts for 78.0% of the overall rise in unemployment. The number of men out of work also rose, but to a lesser extent (+13.6 thousand).
- The increase in unemployment amongst those aged 45 and over (+20.6 thousand) and those aged 25 to 34 (+18.8 thousand).
- The rise in unemployment amongst those with a level of education equivalent to no more than middle school (+28.9 thousand) or no more than secondary and post-secondary school (+28.6 thousand). Unemployment also went up amongst those with a tertiary level of education, though to a lesser extent (+4.2 thousand).
- The increase in the number of unemployed looking for work (+47.4 thousand) is mainly accounted for by those in the service sector (+31.3 thousand). The number of unemployed looking for a first job rose by 13.4 thousand.
- The 85.8 thousand increase in the number of unemployed who have been looking for a job for 12 months or more.

In the 3rd quarter of 2010, the estimated unemployment rate was 10.9%. This is 1.1 pp higher than in the same period of 2009 and 0.3 pp up on the previous quarter.

Graph 2: Unemployment rate by gender


[Key: Total / Males / Females]

The male unemployment rate was 9.6% and the female unemployment rate was 12.4%. Both of these were higher than in the same period of 2009 (+0.5 pp and +1.8 pp, respectively), but only the female unemployment rate was up on the previous quarter (+0.9 pp).

The quarterly increase in the unemployment rate was the combined result of the 0.6% fall in the number of people in work and the 3.3% rise in the number of people out of work (-28.0 thousand and +19.6 thousand, respectively).

The quarterly increase in unemployment occurred mainly in the following population groups: women, those aged 15 to 34 and those aged 45 and over, those with a level of education equivalent to secondary, non-tertiary post-secondary or tertiary education, those looking for their first job, those looking for a new job who were formerly employed in the services sector and those who had been looking for work for 12 months or more.

4. Non-working population

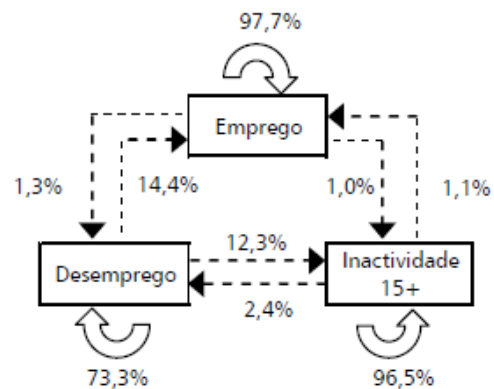
In the 3rd quarter of 2010, the non-working population aged 15 years old and over decreased by 0.3%, compared to the same period of 2009, and increased by 0.4%, compared to the previous quarter (-11.0 thousand and

+14.2 thousand, respectively).

The non-working rate (for those aged 15 and over) stood at 38.2% in the 3rd quarter of 2010. This rate was 32.3% for men and 43.7% for women.

5. Quarterly flows between labour market statuses

From the 2nd to the 3rd quarter of 2010, 1.3% of those initially employed became unemployed and 1.0% stopped working. Thus, a total of 2.3% of those in employment changed status in the 3rd quarter of 2010 (97.7% remained in employment). From the 1st to the 2nd quarter of 2010, this percentage had been slightly lower (2.2%).

Quarterly flows between labour market statuses (in % of initial status)


[Unemployment / Employment / Non-working]

In relative terms, the flows out of unemployment over the two quarters were higher than the flows out of employment. Of those unemployed in the 2nd quarter of 2010, 26.7% changed status in the 3rd quarter. 14.4% found work and 12.3% joined the non-working population. The percentage of those who moved from unemployment to employment was higher than the percentage flow seen between the 1st and 2nd quarters of 2010 (13.1%). On the other hand, the percentage of those moving from unemployment to join the non-working population was

lower (it had been 12.8%).

Of all those aged 15 and over who had been classified as non-working in the 2nd quarter of 2010, 1.1% moved to employment and 2.4% moved to unemployment in the 3rd quarter. The proportion of those who moved from non-working to employment was lower than seen between the 1st and 2nd quarters of 2010. The proportion of those moving to unemployment was higher (it had been 1.7%).

6. Unemployment rates by NUTS II regions

In the 3rd quarter of 2010, the highest unemployment rates were recorded in NUTS II regions *Norte* (13.2%), *Algarve* (12.8%), *Alentejo* (11.6%), and *Lisboa* (11.3%). The lowest values were seen in the *Região Autónoma dos Açores* (6.6%), *Centro* (7.4%), and the *Região Autónoma da Madeira* (7.8%).

Table 1: Unemployment rates by NUTS II regions (NUTS – 2002)

	Unit: %		
	3Q-2009	2Q-2010	3Q-2010
Portugal	9.8	10.6	10.9
<i>Norte</i>	11.6	12.2	13.2
<i>Centro</i>	7.2	7.7	7.4
<i>Lisboa</i>	10.3	11.0	11.3
<i>Alentejo</i>	10.2	11.8	11.6
<i>Algarve</i>	10.3	12.2	12.8
<i>R. A. Açores</i>	6.2	6.2	6.6
<i>R. A. Madeira</i>	7.9	8.2	7.8

Source: INE, Employment Statistics – 3rd Quarter 2010

Compared to the same period of 2009, and in tune with the overall picture for Portugal, the unemployment rate increased in all regions, except the *Região Autónoma da Madeira*, where the unemployment rate decreased. The largest increases were recorded in *Algarve* (+2.5 pp), *Norte* (+1.6 pp), and *Alentejo* (+1.4 pp).

Compared to the previous quarter, there was an increase in the unemployment rate in four regions: *Norte*, *Lisboa*, *Algarve*, and the *Região Autónoma dos Açores*. The largest

increases were recorded in *Norte* (+1.0 pp) and *Algarve* (+0.6 pp)

Table 2: Main indicators for the employed labour force – Portugal

	Quarterly values			Variation	
	3Q-2009	2Q-2010	3Q-2010	YoY	Quarterly
	Thousands of people			%	
Labour force (active population)	5,565.3	5,581.4	5,573.0	0.1	-0.2
Men	2,933.6	2,923.1	2,925.5	-0.3	0.1
Women	2 631.6	2,658.2	2,647.5	0.6	-0.4
Aged 15 to 24	463.2	426.2	421.9	-8.9	-1.0
Aged 25 to 34	1,434.6	1,424.8	1,417.8	-1.2	-0.5
Aged 35 to 44	1,430.6	1,454.4	1,455.2	1.7	0.1
Aged 45 to 64	1,915.2	1,956.2	1,968.0	2.8	0.6
Aged 65 and over	321.7	319.7	310.0	-3.6	-3.0
Labour force (%)	52.3	52.5	52.4		
Men	57.0	56.8	56.8		
Women	47.9	48.4	48.2		
Labour force (aged 15 and over) (%)	61.7	61.9	61.8		
Men	67.9	67.7	67.7		
Women	55.9	56.5	56.3		
Labour force in work	5,017.5	4,991.6	4,963.6	-1.1	-0.6
Men	2,666.0	2,639.9	2,644.3	-0.8	0.2
Women	2,351.5	2,351.7	2,319.3	-1.4	-1.4
Aged 15 to 24	374.4	339.7	323.1	-13.7	-4.9
Aged 25 to 34	1,266.7	1,245.5	1,231.3	-2.8	-1.1
Aged 35 to 44	1,304.2	1,306.0	1,316.4	0.9	0.8
Aged 45 to 64	1,751.7	1,782.8	1,784.8	1.9	0.1
Aged 65 and over	320.6	317.5	307.9	-4.0	-3.0
Up to middle school – 3 rd Cycle	3,377.0	3,256.2	3,236.8	-4.2	-0.6
Secondary and post-secondary	864.6	895.2	919.1	6.3	2.7
Tertiary education	775.9	840.2	807.7	4.1	-3.9
Agriculture, livestock, hunting, forestry and fishing (a)	567.2	540.9	539.2	-4.9	-0.3
Industry, construction, energy and water (a)	1,413.6	1,390.4	1,379.5	-2.4	-0.8
Services (a)	3,036.7	3,060.3	3,044.9	0.3	-0.5
Employed	3,837.8	3,870.3	3,836.2	o	-0.9
On permanent contract	2,991.8	2,979.5	2,947.8	-1.5	-1.1
On fixed-term contract	688.8	752.4	745.1	8.2	-1.0
Others	157.2	138.4	143.4	-8.8	3.6
Self-employed	1,134.7	1,075.3	1,079.9	-4.8	0.4
Unpaid family employees and other situations	45.0	46.0	47.5	5.6	3.3
Full-time employed	4,453.3	4,404.8	4,405.5	-1.1	o
Part-time employed	564.3	586.8	558.1	-1.1	-4.9
Employment rate (aged 15 and over) (%)	55.6	55.4	55.0		
Men	61.7	61.2	61.2		
Women	50.0	50.0	49.3		

Source: INE, Employment Statistics – 3rd Quarter 2010

Note: (a) These estimates are based on NACE – Rev. 3.

Sign conventions:

o Figure is less than half the absolute value of the unit used.

– No result

Table 3: Main indicators for the unemployed and non-working populations – Portugal

	Quarterly values			Variation	
	3Q-2009	2Q-2010	3Q-2010	YoY	Quarterly
	Thousands of people			%	
Unemployment	547.7	589.8	609.4	11.3	3.3
Men	267.6	283.3	281.2	5.1	-0.7
Women	280.1	306.5	328.2	17.2	7.1
Aged 15 to 24	88.8	86.6	98.8	11.3	14.1
Aged 25 to 34	167.8	179.3	186.6	11.2	4.1
Aged 35 to 44	126.4	148.3	138.8	9.8	-6.4
Aged 45 and over	164.6	175.5	185.2	12.5	5.5
Up to middle school – 3 rd Cycle	389.7	427.2	418.6	7.4	-2.0
Secondary and post-secondary	93.7	106.2	122.3	30.5	15.2
Tertiary education	64.3	56.4	68.5	6.5	21.5
Looking for first employment	52.6	54.8	66.9	27.2	22.1
Looking for new employment	495.1	535.0	542.5	9.6	1.4
Agriculture, livestock, hunting, forestry and fishing (a)	12.7	17.0	16.8	32.3	-1.2
Industry, construction, energy and water (a)	220.0	237.0	231.9	5.4	-2.2
Services (a)	262.4	281.1	293.7	11.9	4.5
Unemployment rate (%)	9.8	10.6	10.9		
Men	9.1	9.7	9.6		
Women	10.6	11.5	12.4		
Young people (aged 15 to 24)	19.2	20.3	23.4		
Unemployed by duration of job search (b)					
Up to 11 Months	290.8	261.8	268.6	-7.6	2.6
12 months or more (long-term)	253.4	326.2	339.2	33.9	4.0
Long-term unemployment rate (%)	4.6	5.8	6.1		
Non-working population	5,075.7	5,051.3	5,064.6	-0.2	0.3
Non-working population (aged 15 and over)	3,461.7	3,436.5	3,450.7	-0.3	0.4
Men	1,389.0	1,393.9	1,394.3	0.4	o
Women	2,072.7	2,042.6	2,056.4	-0.8	0.7
Aged 15 to 24	723.3	739.7	736.8	1.9	-0.4
Aged 25 to 34	172.8	155.0	157.2	-9.0	1.4
Aged 35 to 44	170.8	147.7	148.5	-13.1	0.5
Aged 45 to 64	833.0	809.6	807.5	-3.1	-0.3
Aged 65 and over	1,561.8	1,584.6	1,600.7	2.5	1.0
Students	777.7	774.3	756.7	-2.7	-2.3
Domestic	502.8	496.6	488.9	-2.8	-1.6
Retired	1,844.4	1,845.3	1,858.6	0.8	0.7
Other non-working	336.7	320.3	346.5	2.9	8.2
Non-working population (aged 15 and over)	38.3	38.1	38.2		
Men	32.1	32.3	32.3		
Women	44.1	43.5	43.7		

Source: INE, Employment Statistics – 3rd Quarter 2010

Notes:

(a) These estimates are based on NACE – Rev. 3.

(b) The “duration of search” variable does not include those who are unemployed but who are no longer looking for work because they have found a job that will begin in the next 3 months. This explains why the sum of the number of unemployed by duration of search can be less than the total number of unemployed.

Sign conventions:

o Figure is less than half the absolute value of the unit used.

– No result

TECHNICAL NOTE

The main objective of the employment survey is to describe the population in terms of the labour market. It takes the form of a quarterly sample-based survey of people living in family homes in Portugal. The results are reported on a quarterly and annual basis. The information is obtained directly, by means of a computer-aided interview. The published data have been calibrated on the basis of independent estimates of the population, calculated using the definitive results of the 2001 census.

KEY CONCEPTS

For additional concepts see the publication "Employment Statistics – 3rd quarter 2010".

Labour force

This expresses the working population as a percentage of the total population.

$$LF (\%) = (\text{Labour force} / \text{Total population}) \times 100$$

Labour force (aged 15 and over)

This expresses the labour force as a percentage of the population of working age (aged 15 and over). $LF (\%) = (\text{Labour force} / \text{Population aged 15 and over}) \times 100$

Unemployment rate

This expresses the unemployed population as a percentage of the total labour force.

$$UR (\%) = (\text{Unemployed population} / \text{Labour force}) \times 100$$

Long-term unemployment rate

This expresses the population that has been unemployed for 12 months or more as a percentage of the labour force.

$$UR (\%) = (\text{Population unemployed for 12 months or more} / \text{Labour force}) \times 100$$

Employment rate (aged 15 and over)

This expresses the employed population as a percentage of the total population of working age (aged 15 and over).

$$ER (\%) = (\text{Employed population} / \text{Population aged 15 and over}) \times 100$$

Non-working population (aged 15 and over)

This expresses the non-working population of working age (aged 15 and over) as a percentage of the total population of working age.

$$NWP (\%) = (\text{Non-working population aged 15 and over} / \text{Population aged 15 and over}) \times 100$$

YoY rate of change

The year-on-year change compares the variable for the current quarter with that of the same quarter in the previous year. Where there is a stable pattern of seasonality, this rate is not affected by oscillations of a seasonal nature but it may be affected by localised effects in any given quarter.

Quarterly rate of change

This quarterly rate of change figure compares a variable over two consecutive quarters. Although this indicator allows for a more current monitoring of the rate of change in the variable, it is particularly influenced by seasonal effects and other more specific effects in one (or both) of the quarters being compared.

Annual rate of change

The annual rate of change figure compares the average for the variable over the four quarters of the last year with that from the four quarters in the year immediately preceding this. As this is an average, this rate of change is less susceptible to sporadic changes in the variable.

SCHEDULED DATE OF THE NEXT PRESS RELEASE

16 February 2011.

The full publication associated with this press release – "Employment Statistics – 3rd quarter of 2010" – can be consulted free of charge at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.