

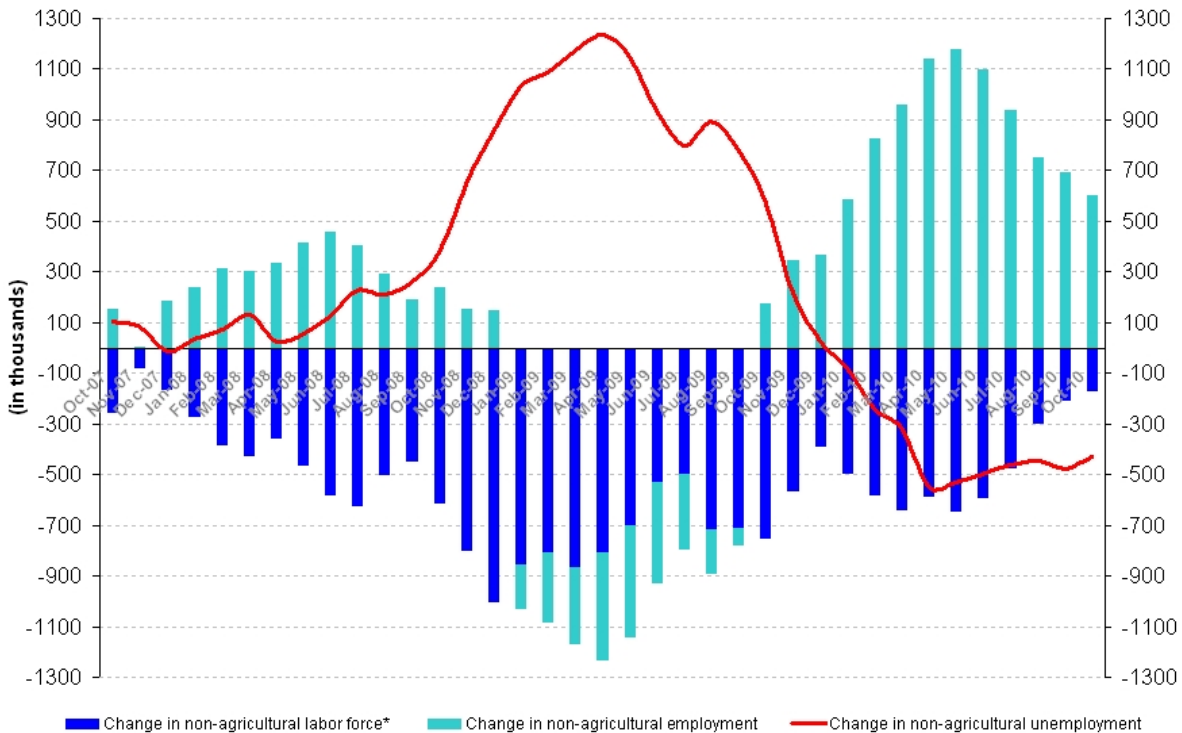
## LIMITED DECREASE IN NON-AGRICULTURAL UNEMPLOYMENT

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According to the labor market statistics released by TurkStat on the 17<sup>th</sup> of January, non-agricultural employment has increased by 600 thousand and non-agricultural labor force by 171 thousand in the period of October 2010 (September-October-November). The rise in non-agricultural labor force remained below of its long run trend of 550 thousand. Given that the labor force has been increasing above its trend during the crisis, it is not surprising to observe a slower increase during the recovery. This limited increase prevents an increase in unemployment. Non-agricultural employment reached 17 million 67 thousand level corresponding to a 3.6 percent increase since October 2009.

The decrease in non-agricultural employment coupled with a minor increase in the non-agricultural labor force resulted in a 479 thousand decrease in non-agricultural unemployment (Figure 1). Hence, non-agricultural unemployment rate decreased to 14.1 percent in October 2010 from 16.4 percent in October 2010 from 2009. Despite this drastic decrease, non-agricultural unemployment rate is still above its level prior to the crisis (12.9 percent).

**Figure 1 Year-on-year changes in non-agricultural labor force, employment and unemployment**



\* Since labor force and unemployment are positively correlated the increases in labor force represented with a negative sign.



Source: TÜİK, Betam

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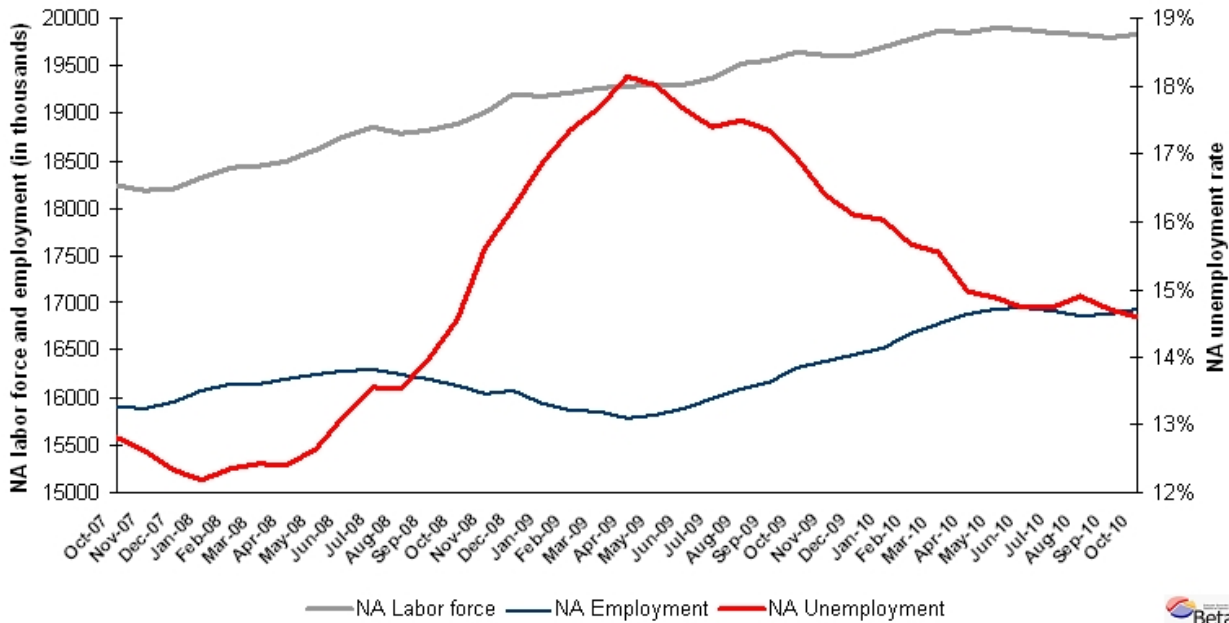
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## Non-agricultural unemployment remains at the same level

Seasonally adjusted series show that non-agricultural labor force reached 19 million 821 thousand in October 2010 by an increase of 25 thousand. Furthermore, non-agricultural employment increased by 43 thousand and reached 16 million 928 thousand. Consequently, non-agricultural unemployment decreased by 17 thousand and non-agricultural unemployment rate fell to 14.6 percent (Figure 2). Although non-agricultural unemployment rate has been decreasing for the last six months, it is still early to conclude that it will continue in the upcoming months (Appendix 1 Table 1).

**Figure 2 Seasonally adjusted non-agricultural labor force, employment and unemployment (June 2007- June 2010)**



Source: TÜİK, **Betam**

## A large increase in agricultural employment

According to the seasonally adjusted series, agricultural employment rose by 141 thousand in October 2010 period. It is apparent that the increase in agricultural employment, which began in 2007, still continues (Appendix 1 Table 2, Appendix 2 Figure 3).<sup>1</sup>

On the other hand, the decrease in employment in manufacturing observed for the last two months has stopped and the employment in services continued to increase. Clearly, the increase in non-agricultural employment is mainly driven by the expansion in service employment.

<sup>1</sup> Seasonal adjustment procedure is applied to each sector of employment series separately. Hence the sum of these series may differ from the seasonally adjusted series of total employment. The difference stems from the non-linearity of the seasonal adjustment process.

**Appendix 1: Table 1 Seasonally adjusted non-agricultural labor force indicators (in thousands)**

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
October-07	18333	15997	2336	12.7%			
November-07	18244	15905	2339	12.8%	-89	-92	3
December-07	18177	15884	2293	12.6%	-66	-21	-46
January-08	18199	15955	2244	12.3%	22	71	-49
February-08	18318	16085	2233	12.2%	119	130	-11
March-08	18419	16141	2278	12.4%	101	56	45
April-08	18448	16156	2292	12.4%	29	14	14
May-08	18492	16197	2296	12.4%	44	41	3
June-08	18606	16254	2352	12.6%	114	57	56
July-08	18756	16292	2463	13.1%	150	38	111
August-08	18852	16295	2557	13.6%	96	2	94
September-08	18782	16242	2540	13.5%	-70	-53	-18
October-08	18821	16191	2630	14.0%	40	-50	90
November-08	18881	16130	2751	14.6%	59	-61	121
December-08	19009	16042	2967	15.6%	128	-88	216
January-09	19195	16087	3108	16.2%	185	45	141
February-09	19172	15938	3235	16.9%	-23	-149	127
March-09	19205	15875	3330	17.3%	33	-62	95
April-09	19264	15857	3408	17.7%	59	-18	78
May-09	19282	15786	3496	18.1%	18	-71	89
June-09	19290	15817	3473	18.0%	8	31	-23
July-09	19300	15892	3407	17.7%	10	75	-66
August-09	19373	16002	3371	17.4%	73	109	-36
September-09	19512	16099	3413	17.5%	139	97	42
October-09	19558	16163	3395	17.4%	46	64	-18
November-09	19637	16310	3327	16.9%	79	147	-68
December-09	19604	16390	3213	16.4%	-33	80	-114
January-10	19613	16454	3159	16.1%	9	64	-54
February-10	19687	16530	3157	16.0%	74	76	-2
March-10	19777	16680	3096	15.7%	90	150	-60
April-10	19865	16778	3088	15.5%	88	97	-9
May-10	19849	16878	2971	15.0%	-17	100	-117
June-10	19902	16942	2960	14.9%	53	64	-10
July-10	19877	16950	2927	14.7%	-25	8	-33
August-10	19850	16926	2924	14.7%	-27	-24	-3
September-10	19822	16869	2953	14.9%	-27	-57	30
October-10	19796	16886	2910	14.7%	-27	17	-43

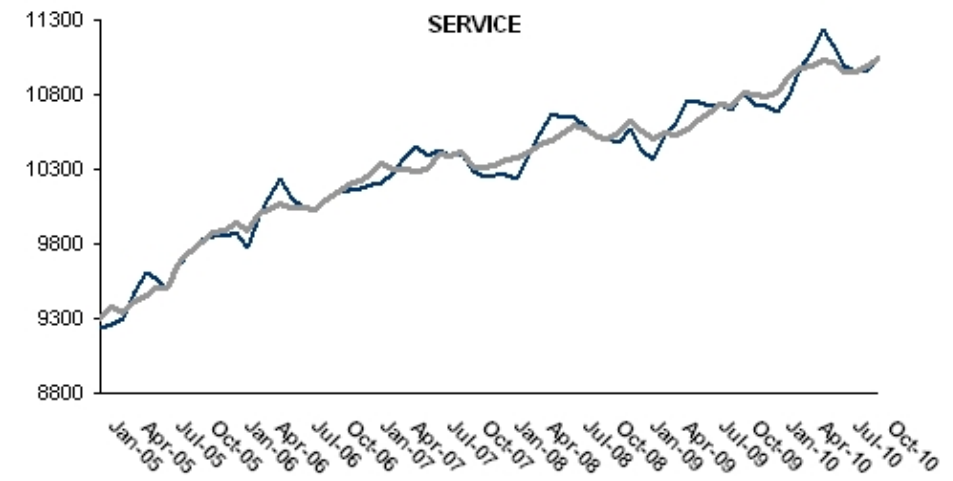
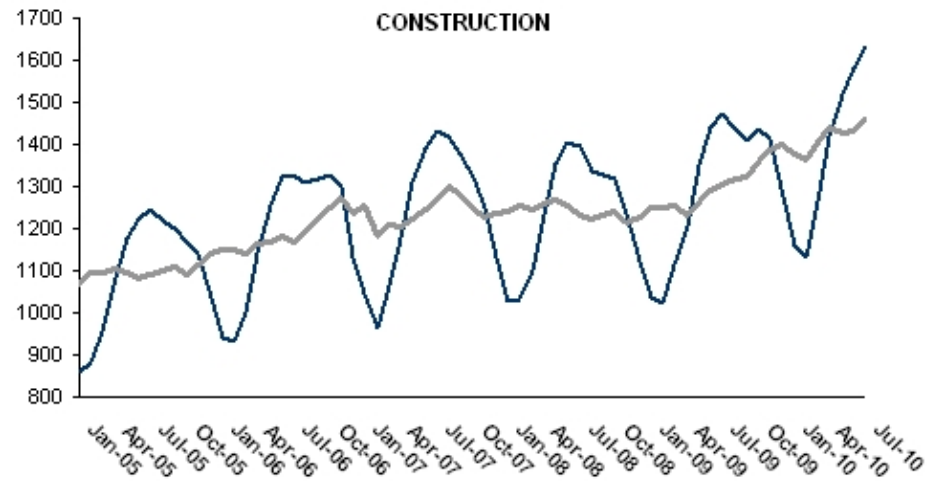
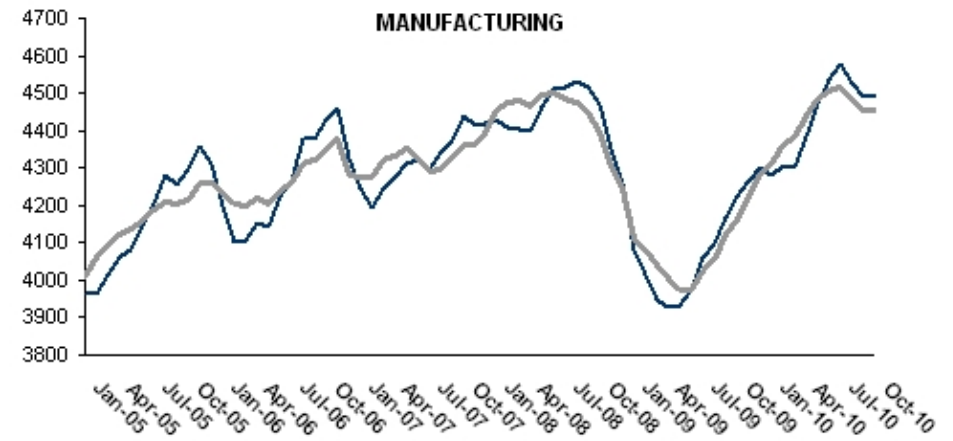
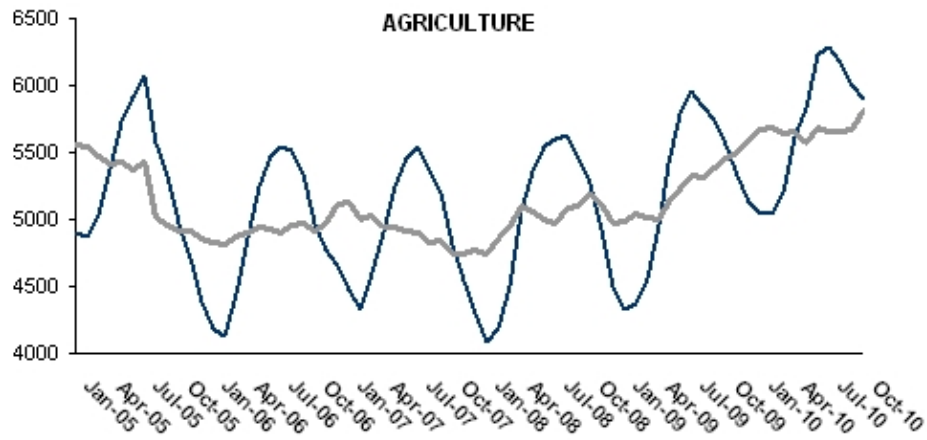
Source: TÜİK, **Betam**

Appendix 1: Table 2 Seasonally adjusted sector of employment (in thousands)

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
October-07	4847	4326	1282	10412				
November-07	4741	4364	1246	10307	-106	38	-35	-105
December-07	4746	4362	1228	10307	5	-2	-18	0
January-08	4771	4395	1237	10320	25	34	9	14
February-08	4739	4456	1242	10368	-32	60	5	48
March-08	4854	4475	1255	10380	115	20	13	12
April-08	4939	4481	1244	10410	85	6	-10	30
May-08	5094	4464	1259	10462	155	-17	15	53
June-08	5058	4493	1268	10490	-36	29	9	28
July-08	4995	4500	1255	10546	-63	6	-13	55
August-08	4970	4484	1231	10599	-25	-16	-24	54
September-08	5083	4473	1221	10565	112	-11	-10	-34
October-08	5094	4452	1233	10519	11	-21	13	-46
November-08	5185	4393	1241	10511	92	-59	7	-8
December-08	5112	4306	1213	10541	-73	-87	-28	30
January-09	4975	4247	1229	10626	-137	-60	16	85
February-09	4983	4112	1249	10550	8	-135	20	-76
March-09	5039	4082	1251	10509	55	-30	2	-41
April-09	5011	4038	1256	10546	-28	-44	5	36
May-09	5002	4005	1230	10533	-9	-33	-25	-12
June-09	5134	3975	1263	10576	132	-30	33	42
July-09	5235	3972	1290	10637	102	-3	27	61
August-09	5324	4026	1303	10687	88	54	13	50
September-09	5312	4053	1320	10735	-12	27	18	47
October-09	5393	4121	1321	10724	81	68	0	-11
November-09	5454	4163	1358	10809	62	42	37	85
December-09	5503	4226	1386	10798	49	63	29	-11
January-10	5584	4284	1398	10785	81	58	12	-12
February-10	5671	4311	1376	10816	87	27	-23	31
March-10	5684	4362	1365	10927	13	52	-11	111
April-10	5641	4384	1407	10986	-43	21	42	59
May-10	5664	4438	1441	10999	23	54	34	13
June-10	5567	4483	1429	11036	-97	45	-12	37
July-10	5682	4507	1431	11021	115	24	2	-14
August-10	5658	4513	1461	10956	-24	6	30	-65
September-10	5663	4480	1429	10957	5	-33	-32	1
October-10	5667	4455	1433	10997	5	-25	4	39

Source: TÜİK, Betam

Appendix 2: Figure 3 Employment changes in sectors (in thousand)<sup>2</sup>



Source: TÜİK, Betam

<sup>2</sup> Grey lines indicate seasonally adjusted series, where dark blue lines represent raw data.