

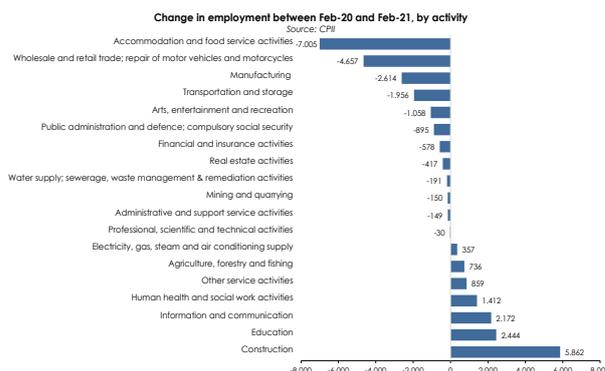
# WEEKLY ANALYSIS

## Number 727, March 29, 2021

Employment almost reached pre-pandemic level .....	1
Weekly overview.....	2
Statistics .....	3

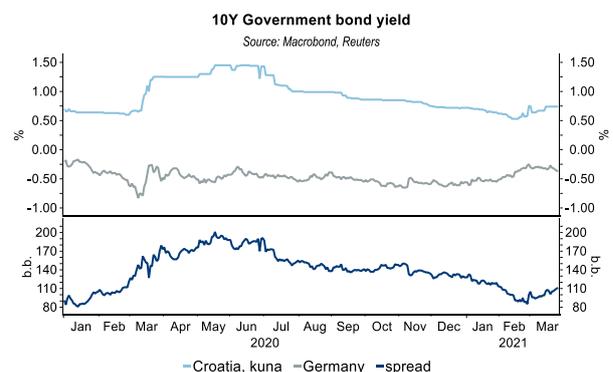
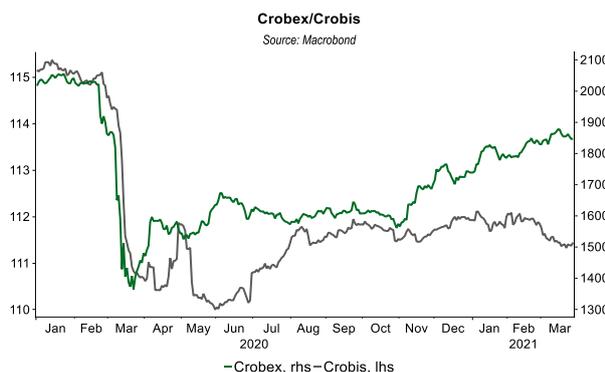
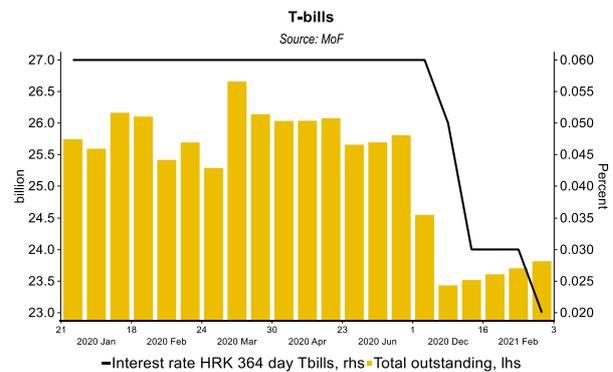
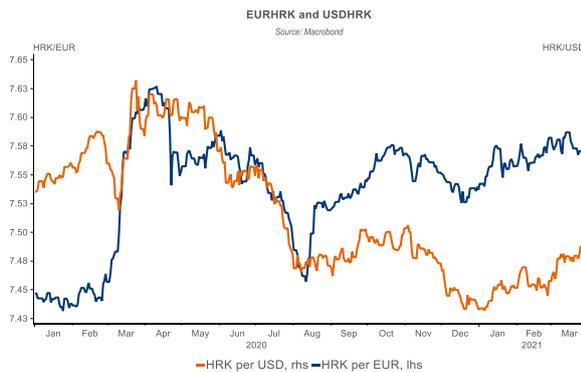
## Employment almost reached pre-pandemic level

Total number of employed persons in February, according to the Croatian Pension Insurance Institute data, reached 1.536 million, namely it almost returned to the pre-pandemic level recorded in February last year (1.542 million), primarily due to prolonged job retention measures through wage support programmes and shortened working week. Number of workers under measures last year at a certain point reached almost 600 thousand, the last available data, the ones for December, indicate 158 thousand beneficiaries of government supports, and we estimate that currently this number has been additionally reduced. In comparison with February last year, number of employed persons in this year's second month was down by 0.4% (the lowest yoy decline since the start of the pandemic in the country), mostly due to a relatively sharp reduction of employment in tourism-related activities (in Accommodation and food service activities the decline amounted to a relatively high 7.8% or 7 thousand persons less). On the other hand, once again the strongest growth of employment (+5.0%) was recorded in the construction sector, that has been gaining a momentum, spurred by a strong activity of constructing residential properties (amid a noticeable demand and rising prices of residential properties, which over the last year's first nine months advanced by 8.1%), infrastructural works, but also reconstruction of the earthquake-affected areas, which is only to be strengthened further. However, two largest activities (considering its share in total number of employed persons) – Manufacturing and Wholesale and retail trade, are still continuing to record a yoy employment decline of 1.1% and 1.9% respectively, reflecting structural problems of the industrial sector, i.e. drop in activities amid a decreased consumption of domestic households in addition to the absence of tourist spending. By observing the period from January to February this year, the average number of employed persons dropped by 0.4% compared to the same period last year (to 1.534 million), while simultaneously number of unemployed persons was up by 17.9% (reaching an average of 164 thousand), and the adjusted unemployment rate reached 9.7% (+1.4 p.p. yoy). In late March (March 26), total number of unemployed persons dropped to 156 thousand, down by 6 thousand persons compared to the end of February this year, while compared to the end of March 2020 the number was higher by 14 thousand or 9.7%, suggesting that the return to old levels of (un)employment is going to last for a while. Along these lines are also the last data (February) on expectations regarding employment by sectors (published within the European Commission business outlook survey), pointing to improved employment expectations in the following three weeks in less affected sectors such as construction and industry, but unfortunately still suppressed expectations in the service sector due to a longer and slower recovery, which will be the most influenced by the vaccine coverage of domestic and foreign population, accompanied by easing of epidemiological measures and stronger recovery of tourist activity during summer months.

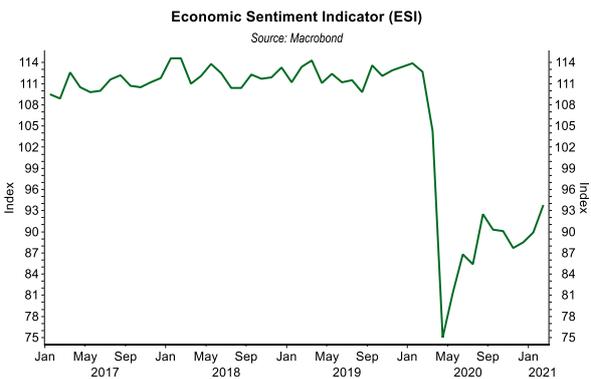
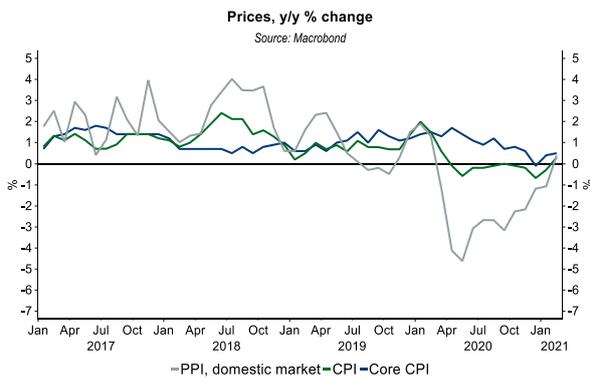
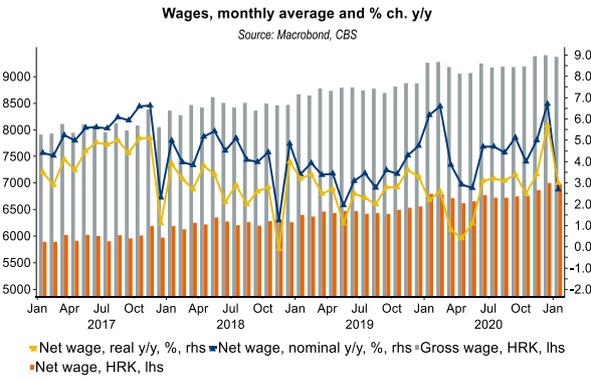
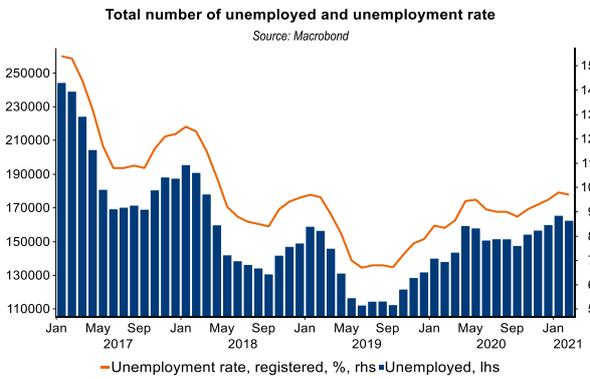
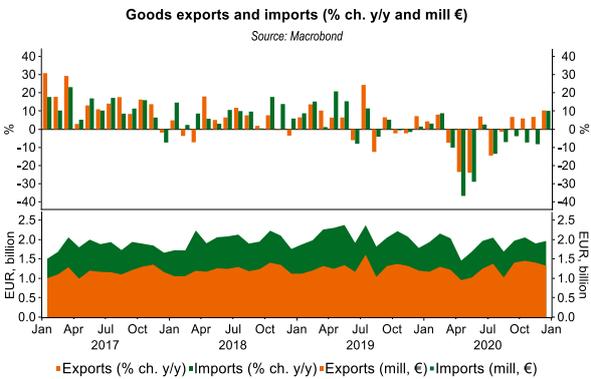
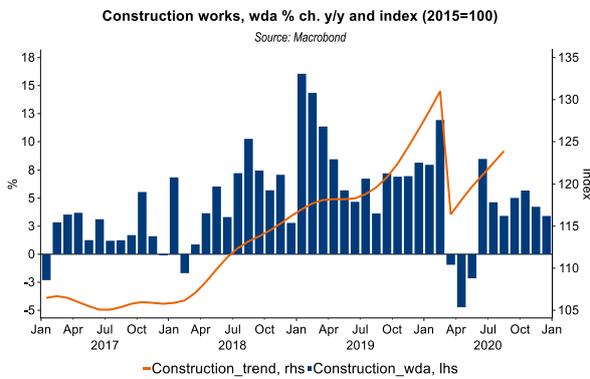
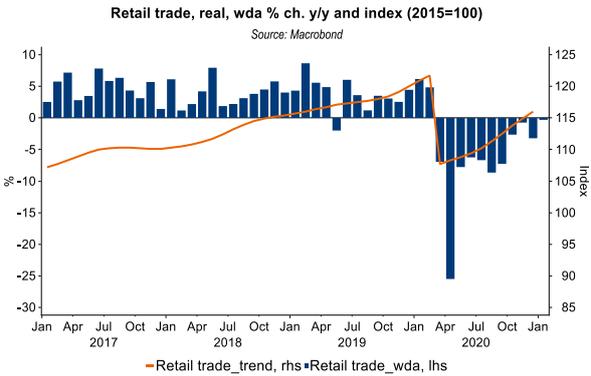
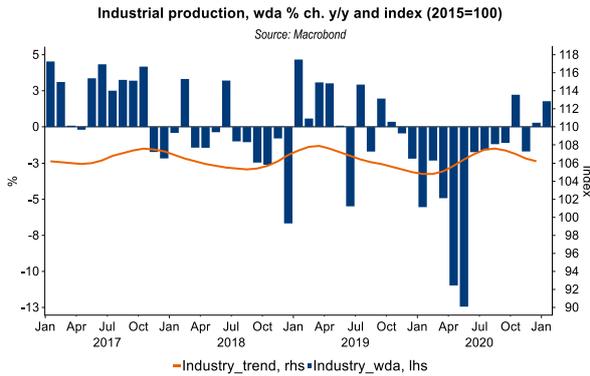


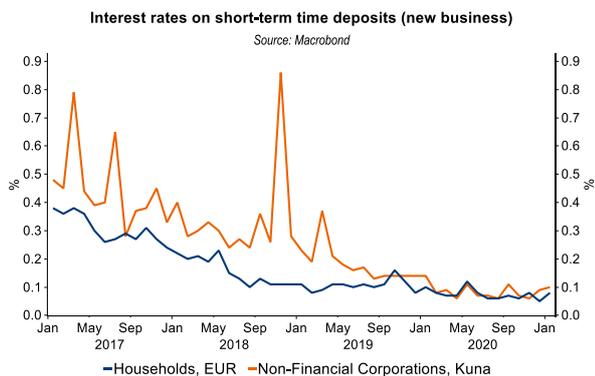
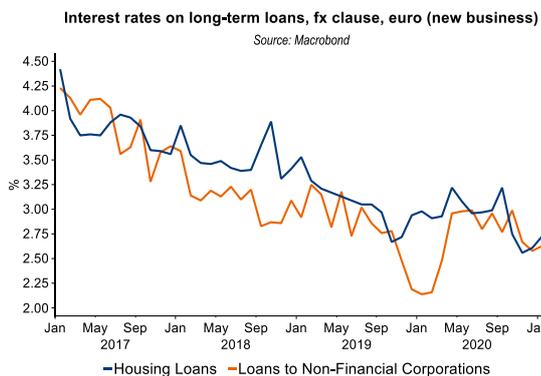
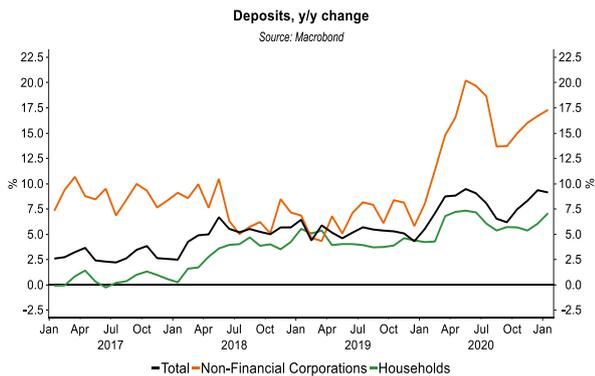
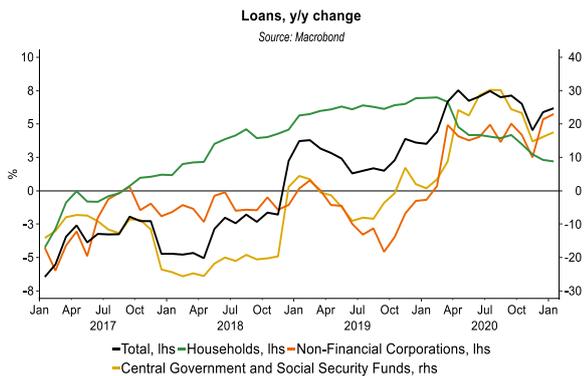
## Weekly overview

- Another quiet week behind us in the domestic FX market. The mid-point exchange rate at the end of week amounted to 7.5694 kuna to the euro, almost unchanged in wow terms, while against the dollar the kuna weakened by 0.9% to 6.4256 kuna to the dollar. This week we expect a continuation of steady trading.
- Last week excess liquidity advanced to 68 billion kuna. Interest rates stagnated, and at the CNB's repo auction there was no demand. This week there are no T-bills due hence there will be no auction held. The next maturity is due on April 22 (2.6 billion kuna).
- The Crobex Index closed last Friday at 1,848.06 points, down by 0.3% wow, while Crobis stagnated (at 111.88 points). As concerns sector indices, CROBEXindustry closed the week at 1,043.12 points, up by 0.6% wow, while CROBEXtourist and CROBEXconstruct simultaneously fell by 0.1% each (to 3,502.06 and 765.77 points). Total ZSE turnover last week reached 362.5 million kuna, up by 2.8 times compared to the week before, owing to 3.1 times higher turnover in bonds (reaching 324.0 million kuna) and 61.3% higher turnover in shares (38.5 million kuna).



# Statistics





## RESEARCH OFFICE

Ivana Jović  
Ana Lokin  
Ivan Odrčić

## TREASURY

Eugen Bulat

## TRANSLATION

Ana Biloš

## LEGAL DISCLAIMER

This publication is issued by PRIVREDNA BANKA ZAGREB-DIONIČKO DRUŠTVO, Zagreb, Radnička 50 (hereinafter: PBZ) and aimed at clients of the PBZ Group. This publication is intended for information purposes only and may not in any way be considered an offer or invitation to purchase any property or rights mentioned in it. The informative nature of this publication means that it may not serve as a substitute for the personal judgment and assessment of any reader or anyone who receives this publication. The information, opinions, analyses, conclusions, forecasts and projections given here are founded on publicly available data whose accuracy PBZ relies on, but cannot guarantee. Accordingly, all the opinions, attitudes, conclusions, forecasts and projections given in this publication are subject to changes, which depend on changes to the data as published by the source used. PBZ allows further utilization of the data given in this publication on the condition that the publication is indicated as the source. All the property mentioned in this publication and whose movement is the subject of comment may from time to time be the subject of trade or positions taken by PBZ.