

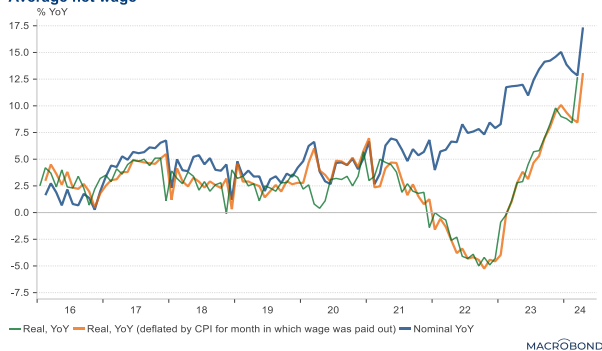
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Strong wage growth in the public sector

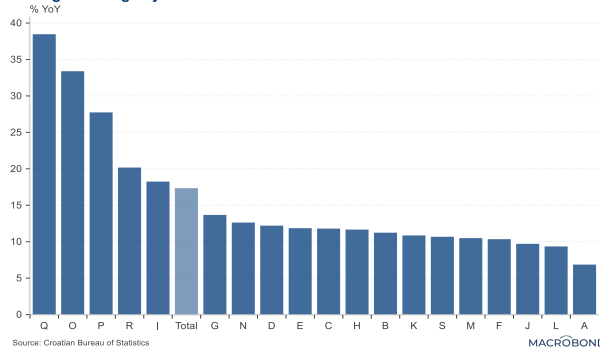
- According to data from the Croatian Bureau of Statistics, the average net wage paid for March (payment in April) was EUR 1,326, up by 17.3% in nominal terms or 12.7% in real terms compared to the same month last year. The average gross wage was EUR 1,834, i.e. +17.9% in nominal terms or 13.3% in real terms year-on-year.
- As expected, and in accordance with the agreed increase in wages, the highest annual growth was recorded in the public sector, namely in the activity Q (health care and social welfare) by 38.5%, followed by activity O (public administration) by 33.4% and P (education) by 27.7%. With a simplified calculation, the weighted average net wage in the public sector (OPQ) thus increased by 33.2% compared to the same month last year, and these three activities were classified at the third, fourth and sixth place in terms of the amount of paid net wage in the observed month.
- By simplified calculation (not taking into account the structure of professional qualifications), observing only OPQ activities as a public sector, based on the CBS data on wage trends and HZMO (Croatian Pension Insurance Institute) data on the number of employed persons, the average net wage in the private sector recorded a nominal growth of 11.9% or a real one of 7.5%, while the real growth of the average paid wage in the public sector amounted to almost 28%.

Slowdown of wage growth in the private sector, acceleration in the public sector

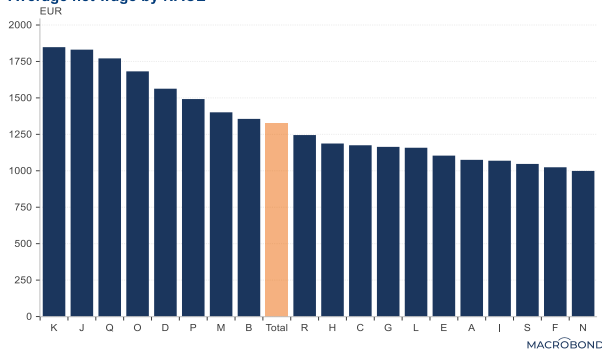
Average net wage



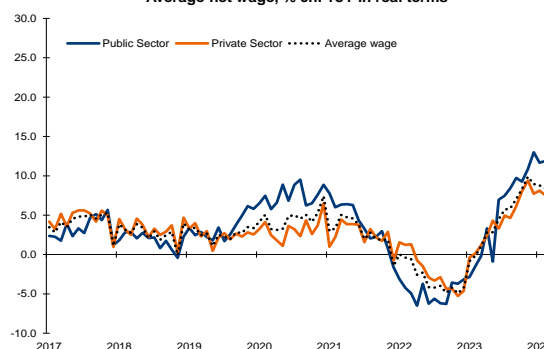
Average net wage by NACE



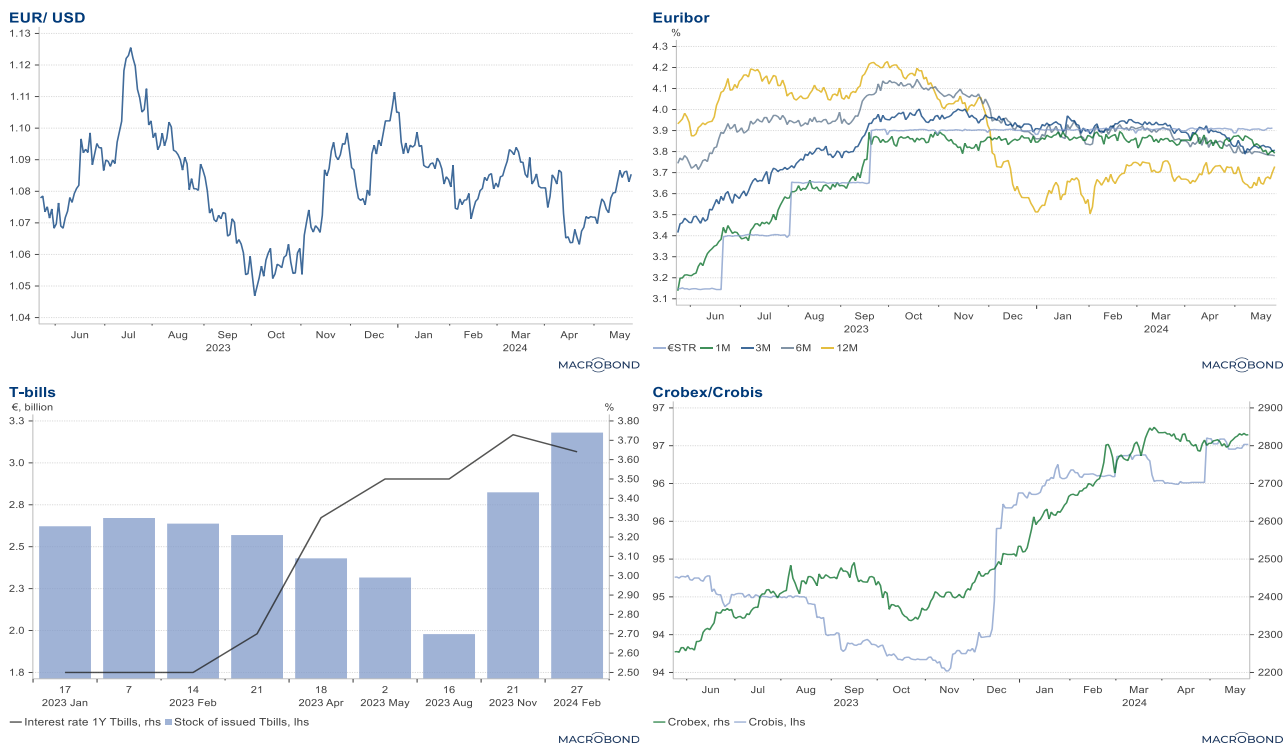
Average net wage by NACE



Average net wage, % ch. YoY in real terms



- EUR/USD oscillated in the range of 1.08-1.09, following the developments in yields on US government securities and in anticipation of the June meeting of the ECB, which, judging by recent statements by members of the Governing Council, will certainly bring about the beginning of a cycle of monetary policy loosening. On Friday, the exchange rate was \$1.0840 for the euro, which is almost unchanged week-on-week.
- Last week Euribor was mostly stagnating week-on-week, except for 12M which saw growth of 10 p.p. 3M and 6M were 3.8% at the end of the week. This week, EUR 271 million of three-month treasury bills are due and the first round of subscription of three-month and twelve-month treasury bills begins, in which they will be offered to natural persons.
- In the volatile week, Crobex recorded an increase of only 0.1% week-on-week to 2,829 points with an uneven performance of the most important sectoral indices (CROBEXindustry +0.3% to 2,036, CROBEXnutris -0.2% to 920, CROBEXtourist +0.5% to 4,411). Crobis remained at 96.5 points.



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