

## NONAGRICULTURAL UNEMPLOYMENT DECREASED IN JULY 2015

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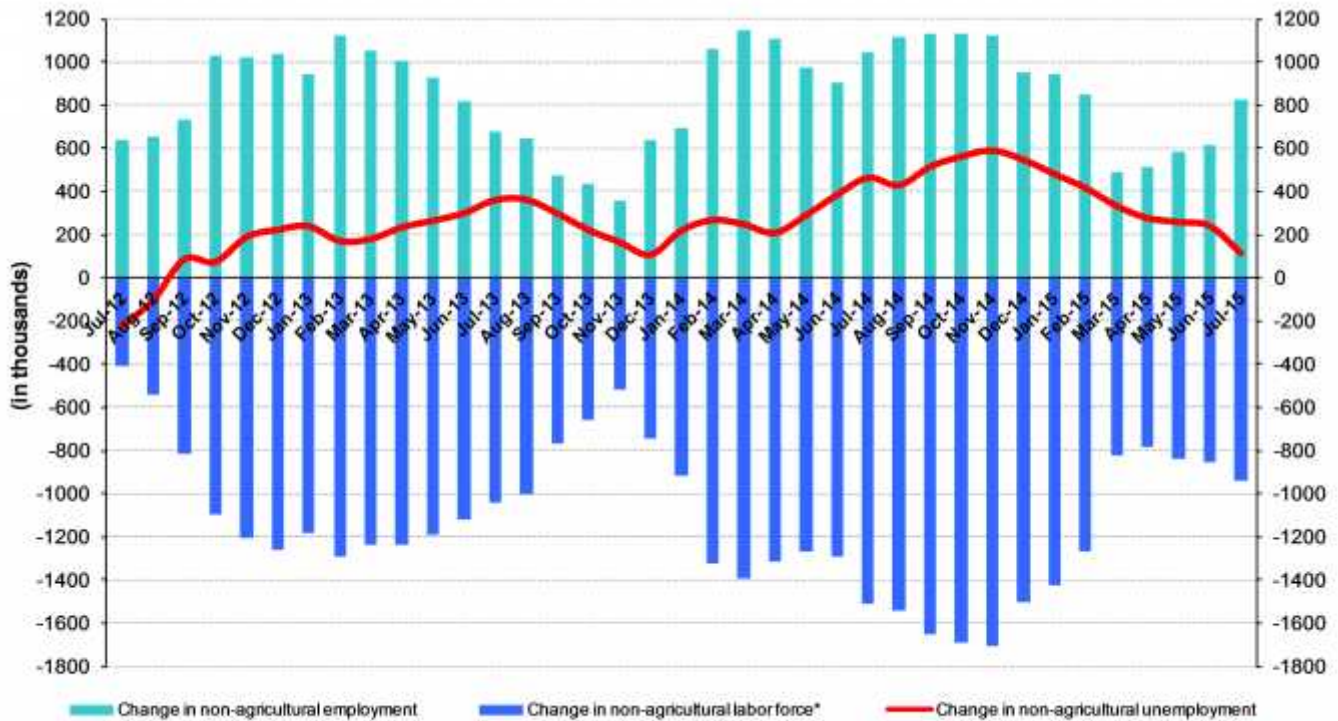
### Executive Summary

Seasonally adjusted labor market data shows that, compared to the previous period, nonagricultural unemployment rate increased from 12.6 percent to 12.4 percent (0.2 percentage points) in the period of July 2015. Employment decreased by 44 thousand in manufacturing while employment increased by 53 thousand and 74 thousand in construction and services respectively. Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will increase in next period.

### Year-on-year increase in nonagricultural unemployment weakened

According to data released by TurkStat in the period of July 2015, nonagricultural labor force increased by 940 thousand (4.0 percent), nonagricultural employment increased by 827 thousand (4.0 percent) and nonagricultural unemployment increased by 113 thousand compared the same period in the previous year (Figure1). Note that increases in both nonagricultural employment and nonagricultural labor force have grown stronger during this period. More specifically, the annual increase in nonagricultural employment is quite large compared to increases recorded during last five years. Thus, a significant part of the increase in nonagricultural labor force was employed and the increase in nonagricultural unemployment was limited to 113 thousand.

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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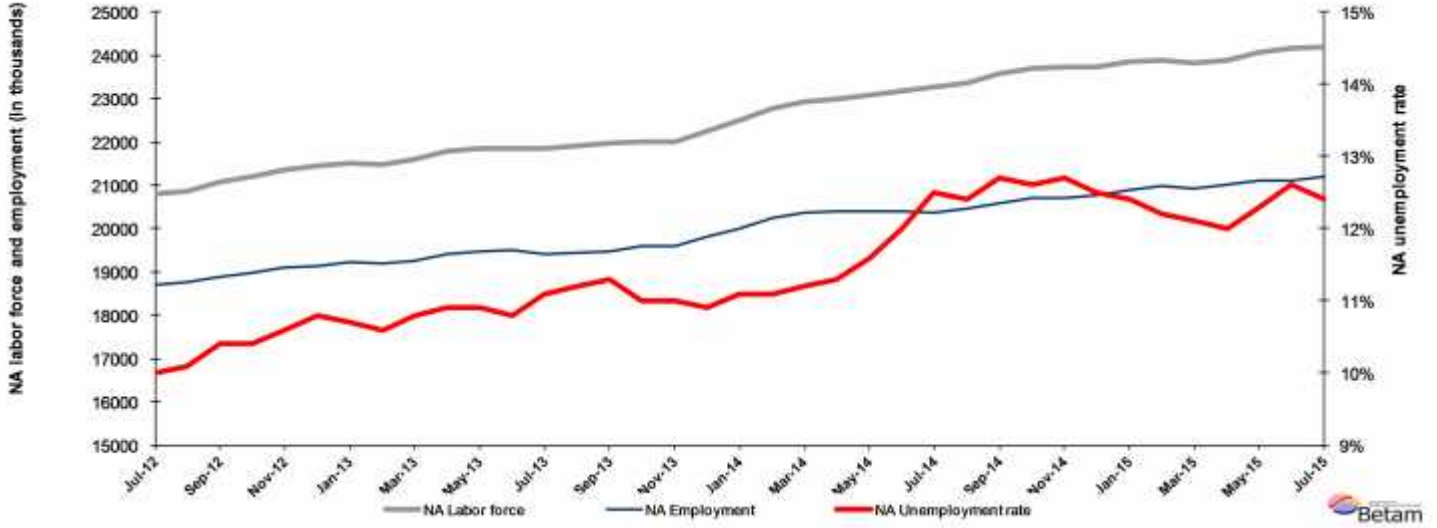
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## Seasonally adjusted unemployment decreased

According to seasonally adjusted data in the period of July 2015, nonagricultural labor force increased by 41 thousand compared to the period of June 2015, and reached 24 million 200 thousand. Nonagricultural employment increased by 84 thousand, and reached 21 million 119 thousand (Figure 2, Table 1). In the period of July 2015 compared to the period of June 2015, the number of nonagricultural unemployed decreased by 43 thousand and nonagricultural unemployment rate decreased by 0.2 percent and reduced to 12.4 percent.

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



Source: Turkstat; Betam

## Nonagricultural unemployment would increase in next month

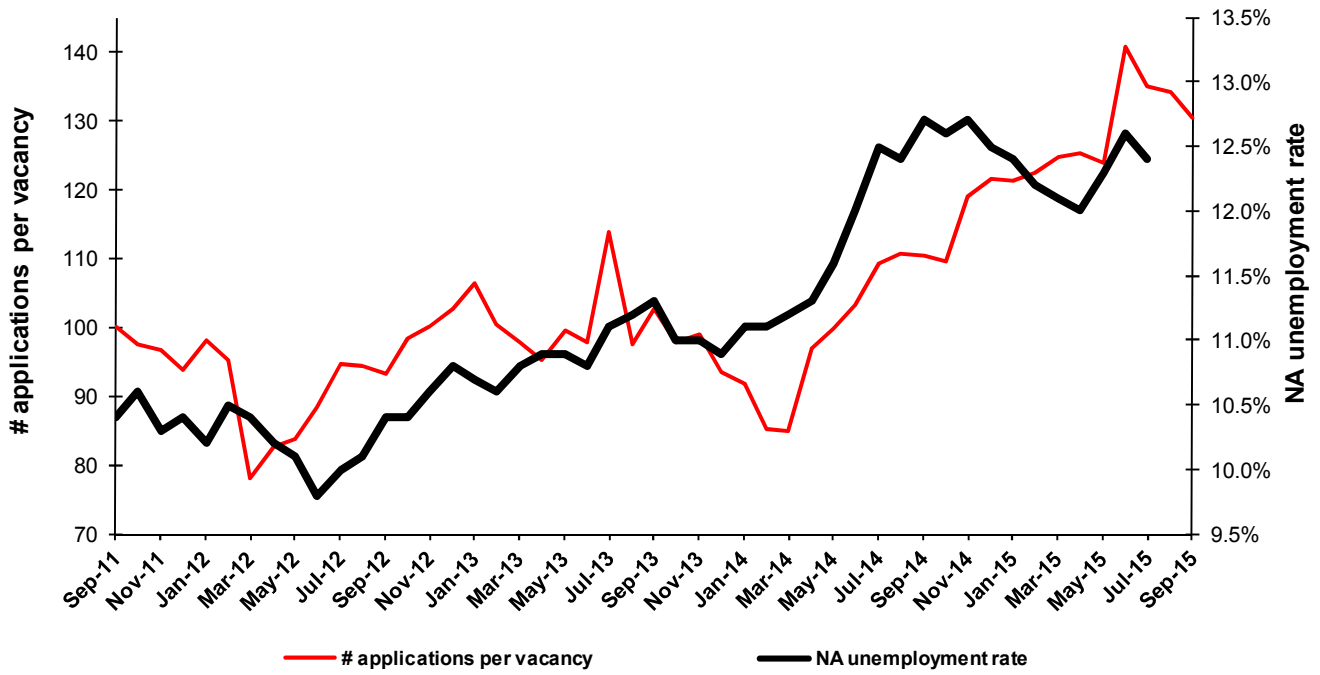
Betam's forecasting model had predicted that nonagricultural unemployment would remain at the level of 12.6 percent in the period of July 2015. However, nonagricultural unemployment decreased contrary to our expectations. Betam's forecasting model estimates that seasonally adjusted nonagricultural unemployment rate will increase in the period of August 2015. Forecasting model details are available on Betam's website.<sup>1</sup> Kariyer.net<sup>2</sup> application per vacancy series used in the Betam forecasting model is depicted in Figure 3. Kariyer.net series is only one of the inputs of Betam forecast model. Indeed, several variables such as employment agency (İŞKUR) data, reel sector confidence index, capacity utilization rate are used in forecasting. Taken into account all these factors, Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will increase in the next period.

<sup>1</sup> For detailed information on Betam'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/>

<sup>2</sup> Betam Kariyer.net tarafından sağlanan verilerden açık bulunan iş pozisyonu başına yapılan başvuru sayısını hesaplıyor. Bu seri hem mevsim hem takvim etkilerinden arındırılmıştır. İlan başına başvuru sayısının azalması bir yandan münhal işlerin artmasına diğer yandan da başvuru sayısının azalmasına bağlıdır. Münhal işlerin artması büyümenin hızlanmasına bağlanırken, başvuruların azalması iş arayan sayısının azalmasına bağlı olacaktır.

**Figure 3 Seasonally adjusted nonagricultural unemployment rate and application per vacancy**



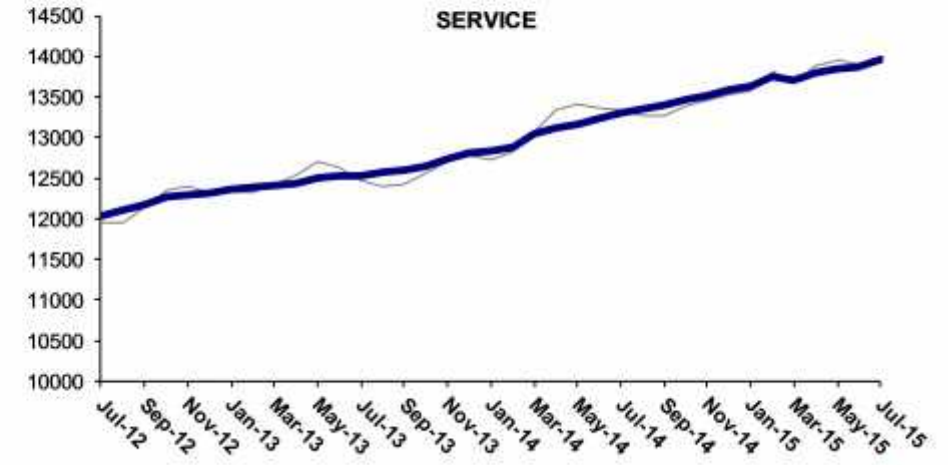
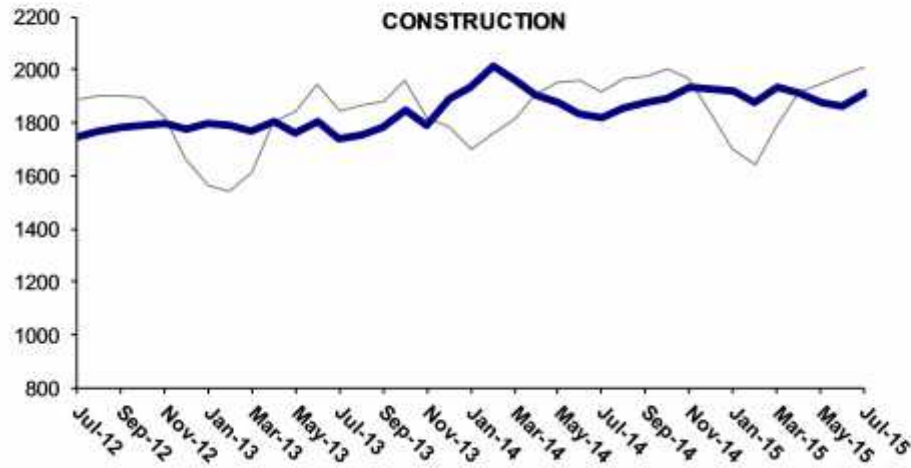
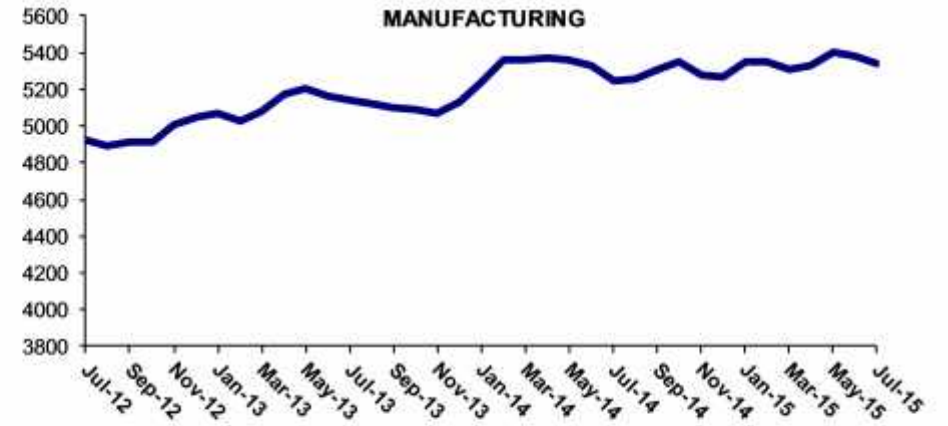
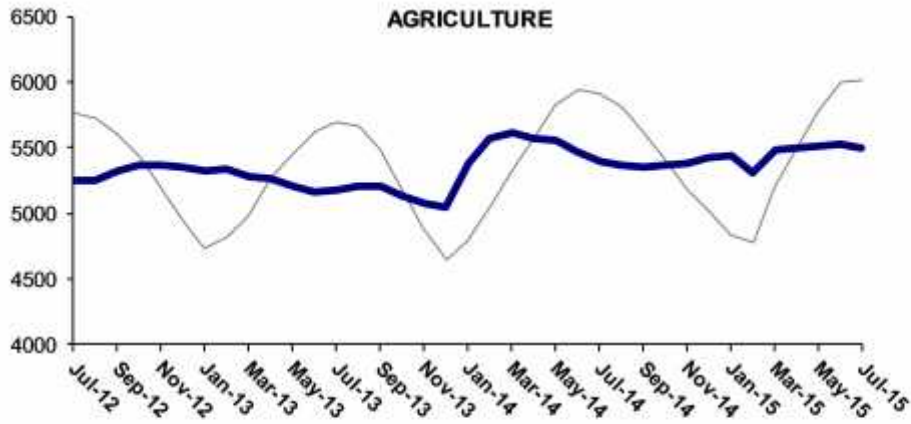
Source: Kariyer.net, Turkstat, Betam

### Employment losses in manufacturing and agriculture

According to seasonally adjusted labor market series, employment decreased in both agriculture and manufacturing, and increased in services and construction in the period of July 2015 compared to the period of June 2015 (Figure 4, Table 2).<sup>3</sup> Employment decreased by 24 thousand and 44 thousand in agriculture and manufacturing respectively. On the other hand, a 53-thousand increase in construction and a 74-thousand increase in services were recorded.

<sup>3</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 4 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
June-12	20691	18663	2028	9.8%			
July-12	20793	18714	2079	10.0%	103	51	52
August-12	20865	18758	2107	10.1%	72	44	28
September-12	21067	18876	2191	10.4%	202	118	84
October-12	21185	18982	2203	10.4%	118	106	12
November-12	21358	19094	2264	10.6%	173	112	61
December-12	21455	19138	2317	10.8%	97	44	53
January-13	21522	19219	2303	10.7%	67	81	-14
February-13	21478	19201	2277	10.6%	-44	-18	-26
March-13	21592	19260	2332	10.8%	114	59	55
April-13	21780	19406	2374	10.9%	188	146	42
May-13	21843	19462	2381	10.9%	63	56	7
June-13	21848	19488	2360	10.8%	5	26	-21
July-13	21838	19414	2424	11.1%	-10	-74	64
August-13	21900	19447	2453	11.2%	62	33	29
September-13	21965	19483	2482	11.3%	65	36	29
October-13	22007	19586	2421	11.0%	42	103	-61
November-13	22006	19585	2421	11.0%	-1	-1	0
December-13	22253	19827	2426	10.9%	247	242	5
January-14	22502	20004	2498	11.1%	249	177	72
February-14	22785	20256	2529	11.1%	283	252	31
March-14	22938	20369	2569	11.2%	153	113	40
April-14	22999	20400	2599	11.3%	61	31	30
May-14	23081	20404	2677	11.6%	83	4	79
June-14	23170	20390	2780	12.0%	89	-14	103
July-14	23270	20361	2909	12.5%	99	-29	128
August-14	23357	20461	2896	12.4%	88	100	-12
September-14	23564	20571	2993	12.7%	206	110	96
October-14	23691	20706	2985	12.6%	128	135	-7
November-14	23732	20718	3014	12.7%	41	12	29
December-14	23735	20768	2967	12.5%	3	50	-47
January-15	23852	20894	2958	12.4%	117	126	-9
February-15	23887	20973	2914	12.2%	36	79	-43
March-15	23815	20933	2882	12.1%	-73	-40	-33
April-15	23890	21023	2867	12.0%	75	90	-15
May-15	24079	21117	2962	12.3%	189	94	95
June-15	24159	21115	3044	12.6%	80	-2	82
July-15	24200	21199	3001	12.4%	41	84	-43

Source: Turkstat, Betam

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

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
June-12	5236	4900	1760	12004				
July-12	5251	4926	1747	12041	15	26	-13	37
August-12	5253	4892	1770	12097	2	-34	23	56
September-12	5320	4911	1786	12179	67	19	16	82
October-12	5366	4917	1788	12276	46	6	2	97
November-12	5371	5003	1800	12291	5	86	12	15
December-12	5345	5051	1778	12310	-26	48	-22	19
January-13	5324	5073	1795	12351	-21	22	17	41
February-13	5332	5023	1788	12389	8	-50	-7	38
March-13	5284	5083	1769	12407	-48	60	-19	18
April-13	5267	5176	1803	12428	-17	93	34	21
May-13	5199	5200	1760	12501	-68	24	-43	73
June-13	5163	5163	1801	12523	-36	-37	41	22
July-13	5183	5146	1738	12529	20	-17	-63	6
August-13	5213	5117	1756	12574	30	-29	18	45
September-13	5212	5096	1780	12607	-1	-21	24	33
October-13	5126	5090	1851	12645	-86	-6	71	38
November-13	5079	5064	1792	12728	-47	-26	-59	83
December-13	5052	5131	1890	12806	-27	67	98	78
January-14	5387	5232	1931	12841	335	101	41	35
February-14	5575	5359	2013	12885	188	127	82	44
March-14	5606	5365	1965	13039	31	6	-48	154
April-14	5564	5373	1904	13124	-42	8	-61	85
May-14	5558	5364	1875	13165	-6	-9	-29	41
June-14	5471	5332	1831	13227	-87	-32	-44	62
July-14	5401	5243	1818	13301	-70	-89	-13	74
August-14	5363	5257	1856	13347	-38	14	38	46
September-14	5356	5306	1873	13393	-7	49	17	46
October-14	5361	5353	1892	13462	5	47	19	69
November-14	5379	5273	1935	13510	18	-80	43	48
December-14	5425	5266	1929	13573	46	-7	-6	63
January-15	5444	5349	1922	13622	19	83	-7	49
February-15	5313	5351	1877	13745	-131	2	-45	123
March-15	5480	5308	1932	13692	167	-43	55	-53
April-15	5492	5326	1911	13786	12	18	-21	94
May-15	5506	5404	1873	13839	14	78	-38	53
June-15	5527	5380	1860	13876	21	-24	-13	37
July-15	5503	5336	1913	13950	-24	-44	53	74

Source: Turkstat, Betam