

November, 5th 2014

Employment Statistics

3rd quarter of 2014

The unemployment rate estimate was 13.1%

The unemployment rate estimated for the 3rd quarter of 2014 was 13.1%. This value is down 0.8 percentage points (p.p.) from the previous quarter and 2.4 p.p. from the same quarter of 2013.

There were 688.9 thousand unemployed people, which corresponds to a quarterly decrease of 5.5% and to a year-on-year decrease of 16.0% (less 40.0 thousand and less 131.0 thousand people, respectively).

There were 4 565.1 thousand employed people, which corresponds to a quarterly increase of 1.1% (more 50.5 thousand people) and to a year-on-year increase of 2.1% (more 95.7 thousand people).

The participation rate of the working age population stood at 59.2%, up 0.2 p.p. from the previous quarter and down 0.2 p.p. from the same quarter of 2013.

1. Labour force (active population)

The Labour Force Survey results for the 3rd quarter of 2014¹ indicate that the labour force (active population) increased by 0.2% from the previous quarter (10.5 thousand people) and decreased by 0.7% from the same quarter of 2013 (35.3 thousand).

The participation rate of the working age population (15 years old and over) stood at 59.2%, having increased by 0.2 p.p. from the previous quarter and decreased by 0.2 p.p. from the same quarter of 2013.

The participation rate of men (64.8%) exceeded that of women (54.2%) by 10.6 p.p..

Compared to the previous quarter, the participation rate remained unchanged for men and increased for women (0.3 p.p.).

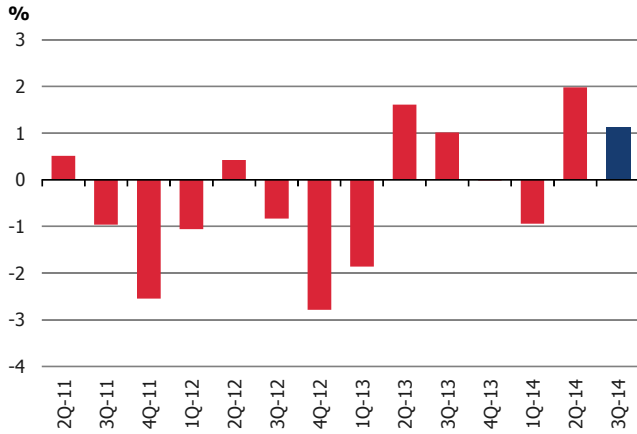
Compared to the same quarter of 2013, the participation rate decreased for men (0.5 p.p.) and increased for women (0.1 p.p.).

2. Employed population

The employed population increased by 1.1% from the previous quarter (50.5 thousand people), which corresponds to a deceleration when compared to the growth observed in the previous quarter.

¹ See the note at the end of this Press Release (page 10) on the integration of the 2011 Census results in the Labour Force Survey sample.

Figure 1: Employed population quarterly rate of change



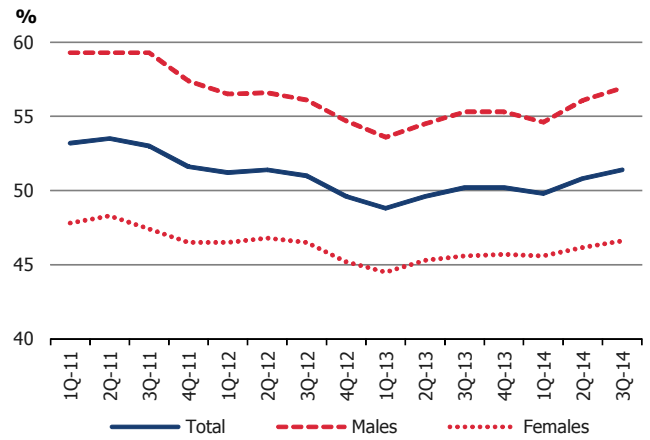
The quarterly increase in the employed population came mostly from the employment increase in the following groups: men (1.3%; 29.7 thousand); people aged 15 to 24 years old (16.1%; 37.8 thousand); having completed the tertiary level of education (2.8%; 29.7 thousand) and the (upper) secondary and post-secondary non-tertiary education (2.5%; 26.9 thousand); employed in the services sector (1.2%; 36.1 thousand); as employees (2.3%; 81.1 thousand); and working full-time (1.2%; 46.5 thousand).

The employment rate (15 years old and over) stood at 51.4%, having increased by 0.6 p.p. from the previous quarter.

The employment rate of men (56.9%) exceeded that of women (46.6%) by 10.3 p.p..

Compared to the previous quarter, the employment rate increased more for men (0.8 p.p.) than for women (0.4 p.p.).

Figure 2: Employment rate by sex

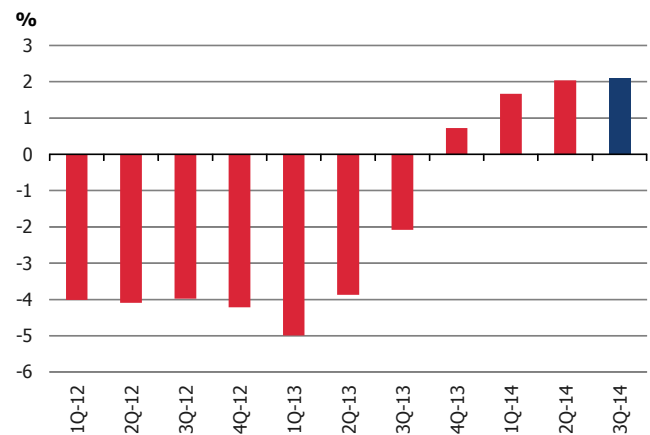


The number of underemployed part-time workers, estimated at 232.1 thousand, corresponded to 5.1% of total employed population and to 39.0% of part-time employed population (note that the number of part-time workers, in the same period, corresponded to 13.0% of total employed population).

The number of underemployed part-time workers decreased by 8.0% from the previous quarter (20.1 thousand).

From the same quarter of 2013, the employed population increased by 2.1% (95.7 thousand people).

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



The year-on-year increase in the employed population came mostly from the employment increase in the following groups: employed men and women in equal parts (2.1% and 2.2% and 47.8 thousand and 47.9 thousand, respectively); people aged 45 to 64 years old (3.0%; 52.6 thousand); having completed the tertiary level of education (15.2%; 144.6 thousand) and the (upper) secondary and post-secondary non-tertiary education (6.5%; 66.8 thousand); employed in the services sector (3.7%; 110.1 thousand); as employees (6.0%; 208.7 thousand); and working full-time (3.3%; 127.1%).

The employment rate (15 years old and over) increased by 1.2 p.p. from the same quarter of 2013, having increased more for men (1.6 p.p.) than for women (1.0 p.p.).

The number of underemployed part time workers decreased by 9.4% from the same quarter of 2013 (24.2 thousand).

In the 3rd quarter of 2014, the employed population had the following composition:

- By sex: 51.7% of men and 48.3% of women.
- By age group: 6.0% of young people (15 to 24 years old), 20.9% of people aged 25 to 34, 28.2% aged 35 to 44, 39.2% aged 45 to 64 and 5.8% aged 65 years old and over.
- By level of education: 51.9% of employed people having completed the first or second stages of basic education, 24.1% the (upper) secondary and post-secondary non-tertiary education and 24.0% the tertiary education.

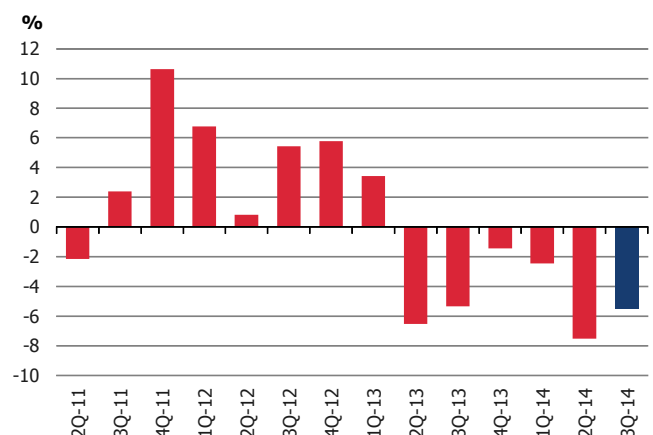
- By activity sector: 8.9% of workers in the agriculture, forestry and fishing sector, 23.9% in the manufacturing, electricity, gas and water supply and construction sector and 67.2% in the services sector.
- By labour status: 80.5% of employees (of which, 77.9% with a permanent job – work contract of unlimited duration), 18.8% of self-employed workers and 0.6% of unpaid family workers.
- By work duration regime: 87.0% of full-time workers and 13.0% of part-time workers.

3. Unemployed population

The unemployed population, estimated at 688.9 thousand people, decreased by 5.5% from the previous quarter (40.0 thousand people).

The quarterly decrease recorded in the 3rd quarter of 2014 confirmed the interruption, observed in the 2nd quarter of 2013, of a period of almost two years of successive increases in the unemployed population.

Figure 4: Unemployed population quarterly rate of change



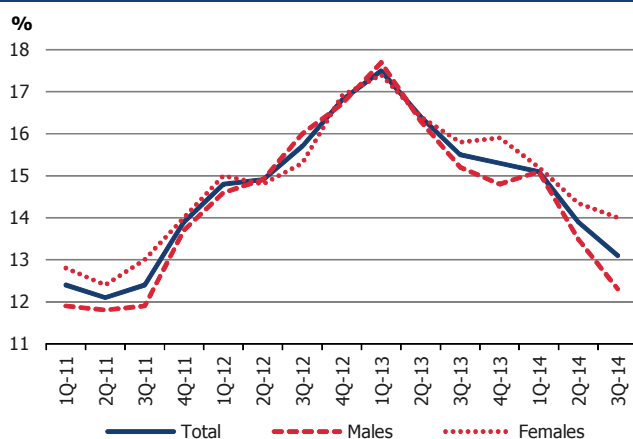
The unemployed population quarterly decrease came mostly from the following groups: men (9.2%; 33.4 thousand); people aged 25 to 34 (11.3%; 20.3 thousand); having completed an education level corresponding to the first or second stages of basic education (7.8%; 33.0 thousand); seeking a new job (6.9%; 44.0 thousand), who were formerly in the manufacturing, electricity, gas and water supply and construction sector (9.6%; 20.1 thousand); and seeking a job for 12 months or longer (6.2%; 30.4 thousand).

The unemployment rate stood at 13.1%, down 0.8 p.p. from the previous quarter. This indicator decreased by the sixth consecutive quarter since the beginning of the current LFS series (1st quarter of 2011).

The unemployment rate of men (12.3%) was lower than that of women (14.0%) by 1.7 p.p..

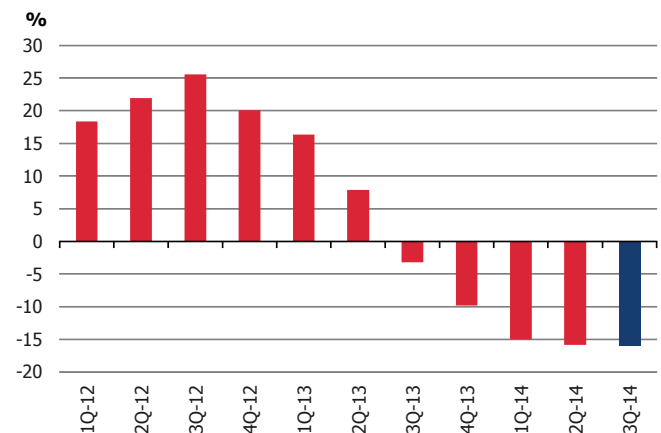
Compared to the previous quarter, the unemployment rate of men decreased by 1.2 p.p., while that of women decreased by 0.3 p.p..

Figure 5: Unemployment rate by sex



From the same quarter of 2013, the unemployed population decreased by 16.0% (131.0 thousand people).

Figure 6: Unemployed population year-on-year rate of change



The unemployed population year-on-year decrease came mostly from the following groups: men (20.6%; 85.6 thousand); people aged 25 to 34 (23.1%; 47.7 thousand); having completed an education level corresponding to the first or second stages of basic education (17.5%; 83.1 thousand); seeking a new job (16.8%; 120.4 thousand), who were formerly in the manufacturing, electricity, gas and water supply and construction sector (25.1%; 63.1 thousand); and seeking a job for 12 months or longer (12.9%; 68.1 thousand).

The unemployment rate decreased from the same quarter of 2013 (2.4 p.p.), as for the unemployment rate of men (2.9 p.p.) and of women (1.8 p.p.).

In the 3rd quarter of 2014, the unemployed population had the following composition:

- By sex: 47.9% of men and 52.1% of women.

- By age group: 18.8% of young people (15 to 24 years old), 23.1% of people aged 25 to 34, 23.4% aged 35 to 44 and 34.8% aged 45 years old and over.
- By level of education: 56.7% of unemployed having completed the first or second stages of basic education, 26.6% the (upper) secondary and post-secondary non-tertiary education and 16.7% the tertiary education.
- By activity sector: 13.5% of unemployed looking for a first job and 86.5% looking for a new job (of which, 2.2% coming from the agriculture, forestry and fishing sector, 31.6% from the manufacturing, electricity, gas and water supply and construction sector and 61.7% from the services sector).
- By duration of search: 33.1% of unemployed seeking a job for less than 12 months and 66.9% looking for a job for 12 months or longer (long-term unemployment).

4. Inactive population

The inactive population decreased by 0.4% from the previous quarter (22.9 thousand people) and by 0.5% from the same quarter of 2013 (27.1 thousand).

The inactive population aged 15 and over decreased by 0.4% from the previous quarter (15.1 thousand) and increased by 0.2% from the same quarter of 2013 (7.6 thousand).

The inactivity rate (15 years old and over) stood at 40.8%, having decreased by 0.2 p.p. from the previous quarter and increased by 0.2 p.p. from the same quarter of 2013.

The inactivity rate of women (45.8%) exceeded that of men (35.2%) by 10.6 p.p..

Compared to the previous quarter, the inactivity rate remained unchanged for men and decreased for women (0.3 p.p.).

From the same quarter of 2013, the inactivity rate increased for men (0.5 p.p.) and decreased for women (0.1 p.p.).

The number of persons seeking work but not immediately available, estimated at 29.6 thousand, corresponded to 0.8% of the inactive population aged 15 and over.

The number of persons seeking work but not immediately available increased by 4.2% from the previous quarter (1.2 thousand) and by 21.8% from the same quarter of 2013 (5.3 thousand).

The number of persons available to work but not seeking, estimated at 302.3 thousand, corresponded to 8.3% of the inactive population aged 15 and over.

The number of persons available to work but not seeking increased by 17.8% from the previous quarter (45.7 thousand) and decreased by 0.7% from the same quarter of 2013 (2.0 thousand).

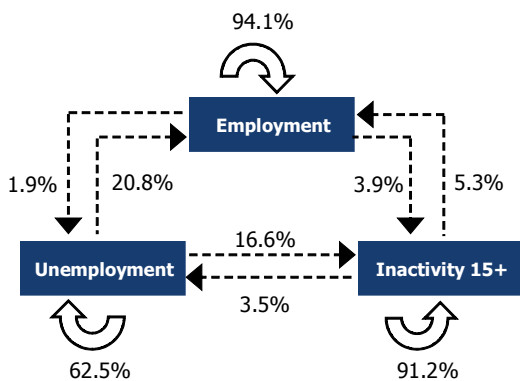
5. Quarterly flows between labour market states

From the 2nd to the 3rd quarter of 2014, 1.9% of the people initially employed moved into unemployment and 3.9% moved into inactivity, with the proportion of employed moving out of this situation totalling around 5.9% in the 3rd quarter of 2014 (94.1% remained employed).

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 2nd quarter of 2014, 37.5% moved out of this labour market state in the 3rd quarter of 2014. Out of these, 20.8% became employed and 16.6% moved into inactivity.

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



From the total of people aged 15 and over considered to be inactive in the 2nd quarter of 2014, 5.3% moved into employment and 3.5% moved into unemployment, in the 3rd quarter of 2014.

6. Unemployment rates by NUTS II region

In the 3rd quarter of 2014, the unemployment rate was higher than the national average in three NUTS II regions of the country: *Região Autónoma dos Açores* (15.7%), *Norte* (14.3%) and *Lisboa* (14.0%).

Below the national average, there were the unemployment rates of *Centro* (10.5%), *Algarve* (11.2%), *Alentejo* (12.6%) and *Região Autónoma da Madeira* (13.0%).

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

	3Q-2013	2Q-2014	3Q-2014
Portugal	15.5	13.9	13.1
Norte	16.5	15.0	14.3
Centro	11.0	10.4	10.5
Lisboa	17.9	15.1	14.0
Alentejo	16.1	14.0	12.6
Algarve	13.8	13.5	11.2
R. A. Açores	17.7	16.0	15.7
R. A. Madeira	17.0	15.7	13.0

Source: INE, Labour Force Survey - 3rd quarter of 2014.

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

Compared to the previous quarter, and similarly to the overall picture in Portugal, the unemployment rate decreased in all regions, except in *Centro*, where it increased by 0.1 p.p..

The largest decreases were recorded in *Região Autónoma da Madeira* (2.7 p.p.), *Algarve* (2.3 p.p.) and *Alentejo* (1.4 p.p.).

Compared to the same quarter of 2013, and also similarly to the overall picture in Portugal, the unemployment rate decreased in all regions.

The largest decreases were recorded in *Região Autónoma da Madeira* (4.0 p.p.), *Lisboa* (3.9 p.p.) and *Alentejo* (3.5 p.p.).

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

	Quarterly level			Rate of change	
	3Q-2013	2Q-2014	3Q-2014	On year	On quarter
	Thousands			%	
Labour force (active population)	5,289.3	5,243.5	5,254.0	-0.7	0.2
Males	2,729.6	2,695.5	2,691.8	-1.4	-0.1
Females	2,559.7	2,548.0	2,562.1	0.1	0.6
15 to 24	407.3	363.4	401.1	-1.5	10.4
25 to 34	1,154.4	1,133.2	1,111.2	-3.7	-1.9
35 to 44	1,445.7	1,457.8	1,448.2	0.2	-0.7
45 to 64	2,001.5	2,030.1	2,025.7	1.2	-0.2
65 and over	280.5	259.0	267.8	-4.5	3.4
First and second stages of basic education	2,959.2	2,799.5	2,760.3	-6.7	-1.4
(Upper) secondary and post-secondary non-tertiary education	1,239.1	1,259.3	1,284.1	3.6	2.0
Tertiary education	1,091.0	1,184.7	1,209.5	10.9	2.1
Participation rate (%)	50.6	50.4	50.6		
Males	54.9	54.7	54.7		
Females	46.7	46.6	46.9		
Participation rate (15 and over) (%)	59.4	59.0	59.2		
Males	65.3	64.8	64.8		
Females	54.1	53.9	54.2		
Employed population	4,469.4	4,514.6	4,565.1	2.1	1.1
Males	2,313.9	2,332.0	2,361.7	2.1	1.3
Females	2,155.5	2,182.6	2,203.4	2.2	1.0
15 to 24	259.0	234.1	271.9	5.0	16.1
25 to 34	947.6	953.8	952.2	0.5	-0.2
35 to 44	1,247.9	1,290.6	1,287.1	3.1	-0.3
45 to 64	1,737.9	1,781.0	1,790.5	3.0	0.5
65 and over	277.0	255.1	263.5	-4.9	3.3
First and second stages of basic education	2,485.5	2,375.9	2,369.8	-4.7	-0.3
(Upper) secondary and post-secondary non-tertiary education	1,034.1	1,074.0	1,100.9	6.5	2.5
Tertiary education	949.8	1,064.7	1,094.4	15.2	2.8
Agriculture, forestry and fishing (a)	467.7	408.6	407.3	-12.9	-0.3
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,043.6	1,073.9	1,089.7	4.4	1.5
Services (a)	2,958.1	3,032.1	3,068.2	3.7	1.2
Employees	3,467.8	3,595.4	3,676.5	6.0	2.3
With a permanent job (work contract of unlimited duration)	2,717.6	2,830.2	2,864.6	5.4	1.2
With a temporary job (work contract of limited duration)	626.1	630.1	683.6	9.2	8.5
Other contractual arrangements	124.0	135.1	128.2	3.4	-5.1
Self-employed workers	968.0	895.6	859.3	-11.2	-4.1
Unpaid family workers	33.6	23.6	29.3	-12.8	24.2
Full-time workers	3,842.5	3,923.1	3,969.6	3.3	1.2
Part-time workers	626.9	591.5	595.5	-5.0	0.7
Underemployed part-time workers	256.3	252.2	232.1	-9.4	-8.0
Employment rate (15 and over) (%)	50.2	50.8	51.4		
Males	55.3	56.1	56.9		
Females	45.6	46.2	46.6		

Source: INE, Labour Force Survey - 3rd quarter of 2014.

Notes:

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

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

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

	Quarterly level			Rate of change	
	3Q-2013	2Q-2014	3Q-2014	On year	On quarter
	Thousands			%	
Unemployed population	819.9	728.9	688.9	-16.0	-5.5
Males	415.7	363.5	330.1	-20.6	-9.2
Females	404.2	365.5	358.8	-11.2	-1.8
15 to 24	148.3	129.3	129.2	-12.9	-0.1
25 to 34	206.8	179.4	159.1	-23.1	-11.3
35 to 44	197.7	167.2	161.1	-18.5	-3.6
45 and over	267.1	253.0	239.5	-10.3	-5.3
First and second stages of basic education	473.7	423.6	390.6	-17.5	-7.8
(Upper) secondary and post-secondary non-tertiary education	205.1	185.3	183.2	-10.7	-1.1
Tertiary education	141.2	120.1	115.1	-18.5	-4.2
Looking for a first job	103.9	89.3	93.3	-10.2	4.5
Looking for a new job	716.0	639.6	595.6	-16.8	-6.9
Agriculture, forestry and fishing (a) (b)	14.5	13.0	12.9	-11.0	-0.8
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	251.6	208.6	188.5	-25.1	-9.6
Services (a) (b)	419.7	384.9	367.7	-12.4	-4.5
Unemployed by duration of search				0.0	0.0
Less than 12 months	290.9	237.6	227.9	-21.6	-4.1
12 months or longer (long-term unemployment)	529.0	491.3	460.9	-12.9	-6.2
Unemployment rate (%)	15.5	13.9	13.1		
Males	15.2	13.5	12.3		
Females	15.8	14.3	14.0		
Youth (15 to 24)	36.4	35.6	32.2		
Long-term	10.0	9.4	8.8		
Inactive population	5,154.5	5,150.3	5,127.4	-0.5	-0.4
Inactive population (15 and over)	3,620.2	3,642.9	3,627.8	0.2	-0.4
Males	1,452.6	1,463.0	1,461.8	0.6	-0.1
Females	2,167.6	2,179.8	2,166.0	-0.1	-0.6
15 to 24	703.6	740.0	699.9	-0.5	-5.4
25 to 34	131.9	118.8	128.6	-2.5	8.2
35 to 44	158.9	135.7	140.9	-11.3	3.8
45 to 64	847.4	824.4	831.6	-1.9	0.9
65 and over	1,778.4	1,823.9	1,826.8	2.7	0.2
Students	756.4	813.7	748.8	-1.0	-8.0
Fulfilled domestic tasks	437.1	425.8	431.2	-1.3	1.3
Retired	1,645.9	1,666.3	1,705.6	3.6	2.4
Other inactive	780.7	737.0	742.2	-4.9	0.7
Persons seeking work but not immediately available	24.3	28.4	29.6	21.8	4.2
Persons available to work but not seeking	304.3	256.6	302.3	-0.7	17.8
Inactivity rate (15 and over) (%)	40.6	41.0	40.8		
Males	34.7	35.2	35.2		
Females	45.9	46.1	45.8		

Source: INE, Labour Force Survey - 3rd quarter of 2014.

Notes:

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

(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.

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 – 3rd quarter of 2014 (“Estatísticas do Emprego – 3^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: 4 February 2015.

THE INTEGRATION OF THE 2011 CENSUS RESULTS IN THE LABOUR FORCE SURVEY SAMPLE

The Labour Force Survey sample has panel characteristics and includes a quarterly rotation schema, which aims, among other reasons, at preventing an excessive burden over respondents (with impact on their answers' quality) that results from the administration of a questionnaire recognised as long. The total sample is divided into six subsamples (rotations) and, in each quarter, each subsample is replaced by another after having been observed six times (during one and a half year).

After the dissemination of the 2011 Census definitive results, from the 3rd quarter of 2013 onwards, each new Labour Force Survey rotation came from a new sampling frame, built upon those Census results. This process takes place during six consecutive quarters and will be concluded in the 4th quarter of 2014. This information was transmitted in due course to the users on chapter 3, "Methodological notes", of the "Employment Statistics" publication (available only in Portuguese) and is reported on the Methodological Document of the Labour Force Survey statistical operation.

This process of sample updating is necessary and occurs whenever there are new Census data, as it has happened after the release of the definitive results of 2001 Census. The adjustment made envisages assuring a better sampling frame coverage and a reduction of non response rates, both with positive impact on the quality of the estimated results.

Out of this process, it may occur a change in the statistical representation of the population characteristics, with impact, mainly, in the employment components dynamics. In the 1st quarter of 2015, the quarterly changes will be based on samples exclusively built upon 2011 Census, as well as the year-on-year changes in the 4th quarter of 2015.