3 February 2016

Employment in Manufacturing Was Growing

Employment and Unemployment in the Czech Republic according to the LFSS Results – Q4 2015

**Total employment in Q4 2015 increased by 58.8 thousand persons, year-on-year (y-o-y) and reached 5 075.9 thousand persons. The employment rate of the aged 15-64 years was 70.8% which is the highest value ever since the sample survey beginning in 1993. On the contrary, the number of the unemployed according to the ILO methodology dropped by 68.3 thousand persons, y-o-y. The general unemployment rate of the aged 15-64 years declined by 1.3 percentage point (p.p.), y-o-y, compared to Q4 2014, and was 4.5%.**

### Employment

In Q4 2015 the seasonally adjusted **average number of employed persons** increased by 17.4 thousand persons, compared to Q3 2015.

The **number of employed persons** increased by 58.8 thousand (i.e. by 1.2%), y-o-y, to reach 5 075.9 thousand persons. The number of the **self-employed in the main job, including family workers,** in total fell by 28.0 thousand to 871.0 thousand persons compared to Q4 2014 and their share was 17.2%. Within the whole European Union, however, the Czech Republic has been for a long term belonging to countries having the highest shares of the self-employed. Both the number of the self-employed with employees declined by 4.5 thousand persons to attain 171.9 thousand persons and the number of the self-employed without employees, i.e. the own-account workers, decreased by 25.1 thousand persons to 668.0 thousand persons. The number of family workers (31.1 thousand persons) changed negligibly compared to that in the last year. On the contrary, compared to Q4 2014, the number of the **employees, including members of producer cooperatives**, significantly increased by 86.9 thousand to reach 4 204.9 thousand and their share was 82.8% of total employment.

A growth in employment was significant in the **secondary sector** (by 32.6 thousand persons). On one hand, the number of working persons in construction decreased by 21.9 thousand persons, yet, on the contrary, the number of working persons in manufacturing grew substantially by 61.4 thousand persons, year-on-year. This was the main reason for the total employment growth in the country.

Simultaneously, the number of working persons grew in the **tertiary sector** of services (by 22.7 thousand persons). Employment increased especially in the economic activities sections of professional, scientific and technical activities (by 14.3 thousand persons), wholesale and retail trade; repair of motor vehicles and motorcycles (by 12.6 thousand persons), and in transportation and storage (by 11.0 thousand persons). Compared to Q4 2014 the number of working persons in the **primary sector** also slightly grew (by 3.5 thousand persons).

The **employment rate** (percentage of the employed in the age group 15‑64 years) reached 70.8% and grew by 1.1 p.p. compared to Q4 2014. That means it reached the highest value ever in the sample survey history since 1993. The male employment rate increased by 1.0 p.p. to reach 78.6%. Improved labour market conditions projected in a faster growth in the female employment rate that increased by 1.1 p.p. to attain 62.9% as well.

### Unemployment

The seasonally adjusted **average number of unemployed persons according to the International Labour Organisation (ILO)** **methodology[[1]](#footnote-1)** decreased by 18.1 thousand persons in comparison to Q3 2015.

The total number of the unemployed declined by 68.3 thousand persons, y-o-y, and reached 236.9 thousand persons. The number of the unemployed females dropped by 32.0 thousand persons to 129.1 thousand persons and the number of the unemployed males declined in a similar way by 36.3 thousand persons to 107.8 thousand persons. The **number of persons unemployed for one year and longer** declined by 26.3 thousand, y-o-y, and the total number of them reached 114.9 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 1.3 p.p. compared to the previous year and thus dropped deep below the five-percent level to reach 4.5% in Q4 2015. The unemployment rate in Q4 2015 attained its eight-year minimum and is the lowest in the whole European Union along with that in Germany.

If broken down **by educational attainment**, university graduates permanently show a low unemployment rate (2.3%) and the same can be seen for the persons having secondary education with A-level examination (3.2%). A high unemployment rate pertains in the group of persons with primary education (22.8%), yet, on the other hand, the unemployment rate substantially declined in the large group of those having secondary education without A-level examination, including persons with apprenticeship certificates (4.6%).

### 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 Q4 2015 the number of such persons was 130.4 thousand persons, i.e. by 3.3 thousand more than in the same period of 2014. Majority of persons willing to work, however, is not able to start in a potential job immediately. Actually, there are mere 45.7 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 2015 and the prediction of the population development in 2015. The results grossed up to the total population of the Czech Republic are based on results of the 2011 Population and Housing Census.

End of data collection /

End of preliminary data processing: 21 January 2016 / 27 January 2016

*Related Internet-published document*: *250128-15 - “Employment and Unemployment in the Czech Republic as Measured by the Labour Force Sample Survey – Quarterly Data” (*[*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) with the finalised survey results will be available on the CZSO website by the end of Q1 2016.*

Next News Release shall be published on: 6 May 2016

Annexes:

Table 1 Employed persons (position in the main (one) 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” registered by the labour offices of the Ministry of Labour and Social Affairs of the CR.* [↑](#footnote-ref-1)