5 May 2017

Employment in Tertiary Sector Grows at Fast Pace

Employment and Unemployment in the Czech Republic according to the LFSS Results – Q1 2017

**Total employment in Q1 2017 increased by 82.5 thousand persons, year-on-year (y-o-y) and reached 5 169.2 thousand persons. The employment rate of the aged 15 - 64 years was 72.8%. The number of the unemployed according to the ILO methodology dropped by 46.6 thousand persons, y-o-y. The general unemployment rate of the aged 15 - 64 years slightly declined by 0.9 percentage point (p.p.), y-o-y, compared to Q1 2016, and was 3.5%.**

### Employment

In Q1 2017 the seasonally adjusted **average number of employed persons** increased by 16.1 thousand persons, compared to Q4 2016.

The **number of persons** **in the main job** increased by 82.5 thousand persons (by 1.6%), y-o-y, to reach 5 169.2 thousand persons. The growth was manifested namely in females, whose number increased by 47.4 thousand. While the number of working persons aged under 40 years declined by 18.9 thousand persons, the number of working persons aged 40 - 54 years substantially increased by 61.7 thousand persons. The number of working persons aged 60+ years also increased markedly by 34.6 thousand persons, which are over two fifths of the increase in total employment.

Employment **in the secondary sector** of industry, including construction, increased by 30.6 thousand persons. The employment growth in the sector is caused by a high increase in the number of employees in manufacturing (by 24.8 thousand persons). The number of employees **in the tertiary sector** of services grew substantially (by 52.6 thousand persons). Employment year-on year grew in a number of sections of economic activities, most in professional, scientific and technical activities (by 23.4 thousand persons), education (by 19.4 thousand persons), and in human health and social work activities (by 18.0 thousand persons). High increases in total employment in these economic activities were caused mostly by an increase in the number of employees. On the other hand, the number of working persons declined in accommodation and food service activities (by 19.1 thousand persons) and also in wholesale and retail trade; repair of motor vehicles and motorcycles (by 10.3 thousand persons). **In the primary sector** in activities of agriculture, forestry and fishing the number of the working persons remained virtually unchanged (a decrease by 2.0 thousand persons).

Working persons are dominated by **employees**. Their number increased by 45.1 thousand persons to reach 4 276.4 thousand persons, year-on-year. The share of employees in total employment (82.7%) almost has not changed compared year-on-year. What increased most is the number of employees having indefinite employment contract that grew by 37.9 thousand persons, y-o-y. The number of the **self-employed in the main job, including contributing family workers,** saw a fast increase by 37.4 thousand persons to reach 892.7 thousand persons, compared to Q1 2016. This was caused mostly by an increase in the number of the **self-employed without employees** by 37.2 thousand persons to attain 699.5 thousand persons. The numbers of the self-employed without employees, i.e. the own-account workers, experienced highest growths in agriculture, forestry and fishing; construction; administrative and support service activities; information and communication; and in arts, entertainment and recreation.

What increased most was the **number of working persons with educational attainment of** **tertiary education** (by 5.5%); trends in the numbers of working persons in the largest groups of those with secondary education without A-level examination and with A-level examination were moving in opposite directions. While the number of the employed with the secondary education without A-level examination declined by 2.4%, the number of the employed with the secondary education with A-level examination grew by 2.5%.

The **employment rate** (percentage of working persons in the age group 15 - 64 years) reached 72.8% and grew by 1.8 percentage point (p.p.) compared to Q1 2016. The male employment rate increased by 1.5 p.p. to reach 80.0%. Good labour market conditions have been projecting in a growth in the female employment rate that increased by 2.0 p.p. to attain 65.4%. At present the share of females in total employment is already 44.1%.

### Unemployment

In Q1 2017 the seasonally adjusted **average number of unemployed persons according to the International Labour Organisation (ILO)** **methodology**[[1]](#footnote-1) decreased by 14.9 thousand persons compared to that in Q4 2016.

The total number of the unemployed declined by 46.6 thousand persons, y-o-y, and reached 184.6 thousand persons. Both the number of the unemployed females dropped by 16.8 thousand persons to 102.0 thousand persons and the number of the unemployed males fell by 29.8 thousand persons to 82.6 thousand persons. The positive development is a result of a great decline in the **number of persons unemployed for one year and longer** by 36.9 thousand, y-o-y, and so the total number of them reached 68.8 thousand persons.

The **general unemployment rate according to the ILO definition** in the age group
15 – 64 years (the share of the unemployed in the labour force, i.e. the sum of the employed and the unemployed) decreased by 0.9 p.p., compared to Q1 2016, to reach 3.5% in Q1 2017.

The unemployment rate declined year-on-year in persons of all levels of **educational attainment**. University graduates permanently show a low unemployment rate (1.5%) and the same can be seen for the persons having secondary education with A-level examination (2.5%). The unemployment rate also declined year-on-year in the large group of those having secondary education without A-level examination, including persons with apprenticeship certificates (by 0.8 p.p. to give 4.1%). A high unemployment rate (16.2%), although it significantly decreased by 6.0 p.p. y-o-y, still pertains in the group of persons with primary education.

### Inactivity

In the sample survey, data are collected also on **persons, who do not work and do not seek a job in an active manner, and thus do not comply with the ILO conditions for the unemployed**, yet they state they would like to be working. In Q1 2017 the number of such persons was 133.5 thousand persons, i.e. by 7.6 thousand less than in the same period of 2016. Majority of persons willing to work, however, is not able to start in a potential job immediately. Actually, there are mere 45.0 thousand persons able to start in a job within a fortnight, at the latest.

Notes:

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Data source: CZSO, Labour Force Sample Survey (LFSS) conducted in selected dwelling households; collective accommodation establishments are not included in the survey. The LFSS results have been grossed up to the total population of the Czech Republic using data of the population statistics as at 1 January 2016 and the prediction of the population development in Q1 2017.

End of data collection /

End of preliminary data processing: 20 April 2017 / 24 April 2017

*Related Internet-published document*: *250128-16 - “Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey – Quarterly Data” with the finalised survey results will be available on the CZSO website by the end of Q1 2017. (*[Home](https://www.czso.cz/csu/czso/home) - [We publish](https://www.czso.cz/csu/czso/we-publish) - [Catalogue of Products](https://www.czso.cz/csu/czso/catalogue-of-products) - Employment and Unemployment*)*

Next News Release shall be published on: 4 August 2017

Annexes:

Table 1 Employed persons (status in the main job, absolute numbers, shares, year-on-year increments, and indices)

Graph 1 The employed and the unemployed (absolute numbers)

1. *1) The ILO methodology defines* ***the unemployed*** *as all persons above a specified age who during the reference period were without a job, did not work an hour for pay, and were in an active manner seeking job they would be able to join within two weeks at the latest. This methodology is uniform for all EU Member States and produces internationally comparable data. It should be noted that the definition of “the unemployed” by the ILO differs from the definition of “job applicants” kept in the register of the labour offices of the Ministry of Labour and Social Affairs.* [↑](#footnote-ref-1)