

January, 29th 2015

Monthly Employment and Unemployment Estimates

December 2014

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The unemployment rate estimated for December 2014 was 13.4%. This value is down 0.1 percentage points from the one estimated for November 2014.

The unemployed population was estimated to be 689.6 thousand people, down 0.7% from November 2014 (less 4.8 thousand). The employed population was estimated to be 4,441.5 thousand people, increasing 0.1% (more 6.4 thousand) from the previous month.

For these estimates, it was considered the population aged 15 to 74 and the values were seasonally adjusted.

Introductory note

In the present Press Release, we proceed with the dissemination of the monthly estimates of the employed and unemployed population (and corresponding rates) for December 2014.

The monthly estimates refer to centred moving quarters, where the reference month corresponds to the central month of each moving quarter (see note 1 at the end of the Press Release). In fact, the reference month of the present Press Release (December 2014) corresponds to the central month of the quarter consisting of the months from November 2014 to January 2015.

Unless otherwise stated, the data series are seasonally adjusted, having been decided to highlight, in the analysis, the comparison with the more recent periods. The original data series, not seasonally adjusted, are

available in Tables 1 and 2 of the annex and at the Official Statistics Portal.

The indicators analyzed refer to the age subgroup of those aged 15 to 74 (as in the Eurostat News Release), which differs from the criterion adopted at the Statistics Portugal quarterly releases (people aged 15 and over, in line with the concepts of the International Labour Organization in force).

Increase of the employed population and of the employment rate

In December 2014, the employed population was estimated to be 4,441.5 thousand people, slightly increasing from the previous month (0.1%; 6.4 thousand). This pattern interrupts the decreasing one started in September 2014, after a period of seven consecutive months of continued employment growth (from February to August 2014).

The employed population increased for men (0.5%; 11.7 thousand) and for adults (25 to 74 years old) (0.2%; 9.7 thousand), and decreased for women (0.2%; 5.4 thousand) and for young people (15 to 24 years old) (1.4%; 3.4 thousand).

The employment rate stood at 56.7%, decreasing 0.1 percentual points (p.p.) from the level of the previous month.

The employment rate of men (60.7%) exceeded that of women (52.9%) by 7.8 p.p.. The former increased 0.3 p.p. from the previous month and the latter decreased by 0.2 p.p..

The employment rate of adults was 62.3% and that of young people was 22.0%. The former is up 0.2 p.p. from last month level and the latter is down 0.3 p.p..

This decrease of the unemployed population occurs after the increases observed in October and November 2014.

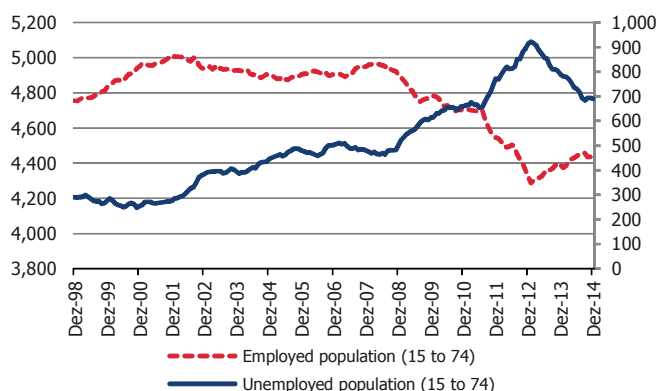
The unemployed population increased for young people (3.3%; 4.1 thousand) and decreased for adults (1.6%; 8.9 thousand), for men (0.7%; 2.6 thousand) and for women (0.6%; 2.2 thousand).

The unemployment rate stood at 13.4%, down 0.1 p.p. from the previous month, for which contributed the decrease in the unemployed population and the increase in the employed population.

The unemployment rate of women (13.7%) exceeded that of men (13.2%) by 0.5 p.p.. The former remained unchanged, while the latter decreased by 0.2 p.p..

The youth unemployment rate stood at 34.5%, having increased by 1.1 p.p. from the previous month. The adults' unemployment rate stood at 11.8% and decreased 0.2 p.p. from the previous month.

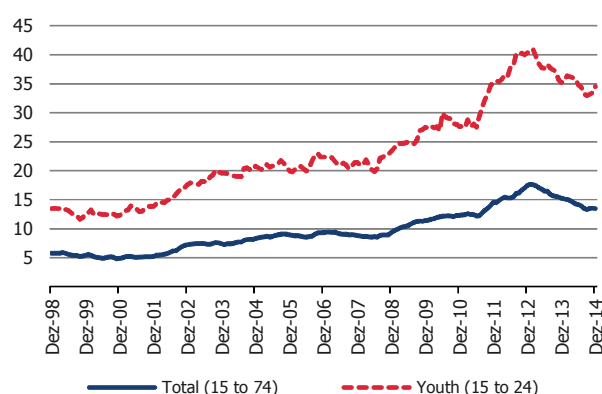
Figure 1: Employed and unemployed population (seasonally adjusted data; thousands)



Decrease of the unemployed population and of the unemployment rate

The unemployed population, estimated to be 689.6 thousand people, decreased 0.7% from the previous month (4.8 thousand people).

Figure 2: Total and youth unemployment rate (seasonally adjusted data; %)



The unemployment rate not seasonally adjusted was 13.6%, unchanged from the previous month level and down 1.8 p.p. from December 2013.

Table 1: Employed population and employment rate by sex and age group (15 to 74)

| | Seasonally adjusted data | | | | | Not seasonally adjusted data | | | | |
|---------------------------------------|--------------------------|----------------|----------------|----------------|----------------|------------------------------|----------------|----------------|----------------|----------------|
| | Dec 2013 | Sep 2014 | Oct 2014 | Nov 2014 | Dec 2014 (p) | Dec 2013 | Sep 2014 | Oct 2014 | Nov 2014 | Dec 2014 (p) |
| | Thousands | | | | | | | | | |
| Employed population (15 to 74) | 4,390.0 | 4,456.6 | 4,436.2 | 4,435.1 | 4,441.5 | 4,369.2 | 4,466.7 | 4,438.1 | 4,429.2 | 4,421.5 |
| Men (15 to 74) | 2,249.9 | 2,284.9 | 2,264.8 | 2,265.7 | 2,277.4 | 2,239.1 | 2,294.4 | 2,270.8 | 2,265.2 | 2,266.5 |
| Women (15 to 74) | 2,140.1 | 2,171.6 | 2,171.3 | 2,169.5 | 2,164.1 | 2,130.1 | 2,172.3 | 2,167.3 | 2,163.9 | 2,155.0 |
| Youth (15 to 24) | 246.3 | 255.2 | 248.1 | 244.6 | 241.2 | 241.4 | 262.9 | 249.8 | 244.3 | 237.2 |
| Adults (25 to 74) | 4,143.8 | 4,201.4 | 4,188.1 | 4,190.6 | 4,200.3 | 4,127.8 | 4,203.8 | 4,188.2 | 4,184.9 | 4,184.3 |
| % | | | | | | | | | | |
| Employment rate (15 to 74) | 55.7 | 56.8 | 56.6 | 56.6 | 56.7 | 55.5 | 56.9 | 56.6 | 56.5 | 56.4 |
| Men (15 to 74) | 59.4 | 60.8 | 60.3 | 60.4 | 60.7 | 59.2 | 61.1 | 60.5 | 60.4 | 60.4 |
| Women (15 to 74) | 52.3 | 53.1 | 53.1 | 53.1 | 52.9 | 52.0 | 53.1 | 53.0 | 52.9 | 52.7 |
| Youth (15 to 24) | 22.3 | 23.2 | 22.6 | 22.3 | 22.0 | 21.9 | 23.9 | 22.7 | 22.2 | 21.6 |
| Adults (25 to 74) | 61.2 | 62.3 | 62.1 | 62.1 | 62.3 | 60.9 | 62.3 | 62.1 | 62.1 | 62.1 |

Source: Statistics Portugal, Labour Force Survey.

Note: (p) - Provisional estimates.

Table 2: Unemployed population and unemployment rate by sex and age group (15 to 74)

| | Seasonally adjusted data | | | | | Not seasonally adjusted data | | | | |
|---|--------------------------|--------------|--------------|--------------|--------------|------------------------------|--------------|--------------|--------------|--------------|
| | Dec 2013 | Sep 2014 | Oct 2014 | Nov 2014 | Dec 2014 (p) | Dec 2013 | Sep 2014 | Oct 2014 | Nov 2014 | Dec 2014 (p) |
| | Thousands | | | | | | | | | |
| Unemployed population (15 to 74) | 788.9 | 683.6 | 694.3 | 694.4 | 689.6 | 794.8 | 686.5 | 699.4 | 698.0 | 695.0 |
| Men (15 to 74) | 402.9 | 327.4 | 345.2 | 350.1 | 347.5 | 402.9 | 327.4 | 345.2 | 350.1 | 347.5 |
| Women (15 to 74) | 386.0 | 356.1 | 349.1 | 344.3 | 342.1 | 391.9 | 359.1 | 354.2 | 347.9 | 347.5 |
| Youth (15 to 24) | 133.8 | 125.4 | 123.1 | 122.9 | 127.0 | 136.5 | 128.7 | 127.0 | 125.1 | 129.7 |
| Adults (25 to 74) | 655.1 | 558.2 | 571.2 | 571.5 | 562.6 | 658.4 | 557.8 | 572.4 | 572.9 | 565.3 |
| % | | | | | | | | | | |
| Unemployment rate (15 to 74) | 15.2 | 13.3 | 13.5 | 13.5 | 13.4 | 15.4 | 13.3 | 13.6 | 13.6 | 13.6 |
| Men (15 to 74) | 15.2 | 12.5 | 13.2 | 13.4 | 13.2 | 15.2 | 12.5 | 13.2 | 13.4 | 13.3 |
| Women (15 to 74) | 15.3 | 14.1 | 13.9 | 13.7 | 13.7 | 15.5 | 14.2 | 14.0 | 13.9 | 13.9 |
| Youth (15 to 24) | 35.2 | 32.9 | 33.2 | 33.4 | 34.5 | 36.1 | 32.9 | 33.7 | 33.9 | 35.4 |
| Adults (25 to 74) | 13.7 | 11.7 | 12.0 | 12.0 | 11.8 | 13.8 | 11.7 | 12.0 | 12.0 | 11.9 |

Source: Statistics Portugal, Labour Force Survey.

Notes: (p) - Provisional estimates.

1. PRESENTATION NOTE OF THE MONTHLY RELEASE OF LABOUR FORCE SURVEY ESTIMATES

BRIEF SYNTHESIS

With the release of the results for October 2014, Statistics Portugal initiated a monthly release of Labour Force Survey estimates for the main labour market indicators in addition to the usual quarterly estimates releases (for more information, see detailed note previously disclosed, only available in Portuguese). In the present Press Release, we proceed with the dissemination of the monthly estimates for December 2014.

With this initiative, Statistics Portugal intends to provide to users monthly updated information on labour market recent developments, allowing, at the same time, a more complete reading picture than that provided so far by Eurostat in its monthly releases of the unemployed population and unemployment rate estimates for Portugal. With this dissemination, Statistics Portugal satisfies also a specific requirement from the PEEIs (Principal European Economic Indicators).

Taking advantage of the continuous nature of the Labour Force Survey collection process (see the "Technical note", below), it is possible to monthly obtain estimates related to successive sets of three months (moving quarters), assuring consistency with the quarterly released estimates. The use of data collected exclusively from the Labour Force Survey leads to revisions of smaller size than those arising from models that also use administrative data (registered unemployment).

The monthly estimates refer to *centred* moving quarters, where the reference month corresponds to the central month of each moving quarter. In fact, the reference month of the present Press Release (December 2014) corresponds to the central month of the quarter consisting of the months from November 2014 to January 2015.

In consequence, the monthly changes are calculated on values that contain common months. The comparison of moving quarters without common months should be done in relation to reference months three months earlier.

The option for disseminating centred moving quarters series aimed at avoiding delays in the detection of turning points in the economic cycle that arise from the use of simple moving averages, but it implies that the estimates for the latest released moving quarter are provisional (see "Revisions" section, below).

As estimates of centred moving quarters, the values (not seasonally adjusted) of the reference months February, May, August and November of each year correspond to the estimates of the 1st, 2nd, 3rd and 4th natural quarters, respectively, whose results are released and analyzed with greater detail in the quarterly release of "Employment Statistics" (only available in Portuguese).

Information available

The data series selected for monthly releases refer to both employed and unemployed population, by sex and age group, and to the corresponding rates. In relation to these data series, it should be noted the following:

- For the purpose of creating long monthly data series needed for subsequent adjustment of seasonality, the two latest data series of the Labour Force Survey (from 1998 to 2010; from 2011 onwards) were previously linked.
- The data series analyzed in this Press Release are seasonally adjusted, having been decided to highlight, in the analysis, the comparison with the more recent periods. As agreed, Eurostat began to use these estimates in its unemployment monthly releases. The original data series (not seasonally adjusted; as in the Statistics Portugal quarterly releases), are available in Tables 1 and 2 of the annex and at the Official Statistics Portal.
- The indicators analyzed in this Press Release were calculated for the age subgroup of those aged 15 to 74 (as in the Eurostat News Release), which differs from the criterion adopted at the Statistics Portugal quarterly releases (people aged 15 and over, in line with the concepts of the International Labour Organization in force).

The back series for all the released and analyzed indicators in this Press Release, since February 1998 (quarter from January to March 1998), are available at the Official Statistics Portal.

(to be continued)

(continuation)

Revisions

The monthly released data are subject to revisions. The revisions come, on one hand, from the updating of the seasonally adjusted data series whenever a new observation is added and, on the other hand, from the definitive estimates then obtained for the last month (moving quarter).

The estimates for the latest month (moving quarter) are provisional, since this quarter is composed of two months for which the data collection process from the Labour Force Survey has been completed and of one month for which a forecast was done based on time series models (state space models for exponential smoothing). In the next Press Release, the collection process for the three months of that quarter will have already been concluded, hence the corresponding estimates will be reviewed and their definitive value will be published.

The impact of those revisions, measured by the difference between the estimates now released for November 2014 (definitive estimates) and the ones for that month published last Press Release, is the following:

| Revision of November 2014 estimates - main indicators | | | |
|---|-----------|------------------------------|--------------------------|
| | Unit | Not seasonally adjusted data | Seasonally adjusted data |
| Employed population (15 to 74) | Thousands | 4.6 | 3.8 |
| Unemployed population (15 to 74) | | - 19.5 | - 19.3 |
| Employment rate (15 to 74) | | 0.1 | 0.1 |
| Unemployment rate (15 to 74) | p.p. | - 0.4 | - 0.4 |
| Youth unemployment rate (15 to 24) | | - 1.1 | - 1.1 |
| Adults' unemployment rate (25 to 74) | | - 0.3 | - 0.3 |

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*. Reference weeks are uniformly distributed throughout the quarters and years. The interviews usually take place in the week following the reference week. These characteristics allow to monthly obtain estimates for three months periods without decreasing the estimates precision.

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.

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.

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

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

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

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

For the selected indicators monthly disseminated, it was considered the age subgroup of those aged 15 to 74 (see Note 1).

For a more detailed definition on the concepts and the methodological characteristics of the Labour Force Survey, see the quarterly publication "Employment Statistics", available only in Portuguese, at http://www.ine.pt/portal/page/portal/PORTAL_INE/Publicacoes.

Due to rounding, totals may not correspond exactly to the sum of the parts.

Next Press Release:

27 February 2015: "Employment and Unemployment Statistics – January 2015"

2 March 2015: Eurostat News Release