

## Turkey: Unemployment trend less steep in February

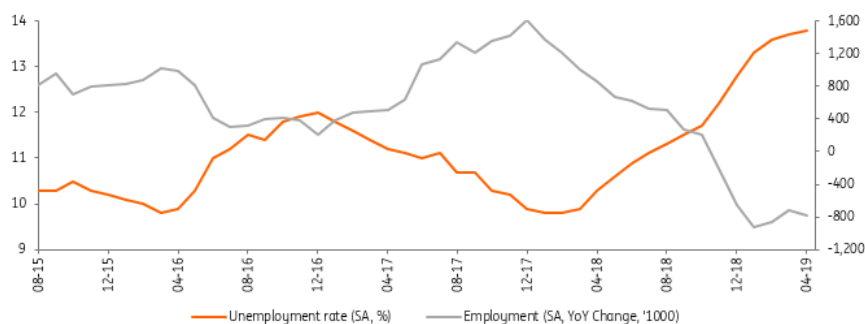
Momentum in the unemployment rate (SA) decelerated in February, thanks to supportive government actions and recovering economic activity in 1Q



Shoppers in Istanbul

The unemployment rate (on a seasonally adjusted basis) continued to rise in February, hitting 13.6%, the highest level since mid-2009. The jobless rate has been rising since early 2018 amid an ongoing adjustment process in the economy. However, the pace of increase, which accelerated in the previous three months, lost some momentum even though the labour force participation (SA) rate rose in February to 53.2% from 53.0% in January (it hit an all time-high of 53.5% in the last quarter of 2018). The trend in the non-agricultural unemployment rate (SA) was also less steep, increasing to 15.8% from 15.5% a month ago.

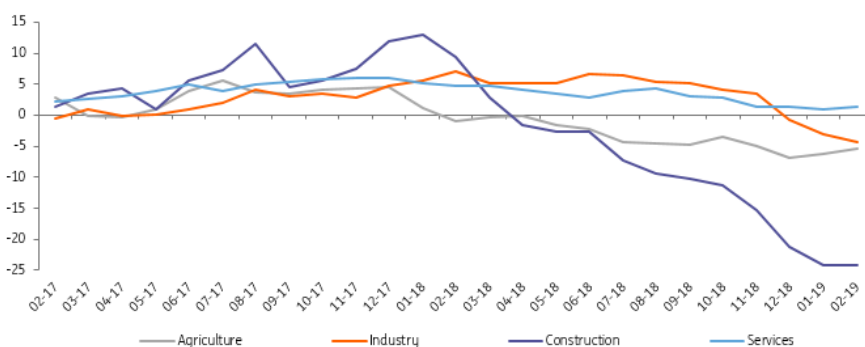
## Employment Generation & Unemployment Rate



Source: TurkStat, ING Bank

According to the sector breakdown, annual job losses declined to 858K in February from 920K (in SA terms) in January, reflecting an increase in monthly employment driven by services (+108K), while employment losses in industry (-4K) and construction (-14K) were less severe.

## Job creation by sectors (SA, % YoY)



Source: TurkStat, ING Bank

Still, the unadjusted unemployment rate came in at 14.7%, the highest in the last 10 years.

Overall, unemployment data hints at some moderation in labour market strains thanks to government actions, i.e. additional subsidies to social security contributions of large firms and recovering activity in 1Q- as confirmed by the stabilisation in industrial production. However, employment conditions will likely remain challenging in the near term, with continuing downside risks to the economic recovery.

## Author

### Muhammet Mercan

Chief Economist, Turkey

[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.