

February, 16th 2011

Employment Statistics
4th quarter of 2010

Unemployment rate at 11.1% in the 4th quarter of 2010

The unemployment rate estimated for the 4th quarter of 2010 was 11.1%. This value is up 1.0 percentage points (p.p.) from the same quarter of 2009 and up 0.2 p.p. from the previous quarter. The number of unemployed was estimated to reach 619.0 thousand individuals, having increased by 9.9% from the same quarter of the previous year, and by 1.6% from the previous quarter. The number of employed decreased by 1.5%, compared with the same quarter of 2009, and by 0.3%, compared with the previous quarter.

The average unemployment rate for 2010 was 10.8%, recording an increase of 1.3 p.p. when compared with the previous year. The unemployed population reached 602.6 thousand individuals, up 14.0% from the previous year. The employed population recorded an annual decrease of 1.5%.

1. Labour force (active population)

The Labour Force Survey results for the 4th quarter of 2010 indicate that the labour force (active population) in Portugal increased by 0.3% (corresponding to 19.1 thousand individuals), when compared with the same quarter of 2009, and by 0.1% (5.3 thousand), when compared with the previous quarter. The active population annual average, for 2010, remained unchanged from the previous year.

The participation rate of the working age population (15 years old and over) was estimated at 61.7% in the 4th quarter of 2010. This rate decreased by 0.1 percentage points (p.p.) from the same quarter of 2009 and from

the previous quarter. The 2010 average of the participation rate was 61.9%, as in the previous year.

In the 4th quarter of 2010, the participation rate of working age women stood at 56.0%, while that of men attained 67.9%.

2. Employed population

In the 4th quarter of 2010, the employed population, totalling 4,948.8 thousand individuals, decreased by 1.5% (74.7 thousand individuals), compared with the same quarter of 2009, and by 0.3% (14.8 thousand), compared with the previous quarter. In 2010, the

employed population decreased by 1.5%, compared with the previous year (75.9 thousand).

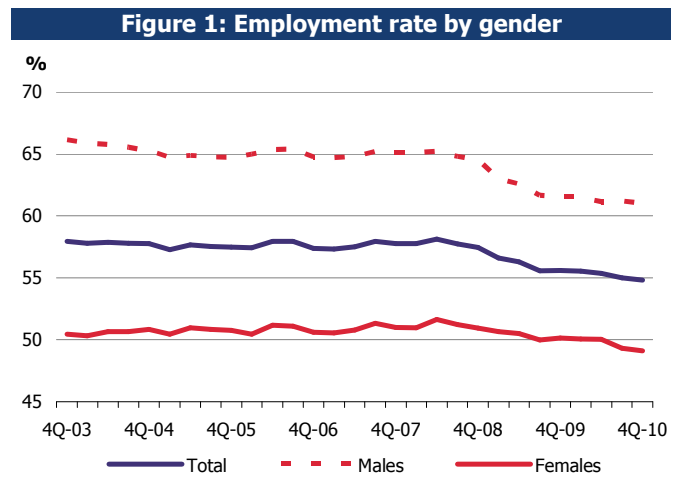
The following results have contributed to the above-mentioned year-on-year decrease:

- The decrease in employment for women (49.9 thousand individuals). The number of men employed decreased by less (24.9 thousand).
- The decrease of 99.6 thousand employed individuals aged 15 to 34. The number of the employed aged 65 and over decreased by less (17.2 thousand).
- The decrease of employed having completed the first or second stages of basic education, by 170.2 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 60.6 thousand and 34.9 thousand individuals, respectively).
- The decrease of employed in the agriculture, hunting, forestry, and fishing sector, by 53.0 thousand individuals, and in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector, by 20.8 thousand individuals. The latter was accounted mostly by a decrease in manufacturing activities, which employed less 13.5 thousand individuals this quarter. In the services sector, the employment remained unchanged.
- The decrease in the number of self-employed, by 84.0 thousand individuals. The number of employees increased slightly (0.2%; 6.3 thousand).

Among the employees, it was recorded an increase in both those holding a permanent contract (12.9 thousand) and those holding a temporary contract (4.5 thousand), and a decrease in those under other contractual arrangements (11.1 thousand).

- The decrease in the number of full-time workers, which corresponded to 46.0 thousand individuals and explained 61.6% of the global employment decrease.

The employment rate (15 years and over) stood at 54.8%, in the 4th quarter of 2010. This value was smaller than the one recorded in the same quarter of 2009, by 0.8 p.p., and also smaller than the one recorded in the previous quarter, by 0.2 p.p.. The employment rate for 2010 stood at 55.2%, 0.8 p.p. lower than the previous year.



In the 4th quarter of 2010, the male employment rate (61.0%) exceeded that of women (49.1%) by 11.9 p.p.. Both rates decreased from the same quarter of 2009 and from the previous quarter.

3. Unemployed population

The unemployed population in Portugal, estimated at 619.0 thousand individuals in the 4th quarter of 2010, increased by 9.9% (55.7 thousand individuals), when compared with the 4th quarter of 2009, and by 1.6% (9.6 thousand), when compared with the previous quarter.

On average, in 2010, the unemployed population increased by 14.0%, when compared to 2009 (74.0 thousand individuals). The estimated unemployed population stood at 602.6 thousand individuals in 2010.

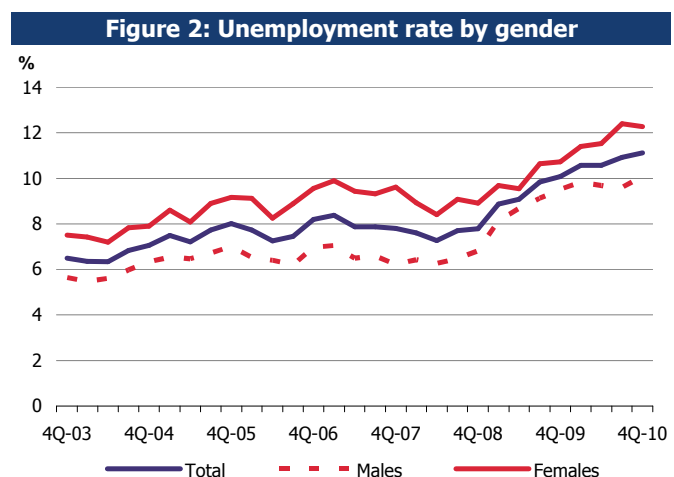
The following results have contributed to the year-on-year increase in the unemployed population:

- The increase in the number of unemployed women (40.2 thousand individuals), which explained 72.2% of the overall increase in unemployment. The number of unemployed men increased by less (15.5 thousand).
- The increase in unemployment of individuals aged 25 to 34 (34.9 thousand individuals) and 45 and over (23.2 thousand).
- The increase in the number of unemployed individuals having completed an education level corresponding to the (upper) secondary or post-secondary non-tertiary education (29.0 thousand individuals) and to the tertiary level of education (20.6 thousand). To a lesser extent, the unemployment increased also among the individuals who completed the first and second stages of basic education (6.1 thousands).
- The increase in the number of unemployed seeking a new job (38.2 thousand individuals), coming

essentially from the services sector (51.1 thousand). The number of unemployed seeking a first job increased by 17.5 thousand individuals.

- The increase in the number of unemployed seeking a job for one year and over, by 57.9 thousand individuals.

The unemployment rate was estimated at 11.1%, in the 4th quarter of 2010. This value is up 1.0 p.p. from the 4th quarter of 2009 and up 0.2 p.p. from the previous quarter. The annual average increased from 9.5%, in 2009, to 10.8%, in 2010.



In the 4th quarter of 2010, the unemployment rate stood at 10.1% for men and at 12.3% for women. Both rates increased from the same quarter of 2009 (0.6 p.p. and 1.6 p.p., respectively), but only that for men increased from the previous quarter (0.5 p.p.).

The increase in the unemployment rate, when compared with the previous quarter, resulted from the decrease in employment, of 0.3%, and the increase in unemployment, of 1.6%, corresponding to 14.8 thousand and to 9.6 thousand individuals, respectively.

The quarterly increase in the unemployed population occurred mainly in the following population groups: men and women, individuals aged 45 and over, individuals who have completed the tertiary level of education, individuals seeking a first job, individuals seeking a new job who were formerly employed exclusively in the services sector, and unemployed seeking for a job for less than a year.

4. Inactive population

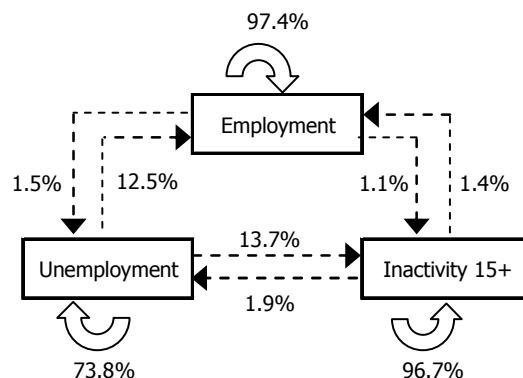
In the 4th quarter of 2010, the inactive population aged 15 and over increased by 0.4%, when compared to the same quarter of 2009, and by 0.3%, when compared with the previous quarter (corresponding to 13.3 thousand and to 10.9 thousand individuals, respectively). In 2010, the inactive population aged 15 and over remained unchanged from the previous year.

The inactivity rate (15 and over) reached 38.1%, in the 4th quarter of 2010, standing at 32.3% for men and 44.0% for women. In 2010, the inactivity rate (15 and over) stood at 38.1%.

5. Quarterly flows between labour market states

From the 3rd to the 4th quarter of 2010, 1.5% of the individuals initially employed moved into unemployment and 1.1% moved into inactivity, with the proportion of employees moving out of this situation totalling 2.6% in the 4th quarter of 2010 (97.4% remained employed). From the 2nd to the 3rd quarter of 2010, this percentage had been slightly smaller (2.3%).

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 3rd quarter of 2010, 26.2% moved out of this labour market state in the following quarter. Out of these, 12.5% became employed and 13.7% moved into inactivity. The percentage of individuals moving from unemployment into employment was smaller than the one observed in the flows from the 2nd to the 3rd quarter of 2010 (it had been 14.4%). On the contrary, the percentage of individuals moving from unemployment into inactivity was larger (it had been 12.3%).

From the total of individuals aged 15 and over considered to be inactive in the 3rd quarter of 2010, 1.4% moved into employment, and 1.9% moved into unemployment, in the following quarter. The proportion of those moving from inactivity into employment was larger than the one observed in the flows from the 2nd to the 3rd quarter of 2010 (it had been 1.1%). The percentage of individuals moving from inactivity into unemployment was smaller (it had been 2.4%).

6. Unemployment rates by NUTS II region

In the 4th quarter of 2010, the highest unemployment rates were recorded in NUTS II regions *Algarve* (14.8%), *Norte* (12.7%), *Lisboa* (12.3%), and *Alentejo* (11.2%). The lowest values were observed in *Região Autónoma dos Açores* (7.0%), *Região Autónoma da Madeira* (7.5%), and *Centro* (7.7%).

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

	4Q-2009	3Q-2010	4Q-2010	Unit: %	
				2009	2010
Portugal	10.1	10.9	11.1	9.5	10.8
Norte	11.9	13.2	12.7	11.0	12.6
Centro	7.3	7.4	7.7	6.9	7.7
Lisboa	10.4	11.3	12.3	9.8	11.3
Alentejo	10.4	11.6	11.2	10.5	11.4
Algarve	11.8	12.8	14.8	10.3	13.4
R. A. Açores	7.1	6.6	7.0	6.7	6.9
R. A. Madeira	7.5	7.8	7.5	7.6	7.4

Source: INE, Employment Statistics - 4th 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 dos Açores*, where it decreased, and

Região Autónoma da Madeira, where it remained unchanged. The largest increases were recorded in *Algarve* (3.0 p.p.) and *Lisboa* (1.9 p.p.).

Compared to the previous quarter, there was an increase in the unemployment rate in four regions: *Centro*, *Lisboa*, *Algarve*, and *Região Autónoma dos Açores*. The largest increases were recorded in *Algarve* (2.0 p.p.) and *Lisboa* (1.0 p.p.).

Concerning the annual averages, the higher unemployment rates for 2010 were recorded in *Algarve* (13.4%), *Norte* (12.6%), *Alentejo* (11.4%), and *Lisboa* (11.3%). The smallest rates were observed in *Região Autónoma dos Açores* (6.9%), *Região Autónoma da Madeira* (7.4%), and *Centro* (7.7%). The unemployment rate increased, comparing to the previous year, in all regions, except *Região Autónoma da Madeira*, where it decreased. The greater increases were recorded in *Algarve* (3.1 p.p.), *Norte* (1.6 p.p.), and *Lisboa* (1.5 p.p.).

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

	Quarterly levels			Annual levels		Rates of change		
	4Q-2009	3Q-2010	4Q-2010	2009	2010	On year	On quarter	Annual
	Thousand individuals					%		
Labour force (active population)	5,586.8	5,573.0	5,567.7	5,582.7	5,580.7	-0.3	-0.1	o
Males	2,942.8	2,925.5	2,933.3	2,948.9	2,931.8	-0.3	0.3	-0.6
Females	2,644.1	2,647.5	2,634.5	2,633.9	2,648.9	-0.4	-0.5	0.6
15 to 24	451.3	421.9	415.0	466.3	426.8	-8.0	-1.6	-8.5
25 to 34	1,443.6	1,417.8	1,410.3	1,444.5	1,422.5	-2.3	-0.5	-1.5
35 to 44	1,439.6	1,455.2	1,459.0	1,435.1	1,454.1	1.3	0.3	1.3
45 to 64	1,925.2	1,968.0	1,973.7	1,917.1	1,960.7	2.5	0.3	2.3
65 and over	327.1	310.0	309.8	319.7	316.6	-5.3	-0.1	-1.0
Participation rate (%)	52.5	52.4	52.3	52.5	52.5			
Males	57.1	56.8	57.0	57.3	57.0			
Females	48.1	48.2	48.0	48.0	48.3			
Participation rate (15 and over) (%)	61.8	61.8	61.7	61.9	61.9			
Males	68.0	67.7	67.9	68.2	67.9			
Females	56.2	56.3	56.0	56.0	56.3			
Employed population	5,023.5	4,963.6	4,948.8	5,054.1	4,978.2	-1.5	-0.3	-1.5
Males	2,662.8	2,644.3	2,637.9	2,687.6	2,644.5	-0.9	-0.2	-1.6
Females	2,360.7	2,319.3	2,310.8	2,366.5	2,333.6	-2.1	-0.4	-1.4
15 to 24	351.0	323.1	319.5	372.8	331.4	-9.0	-1.1	-11.1
25 to 34	1,286.7	1,231.3	1,218.6	1,286.5	1,241.2	-5.3	-1.0	-3.5
35 to 44	1,302.7	1,316.4	1,319.6	1,313.4	1,311.3	1.3	0.2	-0.2
45 to 64	1,757.4	1,784.8	1,782.6	1,762.7	1,779.4	1.4	-0.1	0.9
65 and over	325.7	307.9	308.5	318.6	314.8	-5.3	0.2	-1.2
First and second stages of basic education	3,340.3	3,236.8	3,170.1	3,405.6	3,244.0	-5.1	-2.1	-4.7
(Upper) secondary and post-secondary non-tertiary education	876.3	919.1	936.9	848.8	904.4	6.9	1.9	6.6
Tertiary education	806.9	807.7	841.8	799.7	829.8	4.3	4.2	3.8
Agriculture, forestry and fishing (a)	581.7	539.2	528.7	564.8	542.2	-9.1	-1.9	-4.0
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,389.5	1,379.5	1,368.7	1,425.7	1,377.5	-1.5	-0.8	-3.4
Services (a)	3,052.3	3,044.9	3,051.3	3,063.6	3,058.5	o	0.2	-0.2
Employees	3,827.1	3,836.2	3,833.4	3,855.7	3,844.9	0.2	-0.1	-0.3
With a permanent job (work contract of unlimited duration)	2,957.5	2,947.8	2,970.4	3,006.8	2,961.0	0.4	0.8	-1.5
With a temporary job (work contract of limited duration)	714.5	745.1	719.0	694.3	738.4	0.6	-3.5	6.4
Other contractual arrangements	155.1	143.4	144.0	154.6	145.5	-7.2	0.4	-5.9
Self-employed workers	1,148.5	1,079.9	1,064.5	1,153.6	1,085.0	-7.3	-1.4	-5.9
Unpaid family workers and other professional status	48.0	47.5	50.9	44.7	48.2	6.0	7.2	7.8
Full-time workers	4,424.2	4,405.5	4,378.2	4,465.8	4,400.5	-1.0	-0.6	-1.5
Part-time workers	599.3	558.1	570.6	588.3	577.7	-4.8	2.2	-1.8
Employment rate (15 and over) (%)	55.6	55.0	54.8	56.0	55.2			
Males	61.5	61.2	61.0	62.2	61.2			
Females	50.1	49.3	49.1	50.3	49.6			

Source: INE, Employment Statistics - 4th 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			Annual levels		Rates of change		
	4Q-2009	3Q-2010	4Q-2010	2009	2010	On year	On quarter	Annual
	Thousand individuals					%		
Unemployed population	563.3	609.4	619.0	528.6	602.6	9.9	1.6	14.0
Males	279.9	281.2	295.4	261.3	287.3	5.5	5.0	10.0
Females	283.4	328.2	323.6	267.4	315.3	14.2	-1.4	17.9
15 to 24	100.3	98.8	95.5	93.4	95.4	-4.8	-3.3	2.1
25 to 34	156.9	186.6	191.8	158.0	181.3	22.2	2.8	14.7
35 to 44	136.8	138.8	139.4	121.7	142.8	1.9	0.4	17.3
45 and over	169.2	185.2	192.4	155.5	183.1	13.7	3.9	17.7
First and second stages of basic education	412.4	418.6	418.5	383.1	423.8	1.5	o	10.6
(Upper) secondary and post-secondary non-tertiary education	95.9	122.3	124.9	90.6	115.0	30.2	2.1	26.9
Tertiary education	55.0	68.5	75.6	55.0	63.8	37.5	10.4	16.0
Looking for a first job	59.6	66.9	77.1	55.3	63.5	29.4	15.2	14.8
Looking for a new job	503.7	542.5	541.9	473.3	539.0	7.6	-0.1	13.9
Agriculture, forestry and fishing (a)	12.2	16.8	14.8	12.2	16.3	21.3	-11.9	33.6
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	231.5	231.9	215.9	212.9	231.6	-6.7	-6.9	8.8
Services (a)	260.1	293.7	311.2	248.3	291.1	19.6	6.0	17.2
Unemployment rate (%)	10.1	10.9	11.1	9.5	10.8			
Males	9.5	9.6	10.1	8.9	9.8			
Females	10.7	12.4	12.3	10.2	11.9			
Youth (15 to 24)	22.2	23.4	23.0	20.0	22.4			
Unemployed by duration of search (b)								
Less than 12 months	281.3	268.6	277.9	280.7	273.2	-1.2	3.5	-2.7
12 months or longer (long-term unemployment)	279.4	339.2	337.5	245.8	327.0	20.8	-0.5	33.0
Long-term unemployment rate (%)	5.0	6.1	6.1	4.4	5.9			
Inactive population	5,060.5	5,064.6	5,074.5	5,055.6	5,055.1	0.3	0.2	o
Inactive population (15 and over)	3,448.3	3,450.7	3,461.6	3,440.6	3,440.6	0.4	0.3	-
Males	1,383.8	1,394.3	1,389.1	1,372.0	1,386.8	0.4	-0.4	1.1
Females	2,064.5	2,056.4	2,072.4	2,068.6	2,053.8	0.4	0.8	-0.7
15 to 24	727.8	736.8	736.6	723.9	735.6	1.2	o	1.6
25 to 34	160.7	157.2	159.9	164.4	155.0	-0.5	1.7	-5.7
35 to 44	164.3	148.5	146.3	165.3	148.9	-11.0	-1.5	-9.9
45 to 64	833.5	807.5	811.4	826.1	810.1	-2.7	0.5	-1.9
65 and over	1,562.1	1,600.7	1,607.3	1,561.0	1,591.1	2.9	0.4	1.9
Students	784.1	756.7	784.9	779.2	772.5	0.1	3.7	-0.9
Looking after home / family	500.9	488.9	495.2	509.4	496.0	-1.1	1.3	-2.6
Retired	1,836.5	1,858.6	1,854.1	1,830.6	1,846.4	1.0	-0.2	0.9
Other inactive	326.8	346.5	327.3	321.4	325.7	0.2	-5.5	1.3
Inactivity rate (15 and over) (%)	38.2	38.2	38.3	38.1	38.1			
Males	32.0	32.3	32.1	31.8	32.1			
Females	43.8	43.7	44.0	44.0	43.7			

Source: INE, Employment Statistics - 4th 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 – 4th quarter 2010 (“Estatísticas do Emprego – 4^o trimestre de 2010”).

Participation rate

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

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

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).

$$P.R. (\%) = (\text{Labour force} / \text{Population aged 15 years old and over}) \times 100$$

Unemployment rate

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

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

Long term unemployment rate

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

$$U.R. (\%) = (\text{Population unemployed for 12 months or over} / \text{Labour force}) \times 100$$

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).

$$E.R. (\%) = (\text{Employed population} / \text{Population aged 15 years old and over}) \times 100$$

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.

$$I.R. (\%) = (\text{Inactive population aged 15 years old and over} / \text{Population aged 15 years old and over}) \times 100$$

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

May, 18th 2011.

The publication Employment Statistics – 4th quarter of 2010 (“Estatísticas do Emprego – 4^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.