

February, 13th 2013

Employment Statistics
4th quarter of 2012

Unemployment rate at 16.9%

The unemployment rate estimated for the 4th quarter of 2012 was 16.9%. This value is up 2.9 percentage points from the same quarter of 2011 and 1.1 percentage points from the previous quarter.

There were 923.2 thousand unemployed people, which corresponds to a year-on-year increase of 19.7% and to a quarterly increase of 6.0% (more 152.2 thousand and 52.3 thousand people, respectively).

There were 4 531.8 thousand employed people, which corresponds to a year-on-year decrease of 4.3% and to a quarterly decrease of 2.7% (less 203.6 thousand and 124.5 thousand people, respectively).

The average unemployment rate for 2012 was 15.7%, recording an increase of 2.9 percentage points from the previous year. There were 860.1 thousand unemployed people, up 21.8% from the previous year (more 154.0 thousand people). The employed population recorded an annual decrease of 4.2% (less 202.3 thousand people).

1. Labour force (active population)

The Labour Force Survey results for the 4th quarter of 2012 indicate that the labour force (active population) decreased by 0.9% from the same quarter of 2011 (51.5 thousand people) and by 1.3% from the previous quarter (72.2 thousand).

The participation rate of the working age population (15 years old and over) stood at 60.5%. This rate decreased by 0.4 percentage points (p.p.) from the same quarter of 2011 and by 0.8 p.p. from the previous quarter.

The participation rate of men (66.6%) exceeded that of women (55.0%) by 11.6 p.p..

Compared to the same quarter of 2011, the participation rate decreased for men (0.8 p.p.) and increased for women (0.2 p.p.).

Compared to the previous quarter, the participation rate decreased for men (1.1 p.p.) by more than for women (0.5 p.p.).

In 2012, the active population decreased by 0.9% from the previous year (48.4 thousand people).

The participation rate of the working age population was 61.0%, down 0.6 p.p. from the previous year.

2. Employed population

The employed population decreased by 4.3% from the same quarter of 2011 (203.6 thousand people) and by 2.7% from the previous quarter (124.5 thousand).

For the year-on-year decrease, the following results contributed most:

- The decrease of 123.7 thousand employed men, which explained 60.8% of the overall decrease in employment.
- The decrease of 124.3 thousand employed aged 25 to 34.
- The decrease of 239.1 thousand employed having completed the first or second stages of basic education.
- In turn, the number of employed having completed the tertiary level of education increased (54.6 thousand).
- The decrease of 162.6 thousand employed in the manufacturing, electricity, gas and water supply, and construction sector and of 56.1 thousand employed in the services sector.
- Within the manufacturing, electricity, gas and water supply, and construction sector, it stands out the decrease of 107.1 thousand employed in the construction activities.

Within the services sector, it stands out the decrease of employment in two activities: public administration, defence, and compulsory social security (31.3 thousand) and wholesale and retail trade (28.2 thousand).

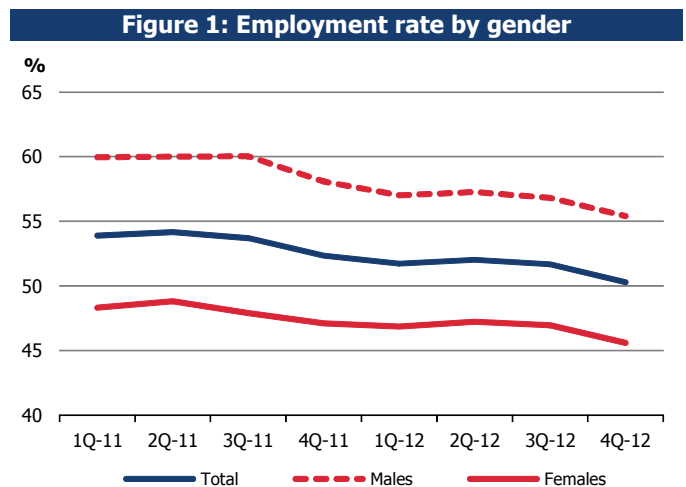
- The decrease of 206.9 thousand employees, 134.3 thousand of whom held a permanent job and 74.7 thousand of whom held a temporary job.
- In turn, the number of self-employed increased slightly (4.1 thousand).
- The decrease of 216.3 thousand full-time workers.

The employment rate (15 years old and over) stood at 50.3%, having decreased by 2.1 p.p. from the same quarter of 2011 and by 1.4 p.p. from the previous quarter.

The employment rate of men (55.4%) exceeded that of women (45.6%) by 9.8 p.p..

Compared to the same quarter of 2011, the employment rate decreased more for men (2.7 p.p.) than for women (1.5 p.p.).

Compared to the previous quarter, the employment rate decreased also more for men (1.4 p.p.) than for women (1.3 p.p.).



The number of underemployed part time workers, estimated at 260.9 thousand, corresponded to 5.8% of total employed population and to 40.4% of part time employed population.

The number of underemployed part time workers increased by 9.6% from the same quarter of 2011 (22.9 thousand) and by 5.5% from the previous quarter (13.6 thousand).

In 2012, the employed population decreased by 4.2% from the previous year (202.3 thousand people).

The employment rate was 51.4%, down 2.1 p.p. from the previous year.

3. Unemployed population

The unemployed population, estimated at 923.2 thousand people, increased by 19.7% from the same quarter of 2011 (152.2 thousand people) and by 6.0% from the previous quarter (52.3 thousand).

For the year-on-year increase, the following results contributed most:

- The increase of 76.1 thousand unemployed men and of 76.1 thousand unemployed women.
- The increase of 52.0 thousand unemployed aged 35 to 44 and of 49.1 thousand unemployed aged 45 and over.
- Together, these two age groups explained 66.4% of the overall increase in unemployment.
- The increase of 67.2 thousand unemployed having completed an education level corresponding to the first or second stages of

basic education, of 44.3 thousand having completed the (upper) secondary or post-secondary non-tertiary level of education, and of 40.6 thousand having completed the tertiary level of education.

- The increase of 130.8 thousand unemployed seeking for a new job, which explained 85.9% of the overall increase in unemployment.
- Within that group, it stands out the increase of 66.1 thousand unemployed who came from the services sector and the increase of 59.6 thousand unemployed who came from the manufacturing, electricity, gas and water supply, and construction sector.
- The increase of 114.4 thousand unemployed seeking a job for 12 months or longer, which explained 75.2% of the overall increase in unemployment.

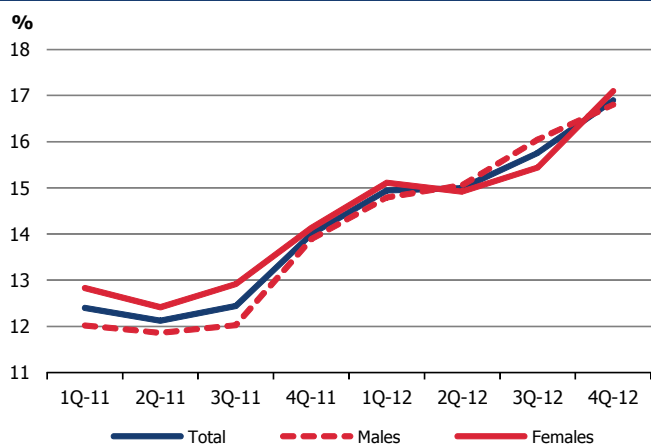
The unemployed population quarterly increase came mostly from the following groups: women, people from 25 to 44 years old, having completed the first or second stages of basic education, seeking for a new job (mainly from the manufacturing, electricity, gas and water supply, and construction sector), and seeking a job for 12 months or longer.

The unemployment rate stood at 16.9%, up 2.9 p.p. from the same quarter of 2011 and 1.1 p.p. from the previous quarter.

The unemployment rate of women (17.1%) exceeded that of men (16.8%) by 0.3 p.p.. Both rates increased from the same quarter of the previous year (3.0 p.p.

and 2.9 p.p., respectively) and from the previous quarter (1.7 p.p. and 0.8 p.p., respectively).

Figure 2: Unemployment rate by gender



In 2012, there were 860.1 thousand unemployed people. The unemployed population increased by 21.8% from the previous year (154.0 thousand people).

The unemployment rate was 15.7%, up 2.9 p.p. from the previous year.

4. Inactive population

The inactive population aged 15 and over increased by 0.5% from the same quarter of 2011 (16.0 thousand people) and by 2.0% from the previous quarter (71.4 thousand).

The inactivity rate (15 years old and over) stood at 39.5%, having increased by 0.4 p.p. from the same quarter of 2011 and by 0.8 p.p. from the previous quarter.

The inactivity rate of women (45.0%) exceeded that of men (33.4%) by 11.6 p.p..

Compared to the same quarter of 2011, the inactivity rate increased for men (0.8 p.p.) and decreased for women (0.2 p.p.).

Compared to the previous quarter, the inactivity rate decreased more for men (1.1 p.p.) than for women (0.5 p.p.).

The number of persons seeking work but not immediately available, estimated at 30.7 thousand, corresponded to 0.9% of the inactive population aged 15 and over.

The number of persons seeking work but not immediately available increased slightly from the same quarter of 2011 and increased by 27.9% from the previous quarter (6.7 thousand).

The number of persons available to work but not seeking, estimated at 259.8 thousand, corresponded to 7.3% of the inactive population aged 15 and over.

The number of persons available to work but not seeking increased by 27.9% from the same quarter of 2011 (56.7 thousand) and by 4.3% from the previous quarter (10.6 thousand).

In 2012, the inactive population aged 15 and over increased by 0.6% from the previous year (22.6 thousand people).

The inactivity rate was 39.0%, up 0.4 p.p. from the previous year.

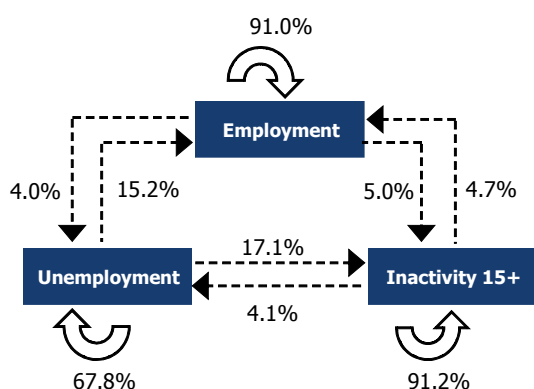
5. Quarterly flows between labour market states

From the 3rd to the 4th quarter of 2012, 4.0% of the people initially employed moved into unemployment and 5.0% moved into inactivity, with the proportion of

employed moving out of this situation totalling 9.0% in the 4th quarter of 2012 (91.0% remained employed).

From the 2nd to the 3rd quarter of 2012, the percentage of those who left employment had been smaller (7.6%).

**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 unemployed in the 3rd quarter of 2012, 32.3% moved out of this labour market state in the 4th quarter of 2012. Out of these, 15.2% became employed and 17.1% moved into inactivity.

The percentage of people moving from unemployment into employment was smaller than the one observed in the flows from the 2nd to the 3rd quarter of 2012 (it had been 18.6%).

The percentage of people moving from unemployment into inactivity was larger than the one observed in the flows from the 2nd to the 3rd quarter of 2012 (it had been 15.7%).

From the total of people aged 15 and over considered to be inactive in the 3rd quarter of 2012, 4.7% moved into employment and 4.1% moved into unemployment, in the 4th quarter of 2012.

The corresponding flows from the 2nd to the 3rd quarter of 2012 were larger (5.8% and 4.3%, respectively).

6. Unemployment rates by NUTS II region

In the 4th quarter of 2012, the highest unemployment rates were recorded in *Região Autónoma da Madeira* (19.7%), *Algarve* (19.7%), *Lisboa* (18.7%), *Norte* (17.8%), and *Alentejo* (17.2%).

The lowest values were observed in *Centro* (12.7%) and *Região Autónoma dos Açores* (16.2%).

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

	4Q-2011	3Q-2012	4Q-2012	2011	2012
Portugal	14.0	15.8	16.9	12.7	15.7
Norte	14.1	16.4	17.8	13.0	16.1
Centro	12.6	12.5	12.7	10.3	12.0
Lisboa	14.7	17.8	18.7	14.1	17.6
Alentejo	13.1	16.1	17.2	12.4	15.9
Algarve	17.5	14.7	19.7	15.6	17.9
R. A. Açores	15.1	15.4	16.2	11.5	15.3
R. A. Madeira	13.5	17.5	19.7	13.8	17.5

Source: INE, Employment Statistics - 4th quarter of 2012.

Compared to the same quarter of 2011, and similarly to the overall picture in Portugal, the unemployment rate increased in all regions. The largest increases were recorded in *Região Autónoma da Madeira* (6.2 p.p.), *Alentejo* (4.1 p.p.), *Lisboa* (4.0 p.p.), and *Norte* (3.7 p.p.).

Compared to the previous quarter, the unemployment rate also increased in all regions. The largest increases

were recorded in *Algarve* (5.0 p.p.), *Região Autónoma da Madeira* (2.2 p.p.), and *Norte* (1.4 p.p.).

In 2012, the higher unemployment rates were recorded in *Algarve* (17.9%), *Lisboa* (17.6%), *Região Autónoma da Madeira* (17.5%), *Norte* (16.1%), and *Alentejo* (15.9%).

The smallest rates were observed in *Centro* (12.0%) and *Região Autónoma dos Açores* (15.3%).

Compared to the previous year, the unemployment rate increased in all regions. The larger increases were

recorded in *Região Autónoma dos Açores* (3.8 p.p.), *Região Autónoma da Madeira* (3.7%), *Alentejo* (3.5%), *Lisboa* (3.5 p.p.), and *Norte* (3.1 p.p.).

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

	Quarterly level			Annual level		Rate of change		
	4Q-2011	3Q-2012	4Q-2012	2011	2012	On year	On quarter	Annual
	Thousands					%		
Labour force (active population)	5,506.5	5,527.2	5,455.0	5,543.2	5,494.8	-0.9	-1.3	-0.9
Males	2,920.6	2,920.0	2,873.0	2,940.5	2,897.6	-1.6	-1.6	-1.5
Females	2,585.8	2,607.2	2,582.0	2,602.6	2,597.2	-0.1	-1.0	-0.2
15 to 24	441.4	449.1	412.2	443.8	427.3	-6.6	-8.2	-3.7
25 to 34	1,378.5	1,310.3	1,296.7	1,389.8	1,320.1	-5.9	-1.0	-5.0
35 to 44	1,465.5	1,482.1	1,482.9	1,471.3	1,483.4	1.2	0.1	0.8
45 to 64	1,945.2	1,986.0	1,977.1	1,955.7	1,973.9	1.6	-0.4	0.9
65 and over	275.9	299.8	286.1	282.6	290.1	3.7	-4.6	2.7
First and second stages of basic education	3,326.6	3,247.4	3,154.7	3,421.5	3,234.8	-5.2	-2.9	-5.5
(Upper) secondary and post-secondary non-tertiary education	1,162.9	1,200.8	1,188.1	1,120.1	1,189.7	2.2	-1.1	6.2
Tertiary education	1,017.0	1,079.0	1,112.3	1,001.5	1,070.3	9.4	3.1	6.9
Participation rate (%)	51.7	52.2	51.5	52.1	51.8			
Males	56.7	57.0	56.1	57.1	56.5			
Females	47.0	47.6	47.2	47.4	47.5			
Participation rate (15 and over) (%)	60.9	61.3	60.5	61.3	61.0			
Males	67.4	67.7	66.6	68.0	67.1			
Females	54.8	55.5	55.0	55.2	55.3			
Employed population	4,735.4	4,656.3	4,531.8	4,837.0	4,634.7	-4.3	-2.7	-4.2
Males	2,514.9	2,451.5	2,391.2	2,574.5	2,443.6	-4.9	-2.5	-5.1
Females	2,220.5	2,204.8	2,140.6	2,262.5	2,191.1	-3.6	-2.9	-3.2
15 to 24	285.1	274.0	247.3	310.3	266.3	-13.3	-9.7	-14.2
25 to 34	1,161.1	1,073.2	1,036.8	1,195.0	1,080.7	-10.7	-3.4	-9.6
35 to 44	1,295.0	1,283.6	1,260.5	1,310.1	1,285.1	-2.7	-1.8	-1.9
45 to 64	1,721.9	1,729.0	1,705.5	1,741.9	1,717.3	-1.0	-1.4	-1.4
65 and over	272.3	296.4	281.7	279.7	285.3	3.5	-5.0	2.0
First and second stages of basic education	2,842.6	2,729.5	2,603.5	2,956.7	2,711.5	-8.4	-4.6	-8.3
(Upper) secondary and post-secondary non-tertiary education	983.8	985.3	964.7	970.7	980.3	-1.9	-2.1	1.0
Tertiary education	909.0	941.5	963.6	909.7	942.9	6.0	2.3	3.6
Agriculture, forestry and fishing (a)	452.5	500.8	467.6	478.5	486.0	3.3	-6.6	1.6
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,274.3	1,185.6	1,111.7	1,322.7	1,188.3	-12.8	-6.2	-10.2
Services (a)	3,008.6	2,969.9	2,952.5	3,035.9	2,960.4	-1.9	-0.6	-2.5
Employees	3,745.1	3,644.3	3,538.2	3,815.2	3,628.4	-5.5	-2.9	-4.9
With a permanent job (work contract of unlimited duration)	2,951.1	2,868.6	2,816.8	2,967.5	2,878.6	-4.6	-1.8	-3.0
With a temporary job (work contract of limited duration) and other contractual arrangements	659.7	639.0	585.0	707.2	617.9	-11.3	-8.5	-12.6
Other contractual arrangements	134.2	136.6	136.5	140.5	131.9	1.7	-0.1	-6.1
Self-employed workers	961.4	981.3	965.4	992.4	976.0	0.4	-1.6	-1.7
Unpaid family workers and other professional status	29.0	30.7	28.2	29.4	30.3	-2.8	-8.1	3.1
Full-time workers	4,102.5	3,990.3	3,886.2	4,193.8	3,970.6	-5.3	-2.6	-5.3
Part-time workers	632.9	665.9	645.6	643.3	664.1	2.0	-3.0	3.2
Underemployed part time workers	238.0	247.3	260.9	219.7	256.2	9.6	5.5	16.6
Employment rate (15 and over) (%)	52.4	51.7	50.3	53.5	51.4			
Males	58.1	56.8	55.4	59.5	56.6			
Females	47.1	46.9	45.6	48.0	46.7			

Source: INE, Employment Statistics - 4th quarter of 2012.

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 level			Annual level		Rate of change		
	4Q-2011	3Q-2012	4Q-2012	2011	2012	On year	On quarter	Annual
	Thousands					%		
Unemployed population	771.0	870.9	923.2	706.1	860.1	19.7	6.0	21.8
Males	405.7	468.5	481.8	366.0	453.9	18.8	2.8	24.0
Females	365.3	402.5	441.4	340.1	406.2	20.8	9.7	19.4
15 to 24	156.3	175.1	164.9	133.5	161.0	5.5	-5.8	20.6
25 to 34	217.4	237.1	260.0	194.7	239.4	19.6	9.7	23.0
35 to 44	170.4	198.5	222.4	161.3	198.3	30.5	12.0	22.9
45 and over	226.9	260.2	276.0	216.6	261.4	21.6	6.1	20.7
First and second stages of basic education	484.0	517.9	551.2	464.8	523.3	13.9	6.4	12.6
(Upper) secondary and post-secondary non-tertiary education	179.1	215.5	223.4	149.4	209.4	24.7	3.7	40.2
Tertiary education	108.0	137.5	148.6	91.9	127.4	37.6	8.1	38.6
Looking for a first job	80.2	98.8	101.6	73.8	91.4	26.7	2.8	23.8
Looking for a new job	690.8	772.2	821.6	632.3	768.7	18.9	6.4	21.6
Agriculture, forestry and fishing (a) (b)	16.6	15.7	17.7	14.0	17.8	6.6	12.7	27.1
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	246.8	272.2	306.4	228.5	277.3	24.1	12.6	21.4
Services (a) (b)	399.8	456.6	465.9	362.2	442.3	16.5	2.0	22.1
Unemployed by duration of search								
Less than 12 months	365.6	387.0	403.3	331.3	394.3	10.3	4.2	19.0
12 months or longer (long-term unemployment)	405.5	483.9	519.9	374.9	465.8	28.2	7.4	24.2
Unemployment rate (%)	14.0	15.8	16.9	12.7	15.7			
Males	13.9	16.0	16.8	12.4	15.7			
Females	14.1	15.4	17.1	13.1	15.6			
Youth (15 to 24)	35.4	39.0	40.0	30.1	37.7			
Long-term unemployment rate (%)	7.4	8.8	9.5	6.8	8.5			
Inactive population	5,147.3	5,070.8	5,139.5	5,103.5	5,105.2	-0.2	1.4	o
Inactive population (15 and over)	3,539.1	3,483.7	3,555.1	3,494.1	3,516.7	0.5	2.0	0.6
Males	1,409.5	1,394.9	1,441.4	1,385.8	1,417.5	2.3	3.3	2.3
Females	2,129.5	2,088.8	2,113.7	2,108.2	2,099.2	-0.7	1.2	-0.4
15 to 24	692.0	676.3	707.7	699.0	701.0	2.3	4.6	0.3
25 to 34	143.7	142.6	144.2	143.5	138.9	0.3	1.1	-3.2
35 to 44	157.9	157.2	159.3	148.3	154.5	0.9	1.3	4.2
45 to 64	869.6	830.4	845.6	845.2	839.3	-2.8	1.8	-0.7
65 and over	1,675.8	1,677.1	1,698.3	1,658.1	1,683.1	1.3	1.3	1.5
Students	796.2	734.9	799.5	795.7	783.2	0.4	8.8	-1.6
Fulfilled domestic tasks	441.3	429.6	442.6	432.7	440.5	0.3	3.0	1.8
Retired	1,593.3	1,611.7	1,577.3	1,594.1	1,591.9	-1.0	-2.1	-0.1
Other inactive	708.3	707.4	735.7	671.5	701.2	3.9	4.0	4.4
Persons seeking work but not immediately available	29.1	24.0	30.7	32.6	30.9	5.5	27.9	-5.2
Persons available to work but not seeking	203.1	249.2	259.8	172.0	232.1	27.9	4.3	34.9
Inactivity rate (15 and over) (%)	39.1	38.7	39.5	38.7	39.0			
Males	32.6	32.3	33.4	32.0	32.9			
Females	45.2	44.5	45.0	44.8	44.7			

Source: INE, Employment Statistics - 4th quarter of 2012.

Notes:

(a) The previous employment experience of the unemployed looking for a new job is characterized only for those who had stopped work within the last 8 years. Therefore, the sum of the number of unemployed looking for a new job by economic activity of the last job does not correspond to the total unemployed looking for a new job.

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

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, though computer-assisted interview, by using a mixed data collection mode: the initial interview is done face-to-face by an interviewer visiting the household and the other five interviews are done by telephone, if certain requirements are met. Published data were calibrated, based on independent estimates of the population, calculated from the definitive results of the 2001 Census.

SOME CONCEPTS

Participation rate

Ratio between the labour force (active population) and the total population.

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

Participation rate (15 and over)

Ratio between the labour force and the working age total population (15 and over).

$$\text{P.R. (\%)} = (\text{Labour force} / \text{Total population 15 and over}) \times 100$$

Unemployment rate

Ratio between the unemployed population and the labour force.

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

Long term unemployment rate

Ratio between the unemployed population seeking employment for 12 months and over and the labour force.

$$\text{U.R. (\%)} = (\text{Unemployed population seeking employment for 12 months and over} / \text{Labour force}) \times 100$$

Employment rate (15 and over)

Ratio between the employed population and the working age total population (15 and over).

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

Inactivity rate (15 and over)

Ratio between the working age inactive population (15 and over) and the working age total population (15 and over).

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

On year rate of change

The on year (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.

On quarter rate of change

The on quarter (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.

The publication Employment Statistics – 4th quarter of 2012 (“Estatísticas do Emprego – 4^o trimestre de 2012”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.