

# WEEKLY ANALYSIS

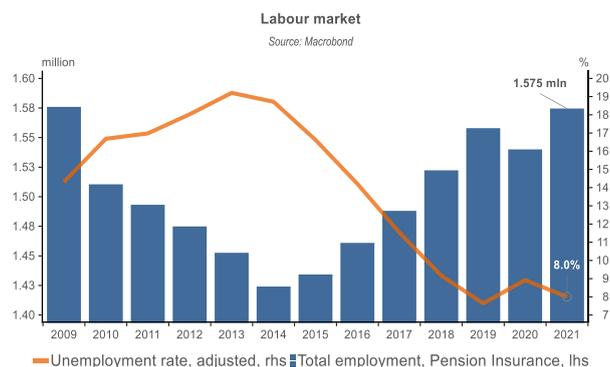
## Number 766, February 14, 2022

Recovery of the labour market in 2021 .....	1
Weekly overview .....	2
Statistics.....	3



## Recovery of the labour market in 2021

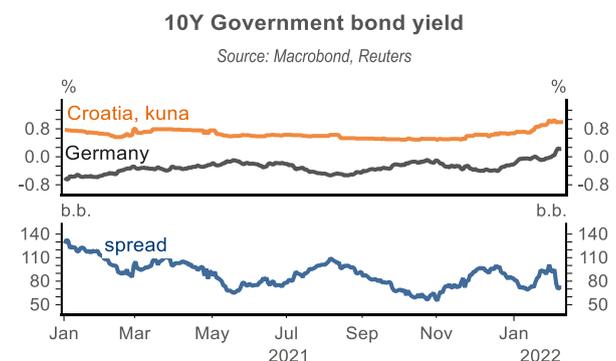
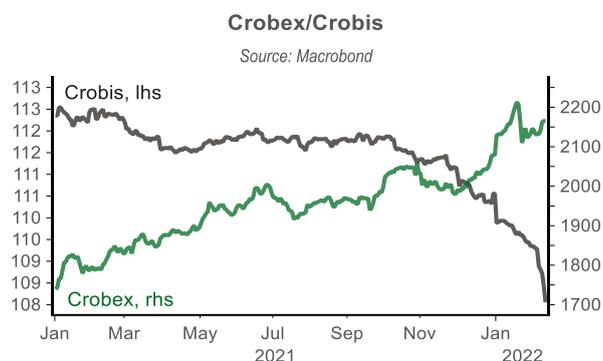
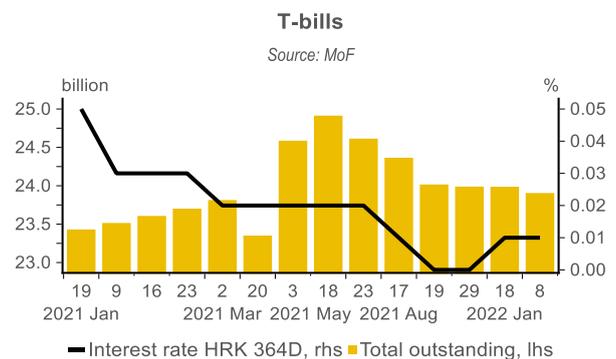
Total number of employed persons in the last month of 2021 reached 1.572 million, that is, up by 2.3% or 35.4 thousand compared to December 2020 (compared to December 2019, number of employed persons is higher by 26.5 thousand). Structurally observing (and by the share in the total number of employed persons), the number of employed persons in Professional, scientific, and technical activities (+6.0%) experienced the highest rise. In the whole 2021, the average number of



employed persons reached 1.575 million, up by 2.2% compared to 2020, mostly due to an increase of the number of employed in Construction by 5.3%, then Accommodation and food service activities (+5.1%, due to an unexpectedly good tourist season), Education (+2.9%) and Information and communication (+7.0%). Positive trends in last year's employment were primarily influenced by state aid for employment schemes, then (multiannual) positive growth trend of individual activities (such as construction, ICT and business service sector), employment increase in the public sector (primarily in health), general growth of overall economic activity and tourism recovery. Contribution of two activities (out of 19, according to the National Classification of Activities) was negative at the same time, in Mining and quarrying by -3.1% and in Financial and insurance activities by -1.3%, while in the remaining activities the contribution to overall growth of employment was either minimal or there was no at all. If we compare the number of employed persons last year with those from the pre-pandemic 2019, a 1.1% increase is shown, mostly in Construction, Information and communication and Education, while the number of employed persons was significantly lower in the Accommodation and food service activities, considering the still reduced level of tourist activity compared to the pre-pandemic period. Parallel with positive trends regarding employment, the total number of unemployed persons was reduced last year by 9.3% y-o-y (to approx. 137 thousand), while the adjusted unemployment rate reached on average 8.0% or down by 0.9 p.p. compared to 2020. Positive trends on the labour market continued in the beginning of 2022, attested by the data on annual 2.4% increase of employed persons in January, while the number of unemployed persons was reduced by 20.8%. At the same time, the OVI index of the Institute of Economics, Zagreb shows a 91% increase of demand for work compared to January 2021, and a 28% increase compared to January 2019. In the entire 2022 we expect the continuation of positive growth rate of employed persons y-o-y, although in a slightly more moderate pace considering the high base in 2021, while the number of unemployed persons should return to the levels recorded in 2019.

## Weekly overview

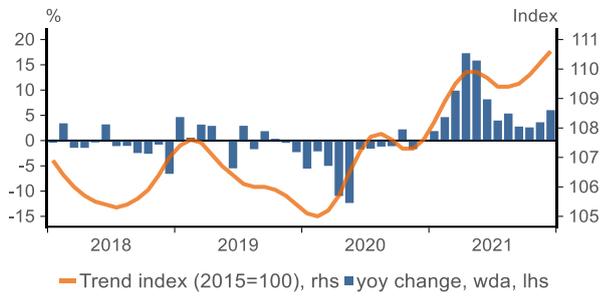
- Last week EUR/HRK trading started at 7.52, and by the end of the week exchange rate slid to 7.535. On Friday, mid-point exchange rate amounted to 7.5233 kuna to the euro, up by 0.1% w-o-w. The kuna simultaneously weakened against the dollar by 0.7% so the exchange rate increased to 6.6017 kuna to the dollar. This week we expect trading in the range of 7.52-7.54.
- Excess liquidity increased to 78 billion kuna, interest rates were reduced to 20 p.p. w-o-w, and there was no interest at the CNB's repo auction. Last week 1.9 billion kuna of T-bills was due, and 1.8 billion kuna was subscribed with unchanged interest rate (0.01%). Government debt in T-bills was thus reduced to 23.9 billion kuna. This week 1.1 billion kuna of T-bills is due so auction is announced, planned in the amount of 700 million kuna and 10 million euros.
- The Crobex Index closed last Friday at 2,164.71 points, or up by 1.5% w-o-w, while Crobis simultaneously declined by 1.1%, i.e. to 108.06 points. As for sector indices, CROBEXtourist was down by 0.3% w-o-w (to 3,643.16 points), while CROBEXconstruct and CROBEXindustry rose by 7.3%, that is, 3.0% (490.77 and 1,269.58). Total ZSE turnover last week amounted to 658.2 million kuna, or up by 0.4% w-o-w, owing to 24.8% higher turnover in bonds (to 622.2 million kuna), while turnover in shares was down by 77.1% (36.0 million kuna).



# Statistics

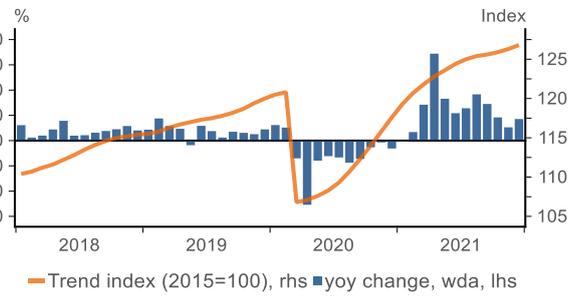
## Industrial production

Source: Macrobond



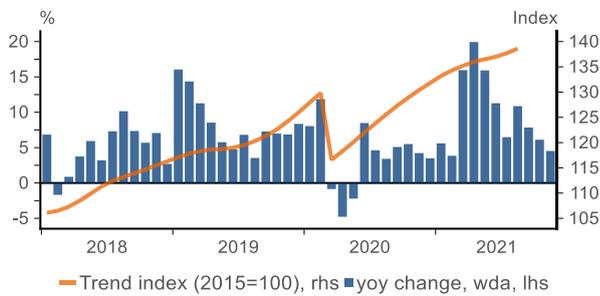
## Retail trade, real

Source: Macrobond



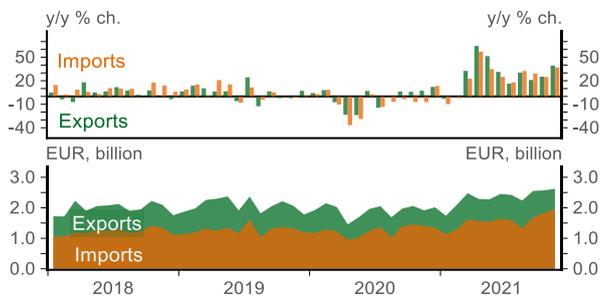
## Construction works

Source: Macrobond



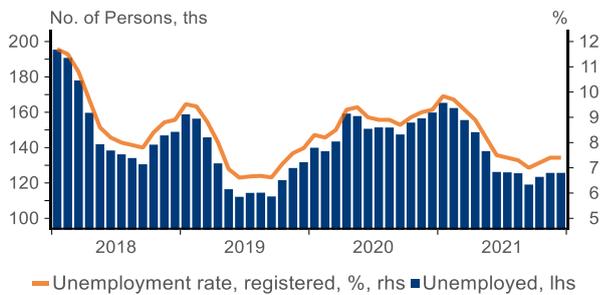
## Goods exports and imports

Source: Macrobond



## Unemployment

Source: Macrobond



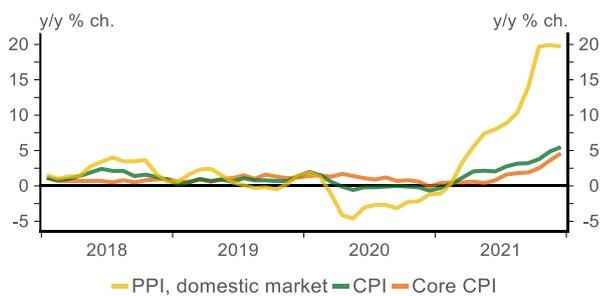
## Wages

Source: Macrobond, CBS



## Prices

Source: Macrobond



## Economic Sentiment Indicator (ESI)

Source: Macrobond

