

May, 9th 2014

Employment Statistics

1st quarter of 2014

The unemployment rate estimate for the 1st quarter of 2014 was 15.1%

The unemployment rate estimated for the 1st quarter of 2014 was 15.1%. This value is down 2.4 percentage points from the same quarter of 2013 and 0.2 percentage points from the previous quarter.

There were 788.1 thousand unemployed people, which corresponds to a year-on-year decrease of 15.0% and to a quarterly decrease of 2.5% (less 138.7 thousand and less 19.9 thousand people, respectively).

There were 4 426.9 thousand employed people, which corresponds to a year-on-year increase of 1.7% and to a quarterly decrease of 0.9% (more 72.3 thousand and less 42.0 thousand people, respectively).

1. Labour force (active population)

The Labour Force Survey results for the 1st quarter of 2014 indicate that the labour force (active population) decreased by 1.3% from the same quarter of 2013 (66.4 thousand people) and by 1.2% from the previous quarter (61.8 thousand).

The participation rate of the working age population (15 years old and over) stood at 58.7%, having decreased by 0.5 percentage points (p.p.) from the same quarter of 2013 and by 0.6 p.p. from the previous quarter.

The participation rate of men (64.3%) exceeded that of women (53.7%) by 10.6 p.p..

Compared to the same quarter of 2013, the participation rate decreased more for men (0.9 p.p.) than for women (0.2 p.p.).

Compared to the previous quarter, the participation rate decreased equally for men and women (0.6 p.p.).

The Labour Force Survey results shown in this Press Release were calibrated by using the population estimates calculated from the final results of Census 2011, according to the information provided by Statistics Portugal to the users in the Press Release of 5 February 2014.

The back series (quarterly and annual; from 1998 to 2013) of the estimates disseminated along with the "Employment Statistics" publication, were revised and are available at the Statistics Portugal Portal, as well as and in the annex files to the "Employment Statistics – 1st quarter of 2014" publication.

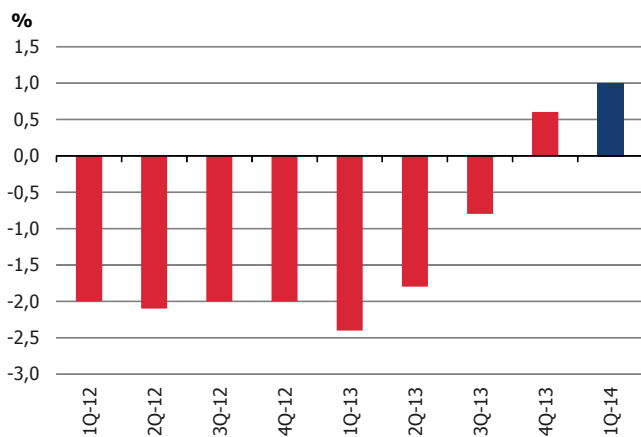
2. Employed population

The employed population increased by 1.7% from the same quarter of 2013 (72.3 thousand people) and

decreased by 0.9% from the previous quarter (42.0 thousand).

The year-on-year increase recorded in the 1st quarter of 2014 confirmed the interruption, already observed in the previous quarter, of the period of almost two years of successive decreases in the employed population.

Figure 1: Employed population year-on-year rate of change



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

- The increase of 47.7 thousand employed women, which explained almost 2/3 of the overall increase in employment.
- The increase of 51.1 thousand employed aged 45 to 64 and of 40.9 thousand employed aged 35 to 44. The employment of young people (15 to 24 years old) increased also, despite its smaller contribution to the overall increase in employment.

The employed population in the remaining age groups remained either almost unchanged (25

to 34 years old) or decreased (65 years old and over).

- The increase of 109.7 thousand employed having completed the tertiary level of education and of 103.7 thousand having completed the (upper) secondary and post-secondary non-tertiary level of education.

In turn, the number of employed having completed the first or second stages of basic education decreased by 141.2 thousand.

- The increase of 124.3 thousand employed in the services sector.

On the other side, the number of employed in the agriculture, forestry and fishing sector, as well as in the manufacturing, electricity, gas and water supply and construction sector decreased (46.8 thousand and 5.2 thousand, respectively).

- The increase of 107.6 thousand employees, which was almost totally explained by the increase of 94.6 thousand who held a permanent job, as the number of employees holding a temporary job increased by less (27.7 thousand) and the number of employees in other contractual arrangements decreased (14.7 thousand).

The number of self-employed, on the contrary, decreased (31.0 thousand).

- The increase of 114.4 thousand full-time workers.

The number of part-time workers, in turn, decreased (42.1 thousand).

In terms of the quarterly change, the employed population decrease came mostly from the decrease in the following groups: men; people aged 65 and over; having completed the first or second stages of basic education and the (upper) secondary and post-secondary non-tertiary level of education; employed in the agriculture, forestry and fishing sector; as self-employed; and working part-time.

The employment rate (15 years old and over) stood at 49.8%, having increased by 1.0 p.p. from the same quarter of 2013 and decreased by 0.4 p.p. from the previous quarter.

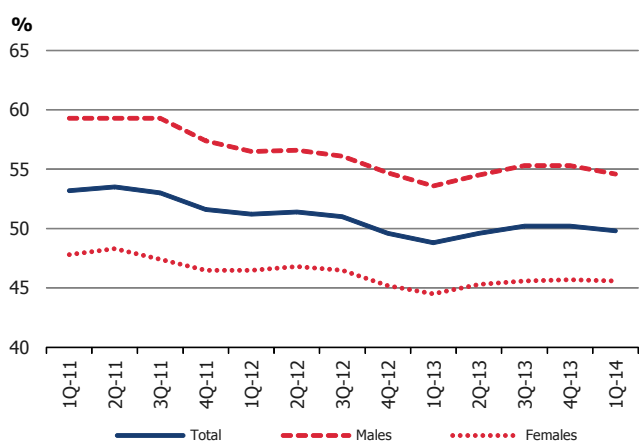
The number of underemployed part time workers, estimated at 244.9 thousand, corresponded to 5.5% of total employed population and to 41.7% of part time employed population (note that the number of part-time workers, in the same period, corresponded to 13.3% of total employed population).

The number of underemployed part time workers decreased by 3.1% from the same quarter of 2013 (7.8 thousand) and by 5.5% from the previous quarter (14.2 thousand).

3. Unemployed population

The unemployed population, estimated at 788.1 thousand people, decreased by 15.0% from the same quarter of 2013 (138.7 thousand people) and by 2.5% from the previous quarter (19.9 thousand).

Figure 2: Employment rate by gender

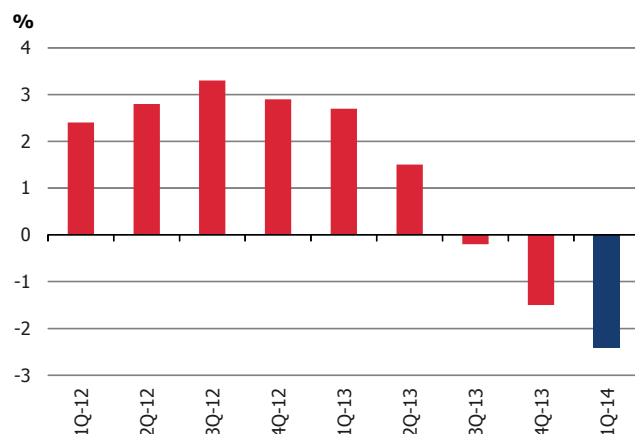


The employment rate of men (54.6%) exceeded that of women (45.6%) by 9.0 p.p..

Compared to the same quarter of 2013, the employment rate increased slightly more for women (1.1 p.p.) than for men (1.0 p.p.).

Compared to the previous quarter, the employment rate decreased more for men (0.7 p.p.) than for women (0.1 p.p.).

Figure 3: Unemployed population year-on-year rate of change



The year-on-year decrease recorded in the 1st quarter of 2014 was larger than those observed in the two previous quarters, which came to interrupt the one and

half year period characterized by successive year-on-year increases in the unemployed population.

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

- The decrease of 80.5 thousand unemployed men and of 58.2 thousand unemployed women.
- The decrease of unemployed of all age groups, especially of 54.2 thousand unemployed aged 25 to 34.
- The decrease of 110.3 thousand unemployed having completed an education level corresponding to the first or second stages of basic education, which explained 79.5% of the overall decrease in unemployment.
- The decrease of 133.6 thousand unemployed seeking for a new job.

Within this group, it stands out the decrease of 85.5 thousand unemployed who came from the manufacturing, electricity, gas and water supply and construction sector and of 45.0 thousand who came from the services sector, as the decrease in the number of those who came from the agriculture, forestry and fishing sector was much lower.

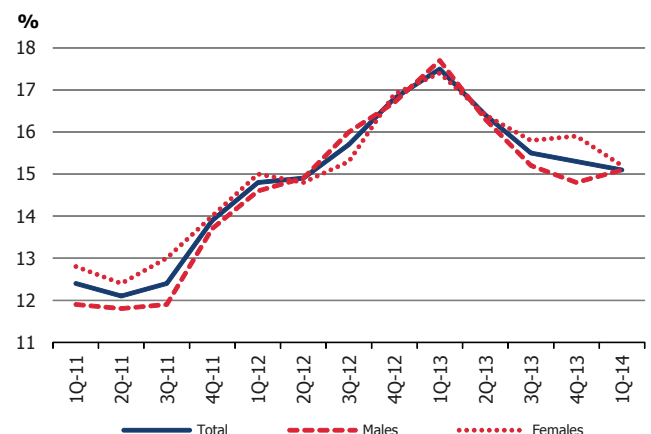
- The decrease of 95.8 thousand unemployed seeking a job for less than 12 months.

The number of unemployed seeking a job for 12 months and over decreased also, in spite of its smaller contribution to the overall decrease in unemployment (42.9 thousand).

The unemployed population quarterly decrease came mostly from the following groups: women; people aged 25 to 34; having completed an education level corresponding to the tertiary education; seeking a new job (who were formerly in the manufacturing, electricity, gas and water supply and construction and in the services sectors); and seeking a job for 12 months and over.

The unemployment rate stood at 15.1%, down 2.4 p.p. from the same quarter of 2013 and down 0.2 p.p. from the previous quarter. This indicator decreased by the fourth consecutive quarter since the beginning of the current LFS series (1st quarter of 2011).

Figure 4: Unemployment rate by gender



The unemployment rate of men (15.1%) was slightly lower than that of women (15.2%).

The unemployment rate of men decreased by 2.6 p.p. from the same quarter of 2013, while that of women decreased by 2.2 p.p..

From the previous quarter, the unemployment rate of men increased (0.3 p.p.), while that of women decreased (0.7 p.p.).

4. Inactive population

The inactive population increased by 0.1% from the same quarter of 2013 (4.2 thousand people) and by 0.8% from the previous quarter (39.6 thousand).

The inactive population aged 15 and over increased by 1.0% from the same quarter of 2013 (34.6 thousand people) and by 0.5% from the previous quarter (53.8 thousand).

The inactivity rate (15 years old and over) stood at 41.3%, having increased by 1.5 p.p. from the same quarter of 2013 and 0.6 p.p. from the previous quarter.

The inactivity rate of women (46.3%) exceeded that of men (35.7%) by 10.6 p.p..

Compared to the same quarter of 2013, the inactivity rate increased more for men (0.9 p.p.) than for women (0.2 p.p.).

Compared to the previous quarter, the inactivity rate increased by the same amount for men and women (0.6 p.p.).

The number of persons seeking work but not immediately available, estimated at 25.8 thousand, corresponded to 0.7% of the inactive population aged 15 and over.

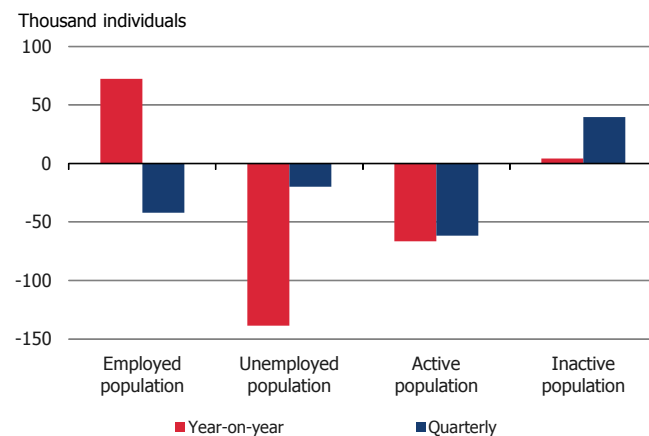
The number of persons seeking work but not immediately available decreased by 16.0% from the same quarter of 2013 (4.9 thousand) and increased by 10.7% from the previous quarter (2.5 thousand).

The number of persons available to work but not seeking, estimated at 276.6 thousand, corresponded to 7.5% of the inactive population aged 15 and over.

The number of persons available to work but not seeking increased by 6.6% from the same quarter of 2012 (17.1 thousand) and by 0.9% from the previous quarter (2.4 thousand).

Figure 5 exhibits a summary of the observed changes in this quarter (year-on-year and quarterly) by labour market status, as described above in this press release.

Figure 5: Change in the employed, unemployed, active and inactive population



5. Quarterly flows between labour market states

From the 4th quarter of 2013 to the 1st quarter of 2014, 2.9% of the people initially employed moved into unemployment and 4.2% moved into inactivity, with the proportion of employed moving out of this situation totalling around 7.1% in the 1st quarter of 2014 (92.9% remained employed).

The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment.



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

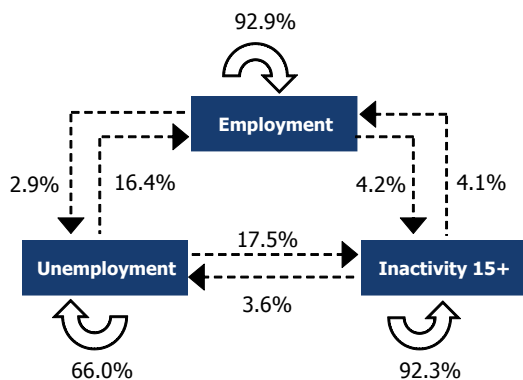


Table 1: Unemployment rates by NUTS II region (NUTS-2002)

	1Q-2013	4Q-2013	1Q-2014
Portugal	17.5	15.3	15.1
Norte	18.5	16.4	15.8
Centro	12.9	10.5	11.0
Lisboa	19.5	17.2	16.4
Alentejo	18.4	15.6	16.0
Algarve	20.1	17.0	18.3
R. A. Açores	16.9	17.3	18.0
R. A. Madeira	19.8	17.0	16.4

Source: INE, Labour Force Survey - 1st quarter of 2014.

Note: Values calibrated by using the population estimates calculated from the final results of Census 2011.

From the total unemployed in the 4th quarter of 2013, 34.0% moved out of this labour market state in the 1st quarter of 2014. Out of these, 16.4% became employed and 17.5% moved into inactivity.

From the total of people aged 15 and over considered to be inactive in the 4th quarter of 2013, 4.1% moved into employment and 3.6% moved into unemployment, in the 1st quarter of 2014.

6. Unemployment rates by NUTS II region

In the 1st quarter of 2014, the unemployment rate was higher than the national average in six NUTS II regions of the country: *Algarve* (18.3%), *Região Autónoma dos Açores* (18.0%), *Região Autónoma da Madeira* and *Lisboa* (16.4% in both cases), *Alentejo* (16.0%) and *Norte* (15.8%).

There was only one region recording an unemployment rate below the national average: *Centro* (11.0%).

Compared to the same quarter of 2013, and similarly to the overall picture in Portugal, the unemployment rate decreased in all regions, except in *Região Autónoma dos Açores*, where it increased by 1.1 p.p..

The largest decreases were recorded in *Região Autónoma da Madeira* (3.4 p.p.), *Lisboa* (3.1 p.p.) and *Norte* (2.7 p.p.).

Compared to the previous quarter, and also similarly to the overall picture in Portugal, the unemployment rate decreased in three regions (*Norte*, *Lisboa* and *Região Autónoma da Madeira*) and increased in four regions (*Centro*, *Alentejo*, *Algarve* e *Região Autónoma dos Açores*).

The largest decrease was recorded in *Lisboa* (0.8 p.p.) and the largest increase was recorded in *Algarve* (1.3 p.p.).

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

	Quarterly level			Rate of change	
	1Q-2013	4Q-2013	1Q-2014	On year	On quarter
	Thousands			%	
Labour force (active population)	5,281.4	5,276.8	5 215.0	-1.3	-1.2
Males	2,732.3	2,710.1	2 676.4	-2.0	-1.2
Females	2,549.1	2,566.7	2 538.6	-0.4	-1.1
15 to 24	389.4	383.2	377.9	-3.0	-1.4
25 to 34	1,179.8	1,150.3	1 129.6	-4.3	-1.8
35 to 44	1,445.4	1,459.2	1 459.8	1.0	o
45 to 64	1,996.3	2,017.3	2 011.1	0.7	-0.3
65 and over	270.6	266.8	236.6	-12.6	-11.3
First and second stages of basic education	3,053.4	2,847.2	2 801.9	-8.2	-1.6
(Upper) secondary and post-secondary non-tertiary education	1,174.6	1,279.9	1 267.8	7.9	-0.9
Tertiary education	1,053.4	1,149.7	1 145.2	8.7	-0.4
Participation rate (%)	50.5	50.6	50.1		
Males	54.8	54.7	54.2		
Females	46.5	46.9	46.4		
Participation rate (15 and over) (%)	59.2	59.3	58.7		
Males	65.2	64.9	64.3		
Females	53.9	54.3	53.7		
Employed population	4,354.6	4,468.9	4 426.9	1.7	-0.9
Males	2,249.0	2,309.3	2 273.4	1.1	-1.6
Females	2,105.7	2,159.6	2 153.4	2.3	-0.3
15 to 24	223.9	244.9	236.3	5.5	-3.5
25 to 34	929.4	940.8	933.5	0.4	-0.8
35 to 44	1,230.3	1,257.0	1 271.2	3.3	1.1
45 to 64	1,703.1	1,762.7	1 754.2	3.0	-0.5
65 and over	267.9	263.5	231.7	-13.5	-12.1
First and second stages of basic education	2,493.0	2,397.5	2 351.8	-5.7	-1.9
(Upper) secondary and post-secondary non-tertiary education	949.7	1,064.0	1 053.4	10.9	-1.0
Tertiary education	911.9	1,007.4	1 021.6	12.0	1.4
Agriculture, forestry and fishing (a)	438.9	422.4	392.1	-10.7	-7.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,060.9	1,041.0	1 055.7	-0.5	1.4
Services (a)	2,854.8	3,005.5	2 979.1	4.4	-0.9
Employees	3,405.3	3,514.1	3 512.9	3.2	o
With a permanent job (work contract of unlimited duration)	2,686.8	2,768.3	2 781.4	3.5	0.5
With a temporary job (work contract of limited duration)	581.6	614.7	609.3	4.8	-0.9
Other contractual arrangements	136.9	131.1	122.2	-10.7	-6.8
Self-employed workers	922.3	928.4	891.4	-3.4	-4.0
Unpaid family workers	26.9	26.4	22.5	-16.4	-14.8
Full-time workers	3,725.7	3,843.7	3 840.1	3.1	-0.1
Part-time workers	628.9	625.1	586.8	-6.7	-6.1
Underemployed part-time workers	252.7	259.1	244.9	-3.1	-5.5
Employment rate (15 and over) (%)	48.8	50.2	49.8		
Males	53.6	55.3	54.6		
Females	44.5	45.7	45.6		

Source: INE, Labour Force Survey - 1st quarter of 2014.

Notes:

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

Values calibrated by using the population estimates calculated from the final results of Census 2011.

Conventional signs:

o Value less than half of the unit used.

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

	Quarterly level			Rate of change	
	1Q-2013	4Q-2013	1Q-2014	On year	On quarter
	Thousands			%	
Unemployed population	926.8	808.0	788.1	-15.0	-2.5
Males	483.4	400.9	402.9	-16.7	0.5
Females	443.4	407.1	385.2	-13.1	-5.4
15 to 24	165.5	138.3	141.6	-14.4	2.4
25 to 34	250.3	209.5	196.1	-21.7	-6.4
35 to 44	215.1	202.2	188.7	-12.3	-6.7
45 and over	295.9	258.0	261.8	-11.5	1.5
First and second stages of basic education	560.4	449.7	450.1	-19.7	0.1
(Upper) secondary and post-secondary non-tertiary education	224.9	215.9	214.4	-4.7	-0.7
Tertiary education	141.5	142.3	123.6	-12.7	-13.1
Looking for a first job	91.5	85.2	86.4	-5.6	1.4
Looking for a new job	835.3	722.8	701.7	-16.0	-2.9
Agriculture, forestry and fishing (a) (b)	26.3	18.8	19.2	-27.0	2.1
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	306.1	239.4	220.6	-27.9	-7.9
Services (a) (b)	473.2	438.6	428.2	-9.5	-2.4
Unemployed by duration of search					
Less than 12 months	383.0	294.5	287.2	-25.0	-2.5
12 months or longer (long-term unemployment)	543.8	513.5	500.9	-7.9	-2.5
Unemployment rate (%)	17.5	15.3	15.1		
Males	17.7	14.8	15.1		
Females	17.4	15.9	15.2		
Youth (15 to 24)	42.5	36.1	37.5		
Long-term	10.3	9.7	9.6		
Inactive population	5,187.0	5,151.6	5 191.2	0.1	0.8
Inactive population (15 and over)	3,641.1	3,621.9	3 675.7	1.0	1.5
Males	1,459.6	1,464.2	1 486.8	1.9	1.5
Females	2,181.5	2,157.7	2 188.8	0.3	1.4
15 to 24	729.5	722.2	727.0	-0.3	0.7
25 to 34	132.8	121.1	133.4	0.5	10.2
35 to 44	164.7	141.7	137.7	-16.4	-2.8
45 to 64	848.7	833.0	840.5	-1.0	0.9
65 and over	1,765.4	1,803.8	1 837.0	4.1	1.8
Students	809.6	796.8	810.9	0.2	1.8
Fulfilled domestic tasks	453.7	435.3	440.0	-3.0	1.1
Retired	1,632.0	1,660.6	1 677.5	2.8	1.0
Other inactive	745.8	729.2	747.3	0.2	2.5
Persons seeking work but not immediately available	30.7	23.3	25.8	-16.0	10.7
Persons available to work but not seeking	259.5	274.2	276.6	6.6	0.9
Inactivity rate (15 and over) (%)	40.8	40.7	41.3		
Males	34.8	35.1	35.7		
Females	46.1	45.7	46.3		

Source: INE, Labour Force Survey - 1st quarter of 2014.

Notes:

(a) The previous employment experience of the unemployed looking for a new job is characterized only for those who had stopped working 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.

Values calibrated by using the population estimates calculated from the final results of Census 2011.

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.

Most of the characteristics observed in this survey report to the situation in one pre-defined week (from Monday to Sunday), known as reference week. The reference weeks are uniformly distributed throughout the quarters and years. The interviews usually take place in the week following the reference week.

The information is obtained directly, through 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 by using the population estimates calculated from the final results of Census 2011.

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 – 1st quarter of 2014 (“Estatísticas do Emprego – 1^o trimestre de 2014”) associated with this Press Release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.

Next Press Release: 5 August 2014.