August, 30th 2016

Monthly Employment and Unemployment Estimates
July 2016

Unemployment rate: June's definitive estimates continue the downward trend

The definitive unemployment rate estimate for June 2016 was 11.1%, continuing the downward trend observed since February 2016. That estimate was revised downwards by 0.1 percentage points (p.p.) from the provisional estimate released one month ago (11.2%).

The definitive unemployed population estimate for June was 565.5 thousand people, down 1.3% from the previous month's level (7.3 thousand fewer people).

The June 2016 definitive employed population estimate was 4,548.4 thousand people, up 0.5% from the previous month's level (20.8 thousand more people).

The provisional unemployment rate estimate for July 2016 was 11.1%. For this month of July, the provisional estimate for the employed population was 567.3 thousand people and for the unemployed population was 4,558.0 thousand people.

In these estimates[1], it was considered the population aged 15 to 74 and the values were seasonally adjusted.

Monthly Employment and Unemployment Estimates Main indicators						
	Unit	Seasonally adjusted data				
		July 2015	Apr 2016	May 2016	June 2016	July 2016 (p)
Employed population (15 to 74)	Thousands	4.492,7	4.518,3	4.527,6	4.548,4	4.558,0
Unemployed population (15 to 74)		628,2	591,7	572,8	565,5	567,3
Employment rate (15 to 74)	%	57,4	57,8	58,0	58,3	58,4
Unemployment rate (15 to 74)		12,3	11,6	11,2	11,1	11,1
Youth unemployment rate (15 to 24)		31,2	29,4	27,9	26,6	26,3
Adults' unemployment rate (25 to 74)		10,8	10,2	9,9	9,9	9,9

Source: Statistics Portugal, Labour Force Survey.

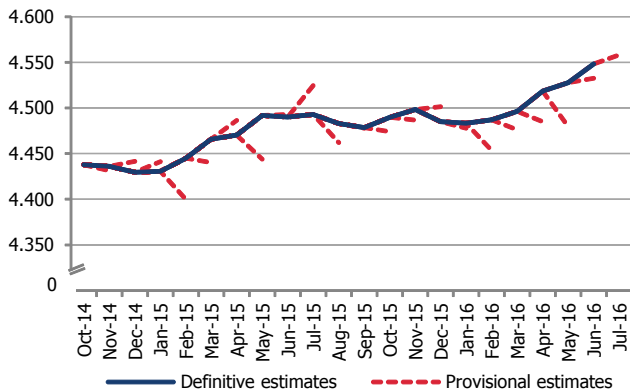**Note:** (p) - Provisional estimates.

1. Employed population and employment rate

In June 2016, the definitive estimate for the employed population was 4,548.4 thousand people, having increased by 0.5% from the previous month's level (20.8 thousand people). This estimate was revised upwards, from the provisional value released one month ago, by 0.4% (16.1 thousand).

In July 2016, the provisional estimate for the employed population was 4,558.0 thousand people, having increased by 0.2% from the previous month's level (9.6 thousand).
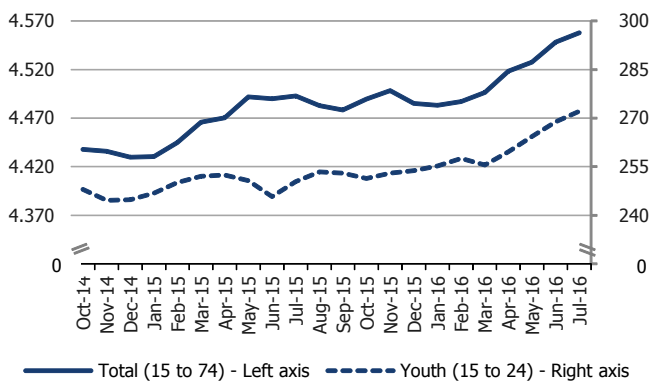
[1] Obtained as described in the technical note (annex).

Figure 1: Employed population - definitive and provisional estimates
(seasonally adjusted data; thousands)

Definitive estimates ▬▬▬ Provisional estimates ▬ ▬ ▬

The employed population increased for all groups under analysis: women (0.3%; 7.7 thousand); adults (25 to 74 years old) (0.1%; 6.4 thousand); young people (15 to 24 years old) (1.2%; 3.3 thousand); men (0.1%; 1.9 thousand).

Figure 2: Total and youth employed population
(seasonally adjusted data; thousands)

Total (15 to 74) - Left axis ▬▬▬   Youth (15 to 24) - Right axis ▬ ▬ ▬

The employment rate stood at 58.4%, up 0.1 percentage points (p.p.) from the definitive previous month's level.

The employment rate of men (62.4%) exceeded that of women (54.7%) by 7.7 p.p.. When comparing to the

previous month's level, the former increased by 0.1 p.p. and the latter increased by 0.2 p.p..
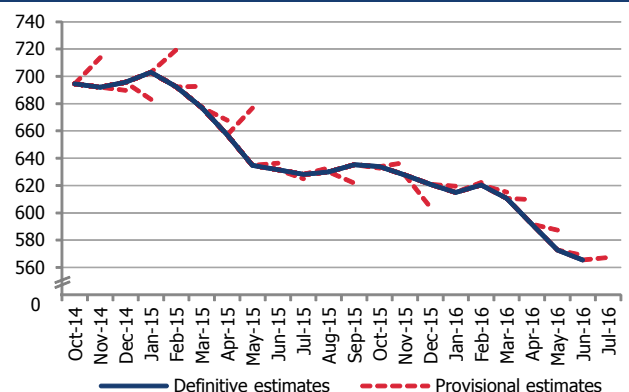
The employment rate of adults was 63.9%, having increased by 0.1 p.p. from the previous month's level. The employment rate of young people was 24.8% and increased by 0.3 p.p. from the previous month.

2. Unemployed population and unemployment rate

In June 2016, the definitive estimate for the unemployed population was 565.5 thousand people, having decreased by 1.3% (7.3 thousand) from the previous month's level. This estimate was revised downwards, from the provisional value published one month ago, by 0.6% (3.3 thousand).

In July 2016, the provisional estimate for the unemployed population was 567.3 thousand people, more 1.8 thousand (0.3%) than in the definitive previous month's level.

Figure 3: Unemployed population - definitive and provisional estimates
(seasonally adjusted data; thousands)

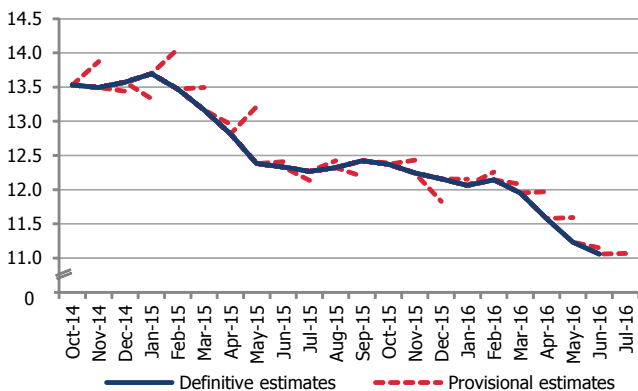Definitive estimates ▬▬▬ Provisional estimates ▬ ▬ ▬

Still in July 2016, the unemployed population monthly increased for women (1.5%; 4.1 thousand) and adults (0.4%; 2.03 thousand). The unemployed population of young people remained practically unchanged from the previous month, while that of men decreased (0.8%; 2.2 thousand).

In June 2016, the definitive estimate for the unemployment rate was 11.1%, a value lower than the one from previous month by 0.1 p.p.. This estimate was revised downwards, from the provisional value released one month ago, by 0.1 p.p..

In July 2016, the provisional estimate for the unemployment rate was 11.1%, remaining unchanged from the definitive previous month's level.

Figure 4: Unemployment rate - definitive and provisional estimates
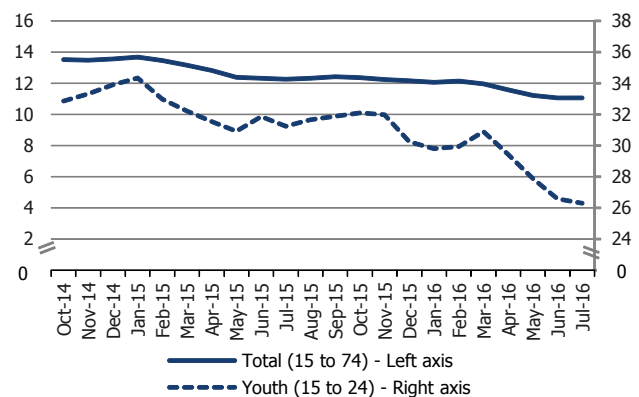(seasonally adjusted data; %)

The unemployment rate of women (11.3%) was higher than that of men (10.8%) by 0.5 p.p.. From the previous month, the former increased by 0.1 p.p. and the latter decreased by 0.1 p.p..

The youth unemployment rate stood at 26.3% and decreased by 0.3 p.p. from the previous month's level,

while the adults' unemployment rate was 9.9% and remained unchanged from that month.

Figure 5: Total and youth unemployment rate
(seasonally adjusted data; %)

In June 2016, the definitive estimate for the not seasonally adjusted unemployment rate was 10.6%, having decreased by 0.4 p.p. from the previous month. Comparing to June 2015, the not seasonally adjusted unemployment rate decreased by 1.3 p.p., continuing the series of year-on-year reductions started in August 2013.

The monthly change was followed by a decrease of the unemployed population (2.7%; 14.9 thousand) and by an increase of the employed population (0.9%; 38.8 thousand). For the year-on-year reduction contributed both the unemployed population decline (10.5%; 64.1 thousand) and the employed population growth (1.2%; 55.5 thousand).

In July 2016, the provisional estimate for the not seasonally adjusted unemployment rate was 10.7%, having increased by 0.1 p.p. from the previous month's level and decreased by 1.1 p.p. from July 2015.

The monthly increase observed in the unemployment rate resulted from both the increase of the unemployed

population (0.5%; 2.8 thousand) and the increase of the employed population (0.1%; 5.7 thousand). Regarding the year-on-year decrease, the decline of the unemployed population (9.8%; 59.4 thousand) and the growth of the employed population (1.4%; 62.8 thousand) gave their contribution.

Table 1: Employed population and employment rate by sex and age group (15 to 74)										
	Seasonally adjusted data					Not seasonally adjusted data				
	July 2015	Apr 2016	May 2016	June 2016	July 2016 (p)	July 2015	Apr 2016	May 2016	June 2016	July 2016 (p)
	Thousands									
Employed population (15 to 74)	**4.492,7**	**4.518,3**	**4.527,6**	**4.548,4**	**4.558,0**	**4.524,1**	**4.513,0**	**4.542,4**	**4.581,2**	**4.586,9**
Men (15 to 74)	2.286,1	2.306,5	2.321,0	2.330,0	2.331,9	2.304,3	2.300,5	2.325,5	2.345,3	2.347,6
Women (15 to 74)	2.206,6	2.211,8	2.206,5	2.218,4	2.226,1	2.219,8	2.212,5	2.216,9	2.235,9	2.239,3
Youth (15 to 24)	250,4	259,6	264,3	268,8	272,1	257,6	252,6	259,4	271,5	279,2
Adults (25 to 74)	4.242,3	4.258,8	4.263,3	4.279,5	4.285,9	4.266,5	4.260,4	4.283,0	4.309,7	4.307,8
	%									
Employment rate (15 to 74)	**57,4**	**57,8**	**58,0**	**58,3**	**58,4**	**57,8**	**57,8**	**58,2**	**58,7**	**58,8**
Men (15 to 74)	61,0	61,7	62,1	62,3	62,4	61,5	61,5	62,2	62,8	62,8
Women (15 to 74)	54,1	54,3	54,2	54,5	54,7	54,4	54,3	54,5	54,9	55,0
Youth (15 to 24)	22,7	23,6	24,0	24,5	24,8	23,4	23,0	23,6	24,7	25,4
Adults (25 to 74)	63,1	63,5	63,5	63,8	63,9	63,5	63,5	63,8	64,2	64,2

Source: Statistics Portugal, Labour Force Survey.

Note: (p) - Provisional estimates.

Table 2: Unemployed population and unemployment rate by sex and age group (15 to 74)										
	Seasonally adjusted data					Not seasonally adjusted data				
	July 2015	Apr 2016	May 2016	June 2016	July 2016 (p)	July 2015	Apr 2016	May 2016	June 2016	July 2016 (p)
	Thousands									
Unemployed population (15 to 74)	**628,2**	**591,7**	**572,8**	**565,5**	**567,3**	**606,6**	**593,6**	**559,3**	**544,4**	**547,2**
Men (15 to 74)	318,5	300,8	289,9	285,5	283,3	306,7	303,5	285,0	275,9	272,8
Women (15 to 74)	309,8	290,9	282,9	280,0	284,1	299,9	290,2	274,3	268,5	274,4
Youth (15 to 24)	113,8	108,3	102,2	97,4	97,1	108,9	105,0	95,4	90,7	92,9
Adults (25 to 74)	514,4	483,4	470,6	468,2	470,2	497,7	488,7	463,9	453,7	454,3
	%									
Unemployment rate (15 to 74)	**12,3**	**11,6**	**11,2**	**11,1**	**11,1**	**11,8**	**11,6**	**11,0**	**10,6**	**10,7**
Men (15 to 74)	12,2	11,5	11,1	10,9	10,8	11,7	11,7	10,9	10,5	10,4
Women (15 to 74)	12,3	11,6	11,4	11,2	11,3	11,9	11,6	11,0	10,7	10,9
Youth (15 to 24)	31,2	29,4	27,9	26,6	26,3	29,7	29,4	26,9	25,0	25,0
Adults (25 to 74)	10,8	10,2	9,9	9,9	9,9	10,4	10,3	9,8	9,5	9,5

Source: Statistics Portugal, Labour Force Survey.

Notes: (p) - Provisional estimates.

Figure 6: Employed and unemployed population
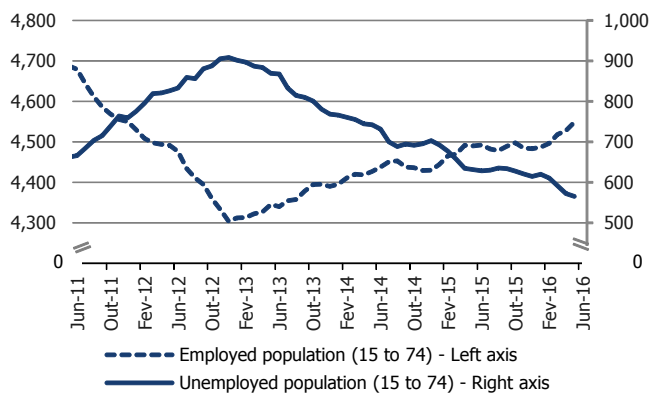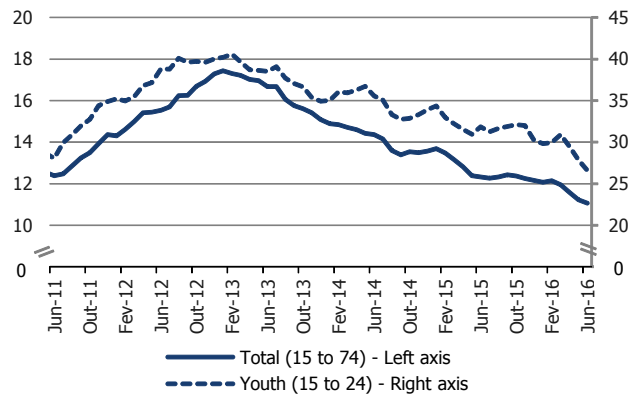(seasonally adjusted data; thousands)

- - - - Employed population (15 to 74) - Left axis
———— Unemployed population (15 to 74) - Right axis

Figure 7: Total and youth unemployment rate
(seasonally adjusted data; %)

———— Total (15 to 74) - Left axis
- - - - Youth (15 to 24) - Right axis

TECHNICAL NOTE

Labour Force Survey

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.

Monthly Employment and Unemployment Estimates

In 2014, Statistics Portugal initiated a monthly release of Labour Force Survey estimates for the main labour market indicators in addition to the usual quarterly estimates releases.

With this initiative, Statistics Portugal intends to provide to users monthly updated information on labour market recent developments, allowing, at the same time, a more complete reading picture than that provided so far by Eurostat in its monthly releases of the unemployed population and unemployment rate estimates for Portugal. With this dissemination, Statistics Portugal satisfies also a specific requirement from the PEEIs (Principal European Economic Indicators).

Taking advantage of the continuous nature of the Labour Force Survey collection process, it is possible to monthly obtain estimates related to successive sets of three months (moving quarters), assuring consistency with the quarterly released estimates.

The monthly estimates refer to *centred* moving quarters, where the reference month (m) corresponds to the central month of each moving quarter. In fact, the reference month of each Press Release corresponds to the central month of the quarter composed by $m-1$, m and $m+1$ months. As a consequence, the monthly changes are calculated on values that contain common months. Therefore, the comparison of moving quarters without common months should be done in relation to reference months three months earlier.

The option for disseminating centred moving quarters series aimed at avoiding delays in the detection of turning points in the economic cycle that arise from the use of simple moving averages, but it implies that the estimates for the latest released moving quarter are provisional (see "Revisions" section below).

As estimates of centred moving quarters, the values (not seasonally adjusted) of the reference months February, May, August and November of each year correspond to the estimates of the 1st, 2nd, 3rd and 4th natural quarters, respectively, whose results are published and analyzed with greater detail in the quarterly releases of the Labour Force Survey estimates.

The estimates for the reference month are always provisional, as they correspond to a moving quarter where for the first two months the Labour Force Survey data collection process has been already completed and for the third month a forecast was done based on time series models (state space approach for exponential smoothing models). For this third month, it was also taken into account data already collected for it. In this regard, Statistics Portugal has carried out a set of operational changes that allow ensuring the maximum collected information for that third month to be part of the projection exercise.

In this context, in each monthly Press Release the provisional estimates for the reference month and the definitive estimates for the previous months are published.

(to be continued)

Information available

The data series selected for monthly releases refer to both employed and unemployed population, by sex and age group, and to the corresponding rates. In relation to these data series, it should be noted the following:

- For the purpose of creating long monthly data series needed for subsequent adjustment of seasonality, the two latest data series of the Labour Force Survey (from 1998 to 2010; from 2011 onwards) were previously linked.

- Unless otherwise stated, the data series analyzed in this Press Release are seasonally adjusted. For this reason, the analysis focuses on the comparison with the most recent periods. As agreed, Eurostat started using these estimates in its unemployment monthly releases. The original data series (not seasonally adjusted; as in the Statistics Portugal quarterly releases), are available in Tables 1 and 2 of the annex and at the Statistics Portugal Portal (www.ine.pt).

- The indicators analyzed in this Press Release were calculated for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release), which differs from the criterion adopted at the Statistics Portugal quarterly releases (people aged 15 and over, in line with the concepts in force of the International Labour Organization).

The back series for all the released and analyzed indicators in this Press Release, since February 1998 (quarter from January to March 1998), are available at the Statistics Portugal Portal.

Due to rounding, totals may not correspond exactly to the sum of the parts.

Revisions

The monthly released data are subject to revisions, as previously mentioned. The revisions come from obtaining the definitive estimates for the previous month (moving quarter) due to the conclusion of its last month collection process. In addition, the revisions also come from the updating of the seasonally adjusted data series whenever a new observation is added. Therefore, in each Press Release the definitive estimates for the previous reference month are published.

The impact of those revisions, measured by the difference between the estimates now released for June 2016 (definitive estimates) and the ones for that month published in the last Press Release, is the following:

Revision of June 2016 estimates - main indicators			
	Unit	Seasonally adjusted data	Not seasonally adjusted data
Employed population (15 to 74)	Thousands	16.1	18.9
Unemployed population (15 to 74)		- 3.3	- 3.4
Employment rate (15 to 74)		0.2	0.3
Unemployment rate (15 to 74)	p.p.	- 0.1	- 0.1
Youth unemployment rate (15 to 24)		- 0.6	- 0.6
Adults' unemployment rate (25 to 74)		0.0	- 0.1

In June 2016, the downwards revision of the seasonally adjusted unemployment rate (-0.1 p.p.) occurred among women (-0.3 p.p.) and young people (-0.6 p.p.). The downwards revision of the unemployment rate was simultaneously explained by the upwards revision of the employed population (-0.4%) and by the downwards revision of the unemployed population (-0.6%). In the employed population, the major revisions occurred for women (+0.7%) and young people (+1.2%). Similarly, in the unemployed population, the major downwards revisions where observed for women (-1.7%) and young people (-1.6%).

(to be continued)

Some concepts

Unemployed: person aged 15 and 74 who, during the reference period, was simultaneously in the following situations:

- without work, i.e. was not in paid employment or self-employment;
- seeking work, i.e. had taken specific steps in a specified recent period (reference period or the three previous weeks) to seek paid employment or self-employment; and
- currently available for work, i.e. was available for paid employment or self-employment during the reference period.

Employed: person aged 15 and over who, during the reference period, was in one of the following situations:

- did any work for pay or profit for at least one hour, including a familiar gain in money or gender;
- was not working but had jobs from which was temporarily absent;
- had a business, but was temporarily not working for a specific reason;
- was in a pre-retirement situation while working.

Unemployment rate: ratio between the unemployed population and the labour force.

U.R. (%) = (Unemployed population / Labour force) x 100

Employment rate (15 and over): ratio between the employed population and the working age total population (15 and over).

E.R. (%) = (Employed population / Total population 15 and over) x 100

For the indicators selected for monthly dissemination, it was considered the age subgroup of those aged 15 to 74.

For a more detailed definition of the concepts and methodological features of this statistical operation, consult the Labour Force Survey or the Monthly Employment and Unemployment Estimates methodological documents (both only in Portuguese) available at the Statistics Portugal website.

Next Press Release:

29 September 2016: "Monthly Employment and Unemployment Statistics – August 2016".

30 September 2016: Eurostat News Release.