

November, 16<sup>th</sup> 2007

## Employment Statistics

### 3<sup>rd</sup> quarter 2007

#### Unemployment rate at 7.9% in the 3<sup>rd</sup> quarter 2007

The unemployment rate estimated for the 3<sup>rd</sup> quarter 2007 was 7.9%. This value is up 0.5 percentage points from the same quarter of 2006 and equal to the observed value in the previous quarter. The number of unemployed was estimated to reach 444.4 thousand individuals, having increased 6.5% from the same quarter of the previous year, and 0.9% from the previous quarter. The number of employed increased by 0.3%, compared with the same quarter of 2006, and rose by 0.9%, compared with the previous quarter.

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

The Labour Force Survey results for the 3<sup>rd</sup> quarter of 2007 indicate that the labour force in Portugal rose by 0.7% (corresponding to 40.0 thousand individuals), compared with the same quarter of 2006, and by 0.9% (49.5 thousand), compared with the previous quarter.

The working age population participation rate (aged 15 years old and over) was estimated in 62.9% in the 3<sup>rd</sup> quarter of 2007. This rate went up by 0.3 p.p. from the 3<sup>rd</sup> quarter of 2006, and by 0.5 p.p. from the previous quarter. The participation rate of working age women stood at 56.6%, while that of men attained 69.8%.

#### 2. Employed population

In the 3<sup>rd</sup> quarter of 2007, the employed population, totalling 5,200.3 thousand individuals, increased 0.3% (corresponding to 13.0 thousand individuals), compared with the same quarter of 2006, and recorded a quarterly increase of 0.9% (45.7 thousand).

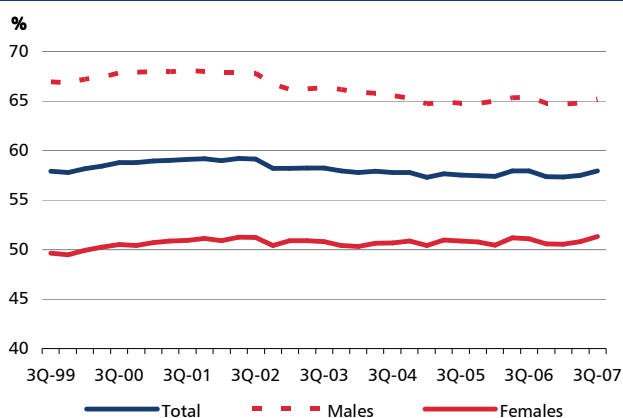
The following components/population groups have contributed to the above-mentioned year-on-year increase:

- The increase in women's employment, by 16.8 thousand individuals. The men's employment, in turn, declined, by 3.9 thousand individuals.
- The increase of 44.6 thousand employed individuals aged 35 years old and over. In turn, the number of the employed aged less than 35 years old decreased by 31.5 thousand individuals.
- The increase of individuals from all levels of education. It is worthwhile mentioning, however, that the largest contribution to the year-on-year increase in employment came from individuals having completed the tertiary level of education, whose number rose by 10.6 thousand individuals. This increase represented 81.5% of the total increase recorded in employment.
- The services sector, which employed more 12.7 thousand individuals. This increase was nonetheless fully accounted by five activities: health and social work (with 25.9 thousand individuals more); real estate, renting and business activities (22.5 thousand); hotels and restaurants (9.8 thousand); financial intermediation (7.7 thousand); and other

service activities (17.6 thousand). The mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector recorded also an increase in employment, in spite of its small contribution to overall employment increase (6.6 thousand individuals). The agriculture, hunting, forestry, and fishing sector, in turn, recorded a decrease in employment (6.2 thousand individuals).

- Self-employed workers with or without employees, whose number increased by 31.7 thousand and by 1.3 thousand individuals, respectively. The number of employees declined, in spite of the different patterns that have been observed, according to the workers' contractual situation: the number of employees with permanent job (work contract of unlimited duration) has decreased by 60.5 thousand individuals; the number of employees with a temporary job (work contract of limited duration) increased by 28.1 thousand, as did the number of employees with other contract situations (19.2 thousand).
- Part-time workers, whose observed increase has attained 53.4 thousand individuals. In turn, the number of full-time workers decreased by 40.4 thousand individuals.

Figure 1: Employment rate by sex



The employment rate (15 and over) stood at 58.0%, in the 3<sup>rd</sup> quarter of 2007. This value was equal to the one recorded in the same quarter of 2006, and 0.5 p.p. higher than the previous quarter.

The male employment rate (65.2%), in the quarter under review exceeded that of women (51.3%) by 13.9 p.p..

### 3. Unemployed population

The unemployed population in Portugal, estimated at 444.4 thousand individuals in the 3<sup>rd</sup> quarter of 2007, rose by 6.5% (27.0 thousand individuals), when compared with the 3<sup>rd</sup> quarter of 2006, and recorded a quarterly increase of 0.9% (3.9 thousand).

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

- The increase in the number of women unemployed (14.5 thousand). The number of unemployed men rose also (12.5 thousand), but its contribution to the rise in total unemployment was slightly lower.
- The rise in unemployment of individuals aged 25 years old and over, mainly of individuals aged 45 years old and over (17.7 thousand). In turn, the youth unemployment (15 to 24) decreased by 8.2 thousand individuals.
- The rise in unemployed individuals having completed an education level corresponding to the primary education and to the tertiary education (corresponding to 19.9 thousand and 10.7 thousand individuals, respectively). The number of the unemployed having completed an upper secondary or post-secondary non-tertiary level of education, in turn, decreased by 3.5 thousand individuals.
- Unemployed seeking a new job, whose number increased by 31.1 thousand individuals. This rise was mainly due to the individuals coming from the

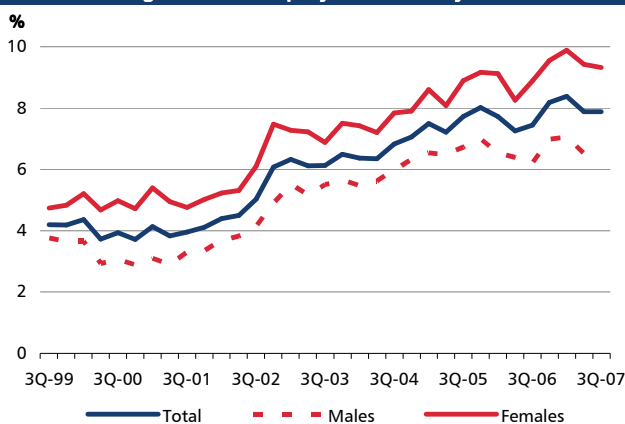
services sector (28.0 thousand). The number of unemployed seeking a first job, on the contrary, decreased (4.1 thousand).

- Unemployed seeking a job for less than a year, whose increase stood at 13.0 thousand individuals. The number of unemployed seeking a job for one year or over has also risen, but its contribution for the total unemployment increase was slightly lower (11.9 thousand).

The unemployment rate was estimated to stand at 7.9% in the 3<sup>rd</sup> quarter of 2007. This value is up 0.5 p.p. from the 3<sup>rd</sup> quarter of 2006, and equal to the one recorded in the previous quarter.

In the 3<sup>rd</sup> quarter of 2007, the unemployment rate stood at 6.6% for men and at 9.3% for women.

**Figure 2: Unemployment rate by sex**



The stability recorded in the unemployment rate, when compared with the previous quarter, resulted from the same rate of change being recorded for the unemployed population (0.9%, corresponding to 3.9 thousand individuals) and for the employed population (0.9%; 45.7 thousand individuals).

The quarterly increase in the unemployed population occurred mainly in the following population groups: men; young (15 to 24); individuals with 45 years old and over;

individuals who have completed a tertiary level of education; individuals seeking a first job (although it is important to point out the increase in the number of those who were seeking a new job and were formerly employed in the services sector); and unemployed seeking for a job for less than 12 months.

#### 4. Inactive population

In the 3<sup>rd</sup> quarter of 2007, the inactive population aged 15 years old and over declined by 0.5%, when compared to the same quarter of 2006, and by 1.2%, when compared with the previous quarter (corresponding to 17.7 thousand and 40.7 thousand individuals, respectively).

The inactivity rate (15 and over) reached 37.1%, in the 3<sup>rd</sup> quarter of 2007, standing at 30.2% for men and at 43.4% for women.

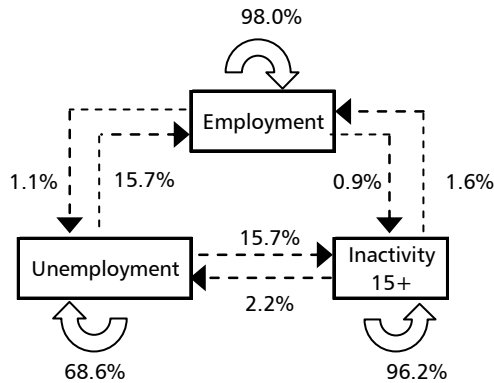
#### 5. Quarterly flows between labour market states

From the 2<sup>nd</sup> to the 3<sup>rd</sup> quarter of 2007, 1.1% of the individuals initially employed moved into unemployment and a lower percentage (0.9%) moved into inactivity, with the proportion of employees moving out of this situation totalling 2.0% in the 3<sup>rd</sup> quarter of 2007 (98.0% remained employed). From the 1<sup>st</sup> to the 2<sup>nd</sup> quarter of 2007, this percentage had been slightly higher (2.2%).

The flows out of unemployment between the two quarters were, in relative terms, more marked than the flows out of employment. From total individuals who were unemployed in the 2<sup>nd</sup> quarter of 2007, 31.4% moved out of this labour market state in the following quarter, 15.7% of which became employed and the same percentage moved into inactivity. The percentage of individuals moving from unemployment into employment was lower than that observed in the flows from the 1<sup>st</sup> to the 2<sup>nd</sup> quarter of 2007 (17.7%). In turn, the percentage

of individuals moving from unemployment into inactivity was higher than that observed in the previous quarter (15.1%)

**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 2<sup>nd</sup> quarter of 2007, 1.6% moved into employment, and 2.2% moved into unemployment, in the following quarter. The first percentage is lower than observed in the flows from the 1<sup>st</sup> to the 2<sup>nd</sup> quarter of 2007 (1.7%), whereas the second is higher (1.7%).

**6. Unemployment rates by NUTS II regions**

In the 3<sup>rd</sup> quarter of 2007, the highest unemployment rates were recorded in the Norte (9.5%) and Lisboa (9.2%) regions. The lowest values were observed in the Região Autónoma dos Açores (3.9%) and Centro (5.1%).

Comparing to the same quarter of the previous year, and similarly to the overall picture in Portugal, the unemployment rate rose in all regions, except in Centro and Alentejo, where it fell 0.4 p.p. and 1.4 p.p., respectively. The more marked increases occurred in the Norte (1.0 p.p.), Lisboa (0.8 p.p.), and Algarve (0.8 p.p.).

Compared to the previous quarter, the unemployment rate increased in all regions, except in Alentejo, where it fell by 1.5 p.p., in Algarve, where it fell by 1.0 p.p., and in Região Autónoma dos Açores, where it remained stable. The more marked increase occurred in the Região Autónoma da Madeira (0.5 p.p.).

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

	3Q-2006	2Q-2007	3Q-2007
<b>Portugal</b>	<b>7,4</b>	<b>7,9</b>	<b>7,9</b>
Norte	8,5	9,4	9,5
Centro	5,5	4,9	5,1
Lisboa	8,4	9,0	9,2
Alentejo	8,7	8,8	7,3
Algarve	5,1	6,9	5,9
R. A. Açores	3,3	3,9	3,9
R. A. Madeira	6,1	6,3	6,8

Source: INE, Employment Statistics - 3<sup>rd</sup> quarter 2007.

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

	Levels			Rates of change	
	3Q-2006	2Q-2007	3Q-2007	On year	On quarter
	Thousand individuals			%	
<b>Labour force (active population)</b>	<b>5 604,7</b>	<b>5 595,2</b>	<b>5 644,7</b>	<b>0,7</b>	<b>0,9</b>
Males	2 988,9	2 975,0	2 997,5	0,3	0,8
Females	2 615,8	2 620,2	2 647,2	1,2	1,0
15 to 24	550,7	508,2	522,5	-5,1	2,8
25 to 34	1 484,1	1 471,6	1 477,5	-0,4	0,4
35 to 44	1 408,4	1 421,9	1 425,8	1,2	0,3
45 to 64	1 826,3	1 858,1	1 880,3	3,0	1,2
65 and over	335,2	335,3	338,6	1,0	1,0
<b>Participation rate (%)</b>	<b>52,9</b>	<b>52,8</b>	<b>53,2</b>		
Males	58,3	58,0	58,4		
Females	47,9	47,9	48,4		
<b>Participation rate (15 and over) (%)</b>	<b>62,6</b>	<b>62,4</b>	<b>62,9</b>		
Males	69,7	69,3	69,8		
Females	56,1	56,1	56,6		
<b>Employed population</b>	<b>5 187,3</b>	<b>5 154,6</b>	<b>5 200,3</b>	<b>0,3</b>	<b>0,9</b>
Males	2 803,8	2 781,5	2 799,9	-0,1	0,7
Females	2 383,5	2 373,1	2 400,3	0,7	1,1
15 to 24	459,0	430,6	439,0	-4,4	2,0
25 to 34	1 352,0	1 325,3	1 340,5	-0,9	1,1
35 to 44	1 323,6	1 326,8	1 328,4	0,4	0,1
45 to 64	1 717,7	1 737,2	1 754,5	2,1	1,0
65 and over	335,0	334,7	338,0	0,9	1,0
First and second stages of basic education	3 700,3	3 639,8	3 700,8	o	1,7
(Upper) secondary and post-secondary non-tertiary education	778,9	782,6	780,8	0,2	-0,2
Tertiary education	708,1	732,2	718,7	1,5	-1,8
Agriculture, hunting, forestry and fishing	615,1	605,8	608,9	-1,0	0,5
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	1 588,4	1 568,3	1 595,0	0,4	1,7
Services	2 983,7	2 980,5	2 996,4	0,4	0,5
Employees	3 934,7	3 895,3	3 921,4	-0,3	0,7
With a permanent job (work contract of unlimited duration)	3 086,2	3 031,5	3 025,7	-2,0	-0,2
With a temporary job (work contract of limited duration)	677,9	673,8	706,0	4,1	4,8
Others	170,5	189,9	189,7	11,3	-0,1
Self-employed workers	1 166,7	1 182,6	1 199,6	2,8	1,4
Unpaid family workers	86,0	76,8	79,2	-7,9	3,1
Full-time workers	4 608,3	4 524,4	4 567,9	-0,9	1,0
Part-time workers	579,0	630,2	632,4	9,2	0,3
<b>Employment rate (15 and over) (%)</b>	<b>58,0</b>	<b>57,5</b>	<b>58,0</b>		
Males	65,4	64,8	65,2		
Females	51,1	50,8	51,3		

Source: INE, Employment Statistics - 3<sup>rd</sup> quarter 2007.

**Notes:**

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

- Null.

## Quadro 3: Main indicators - unemployed and inactive population - Portugal

	Levels			Rates of change	
	3Q-2006	2Q-2007	3Q-2007	On year	On quarter
	Thousand individuals			%	
<b>Unemployed population</b>	<b>417,4</b>	<b>440,5</b>	<b>444,4</b>	<b>6,5</b>	<b>0,9</b>
Males	185,1	193,4	197,6	6,8	2,2
Females	232,3	247,1	246,8	6,2	-0,1
15 to 24	91,7	77,6	83,5	-8,9	7,6
25 to 34	132,1	146,4	137,0	3,7	-6,4
35 to 44	84,8	95,1	97,4	14,9	2,4
45 and over	108,8	121,5	126,5	16,3	4,1
First and second stages of basic education	292,8	321,1	312,7	6,8	-2,6
(Upper) secondary and post-secondary non-tertiary education	70,6	68,6	67,1	-5,0	-2,2
Tertiary education	54,0	50,8	64,7	19,8	27,4
Looking for a first job	66,1	54,4	62,0	-6,2	14,0
Looking for a new job	351,3	386,1	382,4	8,9	-1,0
Agriculture, hunting, forestry and fishing	9,9	11,9	12,5	26,3	5,0
Mining and quarrying, manufacturing, electricity, gas and water supply, and construction	155,2	171,6	155,7	0,3	-9,3
Services	186,2	202,6	214,2	15,0	5,7
<b>Unemployment rate (%)</b>	<b>7,4</b>	<b>7,9</b>	<b>7,9</b>		
Males	6,2	6,5	6,6		
Females	8,9	9,4	9,3		
Youth (15 to 24)	16,6	15,3	16,0		
<b>Unemployed by duration of search (a)</b>					
Less than 12 months	211,9	221,0	224,9	6,1	1,8
12 months or longer (long-term unemployment)	204,2	216,4	216,1	5,8	-0,1
Long-term unemployment rate (%)	3,6	3,9	3,8		
<b>Inactive population</b>	<b>4 986,4</b>	<b>5 004,9</b>	<b>4 962,9</b>	<b>-0,5</b>	<b>-0,8</b>
Inactive population (15 and over)	3 346,2	3 369,2	3 328,5	-0,5	-1,2
Males	1 297,5	1 316,3	1 298,1	0,0	-1,4
Females	2 048,6	2 052,9	2 030,4	-0,9	-1,1
15 to 24	718,8	733,7	710,3	-1,2	-3,2
25 to 34	169,4	173,9	168,1	-0,8	-3,3
35 to 44	166,5	153,9	151,6	-8,9	-1,5
45 to 64	794,3	811,1	801,0	0,8	-1,2
65 and over	1 497,2	1 496,6	1 497,5	o	0,1
Students	728,2	753,6	716,3	-1,6	-4,9
Looking after home / family	595,2	559,8	545,6	-8,3	-2,5
Retired	1 657,1	1 682,2	1 704,8	2,9	1,3
Other inactive	365,7	373,6	361,7	-1,1	-3,2
<b>Inactivity rate (15 and over) (%)</b>	<b>37,4</b>	<b>37,6</b>	<b>37,1</b>		
Males	30,3	30,7	30,2		
Females	43,9	43,9	43,4		

Source: INE, Employment Statistics - 3<sup>rd</sup> quarter 2007.

**Notes:**

(a) 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 – 2<sup>nd</sup> quarter 2007 (“Estatísticas do Emprego – 2<sup>o</sup> trimestre de 2007”).

**Participation rate**

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

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

**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).

$$\text{P.R. (\%)} = (\text{Labour force} / \text{Population aged 15 years old and over}) \times 100$$

**Unemployment rate**

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

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

**Long term unemployment rate**

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

$$\text{U.R. (\%)} = (\text{Population unemployed for 12 months or over} / \text{Labour force}) \times 100$$

**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).

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

**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.

$$\text{I.R. (\%)} = (\text{Inactive population aged 15 years old and over} / \text{Population aged 15 years old and over}) \times 100$$

**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.

**DATE SCHEDULED FOR THE NEXT PRESS RELEASE**

February, 15<sup>th</sup> 2008.

The publication Employment Statistics – 2<sup>nd</sup> quarter 2007 (“Estatísticas do Emprego – 2<sup>o</sup> trimestre de 2007”) associated with this press release is available, free of charge, at [http://www.ine.pt/portal/page/portal/PORTAL\\_INE/Publicacoes](http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes).