



May, 18th 2010

Employment Statistics

1st quarter of 2010

Unemployment rate at 10.6% in the 1st quarter of 2010

The unemployment rate estimated for the 1st quarter of 2010 was 10.6%. This value is up 1.7 percentage points (p.p.) from the same quarter of 2009 and 0.5 p.p. from the previous quarter. The number of unemployed was estimated to reach 592.2 thousand individuals, having increased by 19.4% from the same quarter of the previous year, and by 5.1% from the previous quarter. The number of employed decreased by 1.8%, compared with the same quarter of 2009, and by 0.3%, compared with the previous quarter.

1. Labour force (active population)

The Labour Force Survey results for the 1st quarter of 2010 indicate that the labour force (active population) in Portugal increased slightly, when compared with the same quarter of 2009, and increased by 0.3% (14.0 thousand individuals), when compared with the previous quarter.

The participation rate of the working age population (15 years old and over) was estimated at 62.1% in the 1st quarter of 2010. This rate was identical with the one of the same quarter of 2009 and went up by 0.3 p.p. from the previous quarter.

The participation rate of working age women stood at 56.5%, while that of men attained 68.3%.

2. Employed population

In the 1st quarter of 2010, the employed population, totalling 5 008.7 thousand individuals, decreased by 1.8% (corresponding to 90.4 thousand individuals), compared with the same quarter of 2009, and by 0.3% (14.8 thousand), compared with the previous quarter.

The following results have contributed to the above-mentioned year-on-year decrease:

- The decrease in employment for men, which corresponded to 62.5 thousand individuals and explained 69.1% of the global employment decrease.
- The decrease of 77.2 thousand employed individuals aged 15 to 34 years old and of 20.0 thousand individuals aged 35 to 44 years old. On the contrary, the number of the employed aged 65 and over increased (11.0 thousand individuals).
- The decrease of employed having completed the first or second stages of basic education, by 163.6 thousand individuals. By contrast, the number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education and also the tertiary level of education rose (by 49.2 thousand and 24.1 thousand individuals, respectively).
- The decrease of employed in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector, by 83.7 thousand individuals. This decrease was accounted by both a decrease in construction (which employed less 36.0 thousand individuals this quarter) and a decrease in manufacturing activities (41.9 thousand). The services

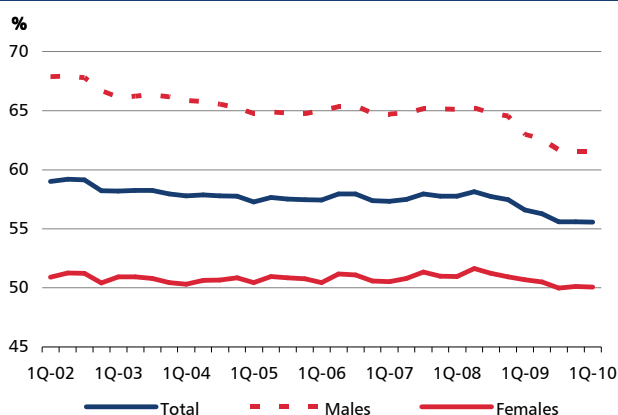
sector also recorded a small decrease in employment, corresponding to 7.6 thousand individuals. On the contrary, the number of employed in agriculture, forestry, and fishing sector rose slightly.

- The decrease in the number of employees, by 44.7 thousand individuals, and in the number of self-employed, by 48.9 thousand. Among the employees, a decrease was recorded only in those holding a permanent contract (101.1 thousand). The number of employees with a temporary job increased by 50.2 thousand individuals.
- The decrease in the number of full-time workers, which corresponded to 88.4 thousand individuals and explained 97.8% of the global employment decrease.

The employment rate (15 years and over) stood at 55.6%, in the 1st quarter of 2010. This value was lower than the one recorded in the same quarter of 2009, by 1.0 p.p., and remained unchanged from the previous quarter.

The male employment rate (61.5%) exceeded that of women (50.1%) by 11.4 p.p.. In both cases, the rates decreased, from the same quarter 2009, and kept the same values recorded in the previous quarter.

Figure 1: Employment rate by gender



3. Unemployed population

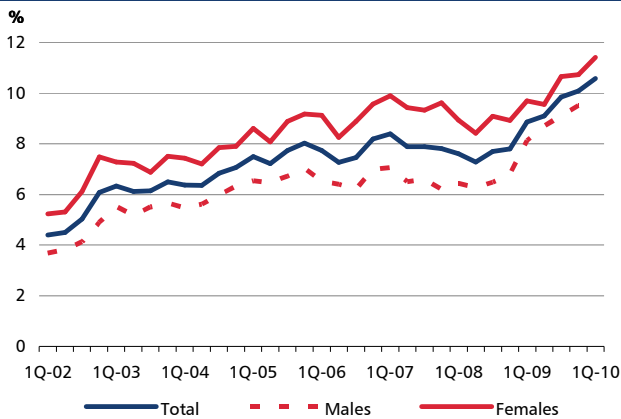
The unemployed population in Portugal, estimated at 592.2 thousand individuals in the 1st quarter of 2010, increased by 19.4% (96.4 thousand individuals), when compared with the 1st quarter of 2009, and by 5.1% (28.9 thousand), when compared with the previous quarter.

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

- The increase in the number of unemployed men (48.9 thousand individuals) and in the number of unemployed women (47.4 thousand).
- The increase in unemployment for all age groups, mainly of those aged 45 years old and over (40.2 thousand) and of those aged 35 to 44 years old (36.3 thousand).
- The increase in the number of unemployed individuals having completed an education level corresponding to the first and second stages of basic education (67.8 thousand individuals). To a lesser extent, the unemployment increased also among the individuals who completed an upper secondary or post-secondary non-tertiary level of education and who completed a tertiary level of education (24.3 thousand and 4.3 thousand, respectively).
- The increase in the number of unemployed seeking a new job (100.2 thousand individuals), coming from the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector (49.3 thousand individuals) and from the services sector (44.8 thousand). On the contrary, the number of unemployed seeking a first job decreased (3.8 thousand).
- The increase in the number of unemployed seeking a job for one year or more, by 90.2 thousand individuals, which explained 93.6% of the overall increase in unemployment.

The unemployment rate was estimated at 10.6%, in the 1st quarter of 2010. This value is up 1.7 p.p. from the 1st quarter of 2009, and 0.5 p.p. from the previous quarter.

Figure 2: Unemployment rate by gender



In the 1st quarter of 2010, the unemployment rate stood at 9.8% for men and at 11.4% for women. In both cases, the rates increased from the same quarter of 2009 (1.7 p.p.) and from the previous quarter (0.3 p.p. and 0.7 p.p., respectively).

The increase recorded in the unemployment rate, when compared with the previous quarter (0.5 p.p.), resulted from the combination of the following two effects: the decrease of the employed population (of 0.3%) and the increase of the unemployed population (of 5.1%), corresponding to 14.8 thousand and to 28.9 thousand individuals, respectively.

The quarterly increase in the unemployed population occurred mainly in the following population groups: women; individuals aged 25 to 34 years old and aged 45 and over; individuals who have completed the first and second stages of basic education level of education; individuals seeking a new job (mainly of those who were formerly employed in the services sector); and unemployed seeking for a job for one year or over.

4. Inactive population

In the 1st quarter of 2010, the inactive population aged 15 years old and over remained stable, when compared to the same quarter of 2009, and decreased by 1.0%, when compared with the previous quarter (corresponding to 34.6 thousand individuals).

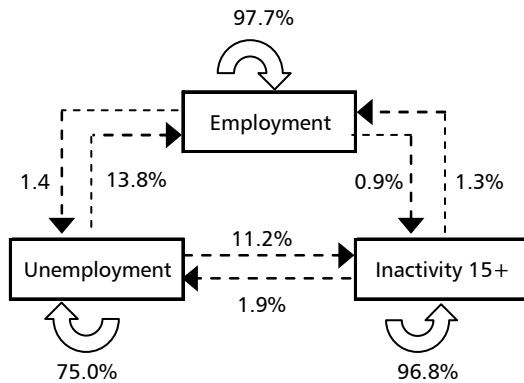
The inactivity rate (15 and over) reached 37.9%, in the 1st quarter of 2010, standing at 31.7% for men and 43.5% for women.

5. Quarterly flows between labour market states

From the 4th quarter of 2009 to the 1st quarter of 2010, 1.4% of the individuals initially employed moved into unemployment and 0.9% moved into inactivity, with the proportion of employees moving out of this situation totalling 2.3% in the 1st quarter of 2010 (97.7% remained employed). From the 3rd quarter to the 4th quarter of 2009, this percentage had been larger (2.7%).

The flows out of unemployment between the two quarters were, in relative terms, larger than the flows out of employment. From total individuals who were unemployed in the 4th quarter of 2009, 25.0% moved out of this labour market state in the following quarter. Of these, 13.8% became employed and 11.2% moved into inactivity. The percentages of individuals moving from unemployment into employment and moving from unemployment into inactivity were smaller than those observed in the flows from the 3rd quarter to the 4th quarter of 2009 (15.3% and 13.1%, respectively).

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



From total individuals aged 15 years old and over considered to be inactive in the 4th quarter of 2009, 1.3% moved into employment, and 1.9% moved into unemployment, in the following quarter. Both percentages are smaller than those observed in the flows from the 3rd quarter to the 4th quarter of 2009 (1.7% and 2.5%, respectively).

6. Unemployment rates by NUTS II region

In the 1st quarter of 2010, the highest unemployment rates were recorded in NUTS II regions *Algarve* (13.6%), *Norte* (12.5%), *Alentejo* (11.1%), and *Lisboa* (10.5%). The

lowest values were observed in *Região Autónoma da Madeira* (6.3%), *Região Autónoma dos Açores* (7.7%), and *Centro* (7.9%).

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

	1Q-2009	4Q-2009	1Q-2010
Portugal	8.9	10.1	10.6
Norte	10.1	11.9	12.5
Centro	6.7	7.3	7.9
Lisboa	9.1	10.4	10.5
Alentejo	10.2	10.4	11.1
Algarve	10.3	11.8	13.6
R. A. Açores	6.7	7.1	7.7
R. A. Madeira	6.8	7.5	6.3

Source: INE, Employment Statistics - 1st quarter of 2010.

Compared to the same quarter of the previous year, and similarly to the overall picture in Portugal, the unemployment rate increased in all regions, except in *Região Autónoma da Madeira*. The largest increases were recorded in *Algarve* (3.3 p.p.), *Norte* (2.4 p.p.), and *Lisboa* (1.4 p.p.).

Compared to the previous quarter, there was also an increase in the unemployment rate in all regions, except in *Região Autónoma da Madeira*. The largest increase was observed in *Algarve* (1.8 p.p.).

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

	Quarterly levels			Rates of change	
	1Q-2009	4Q-2009	1Q-2010	On year	On quarter
	Thousand individuals			%	
Labour force (active population)	5 594.8	5 586.8	5 600.8	0.1	0.3
Males	2 958.9	2 942.8	2 945.4	-0.5	0.1
Females	2 635.9	2 644.1	2 655.5	0.7	0.4
15 to 24	485.4	451.3	444.1	-8.5	-1.6
25 to 34	1 453.1	1 443.6	1 437.0	-1.1	-0.5
35 to 44	1 431.5	1 439.6	1 447.9	1.1	0.6
45 to 64	1 909.6	1 925.2	1 945.0	1.9	1.0
65 and over	315.2	327.1	326.8	3.7	-0.1
Participation rate (%)	52.6	52.5	52.7		
Males	57.5	57.1	57.3		
Females	48.1	48.1	48.4		
Participation rate (15 and over) (%)	62.1	61.8	62.1		
Males	68.6	68.0	68.3		
Females	56.1	56.2	56.5		
Employed population	5 099.1	5 023.5	5 008.7	-1.8	-0.3
Males	2 718.6	2 662.8	2 656.1	-2.3	-0.3
Females	2 380.5	2 360.7	2 352.6	-1.2	-0.3
15 to 24	387.7	351.0	343.4	-11.4	-2.2
25 to 34	1 302.3	1 286.7	1 269.4	-2.5	-1.3
35 to 44	1 323.2	1 302.7	1 303.2	-1.5	o
45 to 64	1 771.7	1 757.4	1 767.5	-0.2	0.6
65 and over	314.2	325.7	325.2	3.5	-0.2
First and second stages of basic education	3 476.4	3 340.3	3 312.8	-4.7	-0.8
(Upper) secondary and post-secondary non-tertiary education	817.1	876.3	866.3	6.0	-1.1
Tertiary education	805.5	806.9	829.6	3.0	2.8
Agriculture, forestry and fishing (a)	558.9	581.7	560.0	0.2	-3.7
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1 455.0	1 389.5	1 371.3	-5.8	-1.3
Services (a)	3 085.1	3 052.3	3 077.5	-0.2	0.8
Employees	3 884.5	3 827.1	3 839.8	-1.2	0.3
With a permanent job (work contract of unlimited duration)	3 047.5	2 957.5	2 946.4	-3.3	-0.4
With a temporary job (work contract of limited duration)	686.8	714.5	737.0	7.3	3.1
Others	150.2	155.1	156.4	4.1	0.8
Self-employed workers	1 169.3	1 148.5	1 120.4	-4.2	-2.4
Unpaid family workers and other professional status	45.3	48.0	48.5	7.1	1.0
Full-time workers	4 501.8	4 424.2	4 413.4	-2.0	-0.2
Part-time workers	597.3	599.3	595.3	-0.3	-0.7
Employment rate (15 and over) (%)	56.6	55.6	55.6		
Males	63.0	61.5	61.5		
Females	50.7	50.1	50.1		

Source: INE, Employment Statistics - 1st quarter of 2010.

Notes:

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

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			Rates of change	
	1Q-2009	4Q-2010	1Q-2010	On year	On quarter
	Thousand individuals			%	
Unemployed population	495.8	563.3	592.2	19.4	5.1
Males	240.4	279.9	289.3	20.3	3.4
Females	255.4	283.4	302.8	18.6	6.8
15 to 24	97.7	100.3	100.7	3.1	0.4
25 to 34	150.8	156.9	167.6	11.1	6.8
35 to 44	108.4	136.8	144.7	33.5	5.8
45 and over	138.9	169.2	179.1	28.9	5.9
First and second stages of basic education	363.3	412.4	431.1	18.7	4.5
(Upper) secondary and post-secondary non-tertiary education	82.2	95.9	106.5	29.6	11.1
Tertiary education	50.3	55.0	54.6	8.5	-0.7
Looking for a first job	59.3	59.6	55.5	-6.4	-6.9
Looking for a new job	436.5	503.7	536.7	23.0	6.6
Agriculture, forestry and fishing (a)	10.3	12.2	16.5	60.2	35.2
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	192.4	231.5	241.7	25.6	4.4
Services (a)	233.7	260.1	278.5	19.2	7.1
Unemployment rate (%)	8.9	10.1	10.6		
Males	8.1	9.5	9.8		
Females	9.7	10.7	11.4		
Youth (15 to 24)	20.1	22.2	22.7		
Unemployed by duration of search (b)					
Less than 12 months	278.5	281.3	284.5	2.2	1.1
12 months or longer (long-term unemployment)	215.0	279.4	305.1	41.9	9.2
Long-term unemployment rate (%)	3.8	5.0	5.4		
Inactive population	5 035.9	5 060.5	5 029.9	-0.1	-0.6
Inactive population (15 and over)	3 417.8	3 448.3	3 413.7	-0.1	-1.0
Males	1 356.6	1 383.8	1 370.0	1.0	-1.0
Females	2 061.2	2 064.5	2 043.7	-0.8	-1.0
15 to 24	716.0	727.8	729.3	1.9	0.2
25 to 34	160.6	160.7	148.0	-7.8	-7.9
35 to 44	165.5	164.3	153.0	-7.6	-6.9
45 to 64	818.3	833.5	811.9	-0.8	-2.6
65 and over	1 557.4	1 562.1	1 571.6	0.9	0.6
Students	770.7	784.1	774.2	0.5	-1.3
Looking after home / family	527.1	500.9	503.5	-4.5	0.5
Retired	1 803.6	1 836.5	1 827.7	1.3	-0.5
Other inactive	316.4	326.8	308.4	-2.5	-5.6
Inactivity rate (15 and over) (%)	37.9	38.2	37.9		
Males	31.4	32.0	31.7		
Females	43.9	43.8	43.5		

Source: INE, Employment Statistics - 1st quarter of 2010.

Notes:

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

(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.

SOME CONCEPTS

For additional concepts see the publication Employment Statistics – 1st quarter 2010 (“Estatísticas do Emprego – 1^o trimestre de 2010”).

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 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.

DATE SCHEDULED FOR THE NEXT PRESS RELEASE

August, 17th 2010.

The publication Employment Statistics – 1st quarter of 2010 (“Estatísticas do Emprego – 1^o trimestre de 2010”) associated with this press release is available, free of charge, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.