

## Poland: Wages rebound

Wage growth rebounded in April after a weak March. We expect the increase to continue in the coming months, albeit at a slower pace



Source: Shutterstock

Wages in the enterprise sector accelerated in April from 5.7% to 7.1% year-on-year, above the market consensus (6.5%). The detailed structure will be available next week – we expect a relatively broad-based increase although the construction sector will likely be the exception.

Wage growth should increase further in the coming months though monthly volatility will probably be much lower compared to March and April. Overall, we forecast wage growth oscillating between 7% and 8% YoY for the rest of 2019.

There are two strong arguments supporting a further increase, despite negative statistical effects:

1. The number of enterprises reporting wage increases stands at 38.2%, 10 percentage points higher than the corresponding period in 2018. This is comparable to the historical highs of 2007.
2. The share of enterprises complaining about labour shortages remains stable compared to 2018, while in other central and eastern European states (except for Hungary), we've seen a drop in labour demand.