

February, 17th 2009

Employment Statistics

4th quarter of 2008

Unemployment rate at 7.8% in the 4th quarter of 2008

The unemployment rate estimated for the 4th quarter of 2008 was 7.8%. This value is equal to the observed in the same quarter of 2007 and up 0.1 percentage points (p.p.) from the previous quarter. The number of unemployed was estimated to reach 437.6 thousand individuals, having decreased by 0.4% from the same quarter of the previous year, and increased by 0.9% from the previous quarter. The number of employed decreased by 0.2%, compared with the same quarter of 2007, and by 0.4%, compared with the previous quarter.

The average unemployment rate for 2008 was 7.6%, recording a decrease of 0.4 p.p. when compared with the previous year. The unemployed population reached 427.1 thousand individuals, down 4.8% from the previous year. The employed population recorded an annual increase of 0.5%.

1. Labour force (active population)

The Labour Force Survey results for the 4th quarter of 2008 indicate that the labour force (active population) in Portugal decreased by 0.2% (corresponding to 13.8 thousand individuals), compared with the same quarter of 2007, and by 0.3% (15.6 thousand), compared with the previous quarter. The active population annual average, for 2008, increased by 0.1%, compared with the previous year (6.6 thousand).

The working age population participation rate (aged 15 years old and over) was estimated at 62.3% in the 4th quarter of 2008. This rate decreased by 0.4 percentage points (p.p.) from the 4th quarter of 2007 and by 0.2 p.p. from the previous quarter. The 2008 average of the participation rate was 62.5%, 0.1 p.p. lower than that recorded for the previous year.

In the 4th quarter of 2008, the participation rate of working age women stood at 55.9%, while that of men attained 69.3%.

2. Employed population

In the 4th quarter of 2008, the employed population, totalling 5,176.3 thousand individuals, decreased by 0.2% (corresponding to 11.9 thousand individuals), compared with the same quarter of 2007, and by 0.4%, compared with the previous quarter (19.5 thousand). In 2008, the employed population increased by 0.5%, compared with the previous year (28.1 thousand).

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

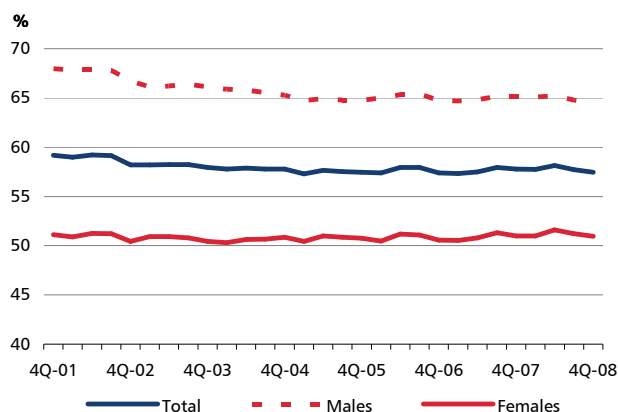
- The decrease in the employment for men (16.5 thousand individuals). The women's employment, on the contrary, increased (4.6 thousand).
- The decrease of 26.3 thousand employed individuals aged 15 to 44 years old, and of 5.2 thousand employed individuals aged 65 years old and over. In turn, the number of individuals employed aged 45 to 64 years old increased by 19.7 thousand individuals. The largest decrease in the employment population

was observed for the individuals aged 15 to 24 years old (17.8 thousand).

- The decrease of employed having completed the tertiary level of education and of those having completed the first or second stages of basic education, whose number decreased by 96.8 thousand individuals. In turn, the number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education and the tertiary level of education rose by 26.5 and 58.2 thousand individuals, respectively.
- The mining and quarrying, manufacturing, electricity, gas and water supply sector, which employed less 89.6 thousand individuals. This decrease was accounted by both the manufacturing activities (which employed less 36.6 thousand individuals, globally), which explained 40.8% of total employment decrease in the sector, and the construction activities (which employed less 48.4 thousand individuals, globally), which explained 54.0% of total employment decrease in the sector. The agriculture, hunting, forestry, and fishing sector recorded a smaller decrease in employment, by 9.6 thousand individuals. On the other hand, the services sector recorded an increase in employment (87.3 thousand).
- Unpaid family workers and other professional status (besides employees and self-employed), whose number decreased by 45.0 thousand individuals, and in the number of self-employed workers (11.0 thousand). In turn, the number of employees increased by 44.1 thousand individuals. This increase was recorded in both the number of employees with a permanent job (57.5 thousand), and in the number of those with a temporary job (10.4 thousand).
- Part-time workers, whose number decreased by 19.8 thousand individuals. The number of full-time

workers, on the contrary, increased by 7.9 thousand individuals.

Figure 1: Employment rate by gender



The employment rate (15 years and over) stood at 57.5% in the 4th quarter of 2008. This value was lower than the one recorded in the same quarter of 2007 by 0.3 p.p. and than the one recorded in the previous quarter by 0.2 p.p.. The employment rate for 2008 stood at 57.8%, 0.2 p.p. higher than the previous year.

In the 4th quarter of 2008, the male employment rate (64.5%) exceeded that of women (50.9%) by 13.6 p.p..

3. Unemployed population

The unemployed population in Portugal, estimated at 437.6 thousand individuals in the 4th quarter of 2008, decreased by 0.4% (1.9 thousand individuals) when compared with the 4th quarter of 2007, and increased by 0.9% when compared with the previous quarter (3.9 thousand).

On average, in 2008, the unemployed population decreased by 4.8%, when compared to 2007 (21.5 thousand individuals). The estimated unemployed population stood at 427.1 thousand individuals.

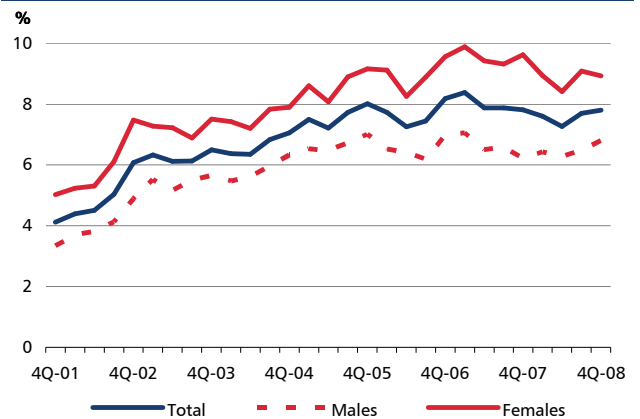
The following results have contributed to the year-on-year decrease in the unemployed population:

- The decrease in the number of women unemployed (19.7 thousand individuals). The number of unemployed men, on the contrary, increased (17.9 thousand).
- The decrease in unemployment of individuals aged 25 to 34 years old (6.6 thousand) and 45 years old and over (7.3 thousand). In turn, the number of individuals unemployed aged 15 to 24 years old increased (3.5 thousand), as for those age 35 to 44 years old (8.5 thousand).
- The decrease in the number of unemployed individuals having completed an education level corresponding to the tertiary level, by 7.5 thousand individuals. In turn, the number of individuals having completed the first and second stages of basic education remained unchanged, and the number of individuals having completed the (upper) secondary and post-secondary non-tertiary level of education increased (4,3 thousand).
- Unemployed seeking a first job, whose number decreased by 2.4 thousand individuals. It is worthwhile mentioning also the decrease in the number of unemployed seeking a new job and whose previous activity belonged to the services sector (3.1 thousand).
- Unemployed seeking a job for a year or more, whose decrease stood at 5.4 thousand individuals. The number of unemployed seeking a job for less than a year increased by 4.2 thousand individuals.

The unemployment rate was estimated at 7.8% in the 4th quarter of 2008. This value is equal to the one recorded in same quarter of 2007 and up 0.1 p.p. from the previous quarter. The annual average decreased from 8.0%, in 2007, to 7.6%, in 2008.

In the 4th quarter of 2008, the unemployment rate stood at 6.8% for men (up 0.6 p.p. and 0.3 p.p. from the 4th quarter of 2007 and from the previous quarter, respectively) and at 8.9% for women (down 0.7 p.p. and 0.2 p.p. from the 4th quarter of 2007 and from the previous quarter, respectively).

Figure 2: Unemployment rate by gender



The increase recorded in the unemployment rate, when compared with the previous quarter, resulted from the combination of two effects: the decrease of the employed population (of 0.4%) and the increase of the unemployed population (of 0.9%), corresponding to 19.5 thousand and 3.9 thousand individuals, respectively.

The quarterly increase in the unemployed population occurred mainly in the following population groups: women, individuals aged 15 to 24 and 35 to 44 years old, individuals who have completed an education level corresponding to the first and second stages of basic education and to the (upper) secondary and post-secondary non-tertiary level of education, individuals seeking a new job (mainly of those who were formerly employed in sectors other than services), and unemployed seeking for a job for less than one year.

4. Inactive population

In the 4th quarter of 2008, the inactive population aged 15 years old and over increased by 1.2%, when compared to the same quarter of 2007, and by 0.7%, when compared the previous quarter (corresponding to 41.4 thousand and 23.5 thousand individuals, respectively). In 2008, the inactive population aged 15 years old and over increased by 0.7% (21.9 thousand individuals), when compared to the previous year.

The inactivity rate (15 and over) reached 37.7%, in the 4th quarter of 2008, standing above the 4th quarter 2007 and the previous quarter values, by 0.4 and 0.2 p.p., respectively. The inactivity rate for men was 30.7%, up 0.2 p.p. from the 4th quarter 2007 and maintaining the previous quarter level. The inactivity rate for women was 44.1%, up 0.5 p.p. from the 4th quarter 2007 and 0.4 p.p. from the previous quarter.

5. Quarterly flows between labour market states

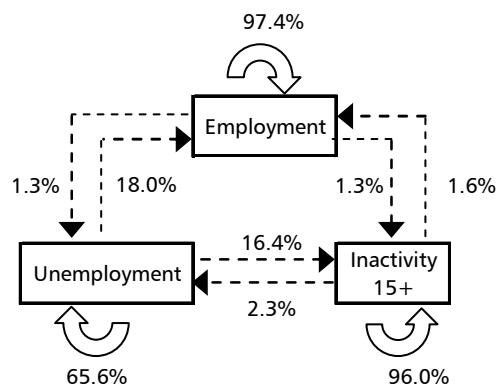
From the 3rd to the 4th quarter of 2008, 1.3% of the individuals initially employed moved into unemployment and 1.3% moved into inactivity, with the proportion of employees moving out of this situation totalling 2.6% in the 4th quarter of 2008 (97.4% remained employed). From the 2nd to the 3rd quarter of 2008, this percentage had been higher (2.7%).

The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment. From the total of individuals who were unemployed in the 3rd quarter of 2008, 34.4% moved out of this labour market state in the following quarter, 18.0% of which became employed and 16.4% moved into inactivity. The percentage of individuals moving from unemployment into employment was higher than that observed in the flows from the 2nd to the 3rd quarter of

2008 (15.4%), as for the percentage of individuals moving from unemployment into inactivity (had been 13.8%)

From total individuals aged 15 years old and over considered to be inactive in the 3rd quarter of 2008, 1.6% moved into employment and 2.3% moved into unemployment, in the following quarter. The first percentage is equal to the observed in the flows from the 2nd to the 3rd quarter of 2008, whereas the second is higher (had been 1.9%).

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



6. Unemployment rates by NUTS II regions

In the 4th quarter of 2008, the highest unemployment rates were recorded in Alentejo (10.0%), Norte (8.7%), and Lisboa (8.5%). The lowest values were observed in Região Autónoma dos Açores (5.6%) and Centro (5.7%).

Comparing to the same quarter of the previous year, the unemployment rate decreased in Norte, Algarve, and Região Autónoma da Madeira, and increased in Lisboa, Alentejo, and Região Autónoma dos Açores. The highest decrease was observed in Região Autónoma da Madeira (1.0 p.p.) and the highest increase was observed in Alentejo (2.2 p.p.).

Compared to the previous quarter, and similarly to the overall picture in Portugal, the unemployment rate increased in all NUTS II regions, with the exceptions of

Norte, where it decreased by 0.4 p.p., and Centro, where it remained unchanged. The highest increase was recorded in Alentejo (0.9 p.p.).

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

Unit: %

	4Q-2007	3Q-2008	4Q-2008	2007	2008
Portugal	7.8	7.7	7.8	8.0	7.6
Norte	9.1	9.1	8.7	9.4	8.7
Centro	5.7	5.7	5.7	5.6	5.4
Lisboa	8.4	7.9	8.5	8.9	8.2
Alentejo	7.8	9.1	10.0	8.4	9.0
Algarve	7.1	6.1	6.7	6.7	7.0
R. A. Açores	4.9	5.2	5.6	4.3	5.5
R. A. Madeira	7.0	5.8	6.0	6.8	6.0

Source: INE, Employment Statistics - 4th quarter of 2008.

Concerning the annual averages, the higher unemployment rates for 2008, were recorded in Alentejo (9.0%), Norte (8.7%), and Lisboa (8.2%). The smallest rates were observed in Centro (5.4%) and Região Autónoma dos Açores (5.5%). The unemployment rate decreased, comparing to the previous year, in four regions (Norte, Centro, Lisboa, and Região Autónoma da Madeira), and increased in three regions (Alentejo, Algarve, and Região Autónoma dos Açores).

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

	Quarterly levels			Annual levels		Rates of change		
	4Q-2007	3Q-2008	4Q-2008	2007	2008	On year	On quarter	Annual
	Thousand individuals					%		
Labour force (active population)	5 627.7	5 629.5	5 613.9	5 618.3	5 624.9	- 0.2	- 0.3	0.1
Males	2 986.3	2 986.7	2 987.6	2 986.0	2 991.4	0.0	0.0	0.2
Females	2 641.3	2 642.8	2 626.3	2 632.2	2 633.4	- 0.6	- 0.6	0.0
15 to 24	515.5	509.9	501.2	518.4	507.5	- 2.8	- 1.7	-2.1
25 to 34	1 472.1	1 464.0	1 460.0	1 475.9	1 464.4	- 0.8	- 0.3	-0.8
35 to 44	1 420.4	1 424.1	1 425.9	1 420.7	1 423.1	0.4	0.1	0.2
45 to 64	1 890.4	1 905.1	1 903.8	1 869.5	1 903.7	0.7	- 0.1	1.8
65 and over	329.2	326.5	323.1	333.8	326.1	- 1.9	- 1.0	-2.3
Participation rate (%)	53.0	53.0	52.8	53.0	53.0			
Males	58.1	58.1	58.1	58.2	58.2			
Females	48.2	48.2	47.9	48.1	48.0			
Participation rate (15 and over) (%)	62.7	62.5	62.3	62.6	62.5			
Males	69.5	69.3	69.3	69.5	69.4			
Females	56.4	56.3	55.9	56.3	56.2			
Employed population	5 188.2	5 195.8	5 176.3	5 169.7	5 197.8	- 0.2	- 0.4	0.5
Males	2 800.9	2 793.0	2 784.4	2 789.3	2 797.1	- 0.6	- 0.3	0.3
Females	2 387.3	2 402.8	2 391.9	2 380.4	2 400.7	0.2	- 0.5	0.9
15 to 24	428.8	422.7	411.0	432.5	424.1	- 4.2	- 2.8	-1.9
25 to 34	1 335.0	1 325.6	1 329.5	1 331.9	1 336.3	- 0.4	0.3	0.3
35 to 44	1 327.0	1 333.6	1 324.0	1 325.4	1 327.9	- 0.2	- 0.7	0.2
45 to 64	1 769.1	1 787.8	1 788.8	1 746.8	1 783.9	1.1	0.1	2.1
65 and over	328.3	326.1	323.1	333.1	325.6	- 1.6	- 0.9	-2.3
First and second stages of basic education	3 674.7	3 627.5	3 577.9	3 660.1	3 629.4	- 2.6	- 1.4	-0.8
(Upper) secondary and post-secondary non-tertiary education	768.3	804.1	794.8	776.6	791.8	3.4	- 1.2	2.0
Tertiary education	745.3	764.2	803.5	733.0	776.6	7.8	5.1	5.9
NACE-Rev. 1.1								
Agriculture, hunting, forestry and fishing	595.6	606.1	586.0	601.4	595.6	- 1.6	- 3.3	-1.0
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	1 580.0	1 520.4	1 490.4	1 577.8	1 520.8	- 5.7	- 2.0	-3.6
Services	3 012.6	3 069.3	3 099.9	2 990.5	3 081.4	2.9	1.0	3.0
NACE-Rev. 2 (a)								
Agriculture, forestry and fishing		589.4	572.2		581.2		- 2.9	
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction		1 520.1	1 498.0		1 525.1		- 1.5	
Services		3 086.3	3 106.1		3 091.5		0.6	
Employees	3 909.0	3 942.0	3 953.1	3 902.2	3 949.7	1.1	0.3	1.2
With a permanent job (work contract of unlimited duration)	3 012.9	3 041.0	3 070.4	3 029.5	3 047.4	1.9	1.0	0.6
With a temporary job (work contract of limited duration)	712.7	729.7	723.1	684.8	727.4	1.5	- 0.9	6.2
Others	183.3	171.3	159.7	187.9	174.9	- 12.9	- 6.8	-6.9
Self-employed workers	1 195.0	1 203.1	1 183.9	1 186.8	1 197.6	- 0.9	- 1.6	0.9
Unpaid family workers and other professional status	84.3	50.6	39.3	80.7	50.5	- 53.4	- 22.3	-37.4
Full-time workers	4 565.5	4 578.5	4 573.4	4 543.8	4 578.2	0.2	- 0.1	0.8
Part-time workers	622.7	617.3	602.9	625.9	619.6	- 3.2	- 2.3	-1.0
Employment rate (15 and over) (%)	57.8	57.7	57.5	57.6	57.8			
Males	65.1	64.8	64.5	65.0	64.9			
Females	51.0	51.2	50.9	50.9	51.2			

Source: INE, Employment Statistics - 4th quarter of 2008.

Notes:

(a) With the coming into force of the NACE-Rev. 2, the Labour Force Survey launched a process of double coding the economic activities, from the 1st quarter of 2008 onwards. Since the 1st quarter of 2008, the LFS estimates will be published by both NACE-Rev. 1.1 and NACE-Rev. 2, at least until the 1st quarter of 2009.

o Figure that corresponds to less than half the absolute value of the unit used.

- Null.

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

	Quarterly levels			Annual levels		Rates of change		
	4Q-2007	3Q-2008	4Q-2008	2007	2008	On year	On quarter	Annual
	Thousand individuals					%		
Unemployed population	439.5	433.7	437.6	448.6	427.1	- 0.4	0.9	- 4.8
Males	185.4	193.7	203.3	196.8	194.3	9.7	5.0	- 1.3
Females	254.1	240.0	234.4	251.8	232.7	- 7.8	- 2.3	- 7.6
15 to 24	86.7	87.2	90.2	85.9	83.5	4.0	3.4	- 2.8
25 to 34	137.1	138.5	130.5	144.0	128.1	- 4.8	- 5.8	- 11.0
35 to 44	93.4	90.4	101.9	95.3	95.2	9.1	12.7	- 0.1
45 and over	122.3	117.7	115.0	123.4	120.3	- 6.0	- 2.3	- 2.5
First and second stages of basic education	306.8	298.9	308.1	320.2	301.9	0.4	3.1	- 5.7
(Upper) secondary and post-secondary non-tertiary education	67.1	66.2	71.4	69.1	67.6	6.4	7.9	- 2.2
Tertiary education	65.6	68.7	58.1	59.3	57.6	- 11.4	- 15.4	- 2.9
Looking for a first job	63.4	62.6	61.0	61.5	58.4	- 3.8	- 2.6	- 5.0
Looking for a new job	376.1	371.1	376.6	387.1	368.7	0.1	1.5	- 4.8
NACE-Rev. 1.1								
Agriculture, hunting, forestry and fishing	11.3	8.0	11.0	12.3	10.2	- 2.7	37.5	- 17.1
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	153.5	153.5	157.3	163.5	151.9	2.5	2.5	- 7.1
Services	211.4	209.6	208.3	211.3	206.6	- 1.5	- 0.6	- 2.2
NACE-Rev. 2 (a)								
Agriculture, hunting, forestry and fishing		7.6	10.5		9.4		38.2	
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction		152.8	156.6		151.6		2.5	
Services		210.7	209.5		207.8		- 0.6	
Unemployment rate (%)	7.8	7.7	7.8	8.0	7.6			
Males	6.2	6.5	6.8	6.6	6.5			
Females	9.6	9.1	8.9	9.6	8.8			
Youth (15 to 24)	16.8	17.1	18.0	16.6	16.4			
Unemployed by duration of search (b)								
Less than 12 months	222.2	216.1	226.4	226.2	211.8	1.9	4.8	- 6.4
12 months or longer (long-term unemployment)	214.7	213.7	209.4	219.6	212.6	- 2.5	- 2.0	- 3.2
Long-term unemployment rate (%)	3.8	3.8	3.7	3.9	3.8			
Inactive population	4 986.9	4 995.6	5 017.2	4 986.2	4 997.8	0.6	0.4	0.2
Inactive population (15 and over)	3 353.9	3 371.8	3 395.3	3 351.3	3 373.2	1.2	0.7	0.7
Males	1 313.2	1 323.4	1 326.2	1 307.6	1 316.9	1.0	0.2	0.7
Females	2 040.7	2 048.4	2 069.0	2 043.7	2 056.3	1.4	1.0	0.6
15 to 24	708.1	707.3	708.8	719.6	713.8	0.1	0.2	- 0.8
25 to 34	173.5	161.8	163.8	170.2	163.1	- 5.6	1.2	- 4.2
35 to 44	158.4	160.3	159.7	155.4	160.1	0.8	- 0.4	3.0
45 to 64	802.8	814.1	826.8	805.4	809.4	3.0	1.6	0.5
65 and over	1 511.1	1 528.3	1 536.1	1 500.8	1 527.0	1.7	0.5	1.7
Students	725.0	726.3	746.9	735.0	743.7	3.0	2.8	1.2
Looking after home / family	558.3	543.6	534.9	557.5	544.3	- 4.2	- 1.6	- 2.4
Retired	1 713.3	1 763.9	1 792.5	1 694.6	1 759.2	4.6	1.6	3.8
Other inactive	357.3	338.1	320.9	364.1	326.0	- 10.2	- 5.1	- 10.5
Inactivity rate (15 and over) (%)	37.3	37.5	37.7	37.4	37.5			
Males	30.5	30.7	30.7	30.5	30.6			
Females	43.6	43.7	44.1	43.7	43.8			

Source: INE, Employment Statistics - 4th quarter of 2008.

Notes:

(a) With the coming into force of the NACE-Rev. 2, the Labour Force Survey launched a process of double coding the economic activities, from the 1st quarter of 2008 onwards. Since the 1st quarter of 2008, the LFS estimates will be published by both NACE-Rev. 1.1 and NACE-Rev. 2, at least until the 1st quarter of 2009.

(b) The variable "duration of search for employment" does not include the unemployed workers that have already found a job which will start within a period of at most 3 months. As a consequence, the sum of the number of unemployed individuals by duration of search can be less than the total unemployed population.

o Figure that corresponds to less than half the absolute value of the unit used.

- Null.

TECHNICAL NOTE

The main purpose of the Labour Force Survey is to characterise the population in terms of the labour market. It is a quarterly sample survey, addressed to families occupying the same dwelling in the national territory, which makes available quarterly and annual data. The information is obtained directly, through computer-assisted interview. Published data were calibrated, based on independent estimates of the population, calculated from the definitive results of the 2001 Census.

The published data respect the quality standards defined for the Labour Force Survey results dissemination.

SOME CONCEPTS

For additional concepts see the publication Employment Statistics – 3rd quarter 2008 (“Estatísticas do Emprego – 4^o trimestre de 2008”).

Participation rate

Rate that is defined as the ratio of the labour force (active population) to total population.

P.R. (%) = (Labour force / Total population) x 100

Participation rate (15 and over)

Rate that is defined as the ratio of the labour force to working age population (aged 15 years old and over).

P.R. (%) = (Labour force / Population aged 15 years old and over) x 100

Unemployment rate

Rate that is defined as the ratio of the unemployed population to total labour force.

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

Long term unemployment rate

Rate that is defined as the ratio of the population unemployed for 12 months or over to total labour force.

U.R. (%) = (Population unemployed for 12 months or over / Labour force) x 100

Employment rate (15 and over)

Rate that is defined as the ratio of the employed population to working age population (aged 15 years old and over).

E.R. (%) = (Employed population / Population aged 15 years old and over) x 100

Inactivity rate (aged 15 and over)

Rate that is defined as the ratio of inactive working age population (aged 15 years old and over) to total working age population.

I.R. (%) = (Inactive population aged 15 years old and over / Population aged 15 years old and over) x 100

Year-on-year rate of change

The year-on-year change compares the level of the variable in the current quarter with that of the corresponding quarter of the previous year. This rate of change, considering a seasonal stable pattern, is not affected by this type of fluctuation, but may, however, be influenced by specific effects in a given quarter.

Quarterly rate of change

The quarterly change compares the level of the variable over two consecutive periods. Although this indicator permits to monitor the recent pace of the variable, its value is particularly influenced by seasonal effects and other more specific effects in one (or both) quarters under comparison.

Annual rate of change

The annual change compares the average level of the variable for the four quarters of the last year over the average level of the variable for the four quarters of the previous year. Being an average, this indicator is less sensible to sporadic effects in the variable.

DATE SCHEDULED FOR THE NEXT PRESS RELEASE

May, 15th 2009.

The publication Employment Statistics – 4th quarter of 2008 (“Estatísticas do Emprego – 4^o trimestre de 2008”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.