

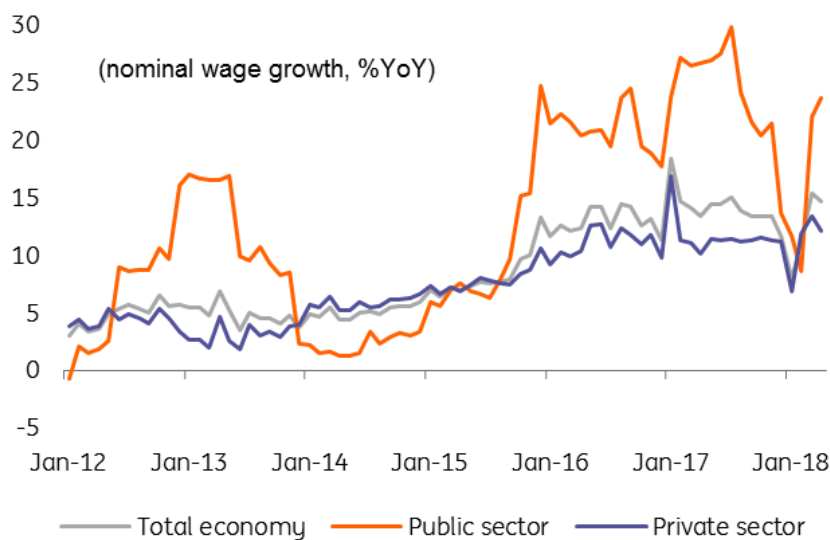
Romania: Wage growth remains strong

Average wages advanced by 14.7% YoY in April, slightly below the 15.5% seen in March



Source: Shutterstock

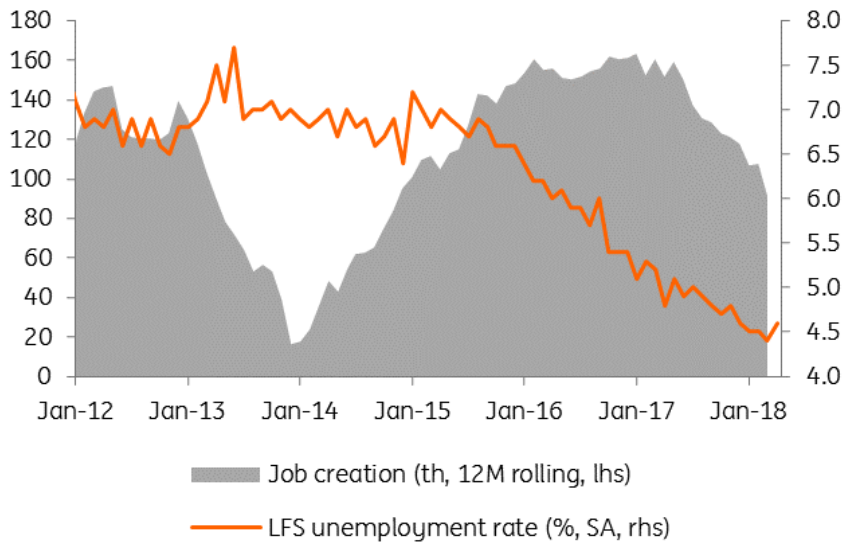
Fast public sector wage growth



Source: NIS, ING

Wages in the public sector rose 23.7% YoY. This, combined with a tight labour market, helped to push up wages in the private sector. These posted a 12.2% YoY increase.

Job creation slows



Source: NIS, ING

With job creation slowing and limited fiscal space to maintain the pace of wage rises, we expect wage growth to ease a bit. While the economy is likely to be cooling-off, wage pressures are likely to remain elevated and might be exacerbated by the electoral calendar.