

Poland: Solid labour market in December

Wages surprised positively in December. We see further acceleration in the medium term, reflecting the labour shortage



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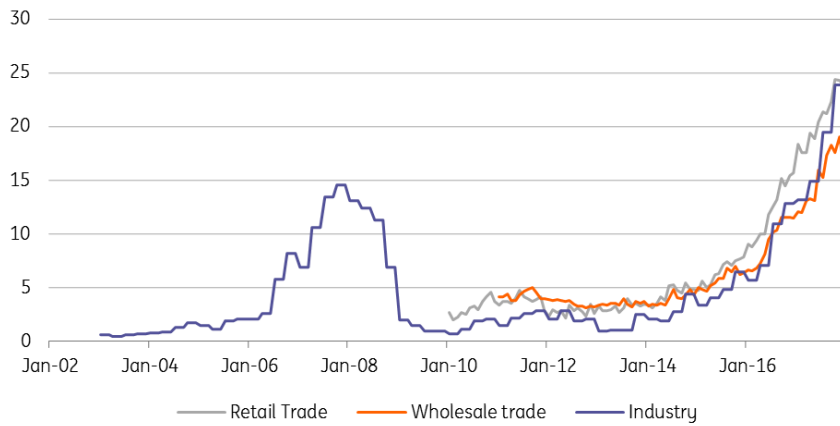
7.3 Wage growth
(%YoY)

Better than expected

Wages in Poland accelerated from 6.5% year-over-year to 7.3% YoY, slightly above the market consensus (7.1%YoY). More details will be published next week. Bonus payments in the mining sector over November and December are likely to create additional volatility, reducing the significance of the current figure. Looking ahead, the increase in the minimum wage this year (at 5%) is lower than the previous year (8.1%), which should lower the headline figure by about 0.5 percentage points. Statistical effects- related to the annual rebalancing of the enterprise panel's monthly figures- are likely to add some volatility (likely lowering the headline rate as average wages in small enterprises are lower than medium and large businesses).

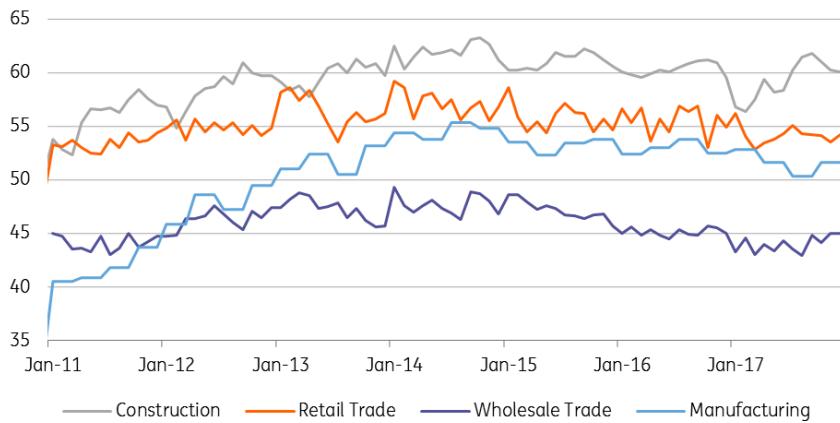
Still, in the medium-term (i.e. March-April 2018) we expect the trend of rising wages to continue in 2H17. Enterprises surveyed by GUS still report increasing problems of labour shortages in the case of manufacturing and construction (albeit wholesale and retail trade indices dropped lately). On the other hand, the number of companies complaining about labour costs is little changed from the typical level.

GUS Survey: Companies reporting problems with labor shortage



Source: GUS

GUS Survey: Companies reporting problems with labor costs



Source: GUS