

# Labor Market Outlook:

# March 2016

###  15 March 2016

###  Eylül 2015

**EMPLOYMENT LOSS IN MANUFACTURING, DECREASE IN LABOR FORCE**

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**Executive Summary**

Seasonally adjusted labor market data shows that, nonagricultural unemployment rate decreased from 12.4 percent to 12.3 percent (0.1 percentage points) the period of November 2015 compared to the previous period. Reduction in nonagricultural unemployment resulted from the decrease in nonagricultural labor force. In this period, employment in manufacturing decreased by 42 thousand in manufacturing, by only 3 thousand in construction and by 60 thousand in services. Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will decrease from 12.3 percent to 12.2 percent (0.1 percentage points).

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

According to data released by TurkStat, nonagricultural labor force increased by 878 thousand (3.7 percent), nonagricultural employment increased by 814 thousand (3.9 percent) and nonagricultural unemployment increased by 64 thousand in the period of December 2015 compared to the same period in the previous year (Figure1). Note that increases in nonagricultural labor force and employment are of similar sizes.

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



Source: Turkstat; Betam

**Decrease in seasonally adjusted labor force**

According to seasonally adjusted data nonagricultural labor force decreased by 3 thousand in the period of December 2015 compared to the period of September 2015, and reached 24 million 543 thousand. Nonagricultural employment increased by 22 thousand, and reached 21 million 524 thousand (Figure 2, Table 1). Although nonagricultural employment increased slightly by 22 thousand, the decrease in nonagricultural labor force led that nonagricultural unemployment rate decreased from 12.4 percent to 12.3 percent.

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



Source: Turkstat; Betam

**Nonagricultural unemployment will decrease**

Betam's forecasting model had predicted that seasonally adjusted nonagricultural unemployment rate would decrease from 12.4 percent to 12.3 percent (0.1 percentage points). See that our forecast was correct for the period of November 2015.

Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will decrease from 12.3 percent to 12.2 percent (0.1 percentage points) in the period of January 2016. 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 decrease in the period of January 2016.

Figure 3 Seasonally adjusted nonagricultural unemployment rate and application per vacancy



Source: Kariyer.net, Turkstat, Betam

**Employment decreased in manufacturing**

According to seasonally adjusted labor market series, employment increases in nonagricultural sectors remained weak in the period of December 2015 (Figure 4, Table 2).[[6]](#footnote-6) However, employment increased by 45 thousand in agriculture. In this period, increase in construction employment was limited to 3 thousand. Employment in manufacturing decreased by 42 thousand. In the period of November 2016, a 60-thousand increase in service employment and a monthly decrease in nonagricultural labor force suppressed the increase in unemployment.

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** |
| **November-12** | 21355 | 19091 | 2264 | 10,6% | **Labor force** | **Employment** | **Unemployment** |
| **December-12** | 21454 | 19137 | 2317 | 10,8% | 99 | 46 | 53 |
| **January-13** | 21521 | 19218 | 2303 | 10,7% | 67 | 81 | -14 |
| **February-13** | 21478 | 19201 | 2277 | 10,6% | -43 | -17 | -26 |
| **March-13** | 21591 | 19259 | 2332 | 10,8% | 113 | 58 | 55 |
| **April-13** | 21779 | 19405 | 2374 | 10,9% | 188 | 146 | 42 |
| **May-13** | 21842 | 19461 | 2381 | 10,9% | 63 | 56 | 7 |
| **June-13** | 21848 | 19488 | 2360 | 10,8% | 6 | 27 | -21 |
| **July-13** | 21837 | 19413 | 2424 | 11,1% | -11 | -75 | 64 |
| **August-13** | 21902 | 19449 | 2453 | 11,2% | 65 | 36 | 29 |
| **September-13** | 21965 | 19483 | 2482 | 11,3% | 63 | 34 | 29 |
| **October-13** | 22009 | 19588 | 2421 | 11,0% | 44 | 105 | -61 |
| **November-13** | 22001 | 19581 | 2420 | 11,0% | -8 | -7 | -1 |
| **December-13** | 22250 | 19825 | 2425 | 10,9% | 249 | 244 | 5 |
| **January-14** | 22501 | 20003 | 2498 | 11,1% | 250 | 178 | 72 |
| **February-14** | 22785 | 20256 | 2529 | 11,1% | 285 | 253 | 32 |
| **March-14** | 22938 | 20369 | 2569 | 11,2% | 153 | 113 | 40 |
| **April-14** | 23000 | 20401 | 2599 | 11,3% | 62 | 32 | 30 |
| **May-14** | 23080 | 20403 | 2677 | 11,6% | 80 | 2 | 78 |
| **June-14** | 23170 | 20390 | 2780 | 12,0% | 90 | -13 | 103 |
| **July-14** | 23266 | 20358 | 2908 | 12,5% | 96 | -32 | 128 |
| **August-14** | 23377 | 20478 | 2899 | 12,4% | 110 | 120 | -10 |
| **September-14** | 23558 | 20566 | 2992 | 12,7% | 181 | 88 | 93 |
| **October-14** | 23709 | 20722 | 2987 | 12,6% | 152 | 156 | -4 |
| **November-14** | 23716 | 20704 | 3012 | 12,7% | 7 | -18 | 25 |
| **December-14** | 23721 | 20756 | 2965 | 12,5% | 5 | 52 | -47 |
| **January-15** | 23838 | 20882 | 2956 | 12,4% | 117 | 126 | -9 |
| **February-15** | 23875 | 20962 | 2913 | 12,2% | 37 | 80 | -43 |
| **March-15** | 23802 | 20922 | 2880 | 12,1% | -73 | -40 | -33 |
| **April-15** | 23877 | 21012 | 2865 | 12,0% | 75 | 90 | -15 |
| **May-15** | 24066 | 21106 | 2960 | 12,3% | 189 | 94 | 95 |
| **June-15** | 24150 | 21107 | 3043 | 12,6% | 84 | 1 | 83 |
| **July-15** | 24201 | 21200 | 3001 | 12,4% | 51 | 93 | -42 |
| **August-15** | 24154 | 21135 | 3019 | 12,5% | -47 | -65 | 18 |
| **September-15** | 24341 | 21323 | 3018 | 12,4% | 187 | 188 | -1 |
| **October-15** | 24462 | 21380 | 3082 | 12,6% | 121 | 57 | 64 |
| **November-15** | 24546 | 21502 | 3044 | 12,4% | 83 | 122 | -39 |
| **December-15** | 24543 | 21524 | 3019 | 12,3% | -3 | 22 | -25 |

 Source: Turkstat, Betam

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

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Agriculture** | **Manufacturing** | **Construction** | **Service** | **Monthly changes** |
| **November-12** | 5383 | 5003 | 1797 | 12291 | **Agriculture** | **Manufacturing** | **Construction** | **Service** |
| **December-12** | 5349 | 5051 | 1776 | 12310 | -34 | 48 | -21 | 19 |
| **January-13** | 5326 | 5073 | 1794 | 12350 | -23 | 22 | 18 | 40 |
| **February-13** | 5332 | 5023 | 1788 | 12389 | 6 | -50 | -6 | 39 |
| **March-13** | 5284 | 5083 | 1769 | 12407 | -48 | 60 | -19 | 18 |
| **April-13** | 5267 | 5176 | 1803 | 12427 | -17 | 93 | 34 | 20 |
| **May-13** | 5198 | 5200 | 1760 | 12501 | -69 | 24 | -43 | 74 |
| **June-13** | 5162 | 5163 | 1801 | 12523 | -36 | -37 | 41 | 22 |
| **July-13** | 5182 | 5146 | 1738 | 12529 | 20 | -17 | -63 | 6 |
| **August-13** | 5200 | 5117 | 1757 | 12574 | 18 | -29 | 19 | 45 |
| **September-13** | 5200 | 5096 | 1780 | 12607 | 0 | -21 | 23 | 33 |
| **October-13** | 5132 | 5090 | 1853 | 12645 | -68 | -6 | 73 | 38 |
| **November-13** | 5096 | 5064 | 1789 | 12728 | -36 | -26 | -64 | 83 |
| **December-13** | 5058 | 5131 | 1888 | 12805 | -38 | 67 | 99 | 77 |
| **January-14** | 5390 | 5232 | 1930 | 12841 | 332 | 101 | 42 | 36 |
| **February-14** | 5576 | 5359 | 2012 | 12885 | 186 | 127 | 82 | 44 |
| **March-14** | 5605 | 5365 | 1965 | 13039 | 29 | 6 | -47 | 154 |
| **April-14** | 5562 | 5373 | 1904 | 13124 | -43 | 8 | -61 | 85 |
| **May-14** | 5556 | 5364 | 1875 | 13164 | -6 | -9 | -29 | 40 |
| **June-14** | 5469 | 5332 | 1831 | 13227 | -87 | -32 | -44 | 63 |
| **July-14** | 5398 | 5243 | 1818 | 13296 | -71 | -89 | -13 | 69 |
| **August-14** | 5346 | 5257 | 1858 | 13362 | -52 | 14 | 40 | 66 |
| **September-14** | 5339 | 5306 | 1873 | 13387 | -7 | 49 | 15 | 25 |
| **October-14** | 5369 | 5353 | 1895 | 13474 | 30 | 47 | 22 | 87 |
| **November-14** | 5402 | 5273 | 1929 | 13502 | 33 | -80 | 34 | 28 |
| **December-14** | 5433 | 5266 | 1927 | 13563 | 31 | -7 | -2 | 61 |
| **January-15** | 5449 | 5349 | 1921 | 13613 | 16 | 83 | -6 | 50 |
| **February-15** | 5316 | 5351 | 1876 | 13735 | -133 | 2 | -45 | 122 |
| **March-15** | 5480 | 5308 | 1932 | 13682 | 164 | -43 | 56 | -53 |
| **April-15** | 5491 | 5326 | 1911 | 13775 | 11 | 18 | -21 | 93 |
| **May-15** | 5504 | 5404 | 1873 | 13829 | 13 | 78 | -38 | 54 |
| **June-15** | 5523 | 5380 | 1860 | 13866 | 19 | -24 | -13 | 37 |
| **July-15** | 5498 | 5336 | 1915 | 13949 | -25 | -44 | 55 | 83 |
| **August-15** | 5541 | 5252 | 1921 | 13962 | 43 | -84 | 6 | 13 |
| **September-15** | 5533 | 5327 | 1935 | 14060 | -8 | 75 | 14 | 98 |
| **October-15** | 5441 | 5363 | 1938 | 14080 | -92 | 36 | 3 | 20 |
| **November-15** | 5384 | 5353 | 1972 | 14177 | -57 | -10 | 34 | 97 |
| **December-15** | 5429 | 5311 | 1975 | 14237 | 45 | -42 | 3 | 60 |

 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)