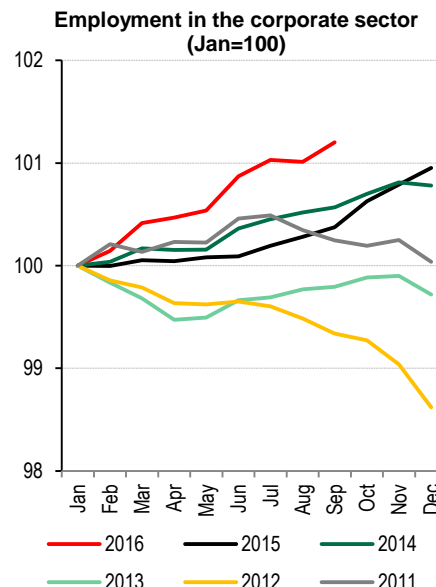
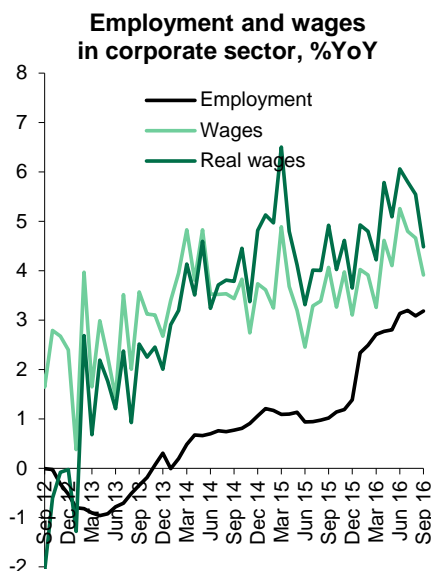


INSTANT COMMENT

18 October 2016

Very fast employment growth

Average wage growth in corporate sector slowed in September to 3.9% y/y (down from 4.7% y/y in August and below 4.5% market consensus), while employment growth accelerated to 3.2% y/y (up from 3.1% y/y in August and above 3.1% consensus). It seems quite surprising that the pace of salary growth has decelerated, despite the unemployment rate having fallen to its all-time low and the highest pace of job creation since 2008. To some extent, it could be the result of high base effect (monthly wage increase in September 2015 was the highest in the last ten years) and less supportive calendar effect than in August. We think that in the coming months the wage pressure will mount due to the growing scarcity of available workforce. Overall, the pace of labour income growth is still impressive – in September the average wage bill rose 7.8% y/y in constant prices – which should support solid growth of private consumption.



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