

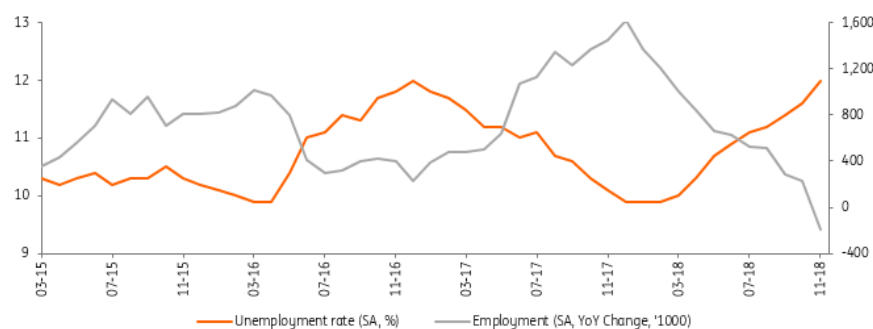
## Turkish unemployment maintains uptrend

Tightening in labour market conditions continue with the seasonally adjusted unemployment rate reaching 11.3% in September, the highest since March 2017



Source: Shutterstock

### Employment and Unemployment rate



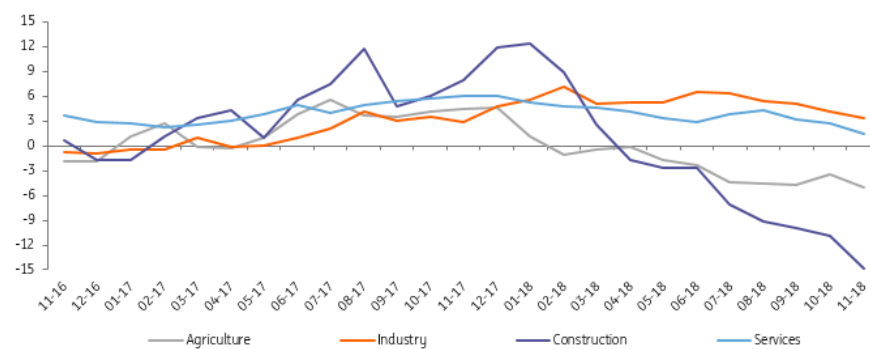
Source: TurkStat, ING Bank

Unemployment has changed course this year with the seasonally adjusted number at 11.3% as of September, the highest since March 2017.

Employment is likely to have peaked in the summer and has lost significant momentum this year with tightening in the labour market conditions. Labour force participation stood at 53.4% with a small retreat from its all-time high level at 53.5% a month ago. The seasonally-adjusted non-agricultural unemployment rate (SA) also has adopted an uptrend from 11.8% at the end of 2017 to 13.3% at the end of the third quarter.

On the other hand, the unadjusted unemployment rate, turned out to be 11.4%, marking the third annual increase in a row, another sign of momentum loss in annual employment generation with ongoing difficulties in the labour market.

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



Source: TurkStat, ING Bank

On a sequential basis, job creation in September turned to be negative (-81K), driven mainly by services (-50K), while industry and construction were drags with -32K and -29K. Only agriculture was a positive contributor with +31K contribution.

The data shows that construction and agriculture that employ a large share of low-skilled workers recorded a -247K and -282K year-to-date declines in employment, respectively, showing that they have been impacted the most from this year's financial volatility and momentum loss in the activity.

The labour market conditions are likely to deteriorate further in the period ahead given ongoing adjustment process in the economy, while the risks are significantly on the upside.

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