

Turkey: Unemployment falls again

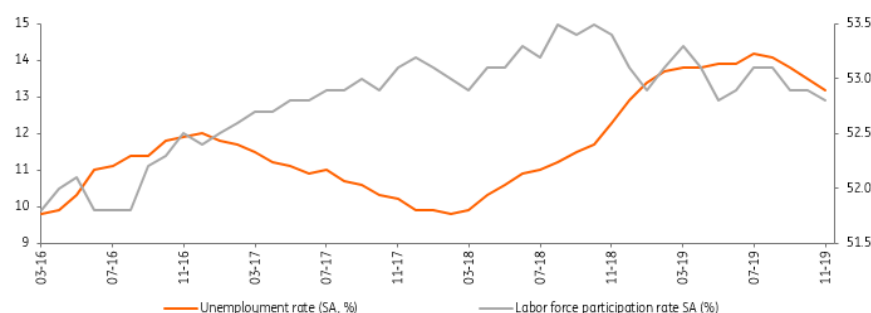
The downtrend in unemployment, which started last summer, has remained in place, falling in November to the lowest level since the end of 2018



Shoppers in Istanbul

Unemployment, which started to recover in August last year, recorded another drop in November, falling to 13.2% (the lowest in 2019) from 13.5% a month before. Since the start of the downtrend, the Turkish economy has generated 280,000 new jobs. The improvement in the job market is due to a further decline in the participation rate (at 52.8% as of November, the lowest since mid-2017) as the size of the labour force remained unchanged during this period at 32.7 million. Youth unemployment stood at 24.0%, down from an all-time high 27.0% in August last year.

Unemployment vs Labour Force Participation

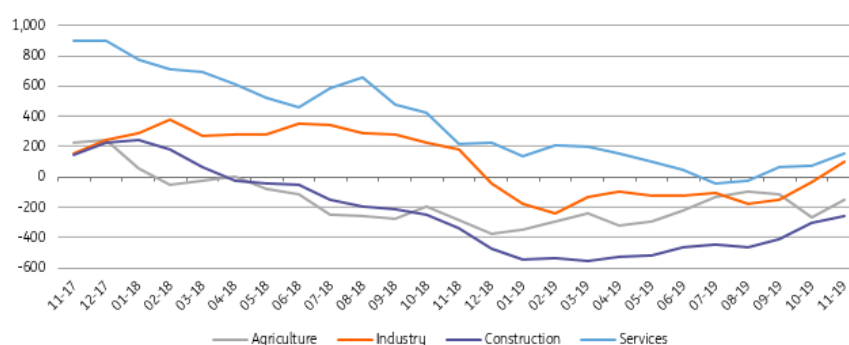


Source: TurkStat, ING

The unadjusted unemployment rate was 13.3% vs 12.3% in the same month of 2018. Unadjusted labour force participation, on the other hand, was 52.5% compared to 53.0% in November 2018.

In the sector breakdown, industry and agriculture added 92K and 45K new jobs, respectively, while construction and services saw declines of 10K and 8K. However, more than 100K new jobs posted in two consecutive months shows that the recovery is gaining momentum.

Job creation by sectors (SA, '000, YoY Change)



Source: TurkStat, ING

The drop in unemployment has been more pronounced recently on the back of an improving economic outlook and continued strength in public sector hirings, as well as a declining labour force participation. The improvement will likely continue in the period ahead as the job market feels the effects of the economic recovery.

Author

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

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