

SURVEY ON THE POPULATION IN RELATION TO ACTIVITY (PRA)**1st quarter 2002****GROWING TREND IN EMPLOYMENT CONTINUED IN THE FIRST QUARTER OF 2002 (+1.6%)**

Number of unemployed increased by 5,400 persons and the unemployment rate increased by 0.4 percent.

According to the Survey on the Population in Relation to Activity (PRA), which is published every three months by the Eustat, almost 880,000 people were employed in the A.C. of Euskadi in the first quarter of 2002, 1.6% more than the previous quarter. The number of unemployed was 81,000 persons and the unemployment rate was 8.4%, according to the new standardised definition of the unemployed population: European Commission Regulation (EC) No 1897/2000 (see methodology Annex). This represents an increase in the number of unemployed (5,400) and the unemployment rate (+0.4 percent) with regard to the 4th quarter in 2001. Both increases in the employed and unemployed population led to a one percent increase in the activity rate, reaching 53.4%.

Standardised unemployment rate in the A.C. of Euskadi (8.4%) matches the unemployment rate in the Euro Zone countries

In comparative terms, the unemployment rate for European Union countries given by the EUROSTAT- Statistics Office of the European Union- in February 2002 was 7.7% and 8.4% for countries in the Euro Zone, the same as in the A.C. of Euskadi in the first quarter of 2002 as a result of applying the new definition of European Commission Regulation 1897/2000 which came into effect in the Spanish state in the year 2002.

In absolute numbers, the result for the unemployed population in the first quarter of 2002 is 81,000 persons, 5,400 more than three months ago (2,400 female unemployed and 3,000 male unemployed). The unemployment rates by sex continue to show notable differences, as the female rate (12.4%) is double the male rate (5.7%).

Unemployment rate rose in Álava and Bizkaia but fell in Gipuzkoa

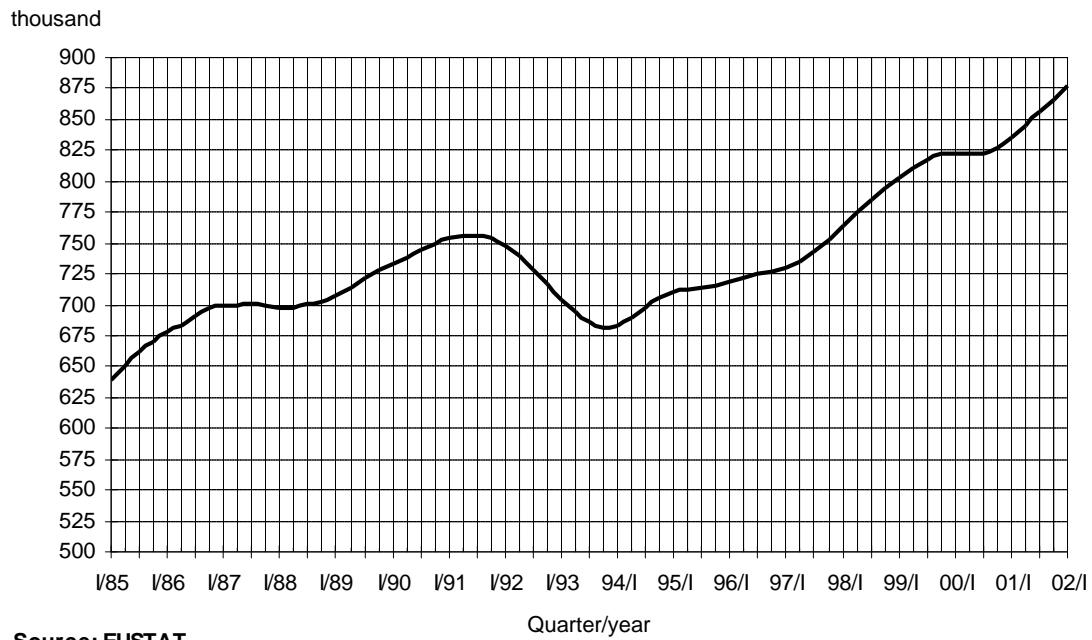
By provinces, an increase in the unemployment rate was registered in Álava and Bizkaia, while the rate fell in Gipuzkoa. In the case of Álava, with 7.2%, the unemployment rate rose 1.4 percent with regard to the 4th quarter of 2001. In Bizkaia, with 10.2%, the increase was 0.4 percent. Finally, Gipuzkoa registered the lowest rate this month, with 6.2%, 0.3 percent below the previous month.

The number of unemployed in the first quarter of 2002 was 10,000 in Alava, 50,000 in Bizkaia and 20,000 in Gipuzkoa.

The trend in employed population continues to rise

The number of persons employed in the first quarter of 2002 was 878,900, i.e., 14,100 more than three months before and continues the rising trend of the last four quarters. The improvement is divided between males (7,900) and females (6,200). By provinces, Álava practically repeated the previous result (+900 persons), while Gipuzkoa and Bizkaia increased the number of employed by 3,200 and 10,100 persons respectively.

1. Graph: Trend in employed population since 1985



Source: EUSTAT

With regard to economic sectors, in the last three months the number of workers increased in Construction (6,500) and Services (13,400), while Agriculture repeated the previous result (+900) and industry decreased (-6,400).

With the increase in employees, there was also an increase in the employment rate, i.e., the percentage of persons employed over the total of the population aged 16 to 64 years inclusive. In the first quarter of 2002 this percentage came to 61.7% (1.1 percent higher than the previous quarter), with notable differences between males (75 employees per 100 males of working age) and females (48 per 100).

The classification of households showed a decrease in households with no active members (-3,000), while the number of households with all active members unemployed (2.5% of total households) did not vary.

Almost 50,000 more employed than 12 months ago

The employed population grew with regard to the first quarter of 2001 by 48,400 persons, i.e., almost 6%. This increase was approximately 10% for females and 3.5% for males. By provinces, there were no important relative differences: the number of employed in the last 12 months increased 6% in Álava and Bizkaia and 5% in Gipuzkoa.

By economic sectors, the number of employed decreased slightly in Agriculture and Industry and rose 9% in the Construction and Services sectors. The employment rate rose 3.4 percent in the same period.

Unemployment rate fell 2.5 percent over the last year

By comparison, it is estimated that the unemployment rate for the first quarter of 2001 came to 10.9%. Thus, the estimated decrease for the last year is 2.5 percent for the total population, two percent for males and 3.5 percent for females. By provinces, the decrease was 1.7 percent for Álava, 3.7 for Bizkaia and almost one percent for Gipuzkoa.

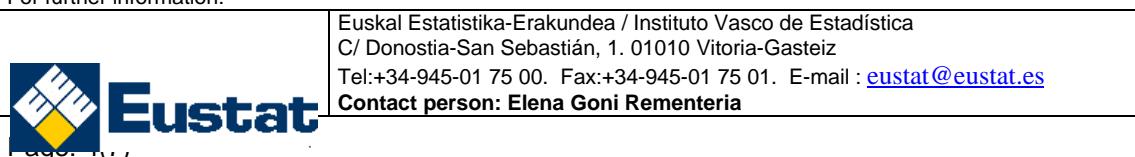
SURVEY ON THE POPULATION IN RELATION TO ACTIVITY (PRA)
APPLICATION OF THE NEW UNEMPLOYMENT DEFINITION

	1st quarter 2002		Variation on the previous quarter		Variation on the same quarter the previous year	
	Thousand	%	Thousand	%	Thousand	%
POPULATION AGED 16 AND OVER	1.797,0		+2,0		+10,4	
ACTIVE POPULATION/ACTIVITY RATE	959,9	53,4	+19,5	+1,0	+27,3	+1,2
Males	571,0	65,5	+10,8	+1,0	+7,4	+0,4
Females	388,9	42,1	+8,7	+1,0	+19,9	+2,0
EMPLOYED POPULATION/EMPLOYMENT RATE	878,9	61,7	+14,1	+0,2	+48,4	+2,5
Males	538,3	75,0	+7,9	+0,2	+18,0	+1,7
Females	340,6	48,2	+6,2	+0,2	+30,4	+3,5
Álava	135,9	66,8	+0,9	+0,4	+7,8	+3,1
Bizkaia	449,4	58,8	+10,1	+0,3	+26,1	+2,4
Gipuzkoa	293,7	64,4	+3,2	+0,0	+14,6	+2,5
Agriculture	14,0	1,6	+0,6		-1,4	
Industry	251,9	28,7	-6,4		-1,7	
Construction	79,9	9,1	+6,5		+8,0	
Services	533,1	60,7	+13,4		+43,4	
UNEMPLOYED POPULATION/UNEMPLOYMENT RATE	81,0	8,4	+5,4	+0,4	-21,1	-2,5
Males	32,7	5,7	+3,0	+0,4	-10,6	-2,0
Females	48,3	12,4	+2,4	+0,3	-10,5	-3,5
16 - 24	20,8	21,4	+3,5	+1,4	-3,6	-3,1
25 - 44	47,1	8,4	+0,7	+0,1	-15,3	-2,8
45 and over	13,0	4,3	+1,1	+0,2	-2,3	-1,2
Álava	10,5	7,2	+2,3	+1,4	-1,9	-1,7
Bizkaia	51,1	10,2	+3,4	+0,4	-17,2	-3,7
Gipuzkoa	19,4	6,2	-0,3	-0,2	-1,9	-0,9
Seeking first job	12,0	14,8	-2,8		-10,4	
Seeking employment for 2 years or more	19,6	24,2	-0,1		-14,1	
INACTIVE POPULATION/INACTIVITY RATE	837,1	46,6	-17,5	-1,0	-20,6	-1,4
Previously considered unemployed	11,6		-7,7		-1,8	
HOUSEHOLDS	722,8		+6,8		+34,9	
Households with 1 or more active	524,3	72,5	+9,7		+24,1	
- All employed	455,3	63,0	+5,4		+40,1	
- All unemployed	18,3	2,5	+0,0		-2,8	
Households without active members	198,5	27,5	-3,0		+10,7	

I/2001 results are estimated

Source: EUSTAT.

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METHODOLOGY ANNEX

Change in the definition of unemployment

To date the Survey on the Population in Relation to Activity PRA considered the unemployed population to be those persons without work during the reference week because they had no job (neither paid nor self employed), were looking for a job and were available to work, as defined by the ILO.

From the year 2002 the classification criteria for the survey adapted the standardised definition of the unemployed population of the European Commission Regulation 1897/2000. The Regulation changes the way of making the ILO definition operational and only considers unemployed those persons that have taken specific steps in the four week period ending with the reference week to seek paid employment.

The Regulation excludes from the unemployed group those individuals whose only way of job searching in the four week period was to contact the public employment office to carry out the administrative procedure of renewing registration ("stamping the card") or other steps related to training courses. Always, according to this Regulation, in order to be considered active, contacts with the public employment office must be related to the job search, such as registering for the first time, updating registration data, obtaining information about job offers, etc.

Changes in the Survey on the Population in Relation to Activity

To apply the Commission Regulation, two changes were applied to the PRA :

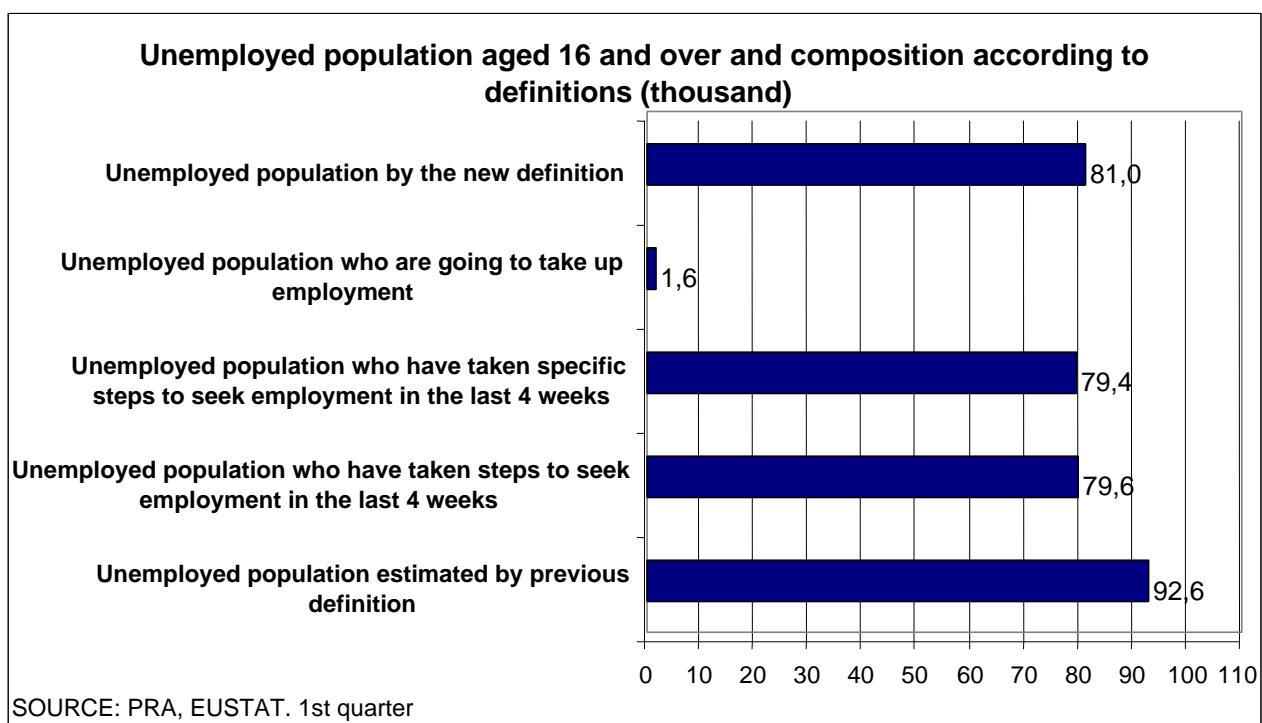
- Firstly, the criteria of taking steps to seek work over the four-week period, instead of job searches without a set period.
- Secondly, questions were introduced on the type of steps taken during this period and to distinguish those persons who had taken specific steps.

The effect of applying the above two criteria is the reduction in the unemployed population and an increase in the active population to the same extent. By comparison with the previous definition, unemployment rates will decrease, and so too, consequently, will activity rates.

Effects of the changes on the first quarter of 2002

By still applying the previous definition of the unemployed population, in the first quarter of 2002 there were 92,600 persons unemployed. The steps taken to obtain the published figure of 81,000 were as follows:

Firstly, the population considered complied with the above conditions to be considered unemployed, having taken steps to seek employment in the last four-week period, coming to a total of 79,600 persons. Applying the second criterion, we must consider only those who took specific steps (79,400 persons). To obtain the final figure, we must add those persons who did not have a job during the reference week, but who found a job to start later (1,600 persons) and who must also be considered unemployed (according to the ILO). The final result is a group of 81,000 persons.

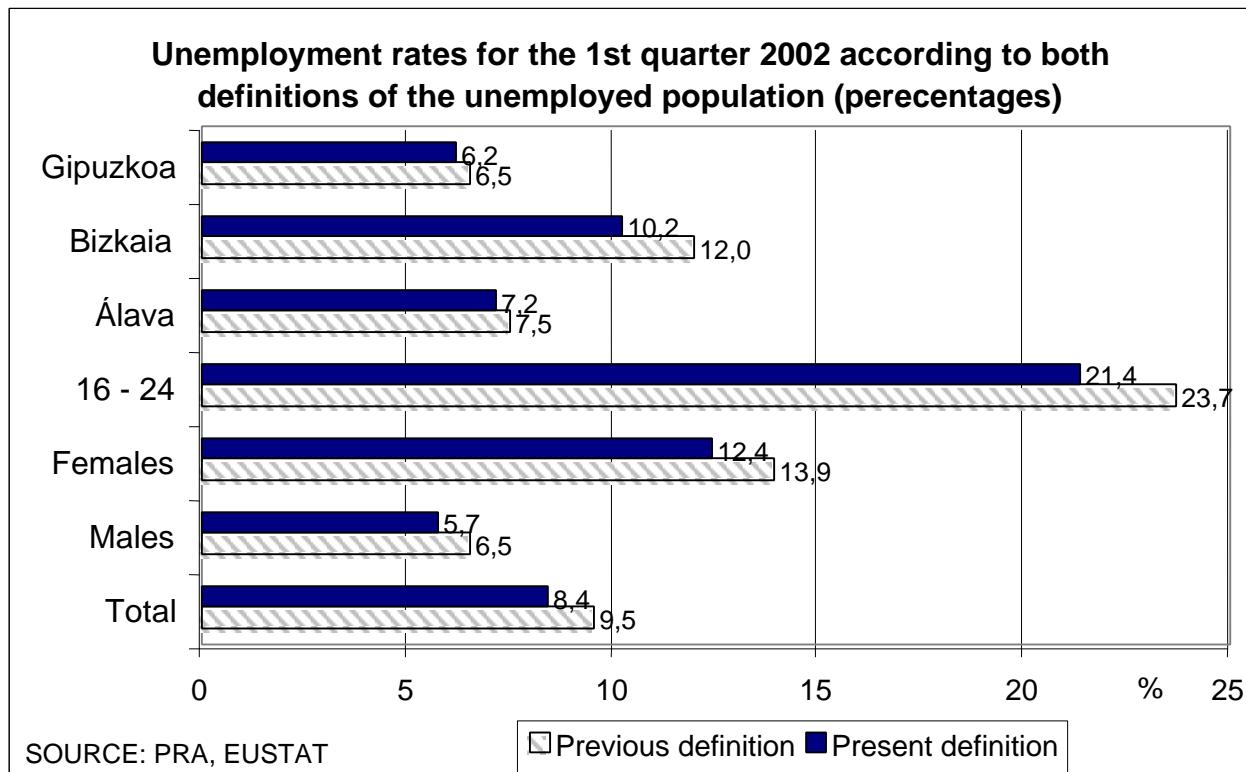


Of the two changes introduced in the survey, the one with the most significant effect in the reduction in the number of unemployed is applying the condition of having taken specific steps to seek employment in the last four weeks instead of job searches in a general sense, as used until now. In the last two years, the number who were considered unemployed that did not comply with this condition was around, with a certain variation, 15%.

Comparison of results for the first quarter of 2002

Taking the unemployment rate as the main indicator reflecting the change, continuing with the old definition, the unemployment rate for the A.C. of Euskadi would have been 9.5%, 1.1 percent higher than the published rate, obtained with the new definition. In Page: 6(7)

the case of the male unemployment rate, the published rate was 0.8 percent lower than obtained with the previous definition, but the female rate varied even more, from 13.9% to 12.5% (-1.5 percent).



The effect of changing criteria is not the same in the three provinces. In the case of Álava and Gipuzkoa, the unemployment rate fell 0.3 percent, while in Bizkaia it fell 1.8 percent, from 12% to 10,2%.

The groups that are classified in a different way in both definitions are women who had a not labour activity (who carried out housework, studies, etc.) and, in general, persons previously considered unemployed who were looking for employment over a longer period. That is to say, persons who claimed they were looking for a job but had not carried out job search procedures in the established period usually have these characteristics.

The results with the previous definition of unemployed population are available to Eustat users.