

Labour Market Fact Sheet

June 2012

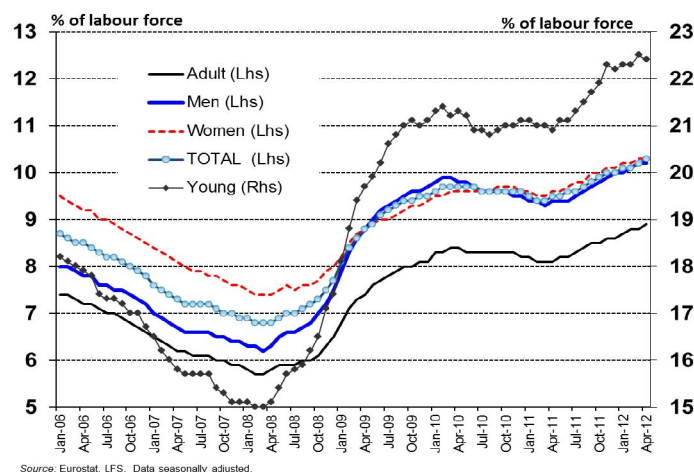
EUROPEAN UNEMPLOYMENT STILL ON THE RISE

Unemployment in the EU continued to rise in April 2012, reaching a new high of 24,667 million, 17,405 million in the euro area. As a result, the unemployment rate rose by 0.1 percentage points (pp) in April, to 10.3% in the EU (11 % in the euro area). The steady increase in unemployment over the past 13 months to April 2012 means there are more than 2 million more jobless people (+9.1 %). Although the pace of increase has eased over the last three months, the trend in unemployment remains upward in most Member States.

Overall summary:

- The unemployment rate in the EU rose further in April to 10.3%, although the rate of the increase has somewhat decelerated over the last three months.
- The youth unemployment rate stabilised at 22.4 % at EU level. However, the outlook for young people deteriorated again in 15 Member States, with a rise in the rate over the last three months to April 2012.
- EU firms' employment expectations have deteriorated overall, though they remain rather optimistic in industry and more pessimistic in services and construction.
- Agency work declined recently, while restructuring-related announced job losses surged in May, especially in manufacturing.

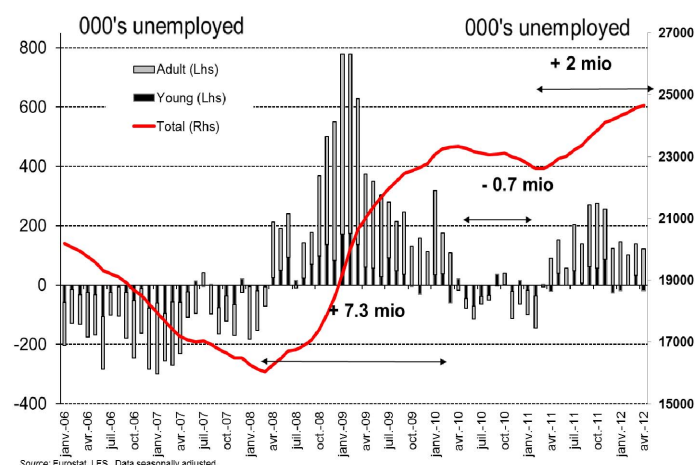
Chart 1: Monthly unemployment rate (%) for young people (15-24), adults (25-74), male, female and total Jan 06-Apr 12 in the EU



Steady unemployment increase: over 2 million jobless people over last 13 months

Over the 13 months to April 2012, the EU unemployment rate has remained on an upward trend and risen by 0.9 pp (see Chart 1). Over the last three months to April 2012, the increase persisted, with a rise by 0.2 pp to 10.3%. In terms of the numbers of unemployed, this means more than 2 million more jobless people over the last 13 months to April 2012 (see Chart 2), and 340 000 more over the last three months. During the three months to April 2012, the trend eased somewhat, with on average monthly growth of 110 000 persons, against 160 000 the previous quarter and more than 200 000 six months earlier.

Chart 2: Monthly change in the number of unemployed young people, adults and total and monthly number of unemployed in the EU Jan 06- Apr 12

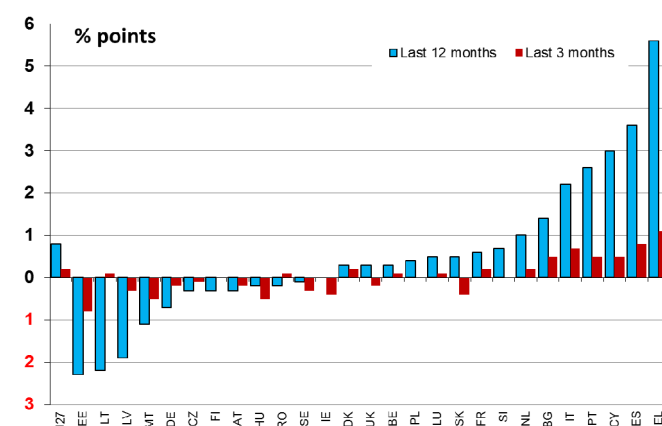


Source: Eurostat, LFS, Data seasonally adjusted.

Increase in divergence in unemployment between Member States

During the three months to April 2012, the number of unemployed rose in 13 Member States (see Chart 3). The highest rises were recorded in Greece (+1.1 pp up to 21.7%), Spain (+0.8 pp to 24.3%), Italy (+0.7 pp to 10.2%), Cyprus (+0.5 pp to 10.1%), Portugal (+0.5 pp to 15.2%) and Bulgaria (+0.5 pp to 12.6%). However, 11 countries saw the unemployment rate fall over the same period. Over the three months to April 2012, the most significant decreases were recorded in Estonia (-0.8 pp up to 10.8%), Malta (-0.5 pp to 5.7%), Hungary (-0.5 pp to 10.7%), Ireland (-0.4 pp to 14.2%) and Slovakia (-0.4 pp to 13.7%).

Chart 3: Change in the unemployment rate (%) over the last 12 months and last 3 months to April 2012



Source: Eurostat, Data seasonally adjusted. Data for EL up to Feb 12; UK: Moving average Jan-Feb-Mar 12; BE, BG, CZ, IE, FR, CY, LU, HU, SI, SK up to 11Q4

Among the large Member States, rises in the unemployment rate were recorded in Italy (+0.7 pp to 10.2%), Spain (+0.8 pp to 24.3%) and France (+0.2 pp to 10.2%), decreases in Germany (-0.2 pp to 5.4%) and the United Kingdom (-0.2 pp up to Mar 12 to 8.1%) and the rate remained stable in Poland, at 9.9%. The gap among EU Member States in terms of their unemployment rate continues to widen. There is now a gap of 20.4 pp between the lowest unemployment rate (in Austria, 3.9%)

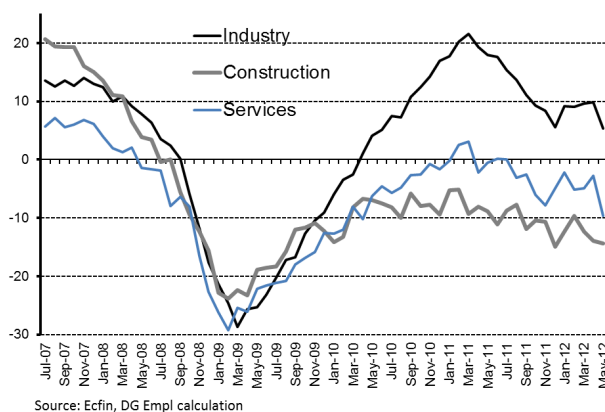
and the highest (in Spain, 24.3%), the widest range seen over the past decade.

Youth unemployment rate high in most Member States

In April 2012, the unemployment rate for young people did not worsen, and slightly decreased by 0.1 pp to 22.4%. However, in 15 Member States the outlook for young people has worsened again, and the unemployment rate for young people rose over the last three months to April 2012. Only three countries - Germany, Netherlands and Austria - post youth unemployment rate lower than 10 %, whereas twelve countries (including e.g. Greece, Spain, Slovakia, Portugal, Italy, Ireland and Poland) recorded a rate higher than 25 %.

EU firms' employment expectations have deteriorated, but remain rather optimistic in industry and more pessimistic in services and construction

Chart 4: Employment expectations (next three months) in the EU in industry, construction and services (centred with long term average)



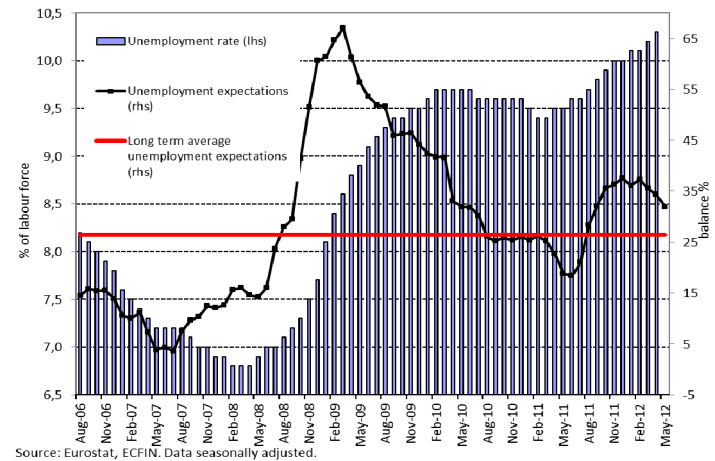
Compared to their long-term average, employment prospects in industry remain rather optimistic in the EU (see Chart 4) and in 17 Member States in May 2012. Managers in the industrial sector in the United Kingdom, Germany and Poland expect an increase in employment, even though their confidence decreased in May 2012. Sentiment on employment in construction at European aggregate level has stayed stubbornly depressed over recent years, though less so than in summer 2008 (See chart 40). Managers in the construction sector expect falls in employment in most Member States, especially in Spain, Portugal, Greece and the Netherlands. Since summer 2011, employment expectations at European level in the services sector have remained below their long-term average. In May 2012, the employment outlook declined in most Member States. Managers in the sector now expect a decrease in employment in 18 Member States.

Pessimism over unemployment eases slightly at EU level

Pessimism about trends in unemployment in the coming months has eased slightly over recent months (see

Chart 5) but has remained higher than its long-term average. Consumers have a pessimistic view of unemployment prospects in 20 Member States, especially in the Netherlands, Greece, Portugal, Italy and Spain. More optimistic expectations were recorded in Germany, Estonia and Latvia.

Chart 5: Unemployment rate and consumers' unemployment expectations (next 12 months) for the EU



Decrease in hours for agency work in Europe

The agency work industry in Europe experienced negative growth of 3.3% (source: Eurociett) in March 2012 compared with the same period in 2011. This is the third month in a row that the industry has witnessed a decrease in the number of hours worked. The figures for March are, however, not as negative as those recorded in February 2012. Germany continues to see positive growth (+1.2% in March 2012 vs March 2011), Year-on-year growth was negative in all other countries surveyed. The decrease seen in the industry in France, Belgium and the Netherlands was, however, smaller than in previous months.

Restructuring activity continued to decline in May 2012

In May, nearly 20000 restructuring-related announced job losses were reported by the European Restructuring Monitor (ERM), against less than 8000 job gains, in a total of 81 cases. The Member States with the largest announced job losses were Germany (5415 jobs) and the United Kingdom (4362 jobs), followed by Italy (2002 jobs) and Denmark (1 250 jobs). Manufacturing (6 443 jobs) was the sector the most affected by announced job losses followed by transport and communications (5479 jobs) and retail (4010 jobs). Manufacturing (2 621 jobs), retail (1 760 jobs), real estate/ business activities (1 499 jobs) and mining and quarrying (1 100 jobs) accounted for almost all of business expansion.

Key labour market indicators for the EU-27

EU-27	Year (annual average)				Month (seasonally adj.)			Monthly change		Annual change	
	2000	2008	2010	2011	2011 April	2012 March	2012 April	Number or pp	%	Number or pp	%
Unemployment (x 1 000)	14 521	16 601	22 906	23 045	22 735	24 565	24 667	102	0.4	1 932	8.5
Males	7 083	8 592	12 546	12 440	12 275	13 255	13 328	73	0.6	1 053	8.6
Females	7 438	8 009	10 360	10 605	10 460	11 310	11 339	29	0.3	879	8.4
Under 25	3 452	4 144	5 258	5 268	5 194	5 482	5 462	-20	-0.4	268	5.2
Unemployment rate (%)	9.4	7.1	9.7	9.7	9.5	10.2	10.3	0.1	-	0.8	-
Males	8.3	6.7	9.7	9.7	9.4	10.2	10.2	0.0	-	0.8	-
Females	10.7	7.6	9.7	9.8	9.6	10.3	10.3	0.0	-	0.7	-
Under 25	18.3	15.6	20.9	21.3	20.9	22.5	22.4	-0.1	-	1.5	-