

Poland: Wage growth outperforms

Wages reaccelerated in April after two months of stagnation. The outlook is positive and we expect double-digit readings in 4Q



Source: Shutterstock

7.8% Wage growth (YoY)

Better than expected

Enterprise sector wage growth reaccelerated in April from 6.7%YoY to 7.8%YoY (above consensus at 7.2%YoY), after two months of moderation. 1Q17 figures showed a broad-based stabilisation of wage growth in major categories (manufacturing, trade, construction etc.), but the trend has

The underlying momentum still remains positive. According to a central bank report, the share of firms considering wage hikes is increasing (albeit at a relatively small pace) and the ratio of unemployed workers per vacancy is at the lowest level on record. Enterprises continue to complain about a labour shortage, although this problem has not got any worse in the last quarter. That said, surveys from the official statistics office note that a growing number of manufacturing

companies are reporting problems with labour costs.

Taking all these factors into account, we still expect a gradual increase in wage growth, with the headline figure reaching 10%YoY in 4Q18.