



August, 17th 2010

Employment Statistics

2nd quarter of 2010

Unemployment rate at 10.6% in the 2nd quarter of 2010

The unemployment rate estimated for the 2nd quarter of 2010 was 10.6%. This value is up 1.5 percentage points (p.p.) from the same quarter of 2009 and equal to the observed value in the previous quarter. The number of unemployed was estimated to reach 589.8 thousand individuals, having increased by 16.2% from the same quarter of the previous year, and decreased by 0.4% from the previous quarter. The number of employed decreased by 1.7%, 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 2nd quarter of 2010 indicate that the labour force (active population) in Portugal remained stable, when compared with the same quarter of 2009, and decreased by 0.3% (19.4 thousand individuals), when compared with the previous quarter.

The participation rate of the working age population (15 years old and over) was estimated at 61.9% in the 2nd quarter of 2010. This rate was identical with the one of the same quarter of 2009 and went down by 0.2 p.p. from the previous quarter.

The participation rate of working age women stood at 56.5%, while that of men attained 67.7%.

2. Employed population

In the 2nd quarter of 2010, the employed population, totalling 4 991.6 thousand individuals, decreased by 1.7% (corresponding to 84.6 thousand individuals), compared with the same quarter of 2009, and by 0.3% (17.1 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 63.0 thousand individuals and explained 74.5% of the total employment decrease.
- The decrease of 83.4 thousand employed individuals aged 15 to 34 years old and of 17.5 thousand individuals aged 35 to 44 years old. On the contrary, the number of the employed aged 45 and over increased (16.2 thousand individuals).



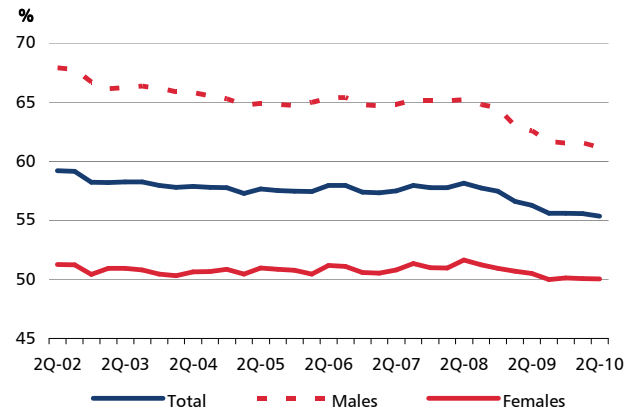
- The decrease of employed having completed the first or second stages of basic education, by 172.3 thousand individuals. By contrast, the number of employed having completed the (upper) secondary and post-secondary non-tertiary level of education and also the tertiary level of education rose (by 57.8 thousand and 29.9 thousand individuals, respectively).
- The decrease of employed in the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector, by 54.2 thousand individuals. This decrease was accounted by both a decrease in construction (which employed less 35.4 thousand individuals this quarter) and a decrease in manufacturing activities (21.2 thousand). The agriculture, hunting, forestry, and fishing sector and the services sector also recorded a decrease in employment (by 10.4 thousand and 20.0 thousand individuals, respectively).
- The decrease in the number of self-employed, by 86.8 thousand individuals. The number of employees decreased slightly, by 3.3 thousand individuals. Among the employees, a decrease was recorded only in those holding a permanent contract (51.0 thousand). The number of employees with a temporary job increased by 65.1 thousand individuals.
- The decrease in the number of full-time workers, which corresponded to 79.0 thousand individuals and explained 93.4% of the global employment decrease.

The employment rate (15 years and over) stood at 55.4%, in the 2nd quarter of 2010. This value was lower 0.9 p.p. than the one recorded in the same quarter of 2009 and 0.2 p.p. than the one recorded in the previous quarter.

The male employment rate (61.2%) exceeded that of women (50.0%) by 11.2 p.p.. In both cases, the rates decreased, from the same quarter 2009, and from the previous quarter.

Employment Statistics – 2nd quarter of 2010

Figure 1: Employment rate by gender



3. Unemployed population

The unemployed population in Portugal, estimated at 589.8 thousand individuals in the 2nd quarter of 2010, increased by 16.2% (82.1 thousand individuals), when compared with the 2nd quarter of 2009, and decreased by 0.4% (2.4 thousand), when compared with the previous quarter.

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

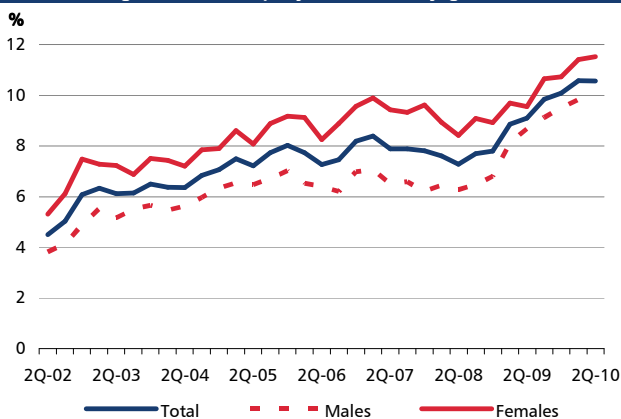
- The increase in the number of unemployed women, which corresponded to 56.0 thousand individuals and explained 68.2% of the overall increase in unemployment. The number of unemployed men also increased (26.1 thousands).
- The increase in unemployment of individuals aged 25 years old and over, mainly of those aged 35 to 44 (33.2 thousand) and of those aged 45 years old and over (26.4 thousand).
- The increase in the number of unemployed individuals having completed an education level corresponding to the first and second stages of basic education (60.3 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 (15.8 thousand and 6.0 thousand, respectively).

- The increase in the number of unemployed seeking a new job (77.1 thousand individuals), coming essentially from the services sector (44.3 thousands individuals) and from mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector (29.5 thousand individuals). The number of unemployed seeking a first job increased by 5.0 thousand individuals.
- The increase in the number of unemployed seeking a job for one year or more, by 91.1 thousand individuals.

The unemployment rate was estimated at 10.6%, in the 2nd quarter of 2010. This value is up 1.5 p.p. from the 2nd quarter of 2009, and remained unchanged when compared with the previous quarter.

Figure 2: Unemployment rate by gender



In the 2nd quarter of 2010, the unemployment rate stood at 9.7% for men and at 11.5% for women. In both cases, the rates increased from the same quarter of 2009 (1.0 p.p. and 2.0 p.p., respectively). When compared with the previous quarter, the unemployed rate for men decreased and the unemployed rate for women increased (0.1 p.p. in both cases).

The stability recorded in the unemployment rate, when compared with the previous quarter, resulted from the almost equal rate of decrease being recorded for the employed population (0.3%, corresponding to 17.1 thousand individuals) and for the unemployed population (0.4%; 2.4 thousand individuals).

The quarterly decrease in the unemployed population occurred mainly in the following population groups: men; individuals aged 15 to 24 years old; 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 mining and quarrying, manufacturing, electricity, gas and water supply, and construction sector); and unemployed seeking for a job for six months or less.

4. Inactive population

In the 2nd quarter of 2010, the inactive population aged 15 years old and over remained stable, when compared to the same quarter of 2009, and increased by 0.7%, when compared with the previous quarter (corresponding to 22.8 thousand individuals).

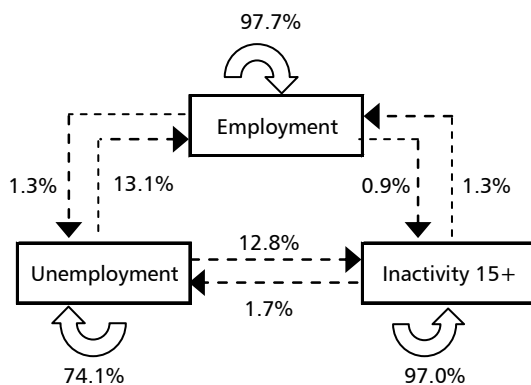
The inactivity rate (15 and over) reached 38.1%, in the 2nd quarter of 2010, standing at 32.3% for men and 43.5% for women.

5. Quarterly flows between labour market states

From the 1st quarter to the 2nd quarter of 2010, 1.3% 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 2.2% in the 2nd quarter of 2010 (97.7% remained employed). From the 4th quarter of 2009 to the 1st quarter of 2010, this percentage had been slightly larger (2.3%).

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 1st quarter of 2010, 25.9% moved out of this labour market state in the following quarter. Out of these, 13.1% became employed and 12.8% moved into inactivity. The percentage of individuals moving from unemployment into employment was smaller than the one observed in the flows from the 4th quarter of 2009 to the 1st quarter of 2010 (it had been 13.8%). On the contrary, the percentage of the individuals moving from unemployment into inactivity was larger (it had been 11.2%).

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



From the total of individuals aged 15 years old and over considered to be inactive in the 1st quarter of 2010, 1.3% moved into employment, and 1.7% moved into unemployment, in the following quarter. The proportion of those moving from inactivity into employment was equal than the one observed in the flows from the 4th quarter of 2009 to the 1st quarter of 2010. The percentage of the individuals moving from inactivity into unemployment was smaller (it had been 1.9%).

6. Unemployment rates by NUTS II region

In the 2nd quarter of 2010, the highest unemployment rates were recorded in NUTS II regions *Norte* (12.2%), *Algarve* (12.2%), *Alentejo* (11.8%), and *Lisboa* (11.0%). The lowest values were observed in *Região Autónoma dos Açores* (6.2%), *Centro* (7.7%), and *Região Autónoma da Madeira* (8.2%).

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

	2Q-2009	1Q-2010	2Q-2010
Portugal	9.1	10.6	10.6
Norte	10.5	12.5	12.2
Centro	6.3	7.9	7.7
Lisboa	9.4	10.5	11.0
Alentejo	11.3	11.1	11.8
Algarve	9.0	13.6	12.2
R. A. Açores	7.0	7.7	6.2
R. A. Madeira	8.1	6.3	8.2

Source: INE, Employment Statistics - 2nd 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 dos Açores*. The largest increases were recorded in *Algarve* (3.2 p.p.), *Norte* (1.7 p.p.), *Lisboa* (1.6 p.p.), and *Centro* (1.4 p.p.).

Compared to the previous quarter, there was a decrease in the unemployment rate in regions *Região Autónoma dos Açores* (1.5 p.p.), *Algarve* (1.4 p.p.), *Norte* (0.3 p.p.), and *Centro* (0.2 p.p.). On the contrary, the unemployment rate went up in regions *Região Autónoma da Madeira* (1.9 p.p.), *Alentejo* (0.7 p.p.), and *Lisboa* (0.5 p.p.).

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

	Quarterly levels			Rates of change	
	2Q-2009	1Q-2010	2Q-2010	On year	On quarter
	Thousand individuals			%	
Labour force (active population)	5 583.9	5 600.8	5 581.4	o	-0.3
Males	2 960.1	2 945.4	2 923.1	-1.2	-0.8
Females	2 623.8	2 655.5	2 658.2	1.3	0.1
15 to 24	465.2	444.1	426.2	-8.4	-4.0
25 to 34	1 446.9	1 437.0	1 424.8	-1.5	-0.8
35 to 44	1 438.6	1 447.9	1 454.4	1.1	0.4
45 to 64	1 918.2	1 945.0	1 956.2	2.0	0.6
65 and over	315.0	326.8	319.7	1.5	-2.2
Participation rate (%)	52.5	52.7	52.5		
Males	57.5	57.3	56.8		
Females	47.8	48.4	48.4		
Participation rate (15 and over) (%)	61.9	62.1	61.9		
Males	68.5	68.3	67.7		
Females	55.8	56.5	56.5		
Employed population	5 076.2	5 008.7	4 991.6	-1.7	-0.3
Males	2 702.9	2 656.1	2 639.9	-2.3	-0.6
Females	2 373.3	2 352.6	2 351.7	-0.9	o
15 to 24	378.2	343.4	339.7	-10.2	-1.1
25 to 34	1 290.4	1 269.4	1 245.5	-3.5	-1.9
35 to 44	1 323.5	1 303.2	1 306.0	-1.3	0.2
45 to 64	1 770.2	1 767.5	1 782.8	0.7	0.9
65 and over	313.9	325.2	317.5	1.1	-2.4
First and second stages of basic education	3 428.5	3 312.8	3 256.2	-5.0	-1.7
(Upper) secondary and post-secondary non-tertiary education	837.4	866.3	895.2	6.9	3.3
Tertiary education	810.3	829.6	840.2	3.7	1.3
Agriculture, forestry and fishing (a)	551.3	560.0	540.9	-1.9	-3.4
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	1 444.6	1 371.3	1 390.4	-3.8	1.4
Services (a)	3 080.3	3 077.5	3 060.3	-0.6	-0.6
Employees	3 873.6	3 839.8	3 870.3	-0.1	0.8
With a permanent job (work contract of unlimited duration)	3 030.5	2 946.4	2 979.5	-1.7	1.1
With a temporary job (work contract of limited duration)	687.3	737.0	752.4	9.5	2.1
Others	155.7	156.4	138.4	-11.1	-11.5
Self-employed workers	1 162.1	1 120.4	1 075.3	-7.5	-4.0
Unpaid family workers and other professional status	40.5	48.5	46.0	13.6	-5.2
Full-time workers	4 483.8	4 413.4	4 404.8	-1.8	-0.2
Part-time workers	592.4	595.3	586.8	-0.9	-1.4
Employment rate (15 and over) (%)	56.3	55.6	55.4		
Males	62.6	61.5	61.2		
Females	50.5	50.1	50.0		

Source: INE, Employment Statistics - 2nd 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	
	2Q-2009	1Q-2010	2Q-2010	On year	On quarter
	Thousand individuals			%	
Unemployed population	507.7	592.2	589.8	16.2	-0.4
Males	257.2	289.3	283.3	10.1	-2.1
Females	250.5	302.8	306.5	22.4	1.2
15 to 24	86.9	100.7	86.6	-0.3	-14.0
25 to 34	156.5	167.6	179.3	14.6	7.0
35 to 44	115.1	144.7	148.3	28.8	2.5
45 and over	149.1	179.1	175.5	17.7	-2.0
First and second stages of basic education	366.9	431.1	427.2	16.4	-0.9
(Upper) secondary and post-secondary non-tertiary education	90.4	106.5	106.2	17.5	-0.3
Tertiary education	50.4	54.6	56.4	11.9	3.3
Looking for a first job	49.8	55.5	54.8	10.0	-1.3
Looking for a new job	457.9	536.7	535.0	16.8	-0.3
Agriculture, forestry and fishing (a)	13.6	16.5	17.0	25.0	3.0
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewage, waste management and remediation activities; construction (a)	207.5	241.7	237.0	14.2	-1.9
Services (a)	236.8	278.5	281.1	18.7	0.9
Unemployment rate (%)	9.1	10.6	10.6		
Males	8.7	9.8	9.7		
Females	9.5	11.4	11.5		
Youth (15 to 24)	18.7	22.7	20.3		
Unemployed by duration of search (b)					
Less than 12 months	272.0	284.5	261.8	-3.8	-8.0
12 months or longer (long-term unemployment)	235.2	305.1	326.2	38.7	6.9
Long-term unemployment rate (%)	4.2	5.4	5.8		
Inactive population	5 050.5	5 029.9	5 051.3	o	0.4
Inactive population (15 and over)	3 434.6	3 413.7	3 436.5	0.1	0.7
Males	1 358.4	1 370.0	1 393.9	2.6	1.7
Females	2 076.2	2 043.7	2 042.6	-1.6	-0.1
15 to 24	728.6	729.3	739.7	1.5	1.4
25 to 34	163.4	148.0	155.0	-5.1	4.7
35 to 44	160.4	153.0	147.7	-7.9	-3.5
45 to 64	819.5	811.9	809.6	-1.2	-0.3
65 and over	1 562.7	1 571.6	1 584.6	1.4	0.8
Students	784.1	774.2	774.3	-1.2	o
Looking after home / family	506.9	503.5	496.6	-2.0	-1.4
Retired	1 837.8	1 827.7	1 845.3	0.4	1.0
Other inactive	305.8	308.4	320.3	4.7	3.9
Inactivity rate (15 and over) (%)	38.1	37.9	38.1		
Males	31.5	31.7	32.3		
Females	44.2	43.5	43.5		

Source: INE, Employment Statistics - 2nd 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 – 2nd quarter 2010 (“Estatísticas do Emprego – 2^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

November, 17th 2010.

The publication Employment Statistics – 2nd quarter of 2010 (“Estatísticas do Emprego – 2^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.