

February, 15th 2008

Employment Statistics

4th quarter 2007

Unemployment rate at 7.8% in the 4th quarter 2007

The unemployment rate estimated for the 4th quarter 2007 was 7.8%. This value is down 0.4 percentage points (p.p.) from the same quarter of 2006 and down 0.1 p.p. from the previous quarter. The number of unemployed was estimated to reach 439.5 thousand individuals, having decreased 4.2% from the same quarter of the previous year, and 1.1% from the previous quarter. The number of employed increased by 0.9%, compared with the same quarter of 2006, but decreased by 0.2%, compared with the previous quarter.

The average unemployment rate for 2007 was 8.0%, an increase of 0.3 p.p., compared with the previous year. The unemployed population reached 448.6 thousand individuals, up 4.9% from the previous year. The employed population recorded an annual increase of 0.2%.

1. Labour force (active population)

The Labour Force Survey results for the 4th quarter of 2007 indicate that the labour force (active population) in Portugal increased by 0.5% (corresponding to 26.3 thousand individuals), compared with the same quarter of 2006, and decreased by 0.3% (17.0 thousand), compared with the previous quarter. The active population annual average, for 2007, increased by 0.6%, compared with the previous year (31.0 thousand).

The working age population participation rate (aged 15 years old and over) was estimated at 62.7% in the 4th quarter of 2007. This rate went up by 0.2 p.p. from the 4th quarter of 2006, and went down by 0.2 p.p. from the previous quarter. The 2007 average of the participation rate was 62.6%, a value that is 0.1 p.p. higher than that recorded for the previous year.

The participation rate of working age women stood at 56.4%, while that of men attained 69.5%.

2. Employed population

In the 4th quarter of 2007, the employed population, totalling 5,188.2 thousand individuals, increased 0.9% (corresponding to 45.4 thousand individuals), compared with the same quarter of 2006, and recorded a quarterly decrease of 0.2% (12.1 thousand). In 2007, the employed population increased by 0.2%, compared with the previous year (10.2 thousand).

The following population groups (components) have contributed to the above-mentioned year-on-year increase:

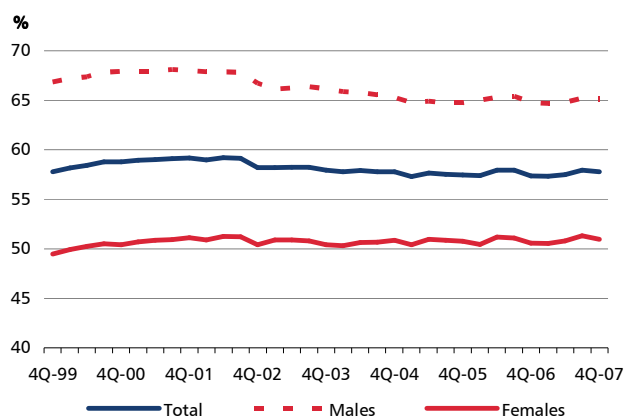
- The increase in women's employment, by 24.4 thousand individuals. The number of employed men increased also (21.0 thousand), but its contribution to the rise in total employment was slightly lower.
- The increase of 61.4 thousand employed individuals aged 35 years old and over. In particular, the increase of 57.2 thousand employed individuals aged 45 to 65 years old stands out. In turn, the number of the

young employed (aged 15 to 24 years old) decreased by 13.8 thousand individuals.

- The increase of employed having completed the first or second stages of basic education, whose number increased by 45.9 thousand individuals. The number of employed having completed the tertiary level of education rose also, but its contribution to the rise in total employment was slightly lower (19.4 thousand individuals). In turn, the number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education declined, by 19.8 thousand individuals.
- The services sector, which employed more 44.6 thousand individuals. This increase was mainly accounted by two activities: real estate, renting and business activities (39.4 thousand) and hotels and restaurants (24.4 thousand). The agriculture, hunting, forestry, and fishing sector, recorded also an increase in employment, in spite of its smaller contribution to overall employment increase (6.7 thousand individuals). The mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector, in turn, recorded a decrease in employment (6.0 thousand individuals).
- Self-employed workers with or without employees, whose number increased by 19.6 thousand and by 17.9 thousand individuals, respectively. The number of employees increased, in spite of the different patterns that have been observed, according to the workers' contractual situation: the number of employees with permanent job (work contract of unlimited duration) has decreased by 56.0 thousand individuals; the number of employees with a temporary job (work contract of limited duration) increased by 55.7 thousand, as did the number of employees with other contract situations (11.6 thousand).

- Part-time workers, whose observed increase has attained 27.7 thousand individuals. The number of full-time workers increased less (by 17.7 thousand individuals).

Figure 1: Employment rate by sex



The employment rate (15 years and over) stood at 57.8%, in the 4th quarter of 2007. This value was higher than the one recorded in the same quarter of 2006, by 0.4 p.p., and 0.2 p.p. lower than the previous quarter. The employment rate for 2007 stood at 57.6%, 0.1 p.p. lower than the previous year.

The male employment rate (65.1%), in the 4th quarter 2007, exceeded that of women (51.0%) by 14.1 p.p..

3. Unemployed population

The unemployed population in Portugal, estimated at 439.5 thousand individuals in the 4th quarter of 2007, decreased by 4.2% (19.1 thousand individuals), when compared with the 4th quarter of 2006, and recorded also a quarterly decrease, of 1.1% (4.9 thousand).

On average, in 2007, the unemployed population increased by 4.9%, when compared to 2006 (20.8 thousand individuals). The unemployed population estimate stood at 448.6 thousand individuals.

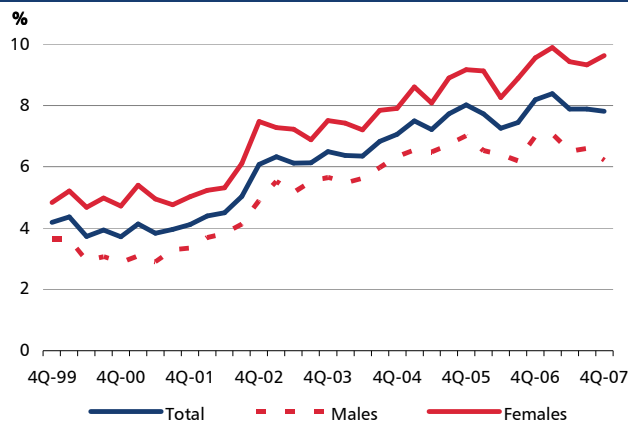
The following results have contributed to the year-on-year decrease in the unemployed population:

- The decrease in the number of men unemployed (23.3 thousand). The number of unemployed women, in turn, increased by 4.3 thousand individuals.
- The decrease in unemployment of individuals of all age groups, mainly of individuals aged 15 to 24 years old (9.5 thousand).
- The decrease in unemployed individuals having completed an education level corresponding to the first and second stages of basic education and to the (upper) secondary or post-secondary non-tertiary education (corresponding to 20.6 thousand and 7.6 thousand individuals, respectively). The number of the unemployed having completed a tertiary level of education, in turn, increased by 9.1 thousand individuals.
- Unemployed seeking a new job, whose number decreased by 17.5 thousand individuals. This evolution was mainly due to the individuals coming from the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector (13.3 thousand). The number of unemployed seeking a first job decreased also, but less (1.6 thousand).
- Unemployed seeking a job for a year or more, whose decrease stood at 20.5 thousand individuals. The number of unemployed seeking a job for less than a year, on the contrary, has risen slightly (1.5 thousand).

The unemployment rate was estimated to stand at 7.8% in the 4th quarter of 2007. This value is down 0.4 p.p. from the 4th quarter of 2006, and down 0.1 p.p. from the one recorded in the previous quarter. The annual average increased from 7.7%, in 2006, to 8.0%, in 2007.

In the 4th quarter of 2007, the unemployment rate stood at 6.2% for men and at 9.6% for women.

Figure 2: Unemployment rate by sex



The decrease recorded in the unemployment rate, when compared with the previous quarter, resulted from the rate of decrease of the unemployed population (-1.1%, corresponding to 4.9 thousand individuals) being larger than the rate of decrease of the employed population (-0.2%, corresponding to 12,1 thousand individuals).

The quarterly decrease in the unemployed population occurred mainly in the following population groups: men; individuals with 35 years old and over; individuals who have completed the first or the second stage of basic education level of education; individuals seeking a new job (mainly of those who were formerly employed in the services sector); and unemployed seeking for a job for less than one year.

4. Inactive population

In the 4th quarter of 2007, the inactive population aged 15 years old and over decreased by 0.2%, when compared to the same quarter of 2006, and increased by 0.8%, when compared with the previous quarter (corresponding to 7.6 thousand and 25.4 thousand individuals, respectively). In 2007, the inactive population aged 15 years old and over

decreased by 0.2% (6.9 thousand individuals), when compared to the previous year.

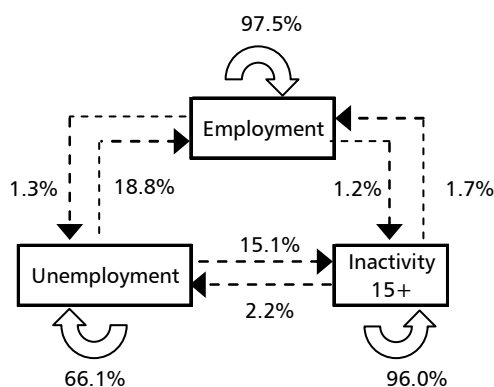
The inactivity rate (15 and over) reached 37.3%, in the 4th quarter of 2007, standing at 30.5% for men and at 43.6% for women.

In 2007, the inactivity rate stood at 37.4%, down 0.1 p.p. from the previous year.

5. Quarterly flows between labour market states

From the 3rd to the 4th quarter of 2007, 1.3% of the individuals initially employed moved into unemployment and a lower percentage (1.2%) moved into inactivity, with the proportion of employees moving out of this situation totalling 2.5% in the 4th quarter of 2007 (97.5% remained employed). From the 2nd to the 3rd quarter of 2007, this percentage had been lower (2.0%).

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



The flows out of unemployment between the two quarters were, in relative terms, more marked than the flows out of employment. From total individuals who were unemployed in the 3rd quarter of 2007, 33.9% moved out of this labour market state in the following quarter, 18.8% of which became employed and 15.1% moved into inactivity. The percentage of individuals

moving from unemployment into employment was higher than that observed in the flows from the 2nd to the 3rd quarter of 2007 (15.7%). In turn, the percentage of individuals moving from unemployment into inactivity was lower than that observed in the previous quarter (15.7%)

From total individuals aged 15 years old and over considered to be inactive in the 3rd quarter of 2007, 1.7% moved into employment, and 2.2% moved into unemployment, in the following quarter. The first percentage is higher than observed in the flows from the 2nd to the 3rd quarter of 2007 (1.6%), whereas the second is equal.

6. Unemployment rates by NUTS II regions

In the 4th quarter of 2007, the highest unemployment rates were recorded in the Norte (9.1%), Lisboa (8.4%) and Alentejo (7.8%) regions. The lowest values were observed in Região Autónoma dos Açores (4.9%) and Centro (5.7%).

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

	Unit: %				
	4Q-2006	3Q-2007	4Q-2007	2006	2007
Portugal	8,2	7,9	7,8	7,7	8,0
Norte	9,7	9,5	9,1	8,9	9,4
Centro	5,8	5,1	5,7	5,5	5,6
Lisboa	8,9	9,2	8,4	8,5	8,9
Alentejo	9,3	7,3	7,8	9,2	8,4
Algarve	6,1	5,9	7,1	5,5	6,7
R. A. Açores	4,0	3,9	4,9	3,8	4,3
R. A. Madeira	5,8	6,8	7,0	5,4	6,8

Source: INE, Employment Statistics - 4th quarter 2007.

Comparing to the same quarter of the previous year, and similarly to the overall picture in Portugal, the unemployment rate decreased in all regions, except in Algarve, Região Autónoma da Madeira and Região

Autónoma dos Açores, where it increased. The highest decrease was observed in Alentejo (1.5 p.p.).

Compared to the previous quarter, the unemployment rate decreased in Norte and Lisboa regions, by 0.4 p.p. and 0.8 p.p., respectively. The more marked increases occurred in Algarve (1.2 p.p.) and in Região Autónoma dos Açores (1.0 p.p.).

Concerning the annual averages, the higher unemployment rates for 2007, were recorded in Norte (9.4%), Lisboa (8.9%) and Alentejo (8.4%) regions. The smallest rate was observed in Região Autónoma dos Açores (4.3%). Similarly to the overall picture in Portugal, the unemployment rate increased, comparing to the previous year, in all regions, except in Alentejo, where it decreased.

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

	Quarterly levels			Annual levels		Rates of change		
	4Q-2006	3Q-2007	4Q-2007	2006	2007	On year	On quarter	Annual
	Thousand individuals					%		
Labour force (active population)	5 601,4	5 644,7	5 627,7	5 587,3	5 618,3	0,5	-0,3	0,6
Males	2 988,6	2 997,5	2 986,3	2 984,4	2 986,0	-0,1	-0,4	0,1
Females	2 612,8	2 647,2	2 641,3	2 602,9	2 632,2	1,1	-0,2	1,1
15 to 24	538,8	522,5	515,5	544,4	518,4	-4,3	-1,3	-4,8
25 to 34	1 480,9	1 477,5	1 472,1	1 483,1	1 475,9	-0,6	-0,4	-0,5
35 to 44	1 421,7	1 425,8	1 420,4	1 409,0	1 420,7	-0,1	-0,4	0,8
45 to 64	1 834,3	1 880,3	1 890,4	1 821,4	1 869,5	3,1	0,5	2,6
65 and over	325,8	338,6	329,2	329,4	333,8	1,0	-2,8	1,3
Participation rate (%)	52,8	53,2	53,0	52,8	53,0			
Males	58,2	58,4	58,1	58,2	58,2			
Females	47,8	48,4	48,2	47,7	48,1			
Participation rate (15 and over) (%)	62,5	62,9	62,7	62,5	62,6			
Males	69,6	69,8	69,5	69,7	69,5			
Females	55,9	56,6	56,4	55,8	56,3			
Employed population	5 142,8	5 200,3	5 188,2	5 159,5	5 169,7	0,9	-0,2	0,2
Males	2 779,9	2 799,9	2 800,9	2 789,7	2 789,3	0,8	o	o
Females	2 362,9	2 400,3	2 387,3	2 369,8	2 380,4	1,0	-0,5	0,4
15 to 24	442,6	439,0	428,8	455,9	432,5	-3,1	-2,3	-5,1
25 to 34	1 337,3	1 340,5	1 335,0	1 348,1	1 331,9	-0,2	-0,4	-1,2
35 to 44	1 325,5	1 328,4	1 327,0	1 319,8	1 325,4	0,1	-0,1	0,4
45 to 64	1 711,9	1 754,5	1 769,1	1 706,4	1 746,8	3,3	0,8	2,4
65 and over	325,6	338,0	328,3	329,2	333,1	0,8	-2,9	1,2
First and second stages of basic education	3 628,8	3 700,8	3 674,7	3 668,1	3 660,1	1,3	-0,7	-0,2
(Upper) secondary and post-secondary non-tertiary education	788,1	780,8	768,3	777,3	776,6	-2,5	-1,6	-0,1
Tertiary education	725,9	718,7	745,3	714,1	733,0	2,7	3,7	2,6
Agriculture, hunting, forestry and fishing	588,9	608,9	595,6	603,8	601,4	1,1	-2,2	-0,4
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	1 586,0	1 595,0	1 580,0	1 577,2	1 577,8	-0,4	-0,9	o
Services	2 968,0	2 996,4	3 012,6	2 978,4	2 990,5	1,5	0,5	0,4
Employees	3 897,6	3 921,4	3 909,0	3 898,1	3 902,2	0,3	-0,3	0,1
With a permanent job (work contract of unlimited duration)	3 068,9	3 025,7	3 012,9	3 096,8	3 029,5	-1,8	-0,4	-2,2
With a temporary job (work contract of limited duration)	657,0	706,0	712,7	634,1	684,8	8,5	0,9	8,0
Others	171,7	189,7	183,3	167,1	187,9	6,8	-3,4	12,4
Self-employed workers	1 157,5	1 199,6	1 195,0	1 171,5	1 186,8	3,2	-0,4	1,3
Unpaid family workers	87,7	79,2	84,3	89,9	80,7	-3,9	6,4	-10,2
Full-time workers	4 547,8	4 567,9	4 565,5	4 577,1	4 543,8	0,4	-0,1	-0,7
Part-time workers	595,0	632,4	622,7	582,4	625,9	4,7	-1,5	7,5
Employment rate (15 and over) (%)	57,4	58,0	57,8	57,7	57,6			
Males	64,8	65,2	65,1	65,1	65,0			
Females	50,6	51,3	51,0	50,8	50,9			

Source: INE, Employment Statistics - 4th quarter 2007.

Notes:

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

- Null.

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

	Quarterly levels			Annual levels		Rates of change		
	4Q-2006	3Q-2007	4Q-2007	2006	2007	On year	On quarter	Annual
	Thousand individuals					%		
Unemployed population	458,6	444,4	439,5	427,8	448,6	-4,2	-1,1	4,9
Males	208,7	197,6	185,4	194,8	196,8	-11,2	-6,2	1,0
Females	249,8	246,8	254,1	233,1	251,8	1,7	3,0	8,0
15 to 24	96,2	83,5	86,7	88,5	85,9	-9,9	3,8	-2,9
25 to 34	143,6	137,0	137,1	135,0	144,0	-4,5	0,1	6,7
35 to 44	96,2	97,4	93,4	89,2	95,3	-2,9	-4,1	6,8
45 and over	122,6	126,5	122,3	115,2	123,4	-0,2	-3,3	7,1
First and second stages of basic education	327,4	312,7	306,8	307,5	320,2	-6,3	-1,9	4,1
(Upper) secondary and post-secondary non-tertiary education	74,7	67,1	67,1	71,9	69,1	-10,2	-	-3,9
Tertiary education	56,5	64,7	65,6	48,4	59,3	16,1	1,4	22,5
Looking for a first job	65,0	62,0	63,4	58,8	61,5	-2,5	2,3	4,6
Looking for a new job	393,6	382,4	376,1	369,0	387,1	-4,4	-1,6	4,9
Agriculture, hunting, forestry and fishing	11,7	12,5	11,3	10,8	12,3	-3,4	-9,6	13,9
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	166,8	155,7	153,5	163,9	163,5	-8,0	-1,4	-0,2
Services	215,1	214,2	211,4	194,3	211,3	-1,7	-1,3	8,7
Unemployment rate (%)	8,2	7,9	7,8	7,7	8,0			
Males	7,0	6,6	6,2	6,5	6,6			
Females	9,6	9,3	9,6	9,0	9,6			
Youth (15 to 24)	17,9	16,0	16,8	16,3	16,6			
Unemployed by duration of search (a)								
Less than 12 months	220,7	224,9	222,2	205,0	226,2	0,7	-1,2	10,3
12 months or longer (long-term unemployment)	235,2	216,1	214,7	221,1	219,6	-8,7	-0,6	-0,7
Long-term unemployment rate (%)	4,2	3,8	3,8	4,0	3,9			
Inactive population	5 000,7	4 962,9	4 986,9	4 998,7	4 986,2	-0,3	0,5	-0,3
Inactive population (15 and over)	3 361,5	3 328,5	3 353,9	3 358,2	3 351,3	-0,2	0,8	-0,2
Males	1 303,7	1 298,1	1 313,2	1 299,0	1 307,6	0,7	1,2	0,7
Females	2 057,8	2 030,4	2 040,7	2 059,2	2 043,7	-0,8	0,5	-0,8
15 to 24	721,8	710,3	708,1	730,2	719,6	-1,9	-0,3	-1,5
25 to 34	174,4	168,1	173,5	169,8	170,2	-0,5	3,2	0,2
35 to 44	155,9	151,6	158,4	163,9	155,4	1,6	4,5	-5,2
45 to 64	796,0	801,0	802,8	794,1	805,4	0,9	0,2	1,4
65 and over	1 513,4	1 497,5	1 511,1	1 500,3	1 500,8	-0,2	0,9	o
Students	740,0	716,3	725,0	750,7	735,0	-2,0	1,2	-2,1
Looking after home / family	574,9	545,6	558,3	591,5	557,5	-2,9	2,3	-5,7
Retired	1 690,9	1 704,8	1 713,3	1 668,5	1 694,6	1,3	0,5	1,6
Other inactive	355,7	361,7	357,3	347,5	364,1	0,4	-1,2	4,8
Inactivity rate (15 and over) (%)	37,5	37,1	37,3	37,5	37,4			
Males	30,4	30,2	30,5	30,3	30,5			
Females	44,1	43,4	43,6	44,2	43,7			

Source: INE, Employment Statistics - 4th quarter 2007.

Notes:

(a) 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 2007 (“Estatísticas do Emprego – 4^o trimestre de 2007”).

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

May, 16th 2008.

The publication Employment Statistics – 4th quarter 2007 (“Estatísticas do Emprego – 4^o trimestre de 2007”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.