

## STAGNATION IN UNEMPLOYMENT

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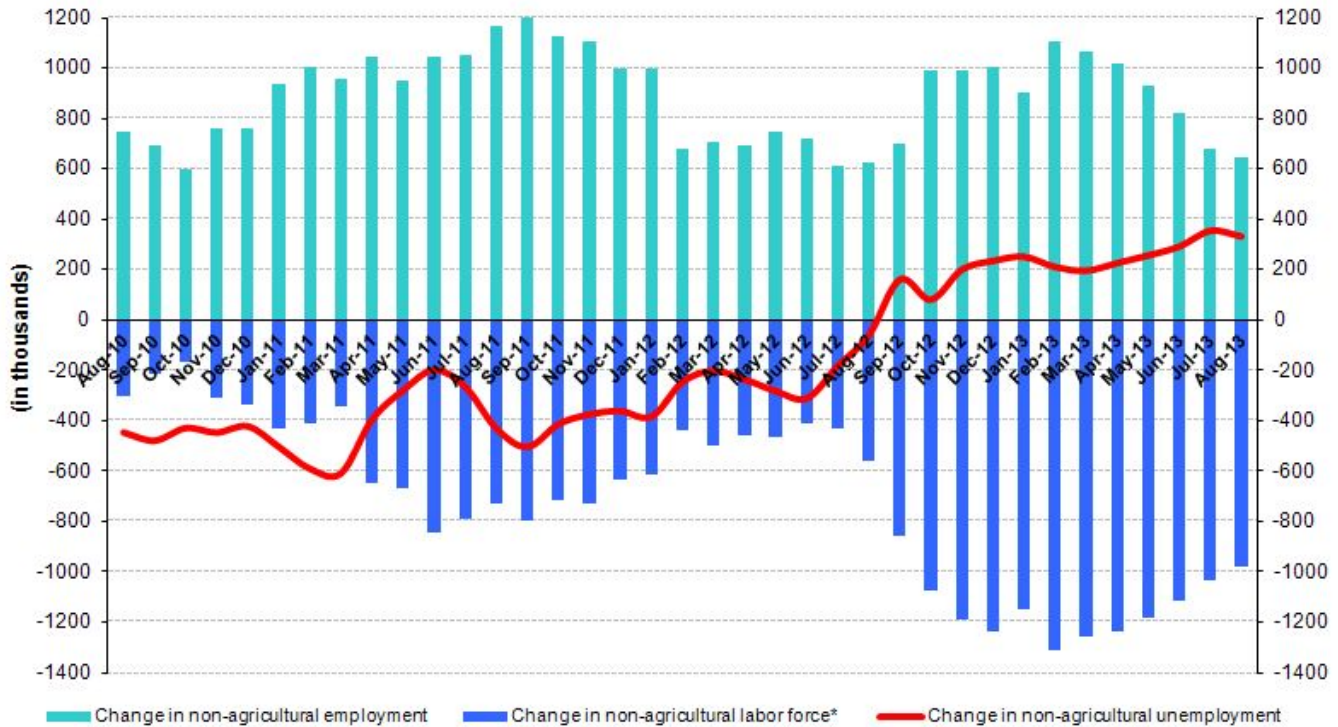
### Abstract

Seasonally adjusted labor market data shows that non-agricultural unemployment rate remained at 12.5 percent in the period of August 2013. The increase in non-agricultural labor force counterbalances the increase in non-agricultural employment in this period. Hence, non-agricultural unemployment rate stagnates. Seasonally adjusted employment data also shows that manufacturing employment has been decreasing for the period of June 2013. Service employment has been slightly increasing since the beginning of 2013. During this period, employment in construction increased by 48 thousand in the period of August 2013 preventing unemployment to increase further.

### Increases in both non-agricultural labor force and non-agricultural employment have been slowing down

According to the data released by TurkSTAT, non-agricultural labor force increased by 978 thousand (4.6 percent) and non-agricultural employment increased by 648 thousand (3.4 percent) in the period of August 2013 (Figure 1). Clearly increases in both non-agricultural labor force and non-agricultural employment have been slowing down. Consequently, the number of persons unemployed in non-agricultural sectors increased by 332 thousand (13.9 percent).

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



\* The change in labor force represented with a negative sign.

Source: TurkSTAT, Betam

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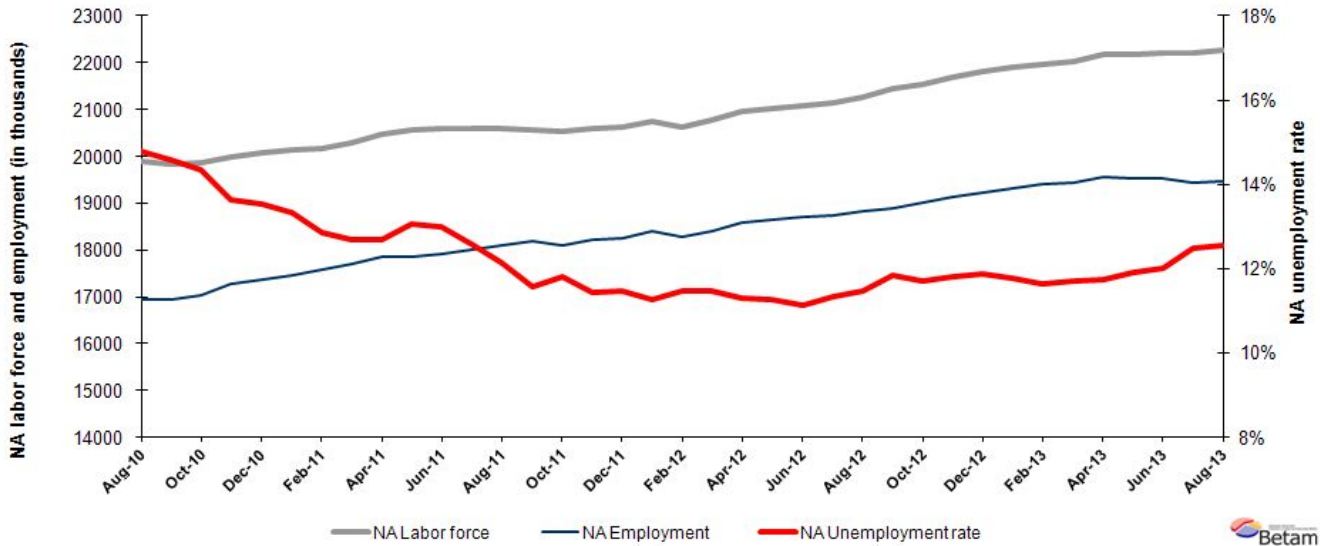
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## Stagnation in non-agricultural unemployment

According to seasonally adjusted data, non-agricultural labor force increased by 61 thousand in the period of August 2013 compared to the period of July 2013 and reached 22 million 270 thousand (Figure 2, Table 1). Non-agricultural employment increased by 38 thousand and reached 19 million 478 thousand. Hence, the number of persons unemployed in non-agricultural sectors increased by 23 thousand and non-agricultural unemployment rate remained at 12.5 percent in the period of August 2013.

**Figure 2 Seasonally adjusted non-agricultural labor force, employment and unemployment**

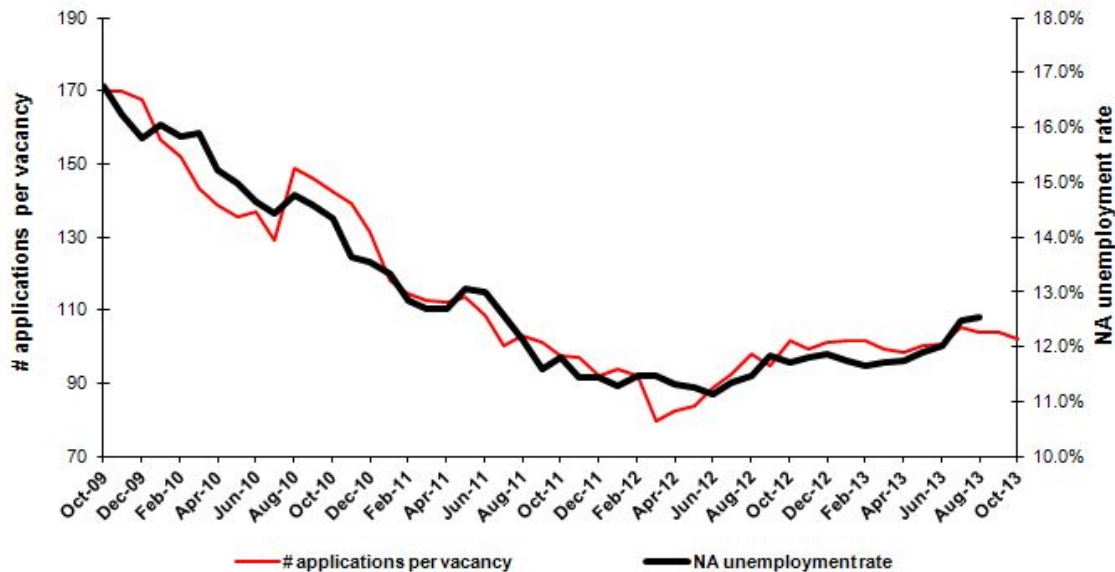


Source: TurkStat, **Betam**

## According to Kariyer.net data, non-agricultural unemployment will stagnate in the period of October 2013

Seasonally adjusted application per vacancy statistics calculated using Kariyer.net<sup>1</sup> series indicate that non-agricultural unemployment will continue to stagnate in the period of October 2013.

**Figure 1 Seasonally adjusted non-agricultural unemployment rate and application per vacancy**



Source: Kariyer.net, TurkStat, **Betam**

<sup>1</sup> Betam has been calculating application per vacancy using series released by Kariyer.net for a while. Seasonal and calendar adjustment procedure is applied to application per vacancy series. A decrease in applications per vacancy may be caused by an increase in vacancies or by a decrease in the number of applications. An increase in vacancies signals economic growth while decreasing number of applications indicates a decrease in number of people looking for a job.

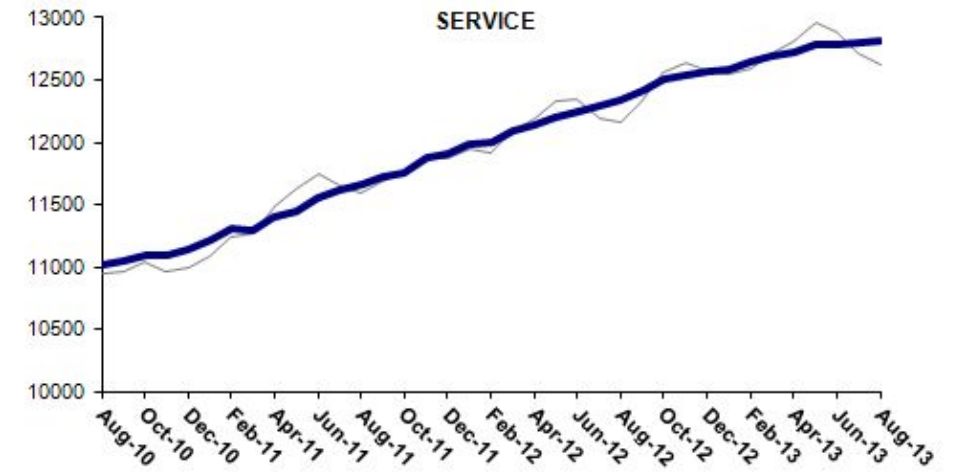
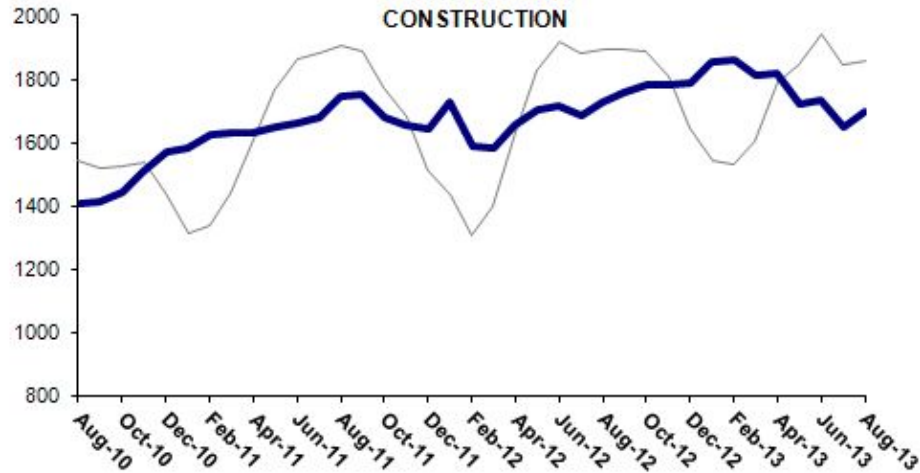
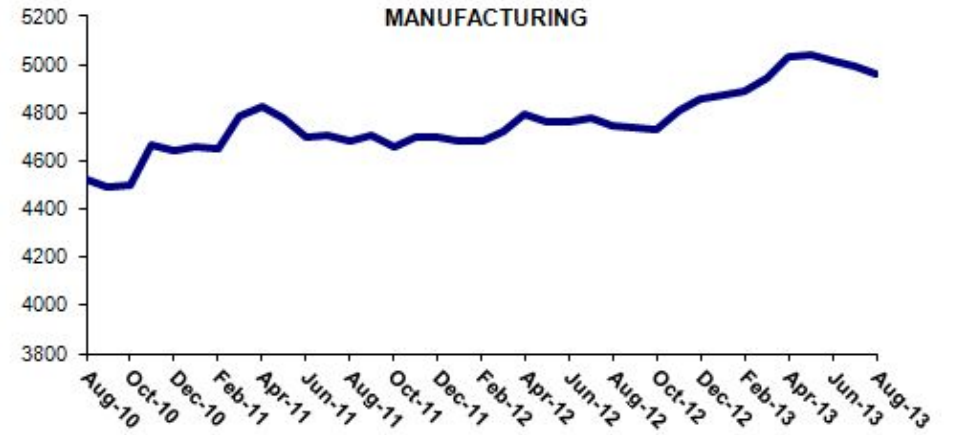
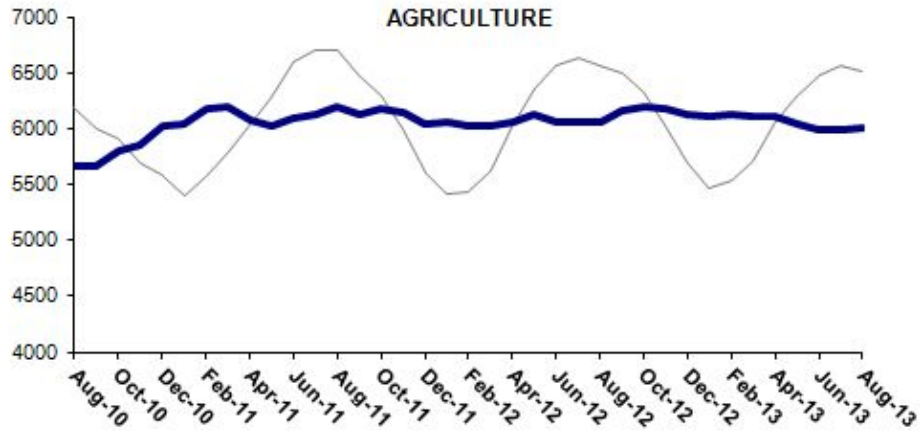
## **Employment losses in manufacturing and employment increase in construction**

According to the seasonally adjusted labor market series, manufacturing employment decreased by 27 thousand (Table 2, Figure 4).<sup>2</sup> Manufacturing employment has been decreasing since June 2013. On the other hand, increases in service employment have been losing pace since the beginning of 2013. Employment in service sector slightly increased (17 thousand) in the period of August 2013. On the other hand, construction employment increased by 48 thousand and agricultural employment increased by 23 thousand.

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<sup>2</sup> Employment in each sector is seasonally adjusted 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.

Figure 2 Employment by sectors (in thousands)<sup>3</sup>



Source: TurkStat, **Betam**



<sup>3</sup> Grey lines indicate seasonally adjusted series, where dark blue lines represent raw data.

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
July-10	19882	17011	2871	14.4%			
August-10	19882	16944	2937	14.8%	0	-67	67
September-10	19836	16942	2894	14.6%	-45	-2	-43
October-10	19876	17026	2850	14.3%	40	85	-45
November-10	19992	17263	2729	13.7%	116	237	-120
December-10	20073	17356	2717	13.5%	80	93	-12
January-11	20130	17447	2683	13.3%	57	91	-34
February-11	20177	17583	2594	12.9%	48	136	-88
March-11	20288	17710	2577	12.7%	110	127	-17
April-11	20459	17862	2598	12.7%	172	152	20
May-11	20554	17870	2684	13.1%	94	8	86
June-11	20586	17912	2675	13.0%	33	42	-9
July-11	20598	18009	2590	12.6%	12	97	-85
August-11	20584	18084	2500	12.1%	-15	75	-90
September-11	20572	18188	2383	11.6%	-12	105	-117
October-11	20520	18094	2426	11.8%	-52	-94	42
November-11	20585	18229	2356	11.4%	65	135	-69
December-11	20616	18255	2362	11.5%	31	26	5
January-12	20746	18405	2341	11.3%	129	150	-21
February-12	20633	18267	2365	11.5%	-113	-137	24
March-12	20788	18404	2384	11.5%	155	137	18
April-12	20950	18580	2370	11.3%	162	176	-14
May-12	21030	18659	2371	11.3%	80	80	1
June-12	21067	18720	2347	11.1%	37	61	-24
July-12	21144	18746	2397	11.3%	77	26	50
August-12	21257	18816	2441	11.5%	114	70	44
September-12	21442	18905	2537	11.8%	185	89	96
October-12	21539	19018	2521	11.7%	97	113	-16
November-12	21694	19133	2561	11.8%	155	114	40
December-12	21807	19218	2589	11.9%	114	85	28
January-13	21890	19316	2574	11.8%	83	98	-15
February-13	21952	19395	2556	11.6%	61	79	-18
March-13	22029	19448	2580	11.7%	77	53	24
April-13	22174	19568	2606	11.8%	145	120	25
May-13	22182	19541	2640	11.9%	8	-27	35
June-13	22205	19537	2668	12.0%	23	-4	27
July-13	22209	19440	2770	12.5%	5	-97	102
August-13	22270	19478	2793	12.5%	61	38	23

Source: TurkStat, **Betam**

**Table 2 Seasonally adjusted employment by sector (in thousands)**

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
July-10	5692	4575	1459	10976				
August-10	5666	4525	1409	11010	-26	-50	-51	34
September-10	5659	4489	1411	11042	-6	-36	2	32
October-10	5792	4498	1442	11086	133	9	32	44
November-10	5845	4667	1511	11085	53	169	69	-1
December-10	6028	4642	1568	11146	183	-25	57	61
January-11	6032	4656	1581	11210	5	14	13	64
February-11	6177	4652	1627	11305	145	-4	45	95
March-11	6195	4790	1629	11291	18	138	2	-13
April-11	6078	4828	1632	11402	-117	38	3	111
May-11	6030	4777	1650	11443	-48	-51	18	41
June-11	6099	4697	1663	11552	69	-80	13	109
July-11	6121	4710	1681	11618	22	13	18	66
August-11	6194	4682	1743	11659	73	-28	63	40
September-11	6133	4707	1752	11730	-61	25	9	71
October-11	6169	4657	1680	11758	36	-50	-72	28
November-11	6146	4700	1657	11872	-23	43	-23	114
December-11	6045	4701	1644	11910	-101	1	-13	38
January-12	6050	4685	1728	11992	6	-16	84	82
February-12	6031	4684	1588	11996	-20	-1	-141	4
March-12	6023	4721	1584	12099	-8	37	-4	104
April-12	6059	4792	1652	12136	36	71	68	37
May-12	6121	4760	1705	12194	62	-32	53	58
June-12	6062	4761	1714	12245	-58	1	9	50
July-12	6062	4778	1684	12285	0	17	-31	40
August-12	6059	4745	1728	12343	-4	-33	44	59
September-12	6158	4735	1759	12411	99	-10	32	67
October-12	6193	4732	1785	12502	35	-3	25	91
November-12	6177	4814	1782	12537	-16	82	-3	35
December-12	6130	4856	1791	12571	-47	42	9	35
January-13	6107	4870	1854	12592	-23	14	64	20
February-13	6131	4886	1860	12650	24	16	5	58
March-13	6115	4948	1813	12687	-16	62	-46	37
April-13	6103	5030	1816	12722	-12	82	3	35
May-13	6041	5044	1719	12778	-62	14	-97	56
June-13	5986	5015	1733	12789	-55	-29	14	11
July-13	5986	4991	1649	12800	0	-24	-84	11
August-13	6009	4964	1697	12817	23	-27	48	17

Source: TurkStat, **Betam**