

Snap | 17 April 2019

POLAND

Poland: March wage growth disappoints

Wage growth surprised on the downside in March. We see the weak reading as an anomaly. NBP surveys indicate that businesses have solid 2Q wage hike plans.



Source: Shutterstock

Wages growth in March decelerated from 7.6% YoY to 5.7% YoY, well below the market consensus (7.1%). A detailed breakdown will be available next week. So far we can state that construction dynamics were weaker due to negative base effects and weakening sentiment. The GUS comment also highlighted weaker 1Q dynamics in the mining sector and for utilities, implying weak performance in March.

Still, such a strong surprise is rather a result of anomalies – probably related to bonus payments. The share of companies reporting wage hike plans in the NBP survey suggests dynamics should oscillate slightly below 7% YoY in coming months. Simultaneously strong employment dynamics (3% YoY in March) should also keep pressure on wages. All in all we expect a rather stable reading for the coming months, at around 6.5-7%YoY.

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to

THINK economic and financial analysis

purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.