



November, 17th 2010

Employment Statistics

3rd quarter of 2010

Unemployment rate at 10.9% in the 3rd quarter of 2010

The unemployment rate estimated for the 3rd quarter of 2010 was 10.9%. This value is up 1.1 percentage points (p.p.) from the same quarter of 2009 and up 0.3 p.p. from the previous quarter. The number of unemployed was estimated to reach 609.4 thousand individuals, having increased by 11.3% from the same quarter of the previous year, and by 3.3% from the previous quarter. The number of employed decreased by 1.1%, compared with the same quarter of 2009, and by 0.6%, compared with the previous quarter.

1. Labour force (active population)

The Labour Force Survey results for the 3rd quarter of 2010 indicate that the labour force (active population) in Portugal increased by 0.1% (corresponding to 7.7 thousand individuals), when compared with the same quarter of 2009, and decreased by 0.2% (8.4 thousand), when compared with the previous quarter.

The participation rate of the working age population (15 years old and over) was estimated at 61.8% in the 3rd quarter of 2010. This rate increased by 0.1 percentage points (p.p.) from the same quarter of 2009 and went down by 0.1 p.p. from the previous quarter.

The participation rate of working age women stood at 56.3%, while that of men attained 67.7%.

2. Employed population

In the 3rd quarter of 2010, the employed population, totalling 4,963.6 thousand individuals, decreased by 1.1% (53.9 thousand individuals), compared with the same quarter of 2009, and by 0.6% (28.0 thousand), compared with the previous quarter.

The following results have contributed to the above-mentioned year-on-year decrease:

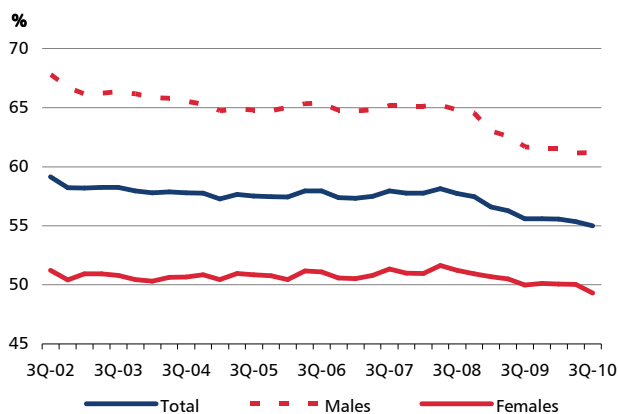
- The decrease in employment for women (32.2 thousand individuals). The number of men employed decreased by less (21.7 thousand).
- The decrease of 86.7 thousand employed individuals aged 15 to 34 years old. The number of the employed aged 65 and over decreased by less (12.7 thousand).
- The decrease of employed having completed the first or second stages of basic education, by 140.2 thousand individuals. On the contrary, the number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education and also the tertiary level of education rose (by 54.5 thousand and 31.8 thousand individuals, respectively).
- The decrease of employed in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector, by 34.1 thousand individuals, and in the agriculture, hunting, forestry, and fishing sector, by 28.0 thousand individuals. The former was accounted mostly by a decrease in manufacturing activities (which employed less 23.7

thousand individuals this quarter). On the contrary, the services sector recorded an increase in employment (8.2 thousand).

- The decrease in the number of self-employed, by 54.8 thousand individuals. The number of employees remained unchanged. Among the employees, it was recorded a decrease in those holding a permanent contract (44.0 thousand) and an increase in those holding a temporary contract (56.3 thousand).
- The decrease in the number of full-time workers, which corresponded to 47.8 thousand individuals and explained 88.7% of the global employment decrease.

The employment rate (15 years and over) stood at 55.0%, in the 3rd quarter of 2010. This value was smaller than the one recorded in the same quarter of 2009, by 0.6 p.p., and also smaller than the one recorded in the previous quarter, by 0.4 p.p..

Figure 1: Employment rate by gender



The male employment rate (61.2%) exceeded that of women (49.3%) by 11.9 p.p.. Both rates decreased from the same quarter of 2009. From the previous quarter, only the employment rate of women decreased (while that of men remained unchanged).

3. Unemployed population

The unemployed population in Portugal, estimated at 609.4 thousand individuals in the 3rd quarter of 2010, increased by 11.3% (61.7 thousand individuals), when compared with the 3rd quarter of 2009, and by 3.3% (19.6 thousand), when compared with the previous quarter.

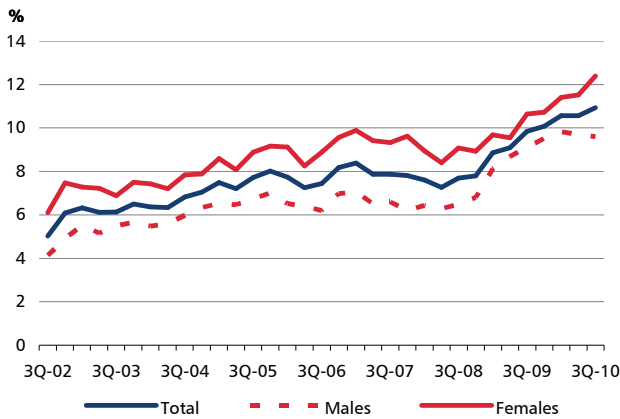
The following results have contributed to the year-on-year increase in the unemployed population:

- The increase in the number of unemployed women (48.1 thousand individuals), which explained 78.0% of the overall increase in unemployment. The number of unemployed men increased by less (13.6 thousand).
- The increase in unemployment of individuals aged 45 years old and over (20.6 thousand individuals) and of those aged 25 to 34 years old (18.8 thousand).
- The increase in the number of unemployed individuals having completed an education level corresponding to the first and second stages of basic education (28.9 thousand individuals) and to the (upper) secondary or post-secondary non-tertiary education (28.6 thousand). To a lesser extent, the unemployment increased also among the individuals who completed a tertiary level of education (4.2 thousand).
- The increase in the number of unemployed seeking a new job (47.4 thousand individuals), coming essentially from the services sector (31.3 thousand). The number of unemployed seeking a first job increased by 14.3 thousand individuals.
- The increase in the number of unemployed seeking a job for 12 months and over, by 85.8 thousand individuals.

The unemployment rate was estimated at 10.9%, in the 3rd quarter of 2010. This value is up 1.1 p.p. from the 3rd

quarter of 2009, and up 0.3 p.p. from the previous quarter.

Figure 2: Unemployment rate by gender



In the 3rd quarter of 2010, the unemployment rate stood at 9.6% for men and at 12.4% for women. Both rates increased from the same quarter of 2009 (0.5 p.p. and 1.8 p.p., respectively), but only that for women increased from the previous quarter (0.9 p.p.).

The increase in the unemployment rate, when compared with the previous quarter, resulted from the decrease in employment, of 0.6%, and the increase in unemployment, of 3.3%, corresponding to 28.0 thousand individuals, in the first case, and to 19.6 thousand individuals, in the second.

The quarterly increase in the unemployed population occurred mainly in the following population groups: women, individuals aged 15 to 34 years old and 45 years old and over, individuals who have completed the (upper) secondary or post-secondary non-tertiary level of education and also the tertiary level of education, individuals seeking a first job, individuals seeking a new job who were formerly employed in the services sector, and unemployed seeking for a job for 12 months or over.

4. Inactive population

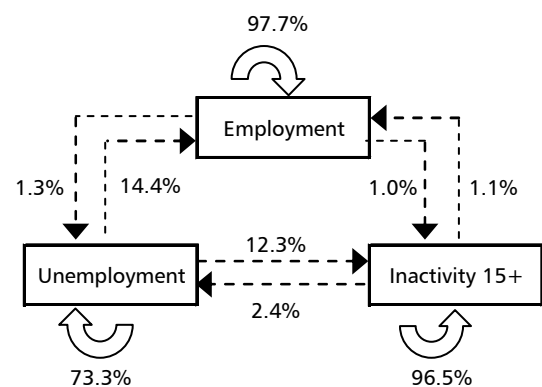
In the 3rd quarter of 2010, the inactive population aged 15 years old and over decreased by 0.3%, when compared to the same quarter of 2009, and increased by 0.4%, when compared with the previous quarter (corresponding to 11.0 thousand and to 14.2 thousand individuals, respectively).

The inactivity rate (15 and over) reached 38.2%, in the 3rd quarter of 2010, standing at 32.3% for men and 43.7% for women.

5. Quarterly flows between labour market states

From the 2nd to the 3rd quarter of 2010, 1.3% of the individuals initially employed moved into unemployment and 1.0% moved into inactivity, with the proportion of employees moving out of this situation totalling 2.3% in the 3rd quarter of 2010 (97.7% remained employed). From the 1st to the 2nd quarter of 2010, this percentage had been slightly smaller (2.2%).

Quarterly flows between labour force states (as a % of initial state)



The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment. From the total of individuals who were unemployed in the 2nd quarter of 2010, 26.7% moved out

of this labour market state in the following quarter. Out of these, 14.4% became employed and 12.3% moved into inactivity. The percentage of individuals moving from unemployment into employment was larger than the one observed in the flows from the 1st to the 2nd quarter of 2010 (it had been 13.1%). On the contrary, the percentage of individuals moving from unemployment into inactivity was smaller (it had been 12.8%).

From the total of individuals aged 15 years old and over considered to be inactive in the 2nd quarter of 2010, 1.1% moved into employment, and 2.4% moved into unemployment, in the following quarter. The proportion of those moving from inactivity into employment was smaller than the one observed in the flows from the 1st to the 2nd quarter of 2010. The percentage of individuals moving from inactivity into unemployment was larger (it had been 1.7%).

6. Unemployment rates by NUTS II region

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 observed in *Região Autónoma dos Açores* (6.6%), *Centro* (7.4%), and *Região Autónoma da Madeira* (7.8%).

Table 1: Unemployment rates by NUTS II region (NUTS-2002)

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

Source: INE, Employment Statistics -3rd quarter of 2010.

Compared to the same quarter of the previous year, and similarly to the overall picture in Portugal, the unemployment rate increased in all regions, excepting *Região Autónoma da Madeira*, where the unemployment rate decreased. The largest increases were recorded in *Algarve* (2.5 p.p.), *Norte* (1.6 p.p.), and *Alentejo* (1.4 p.p.).

Compared to the previous quarter, there was an increase in the unemployment rate in four regions: *Norte*, *Lisboa*, *Algarve*, and *Região Autónoma dos Açores*. The largest increases were recorded in *Norte* (1.0 p.p.) and *Algarve* (0.6 p.p.).

Table 2: Main indicators - active and employed population - Portugal

	Quarterly levels			Rates of change	
	3Q-2009	2Q-2010	3Q-2010	On year	On quarter
	Thousand individuals			%	
Labour force (active population)	5,565.3	5,581.4	5,573.0	0.1	-0.2
Males	2,933.6	2,923.1	2,925.5	-0.3	0.1
Females	2,631.6	2,658.2	2,647.5	0.6	-0.4
15 to 24	463.2	426.2	421.9	-8.9	-1.0
25 to 34	1,434.6	1,424.8	1,417.8	-1.2	-0.5
35 to 44	1,430.6	1,454.4	1,455.2	1.7	0.1
45 to 64	1,915.2	1,956.2	1,968.0	2.8	0.6
65 and over	321.7	319.7	310.0	-3.6	-3.0
Participation rate (%)	52.3	52.5	52.4		
Males	57.0	56.8	56.8		
Females	47.9	48.4	48.2		
Participation rate (15 and over) (%)	61.7	61.9	61.8		
Males	67.9	67.7	67.7		
Females	55.9	56.5	56.3		
Employed population	5,017.5	4,991.6	4,963.6	-1.1	-0.6
Males	2,666.0	2,639.9	2,644.3	-0.8	0.2
Females	2,351.5	2,351.7	2,319.3	-1.4	-1.4
15 to 24	374.4	339.7	323.1	-13.7	-4.9
25 to 34	1,266.7	1,245.5	1,231.3	-2.8	-1.1
35 to 44	1,304.2	1,306.0	1,316.4	0.9	0.8
45 to 64	1,751.7	1,782.8	1,784.8	1.9	0.1
65 and over	320.6	317.5	307.9	-4.0	-3.0
First and second stages of basic education	3,377.0	3,256.2	3,236.8	-4.2	-0.6
(Upper) secondary and post-secondary non-tertiary education	864.6	895.2	919.1	6.3	2.7
Tertiary education	775.9	840.2	807.7	4.1	-3.9
Agriculture, forestry and fishing (a)	567.2	540.9	539.2	-4.9	-0.3
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (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
Employees	3,837.8	3,870.3	3,836.2	o	-0.9
With a permanent job (work contract of unlimited duration)	2,991.8	2,979.5	2,947.8	-1.5	-1.1
With a temporary job (work contract of limited duration)	688.8	752.4	745.1	8.2	-1.0
Other contractual arrangements	157.2	138.4	143.4	-8.8	3.6
Self-employed workers	1,134.7	1,075.3	1,079.9	-4.8	0.4
Unpaid family workers and other professional status	45.0	46.0	47.5	5.6	3.3
Full-time workers	4,453.3	4,404.8	4,405.5	-1.1	o
Part-time workers	564.3	586.8	558.1	-1.1	-4.9
Employment rate (15 and over) (%)	55.6	55.4	55.0		
Males	61.7	61.2	61.2		
Females	50.0	50.0	49.3		

Source: INE, Employment Statistics - 3rd quarter of 2010.

Notes:

(a) The estimates are presented by NACE-Rev. 2.

o Figure that corresponds to less than half the absolute value of the unit used.

- Null.

Table 3: Main indicators - unemployed and inactive population - Portugal

	Quarterly levels			Rates of change	
	3Q-2009	2Q-2010	3Q-2010	On year	On quarter
	Thousand individuals			%	
Unemployed population	547.7	589.8	609.4	11.3	3.3
Males	267.6	283.3	281.2	5.1	-0.7
Females	280.1	306.5	328.2	17.2	7.1
15 to 24	88.8	86.6	98.8	11.3	14.1
25 to 34	167.8	179.3	186.6	11.2	4.1
35 to 44	126.4	148.3	138.8	9.8	-6.4
45 and over	164.6	175.5	185.2	12.5	5.5
First and second stages of basic education	389.7	427.2	418.6	7.4	-2.0
(Upper) secondary and post-secondary non-tertiary education	93.7	106.2	122.3	30.5	15.2
Tertiary education	64.3	56.4	68.5	6.5	21.5
Looking for a first job	52.6	54.8	66.9	27.2	22.1
Looking for a new job	495.1	535.0	542.5	9.6	1.4
Agriculture, forestry and fishing (a)	12.7	17.0	16.8	32.3	-1.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (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		
Males	9.1	9.7	9.6		
Females	10.6	11.5	12.4		
Youth (15 to 24)	19.2	20.3	23.4		
Unemployed by duration of search (b)					
Less than 12 months	290.8	261.8	268.6	-7.6	2.6
12 months or longer (long-term unemployment)	253.4	326.2	339.2	33.9	4.0
Long-term unemployment rate (%)	4.6	5.8	6.1		
Inactive population	5,075.7	5,051.3	5,064.6	-0.2	0.3
Inactive population (15 and over)	3,461.7	3,436.5	3,450.7	-0.3	0.4
Males	1,389.0	1,393.9	1,394.3	0.4	o
Females	2,072.7	2,042.6	2,056.4	-0.8	0.7
15 to 24	723.3	739.7	736.8	1.9	-0.4
25 to 34	172.8	155.0	157.2	-9.0	1.4
35 to 44	170.8	147.7	148.5	-13.1	0.5
45 to 64	833.0	809.6	807.5	-3.1	-0.3
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
Looking after home / family	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 inactive	336.7	320.3	346.5	2.9	8.2
Inactivity rate (15 and over) (%)	38.3	38.1	38.2		
Males	32.1	32.3	32.3		
Females	44.1	43.5	43.7		

Source: INE, Employment Statistics - 3rd quarter of 2010.

Notes:

(a) The estimates are presented by NACE-Rev. 2.

(b) The variable "duration of search for employment" does not include the unemployed workers that have already found a job which will start within a period of at most 3 months. As a consequence, the sum of the number of unemployed individuals by duration of search can be less than the total unemployed population.

o Figure that corresponds to less than half the absolute value of the unit used.

- Null.



TECHNICAL NOTE

The main purpose of the Labour Force Survey is to characterise the population in terms of the labour market. It is a quarterly sample survey, addressed to families occupying the same dwelling in the national territory, which makes available quarterly and annual data. The information is obtained directly, through computer-assisted interview. Published data were calibrated, based on independent estimates of the population, calculated from the definitive results of the 2001 Census.

SOME CONCEPTS

For additional concepts see the publication Employment Statistics – 3rd quarter 2010 (“Estatísticas do Emprego – 3^o trimestre de 2010”).

Participation rate

Rate that is defined as the ratio of the labour force (active population) to total population.

P.R. (%) = (Labour force / Total population) x 100

Participation rate (15 and over)

Rate that is defined as the ratio of the labour force to working age population (aged 15 years old and over).

P.R. (%) = (Labour force / Population aged 15 years old and over) x 100

Unemployment rate

Rate that is defined as the ratio of the unemployed population to total labour force.

U.R. (%) = (Unemployed population / Labour force) x 100

Long term unemployment rate

Rate that is defined as the ratio of the population unemployed for 12 months or over to total labour force.

U.R. (%) = (Population unemployed for 12 months or over / Labour force) x 100

Employment rate (15 and over)

Rate that is defined as the ratio of the employed population to working age population (aged 15 years old and over).

E.R. (%) = (Employed population / Population aged 15 years old and over) x 100

Inactivity rate (aged 15 and over)

Rate that is defined as the ratio of inactive working age population (aged 15 years old and over) to total working age population.

I.R. (%) = (Inactive population aged 15 years old and over / Population aged 15 years old and over) x 100

Year-on-year rate of change

The year-on-year change compares the level of the variable in the current quarter with that of the corresponding quarter of the previous year. This rate of change, considering a seasonal stable pattern, is not affected by this type of fluctuation, but may, however, be influenced by specific effects in a given quarter.

Quarterly rate of change

The quarterly change compares the level of the variable over two consecutive periods. Although this indicator permits to monitor the recent pace of the variable, its calculation is particularly influenced by seasonal effects and other more specific effects in one (or both) quarters under comparison.

Annual rate of change

The annual change compares the average level of the variable for the four quarters of the last year over the average level of the variable for the four quarters of the previous year. Being an average, this indicator is less sensible to sporadic effects in the variable.

DATE SCHEDULED FOR THE NEXT PRESS RELEASE

February, 16th 2011.

The publication Employment Statistics – 3rd quarter of 2010 (“Estatísticas do Emprego – 3^o trimestre de 2010”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.