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## Slowdown signs - Czech unemployment rate grew to 8.6pct in September

*Tuesday, 13 Oct, 2009*

Czech labor and social affairs ministry announced that unemployment in the Czech Republic grew to 8.6% in September from August's 8.5% and the total number of unemployed grew by 7,061 against August and by 186,254 against September 2008 to 500,812 people.

The number of unemployed ready to start to work immediately increased by 4,421 against August and by 190,494 against September 2008 to 487,830 people.

The September unemployment was the highest since March 2006 when it stood at 8.8%. In September 2008, unemployment was at 5.3%.

Mr Jan Vejmelek analyst at Komerčni banka believes that the worst deterioration in unemployment has passed and the situation shows signs of stabilisation, in particular in industry. He added that "However, the unfavorable situation is spreading to other sectors with some delay. Unemployment will by our estimate be still growing for roughly half a year."

Mr Vejmelek expects unemployment to peak at levels around 10% at the turn of the first and second quarters of next year. He said that the growth in unemployment is in harmony with estimates of the Confederation of Industry. A survey it made among 1,600 member companies shows that some two thirds of companies plan layoffs in the second half of the year.

In September, there were 80,825 new job applicants registered at employment offices, up by 22,423 MoM of 16,938 YoY. Employment offices offered 38,844 vacancies at end of September, 2,453 less than a month earlier and 91,189 fewer than in September 2008. A total of 15,858 jobs were newly reported to employment offices or vacated in September, while 18,311 vacancies were taken or cancelled.

(Sourced from Labour Ministry)

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