

Poland: Labour market resilient to Covid

In December, average wages in the corporate sector increased by 6.6% year-on-year, above the consensus (4.7%) and the November reading (4.9%). Compared to November, salaries were up by 8.9% due to the payment of bonuses and retirement benefits. The decline in employment (-1.0% YoY) was also shallower than the market expected (-1.2%)



Construction of a bridge in Gdansk, Poland

6.6%

Higher than expected

Wage growth in the corporate sector (YoY)

Compared to consensus at 4.7% YoY

Data from the labour market in Poland again surprised on the upside. In December, compared to November, enterprises managed to increase employment by 10k, and the month-on-month growth (0.2%) was more typical for good economic times. Improved labour market conditions are largely due to the better performance of the manufacturing sector. During recent

months companies from this sector have been reporting an increase in new orders, complaining of staff shortages due to workers in quarantine (approx. 190k people in Poland). This is resulting in higher demand for labour.

It also feeds into wage growth, most likely supported by a change in the hiring structure - a shift of workers from slightly lower-paid and now-closed services towards manufacturing which is in need of new staff. This effect may have been further reinforced, in our view, by advance raises ahead of the 2021 minimum wage increase. Today's data supports our above-consensus wage forecast (6.5% YoY on average this year).

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