

## DECREASE IN NON-AGRICULTURAL UNEMPLOYMENT HAS CONTINUED

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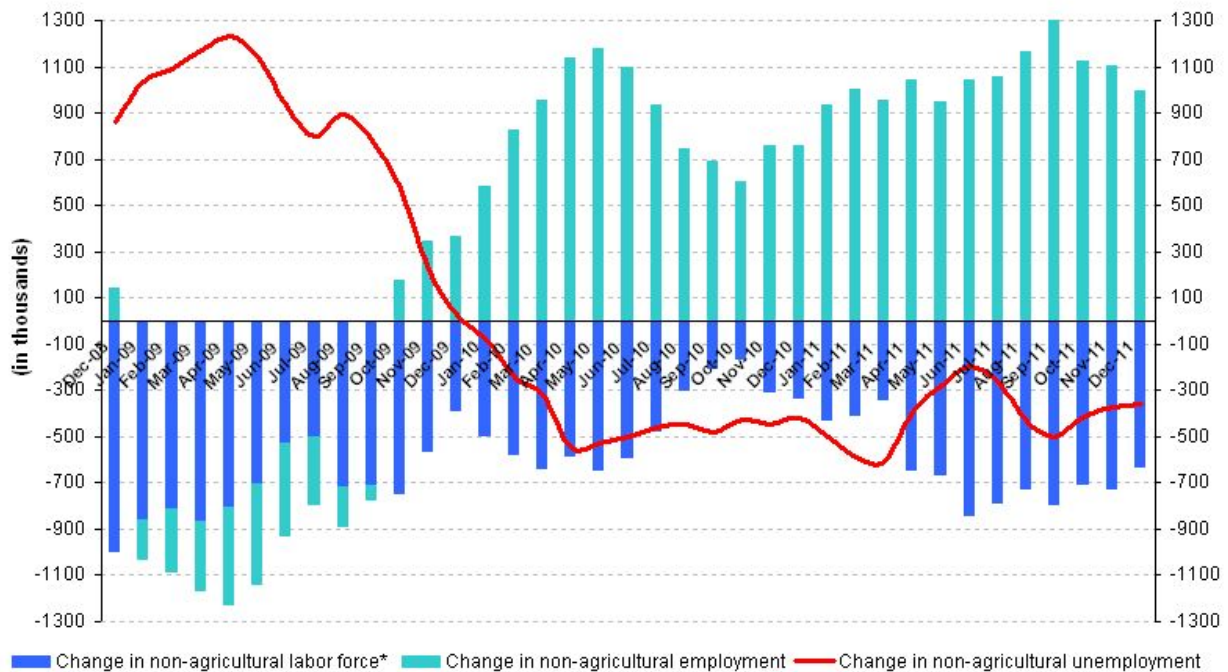
### Executive Summary

According to the labor market statistics released by TurkStat, non-agricultural unemployment rate is 12 percent in the period of December 2011. Seasonally adjusted labor market data shows that non-agricultural unemployment rate decreased to 11.2 percent. According to the seasonally adjusted data, the correction that we had been expecting in construction continues and agricultural employment decreased by 107 thousand during December 2011.

### The number of unemployed persons in non-agricultural decreased by 362 thousand compared to previous year

According to the labor market statistics released by TurkStat on the 15<sup>th</sup> of March, non-agricultural employment has reached 18 million 79 thousand in the period of December 2011 (November – December – January). During the period of December 2011, non-agricultural labor force increased by 635 thousand (3.2 percent), non-agricultural employment increased by 997 thousand (5.8 percent) on a year-on-year basis. The number of unemployed persons in non-agricultural decreased by 362 thousand to 2 million 465 thousand on a year-on-year basis. (Figure 1)

**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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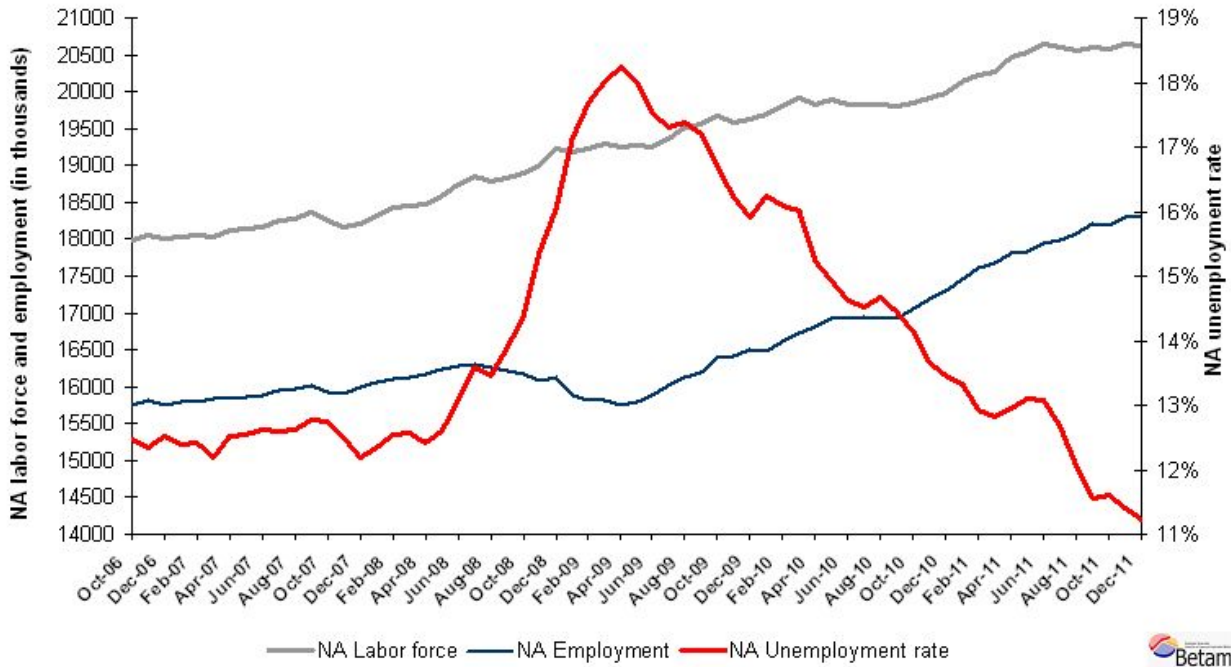
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## Seasonally adjusted non-agricultural unemployment decreased to 11.2 percent

According to seasonally adjusted series, non-agricultural labor force decreased by 21 thousand to 20 million 631 thousand in December (Figure 2, App. 1 Table 1). Non-agricultural employment increased by 16 thousand and reached 18 million 314 thousand. Consequently, the number of unemployed persons in non-agricultural sectors decreased by 37 thousand and seasonally adjusted non-agricultural unemployment rate decreased from 11.4 percent to 11.2 percent. According to the seasonally adjusted data, decrease in non-agricultural unemployment is caused partly by decreases in non-agricultural labor force.

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



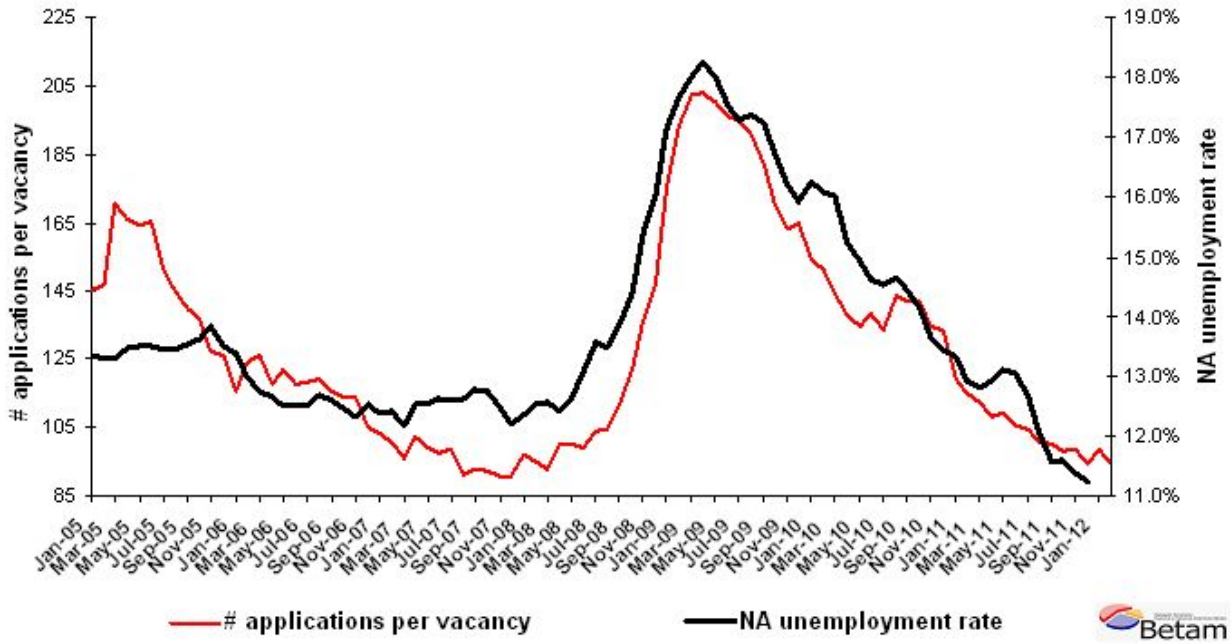
Source: TurkStat, Betam

## According to Kariyer.net data, non-agricultural unemployment may decrease in the period of January 2012<sup>1</sup>

The application per vacancy series released by Kariyer.net indicated stagnation in December; we observe a slight decrease in non-agricultural unemployment in January 2012. If the increase in non-agricultural labor force slows down further, we can observe a slight decrease in non-agricultural unemployment.

<sup>1</sup> Starting from April, Betam will be using a new series released by Kariyer.net on application per vacancy. Kariyer.net collects this data via their website which is one of the largest job search engines in Turkey. Given the lack of data on vacancies in Turkey, we believe that this new series will provide useful insight to the labor market in Turkey. It provides information on the number of unemployed who are actively seeking work as well as the number of jobs that are available in the labor market. 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. Figure 3 illustrates the seasonally adjusted non-agricultural unemployment rate and deseasonalized calendar day adjusted application per vacancy (Kariyer.net) series. It is clear that these series are highly correlated (almost 90 percent).

**Figure 3 Non-agricultural unemployment rate and application per vacancy (SA)**



Data source: Kariyer.net, TurkStat, **Betam**

### Employment loss in construction continues

According to seasonally adjusted figures, correction in construction employment has been continuing (App. 1 Table 2, App. 2 Figure 4)<sup>2</sup>. Employment losses in construction accumulated to over 133 thousand in the last three periods. These losses were counterbalanced by increases in manufacturing and service employment.

Seasonally adjusted agricultural employment that decreased over 100 thousand in the period of December 2011.

<sup>2</sup> Seasonal adjustment procedure is applied to each sector of employment series 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.

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
November-08	19002	16079	2923	15.4%			
December-08	19218	16136	3082	16.0%	216	57	159
January-09	19178	15893	3285	17.1%	-40	-243	203
February-09	19219	15820	3399	17.7%	41	-73	114
March-09	19293	15817	3476	18.0%	74	-3	77
April-09	19258	15745	3513	18.2%	-36	-73	37
May-09	19267	15800	3467	18.0%	10	55	-45
June-09	19257	15881	3376	17.5%	-10	81	-91
July-09	19361	16012	3348	17.3%	104	131	-28
August-09	19516	16127	3389	17.4%	156	114	41
September-09	19561	16194	3366	17.2%	44	68	-23
October-09	19665	16381	3283	16.7%	104	187	-83
November-09	19591	16416	3175	16.2%	-73	35	-108
December-09	19632	16506	3126	15.9%	40	90	-49
January-10	19687	16490	3197	16.2%	55	-16	71
February-10	19798	16613	3185	16.1%	111	123	-12
March-10	19917	16728	3189	16.0%	119	115	4
April-10	19827	16810	3017	15.2%	-90	82	-172
May-10	19886	16916	2970	14.9%	60	106	-47
June-10	19826	16930	2896	14.6%	-60	14	-74
July-10	19829	16948	2881	14.5%	3	19	-15
August-10	19826	16919	2907	14.7%	-3	-30	26
September-10	19793	16934	2859	14.4%	-33	15	-48
October-10	19858	17051	2807	14.1%	65	117	-52
November-10	19920	17200	2721	13.7%	62	149	-87
December-10	19989	17302	2687	13.4%	68	102	-33
January-11	20131	17448	2683	13.3%	142	147	-5
February-11	20214	17600	2614	12.9%	83	152	-68
March-11	20266	17669	2596	12.8%	51	70	-18
April-11	20461	17814	2647	12.9%	196	145	51
May-11	20535	17843	2692	13.1%	74	29	45
June-11	20649	17951	2698	13.1%	114	108	6
July-11	20605	17994	2610	12.7%	-44	44	-88
August-11	20557	18077	2480	12.1%	-47	83	-130
September-11	20590	18209	2381	11.6%	33	133	-99
October-11	20577	18189	2388	11.6%	-13	-20	7
November-11	20652	18298	2354	11.4%	75	109	-34
December-11	20631	18314	2317	11.2%	-21	16	-37

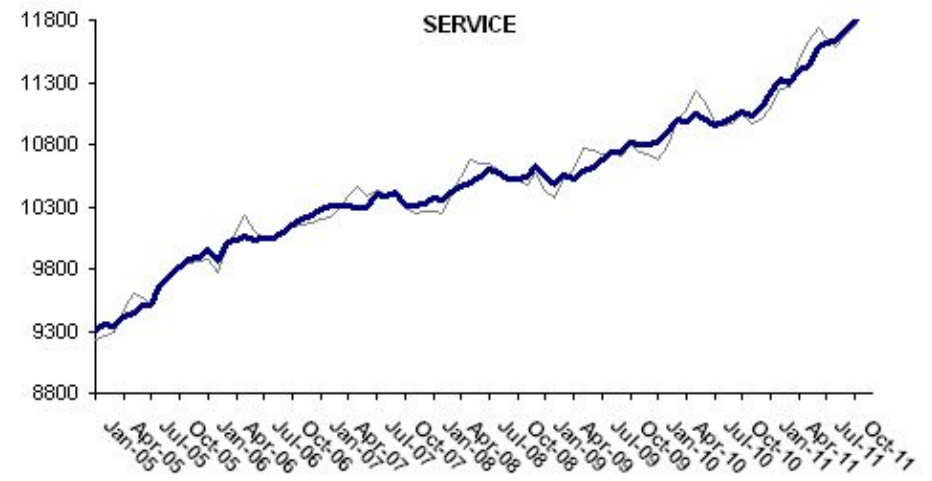
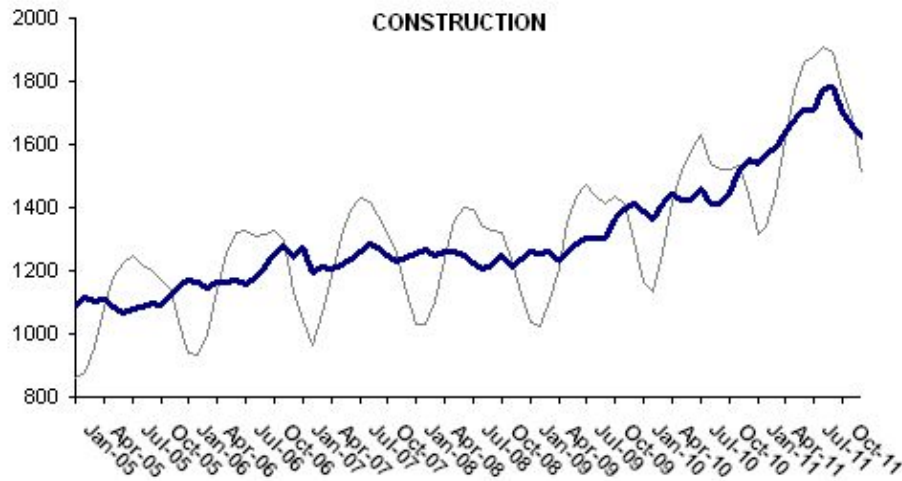
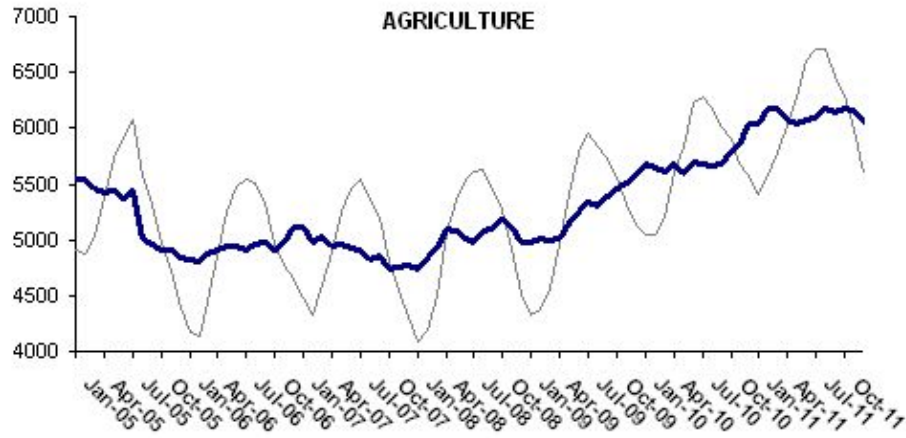
Source: TurkStat, **Betam**

Appendix 1: Table 2 Seasonally adjusted sector of employment (in thousands)

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
November-08	5114	4291	1215	10545				
December-08	4971	4242	1237	10638	-143	-49	22	93
January-09	4985	4127	1263	10548	14	-115	26	-90
February-09	5015	4096	1256	10484	30	-31	-7	-64
March-09	4989	4016	1262	10553	-26	-80	6	69
April-09	5008	3976	1229	10531	19	-40	-33	-22
May-09	5152	3961	1259	10579	144	-14	29	48
June-09	5250	3975	1285	10620	99	14	26	41
July-09	5336	4036	1302	10680	86	61	17	60
August-09	5307	4057	1305	10745	-29	21	3	65
September-09	5397	4123	1305	10732	89	66	0	-13
October-09	5452	4169	1364	10823	55	46	59	90
November-09	5506	4215	1391	10803	54	46	27	-19
December-09	5580	4286	1409	10805	74	71	18	2
January-10	5675	4324	1389	10809	96	39	-20	4
February-10	5651	4379	1366	10888	-24	55	-23	79
March-10	5610	4353	1413	10995	-41	-26	47	106
April-10	5672	4408	1442	10991	62	54	29	-3
May-10	5593	4481	1426	11039	-79	73	-17	48
June-10	5703	4532	1426	10993	110	51	0	-46
July-10	5675	4544	1463	10947	-28	13	37	-46
August-10	5656	4493	1412	10978	-19	-51	-51	31
September-10	5673	4454	1415	11011	17	-39	3	33
October-10	5805	4462	1450	11068	131	7	35	57
November-10	5860	4631	1514	11034	55	169	64	-34
December-10	6035	4634	1554	11090	175	3	40	56
January-11	6035	4700	1541	11215	1	66	-13	125
February-11	6169	4720	1571	11327	134	20	30	112
March-11	6185	4828	1590	11287	16	108	19	-40
April-11	6082	4838	1635	11394	-103	10	45	107
May-11	6044	4778	1678	11433	-38	-60	42	39
June-11	6073	4693	1709	11582	30	-85	31	149
July-11	6098	4681	1710	11618	25	-12	1	36
August-11	6176	4656	1778	11629	78	-25	68	11
September-11	6148	4677	1783	11729	-29	21	5	99
October-11	6184	4630	1701	11787	37	-47	-82	58
November-11	6165	4668	1662	11943	-20	38	-39	156
December-11	6058	4694	1624	11955	-107	26	-38	12

Source: TurkStat, **Betam**

Appendix 2: Figure 4 Employment changes in sectors (in thousand)<sup>3</sup>



Source: TurkStat, **Betam**

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