

Data Snapshot

Labor Force Statistics:

SA unemployment rate slightly higher in October

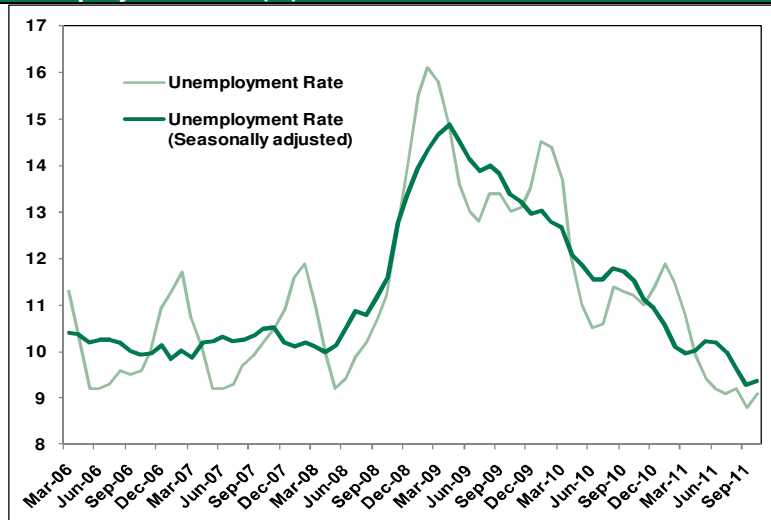
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The unemployment rate declined 2.1 pps over a year ago to 9.1% in October (average of September, October and November), accompanied by a 2.5 pps decline in the non-farm unemployment rate to 11.6%. Recall that the unemployment rate was 8.8% in September. Meanwhile, the number of unemployed declined by 447k YoY in October.

On the other hand, adjusted for the seasonal effects, the unemployment rate edged up to 9.4% (up 0.1 pp) in October from the lowest level (9.3%) in September observed since the data became available in January 2005. Accordingly, the number of unemployed rose by 29k in October over September.

While the strong economic activity resulted in 1.5mn new jobs between October 2010 and 2011, the surge in the employment was based in construction and services. The construction and service sectors were the source of 251k (17% of total) and 717k (47%) new jobs respectively, while the share of industry remained low at 11% with 159k new employment. On the other hand, agriculture created 387k new jobs with a 26% share of total employment added. Although the one-month increase in the SA unemployment rate does not imply a trend, we expect the slight increases to continue after October period as the economy has entered a period of slowdown according to our projections. We forecast the economy to grow a mere 0.8% in 2012, down from 8.2% in 2011.

Graph 1: Unemployment rate (%)



Source: TurkStat

Table 1: Labor Force and Employment (in thousands)

	Oct-11	Oct-10	Difference	2010
Non-Institutional Population	72,724	71,574	1150	71,343
Population 15 Years of Age and Over	53,928	52,788	1140	52,541
Labor Force	26,939	25,873	1066	25,641
Employed	24,486	22,972	1514	22,594
Agriculture	6,292	5,905	387	5,683
Industry	4,657	4,498	159	4,496
Construction	1,775	1,524	251	1,431
Service	11,761	11,044	717	10,986
Unemployed	2,454	2,901	-447	3,046
Other	26,989	26,915	74	26,938
o/w: Not looking for a job but ready to work 1/	1,754	1,902	-148	2,013
Labor Force Participation Rate (%)	50.0	49.0	1.0	48.8
Unemployment Rate (%)	9.1	11.2	-2.1	11.9
Unemployment Rate (Seasonally adjusted; %) 2/	9.4	9.3	0.1	...
Memorandum Item:				
Non-farm unemployment rate (%)	11.6	14.1	-2.5	14.8

1/Include those not looking for a job for 3 months.

2/Data in the second column is for the previous month.

Source: TurkStat

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