

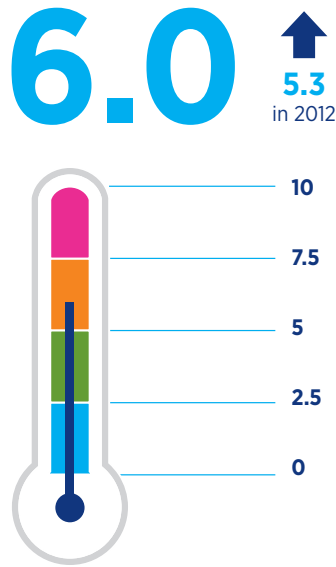


PORTUGAL

COUNTRY PROFILE

Portugal's overall score is 6.0, which is indicative of medium strength labour market pressures. While Portugal has suffered a deep economic contraction, the adjustment process in the labour markets is proving to be a slow one. This combination means that some employers, particularly in high-skill industries, may face difficult economic circumstances at the same time as they struggle to attract and retain the key talent they need.

OVERALL SCORE

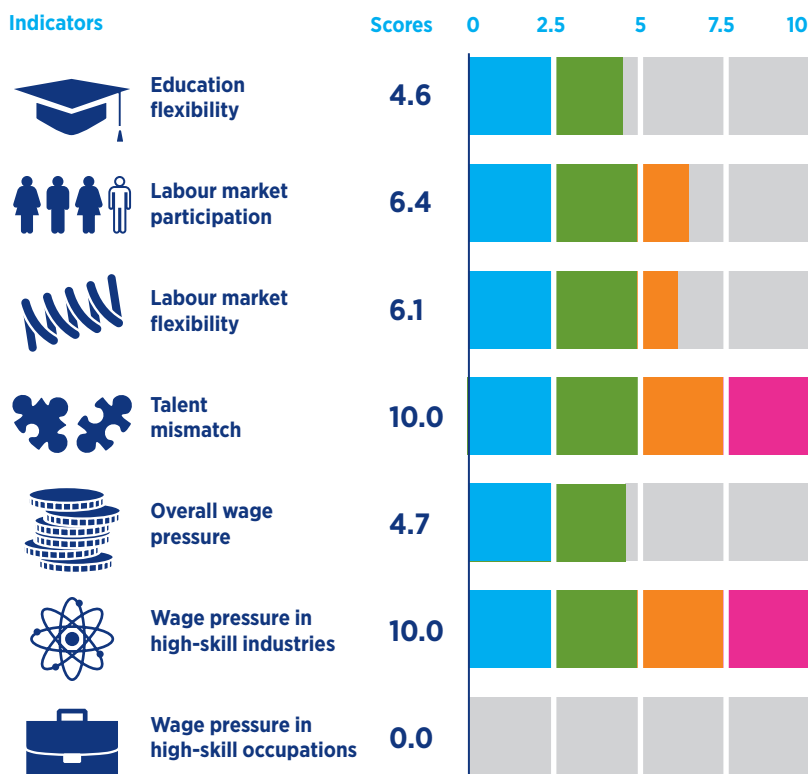


BACKGROUND ECONOMIC DATA

	2012	2013 ⁺
POPULATION	10.5m	10.5m
GDP		
GDP (Billion EUR*)	167	162
GDP Growth	-3.2%	-2.8%
GDP/head (EUR*)	15,800	15,400
UNEMPLOYMENT		
Unemployment rate	15.9%	18.0%
Long-term unempl. rate	7.7%	8.7%

*2013 prices *Forecast figures for 2013

BREAKDOWN OF SEVEN INDICATOR SCORES



KEY FINDING

Wages in high-skill industries are expected to push the Index score higher in 2013 than it was in 2012. Employers are having to pay an increasingly high premium to attract talent in select industries.

DOWNWARD PRESSURE FROM

- Wage pressure in high-skill occupations
- Increase in education levels
- Net in-migration

UPWARD PRESSURE FROM

- Structural unemployment
- Wage pressure in high-skill industries
- Labour market regulations

VIEW FROM THE GROUND

The period of economic instability recently experienced in Portugal has highlighted old issues within the labour market, as well as creating new challenges. The talent mismatch has been one of the most serious issues to face the Portuguese labour market and the issue continues to worsen as thousands of young job seekers are now leaving the country. It is essential to create policies that attract and retain these young professionals. It is also very important to establish better communications between educational institutions and the labour market to fix this lack of skills and thus reduce wage pressure.

Paula Baptista, Managing Director, Hays Portugal