

August, 7th 2013

Employment Statistics

2nd quarter of 2013

The unemployment rate estimate was 16.4%

The unemployment rate estimated for the 2nd quarter of 2013 was 16.4%. This value is up 1.4 percentage points from the same quarter of 2012 and down 1.3 percentage points from the previous quarter.

There were 886.0 thousand unemployed people, which corresponds to a year-on-year increase of 7.1% and to a quarterly decrease of 7.0% (more 59.1 thousand and less 66.2 thousand people, respectively).

There were 4 505.6 thousand employed people, which corresponds to a year-on-year decrease of 3.9% and to a quarterly increase of 1.6% (less 182.6 thousand and more 72.4 thousand people, respectively).

1. Labour force (active population)

The Labour Force Survey results for the 2nd quarter of 2013 indicate that the labour force (active population) decreased by 2.2% from the same quarter of 2012 (123.6 thousand people) increased slightly from the previous quarter (0.1%; 6.2 thousand).

The participation rate of the working age population (15 years old and over) stood at 60.2%. This rate decreased by 1.0 percentage points (p.p.) from the same quarter of 2012 and increased by 0.1 p.p. from the previous quarter.

The participation rate of men (66.1%) exceeded that of women (54.9%) by 11.2 p.p..

Compared to the same quarter of 2012, the participation rate decreased for both men and women (1.3 p.p. and 0.6 p.p., respectively).

Compared to the previous quarter, the participation rate decreased for men (0.1 p.p.) and increased for women (0.4 p.p.).

2. Employed population

The employed population decreased by 3.9% from the same quarter of 2012 (182.6 thousand people) and increased by 1.6% from the previous quarter (72.4 thousand).

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

- The decrease of 110.4 thousand employed men, which explained 60.5% of the overall decrease in employment.
- The decrease of 80.3 thousand employed aged 25 to 34 and of 50.2 thousand employed aged 35 to 44. Together, these two age groups

explained 71.5% of the overall decrease in employment.

- The decrease of 204.3 thousand employed having completed the first or second stages of basic education.

The number of employed having completed the tertiary level of education decreased also (24.7 thousand), in spite of its smaller contribution to the overall decrease in employment.

In turn, the number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education increased (46.3 thousand).

- The decrease of 116.6 thousand employed in the manufacturing, electricity, gas and water supply, and construction sector, of 47.5 thousand employed in the services sector, and of 18.5 thousand employed in the agriculture, forestry and fishing sector.

Within the manufacturing, electricity, gas and water supply, and construction sector, it stands out the decrease of 72.6 thousand employed in the construction activities.

Within the services sector, it stands out the decrease of employment in three activities: wholesale and retail trade (38.1 thousand), education (18.9 thousand), and Human health and social work activities (18.0 thousand).

- The decrease of 145.8 thousand employees, which was almost totally explained by the decrease of 145.4 thousand who held a permanent job, as the number of employees

holding a temporary job or in other contractual arrangements remained unchanged.

The number of self-employed decreased also, in spite of its smaller contribution to the overall decrease in employment (37.3 thousand).

- The decrease of 158.4 thousand full-time workers, which explained 86.7% of the overall decrease in employment.

In terms of the quarterly change, the employed population increase came mostly from the increase in the employment in the following groups: women; people aged 45 years old and over; having completed the (upper) secondary and post-secondary non-tertiary level of education; employed in the agriculture, forestry and fishing sector (especially in regions *Norte* and *Centro*) and in the services sector (especially in the following three activities: administrative and support service activities, accommodation and food service activities, and wholesale and retail trade); as employees or self-employed; and working full-time.

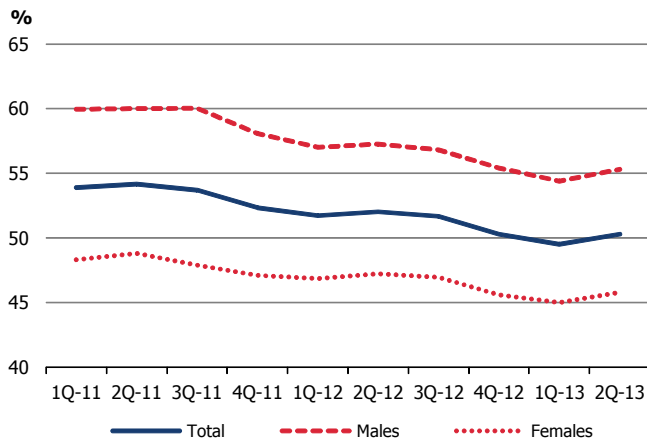
The employment rate (15 years old and over) stood at 50.3%, having decreased by 1.7 p.p. from the same quarter of 2012 and increased by 0.8 p.p. from the previous quarter.

The employment rate of men (55.3%) exceeded that of women (45.8%) by 9.5 p.p..

Compared to the same quarter of 2012, the employment rate decreased more for men (2.0 p.p.) than for women (1.4 p.p.).

Compared to the previous quarter, the employment rate increased by almost the same amount for men and for women (0.9 p.p. and 0.8 p.p., respectively).

Figure 1: Employment rate by gender



The number of underemployed part time workers, estimated at 270.4 thousand, corresponded to 6.0% of total employed population and to 41.5% of part time employed population.

The number of underemployed part time workers increased by 3.6% from the same quarter of 2012 (9.4 thousand) and by 4.8% from the previous quarter (12.5 thousand).

3. Unemployed population

The unemployed population, estimated at 886.0 thousand people, increased by 7.1% from the same quarter of 2012 (59.1 thousand people) and decreased by 7.0% from the previous quarter (66.2 thousand).

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

- The increase of 34.0 thousand unemployed women, which explained 57.5% of the overall increase in unemployment.

- The increase of 41.3 thousand unemployed aged 35 to 44 and of 29.1 thousand unemployed aged 45 and over.
- The increase of 28.6 thousand unemployed having completed an education level corresponding to the first or second stages of basic education, of 18.8 thousand having completed the tertiary level of education, and of 11.6 thousand having completed the (upper) secondary or post-secondary non-tertiary level of education.
- The increase of 55.3 thousand unemployed seeking for a new job, which explained 93.6% of the overall increase in unemployment.¹

Within this group, it stands out the increase of 35.8 thousand unemployed who came from the services sector and the increase of 22.8 thousand unemployed who came from the manufacturing, electricity, gas and water supply, and construction sector.

- The increase of 105.1 thousand unemployed seeking a job for 12 months or longer.

In turn, the number of unemployed seeking a job for less than 12 months decreased (46.1 thousand).

The unemployed population quarterly decrease came mostly from the following groups: men; people aged 15 to 34; having completed either of the three levels of education considered; seeking for a new job (mainly from the services sector); and seeking a job for less than 12 months.

¹ See note (a) in Table 3.

The unemployment rate stood at 16.4%, up 1.4 p.p. from the same quarter of 2012 and down 1.3 p.p. from the previous quarter.

The unemployment rate of men (16.4%) was slightly lower than that of women (16.5%).

Both rates increased from the same quarter of the previous year (1.3 p.p. and 1.6 p.p., respectively) and both decreased from the previous quarter (1.4 p.p. and 1.0 p.p., respectively).

Compared to the same quarter of 2012, the inactivity rate increased both for men and women (1.3 p.p. and 0.6 p.p., respectively).

Compared to the previous quarter, the inactivity rate increased slightly for men (0.1 p.p.) and decreased for women (0.4 p.p.).

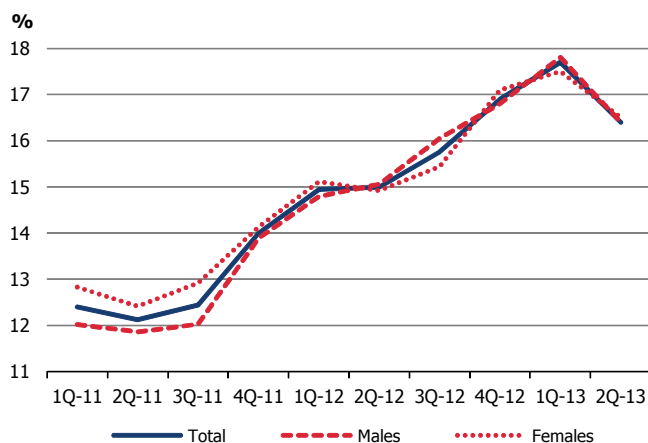
The number of persons seeking work but not immediately available, estimated at 33.4 thousand, corresponded to 0.9% of the inactive population aged 15 and over.

The number of persons seeking work but not immediately available decreased by 8.7% from the same quarter of 2012 (3.2 thousand) and increased by 7.4% from the previous quarter (2.3 thousand).

The number of persons available to work but not seeking, estimated at 271.7 thousand, corresponded to 7.6% of the inactive population aged 15 and over.

The number of persons available to work but not seeking increased by 25.0% from the same quarter of 2012 (54.3 thousand) and by 4.1% from the previous quarter (10.6 thousand).

Figure 2: Unemployment rate by gender



4. Inactive population

The inactive population aged 15 and over increased by 1.8% from the same quarter of 2012 (63.4 thousand people) and decreased by 0.5% from the previous quarter (16.7 thousand).

The inactivity rate (15 years old and over) stood at 39.8%, having increased by 1.0 p.p. from the same quarter of 2012 and decreased by 0.1 p.p. from the previous quarter.

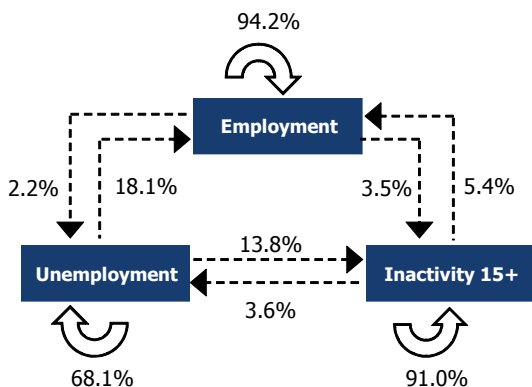
The inactivity rate of women (45.1%) exceeded that of men (33.9%) by 11.2 p.p..

5. Quarterly flows between labour market states

From the 1st to the 2nd quarter of 2013, 2.2% of the people initially employed moved into unemployment and 3.5% moved into inactivity, with the proportion of employed moving out of this situation totalling around 5.8% in the 2nd quarter of 2013 (94.2% remained employed). From the 4th quarter of 2012 to the 1st quarter of 2013, the percentage of those who left employment had been larger (7.8%).



**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 1st quarter of 2013, 31.9% moved out of this labour market state in the 2nd quarter of 2013. Out of these, 18.1% became employed and 13.8% moved into inactivity.

The percentage of people moving from unemployment into employment was larger than the one observed in the flows from the 4th quarter of 2012 to the 1st quarter of 2013 (it had been 14.6%).

The percentage of people moving from unemployment into inactivity was smaller than the one observed in the flows from the 4th quarter of 2012 to the 1st quarter of 2013 (it had been 14.5%).

From the total of people aged 15 and over considered to be inactive in the 1st quarter of 2013, 5.4% moved into employment and 3.6% moved into unemployment, in the 2nd quarter of 2013.

The corresponding flows from the 4th quarter of 2012 to the 1st quarter of 2013 had been 4.2% and 4.0%, respectively.

6. Unemployment rates by NUTS II region

In the 2nd quarter of 2013, the highest unemployment rates and above the national average were recorded in *Lisboa* (19.3%), *Região Autónoma da Madeira* (18.8%), *Norte* (17.2%), *Alentejo* (17.2%), and *Algarve* (16.9%).

The values below the national average were observed in *Centro* (11.5%) and *Região Autónoma dos Açores* (16.1%).

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

	2Q-2012	1Q-2013	2Q-2013
Portugal	15.0	17.7	16.4
Norte	15.2	18.6	17.2
Centro	11.2	13.3	11.5
Lisboa	17.6	19.5	19.3
Alentejo	15.0	18.5	17.2
Algarve	17.4	20.5	16.9
R. A. Açores	15.6	17.0	16.1
R. A. Madeira	16.8	20.0	18.8

Source: INE, Employment Statistics - 2nd quarter of 2013.

Compared to the same quarter of 2012, and similarly to the overall picture in Portugal, the unemployment rate increased in all regions, except in *Algarve*, where it decreased by 0.5 p.p.. The largest increases were recorded in *Alentejo* (2.2 p.p.), *Norte* (2.0 p.p.), *Região Autónoma da Madeira* (2.0 p.p.), and *Lisboa* (1.7 p.p.).

Compared to the previous quarter, the unemployment rate decreased in all regions. The largest decreases were recorded in *Algarve* (3.6 p.p.), *Centro* (1.8 p.p.), and *Norte* (1.4 p.p.).

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

	Quarterly level			Rate of change	
	2Q-2012	1Q-2013	2Q-2013	On year	On quarter
	Thousands			%	
Labour force (active population)	5,515.2	5,385.4	5,391.6	-2.2	0.1
Males	2,909.0	2,831.5	2,823.7	-2.9	-0.3
Females	2,606.1	2,553.9	2,567.9	-1.5	0.5
15 to 24	421.3	394.3	379.2	-10.0	-3.8
25 to 34	1,334.3	1,267.2	1,251.7	-6.2	-1.2
35 to 44	1,484.1	1,473.6	1,475.2	-0.6	0.1
45 to 64	1,980.5	1,986.2	2,012.1	1.6	1.3
65 and over	295.0	264.0	273.4	-7.3	3.6
First and second stages of basic education	3,280.9	3,102.3	3,105.1	-5.4	0.1
(Upper) secondary and post-secondary non-tertiary education	1,177.9	1,210.7	1,235.8	4.9	2.1
Tertiary education	1,056.4	1,072.4	1,050.7	-0.5	-2.0
Participation rate (%)	52.0	51.2	51.3		
Males	56.7	55.8	55.7		
Females	47.6	46.9	47.2		
Participation rate (15 and over) (%)	61.2	60.1	60.2		
Males	67.4	66.2	66.1		
Females	55.5	54.5	54.9		
Employed population	4,688.2	4,433.2	4,505.6	-3.9	1.6
Males	2,470.9	2,327.3	2,360.5	-4.5	1.4
Females	2,217.3	2,106.0	2,145.1	-3.3	1.9
15 to 24	271.6	228.5	238.6	-12.2	4.4
25 to 34	1,099.4	996.7	1,019.1	-7.3	2.2
35 to 44	1,303.6	1,254.6	1,253.4	-3.9	-0.1
45 to 64	1,724.6	1,692.3	1,725.1	0.0	1.9
65 and over	289.1	261.3	269.4	-6.8	3.1
First and second stages of basic education	2,759.2	2,529.9	2,554.9	-7.4	1.0
(Upper) secondary and post-secondary non-tertiary education	980.1	979.1	1,026.4	4.7	4.8
Tertiary education	948.9	924.2	924.2	-2.6	-
Agriculture, forestry and fishing (a)	498.6	433.9	480.1	-3.7	10.6
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,210.4	1,100.7	1,093.8	-9.6	-0.6
Services (a)	2,979.2	2,898.7	2,931.7	-1.6	1.1
Employees	3,668.9	3,482.5	3,523.1	-4.0	1.2
With a permanent job (work contract of unlimited duration)	2,900.2	2,745.4	2,754.8	-5.0	0.3
With a temporary job (work contract of limited duration)	640.4	599.6	636.7	-0.6	6.2
Other contractual arrangements	128.4	137.4	131.7	2.6	-4.1
Self-employed workers	988.7	924.0	951.4	-3.8	3.0
Unpaid family workers	30.6	26.8	31.1	1.6	16.0
Full-time workers	4,012.2	3,805.0	3,853.8	-3.9	1.3
Part-time workers	676.0	628.3	651.8	-3.6	3.7
Underemployed part-time workers	261.0	257.9	270.4	3.6	4.8
Employment rate (15 and over) (%)	52.0	49.5	50.3		
Males	57.3	54.4	55.3		
Females	47.2	45.0	45.8		

Source: INE, Employment Statistics - 2nd quarter of 2013.

Note:

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

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

	Quarterly level			Rate of change	
	2Q-2012	1Q-2013	2Q-2013	On year	On quarter
	Thousands			%	
Unemployed population	826.9	952.2	886.0	7.1	-7.0
Males	438.1	504.2	463.2	5.7	-8.1
Females	388.8	447.9	422.8	8.7	-5.6
15 to 24	149.7	165.9	140.6	-6.1	-15.3
25 to 34	234.9	270.5	232.6	-1.0	-14.0
35 to 44	180.5	219.1	221.8	22.9	1.2
45 and over	261.8	296.7	290.9	11.1	-2.0
First and second stages of basic education	521.6	572.4	550.2	5.5	-3.9
(Upper) secondary and post-secondary non-tertiary education	197.7	231.6	209.3	5.9	-9.6
Tertiary education	107.6	148.1	126.4	17.5	-14.7
Looking for a first job	81.9	93.0	85.7	4.6	-7.8
Looking for a new job	745.0	859.1	800.3	7.4	-6.8
Agriculture, forestry and fishing (a) (b)	17.3	27.1	20.6	19.1	-24.0
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	270.7	317.4	293.5	8.4	-7.5
Services (a) (b)	423.2	485.0	459.0	8.5	-5.4
Unemployed by duration of search					
Less than 12 months	383.6	391.7	337.6	-12.0	-13.8
12 months or longer (long-term unemployment)	443.3	560.5	548.3	23.7	-2.2
Unemployment rate (%)	15.0	17.7	16.4		
Males	15.1	17.8	16.4		
Females	14.9	17.5	16.5		
Youth (15 to 24)	35.5	42.1	37.1		
Long-term	8.0	10.4	10.2		
Inactive population	5,085.6	5,136.0	5,113.6	0.6	-0.4
Inactive population (15 and over)	3,495.9	3,576.0	3,559.3	1.8	-0.5
Males	1,405.8	1,447.6	1,448.2	3.0	0
Females	2,090.1	2,128.4	2,111.1	1.0	-0.8
15 to 24	709.7	711.5	719.3	1.4	1.1
25 to 34	130.6	143.6	144.4	10.6	0.6
35 to 44	152.2	168.3	168.2	10.5	-0.1
45 to 64	829.1	838.2	816.9	-1.5	-2.5
65 and over	1,674.2	1,714.5	1,710.5	2.2	-0.2
Students	796.7	795.6	805.6	1.1	1.3
Fulfilled domestic tasks	442.8	445.4	416.0	-6.1	-6.6
Retired	1,575.1	1,589.8	1,580.9	0.4	-0.6
Other inactive	681.4	745.3	756.8	11.1	1.5
Persons seeking work but not immediately available	36.6	31.1	33.4	-8.7	7.4
Persons available to work but not seeking	217.4	261.1	271.7	25.0	4.1
Inactivity rate (15 and over) (%)	38.8	39.9	39.8		
Males	32.6	33.8	33.9		
Females	44.5	45.5	45.1		

Source: INE, Employment Statistics - 2nd quarter of 2013.

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.

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 – 2nd quarter of 2013 (“Estatísticas do Emprego – 2^o trimestre de 2013”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.