



EU employment situation and social outlook

December 2009





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HIGHLIGHTS

- As in last month's report, the latest data for October/November 2009 show that EU labour markets continue to weaken, although again at a more moderate pace. Employment continues to decline and unemployment to rise, job vacancies remain lower than a year ago and companies continue to announce more job losses than gains. On the other hand, labour markets are showing tentative signs of stabilising in some Member States, while a relative improvement in confidence supports the view that the pace of labour market deterioration is easing. Nevertheless, despite improvements in the economic situation and economic prospects, the labour market outlook for the coming months remains unfavourable.
- The EU has just emerged from the longest, deepest and most broad-based recession in its recent history, as GDP returned to positive growth of 0.3% in the third quarter of 2009, generally supported by increased activity in industry. Nevertheless, economic output remains significantly down (by 4.3%) on a year earlier.
- Employment in the EU has been contracting for five quarters now, and was down by 4.6 million (2%) over the year to the third quarter. Among the larger Member States, it contracted substantially over the third quarter in Spain and also in Italy, but showed only moderate declines in France and Germany, while employment levels remained broadly unchanged in the UK and continued to expand in Poland. Employment fell in all remaining Member States for which data are available, but particularly steeply only in Latvia.
- Unemployment in the EU continued to rise in October, though at a more moderate pace than in the beginning of the year. Unemployment rose by 258 000 (or 1.2%) in October to reach 22.5 million, an increase of 6.5 million (or 40%) compared to the recent low reached in March 2008.
- The EU unemployment rate edged up by 0.1 percentage points (pps) to 9.3%, 2 pps higher than a year earlier and 2.5 pps higher than in March 2008. While in October the rate increased markedly only in Latvia, it shows signs of stabilising in some Member States, including Germany and Ireland. Nevertheless it remains higher than a year ago in all Member States. The deterioration in youth unemployment continued to be more substantial, with the unemployment rate rising a steep 0.3 pps in October to 20.7%.
- The bottoming out of the downturn with a return to economic growth has been signalled for some time by sentiment and leading indicators - the EU Economic Sentiment Indicator generally has been improving since spring. However, while firms continued to be less pessimistic regarding their employment expectations, consumer unemployment expectations have remained flat for the last two months.
- According to the Commission's latest forecast, despite the improvement in economic prospects, the labour market outlook remains unfavourable for the second half of 2009 and for next year, and will gradually improve only afterwards.
- This month's edition has a special focus on the chemical industry and provides an update on the situation in the construction sector.

This monthly monitoring report responds to the need to monitor the impact of the current economic crisis on different sectors, as announced in the Commission Communication 'From financial crisis to recovery' (COM(2008) 706), and to the more general need for timely information on labour market developments. It is not a detailed analytical document; rather, it presents a situation update on recent developments and the outlook for employment, making use of a wide range of sources that provide more timely data. Some of the data may be of lower quality and less harmonised than the statistics usually used in Commission analysis (specifically, not all the data here are fully harmonised across Member States), but it is more up-to-date than the data generally available from most of the standard statistical sources.

A wide combination of information sources have been used to produce this report, including Eurostat statistics, reports and survey data from the Commission's Directorate General for Economics and Finance, national and sectoral statistics, restructuring data from the European Restructuring Monitor (collected by the European Monitoring Centre on Change), and articles from respected press sources. The report has also benefited from preliminary contributions from public and private employment services. The section on restructuring trends has been prepared by the European Foundation for the Improvement of Living and Working Conditions.



I. SITUATION AND OUTLOOK

1. Labour market trends

The latest data¹ covering the period up to October/November 2009 show that EU labour markets continue to weaken, although still at a more moderate pace. Employment continues to decline and unemployment to rise, job vacancies remain lower than a year ago and companies continue to announce more job losses than gains.

On the other hand, the EU has already emerged from the recession and there are stronger signs of a stabilising labour market in certain Member States, where unemployment has recently levelled off. Moreover, survey data continue to show a relative improvement in economic sentiment.

Nevertheless, the outlook for the labour market remains unfavourable, and the full impact of the economic crisis on labour markets has not yet run its course.

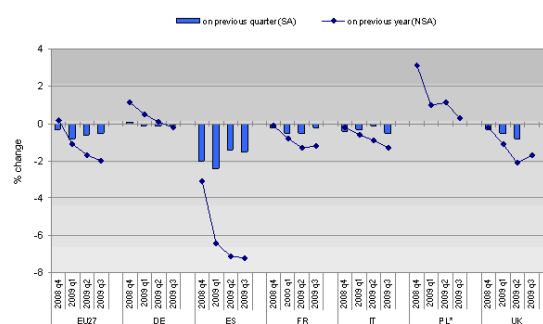
Employment in the EU has been contracting for more than a year by the third quarter...

Employment in the EU has been contracting for five quarters now, with the steepest fall of 0.8% registered in the first quarter of this year followed by smaller declines (0.6% and 0.5%) in the second and third quarters. As a result, employment has declined to 223 million, down by 4.6 million (2%) compared to a year earlier, reflecting in particular strong employment declines in the construction and industry sectors (Chart 1).

Labour market performances deteriorated across all Member States in the third quarter of this year. Among the larger Member States, employment fell notably in Spain (by 1.5%), but also in Italy (by 0.5%), and continued to weaken at a slow pace in France (down by 0.2%) and Germany (down 0.1%). In contrast, employment remained unchanged in the UK after a year of strong contraction and continued to expand in Poland. Employment fell in all the remaining Member States compared to the previous quarter, but particularly steeply only in Latvia (down almost 6%).

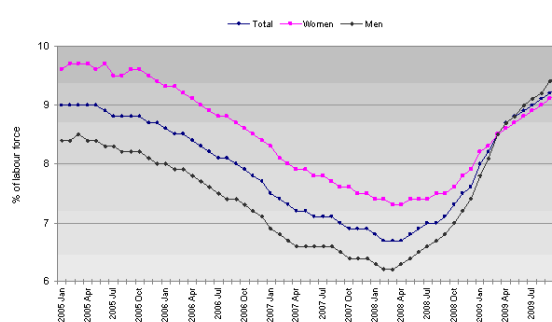
By the third quarter of 2009, year-on-year employment growth was negative in all Member States for which data is available except Poland, with the steepest falls (7-16%) in the Baltic States and Spain. For the first time during the current crisis, employment in the EU's largest Member State, Germany, was down on levels one year earlier.

Chart 1: Employment growth for the EU and large Member States



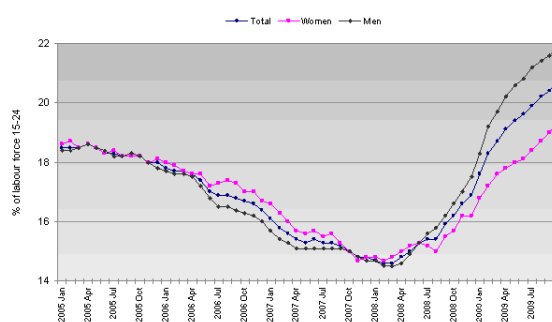
Source: Eurostat, National accounts. Note: * Quarterly changes not available for PL.

Chart 2: Unemployment rates for the EU



Source: Eurostat, series on unemployment. Data seasonally adjusted.

Chart 3: Youth unemployment rates for the EU



Source: Eurostat, series on unemployment. Data seasonally adjusted.

Unemployment continued to edge up in October...

Unemployment in the EU has been rising since the spring of last year, climbing particularly strongly from October 2008 to April this year in reaction to the intensified economic crisis. Subsequently, however, it



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Chart 4: Unemployment rate changes
October 2008 - October 2009

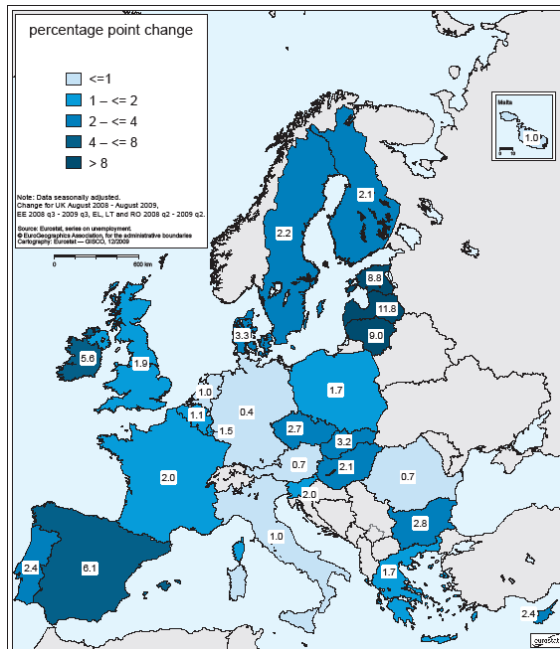
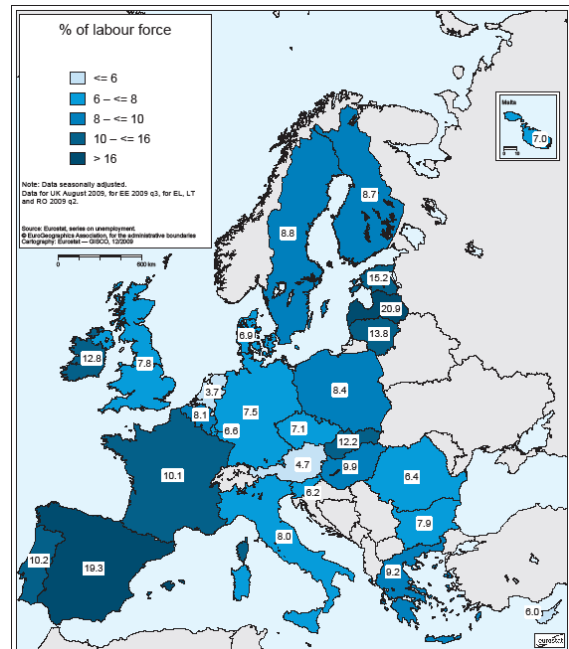


Chart 5: Unemployment rates, October 2009



has been increasing at a more moderate rate. The unemployment rate has edged up by 0.1 percentage points (pps) per month since May, reaching 9.3% in October, 2 pps higher than a year earlier. Due to the continuous increases since spring last year, the unemployment rate was 2.5 pps higher than the low of 6.7% in spring 2008, returning to the levels last observed a decade ago (Chart 2).

Underlying unemployment rose by 258 000 (or 1.2%) in October, less than in September, but slightly more than in the preceding two months, to a seasonally adjusted 22.5 million (22.2 million non-adjusted). This represented an increase of 5 million (or almost 30%) compared to October 2008, and 6.5 million (or around 40%) as against March 2008 when unemployment was at a low.

... with recent rises in rates now similar for men and women...

Initially, unemployment hit men more severely than women, with men accounting for two thirds of the overall increase in unemployment since spring 2008. As a result of stronger increases in the rate for men (which were particularly steep at 0.2-0.4 pps per month from October to April) the gender gap in the unemployment rate, still above a percentage point in the beginning of 2008, disappeared by April 2009, with the male unemployment rate subsequently exceeding the rate for women.

Since May, however, rates for both men and women have broadly been edging up by 0.1 pps per month, and women accounted for 44% of the rise in unemployment in October. This reflects that the impact of the economic downturn initially hit predominantly male-oriented sectors, such as the construction and automotive industries, but more recently has spread across the wider economy.

... and youth unemployment remaining historically high and rising more steeply

Young people have accounted for almost a quarter (23.5%) of the total increase in unemployment since spring 2008. Their unemployment rate has been rising since spring last year, gaining momentum from September 2008 to last April, before edging up by a more limited 0.2-0.3 pps from May onwards. It has risen to a substantial 20.7%, up 4.5 pps on October 2008 and up 5.8 pps on its trough in March 2008 (Chart 3).

The marked increase in the youth unemployment rate over a year has been driven mainly by the very sharp rise in the rate for young men. Overall, young men have accounted for almost three-quarters of the increase in youth unemployment since spring 2008. However, over the last three months the unemployment rate for young women has been increasing faster than the male rate.



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Youth unemployment reached a seasonally adjusted 5.5 million (5.6 million non-adjusted) in October, reflecting a rise of 103 000 (or 1.9%) on the previous month, and accounting for 40% of the October increase in total unemployment. Compared to October 2008, youth unemployment increased by 1.1 million (or about a quarter), and by 1.5 million (or almost 40%) compared to March 2008.

Consequently, the improvements achieved since early 2005 in reducing the youth unemployment rate have been more than reversed, with the rate climbing to levels not observed since Eurostat data for the EU became available (1998). Furthermore, while the rise in the adult rate has stabilised at around 0.1 pps per month, the increase in the youth rate has continued to be substantial.

Over the last year, the youth unemployment rate has doubled in the Baltic States (up 20 pps in Latvia and Lithuania, and by almost 15 pps in Estonia) and increased significantly in Ireland and Spain (by 13 pps and 15 pps, respectively). As a result, the unemployment rate among young people has surpassed 30% in Latvia and Lithuania and exceeds 40% in Spain.

Unemployment continued to rise in most Member States, though it stabilised in some...

Unemployment continued to rise in most Member States in October, but while the unemployment rate increased steeply only in Latvia, it declined or stabilised in a few Member States, including Germany and Ireland.

Among the larger Member States, in October the increase in the unemployment rate slowed to 0.2 pps in Spain, but at a similar pace of 0.2 pps became more firm in Italy and Poland, and the rate continued to increase modestly in France (by 0.1 pps). In contrast, the rate decreased in Germany (where it had remained broadly stable since May) and remained stable during the summer months in the UK.

Among the remaining Member States, Latvia recorded a sharp rise in the unemployment rate in October (1.2 pps, following a similar steep rise in September) and Slovenia saw its rate pick up suddenly after showing signs of stabilisation over the previous months. In contrast, unemployment rates remained stable in Austria and the Netherlands and decreased in Malta and, after months of increases, fell in Ireland (Chart 6).

... and the unemployment rate remained higher than a year ago in all Member States

Over the year to October, unemployment increased across all Member States. Among the larger Member States, the unemployment rate rose most in Spain, up by 6.1 pps to 19.3% (equivalent to 4.5 million unemployed), and is now the second highest in the EU. The unemployment rate increased noticeably, over the

Chart 6: Unemployment rate changes to October 2009

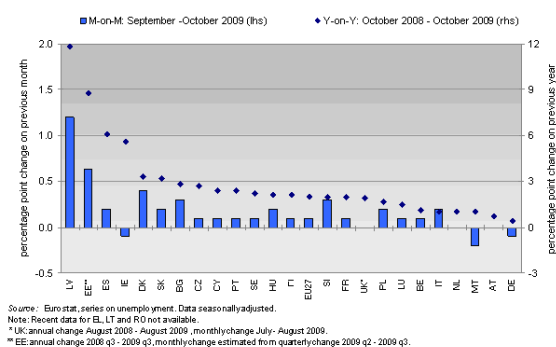
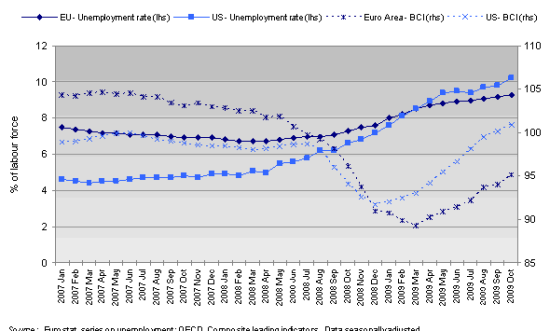


Chart 7: Unemployment rate and BCI for the EU and US



year to October, in France (by 2 pps) to 10.1% (3 million unemployed) and Poland (by 1.7 pps) to 8.4% (1.5 million unemployed), and, up to August, in the UK (by 1.9 pps) to 7.8% (2.4 million unemployed). It increased more modestly over the year to October in Italy (by 1 pps) to reach 8% (2 million unemployed) and in Germany (by 0.4 pps) to reach 7.5% (3.2 million unemployed).

Among the remaining Member States, the unemployment rate rose most over the year (by around 8-12 pps) in the Baltic States, reaching the highest level in the EU in Latvia (20.9%), and exceeding 13% in Estonia and Lithuania. While also high in Ireland and Slovakia (more than 12% in each), unemployment rates have remained low in Austria and the Netherlands (at less than 5% in both) (Charts 4, 5 & 6).

Unemployment in the EU continued to be less affected by the downturn than in the US

Despite a sharper economic downturn (and a slower recovery) and stronger falls in business confidence in the EU compared to the US, the impact on the labour market in the EU has been less dramatic than in the



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US, where unemployment has more than doubled since mid-2007. By October, the unemployment rate in the EU had increased to 9.3%, up 2 pps compared to a year earlier, while in the US it had increased by a more marked 3.6 pps to 10.2%. Due to a steep rise (0.4 pps) in the US rate in October, the EU's positive unemployment rate gap with respect to the US widened to 0.9 pps (Chart 7), although early indications point to a slight fall in the US rate in November.

EU consumers' fears of unemployment remained unchanged in November...

Since April, EU consumers have felt relatively more confident about the general economic situation, and have reported reduced fears regarding unemployment for the year ahead. However, after several months of declines, consumers' unemployment expectations remained unchanged in October and November (Chart 8). Among the larger Member States, fears of unemployment intensified significantly in Germany, remained unchanged in Spain, but lessened notably in Italy, Poland and the UK, and slightly eased in France.

The unemployment rate has continued to increase in line with the lagged effect of previous worsening expectations and economic recession, and can be expected to deteriorate further before the effects from recently improved economic activity feed through to the labour market.

... while employment expectations continued to improve, but firms still expect to reduce staff levels

Similarly, employment expectations among firms have shown a relative improvement since spring, although expected demand for new workers generally continues to be negative on balance. After consecutive declines from late 2007 up to early 2009, employment expectations for the months ahead have improved over recent months across all main sectors.

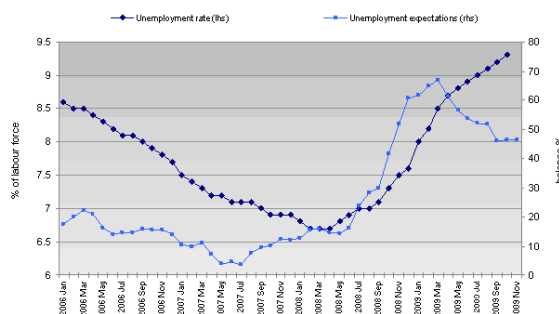
Generally showing an upward trend for eight or nine months now, employment expectations improved further in industry and construction in November. They also picked up significantly in services after two flat months, but worsened in the retail trade. While remaining the only sector with a positive balance, expectations did not change in financial services (Chart 9).

Job vacancies have stabilised, though remaining low compared to last year...

The job vacancy rate for the EU has remained broadly stable since the beginning of the year, confirming a stabilisation in demand for new workers, but nevertheless, at 1.3% in the third quarter the rate remains down by 0.6 pps compared to a year earlier.

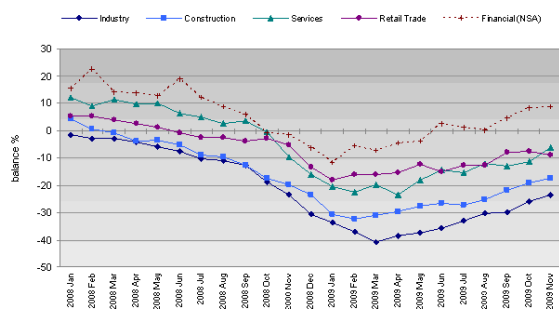
The relatively low level of labour demand compared to the situation last year is confirmed by official sources,

Chart 8: Unemployment rates and expectations for the EU



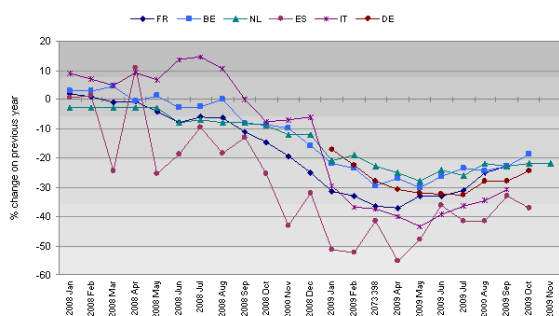
Source: Eurostat, series on unemployment, Commission services (ECFIN), Business and consumer surveys. Data seasonally adjusted.

Chart 9: Employment expectations for the EU



Source: Commission services (ECFIN), Business and consumer surveys. Data seasonally adjusted (except for financial sector).

Chart 10: Hours worked invoiced by private employment agencies for selected Member States



Source: Eurocliett. Note: Hours worked defined as sum of all hours invoiced by all private employment agencies to all user companies.

for example in the UK and Germany. In the UK, according to the Office of National Statistics vacancy survey, unfilled vacancies stabilised at 428 000 on average in the three months to October, but were down 154 000 (or 26.5%) on the year. Administrative data on the number of vacancies at Jobcentre Plus indicate an average of 330 060 vacancies notified each month between August and October 2009.



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In Germany, the Federal Employment Agency's job index (BA-X)² increased by 1 point to 126 points in November, suggesting that demand for workers has stabilised. Nevertheless, the index remained low, down by 30 points compared to November 2008, and it is uncertain if demand for labour will increase, stabilise at this low level or even decline. The number of vacancies dropped by 14000 over October, to around 465 000, down by 74000 (14%) on the previous year.

... similarly, demand for temporary agency work has dropped over the year, but there are signs of recent improvements

Temporary agency work has been hit hard by the downturn. Recent data from Eurociett³, generally covering September to November, continued to show a noticeable year-on-year contraction in the number of hours invoiced by private employment agencies, ranging from 19-25% in Belgium, the Netherlands, France and Germany to around 30% in Italy and 37% in Spain, according to the respective reference periods. However, there are signs that the situation has improved over recent months, as the year-on-year declines are much lower than those observed during the spring (Chart 10). In the UK, the growth in temporary staff jobs accelerated to a sixteen-month high in October, reflecting firmer demand for short-term workers.

2. Restructuring trends

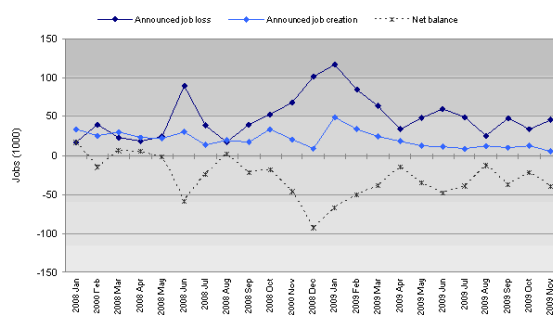
The economic crisis and the resulting deterioration in EU labour markets are reflected in the European Restructuring Monitor (ERM) data collected by the European Monitoring Centre on Change⁴.

Announced job losses continue to outnumber announced job gains...

Job losses continue to outnumber job gains on the ERM as they have done more or less continuously since the second quarter of 2008. Compared to the previous month, in November 2009 the ERM registered an increase in restructuring activities and in particular an increase in the number of job losses and a sharp decline in the number of job gains. During the month, the ERM registered 45 349 announced job losses, almost double the number announced in October 2009 (Chart 11).

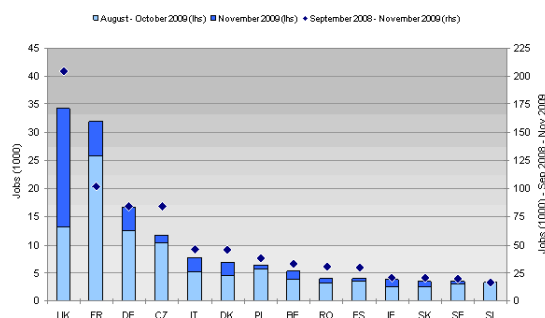
There have been almost three times as many announced job losses as job gains in ERM restructuring cases since September 2008. In October 2009, there were 72 new cases of restructuring-related job loss and 18 new cases of job gains accounting for only 5 000 jobs.

Chart 11: Announced job losses and creation for the EU



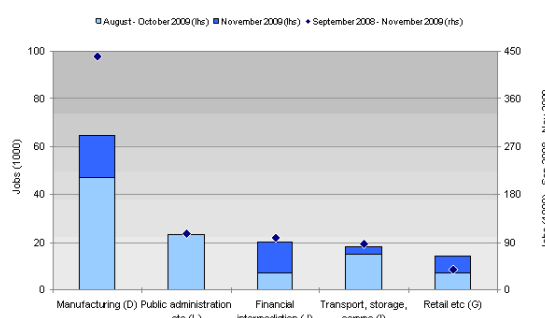
Source: European Monitoring Centre on Change, European restructuring monitor.

Chart 12: Announced job losses for selected Member States



Source: European Monitoring Centre on Change, European restructuring monitor.

Chart 13: Announced job losses for the EU



Source: European Monitoring Centre on Change, European restructuring monitor.

...with most of the recent job loss announcements in the United Kingdom and France

The member states with largest announced job losses in November 2009 were the United Kingdom (20 933 jobs), France (6 120), Germany (4 080), Italy (2 706) and Denmark (2 505) (Chart 12).



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Manufacturing and Financial Intermediation were the sectors most affected by announced restructuring job losses in November...

In November 2009, manufacturing accounted for 17759 announced job losses in the ERM. Since September 2008, the ERM has recorded 439682 announced job losses in manufacturing, slightly more than half of total job losses. The Financial intermediation sector was the other sector most affected in November, with 13299 announced job losses. Other significantly affected sectors included Retail (7668 jobs), Transport and Communications (3053 jobs) and Real Estate, Renting and Business activities (1692 jobs) (Chart 13).

In November, the largest individual restructuring cases involving job loss were in:

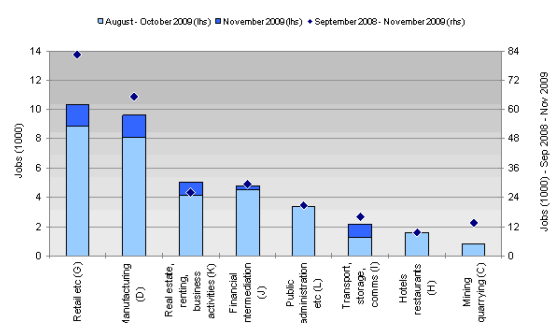
- **Manufacturing:** PSA Peugeot Citroën (France, 6000 jobs), Sews Polska (Poland, 900 jobs), Mercedes Benz (Germany, 1000 jobs).
- **Financial intermediation:** Lloyds Banking Group (United Kingdom, 5000 jobs), RBS (United Kingdom, 3700 jobs), HSBC (United Kingdom, 1700 jobs), Postbank (Germany, 1500 jobs).
- **Retail:** First Quench Retailing (UK, 5928 jobs), Quelle Österreich (Austria, 1100 jobs).
- **Transport, Storage and Communications:** British Airways (United Kingdom, 1200 jobs).
- **Real estate/business activities:** Agile (Italy 1192 jobs).

In France, PSA Peugeot Citroën, Europe's second largest car-maker, announced in November 2009 plans to cut 6000 jobs on a voluntary basis in its factories in France between January 2010 and December 2013. In Poland, Sews Polska, a producer of cable bundles for the automotive industry, announced plans to transfer its assembly line in Sews Rawicz to Tunisia. The whole workforce (1200 employees) will be made redundant although 300 workers will be transferred to the Sews Polska plant in Leszno. On 5 November 2009, the car manufacturer Daimler announced it would cut 1000 jobs at its Mercedes Benz division in Germany.

In the financial intermediation sector, Lloyds Banking Group announced plans to cut 5000 jobs by the end of 2010 (1000 of the job losses will be in Scotland, and 530 in West Yorkshire). These cuts bring the number of job losses announced within the group to over 10000 this year. RBS announced plans to cut 3700 jobs across the UK and HSBC has announced plans to cut 1700 jobs from back office operations across the UK. In Germany, on 25 November 2009, Postbank announced a cut of at least 1500 jobs by the end of 2012.

In the retail sector, in a series of job loss announcements after the company went into administration on October 29 2009, off-licence group First Quench has announced 5928 job losses in over 1100 stores UK-wide. The stores operate under the

Chart 14: Announced job creation for the EU



Source: European Monitoring Centre on Change, European restructuring monitor.

Table 1: Job loss by type of restructuring in the EU (%)

	September 2008 - September 2009	October 2009	November 2008
Bankruptcy/ Closure	22.3	35.9	19.3
Internal Restructuring	70.3	59.9	74.0
Merger/Acquisition	3.4	0.9	0.0
Off-shoring/Delocalisation	3.1	2.9	6.3
Other	0.9	0.4	0.4

Threshers, Wine Rack, The Local, Haddows, Bottoms Up and Victoria Wine brands, and will shut by 16 December 2009.

Slightly less than a quarter of announced job losses during the downturn (since September 2008) have been attributable to bankruptcy/closure (22.6%). Levels are nonetheless continuing to revert to their long-run average (14.4%). In fact in November 2009, the share of job losses attributable to bankruptcy/closure decreased sharply compared to October 2009 and was lower than the average level registered since the downturn began (Table 1).

... while manufacturing and retail accounted for the majority of business expansion

Of the 5055 new jobs announced during November 2009, the major share were in manufacturing and retail, in each of which around 1500 new jobs were announced (Chart 14). Since September 2008, the sectors to benefit most from announced job creation have been retail (82446 jobs) followed by manufacturing (65117 jobs). Together, they account for over half of all new announced jobs on the ERM.

In November, the biggest individual cases involving job gains were in:

- **Transport, Storage and Communications:** WS Atkins (Poland, 900 jobs).
- **Retail:** Fielmann (Germany, 650 jobs), Mothercare (United Kingdom, 400 jobs).



3. Economic context and outlook

ECONOMIC SITUATION

The EU started to recover from recession in the third quarter...

The EU has just emerged from the longest, deepest and most broad-based recession in its recent history. After five quarters of consecutive contraction, GDP increased by 0.3% during the third quarter, and according to the Commission forecast is expected to expand by 0.2% in the last quarter of this year. Nevertheless, compared to a year earlier, GDP had declined by a substantial 4.3% by the third quarter of 2009. In the US, economic output picked up by a stronger 0.7% during the third quarter, with GDP down by 2.5% compared to a year earlier (Chart 15).

... with economic improvements in most Member States

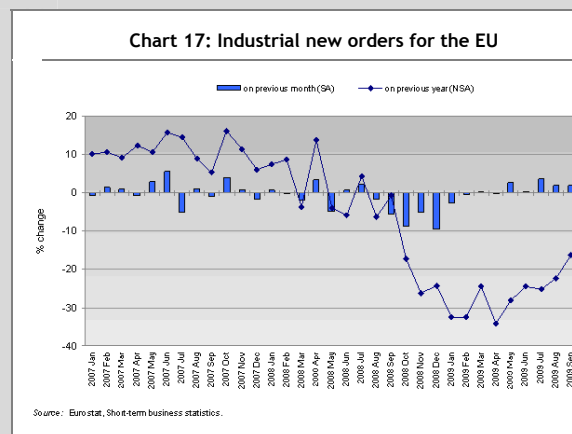
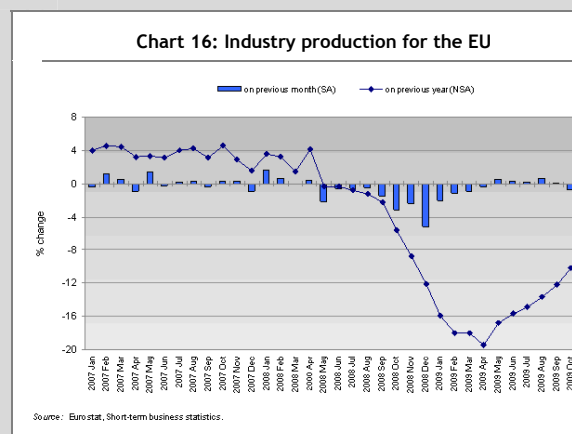
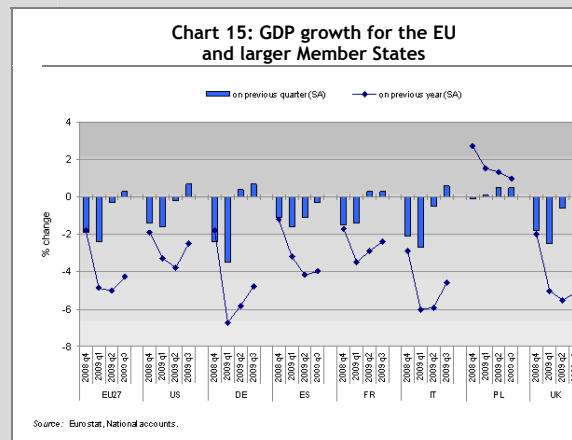
Within the EU, most Member States had been in recession by the first quarter of 2009, but almost all have started to see improvements in GDP growth since then. Among the larger Member States, the economy expanded again in Italy in the third quarter, to join France, Germany and Poland in posting positive growth. These Member States are leading the EU recovery. In contrast, the economy weakened further in Spain and the UK in the third quarter.

Industry production in the EU has generally been increasing since May, reversing a year of falling output ...

The recovery in overall economic activity has generally been supported by improvements in industrial production. Following the strong month-on-month contractions over the year to spring 2009, growth in industrial output has been positive since May, although production did decrease again slightly (by 0.7%) in October (Chart 16).

Underlying this deterioration in industrial production at EU level in October were mixed performances across the larger Member States. A steep contraction in output in Germany (after a strong expansion in the previous month), a significant fall in France and a slight reduction in the UK, more than offset a continued increase in Poland and a rebound in Italy and Spain. The decrease reflected a steep fall in the output of non-durable consumer goods, but also in production of capital goods, energy and durable consumer goods, while the production of intermediate goods increased.

As a result of the general recent improvements, the downward trend in year-on-year growth in industrial production has come to an end, with growth showing a relative improvement since May. It has nevertheless remained sharply down compared to levels one year earlier (down by 10.2% in October), still reflecting the



particularly strong consecutive falls between last autumn and this spring.

... in line with expanding new orders for industry ...

The contraction in industrial output has followed the trend in new orders, which dropped substantially in the second half of 2008, but started to recover somewhat in the beginning of this year. In September, new orders increased by 1.8%, following two months



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of significant rises (Chart 17). The improvement in new orders in September resulted from rises in new orders for all goods, in particular for capital goods and for both non-durable and durable consumer goods. On a yearly basis, new orders had generally been on a downward trend since the middle of 2008 until April 2009. Although improving subsequently, by September new orders were still down by 16.4% compared to a year earlier.

... while construction output declined further in September ...

After some initial signs of stability in spring, output in construction has decreased since May, falling by a further 1.1% in September (Chart 18). This deterioration at EU level is due to a strong drop in output in Germany and Poland and a more limited decline in the UK, which more than offset the rebound in Spain. As a result of the recent declines, construction output in the EU was down by 9.7% compared to September 2008. This resulted from strong declines over the year in construction output in France, Spain and the UK, cancelling out rises in Germany and Poland.

... and retail trade turnover increased in October

Except for sizeable falls in February and May, retail trade turnover in the EU has held up rather well since October of last year. After decreasing in the preceding months, retail trade turnover rose again by 0.3% in October. The October increase resulted from a significant rise of 0.7% in the non-food sector while turnover in the food sector remained stable. It was mainly driven by increased turnover in Germany and Poland, which offset the decline in Spain. Consequently, year-on-year growth in retail turnover had rebounded to -0.9% by October (Chart 19).

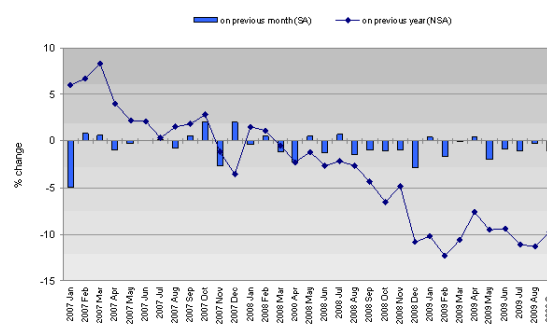
OUTLOOK

Economic sentiment in the EU continued to improve in November, but remained below its long-term average...

The bottoming out of the downturn started to be signalled some months ago by indicators of business and consumer confidence. The EU Economic Sentiment Indicator (ESI), which started to improve eight months ago, rose by a further 1.9 points to 87.9 points in November. However, it still remains well below its long-term average, and the November increase was one of the lowest since April, held back by the cautiousness of consumers (Chart 20).

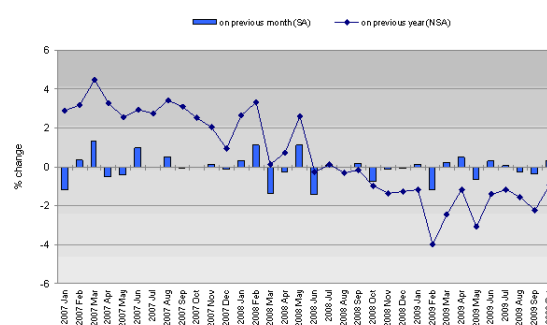
The improvement at EU level reflected improvements in all the larger Member States except for the UK (down 3 points), with marked rises in sentiment in Italy and Poland (up 3 points) and slightly more moderate increases in France and Germany (up 2 points) and Spain (1 point).

Chart 18: Construction production for the EU



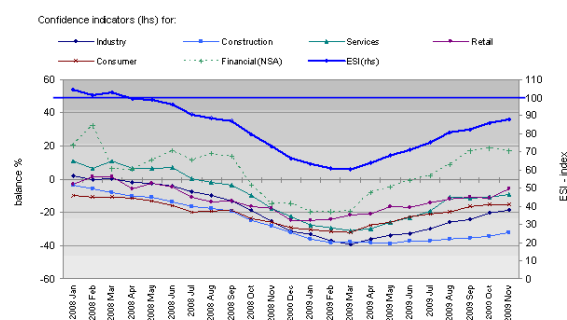
Source: Eurostat, Short-term business statistics.

Chart 19: Retail trade turnover for the EU



Source: Eurostat, Short-term business statistics.

Chart 20: ESI and confidence indicators for the EU



Source: Commission services (ECFR), Business and consumer surveys. Data seasonally adjusted (except for financial sector).

The ESI increase resulted from a rise in sentiment in industry (up 1 point, driven by more optimistic production expectations), supported by increases in confidence in construction and services (up 2 points in each) and a substantial pick up of 6 points in retail, while confidence among consumers remained unchanged. In contrast, sentiment declined in financial services (not included in the ESI).



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... while the OECD's leading indicator for the EU continued to recover strongly

The OECD's Composite Leading Indicator (CLI) also started to point some months ago to improvements in the economic situation in Europe and to an imminent return to growth. After the declines observed over 2008, the CLIs for the euro area and the group of the four largest EU Member States started to stabilise at the beginning of 2009 and have picked up markedly since April (Chart 21).

In September the CLI increased by a further 1.4 points in the euro area and by 1.6 points in the group of four largest EU Member States, and also rose by 1.4 points in the US. While the US recorded an increase of 1.4 points over the year to September (the first increase since the beginning of 2008), the two European groupings were up by a significant 6.3 and 7.7 points compared to a year earlier and have returned to the levels observed in 2007.

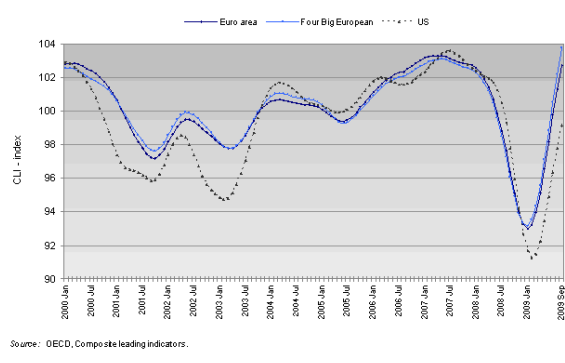
These improvements in the CLI are in line with the recent recovery and indicate further economic improvement in the EU. Nevertheless, any positive impact on the labour market will still take much longer to manifest itself, given the usual lags before employment reacts to a change in confidence and economic activity.

... nevertheless the labour market outlook remains unfavourable...

According to the Commission's Autumn 2009 forecast⁵, despite an improvement in economic prospects, the labour market outlook continues to be unfavourable for the second half of 2009 and for next year, and will gradually improve only afterwards.

Despite the resilience shown by EU labour markets to the recession (mainly due to short-term policy measures and labour hoarding, alongside the favourable impact of past reforms), employment is expected to fall this year and in 2010 and unemployment to rise, potentially to 10.2% in 2011. Furthermore, looking ahead, there are several risks, including a 'jobless' recovery, persistent high unemployment and a shrinking workforce. Whether these risks materialise will depend among other things on the flexibility of the labour market, the policies in place and the implementation of the necessary structural adjustments across sectors and firms.

Chart 21: Composite leading indicators for the EU and US



... and a recent survey confirms Europeans' continued strong concerns over unemployment

While more Europeans now feel that the worst of the crisis' impact on jobs is behind us, unemployment remains their main concern. According to the Standard Eurobarometer 72 (EB 72)⁶, 38% of Europeans now feel that the worst of the crisis' impact on jobs has passed, compared to 28% in May/June, and with the positive perception increasing in almost all Member States (except Cyprus and Spain). Nevertheless, most Europeans feel that things will still get worse (54%, down from 61%), and only in Denmark, the Netherlands and Sweden do optimistic opinions dominate.

Around a half of Europeans consider unemployment to be the most important issue that their country faces (51%; +2 pps compared to May/June), while concern about the economic situation is down somewhat since spring (from 42% to 40%). Unemployment is the primary national concern in 19 Member States, compared to 18 in spring 2009.

Nevertheless, while concern about the national situation remains high, people continue to be less concerned about unemployment when referring to their own personal situation - 20% of Europeans mention this as the predominant issue affecting themselves.



II. SPECIAL FOCUS

1. Latest developments and expectations in selected Member States

This section provides an overview of recent developments and forecasts at Member State level. In this issue, the focus is on the labour market situation in Bulgaria, Greece, Ireland, Portugal, Romania and Slovenia. Priority has been given to the most recent reports and forecasts (dating from September to early December 2009) from reliable sources at country level.

Bulgaria

Since the third quarter of 2008, the EU's poorest economy has been in decline. In the second quarter of last year, year-on-year GDP growth was still 7.1%. In the third quarter this year, it posted a 5.8% decline, the most serious since the beginning of the crisis and reflecting Bulgaria's strong economic dependence on capital flows from abroad. On the positive side, the economic sentiment indicator (ESI) has recently been progressively rising, from a low of 73.8 points in September 2009 to 76 and 76.2 points in the following two months.

In terms of employment, Bulgaria has so far shown some resilience to the downturn. While year-on-year employment growth was still as high as 4.8% in the first quarter of 2008, employment declined by 1.8% in the second quarter of this year. The unemployment rate, which reached a low in November 2008 (5.1%), went up to 7.9% in October 2009 (+2.8 pps year-on-year), which nevertheless remains moderate compared to pre-accession rates (nearly 20% in May 2001). In the third quarter of this year the number of unemployed was 234 500, and the number of long-term unemployed 98 700, which is 42.1% of all unemployed.

Both female and male workers have been hit by the rise in unemployment, as their unemployment rates rose by 2.5 and 3.2 pps to 7.7% and 8.1%, respectively, from October 2008 to October this year. The youth unemployment rate posted a low of 11.2% in September last year, and since then has increased to 17.4% in October 2009, i.e. 3.3 pps below the EU average.

Notwithstanding this relatively positive picture, according to the Standard Eurobarometer 72 (EB 72) on "Public opinion in the European Union", Bulgaria posted the EU's second largest increase in the share of people concerned about unemployment between spring (June-July) and the autumn (October-November) of this year: up 10 pps, to 48%. However, according to 51% of surveyed Bulgarians, the economic situation remains the most important issue for their country.

According to the Commission's Autumn 2009 economic forecast, after a projected contraction of slightly less than 6% in 2009, real GDP is expected to continue to decline in 2010, albeit at a decelerating pace of around 1%. The economy is expected to start to recover, following the international cycle, in the second half of 2010. Real GDP should then grow by around 3% in 2011.

On 2 December, the Bulgarian parliament passed its austerity budget for 2010, which included belt-tightening measures aimed at helping the country get out of recession next year.

Bulgarians who have been affected by unemployment but plan to start their own business will be able to apply for financing from the Human Resources Development Programme. According to the Minister of Labour and Social Policy, 120 000 people are expected to qualify in 2010 for funding from this programme.

Greece

Greek GDP still posted 3.4% annual growth in the second quarter of 2008. A year later, growth turned negative: at -0.5% and -1.2% in the first and second quarters, respectively. In the third quarter of 2009, GDP decreased by 1.6% on an annual basis and by 0.3% in comparison to the previous quarter. This contraction is due to the effects of the global crisis gradually spreading to the Greek economy.

Until recently, the labour market had not been excessively affected by the downward trends in the economy, as employment had merely declined by 0.9% by the third quarter of 2009 compared to the same period last year. The unemployment rate rose from a low of 7.5% in the second and third quarters of last year to 9.2% in the second quarter of 2009. This level is comparable to the EU average (9.3% in October 2009, up from 7.3% a year earlier). From a historical point of view, this remains below the 10% and higher levels recorded before September 2005 (and the high of 12.4% in 1999/Q4).

However, the contraction in economic activity is now affecting employment more clearly, which is set to fall further in the coming quarters (-1.1% in 2009 as a whole and -0.3% in 2010, according to the Autumn 2009 forecasts). This will push the unemployment rate up to around 10% and 11% in 2010 and 2011, respectively. On the positive side, the ESI, which reached a low in March 2009 (42.9 points), increased to 71.4 points in October, although it then dipped to 66.4 points in November, owing to declining confidence in the construction sector.

Youth unemployment is a rising concern as it affected more than one young (under 25) worker in four in the second quarter of this year, i.e. 25.2%, up 3.8 pps from a year earlier and 5.8 pps higher than the EU average. However, the rise is fairly moderate compared to the EU trend (up 4.4 pps over the same period), and the rate remains moderate in comparison to the roughly 30% posted in January 2000. The female unemployment rate remained close to double the male rate, at 12.8% versus 6.6%, in the second quarter of 2009.

According to recent LFS data, the number of unemployed in the second quarter of this year is estimated at 442 563. The percentage of new unemployed, i.e. people entering the labour market for the first time, was 29.3%, while the percentage of long-term unemployed, i.e. people looking for a job for more than a year, was 43%. According to the EB 72, Greeks are increasingly concerned about unemployment, with 46% (i.e. 5 pps more in the autumn than in the spring) considering that unemployment is the most important issue for their country.



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Confronted with soaring public debt the Greek government is determined to cut its budget deficit (which might reach 12.7% of GDP by the end of this year) to 9.1% of GDP in 2010. Its debt is expected to exceed 120% of GDP in 2010, up from 113.4% in 2009. In this context, the government is planning to reform Greece's social security and pension system. The government will also impose a one-off tax increase on the country's most profitable companies to pay for a welfare programme. According to the Finance Minister, the levy will raise €1 bn to help low-income families through the economic downturn.

Ireland

In Ireland, the global economic and financial crisis has aggravated what started as a home-grown downturn and turned it into a protracted recession. After over a decade of strong economic growth, that had been increasingly driven by domestic demand, a sharp adjustment started in the Irish housing market and has since spread to the wider economy, marked also by an unprecedented banking crisis and a surging national debt. As a result, the economy entered recession in 2008, with real GDP falling by 3% over the year. At the same time prices on average have been falling steadily this year, starting with a 0.1% annual drop in January and reaching 6.5% in September.

Quarter-on-quarter GDP growth has remained negative or non-existent over the last 1.5 years. According to the government and the Commission's Autumn 2009 forecasts, a large drop in real GDP is expected in 2009 (-7.5%), followed by a smaller decline in 2010 (-1.5%), before positive growth resumes in 2011. Ireland should benefit from the world trade upswing along with restored competitiveness. The ongoing domestic adjustment will nevertheless be prolonged. The recently adopted 2010 budget foresees, *intra alia*, cuts in the public sector and in the health service and the welfare system.

The Irish government forecasts that the unemployment rate will not exceed 13.5%. Supporting this prediction, Ireland's unemployment rate fell in October 2009 for the first time in two years to 12.8%, down 0.1 pps from a month earlier. However, it remains 3.5 pps higher than the EU average. The report from the government Central Statistics Office indicates that the number of people claiming unemployment benefits fell in October by more than 7400 to 412407. Nevertheless, according to the EB 72, unemployment remains the most important issue in Ireland, as 61% of the Irish people selected it as their top concern this autumn, which is 3 pps more than in the spring.

Young workers have been the first victims of surging unemployment, as the youth unemployment rate nearly doubled in one year, from 15.5% in October 2008 to 28.4% in October 2009, i.e. 7.7 pps higher than the EU average. Male workers have been severely hit by the recession, with their unemployment rate rising from 8.6 to 16.2% within the same period. In contrast, the female unemployment rate increased by only 3.4 pps in the same period, to 8.6%.

According to the Statistical Yearbook of Ireland, released in November, the number of women in the labour force has increased since 2002, with the female participation

rate rising from 49% in 2002 to 54% in 2008, before the crisis hit. In the second quarter of 2009, according to the latest LFS data, it came down to 49.5%. In the same quarter the male employment rate was 60.1%, i.e. 10.3 pps less than in the third quarter of 2007.

One way for workers made redundant to return to the labour market is to retrain and develop new skills. Hundreds of former Waterford Wedgwood workers are to be retrained with help from European and government funding expected to be worth around €5 m. Furthermore, the European Parliament has given the green light to a €21 m scheme to help retrain up to 1900 redundant Dell workers, after the chip-maker outsourced production from Limerick to Lodz in Poland.

Portugal

From October 2008 to October this year, unemployment in Portugal went up from 7.8% to 10.2%, exceeding the high recorded in March 1986 (9.3%) and almost treble the historic low in November 2000 (3.8%). Between the third quarters of 2008 and 2009, employment dropped by 3.1%, compared to 2% on average in the EU. In the second quarter, the employment rate had fallen to 56.3% i.e. 1.8 pps less than in the same period a year ago.

According to the EB 72, unemployment remains the most important issue for Portugal, as 57% of the Portuguese selected it as their top concern this autumn, which is relatively stable compared to the percentage posted in the spring (58%), but still 21 pps higher than the percentage found for the second-ranking item, the economic situation (36% in the autumn).

Youth unemployment reached a recent low in April 2008. A year later, in the same month, it surpassed the 20% mark (20.4%), before declining and stabilising at 18.9% in October 2009, or 1.8 pps below the EU average. Because of the crisis, male unemployment has gained ground to nearly catch up with the female unemployment rate. In October 2009, the former was 9.6% (up 2.8 pps on the previous year) whereas the latter was 10.9% (up 1.8 pps).

According to recent forecasts released by the National Statistics Institute (INE), Portugal's GDP increased by 0.9% in the third quarter of this year compared to the previous quarter. This is the second positive change in quarterly GDP figures after three consecutive declines. According to the Commission's Autumn 2009 forecast, GDP is expected to decline by 2.9% in 2009 as a whole, and to pick up by 0.3% next year.

The Bank of Portugal (BdP) stresses that the consequences of the crisis remain milder in Portugal than in the rest of the EU. It has forecast that GDP will decline by 2.7% this year, i.e. 1.4 pps less than the EU average. However, according to the OECD Economic Outlook, growth remains subdued as private-sector deleveraging is constraining the recovery. As a result, unemployment is likely to increase in 2010. In this context, the government is set to reinforce its economic stimulus package to support infrastructure projects, companies and employment. Worth around €2.2 bn, it will include investment in renewable energy, new telecommunications networks and schools. The ESI remains volatile but has recently shown tentative signs of



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increasing confidence, as it rose to 83.7 points in November from 81.2 points in October.

Romania

For four consecutive quarters, Romania's GDP has been on the decline. The crisis is severely affecting this country of 22 million people: the year-on-year GDP change, which was still very positive last year (+9.4% in the second quarter of 2008), plummeted this year (-8.7% in the same quarter of 2009). Although this trend is now easing (the quarter-on-quarter decline lessened from -4.6% in the first quarter to -1.1% and -0.7% in the subsequent two quarters), GDP will probably have fallen by 8% by the end of this year and the recovery, expected for 2010, will be moderate (+0.5% according to the Commission's Autumn 2009 forecast).

In the labour market, demand for workers has fallen. According to the National Statistics Institute, the job vacancy rate decreased in the third quarter, for the fourth consecutive quarter. It fell below 0.8%, compared with 2% a year earlier.

Employment is being hit by the crisis, although much less than in the rest of the EU. The unemployment rate increased by only 0.7 pps over the year, from 5.7% in the second quarter of 2008 to 6.4% a year later, whereas the EU average rose 2 pps within the same period. At this level, Romania's unemployment rate remains fairly moderate compared to the level reached in the first quarter of 2002 (8.9%). This quite stable picture stems in part from the fact that a great number of Romanians decided to leave their country to work abroad in 2009. Today, between 2.8 million and 3 million Romanians, i.e. one in nine, work outside Romania's borders, according to estimates. Nevertheless, according to the EB 72, more Romanians are now concerned about unemployment than earlier in the year. 36%, (i.e. 4 pps more than in the spring) consider that unemployment is the most important issue facing their country.

For its part, youth unemployment has been rising faster than the overall figure. After rising by 1.8 pps within one year, to 19.9% in the first quarter of 2009, it stabilised at 19.8% in the second quarter, in line with the EU average over the same period (19.4%). Female workers remain less affected than men by the recession, as their unemployment rate reached 5.3% in the second quarter, i.e. 1.9 pps less than the male rate.

In order to gain the confidence of foreign investors and to stimulate growth, the new government needs to overhaul public finances, with further cuts in public spending in the short term. Romania's recovery will also depend on recovery of the euro area. For the time being, its ESI remains depressed, at 62.1 points in November, the lowest level ever recorded.

Slovenia

Despite clear signs that the Slovene economy is slowly recovering, unemployment trends remain worrying, as some 15 000 people lost their jobs in October alone according to the Labour Directorate. The number of unemployed registered with the Employment Office is

now close to 100 000. Compared to historic levels, however, the current figures remain moderate. While reaching 6.2% in October, up 2.1 pps compared to the low posted in September 2008 (4.1%), the unemployment rate remained below the peak reached in November 2005 (7.1%). Youth unemployment was one of the lowest in the EU, at 11.8% in August and September 2009, down 1.9 pps from the previous quarter but still higher than the 9.8% recorded in the last quarter of 2008. Compared to pre-accession levels (20.5% in the fourth quarter of 2001), this remains moderate.

Nevertheless, according to the EB 72, unemployment became the most important issue facing Slovenia, ahead of the economic situation, with 56% of surveyed Slovenes reporting it as their top concern this autumn, which is 6 pps more than in the spring.

According to LFS data for Slovenia, 998 000 people were in employment in the third quarter of 2009, nearly 18 000 or 2% more than in the previous quarter. The largest increase was registered among family workers (up by 12 000 in comparison with the second quarter of 2009) and among persons employed through student employment services, whose number increased by 13 000 or by 35% over the previous quarter. In spite of this increase, however, their number was still 10 000 lower than in the third quarter of 2008. In the third quarter of this year, persons in employment worked fewer weekly hours than usual, probably owing to the Partial Subsidising of Full-time Work Act, which has been in force since the beginning of 2009.

Although Slovenia emerged from recession recently, with GDP increasing by 0.6 and 1% quarter-on-quarter in the second and third quarters of 2009, the decline recorded in the previous two quarters was serious enough to yield a year-on-year fall in 2009 of close to 8%. The rebound, moderate though it may seem, is expected to continue through 2010 and 2011, driven by external demand, according to the OECD Outlook report. Sentiment, as reflected in the ESI, saw a sudden rise in November 2009, to 68.8 points, i.e. 9 points higher than a month before, in particular owing to increasing confidence in industry and in consumption.

Following the strong 2009 fiscal stimulus, the fiscal stance is set to tighten in 2010 and 2011, given the need for consolidation. A new pension reform should bolster fiscal consolidation while labour market reforms to increase flexibility should help speed up employment recovery. The measures recently planned include adapting the guarantee scheme and the question of increasing the minimum wage to €600 will be examined soon by the government, although this would cost approximately €400 m.



2. Selected sectoral trends: chemical industry and construction

Chemicals

Importance of the sector

The chemical industry, broadly defined as including pharmaceuticals, rubber and plastics, accounts for around 100 000 enterprises in the EU-27, with 3.75 million employees. Of these, 1.92 million work in the chemical (in the narrow sense) and pharmaceutical industry and 1.83 million in the rubber and plastics industry. Altogether, the sector represents 1.7% of overall EU employment and 10.9% of total EU manufacturing employment.

In terms of value added, the sector generated € 322 bn or 2.8% of overall GDP in 2006. It is heavily concentrated in the larger Member States of Germany, France and Italy. In terms of production, the sector is growing fast, with an average growth rate in the ten years to 2006 of 4.0%, compared to an overall average of 2.3%. However, over the last ten years, employment has shown a tendency to decrease in the chemicals sector, stagnate in the rubber and plastics sector, and grow in pharmaceuticals.

Recent difficulties

The chemical industry sells its production partly directly to consumers, partly to other industries. For example, the car industry is a major consumer of chemicals. Consumer sales (e.g. soap, detergent) are usually not linked to credit. The industry has thus been affected by restricted access to credit through demand from other industries, and by falling consumer spending, as people have less disposable income and are uncertain about their economic prospects. As a result, production fell strongly in the last two months of 2008, though stopped falling in 2009. However, by June (latest figure available), there had not yet been any strong growth to offset the previous fall, but rather slow growth or stagnation.

Employment

Annual employment growth turned negative very early (in 2007) in the chemicals sector in the narrow sense, while pharmaceutical employment continued to grow until the second quarter of 2008, and rubber and plastics employment only started to decline in the third quarter of that year. However, the decrease in rubber and plastics was particularly strong (-5.6%) in the first three months of 2009, while chemicals and pharmaceuticals saw a decrease of just under 4%. According to the European Restructuring Monitor, since January 2009 there have been 74 cases of restructuring in the chemical sector, involving nearly 16 000 announced job losses and just over 2 000 announced job gains in Europe.

The largest cases of announced job losses were:

- Tyre maker Continental recently announced the closure of its factory in Clairoix, north of Paris, with the loss of 1 120 jobs, as of 1 January 2010. The Continental workers will benefit from a Jobs Rescue Plan (*Plan de sauvegarde de l'emploi - PSE*) negotiated with the social partners to assist them in their redeployment. Last June, French tyre maker Michelin had announced the suppression of between 1 700 and 3 000 jobs in the next three years, while Goodyear Dunlop laid off 820 workers at its Amiens plant.
- British Pharmaceutical group GlaxoSmithKline announced plans to cut 1 184 jobs at its plant in Evreux, Haute-Normandie in northern France, while also announcing the recruitment of 600 new workers at its Belgian sites.
- In July, German chemical company Wacker Chemie announced the loss of 800 jobs in Germany by the end of 2010.
- Amurco Bacau, a producer of chemical fertilisers, announced the dismissal of 650 workers in April 2009.
- Pliva-Lachema, a subsidiary of the Israeli Pharmaceutical group Teva, announced plans to cut 613 jobs (out of a total of 1 530) at various units located in Poland.

On the positive side, Octopharma, one of the world's largest privately owned processors of plasma and makers of blood products, announced the creation of a plasma processing laboratory in Poland which will employ 500 persons.

Threats and opportunities

The European chemicals industry (in the broader sense) has been radically restructured in the recent past, is internationally competitive and a strong exporter. It should therefore be able to take advantage of the economic recovery led by Asian nations, whose emerging industries are heavy consumers of chemicals. As in other industries, basic chemicals are more exposed to price competition, while Europe retains a stronger position in specialty chemicals. Equally, the recovery in Europe should contribute to improving the situation of the industry. Furthermore, the pharmaceutical industry has a strong growth potential, especially on the European market with its ageing but wealthy consumers and States committed to investing in health policy, while it is also currently benefitting from the mass production of H1N1 influenza vaccines, at a global level. However, the industry will have to confront the issue of an equally ageing skilled workforce, whose replacement is made difficult by the negative image of this industry in Europe.



Construction update

Construction continues to be particularly badly affected by the crisis. The previous estimates that activity had shrunk by 3.9% by the end of 2008 relative to the same period one year earlier turned out to be too optimistic – it now appears that activity shrunk nearly twice as fast, i.e. by 7.4%, during that period. Since then, production has fallen by a further 10.3%, leading to a total drop of 17% over 21 months. Within the construction sector, the building sub-sector is faring even worse, with production decreasing by 13.6%. This has been partly offset by an increase of 4.1% in civil engineering production (i.e. public infrastructure works).

In terms of Member States, the crisis has by now also reached countries such as Romania and Slovakia, where construction had escaped from the recession in 2008. Only Poland has continued to display positive growth, although figures are improving for Germany and the Czech Republic. On the other hand, Spain and Ireland continue to perform poorly, now joined by the Baltic States (where Lithuania reached minus 49.3% (!) in the third quarter), Denmark, Finland and Slovenia.

According to the European Restructuring Monitor, so far in 2009 there have been 29 announcements in the sector of job losses of more than 100 jobs, totalling 8 030 jobs. As previously discussed (see the March edition of the monitoring report), given the predominance of SMEs in the sector, especially in private housing, most job losses will not exceed 100 and so will not be included in the ERM data. Nevertheless, the data confirm that lay-offs have become more frequent. The three largest restructurings all occurred during the summer of 2009:

- In August, the Swedish group Skanska decided to lay off 1 200 workers in the Czech Republic;
- In June, the German builder Kampa went bankrupt, leading to the loss of 650 out of 680 jobs;
- Likewise in June, Spanish group Begar filed for bankruptcy, leading to 860 job losses, due to lack of finance.

The outlook for the construction sector differs considerably from country to country. The sector is very dependent on access to finance, which was indeed the main reason for the decline in a number of countries. The aggressive easing of monetary policy has been addressing this problem, and in countries which did not experience a house price bubble before the crisis, such as Germany or Austria, activity should recover fairly quickly.

However, in countries where house prices had increased very rapidly for a number of years, such as Ireland and Spain, full recovery is only likely once prices have hit a floor, which might take several

years. In these countries, it is also unlikely that the construction sector will account any time soon for as large a share of GDP as it did before the bubble burst.



Links to selected Eurostat tables

[Employment growth](#)

[Unemployment rate by gender – total](#) / [Unemployment by gender – total](#)

[Youth 15-24 unemployment rate by gender](#) / [Youth 15-24 unemployment by gender](#)

[Adult 25-74 unemployment rate by gender](#) / [Adult 25-74 unemployment by gender](#)

[GDP growth](#)

[Economic sentiment indicator](#)

[Industrial production](#)

[Industrial new orders](#)

[Construction production](#)

[Retail trade deflated turnover](#)

¹ For more information or data, please visit the websites:

- Eurostat: <http://ec.europa.eu/eurostat>
- OECD: www.oecd.org

² The BA-X is the most up-to-date and comprehensive job index in Germany and is based on actual vacancies reported by businesses. It shows the trend for labour demand in Germany, including demand on the primary labour market. The seasonally adjusted index includes unsubsidised vacancies reported to the BA for 'regular' jobs covered by social security, jobs for freelancers and self-employed people and vacancies communicated by private placement agencies.

³ For more information on Eurociett, please visit the website: www.eurociett.eu

⁴ European Restructuring Monitor [ERM] data are collected by Eurofound's European Monitoring Centre on Change.

The ERM covers:

- Announcements of redundancies rather than effective redundancies (the announcements can relate to redundancy programmes taking effect over a period of time, sometimes years);
- Announcements reported by the press rather than formal announcements made by companies;
- Only restructuring cases that affect at least one EU country, entail an announced or actual reduction of at least 100 jobs, involve sites employing more than 250 people and affecting at least 10% of workforce, or create at least 100 jobs.

The data in this report are based on an extraction from the ERM database on 3 December 2009. Totals exclude World/EU cases in order to avoid double counting. As the database is continually updated in the light of new information on recent cases, the data reported here may not correspond exactly to later extractions.

For more information, please visit the website: www.eurofound.europa.eu/emcc/erm/index.htm

⁵ For more information on the Commission's Autumn 2009 forecast, please visit the website: http://ec.europa.eu/economy_finance/thematic_articles/article16051_en.htm

⁶ For more information on Eurobarometer, please visit the website: http://ec.europa.eu/public_opinion/standard_en.htm