

## NO RECOVERY IN UNEMPLOYMENT ACCORDING TO THE SEASONALLY ADJUSTED FIGURE

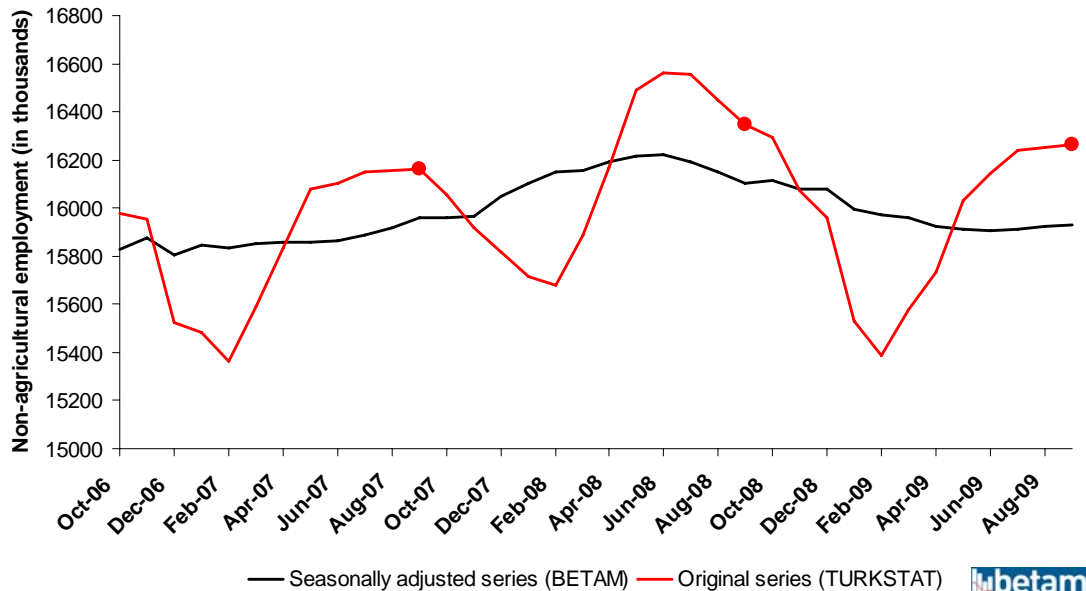
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September's labor force statistics released by TURKSTAT indicate a slow recovery in the labor market. From August to September, the non-agricultural employment has increased by 12 thousand while the non-agricultural labor force has decreased by 9 thousand. As a result of these changes in the non-agricultural labor force and employment, the non-agricultural unemployment rate fell to 16.9 percent in September from 17 percent in August.

However, these changes in the labor force statistics are mostly driven by seasonal fluctuations. Therefore the limited recovery in labor market disappears after the series have been seasonally adjusted. According to seasonally adjusted figures, we estimate that the non-agricultural labor force has increased by 50 thousand while the non-agricultural employment increased by 10 thousand in September (Figure 1)<sup>1</sup>. Moreover, the non-agricultural unemployment has increased by 40 thousand (Figure 2). According to our estimates based on the seasonally adjusted figures, the non-agricultural unemployment rate has increased by 0.2 percentage points and rose to 18.5 percent in September from 18.3 percent in August.

The increase in the labor force above and over its structural trend exerts pressure on unemployment levels. Moreover, the increases in employment are too limited to balance the increase in the labor force.

**Figure 1 Non-Agricultural Employment**



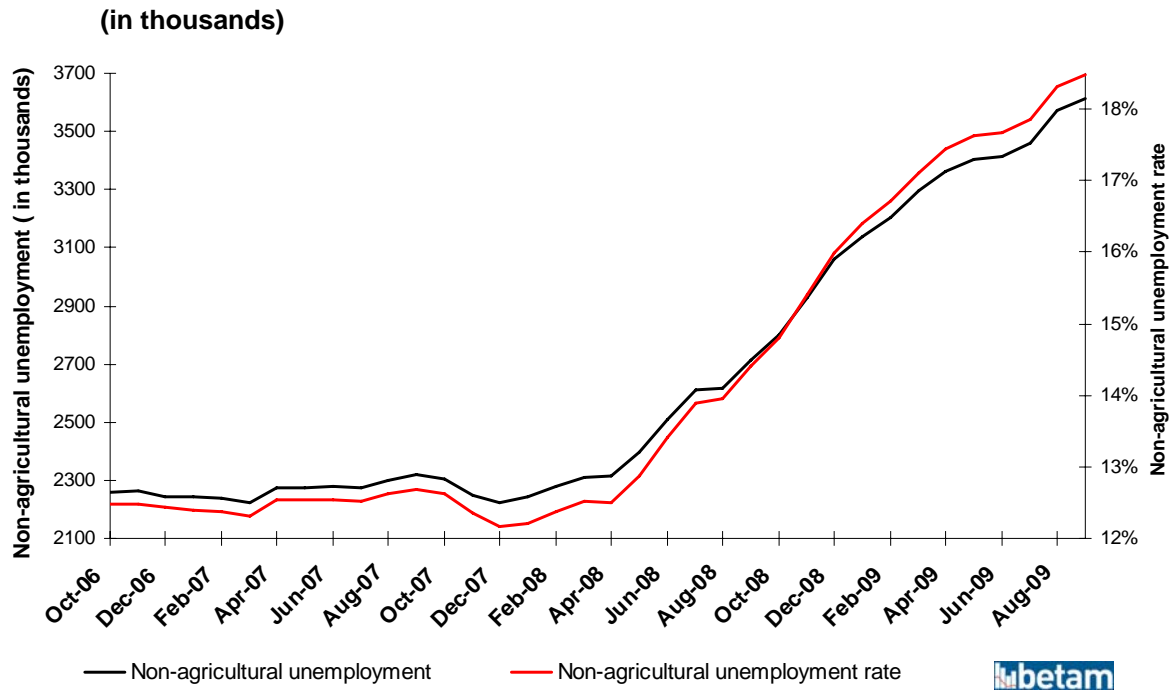
Source: TURKSTAT, **betam**

**Figure 2 Seasonally Adjusted Non-Agricultural Unemployment Rate and Unemployment**

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<sup>1</sup> The dots in Figure 1 represent the September data for each year.



Source: TURKSTAT, betam