

NUMBER 824, JUNE 26, 2023

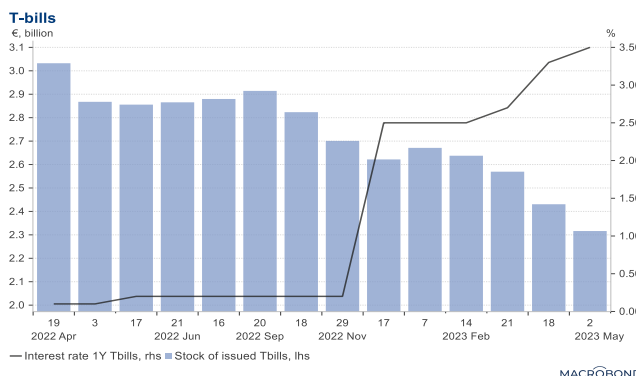
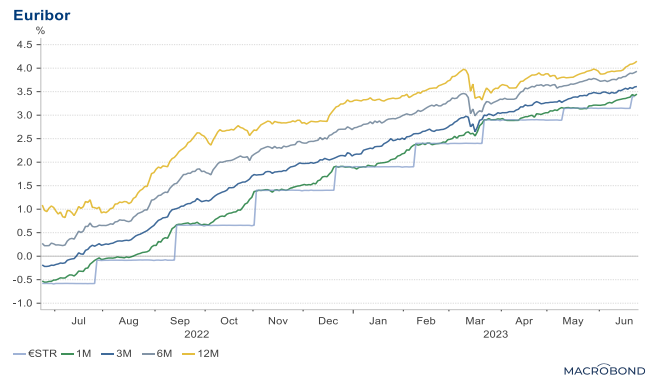
Historically low unemployment rate

- Labour market recorded a continued decline in the unemployment rate in May, that according to the data from the Croatian Bureau of Statistics (CBS) declined to 5.6% (i.e., 5.5% if we include the data from the Croatian Pension Insurance Institute on the number of insured persons in the calculation).
- Mentioned preliminary CBS data show that the total number of employed persons in May was up by 2.7% vs (comparable) preliminary data from the previous year, i.e., up by 1.3% vs final data for May 2022. Compared to previous month, total employment rose by 1.7%, accelerating significantly from 0.7% recorded during March and April. The number of employed in legal entities rose the most m-o-m (by almost 18 thousand; +1.3% m/m), while the number of employed in crafts and liberal professions increased by slightly more than 9 thousand, i.e., up by 4.6% m-o-m. The majority of newly employed in legal entities referred to Accommodation and food service activities, where during May almost 10 thousand employees found jobs, thus raising the number of employed in this business activity by 13.1% m-o-m. Simultaneously, the number of employed rose by almost 3 thousand (+1.4% m/m) in the Wholesaling and retailing, and by equal 1300 in Construction (+1.2% m/m), i.e., Administrative and support service activities (+2.4% m/m).
- Tight labour market, along with administrative increase of minimum wage and inflationary pressures, is one of increase factors of average net salary that increased by 12% y-o-y, per latest available data in May (payroll for April), in nominal, that is, by 2.8% in real terms (3.8% deflated by the inflation rate in May). Average net salary for April was 1,122 euros while an average gross salary was 1,547 euros. Median net salary was 940 euros (+12.6% annually), meaning that half of employees in legal entities received net salary equal or less than the mentioned value, and higher for the other half of employees.
- Dollar strongly weakened, nearing the level of 1.10, after the Chair of Fed Powell's testimony before the U.S. Congress last week in which he emphasized that the fed funds rate will be additionally raised during this year. By the end of week, the exchange rate was corrected and closed at 1.0884 dollars to the euro, down by 0.7% w-o-w.

Seasonal employment: catering and accommodation, trade and construction

Nominal net salary +12%, real +2.8 y-o-y

- Euribor retained its upwards trend increasing to 10 bps w-o-w, so on Friday 3M was 3.6%, and 6M 3.9%.
- ZSE kept a positive atmosphere, so Crobex finished last week up by 1.9% w-o-w (2,366 points) with mixed performance of the most important sector indices. Thus, CROBEXindustry jumped by 4.7% (to 1,554 points), and CROBEXnutris by a high 8.1% (to 839 points), while CROBEXtourist recorded a correction of 0.3% (to 4,194 points). Crobis was reduced by 0.2% (to 94.4 points).



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.

ECONOMIC RESEARCH

Ivana Jović
Ana Lokin

TRANSLATION

Ana Biloš
Jelena Marinović

www.pbz.hr