

# Labor Market Outlook:

# December 2015

### 15 December 2015

### Eylül 2015

**NoNAGRICULTURAL UNEMPLOYMENT RATE DECLINED TO 12.4 PERCENT**

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**Executive Summary**

Seasonally adjusted labor market data shows that nonagricultural unemployment rate decreased from 12.5 percent to 12.4 percent (0.1 percentage points) in the period of September 2015 compared to the previous period. Employment in manufacturing increased by 75 thousand in September 2015 for the first time since June 2015. Nonagricultural labor force and nonagricultural employment increased by 176 thousand and 178 thousand respectively and, thus the number of nonagricultural unemployed declined by only 2 thousand in this period. Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will remain constant at the level of 12.4 percent in the period of October 2015.

**Similar year-on-year increases in labor force and employment**

According to data released by TurkStat in the period of September 2015, nonagricultural labor force increased by 817 thousand (3.5 percent), nonagricultural employment increased by 786 thousand (3.8 percent) and nonagricultural unemployment increased by 31 thousand compared to the same period in the previous year (Figure1). Since increases in nonagricultural labor force and employment are similar in magnitude, the change in the number of nonagricultural unemployed remained limited.

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



Source: Turkstat; Betam

**Seasonally adjusted unemployment decreased**

According to seasonally adjusted data in the period of September 2015, nonagricultural labor force increased by 176 thousand compared to the period of August 2015, and reached 24 million 318 thousand. Nonagricultural employment increased by 178 thousand, and reached 21 million 303 thousand (Figure 2, Table 1). In the period of September 2015 compared to the period of August 2015, the number of nonagricultural unemployed decreased by 2 thousand and nonagricultural unemployment rate decreased from 12.5 percent to 12.4 percent.

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



Source: Turkstat; Betam

**Nonagricultural unemployment will remain constant**

Betam's forecasting model had predicted that decreasing by 0.1 percentage points, nonagricultural unemployment rate would be 12.4 percent. Note that this forecast was correct. For the period of October 2015, Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will remain constant at the level of 12.4 percent. Forecasting model details are available on Betam's website.[[4]](#footnote-4) Kariyer.net[[5]](#footnote-5) 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 remain constant in the period of October 2015.

Figure 3 Seasonally adjusted nonagricultural unemployment rate and application per vacancy



Source: Kariyer.net, Turkstat, Betam

**Employment increased in manufacturing and services**

According to seasonally adjusted labor market series, employment increased in all sectors except agriculture in the period of September 2015 compared to the period of August 2015. Employment increased in manufacturing, services and construction by 75 thousand, 89 thousand and 14 thousand respectively. On the other hand, employment in agriculture declined by 7 thousand (Figure 4, Table 2).[[6]](#footnote-6)

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** | | |
| **August-12** | 20867 | 18759 | 2108 | 10,1% | **Labor force** | **Employment** | **Unemployment** |
| **September-12** | 21067 | 18876 | 2191 | 10,4% | 200 | 117 | 83 |
| **October-12** | 21184 | 18981 | 2203 | 10,4% | 117 | 105 | 12 |
| **November-12** | 21357 | 19093 | 2264 | 10,6% | 173 | 112 | 61 |
| **December-12** | 21455 | 19138 | 2317 | 10,8% | 98 | 45 | 53 |
| **January-13** | 21522 | 19219 | 2303 | 10,7% | 67 | 81 | -14 |
| **February-13** | 21477 | 19200 | 2277 | 10,6% | -45 | -19 | -26 |
| **March-13** | 21592 | 19260 | 2332 | 10,8% | 115 | 60 | 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** | 21837 | 19413 | 2424 | 11,1% | -11 | -75 | 64 |
| **August-13** | 21901 | 19448 | 2453 | 11,2% | 64 | 35 | 29 |
| **September-13** | 21965 | 19483 | 2482 | 11,3% | 64 | 35 | 29 |
| **October-13** | 22006 | 19585 | 2421 | 11,0% | 41 | 102 | -61 |
| **November-13** | 22004 | 19584 | 2420 | 11,0% | -1 | -1 | 0 |
| **December-13** | 22251 | 19826 | 2425 | 10,9% | 247 | 242 | 5 |
| **January-14** | 22503 | 20005 | 2498 | 11,1% | 251 | 179 | 72 |
| **February-14** | 22786 | 20257 | 2529 | 11,1% | 283 | 252 | 31 |
| **March-14** | 22939 | 20370 | 2569 | 11,2% | 153 | 113 | 40 |
| **April-14** | 23000 | 20401 | 2599 | 11,3% | 61 | 31 | 30 |
| **May-14** | 23081 | 20404 | 2677 | 11,6% | 81 | 3 | 78 |
| **June-14** | 23172 | 20391 | 2781 | 12,0% | 90 | -13 | 103 |
| **July-14** | 23266 | 20358 | 2908 | 12,5% | 95 | -33 | 128 |
| **August-14** | 23376 | 20477 | 2899 | 12,4% | 109 | 119 | -10 |
| **September-14** | 23559 | 20567 | 2992 | 12,7% | 183 | 90 | 93 |
| **October-14** | 23690 | 20705 | 2985 | 12,6% | 131 | 138 | -7 |
| **November-14** | 23730 | 20716 | 3014 | 12,7% | 40 | 11 | 29 |
| **December-14** | 23733 | 20766 | 2967 | 12,5% | 3 | 50 | -47 |
| **January-15** | 23847 | 20890 | 2957 | 12,4% | 114 | 124 | -10 |
| **February-15** | 23882 | 20968 | 2914 | 12,2% | 35 | 78 | -43 |
| **March-15** | 23809 | 20928 | 2881 | 12,1% | -73 | -40 | -33 |
| **April-15** | 23881 | 21015 | 2866 | 12,0% | 72 | 87 | -15 |
| **May-15** | 24067 | 21107 | 2960 | 12,3% | 187 | 92 | 95 |
| **June-15** | 24148 | 21105 | 3043 | 12,6% | 80 | -2 | 82 |
| **July-15** | 24195 | 21195 | 3000 | 12,4% | 48 | 90 | -42 |
| **August-15** | 24143 | 21125 | 3018 | 12,5% | -52 | -70 | 18 |
| **September-15** | 24318 | 21303 | 3015 | 12,4% | 176 | 178 | -2 |

Source: Turkstat, Betam

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Agriculture** | **Manufacturing** | **Construction** | **Service** | **Monthly changes** | | | |
| **August-12** | 5248 | 4892 | 1770 | 12097 | **Agriculture** | **Manufacturing** | **Construction** | **Service** |
| **September-12** | 5317 | 4911 | 1785 | 12179 | 69 | 19 | 15 | 82 |
| **October-12** | 5364 | 4917 | 1788 | 12276 | 47 | 6 | 3 | 97 |
| **November-12** | 5370 | 5003 | 1799 | 12291 | 6 | 86 | 11 | 15 |
| **December-12** | 5344 | 5051 | 1778 | 12310 | -26 | 48 | -21 | 19 |
| **January-13** | 5324 | 5073 | 1795 | 12351 | -20 | 22 | 17 | 41 |
| **February-13** | 5334 | 5023 | 1788 | 12390 | 10 | -50 | -7 | 39 |
| **March-13** | 5286 | 5083 | 1770 | 12407 | -48 | 60 | -18 | 17 |
| **April-13** | 5270 | 5176 | 1803 | 12427 | -16 | 93 | 33 | 20 |
| **May-13** | 5201 | 5200 | 1761 | 12501 | -69 | 24 | -42 | 74 |
| **June-13** | 5166 | 5163 | 1802 | 12523 | -35 | -37 | 41 | 22 |
| **July-13** | 5187 | 5146 | 1738 | 12529 | 21 | -17 | -64 | 6 |
| **August-13** | 5207 | 5117 | 1757 | 12575 | 20 | -29 | 19 | 46 |
| **September-13** | 5207 | 5096 | 1780 | 12607 | 0 | -21 | 23 | 32 |
| **October-13** | 5123 | 5090 | 1851 | 12645 | -84 | -6 | 71 | 38 |
| **November-13** | 5077 | 5064 | 1792 | 12728 | -46 | -26 | -59 | 83 |
| **December-13** | 5051 | 5131 | 1890 | 12805 | -26 | 67 | 98 | 77 |
| **January-14** | 5387 | 5232 | 1931 | 12841 | 336 | 101 | 41 | 36 |
| **February-14** | 5576 | 5359 | 2013 | 12885 | 189 | 127 | 82 | 44 |
| **March-14** | 5608 | 5365 | 1965 | 13039 | 32 | 6 | -48 | 154 |
| **April-14** | 5567 | 5373 | 1904 | 13124 | -41 | 8 | -61 | 85 |
| **May-14** | 5562 | 5364 | 1875 | 13165 | -5 | -9 | -29 | 41 |
| **June-14** | 5475 | 5332 | 1831 | 13227 | -87 | -32 | -44 | 62 |
| **July-14** | 5405 | 5243 | 1818 | 13297 | -70 | -89 | -13 | 70 |
| **August-14** | 5355 | 5257 | 1857 | 13363 | -50 | 14 | 39 | 66 |
| **September-14** | 5350 | 5306 | 1872 | 13390 | -5 | 49 | 15 | 27 |
| **October-14** | 5357 | 5353 | 1891 | 13462 | 7 | 47 | 19 | 72 |
| **November-14** | 5376 | 5273 | 1934 | 13508 | 19 | -80 | 43 | 46 |
| **December-14** | 5423 | 5266 | 1929 | 13571 | 47 | -7 | -5 | 63 |
| **January-15** | 5444 | 5349 | 1922 | 13619 | 21 | 83 | -7 | 48 |
| **February-15** | 5315 | 5351 | 1877 | 13740 | -129 | 2 | -45 | 121 |
| **March-15** | 5483 | 5308 | 1933 | 13687 | 168 | -43 | 56 | -53 |
| **April-15** | 5497 | 5326 | 1912 | 13778 | 14 | 18 | -21 | 91 |
| **May-15** | 5512 | 5404 | 1874 | 13830 | 15 | 78 | -38 | 52 |
| **June-15** | 5533 | 5380 | 1860 | 13865 | 21 | -24 | -14 | 35 |
| **July-15** | 5509 | 5336 | 1914 | 13945 | -24 | -44 | 54 | 80 |
| **August-15** | 5555 | 5252 | 1919 | 13954 | 46 | -84 | 5 | 9 |
| **September-15** | 5548 | 5327 | 1933 | 14043 | -7 | 75 | 14 | 89 |

Source: Turkstat, Betam

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4. 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/> [↑](#footnote-ref-4)
5. 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. [↑](#footnote-ref-5)
6. 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 [↑](#footnote-ref-6)