

May, 16th 2008

Employment Statistics

1st quarter of 2008

Unemployment rate at 7.6% in the 1st quarter of 2008

The unemployment rate estimated for the 1st quarter of 2008 was 7.6%. This value is down 0.8 percentage points (p.p.) from the same quarter of 2007 and down 0.2 p.p. from the previous quarter. The number of unemployed was estimated to reach 427.0 thousand individuals, having decreased by 9.1% from the same quarter of the previous year, and by 2.8% from the previous quarter. The number of employed increased by 1.1%, compared with the same quarter of 2007, and by 0.1%, compared with the previous quarter.

1. Labour force (active population)

The Labour Force Survey results for the 1st quarter of 2008 indicate that the labour force (active population) in Portugal increased by 0.2% (corresponding to 12.4 thousand individuals), compared with the same quarter of 2007, and decreased by 0.2% (9.7 thousand), compared with the previous quarter.

The working age population participation rate (aged 15 years old and over) was estimated at 62.5% in the 1st quarter of 2008. This rate went down by 0.1 p.p. from the 1st quarter of 2007, and by 0.2 p.p. from the previous quarter.

The participation rate of working age women stood at 56.0%, while that of men attained 69.6%.

2. Employed population

In the 1st quarter of 2008, the employed population, totalling 5,191.0 thousand individuals, increased by 1.1% (corresponding to 55.3 thousand individuals), compared with the same quarter of 2007, and recorded a quarterly increase of 0.1% (2.8 thousand).

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

- The increase in the employment for men and women: the number of employed men increased by 28.0 thousand individuals and the women's employment increased by 27.4 thousand individuals.
- The increase of 60.4 thousand employed individuals aged 25 to 64 years old, and, in particular, the increase of 40.1 thousand employed individuals aged 45 to 64 years old. The number of the young employed (15 to 24 years old) remained almost unchanged and the number of employed aged 65 years old or over decreased by 4.0 thousand individuals.
- The increase of employed having completed the tertiary level of education and the first or second stages of basic education, whose number increased by 26.8 thousand and 23.6 thousand individuals, respectively. The number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education also rose, but its

contribution to the rise in total employment was slightly lower (5.0 thousand individuals).

- The services sector, which employed more 92.5 thousand individuals. This increase was mainly accounted by two activities: wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods (36.1 thousand individuals) and hotels and restaurants (26.5 thousand individuals). In turn, the agriculture, hunting, forestry, and fishing sector, on the one hand, and the mining and quarrying, manufacturing, electricity, gas and water supply sector, on the other hand, recorded a decrease in employment (6.6 thousand and 30.5 thousand individuals, respectively).
- Employees, but only of those with a permanent job, whose number increased by 42.2 thousand and by 71.4 thousand individuals, respectively. The number of self-employed workers increase was smaller, either being self-employed with employees (6.4 thousand individuals) or without (27.7 thousand individuals).
- Full-time workers, whose observed increase has attained 45.9 thousand individuals. The number of part-time workers increased less (by 9.4 thousand individuals).

The employment rate (15 years and over) stood at 57.8%, in the 1st quarter of 2008. This value was higher than the one recorded in the same quarter of 2007, by 0.5 p.p., and equal to that of the previous quarter.

The male employment rate (65.1%), in the 1st quarter 2008, exceeded that of women (51.0%) by 14.1 p.p..

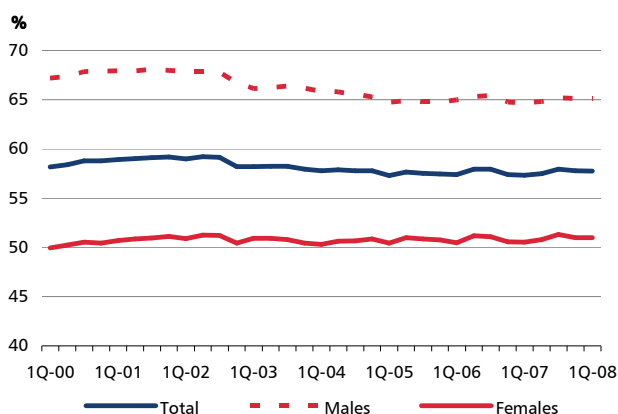
3. Unemployed population

The unemployed population in Portugal, estimated at 427.0 thousand individuals in the 1st quarter of 2008, decreased by 9.1% (42.9 thousand individuals), when compared with the 1st quarter of 2007, and recorded also a quarterly decrease, of 2.8% (12.5 thousand individuals).

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

- The decrease in the number of women unemployed (24.8 thousand individuals). The number of unemployed men decreased also, but its contribution to the overall decrease was smaller (18.0 thousand individuals).
- The decrease in unemployment of individuals of all age groups, except of those aged 45 years old or over, mainly of individuals aged 25 to 34 years old (30.9 thousand individuals) and aged 15 to 24 years old (11.2 thousand individuals).
- The decrease in the number of unemployed individuals having completed an education level corresponding to the first and second stages of basic education and, to a lesser extent, to the (upper) secondary or post-secondary non-tertiary education, corresponding to 36.2 thousand and 6.7 thousand individuals, respectively. The number of the unemployed having completed a tertiary level of education remained unchanged.

Figure 1: Employment rate by sex

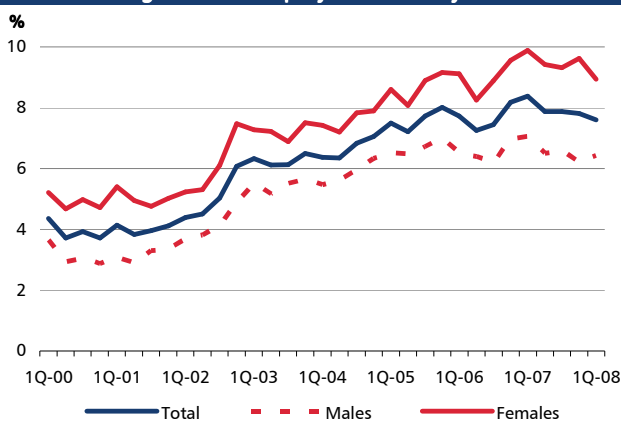


- Unemployed seeking a new job, whose number decreased by 36.3 thousand individuals. This evolution was mainly due to the individuals coming from the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector (25.7 thousand individuals). The number of unemployed seeking a first job decreased also, but less (6.6 thousand individuals).
- Unemployed seeking a job for less than a year, whose decrease stood at 33.4 thousand individuals. The number of unemployed seeking a job for a year or more has also decreased, but less (9.4 thousand individuals).

The unemployment rate was estimated at 7.6%, in the 1st quarter of 2008. This value is down 0.8 p.p. from the 1st quarter of 2007, and down 0.2 p.p. from the previous quarter.

In the 1st quarter of 2008, the unemployment rate stood at 6.4% for men and at 8.9% for women.

Figure 2: Unemployment rate by sex



The decrease recorded in the unemployment rate, when compared with the previous quarter, resulted from the combination of two effects: the increase of the employed population (of 0.1%) and the decrease of the unemployed

population (of 2.8%), corresponding to 2.8 thousand and 12.5 thousand individuals, respectively.

The quarterly decrease in the unemployed population occurred mainly in the following population groups: women, individuals with 25 to 34 years old, individuals who have completed the tertiary level of education, individuals seeking a new job (mainly of those who were formerly employed in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector), and unemployed seeking for a job for less than one year.

4. Inactive population

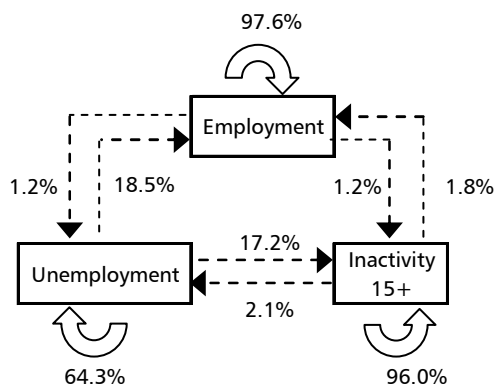
In the 1st quarter of 2008, the inactive population aged 15 years old and over increased by 0.5%, when compared to both, the same quarter of 2007 and the previous quarter (corresponding to 16.8 thousand and 16.5 thousand individuals, respectively).

The inactivity rate (15 and over) reached 37.5%, in the 1st quarter of 2008, standing at 30.4% for men and at 44.0% for women.

5. Quarterly flows between labour market states

From the 4th quarter of 2007 to the 1st quarter of 2008, 1.2% of the individuals initially employed moved into unemployment and an equal percentage moved into inactivity, with the proportion of employees moving out of this situation totalling 2.4% in the 1st quarter of 2008 (97.6% remained employed). From the 3rd to the 4th quarter of 2007, this percentage had been higher (2.5%).

**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 total individuals who were unemployed in the 4th quarter of 2007, 35.7% moved out of this labour market state in the following quarter, 18.5% of which became employed and 17.2% moved into inactivity. The percentage of individuals moving from unemployment into employment was lower than that observed in the flows from the 3rd to the 4th quarter of 2007 (18.8%). In turn, the percentage of individuals moving from unemployment into inactivity was higher than that observed in the previous quarter (15.1%)

From total individuals aged 15 years old and over considered to be inactive in the 4th quarter of 2007, 1.8% moved into employment, and 2.1% moved into unemployment, in the following quarter. The first percentage is higher than observed in the flows from the 3rd to the 4th quarter of 2007 (1.7%), whereas the second is lower (2.2%).

6. Unemployment rates by NUTS II regions

In the 1st quarter of 2008, the highest unemployment rates were recorded in the Norte and Lisboa regions (8.6%, for both regions). The lowest values were observed in Centro (5.1%) and Região Autónoma dos Açores (5.6%).

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

| | 1Q-2007 | 4Q-2007 | 1Q-2008 |
|-----------------|------------|------------|------------|
| Portugal | 8,4 | 7,8 | 7,6 |
| Norte | 9,5 | 9,1 | 8,6 |
| Centro | 6,7 | 5,7 | 5,1 |
| Lisboa | 8,8 | 8,4 | 8,6 |
| Alentejo | 9,5 | 7,8 | 8,3 |
| Algarve | 6,9 | 7,1 | 8,0 |
| R. A. Açores | 4,7 | 4,9 | 5,6 |
| R. A. Madeira | 6,9 | 7,0 | 6,2 |

Source: INE, Employment Statistics - 1st quarter of 2008.

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 and Região Autónoma dos Açores, where it increased. The highest decrease was observed in Centro (1.6 p.p.). The highest increase was observed in Algarve (1.1 p.p.)

Compared to the previous quarter, the unemployment rate decreased in Norte, Centro and Região Autónoma da Madeira, and increased in all other regions. The highest decrease was observed in Região Autónoma da Madeira (0.8 p.p.). The highest increase occurred in Algarve (0.9 p.p.).

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

| | Quarterly levels | | | Rates of change | |
|----------------------------------------------------------------------------------------------|----------------------|----------------|----------------|-----------------|-------------|
| | 1Q-2007 | 4Q-2007 | 1Q-2008 | On year | On quarter |
| | Thousand individuals | | | % | |
| Labour force (active population) | 5 605,6 | 5 627,7 | 5 618,0 | 0,2 | -0,2 |
| Males | 2 985,3 | 2 986,3 | 2 995,3 | 0,3 | 0,3 |
| Females | 2 620,3 | 2 641,3 | 2 622,8 | 0,1 | -0,7 |
| 15 to 24 | 527,2 | 515,5 | 515,0 | -2,3 | -0,1 |
| 25 to 34 | 1 482,3 | 1 472,1 | 1 466,4 | -1,1 | -0,4 |
| 35 to 44 | 1 414,6 | 1 420,4 | 1 416,9 | 0,2 | -0,2 |
| 45 to 64 | 1 849,3 | 1 890,4 | 1 891,4 | 2,3 | 0,1 |
| 65 and over | 332,1 | 329,2 | 328,3 | -1,1 | -0,3 |
| Participation rate (%) | 52,9 | 53,0 | 52,9 | | |
| Males | 58,2 | 58,1 | 58,3 | | |
| Females | 47,9 | 48,2 | 47,9 | | |
| Participation rate (15 and over) (%) | 62,6 | 62,7 | 62,5 | | |
| Males | 69,6 | 69,5 | 69,6 | | |
| Females | 56,1 | 56,4 | 56,0 | | |
| Employed population | 5 135,7 | 5 188,2 | 5 191,0 | 1,1 | 0,1 |
| Males | 2 774,7 | 2 800,9 | 2 802,7 | 1,0 | 0,1 |
| Females | 2 361,0 | 2 387,3 | 2 388,4 | 1,2 | o |
| 15 to 24 | 431,5 | 428,8 | 430,6 | -0,2 | 0,4 |
| 25 to 34 | 1 326,9 | 1 335,0 | 1 341,9 | 1,1 | 0,5 |
| 35 to 44 | 1 319,4 | 1 327,0 | 1 324,7 | 0,4 | -0,2 |
| 45 to 64 | 1 726,4 | 1 769,1 | 1 766,5 | 2,3 | -0,1 |
| 65 and over | 331,4 | 328,3 | 327,4 | -1,2 | -0,3 |
| First and second stages of basic education | 3 625,1 | 3 674,7 | 3 648,7 | 0,7 | -0,7 |
| (Upper) secondary and post-secondary non-tertiary education | 774,6 | 768,3 | 779,6 | 0,6 | 1,5 |
| Tertiary education | 735,9 | 745,3 | 762,7 | 3,6 | 2,3 |
| Agriculture, hunting, forestry and fishing (a) | 595,4 | 595,6 | 588,8 | -1,1 | -1,1 |
| Mining and quarrying, manufacturing, electricity, gas and water supply, and construction (a) | 1 567,9 | 1 580,0 | 1 537,4 | -1,9 | -2,7 |
| Services (a) | 2 972,3 | 3 012,6 | 3 064,8 | 3,1 | 1,7 |
| Employees | 3 883,2 | 3 909,0 | 3 925,4 | 1,1 | 0,4 |
| With a permanent job (work contract of unlimited duration) | 3 047,7 | 3 012,9 | 3 024,8 | -0,8 | 0,4 |
| With a temporary job (work contract of limited duration) | 646,7 | 712,7 | 718,1 | 11,0 | 0,8 |
| Others | 188,7 | 183,3 | 182,4 | -3,3 | -0,5 |
| Self-employed workers | 1 170,0 | 1 195,0 | 1 204,1 | 2,9 | 0,8 |
| Unpaid family workers and other professional status (b) | 82,5 | 84,3 | 61,6 | -25,3 | -26,9 |
| Full-time workers | 4 517,6 | 4 565,5 | 4 563,5 | 1,0 | o |
| Part-time workers | 618,1 | 622,7 | 627,5 | 1,5 | 0,8 |
| Employment rate (15 and over) (%) | 57,3 | 57,8 | 57,8 | | |
| Males | 64,7 | 65,1 | 65,1 | | |
| Females | 50,5 | 51,0 | 51,0 | | |

Source: INE, Employment Statistics - 1st quarter of 2008.

Notes:

(a) The estimates are based on the NACE-Rev. 1.1.

(b) In 1st quarter of 2008, there was a reclassification of some professional status belonging to the category "unpaid family workers and other professional status".

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 | |
|----------------------------------------------------------------------------------------------|----------------------|----------------|----------------|-----------------|-------------|
| | 1Q-2007 | 4Q-2007 | 1Q-2008 | On year | On quarter |
| | Thousand individuals | | | % | |
| Unemployed population | 469,9 | 439,5 | 427,0 | -9,1 | -2,8 |
| Males | 210,6 | 185,4 | 192,6 | -8,5 | 3,9 |
| Females | 259,2 | 254,1 | 234,4 | -9,6 | -7,8 |
| 15 to 24 | 95,6 | 86,7 | 84,4 | -11,7 | -2,7 |
| 25 to 34 | 155,4 | 137,1 | 124,5 | -19,9 | -9,2 |
| 35 to 44 | 95,3 | 93,4 | 92,2 | -3,3 | -1,3 |
| 45 and over | 123,6 | 122,3 | 125,9 | 1,9 | 2,9 |
| First and second stages of basic education | 340,5 | 306,8 | 304,3 | -10,6 | -0,8 |
| (Upper) secondary and post-secondary non-tertiary education | 73,5 | 67,1 | 66,8 | -9,1 | -0,4 |
| Tertiary education | 55,9 | 65,6 | 55,9 | - | -14,8 |
| Looking for a first job | 66,1 | 63,4 | 59,5 | -10,0 | -6,2 |
| Looking for a new job | 403,8 | 376,1 | 367,5 | -9,0 | -2,3 |
| Agriculture, hunting, forestry and fishing (a) | 13,4 | 11,3 | 11,3 | -15,7 | - |
| Mining and quarrying, manufacturing, electricity, gas and water supply, and construction (a) | 173,3 | 153,5 | 147,6 | -14,8 | -3,8 |
| Services (a) | 217,1 | 211,4 | 208,6 | -3,9 | -1,3 |
| Unemployment rate (%) | 8,4 | 7,8 | 7,6 | | |
| Males | 7,1 | 6,2 | 6,4 | | |
| Females | 9,9 | 9,6 | 8,9 | | |
| Youth (15 to 24) | 18,1 | 16,8 | 16,4 | | |
| Unemployed by duration of search (b) | | | | | |
| Less than 12 months | 236,6 | 222,2 | 203,2 | -14,1 | -8,6 |
| 12 months or longer (long-term unemployment) | 231,2 | 214,7 | 221,8 | -4,1 | 3,3 |
| Long-term unemployment rate (%) | 4,1 | 3,8 | 3,9 | | |
| Inactive population | 4 990,0 | 4 986,9 | 4 997,4 | 0,1 | 0,2 |
| Inactive population (15 and over) | 3 353,6 | 3 353,9 | 3 370,4 | 0,5 | 0,5 |
| Males | 1 302,9 | 1 313,2 | 1 308,0 | 0,4 | -0,4 |
| Females | 2 050,7 | 2 040,7 | 2 062,4 | 0,6 | 1,1 |
| 15 to 24 | 726,2 | 708,1 | 718,6 | -1,0 | 1,5 |
| 25 to 34 | 165,2 | 173,5 | 166,0 | 0,5 | -4,3 |
| 35 to 44 | 157,8 | 158,4 | 162,9 | 3,2 | 2,8 |
| 45 to 64 | 806,6 | 802,8 | 803,4 | -0,4 | 0,1 |
| 65 and over | 1 497,9 | 1 511,1 | 1 519,5 | 1,4 | 0,6 |
| Students | 745,0 | 725,0 | 748,2 | 0,4 | 3,2 |
| Looking after home / family | 566,5 | 558,3 | 556,0 | -1,9 | -0,4 |
| Retired | 1 678,2 | 1 713,3 | 1 731,4 | 3,2 | 1,1 |
| Other inactive | 363,9 | 357,3 | 334,8 | -8,0 | -6,3 |
| Inactivity rate (15 and over) (%) | 37,4 | 37,3 | 37,5 | | |
| Males | 30,4 | 30,5 | 30,4 | | |
| Females | 43,9 | 43,6 | 44,0 | | |

Source: INE, Employment Statistics - 1st quarter of 2008.

Notes:

(a) The estimates are based on the NACE-Rev. 1.1.

(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 – 1st quarter 2008 (“Estatísticas do Emprego – 1^o trimestre de 2008”).

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

August, 14th 2008.

The publication Employment Statistics – 1st quarter of 2008 (“Estatísticas do Emprego – 1^o trimestre de 2008”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.