

7 February 2018

## Employment Statistics

4<sup>th</sup> quarter of 2017

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### **The 4<sup>th</sup> quarter unemployment rate was 8.1% and the 2017 average stood at 8.9%**

The unemployment rate for the 4<sup>th</sup> quarter of 2017 was 8.1%. This value is down 0.4 percentage points (p.p.) from the previous quarter and 2.4 p.p. from the same quarter of 2016.

The unemployed population, estimated at 422.0 thousand people, corresponded to a quarterly decrease of 4.9% (22.0 thousand fewer people), extending the quarterly decreases observed since the 2<sup>nd</sup> quarter of 2016. Comparing to the year-on-year value, there was a decrease of 22.3% (121.2 thousand fewer people), the largest since the 3<sup>rd</sup> quarter of 2013.

The employed population, estimated at 4,804.9 thousand people, recorded a practically null relative change (associated to a small increase of 1.9 thousand people) and a year-on-year growth of 3.5% (161.3 thousand more people), the largest since the 4<sup>th</sup> quarter of 2013.

In terms of the annual average, the unemployment rate was 8.9% in 2017, having recorded a decrease of 2.2 p.p. from 2016, and the young people (aged 15 to 24) unemployment rate stood at 23.9%, down 4.1 p.p. from the previous year.

The unemployed population, estimated at 462.8 thousand in 2017, decreased by 19.2% from the previous year (110.2 thousand fewer people), while the proportion of unemployed looking for a job for 12 months or longer (long-term unemployment) was 57.5%, having decreased by 4.6 p.p. from the former year. On the other hand, the employed population, estimated to be 4,756.6 thousand people, recorded an annual increase of 3.3% (151.4 thousand more people). In turn, the participation rate of the working age population stood at 59.0%, up 0.5 p.p. from 2016.

In these estimates, the population aged 15 and over was considered and the values are not seasonally adjusted.

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### **1. Labour force (active population)**

The Labour Force Survey results for the 4<sup>th</sup> quarter of 2017 indicate that the labour force (active population), estimated at 5,226.9 thousand people, decreased by 0.4% from the previous quarter (20.1 thousand) and increased by 0.8% from the same quarter of 2016 (40.1 thousand).

The participation rate of the working age population (15 years old and over) stood at 59.0%, having decreased by 0.3 percentage points (p.p.) from the

previous quarter and increased by 0.4 p.p. from the same quarter of 2016.

The participation rate of men (64.7%) exceeded that of women (54.1%) by 10.6 p.p.. Compared to the previous quarter, the participation rate decreased both for men (0.2 p.p.) and women (0.3 p.p.). On the other hand, regarding the year-on-year comparison, both participation rates increased, the increase for men (0.5

p.p.) being larger than the one observed for women (0.4 p.p.).

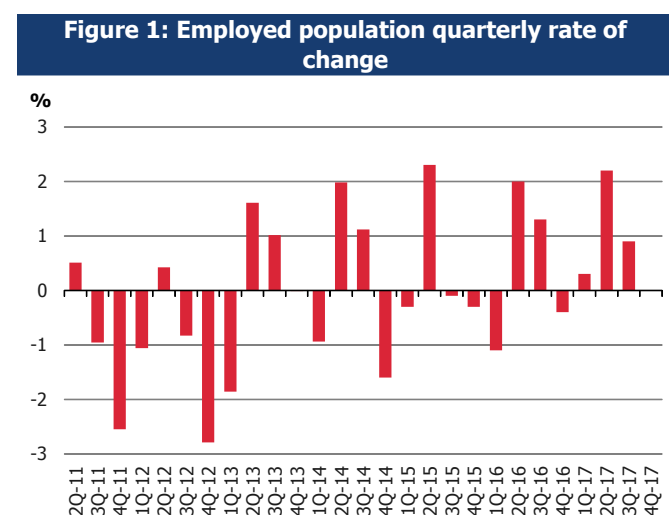
In terms of the annual average, in 2017, the active population was estimated at 5,219.4 thousand people and increased by 0.8% from the previous year (41.1 thousand).

Still in 2017, the participation rate of the working age population was 59.0%, up 0.5 p.p. from 2016.

## 2. Employed population

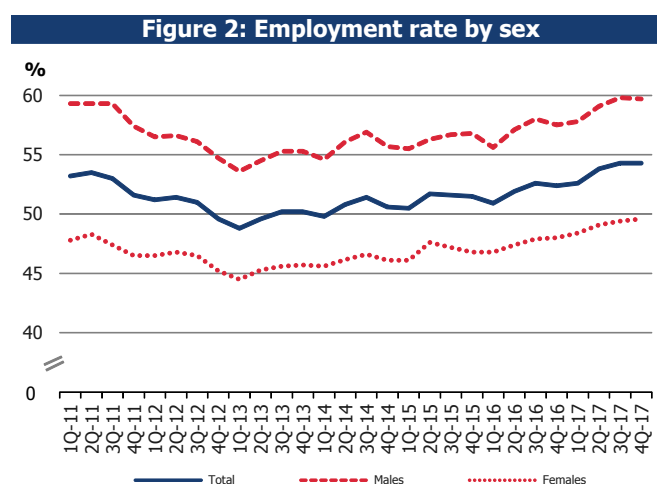
### 2.1. Quarterly changes

The employed population, estimated at 4,804.9 thousand people, increased by 1.9 thousand people, corresponding to a practically null relative change.



This quarterly change of the employed population was explained by the increases recorded mainly in the following groups: women (8.9 thousand; 0,4%); people aged 45 to 64 (16.6 thousand; 0.8%); having completed the tertiary education (27.1 thousand;

2.2%); employed in the manufacturing, electricity, gas and water supply and construction sector (47.6 thousand; 4.0%), having the employment in the construction activity contributed to almost half of this increase (21.8 thousand; 7.4%); as employees (12.9 thousand; 0.3%) with a permanent job (23.1 thousand; 0.7%); and working part-time (23.7 thousand; 4.7%).



The employment rate (15 years old and over) stood at 54.3%, remaining unchanged from the previous quarter.

The employment rate of men (59.7%) exceeded that of women (49.6%) by 10.1 p.p., having the former decreased by 0.1 p.p. from the previous quarter while the latter increased by 0.2 p.p..

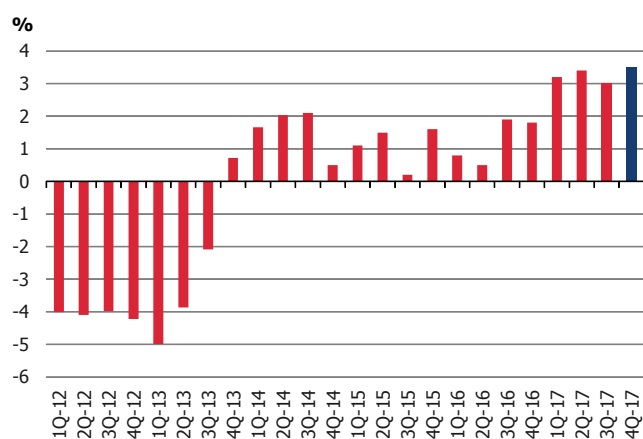
### 2.2. Year-on-year changes

From the same quarter of 2016, the employed population increased by 3.5% (161.3 thousand), which was the largest increase since the 4<sup>th</sup> quarter of 2013.

The year-on-year increase in the employed population came mostly from the employment increase in the

following groups: both men and women, with predominance of the former (87.8 thousand; 3.7%); people aged 45 to 64 (130.7 thousand; 6.9%); all levels of education, mainly those having completed the upper secondary and post-secondary non-tertiary education (87.4 thousand; 7.3%); employed in the services sector (118.9 thousand; 3.7%) – the activities of wholesale and retail trade, repair of motor vehicles and motorcycles, of transportation and storage, and of accommodation and food services contributed for more than a third of this increase (43.2 thousand; 3.7%); as employees (174.6 thousand; 4.5%), namely with a permanent job (135.5 thousand; 4.5%); and working full-time (183.1 thousand; 4.5%).

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



The employment rate (15 years old and over) increased by 1.9 p.p. from the same quarter of 2016. This rate increased more for men (2.2 p.p.) than for women (1.6 p.p.).

### 2.3. Annual changes

In 2017, the employed population was estimated at 4,756.6 thousand people and increased by 3.3% from the previous year (151.4 thousand). It is the largest increase of the employed population since 2013.

For the annual rate of change in the employed population contributed mostly the employment increases in the following groups: men (80.9 thousand; 3.4%); people aged 45 to 64 (115.4 thousand; 6.1%); having completed the upper secondary and post-secondary non-tertiary education (78.2 thousand; 6.6%); employed in the services sector (116.8 thousand; 3.7%); as employees (161.5 thousand; 4.3%); and working full-time (164.5 thousand; 4.1%).

The employment rate (15 years old and over) was 53.7%, up 1.7 p.p. from 2016.

### 3. Unemployed population

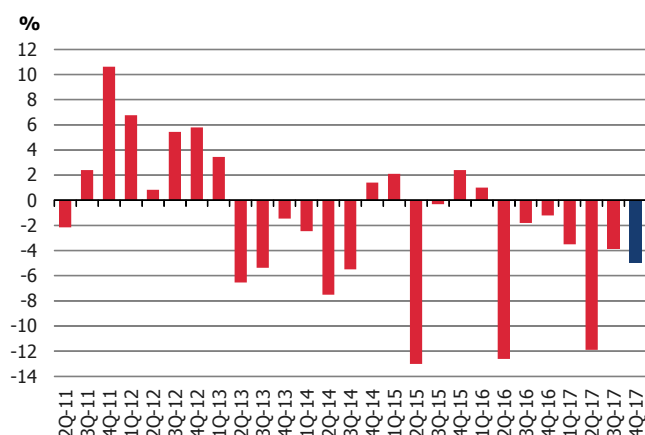
#### 3.1. Quarterly changes

The unemployed population, estimated at 422.0 thousand people, decreased by 4.9% from the previous quarter (22.0 thousand), extending the quarterly decreases observed since the 2<sup>nd</sup> quarter of 2016.

The unemployed population quarterly decrease was explained by the decreases recorded, mainly, in the following groups under analysis: women (21.4 thousand; 9.0%); people of all age groups, in particular those aged 35 to 44 (6.2 thousand; 6.7%); having completed, at most, the first or second stages of basic education (14.9 thousand; 6.6%); looking for a

new job (18.0 thousand; 4.7%), having been formerly in the services sector (18.9 thousand; 7.3%); and seeking a job for 12 months or longer (26.6 thousand; 10.4%).

**Figure 4: Unemployed population quarterly rate of change**



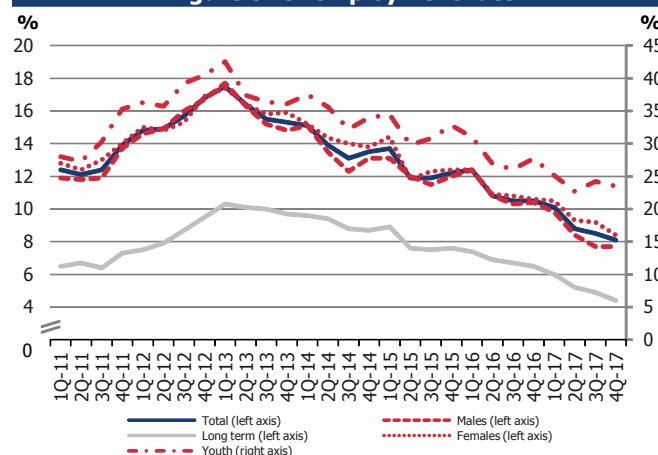
The unemployment rate for the 4<sup>th</sup> quarter of 2017 stood at 8.1%<sup>1</sup>, having decreased by 0.4 p.p. from the 3<sup>rd</sup> quarter of 2017 and continuing the quarterly decreases observed since the 2<sup>nd</sup> quarter of 2016.

The unemployment rate of men (7.7%) was lower than that of women (8.4%) by 0.7 p.p., having the former remained unchanged from the previous quarter and the latter decreased by 0.8 p.p..

On the other hand, the youth (15 to 24 years old) unemployment rate was 23.5%, down 0.7 p.p. from the previous quarter.

<sup>1</sup> Please note that this unemployment rate was calculated for those aged 15 and over (in line with the concepts in force of the International Labour Organization). The unemployment rate for the moving quarter centered in November 2017 (which corresponds to the 4<sup>th</sup> quarter 2017), published in the Press Release of December 2017 (released in 30-1-2018), was calculated for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release). This rate (not seasonally adjusted) was 8.2%.

**Figure 5: Unemployment rate**



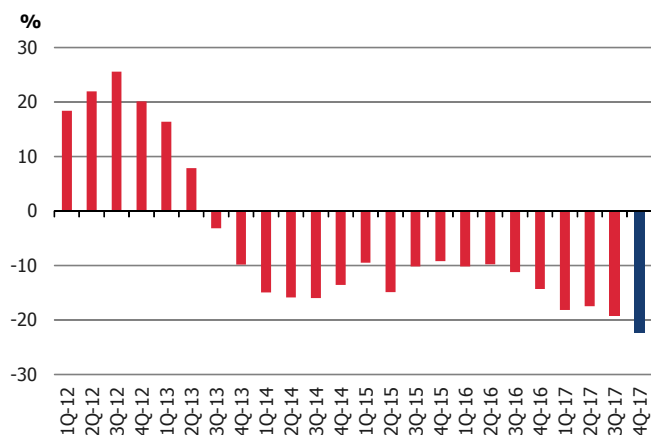
The share of unemployed people looking for a job for 12 months or longer (long-term unemployment) was 54.0%, down 3.3 p.p. from the 3<sup>rd</sup> quarter of 2017.

### 3.2. Year-on-year changes

From the same quarter of 2016, the unemployed population decreased by 22.3% (121.2 thousand), which represents the largest decline since the 3<sup>rd</sup> quarter of 2013.

The unemployed population year-on-year decrease was explained by the decreases recorded in the following groups: both men and women, especially the former (69.2 thousand; 25.1%); all age groups under analysis, in particular that of those aged 45 and over (48.1 thousand; 23.4%); with different levels of education, mainly those having completed, at most, the first or second stages of basic education (71.2 thousand; 25.2%); mostly looking for a new job (112.8 thousand; 23.5%), having been formerly in the services sector (61.1 thousand; 20.1%); and seeking a job mainly for 12 months or longer (109.4 thousand; 32.4%).

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



The unemployment rate decreased from the same quarter of 2016 (2.4 p.p.), more for men (2.7 p.p.) than for women (2.2 p.p.).

The unemployment rate of young people aged 15 to 24 decreased by 4.2 p.p. from the year-on-year value.

From the 4<sup>th</sup> quarter of 2016, the share of unemployed people looking for a job for 12 months or longer (long-term unemployment) decreased by 8.1 p.p..

### 3.3. Annual changes

In 2017, there were 462.8 thousand unemployed people, having decreased by 19.2% from the previous year (110.2 thousand). From 2013, the year where the unemployed population reached its peak, there was an accumulate decrease of 392.4 thousand people.

For the unemployed population annual rate of change contributed the decreases in the following groups: both men and women, particularly the former (66.8 thousand; 23.0%); all age groups under analysis, especially that of people aged 45 and over (45.2 thousand; 20.7%); all levels of education, namely

that of people having completed, at most, an education level corresponding to the first or second stages of basic education (59.9 thousand; 20.0%); seeking a new job (99.9 thousand; 19.7%), who were formerly in the services sector (48.6 thousand; 15.4%) or in the manufacturing, electricity, gas and water supply, and construction sector (44.8 thousand; 30.4%); and seeking a job for 12 months or longer (89.5 thousand; 25.2%).

The unemployment rate was 8.9% and was down 2.2 p.p. from the previous year, while the young people (aged 15 to 24) unemployment rate stood at 23.9%, down 4.1 p.p. from the previous year.

In this year, the share of unemployed looking for a job for 12 months or longer (long-term unemployment) was 57.5%, having decreased by 4.6 p.p. from the former year. This is the third consecutive annual decrease of this indicator after the maximum value reached in 2014 (65.5%).

### 4. Inactive population

The inactive population, estimated at 5,051.2 thousand people in the 4<sup>th</sup> quarter of 2017, increased by 0.3% from the previous quarter (16.5 thousand) and decreased by 1.1% from the same quarter of 2016 (56.2 thousand).

The inactive population aged 15 and over, estimated at 3,625.0 thousand people (71.8% of total inactive population), increased by 0.5% from the previous quarter (19.4 thousand) and decreased by 1.2% from the 4<sup>th</sup> quarter of 2016 (42.4 thousand).

The inactivity rate (15 years old and over) stood at 41.0%, having increased by 0.3 p.p. from the previous quarter and decreased by 0.4 p.p. from the same period of 2016.

The inactivity rate of women (45.9%) exceeded that of men (35.3%) by 10.6 p.p..

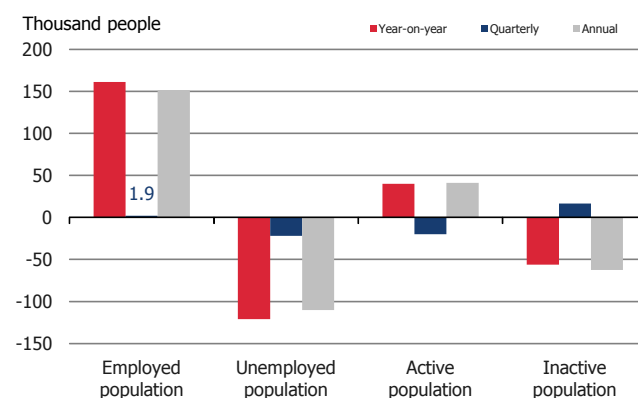
From the previous quarter, the inactivity rate of men increased by 0.2 p.p. and that of women increased by 0.3 p.p.. When compared to the same quarter of 2016, the inactivity rate of men decreased by 0.5 p.p., more than that of women (0.4 p.p.).

In 2017, the total inactive population was estimated at 5,065.6 thousand people and decreased by 1.2% from the previous year (62.5 thousand). The inactive population aged 15 and over stood at 3,633.7 thousand people and decreased by 1.3% (46.7 thousand).

Still in 2017, the inactivity rate was 41.0%, down 0.5 p.p. from 2016.

Figure 7 exhibits a summary of the observed changes in this quarter (year-on-year and quarterly) and in 2017 by labour market status, as described in items 1 to 4 of this Press Release.

**Figure 7: Change in the employed, unemployed, active and inactive population**



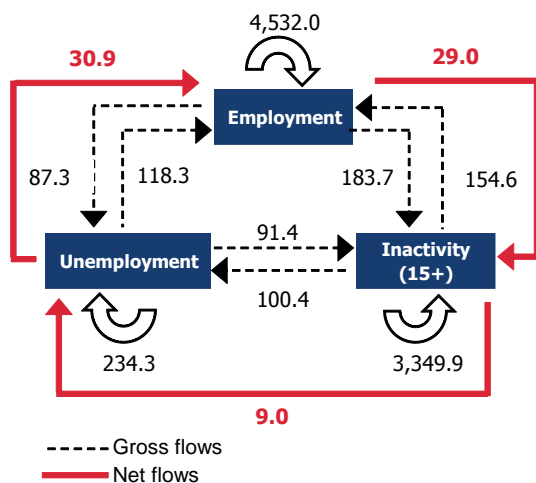
## 5. Quarterly flows between labour market states

### 5.1. Gross and net flows (number of persons)

#### *Employment*

From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2017, the number of persons that moved from employment (E) to unemployment (U) was 87.3 thousand and the number of those who moved from employment to inactivity (aged 15 and over; I) was 183.7 thousand. The number of persons moving out of employment, within a quarter, was 271.0 thousand.

**Diagram 1: Quarterly flows between labour force states (Thousand people)**



At the same time, the employment inflows from unemployment were 118.3 thousand persons, while those from inactivity were 154.6 thousand. The number of persons moving into employment, within a quarter, was 272.9 thousand.

As a consequence, between the two quarters there was a positive net flow into employment (that is, total inflows minus total outflows) of 1.9 thousand persons (which correspond to the employed population quarterly change).

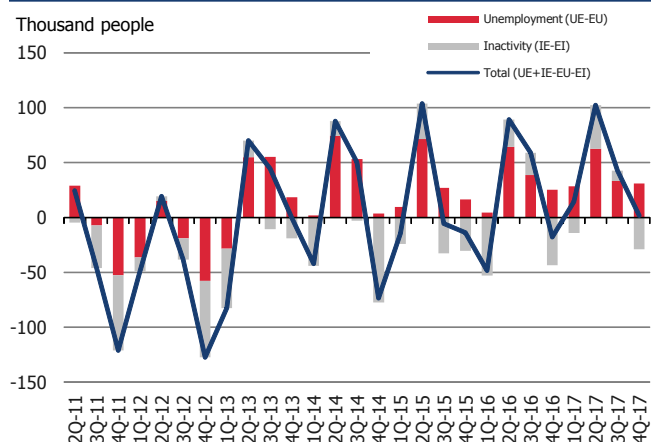
### Unemployment

The net flow into unemployment was also negative and comprised 22.0 thousand persons (which corresponds to the unemployed population quarterly change), which arises from the total of people becoming unemployed (187.7 thousand) being smaller than the total of those leaving the unemployment population (209.7 thousand).

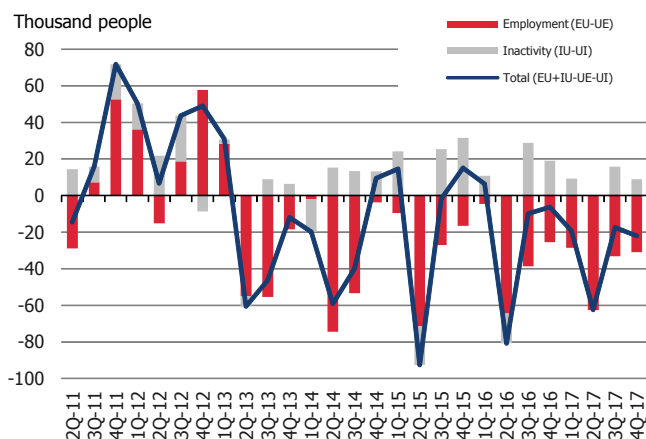
The unemployment inflows from employment (87.3 thousand) were smaller than those from inactivity (100.4 thousand), while the unemployment outflows to employment (118.3 thousand) were larger than those to inactivity (91.4 thousand).

The next figures exhibit the quarterly developments of the net employment and unemployment flows, from the 2<sup>nd</sup> quarter of 2011 onwards, and their decomposition into the two components that explain them: net flows between employment and unemployment and net flows between employment and inactivity (Figure 8); net flows between unemployment and employment and net flows between unemployment and inactivity (Figure 9).

**Figure 8: Net employment quarterly flows (inflows - outflows = quarterly change)**



**Figure 9: Net unemployment quarterly flows (inflows - outflows = quarterly change)**



From these estimates analysis, it is possible to conclude, for the 4<sup>th</sup> quarter 2017, that:

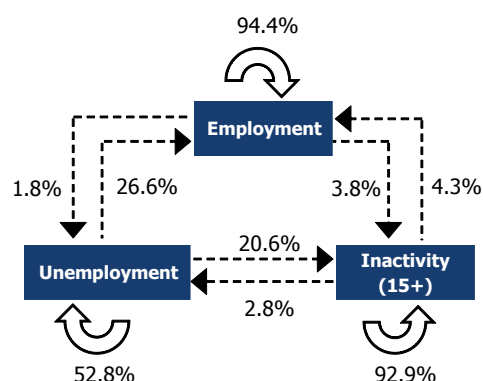
- The small employment quarterly increase resulted from the positive net flow between employment and unemployment being slightly larger than the negative net flow between employment and inactivity (30.9 thousand and 29.0 thousand, respectively).
- The unemployment quarterly decrease, of 22.0 thousand persons, was mainly explained by the negative net flow between unemployment and employment (30.9 thousand), which more than compensated the positive net flow between unemployment and inactivity (9.0 thousand).

### 5.2. Transition rates (%)

From the 3<sup>rd</sup> to the 4<sup>th</sup> quarter of 2017, 1.8% of the people initially employed moved into unemployment and 3.8% moved into inactivity, with the proportion of employed moving out of this situation totalling 5.6% in the 4<sup>th</sup> quarter of 2017 (94.4% remained employed;

which corresponds to 4,532.0 thousand people, as in Diagram 1).

**Diagram 2: Quarterly flows between labour force states (as a % of initial state)**



From the total of unemployed persons in the 3<sup>rd</sup> quarter of 2017, 47.2% moved out of this labour market state in the 4<sup>th</sup> quarter of the same year: 26.6% became employed and 20.6% moved into inactivity.

From the total of people aged 15 and over considered to be inactive in the 3<sup>rd</sup> quarter of 2017, 4.3% moved into employment and 2.8% moved into unemployment in the 4<sup>th</sup> quarter of that year.

### 6. Unemployment rates by NUTS II region

In the 4<sup>th</sup> quarter of 2017, the unemployment rate was higher than the national average in five NUTS II regions of the country: *Norte* (9.3%), *Região Autónoma da Madeira* (8.9%), *Alentejo* (8.4%), *Região Autónoma dos Açores* (8.3%), and *Área Metropolitana de Lisboa* (8.2%).

Below the national average, stood the unemployment rate of *Algarve* (7.3%) and *Centro* (5.9%).



Compared to the previous quarter, as has been globally observed for Portugal, the unemployment rate decreased in *Área Metropolitana de Lisboa* (1.2 p.p.), *Centro* (0.9 p.p.), and *Região Autónoma da Madeira* (0.4 p.p.). On the other hand, the unemployment rate stood unchanged in *Norte*, while it increased in *Região Autónoma dos Açores* (0.1 p.p.), *Alentejo* (1.0 p.p.), and *Algarve* (2.1 p.p.).

Compared to 2016, and again as in the overall picture in Portugal, the unemployment rate decreased in all regions.

The two largest decreases were recorded in *Alentejo* (3.7 p.p.) and *Região Autónoma da Madeira* (2.5 p.p.).

## 7. Supplementary indicators to unemployment and the labour underutilisation

In the 2<sup>nd</sup> quarter of 2017, Statistics Portugal began regularly publishing an additional indicator part of the group of the supplementary indicators to unemployment usually released<sup>2</sup> – *the labour underutilisation*.

The labour underutilisation is an indicator that aggregates the unemployed population, the underemployment of part-time workers, the inactive seeking work but not immediately available, and the inactive available but not seeking work.

This indicator is supplemented by its corresponding rate – *the labour underutilisation rate*<sup>3</sup>.

With the construction of this indicator and its regular dissemination, using the three already released supplementary indicators to unemployment, Statistics Portugal provides its data users a broader measure of the labour underutilisation than the more restrictive measure given by the unemployment rate, without

**Table 1: Unemployment rates by NUTS II region (NUTS-2013)**

	4Q-2016	3Q-2017	4Q-2017	2016	2017
<b>Portugal</b>	<b>10.5</b>	<b>8.5</b>	<b>8.1</b>	<b>11.1</b>	<b>8.9</b>
Norte	11.5	9.3	9.3	12.0	9.8
Centro	7.9	6.8	5.9	8.4	6.9
A. M. Lisboa	11.4	9.4	8.2	11.9	9.5
Alentejo	11.0	7.4	8.4	12.1	8.4
Algarve	9.4	5.2	7.3	9.2	7.7
R. A. Açores	10.4	8.2	8.3	11.1	9.0
R. A. Madeira	11.0	9.3	8.9	12.9	10.4

Unit: %  
**Source:** Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2017.

Compared to the same quarter of 2016, and also similarly to the overall picture in Portugal, the unemployment rate decreased in all regions.

The two largest decreases were recorded in *Área Metropolitana de Lisboa* (3.2 p.p.) and *Alentejo* (2.6 p.p.).

In 2017, the highest unemployment rates, higher than the national average, were recorded in four regions: *Região Autónoma da Madeira* (10.4%), *Norte* (9.8%), *Área Metropolitana de Lisboa* (9.5%), and *Região Autónoma dos Açores* (9.0%).

Below the national average, there were the unemployment rates of *Alentejo* (8.4%), *Algarve* (7.7%), and *Centro* (6.9%).

<sup>2</sup> These indicators are the underemployment of part-time workers, the inactive seeking work but not immediately available, and the inactive available to work but not seeking. For a more detail definition of these indicators, read the publication "*Estatísticas do Emprego – 2.º trimestre de 2012*" (only available in Portuguese) – chapter 4 (Concepts) and 6 (Theme under analysis) available at: <http://www.ine.pt/xurl/pub/143643471>

<sup>3</sup> See concepts in the technical note.

changing the method of calculus and the official estimate status of the latter.

Nonetheless, while analysing that indicator<sup>4</sup> it is necessary to have in mind that it is a measure that overestimates the labour underutilisation, since:

- it overestimates the potential contribution from the underemployed part-time workers, as it does not take into account the hours worked by these employed persons (typically, the hours worked correspond to half of the desired total hours);
- it overestimates the extended labour force because the two included inactive population subgroups have, in general, a lower attachment to the labour market than the unemployed population. This results from the existence of a lower probability of transition to the labour force, a larger share of people that have never worked or that have stopped working more than 2 years ago, and a smaller share of people that self-define themselves as unemployed<sup>5</sup>.

In the 4<sup>th</sup> quarter of 2017, the underutilised population was estimated at 844.4 thousand people and the corresponding rate was 15.5%.

<sup>4</sup> The labour underutilisation rate corresponds, with the due adaptations to the European context and to the information obtained from the Labour Force Survey (named *Inquérito ao Emprego* in Portugal), to the U6 measure regularly published by the US Bureau of Labour Statistics in addition to the official unemployment rate (U3). Eurostat will also regularly publish this indicator for the European Union countries under the designation *Labour underutilisation* or *Labour market slack*, following the ILO recommendation set in the Resolution concerning statistics of work, employment and labour underutilization of the 19<sup>th</sup> International Conference of Labour Statisticians, but will release it for the age group 15 to 74.

<sup>5</sup> In accordance to the results of the analysis conducted in chapter 3 (Labour market attachment) of the study mentioned in footnote 2.

Portugal	Quarterly level			Annual level	
	4Q-2016	3Q-2017	4Q-2017	2016	2017
<b>Number</b>	<b>Thousands</b>				
<b>Total</b>	<b>1,019.6</b>	<b>869.9</b>	<b>844.4</b>	<b>1,057.9</b>	<b>900.9</b>
Unemployed population	543.2	444.0	422.0	573.0	462.8
Underemployed part-time workers	221.2	177.6	200.1	226.7	201.7
Persons seeking work but not immediately available	19.8	21.5	20.9	20.5	23.5
Persons available to work but not seeking	235.4	226.8	201.3	237.6	213.0
<b>Rate</b>	<b>%</b>				
Unemployment rate	10.5	8.5	8.1	11.1	8.9
Labour underutilisation	18.7	15.8	15.5	19.5	16.5

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2017.

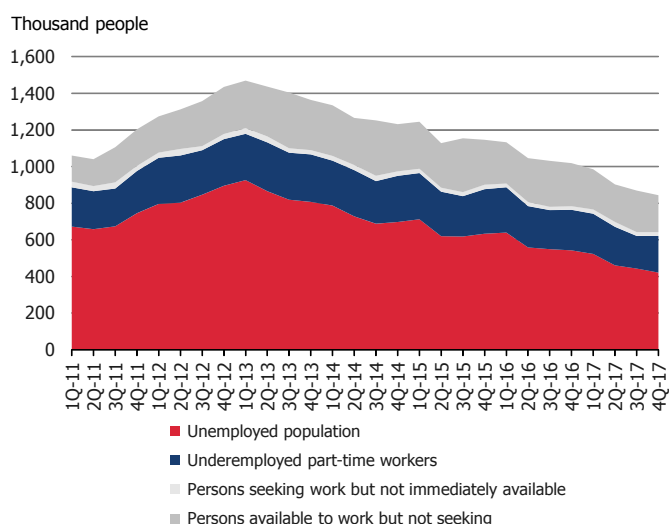
Comparing to the previous quarter, the labour underutilisation decreased by 2.9% (25.5 thousand), less than when comparing to the previous year (17.2%; 175.2 thousand). By component, the following is observed:

- The unemployed population was estimated at 422.0 thousand people, as previously mentioned, having decreased by 4.9% (22.0 thousand) from the previous quarter and by 22.3% (121.2 thousand) from the same quarter of 2016. The unemployment rate stood at 8.1%, down by 0.4 p.p. from the previous quarter and by 2.4 p.p. from the 4<sup>th</sup> quarter of 2016.
- The number of underemployed part-time workers, estimated at 200.1 thousand, increased by 12.7% (22.5 thousand) from the previous quarter and decreased by 9.5% (21.1 thousand) from the same quarter of 2016.
- The number of inactive persons seeking work but not immediately available, estimated at

20.9 thousand, remained practically unchanged from the 3<sup>rd</sup> quarter of 2017 and increased by 5.5% (1.1 thousand) from the 4<sup>th</sup> quarter of 2016.

- The number of inactive persons available to work but not seeking, estimated at 201.3 thousand, decreased by 11.2% (25.5 thousand) from the previous quarter and by 14.5% (34.1 thousand) from one year before.

**Figure 10: Labour underutilisation components**



From the 1<sup>st</sup> quarter of 2013, when the unemployed population and the labour underutilisation started to decrease, until the 4<sup>th</sup> quarter of 2017, the unemployed population and the labour underutilisation have displayed a downwards trend, having decreased by 54.5% and 42.5%, respectively (corresponding to 504.8 thousand and 625.2 thousand people in each case). These reductions were also observed in the correspondent rates, having the unemployment rate dropped from 17.5% to 8.1% and the labour underutilisation rate from 26.4% to 15.5%.

In 2017, the labour underutilisation covered 900.9 thousand people, 14.8% fewer (157.0 thousand) than in 2016. The labour underutilisation rate was 16.5%, down by 3.0 p.p. from the year before.

In this year of 2017, the unemployed population (462.8 thousand people) accounted for slightly more than half (51.4%) of the labour underutilisation. In turn, the group of persons available to work but not seeking (213.0 thousand) accounted for 23.6% of the labour underutilisation. The third largest component of this indicator (22.4%) was the underemployment, which covered 201.7 thousand part-time workers. Finally, the persons seeking work but not immediately available represented only 2.6% of the labour underutilisation. With exception of this last group, when comparing with 2016, all components have decreased (19.2%, 10.4%, and 11.0%, respectively).

## 8. Young people not in employment, education or training

In the 4<sup>th</sup> quarter of 2017, from the total of 2,227.4 thousand young people (aged 15 to 34), 10.5% (233.9 thousand) were not in employment, education or training.

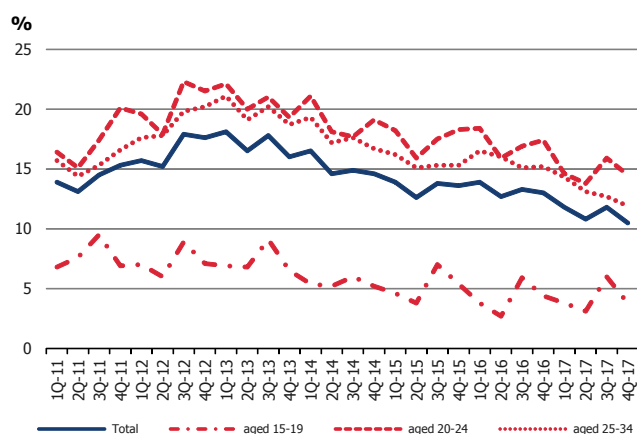
In the quarter under analysis, this group was composed, mainly, of women (51.4%; 120.3 thousand), people aged 25 to 34 (57.8%; 135.1 thousand), having completed, at most, the first or second stages of basic education (45.7%; 106.8 thousand), and unemployed (56.4%; 131.9 thousand).

From the previous quarter, the rate of young people not in employment, education or training decreased by 1.3 p.p. (30.0 thousand), which resulted from a

decrease in all groups under analysis, from where the following decreases stand out: women (1.9 p.p.; 21.6 thousand); aged 15 to 19 (2.2 p.p.; 12.1 thousand); and those having completed the tertiary education (1.9 p.p.; 9.3 thousand) or the upper secondary and post-secondary non-tertiary education (1.7 p.p.; 14.9 thousand).

Comparing to 2016, the share of young people aged 15 to 34 that were not in employment, education or training decreased by 2.0 p.p. (49.8 thousand). This reduction was similar for women (2.0 p.p.; 25.0 thousand) and men (2.0 p.p.; 24.8 thousand), but higher among those aged 25 to 34 (2.7 p.p.; 35.9 thousand) and those with tertiary education (2.5 p.p.; 14.1 thousand).

**Figure 11: Rate of young people aged 15 to 34 not in employment, education or training by age group**



From the 4<sup>th</sup> quarter of 2016, the share of young people (aged 15 to 34) that were not in employment, education or training decreased by 2.5 p.p. (60.8 thousand).

This year-on-year decrease resulted, mainly, from the decline in the number of men not in employment, education or training (2.6 p.p.; 32.2 thousand) and was larger for those aged 25 to 34 (3.3 p.p.; 42.2 thousand), as well as among those having completed, at most, the first or second stages of basic education (2.8 p.p.; 29.7 thousand).

In 2017, from the total of 2,241.2 thousand young people aged 15 to 34, 11.2% (251.3 thousand) were not in employment, education or training.

**Table 3: Young people aged 15 to 34 years old not in employment, education or training**

Portugal	Quarterly level			Annual level	
	4Q-2016	3Q-2017	4Q-2017	2016	2017
<b>Number</b>	<b>Thousands</b>				
Total	294.7	263.9	233.9	301.1	251.3
Males	145.7	122.0	113.5	143.5	118.7
Females	149.1	141.9	120.3	157.6	132.6
15 to 19	24.3	33.4	21.3	23.4	23.3
20 to 24	93.1	85.3	77.5	92.5	78.7
25 to 34	177.3	145.2	135.1	185.2	149.3
First and second stages of basic education	136.5	112.6	106.8	134.8	114.1
(Upper) secondary and post-secondary non-tertiary education	103.0	102.6	87.7	108.0	93.0
Tertiary education	55.2	48.7	39.4	58.3	44.2
Unemployed population	170.9	134.2	131.9	181.5	141.6
Inactive population	123.8	129.7	102.0	119.6	109.7
<b>Rate</b>	<b>%</b>				
Total	13.0	11.8	10.5	13.2	11.2
Males	12.8	10.9	10.2	12.6	10.6
Females	13.2	12.7	10.8	13.9	11.9
15 to 19	4.4	6.0	3.8	4.2	4.2
20 to 24	17.4	15.9	14.5	17.2	14.7
25 to 34	15.2	12.7	11.9	15.7	13.0
First and second stages of basic education	15.2	13.0	12.4	14.5	12.8
(Upper) secondary and post-secondary non-tertiary education	12.4	11.8	10.1	13.0	11.0
Tertiary education	10.4	9.7	7.8	11.3	8.8
<b>Proportion of</b>					
Unemployed population	58.0	50.9	56.4	60.3	56.3
Inactive population	42.0	49.1	43.6	39.7	43.7

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2017.

**Table 4: Main indicators - active and employed population**

Portugal	Quarterly level			Annual level		Rate of change		
	4Q-2016	3Q-2017	4Q-2017	2016	2017	On year	On quarter	Annual
	Thousands					%		
<b>Labour force (active population)</b>	<b>5,186.8</b>	<b>5,247.0</b>	<b>5,226.9</b>	<b>5,178.3</b>	<b>5,219.4</b>	<b>0.8</b>	<b>-0.4</b>	<b>0.8</b>
Males	2,652.7	2,678.9	2,671.3	2,652.4	2,666.5	0.7	-0.3	0.5
Females	2,534.1	2,568.1	2,555.6	2,525.9	2,552.9	0.8	-0.5	1.1
15 to 24	366.8	384.3	378.9	364.2	371.3	3.3	-1.4	1.9
25 to 34	1,040.8	1,032.1	1,028.6	1,054.8	1,033.4	-1.2	-0.3	-2.0
35 to 44	1,425.1	1,403.6	1,394.6	1,429.3	1,407.5	-2.1	-0.6	-1.5
45 to 64	2,105.2	2,175.4	2,188.6	2,091.2	2,159.9	4.0	0.6	3.3
65 and over	248.9	251.5	236.2	238.7	247.3	-5.1	-6.1	3.6
First and second stages of basic education (at most)	2,500.0	2,522.3	2,481.3	2,526.3	2,502.9	-0.7	-1.6	-0.9
Upper secondary and post-secondary non-tertiary education	1,345.9	1,411.1	1,412.4	1,347.1	1,399.0	4.9	0.1	3.9
Tertiary education	1,340.9	1,313.5	1,333.2	1,304.8	1,317.5	-0.6	1.5	1.0
<b>Participation rate (%)</b>	<b>50.4</b>	<b>51.0</b>	<b>50.9</b>	<b>50.2</b>	<b>50.7</b>			
Males	54.5	55.1	55.0	54.4	54.8			
Females	46.7	47.4	47.2	46.5	47.1			
<b>Participation rate (15 and over) (%)</b>	<b>58.6</b>	<b>59.3</b>	<b>59.0</b>	<b>58.5</b>	<b>59.0</b>			
Males	64.2	64.9	64.7	64.1	64.5			
Females	53.7	54.4	54.1	53.5	54.1			
<b>Employed population</b>	<b>4,643.6</b>	<b>4,803.0</b>	<b>4,804.9</b>	<b>4,605.2</b>	<b>4,756.6</b>	<b>3.5</b>	<b>o</b>	<b>3.3</b>
Males	2,377.0	2,471.7	2,464.8	2,361.4	2,442.3	3.7	-0.3	3.4
Females	2,266.7	2,331.3	2,340.2	2,243.8	2,314.3	3.2	0.4	3.1
15 to 24	265.0	291.2	290.0	262.4	282.6	9.4	-0.4	7.7
25 to 34	919.8	937.3	939.8	923.1	933.0	2.2	0.3	1.1
35 to 44	1,310.6	1,310.8	1,308.1	1,308.1	1,306.8	-0.2	-0.2	-0.1
45 to 64	1,905.1	2,019.2	2,035.8	1,877.6	1,993.0	6.9	0.8	6.1
65 and over	243.1	244.6	231.3	234.0	241.2	-4.9	-5.4	3.1
First and second stages of basic education	2,218.0	2,296.5	2,270.4	2,227.4	2,263.8	2.4	-1.1	1.6
(Upper) secondary and post-secondary non-tertiary education	1,192.0	1,278.5	1,279.4	1,182.1	1,260.3	7.3	0.1	6.6
Tertiary education	1,233.7	1,228.0	1,255.1	1,195.8	1,232.5	1.7	2.2	3.1
Agriculture, forestry and fishing (a)	307.3	304.5	280.4	318.4	304.4	-8.8	-7.9	-4.4
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1,159.2	1,181.0	1,228.6	1,128.3	1,176.8	6.0	4.0	4.3
Services (a)	3,177.1	3,317.5	3,296.0	3,158.6	3,275.4	3.7	-0.6	3.7
Employees	3,837.1	3,998.8	4,011.7	3,787.2	3,948.7	4.5	0.3	4.3
With a permanent job (work contract of unlimited duration)	2,987.5	3,099.9	3,123.0	2,943.2	3,080.3	4.5	0.7	4.7
With a temporary job (work contract of limited duration)	704.0	763.0	742.4	705.4	728.7	5.4	-2.7	3.3
Other contractual arrangements	145.6	135.9	146.3	138.6	139.7	0.5	7.7	0.8
Self-employed workers	781.3	782.8	772.1	789.1	785.9	-1.2	-1.4	-0.4
Unpaid family workers	25.2	21.4	21.1	29.0	22.0	-16.3	-1.5	-23.9
Full-time workers	4,090.1	4,295.0	4,273.2	4,055.8	4,220.3	4.5	-0.5	4.1
Part-time workers	553.5	508.0	531.7	549.5	536.3	-3.9	4.7	-2.4
Underemployed part-time workers	221.2	177.6	200.1	226.7	201.7	-9.5	12.7	-11.0
<b>Employment rate (15 and over) (%)</b>	<b>52.4</b>	<b>54.3</b>	<b>54.3</b>	<b>52.0</b>	<b>53.7</b>			
Males	57.5	59.8	59.7	57.1	59.1			
Females	48.0	49.4	49.6	47.5	49.0			

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2017.

**Note:**

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

**Conventional signs:**

o Value less than half of the unit used.

**Table 5: Main indicators - unemployed and inactive population**

Portugal	Quarterly level			Annual level		Rate of change		
	4Q-2016	3Q-2017	4Q-2017	2016	2017	On year	On quarter	Annual
	Thousands					%		
<b>Unemployed population</b>	<b>543.2</b>	<b>444.0</b>	<b>422.0</b>	<b>573.0</b>	<b>462.8</b>	<b>-22.3</b>	<b>-4.9</b>	<b>-19.2</b>
Males	275.7	207.2	206.5	291.0	224.2	-25.1	-0.3	-23.0
Females	267.4	236.8	215.4	282.0	238.7	-19.4	-9.0	-15.4
15 to 24	101.8	93.2	88.8	101.8	88.6	-12.7	-4.7	-13.0
25 to 34	121.0	94.8	88.9	131.7	100.4	-26.6	-6.2	-23.8
35 to 44	114.6	92.8	86.6	121.2	100.7	-24.4	-6.7	-16.9
45 and over	205.8	163.1	157.7	218.3	173.1	-23.4	-3.3	-20.7
First and second stages of basic education (at most)	282.1	225.8	210.9	299.0	239.1	-25.2	-6.6	-20.0
Upper secondary and post-secondary non-tertiary education	153.9	132.6	133.0	165.0	138.7	-13.6	0.3	-15.9
Tertiary education	107.2	85.5	78.0	109.0	85.0	-27.2	-8.8	-22.0
Looking for a first job	62.9	58.6	54.6	65.9	55.5	-13.3	-6.8	-15.7
Looking for a new job	480.2	385.4	367.4	507.2	407.3	-23.5	-4.7	-19.7
Agriculture, forestry and fishing (a) (b)	14.3	11.6	12.5	11.8	11.9	-12.7	7.5	0.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a) (b)	132.0	85.0	89.7	147.4	102.6	-32.0	5.6	-30.4
Services (a) (b)	303.5	261.3	242.4	314.9	266.3	-20.1	-7.3	-15.4
Unemployed by duration of search								
Less than 12 months	205.7	189.4	194.0	217.4	196.7	-5.7	2.4	-9.5
12 months or longer (long-term unemployment)	337.4	254.6	228.0	355.6	266.1	-32.4	-10.4	-25.2
<b>Unemployment rate (%)</b>	<b>10.5</b>	<b>8.5</b>	<b>8.1</b>	<b>11.1</b>	<b>8.9</b>			
Males	10.4	7.7	7.7	11.0	8.4			
Females	10.6	9.2	8.4	11.2	9.3			
Youth (15 to 24)	27.7	24.2	23.5	28.0	23.9			
Long-term	6.5	4.9	4.4	6.9	5.1			
<b>Inactive population</b>	<b>5,107.4</b>	<b>5,034.7</b>	<b>5,051.2</b>	<b>5,128.1</b>	<b>5,065.6</b>	<b>-1.1</b>	<b>0.3</b>	<b>-1.2</b>
Inactive population (15 and over)	3,667.4	3,605.6	3,625.0	3,680.4	3,633.7	-1.2	0.5	-1.3
Males	1,480.7	1,452.0	1,458.3	1,485.6	1,465.1	-1.5	0.4	-1.4
Females	2,186.6	2,153.6	2,166.7	2,194.8	2,168.6	-0.9	0.6	-1.2
15 to 24	727.6	707.5	711.4	734.0	721.2	-2.2	0.6	-1.7
25 to 34	127.8	112.9	108.6	125.6	115.4	-15.0	-3.8	-8.1
35 to 44	114.5	118.5	120.4	121.1	118.3	5.1	1.6	-2.3
45 to 64	770.4	718.9	710.5	779.3	732.1	-7.8	-1.2	-6.1
65 and over	1,927.1	1,947.8	1,974.2	1,920.4	1,946.7	2.4	1.4	1.4
Students	815.2	759.0	797.7	818.0	807.2	-2.1	5.1	-1.3
Fulfilled domestic tasks	401.9	384.3	382.3	399.6	387.4	-4.9	-0.5	-3.1
Retired	1,736.9	1,775.8	1,758.1	1,746.4	1,752.7	1.2	-1.0	0.4
Other inactive	713.3	686.5	686.9	716.5	686.5	-3.7	0.1	-4.2
Persons seeking work but not immediately available	19.8	21.5	20.9	20.5	23.5	5.5	-2.9	14.5
Persons available to work but not seeking	235.4	226.8	201.3	237.6	213.0	-14.5	-11.2	-10.4
<b>Inactivity rate (15 and over) (%)</b>	<b>41.4</b>	<b>40.7</b>	<b>41.0</b>	<b>41.5</b>	<b>41.0</b>			
Males	35.8	35.1	35.3	35.9	35.5			
Females	46.3	45.6	45.9	46.5	45.9			

Source: Statistics Portugal, Labour Force Survey - 4<sup>th</sup> quarter of 2017.

**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.

## 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. Due to rounding, the totals in tables and diagrams do not always match the sum of parts.

For more detailed information consult the Labour Force Survey [methodological document](#) (only in Portuguese) available at the Statistics Portugal website.

### 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.

**Labour force (active population):** all persons aged 15 or over who, during the reference period, made up the available labour force for the production of economic goods and services (employed and unemployed).

**Extended labour force:** labour force enlarged by the inactive seeking work but not immediately available and the inactive available but not seeking work.

**Labour underutilisation:** indicator that aggregates the unemployed population, the underemployment of part-time workers, the inactive seeking work but not immediately available, and the inactive available but not seeking work.

**Young people not in employment, education or training:** population of young people of a given age group that, in the reference period, was not employed (i.e., was unemployed or inactive) and was not involved in education or training over a specific period of time (the reference week or in the previous three weeks).

**Participation rate:** ratio between the labour force and the total population.

$$P.R. (\%) = (\text{Labour force} / \text{Total population}) \times 100$$

**Participation rate (15 and over):** ratio between the labour force and the working age total population (15 and over).

$$P.R. (\%) = (\text{Labour force} / \text{Total population 15 and over}) \times 100$$

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

$$E.R. (\%) = (\text{Employed population} / \text{Total population 15 and over}) \times 100$$

*(to be continued)*

*(continuation)*

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

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

**Long term unemployment rate:** ratio between the unemployed population seeking employment for 12 months and over and the labour force.

L.T.U.R. (%) = (Unemployed population seeking employment for 12 months and over / Labour force) x 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).

I.R. (%) = (Inactive population 15 and over / Total population 15 and over) x 100

**Labour underutilisation rate:** ratio that defines the relationship among the labour underutilisation and the extended labour force.

L.U.R. (%) = (Labour underutilisation / Extended labour force) x 100

**Rate of young people not in employment, education or training:** ratio between the population of young people of a given age group not in employment, education or training and the total population of young people of the same age group.

#### **On year rate of change**

The in 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 in 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.

**Next Press Release:** 9 May 2018.