

## STRONG INCREASE IN NON-AGRICULTURAL EMPLOYMENT

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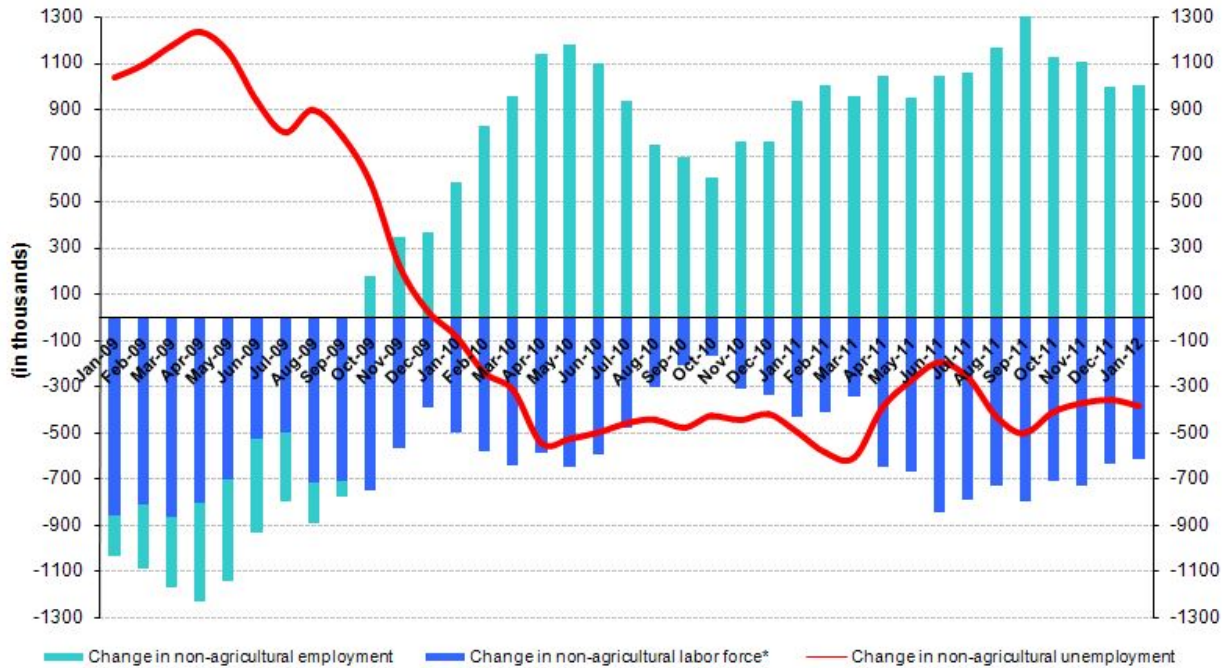
### Executive Summary

According to the labor market statistics released by TurkStat, non-agricultural unemployment rate is 12.4 percent in the period of January 2012. However, we draw attention again to the importance of seasonally adjusted unemployment series in the evaluation of unemployment. Seasonally adjusted labor market data shows that non-agricultural unemployment rate decreased from 11.2 percent to 11.1 percent. According to the seasonally adjusted data, the number of unemployed persons in non-agricultural decreased by 20 thousand compared to the period of December 2012 and decreased by 391 thousand compared to December 2011. Employment in all sectors increased in the period of January 2012 compared to the previous period and the strong increase in service sector continues.

### The number of unemployed persons in non-agricultural decreased by 384 thousand compared to previous year

According to the labor market statistics released by TurkStat on the 16<sup>th</sup> of April, non-agricultural employment has reached 18 million 59 thousand in the period of January 2012 (December – January – February). During the period of January 2012, non-agricultural labor force increased by 615 thousand (3.1 percent), non-agricultural employment increased by 999 thousand (5.9 percent) on a year-on-year basis. The number of unemployed persons in non-agricultural decreased by 384 thousand to 2 million 556 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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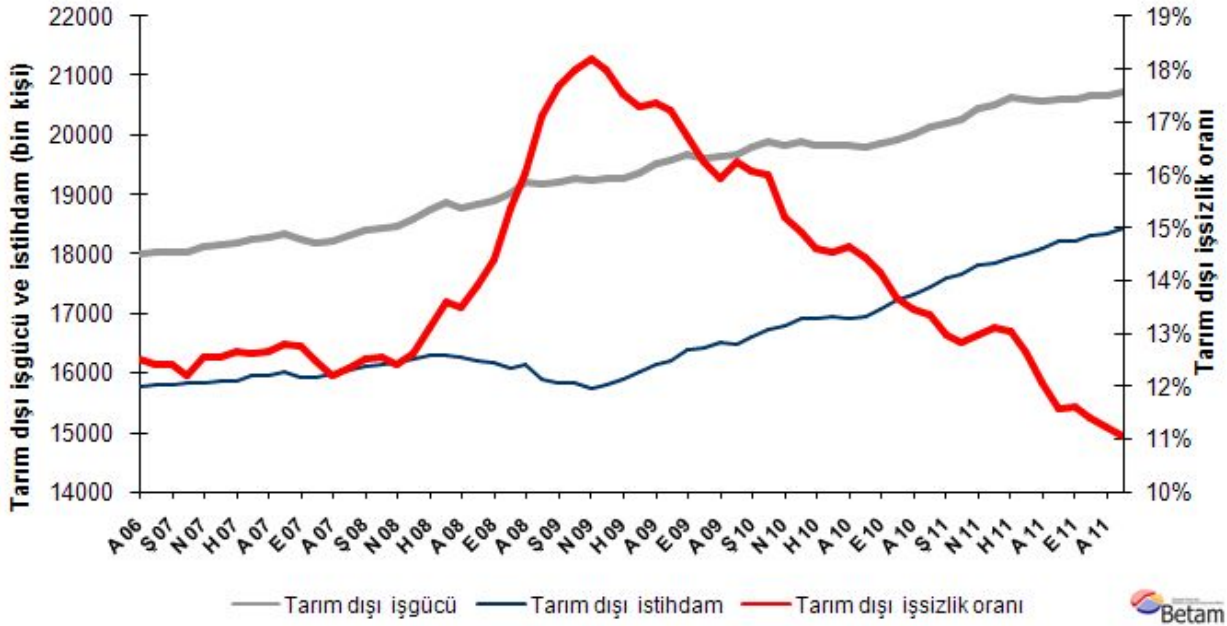
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## Seasonally adjusted non-agricultural unemployment decreased to 11.1 percent

According to seasonally adjusted series, non-agricultural labor force increased by 87 thousand to 20 million 743 thousand in the period of January compared to the period of December 2011 (Figure 2, Table 1). Non-agricultural employment increased by 108 thousand and reached to 18 million 449 thousand. Consequently, the number of unemployed persons in non-agricultural sectors decreased by 20 thousand and seasonally adjusted non-agricultural unemployment rate decreased from 11.2 percent to 11.1 percent.

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



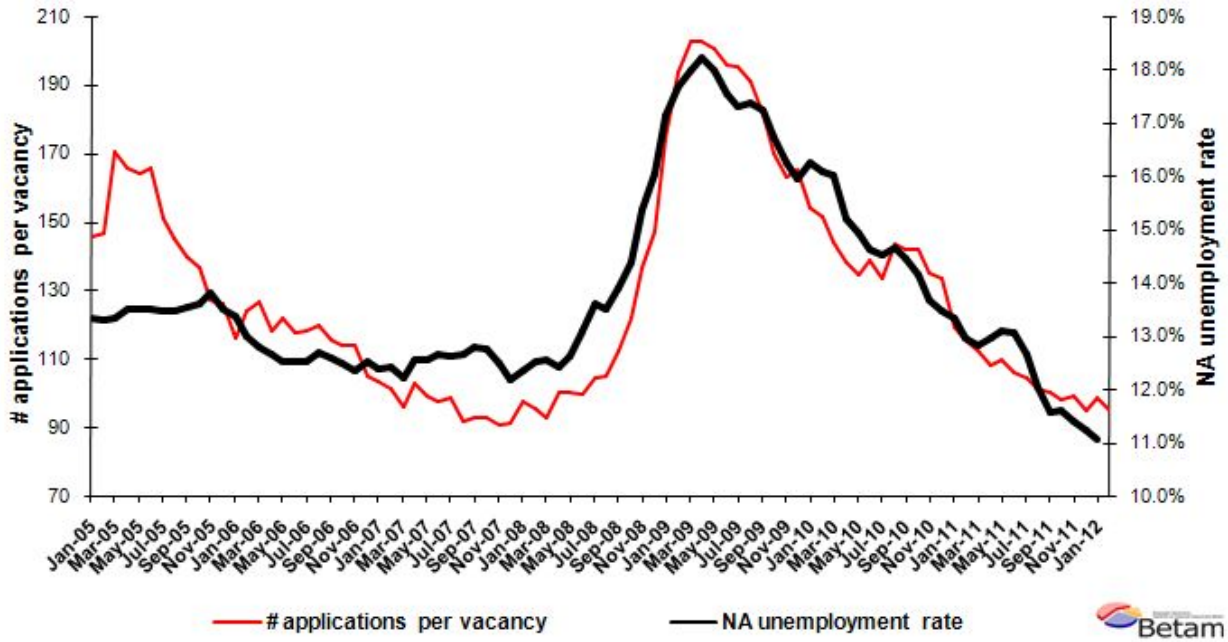
Source: TurkStat, Betam

## According to Kariyer.net data, non-agricultural unemployment will be stagnant in the period of February 2012<sup>1</sup>

The application per vacancy series released by Kariyer.net indicates a slight decrease in non-agricultural unemployment in February 2012. However, the data pertaining to March 2012 has not been released this month due to technical difficulties.

<sup>1</sup> Starting from April, Betam will be using a new series released by Kariyer.net on application per vacancy. 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.

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



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

### Strong increase in service employment<sup>2</sup>

According to seasonally adjusted figures, employment increased in all sectors in the period of January 2012 (Table 2, Figure 4). Employment in manufacturing increased by 24 thousand, while employment in construction increased by 35 thousand. Also, service employment increased by 75 thousand. We think that increase in manufacturing employment will slow down in February 2012 since Industrial Production Index in February 2012 was lower than its December 2011 level. On the other hand, increase in service employment is remarkable. According to the seasonally adjusted data, agricultural employment increased by 6 thousand in the period of January 2012 compared to previous period. There seems to be stagnation in agricultural employment.

<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.

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
December-08	19221	16139	3082	16.0%			
January-09	19174	15890	3283	17.1%	-48	-249	201
February-09	19212	15819	3393	17.7%	38	-71	110
March-09	19285	15817	3468	18.0%	73	-2	75
April-09	19255	15749	3506	18.2%	-30	-68	38
May-09	19265	15802	3463	18.0%	10	53	-43
June-09	19257	15882	3375	17.5%	-8	80	-88
July-09	19361	16012	3349	17.3%	103	129	-26
August-09	19519	16128	3391	17.4%	159	117	42
September-09	19567	16198	3369	17.2%	48	70	-22
October-09	19672	16382	3289	16.7%	105	184	-80
November-09	19603	16420	3182	16.2%	-69	38	-107
December-09	19642	16509	3132	15.9%	39	89	-50
January-10	19682	16485	3197	16.2%	40	-25	65
February-10	19787	16605	3182	16.1%	105	120	-15
March-10	19903	16720	3184	16.0%	116	115	2
April-10	19817	16803	3015	15.2%	-86	83	-169
May-10	19877	16910	2967	14.9%	60	107	-48
June-10	19821	16926	2895	14.6%	-56	16	-72
July-10	19829	16949	2880	14.5%	8	23	-15
August-10	19832	16927	2905	14.7%	4	-22	26
September-10	19805	16946	2859	14.4%	-27	19	-46
October-10	19872	17063	2809	14.1%	67	118	-51
November-10	19938	17211	2726	13.7%	66	148	-82
December-10	20007	17316	2692	13.5%	70	104	-35
January-11	20124	17439	2685	13.3%	117	124	-7
February-11	20202	17584	2617	13.0%	77	145	-68
March-11	20251	17656	2595	12.8%	49	71	-22
April-11	20447	17799	2648	12.9%	196	144	53
May-11	20520	17834	2687	13.1%	73	34	39
June-11	20637	17944	2693	13.0%	117	111	6
July-11	20601	17995	2605	12.6%	-36	51	-87
August-11	20564	18086	2479	12.1%	-37	90	-127
September-11	20605	18221	2384	11.6%	40	135	-95
October-11	20596	18209	2387	11.6%	-9	-12	3
November-11	20674	18318	2355	11.4%	78	109	-32
December-11	20656	18341	2315	11.2%	-18	23	-40
January-12	20743	18449	2294	11.1%	87	108	-20

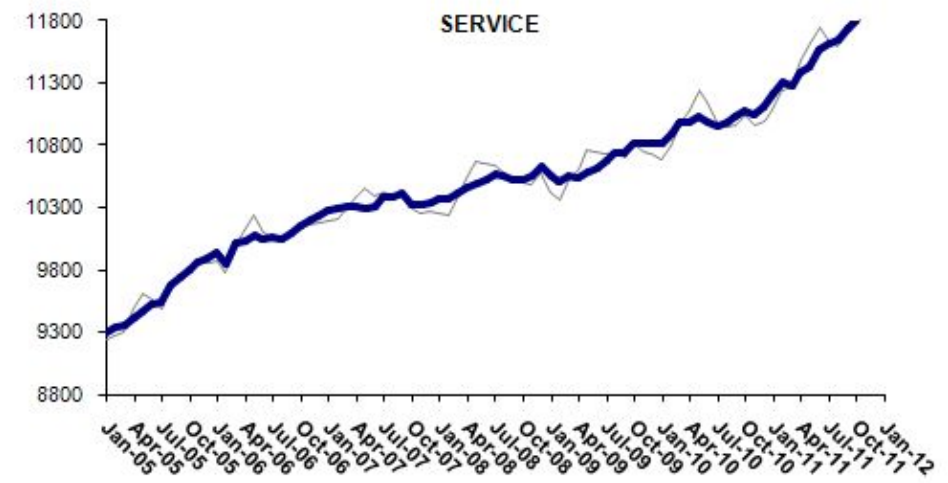
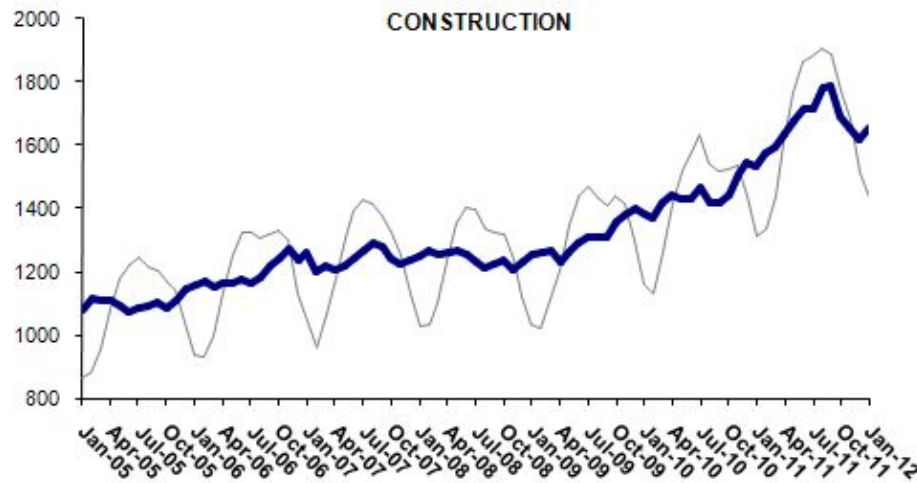
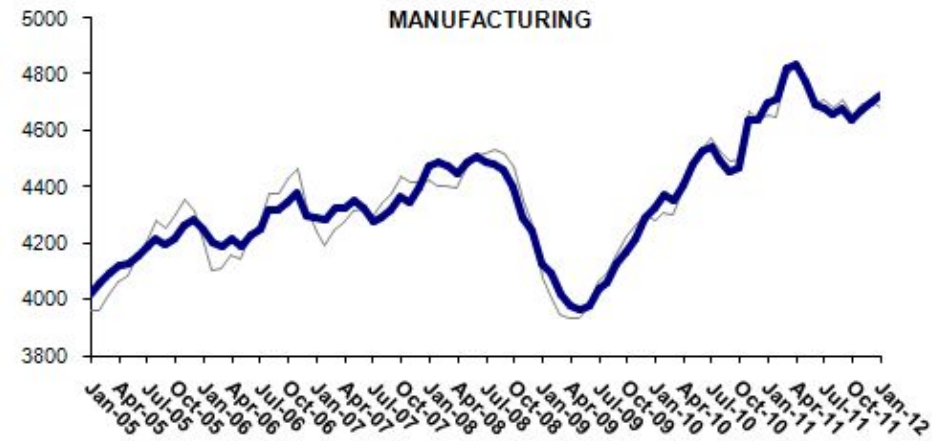
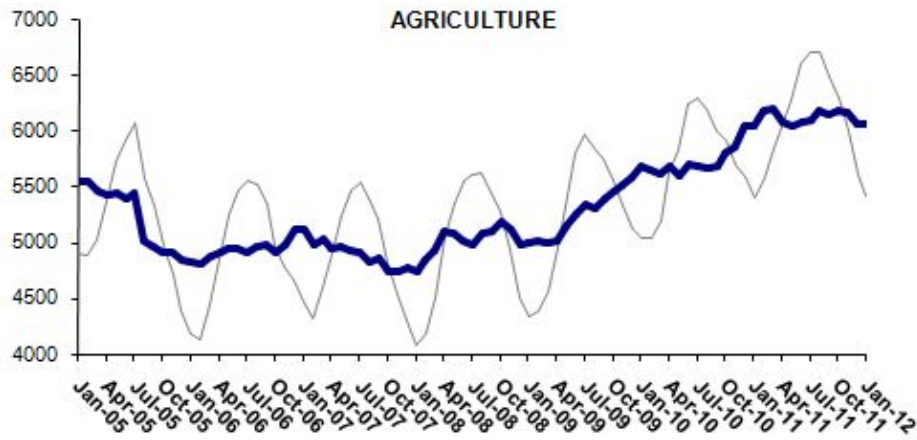
Source: TurkStat, **Betam**

**Table 2 Seasonally adjusted sector of employment (in thousands)**

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
December-08	4970	4243	1231	10634				
January-09	4986	4125	1253	10555	16	-118	22	-78
February-09	5016	4094	1260	10500	30	-31	7	-55
March-09	4990	4015	1265	10554	-27	-79	6	54
April-09	5008	3976	1232	10537	19	-39	-33	-17
May-09	5152	3961	1262	10579	144	-14	30	42
June-09	5251	3976	1288	10618	98	15	26	38
July-09	5336	4036	1306	10673	85	61	18	55
August-09	5307	4058	1309	10739	-29	22	3	66
September-09	5396	4124	1310	10735	89	66	1	-3
October-09	5451	4171	1355	10819	55	47	44	84
November-09	5505	4217	1383	10811	53	46	28	-9
December-09	5578	4288	1403	10812	73	71	20	1
January-10	5677	4322	1379	10816	98	34	-24	4
February-10	5653	4375	1370	10885	-24	53	-9	69
March-10	5611	4350	1416	10983	-42	-25	47	98
April-10	5673	4405	1445	10981	62	55	29	-1
May-10	5593	4479	1429	11028	-79	73	-16	46
June-10	5703	4531	1429	10981	110	52	0	-46
July-10	5675	4544	1467	10949	-29	13	38	-32
August-10	5655	4496	1416	10988	-19	-48	-51	38
September-10	5672	4457	1420	11023	17	-38	4	35
October-10	5804	4466	1441	11074	131	9	20	51
November-10	5858	4636	1506	11047	54	169	66	-27
December-10	6033	4639	1548	11110	175	3	42	63
January-11	6038	4697	1531	11213	5	59	-17	103
February-11	6172	4715	1575	11308	134	18	44	95
March-11	6187	4823	1593	11282	15	108	19	-26
April-11	6083	4833	1638	11386	-104	11	45	103
May-11	6044	4775	1681	11427	-39	-58	43	41
June-11	6074	4692	1712	11563	30	-82	31	136
July-11	6098	4682	1714	11618	24	-11	2	55
August-11	6176	4659	1782	11647	78	-22	68	29
September-11	6146	4681	1788	11744	-29	21	6	97
October-11	6183	4636	1692	11799	36	-44	-97	55
November-11	6162	4675	1654	11946	-20	38	-37	147
December-11	6055	4701	1618	11973	-107	26	-36	27
January-12	6062	4725	1653	12047	6	24	35	75

Source: TurkStat, **Betam**

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.