

## Strong Polish labour market heralds solid recovery after Covid-19

The Polish labour market is hinting towards a strong recovery which bodes well for solid GDP growth in 2H21



Shoppers at the Poznan City mall in Poland

Polish employment in the corporate sector increased 0.3% month-on-month, in line with our forecast even though typically the monthly dynamics don't exceed 0.1% in May.

We expect new jobs to appear primarily in retail trade, and mainly the reopened malls. Catering services are most likely to hire people too, but having said that, most of those companies usually employ less than 10 people and so are not included in today's data.

Wages in the corporate sector increased by 10% YoY, in line with consensus. The numbers mainly reflect 2020 base effects – last year, companies reduced working hours and wages. As of July, we expect wage dynamics to slow to about 7% YoY, a moderate level given CPI at 5% YoY.

The strong hiring in May suggests solid activity ahead, which is why we expect around 5.5% GDP growth in 2021.