

NONAGRICULTURAL UNEMPLOYMENT STAGNATED

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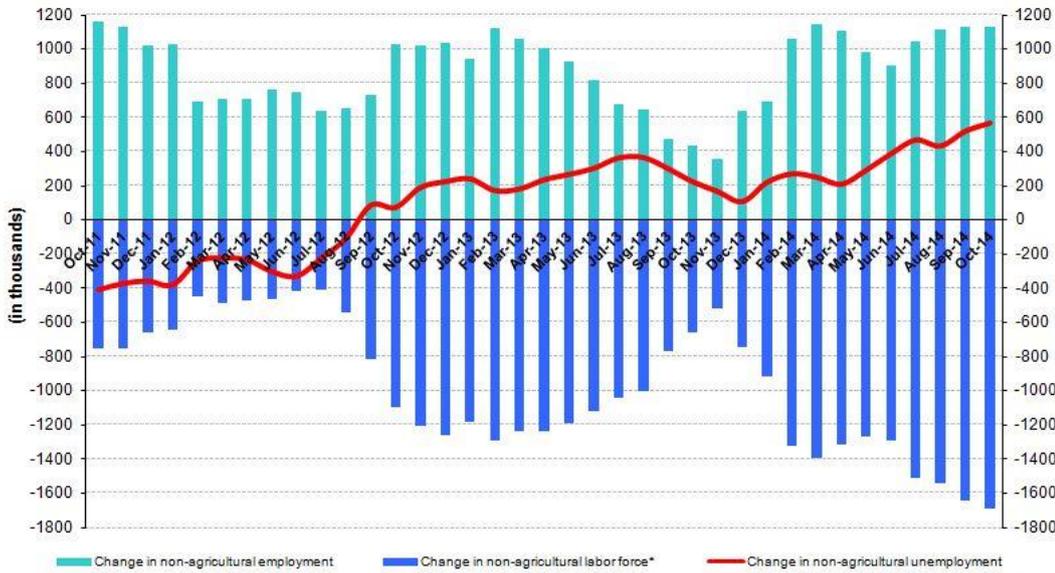
Abstract

Seasonally adjusted labor market data shows that nonagricultural unemployment rate remained constant at the level of 12.7 percent. According to the Betam forecasting model based on Kariyer.net data, nonagricultural employment rate will increase in the period of November 2014.

Nonagricultural labor force is soaring

According to data released by TurkStat in the period of October 2014, non-agricultural labor force increased by 1 million 692 thousand (7.7 percent), non-agricultural employment increased by 1 million 128 thousand (5.8 percent) and non-agricultural unemployment increased by 564 thousand compared to the same period in the previous year (Figure1). Although yearly increases in nonagricultural employment amount more than 1 million during last four periods, they are not enough to absorb accelerating expansion in nonagricultural labor force. Indeed, increases in nonagricultural labor force have grown gradually and the increase in nonagricultural labor force in the period of October 2015 was recorded to be more than 1.5 million. On the other hand, we think that these changes should be interpreted cautiously due to the revision in labor market statistics held in February 2014.

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



Source: TurkSTAT, Betam

Non-agricultural unemployment rate remained constant

According to seasonally adjusted data, non-agricultural labor force increased by 151 in the period of October 2014 compared to the period of September 2014, and reached 23 million 716 thousand (Figure 2, Table 1). Nonagricultural employment recorded 20 million 704 thousand, increasing by 132 thousand. Hence, the number of

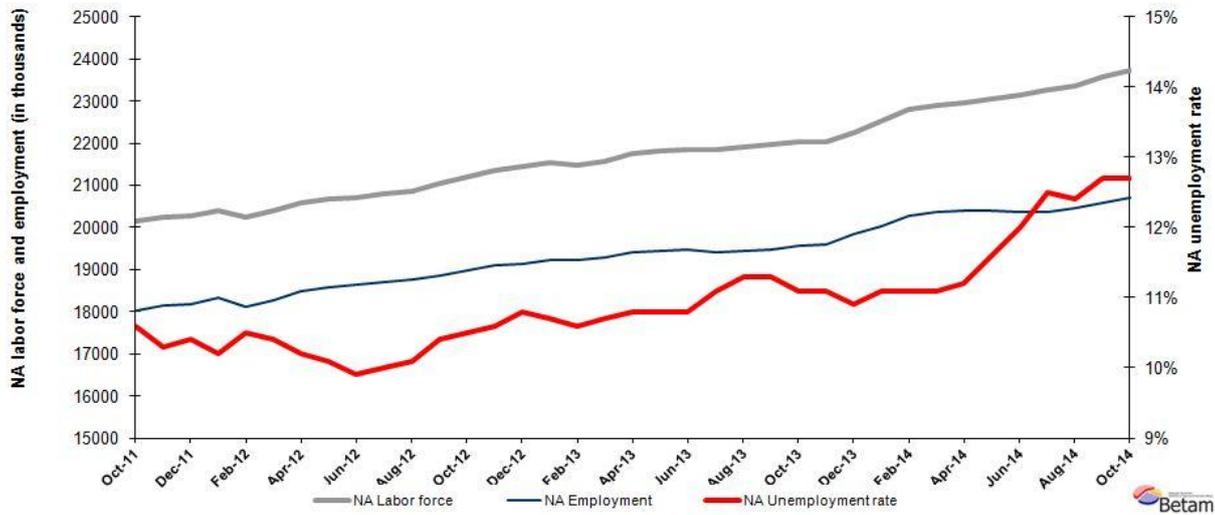
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persons unemployed in nonagricultural sectors increased by 19 thousand and in October 2014 nonagricultural unemployment rate remained constant at the level of 12.7 percent compared to September 2014.

Figure 1 Seasonally adjusted non-agricultural labor force, employment, and unemployment

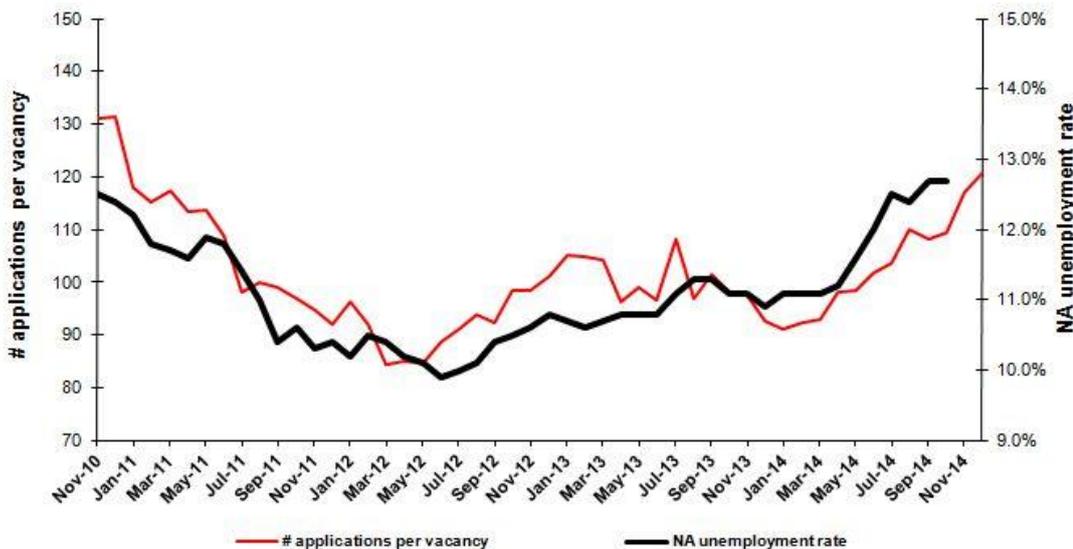


Source: TurkSTAT, Betam

Unemployment will increase in the period of November 2014

Kariyer.net's¹ application per vacancy series used in the Betam forecasting model is depicted in Figure 3. Strikingly, the increase in applications per vacancy series has accelerated since the period of August 2014. Kariyer.net data indicates that this increase will continue in the period of November 2014. Moreover, Betam's forecasting model predicts that non-agricultural unemployment will increase in the next period (November 2014).²

Figure 2 Seasonally adjusted non-agricultural unemployment rate and application per vacancy



Source: Kariyer.net, TurkSTAT, Betam

¹ 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. Monthly labor market series released by TurkStat is the average of three months. Therefore, application per vacancy statistics calculated using Kariyer.net series is the average of three months as well.

² For detailed information on Soybilgen's forecasting model, please see Betam Research Brief 168 titled as "Kariyer.net Verisiyle Kısa Vadeli Tarım Dışı İşsizlik Tahmini"

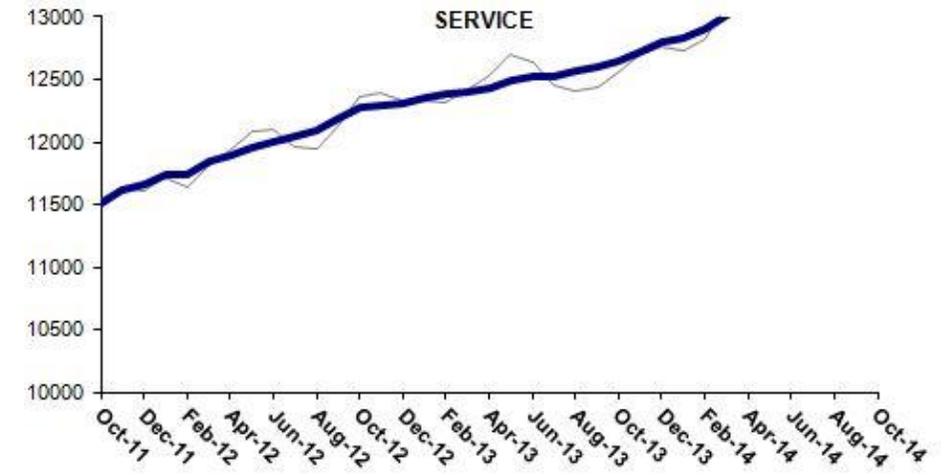
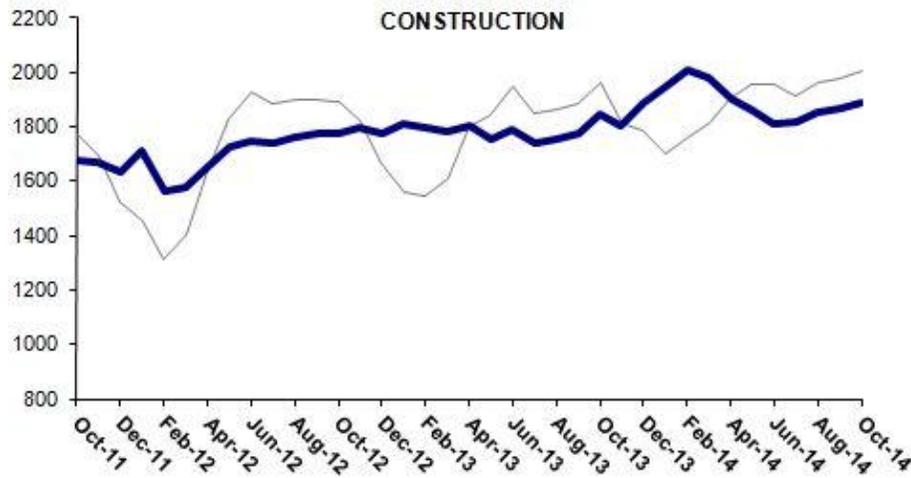
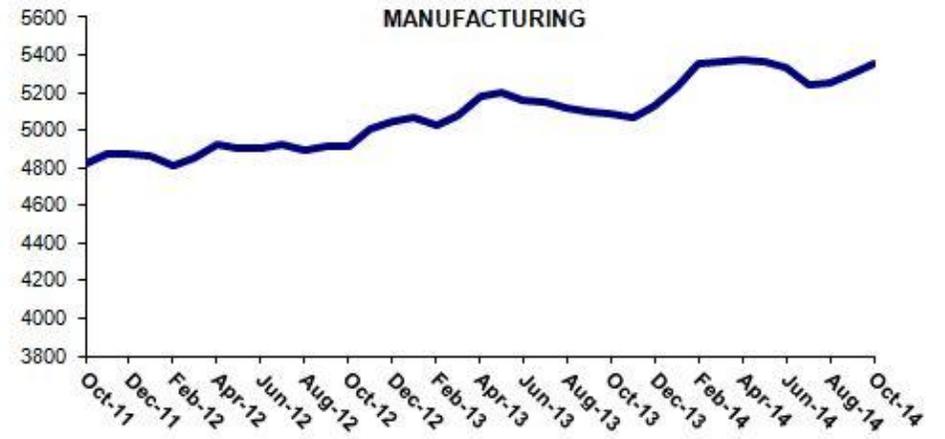
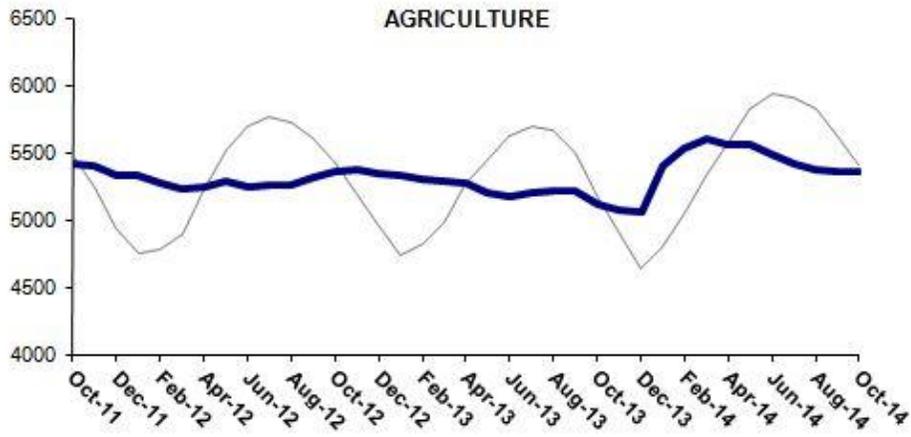
<http://betam.bahcesehir.edu.tr/tr/2014/06/kariyer-net-verisiyle-kisa-vadeli-tarim-disi-issizlik-tahmini/>

Increasing employment in non-agricultural sectors

According to seasonally adjusted labor market series, employment increased in all sectors except the agriculture in the period of October 2014 (Figure 4, Table2).³ In this period, employment in manufacturing sector increased by 47 thousand and employment in service sector increased by 69 thousand.

³Employment 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 3 Employment by sectors (in thousands)



Source: TurkStat, Betam



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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
September-11	20208	18106	2102	10.4%			
October-11	20148	18012	2136	10.6%	-60	-94	34
November-11	20246	18161	2085	10.3%	99	149	-50
December-11	20276	18167	2109	10.4%	29	6	23
January-12	20398	18317	2081	10.2%	122	150	-28
February-12	20245	18119	2126	10.5%	-153	-198	45
March-12	20406	18284	2122	10.4%	162	165	-3
April-12	20571	18473	2098	10.2%	165	189	-24
May-12	20675	18587	2088	10.1%	104	114	-10
June-12	20699	18650	2049	9.9%	24	63	-39
July-12	20789	18710	2079	10.0%	90	60	30
August-12	20858	18751	2107	10.1%	69	41	28
September-12	21057	18867	2190	10.4%	199	116	83
October-12	21197	18971	2226	10.5%	140	104	36
November-12	21357	19093	2264	10.6%	160	122	38
December-12	21452	19135	2317	10.8%	95	42	53
January-13	21538	19233	2305	10.7%	86	98	-12
February-13	21489	19211	2278	10.6%	-49	-22	-27
March-13	21583	19274	2309	10.7%	95	63	32
April-13	21759	19409	2350	10.8%	176	135	41
May-13	21808	19453	2355	10.8%	49	44	5
June-13	21832	19474	2358	10.8%	24	21	3
July-13	21838	19414	2424	11.1%	6	-60	66
August-13	21923	19446	2477	11.3%	85	32	53
September-13	21962	19480	2482	11.3%	38	34	4
October-13	22025	19580	2445	11.1%	63	100	-37
November-13	22036	19590	2446	11.1%	11	10	1
December-13	22254	19828	2426	10.9%	218	238	-20
January-14	22513	20014	2499	11.1%	259	186	73
February-14	22818	20285	2533	11.1%	305	271	34
March-14	22899	20357	2542	11.1%	81	72	9
April-14	22967	20395	2572	11.2%	69	38	31
May-14	23060	20385	2675	11.6%	93	-10	103
June-14	23135	20359	2776	12.0%	75	-26	101
July-14	23272	20363	2909	12.5%	137	4	133
August-14	23354	20458	2896	12.4%	82	95	-13
September-14	23565	20572	2993	12.7%	211	114	97
October-14	23716	20704	3012	12.7%	151	132	19

Source: TurkStat, Betam

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

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
September-11	5384	4866	1759	11480				
October-11	5414	4823	1679	11510	30	-43	-80	30
November-11	5406	4870	1669	11622	-8	47	-10	112
December-11	5329	4873	1635	11659	-77	3	-34	37
January-12	5333	4864	1709	11745	4	-9	74	86
February-12	5276	4808	1565	11746	-57	-56	-144	1
March-12	5222	4850	1580	11853	-54	42	15	107
April-12	5249	4930	1653	11890	27	80	73	37
May-12	5292	4908	1728	11951	43	-22	75	61
June-12	5249	4900	1749	12001	-43	-8	21	50
July-12	5259	4926	1742	12041	10	26	-7	40
August-12	5257	4892	1762	12097	-2	-34	20	56
September-12	5320	4911	1777	12179	63	19	15	82
October-12	5358	4917	1779	12274	38	6	2	95
November-12	5365	5003	1800	12289	7	86	21	15
December-12	5346	5051	1775	12309	-19	48	-25	20
January-13	5331	5073	1811	12349	-15	22	36	40
February-13	5298	5023	1799	12389	-33	-50	-12	40
March-13	5281	5083	1785	12406	-17	60	-14	17
April-13	5269	5176	1807	12425	-12	93	22	19
May-13	5207	5200	1755	12498	-62	24	-52	73
June-13	5178	5163	1790	12521	-29	-37	35	23
July-13	5193	5146	1739	12529	15	-17	-51	8
August-13	5217	5117	1754	12575	24	-29	15	46
September-13	5211	5096	1777	12607	-6	-21	23	32
October-13	5120	5090	1845	12645	-91	-6	68	38
November-13	5077	5064	1802	12724	-43	-26	-43	79
December-13	5060	5131	1892	12804	-17	67	90	80
January-14	5402	5232	1945	12838	342	101	53	34
February-14	5530	5359	2011	12915	128	127	66	77
March-14	5600	5365	1979	13013	70	6	-32	98
April-14	5563	5373	1906	13116	-37	8	-73	103
May-14	5563	5364	1864	13157	0	-9	-42	41
June-14	5487	5332	1814	13213	-76	-32	-50	56
July-14	5411	5243	1821	13299	-76	-89	7	86
August-14	5369	5257	1855	13346	-42	14	34	47
September-14	5354	5306	1870	13395	-15	49	15	49
October-14	5354	5353	1887	13464	0	47	17	69

Source: TurkStat, Betam