

## Czech unemployment rate declined in May

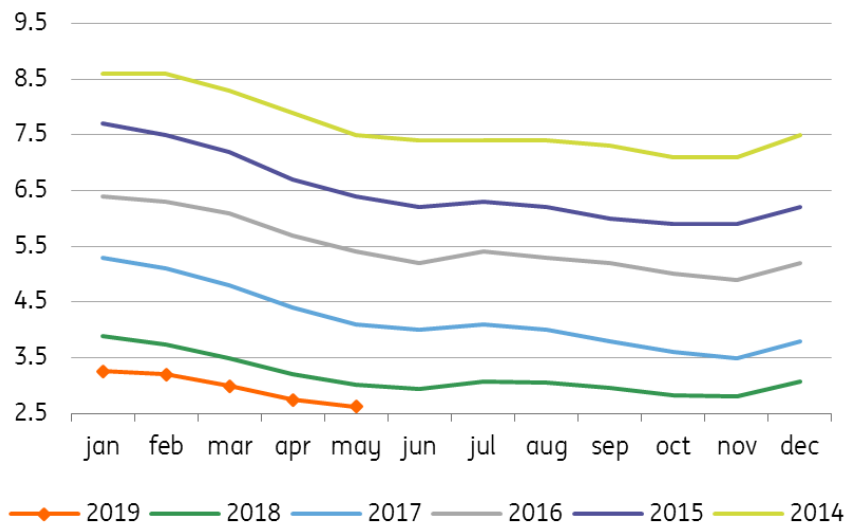
The unemployment rate fell from 2.7% to 2.6% in May, reaching a new historic low, mainly due to seasonal work



Source: Shutterstock

The jobless rate fell as expected and the number of vacancies reached a new record, at 346,000, which is 6,600 more than in the previous month. However, job vacancies, year-on-year, are slowing down and month-on-month increases have already been significantly lower than in the previous year. Similarly, the year-on-year decline in the number of unemployed people is slowing down, though in May it fell to 200,000 for the first time. However, this development is largely related to the already exhausted labour market and the lack of suitable workers.

## Share of unemployed people 15-64 (%)



Source: MinLab, ING

## No global slowdown impact yet

The current slowdown in the global economy is not yet visible in the Czech Republic's overheated labour market, which is not too surprising because the job market has a certain momentum and responds to the economy with some delay. However, signs of a slowdown are visible in the German job market, where the unemployment rate increased in May for the first time since 2013. Although two-thirds of the increase in the number of unemployed persons was due to a methodological change, this is some indication of the impact of the global slowdown on the German market. That said, we believe that the Czech labour market, which is highly overheated, should remain immune to unfavourable developments abroad for some time.