Labour market

- ***Favourable development at the labour market continued***

Thanks to the on-going economic growth the favourable development at the labour market continued. Employment (according to LFSS results) increased by 1.9 % on average, i.e. by 0.5 p. p. faster than in the same period of 2006. In Q3 2007 it reached 4,941.9 thousand persons which was the highest employment since mid-1997. The number of the unemployed in the first three quarters of the year continued to fall so that the general unemployment rate dropped in Q3 to 5.1%.

Seasonally adjusted employment was increasing systematically, q-o-q, from Q2 2006. The q-o-q growth of seasonally adjusted data was in Q3 identical as in Q1 (0.5%) but lower than in Q2 when it reached a short-term maximum (0.8 %).

- ***Growth of total employment is continuously accompanied by some structural changes***

On-going structural changes were reported for the labour market. In the first place, a significant increase of the number of secondary school graduates with GSCE and university and higher professional schools graduates was recorded. Although proportions between the employee and employer sector remained on the same level as a year earlier, the number of employers with employees dropped. In Q3 the share of persons employed in primary sector dropped y-o-y and q-o-q, while, in contrast, the share of employees in secondary sector (which is the biggest compared to the EU 27) continued to grown as well as the share of tertiary sector (which is, despite the above, still lower that the EU 27 average). Employment in services increased mainly in real estate, renting and business activities (this applies mainly to legal, accounting activities and tax consultancy), further in health and social work, education and financial intermediation. In contrast, employment decreased in hotels and restaurants and also in public administration. Growth of number of persons in the main employment was, to a small extent, set off by drop of other employments.

Number of the unemployed continued to fall

Unemployment compared to Q1-Q3 2006 decreased by 25.6%, on average. The fastest drop was recorded in Q3 (by 26.9 %). In the quarter-on-quarter comparison, seasonally adjusted number of the unemployed decreased in Q3 less that in the previous quarters, i.e. a short-term trend of decreasing unemployment had a decelerating effect.

General unemployment level dropped compared with three quarters of 2006 by 1.9 p.p., in Q3 then identically by 1.9 p.p., y-o-y, and reached, as mentioned above, 5.1% which was less than the EU 27 and Eurozone average.

All regions showed the drop of unemployment rate, most in areas with surviving high or above-average unemployment rate. General growth of education had a favourable effect on decreasing number of the unemployed. The gap between female and male unemployment narrowed. Due to the decrease of unemployment the reserves of potential labour force, i.e. persons who do not seek for work in an active way but declare their willingness to work, shrank.

The number of the long-term unemployed dropped as well but still represented more than a half of the whole unemployment (50.5 % in Q3).

Wages increased in real terms by 5.3 %

The average gross nominal wage increased by 7.6 % which more than in the same period a year earlier. Consumer prices in the same period increased by 2.2% on average, i.e. wages grew by 5.3%, in real terms. Gross nominal wage in business sphere grew faster (7.9 %) than in non-business sphere (6.6 %).

The average gross nominal wage in Q3 was almost the same as in Q2, identical was also their real growth. Quarter-on-quarter, the wage growth in Q3 exceeded the average of the last four quarters.

Wage differentiation between industries becomes deeper. The average wage (FTE) in financial institutions was double the nation-wide average; wages in quarrying and mining, electricity, gas and water supply and also in real estate activates and public administration exceeded the nation-wide average. Wages in agriculture and hotels and restaurants dropped most below the average.