



# C&EE Labour market crunch

Has the success story come to an end?

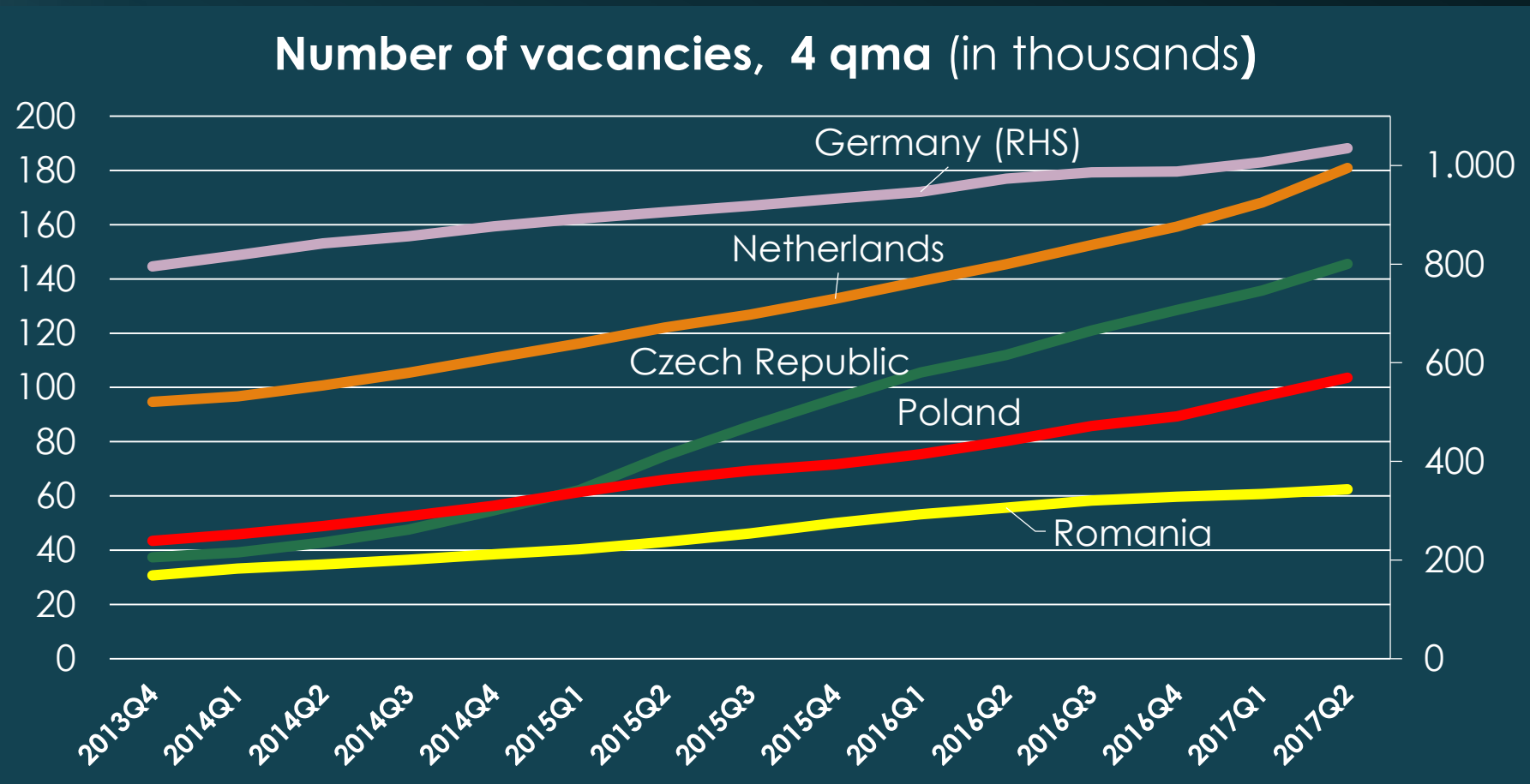
Rob Ruhl, Director NMA  
and Board member NPCC



# Introduction

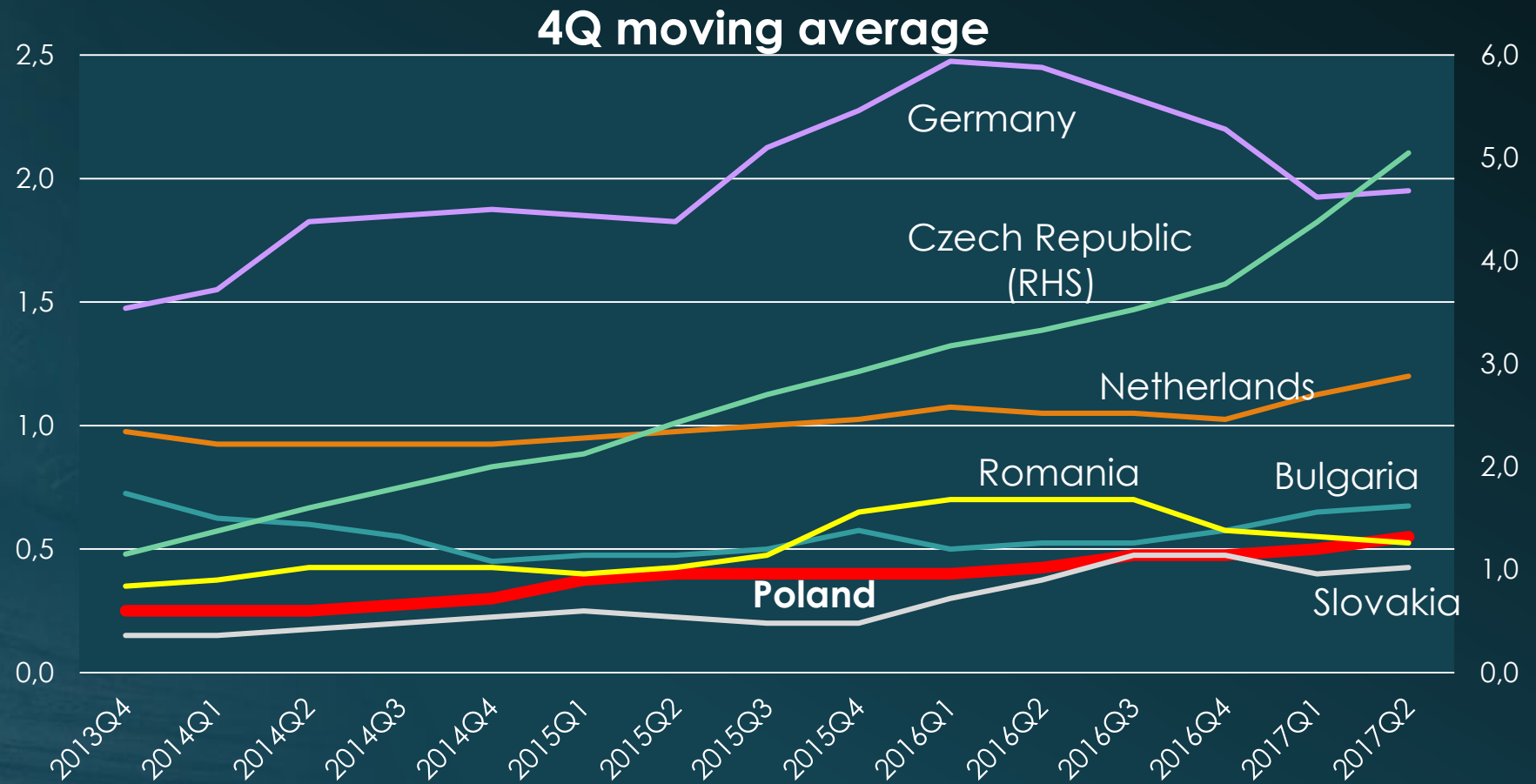
- The crunch on C&EE labour markets
- Causes of the crunch
- The challenge for companies operating in Poland and the Netherlands
  
- *Sources: Eurostat and Oxford Economics*

# The crunch illustrated by vacancies in C&EE

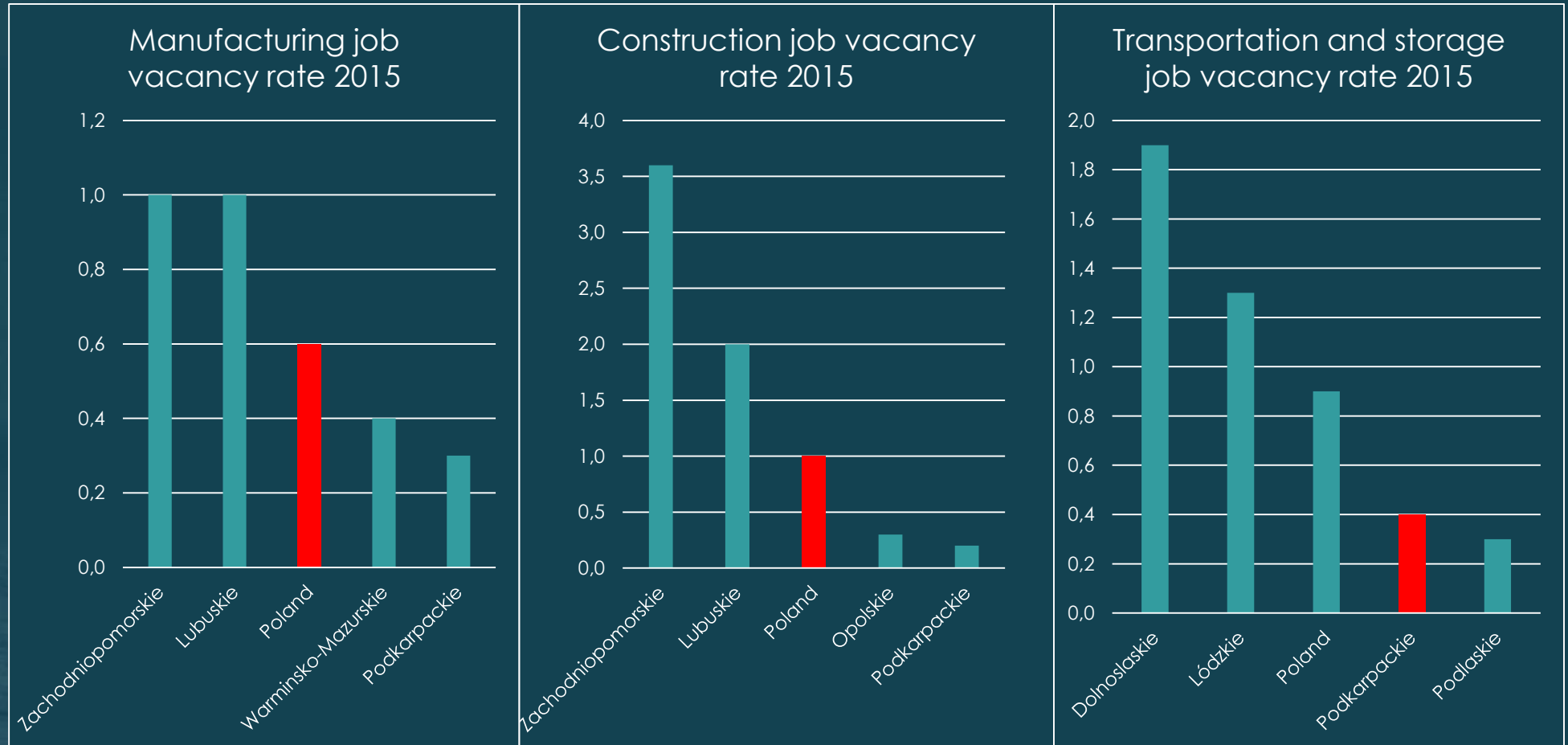




# Vacancy ratio, much to do about nothing?



# Vacancy ratio by sector and region counts

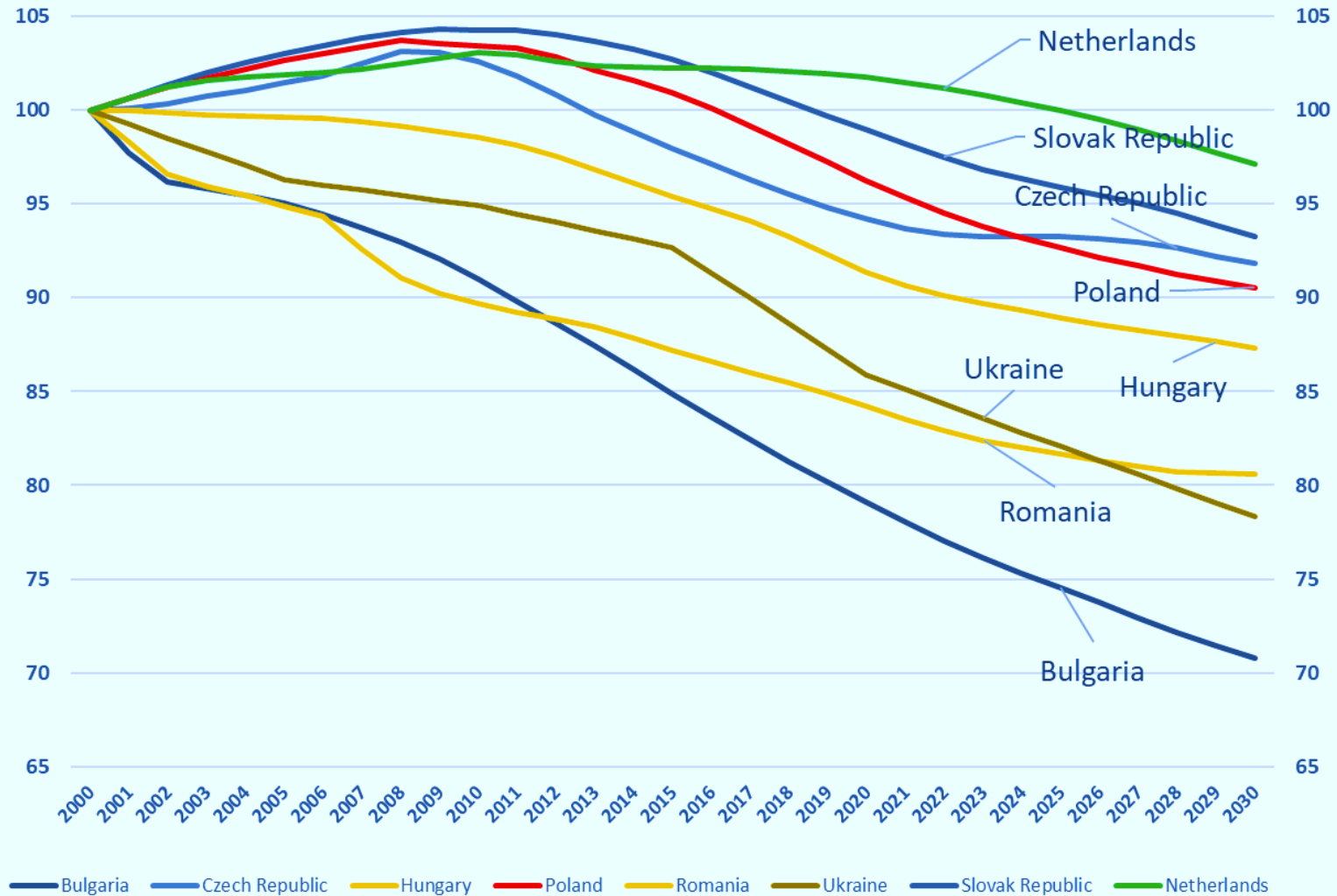




# Causes of the crunch

- Demographics
- Employment growth
- Migration
- Policy impact

# Working age population 2000-2030 (2000=100)



# Tension due to growth population less than employment growth

	Working age population	Employment	Tension indicator 2008-2017		Tension indicator 2017-2026	
Bulgaria	-1,5%	-0,9%	0,6%		0%	
Czech. R.	- 0,9%	+0,4%	1,3%		0,7%	
Hungary	-0,7%	+1,5%	2,2%		0,9%	
Poland	-0,6%	+0,5%	1,1%		1,0%	
Romania	-0,7%	-0,6%	0,1%		0,4%	
Slovakia	-0,4%	+0,5%	0,9%		0,5%	
Ukraine	-0,7%	-2,5%	-1,8%		2,1%	Source Oxford Economics



# Migration and Policy impact

- EC data as of 2010 2.8 million Romanians were resident in EU (15% of the population. 2.4 million Poles (6%) , only 1-2% of Czechs, Slovaks and Hungarians
- Most C&EE countries attracted inward migration
- Net migration (1999-2014) in% of population:  
Romania - 9.2%, Poland -1.5% but  
Slovakia +2.7%, Hungary +2.3% and Czech +1.5%
- Scope for increasing participation rate in Poland, Romania

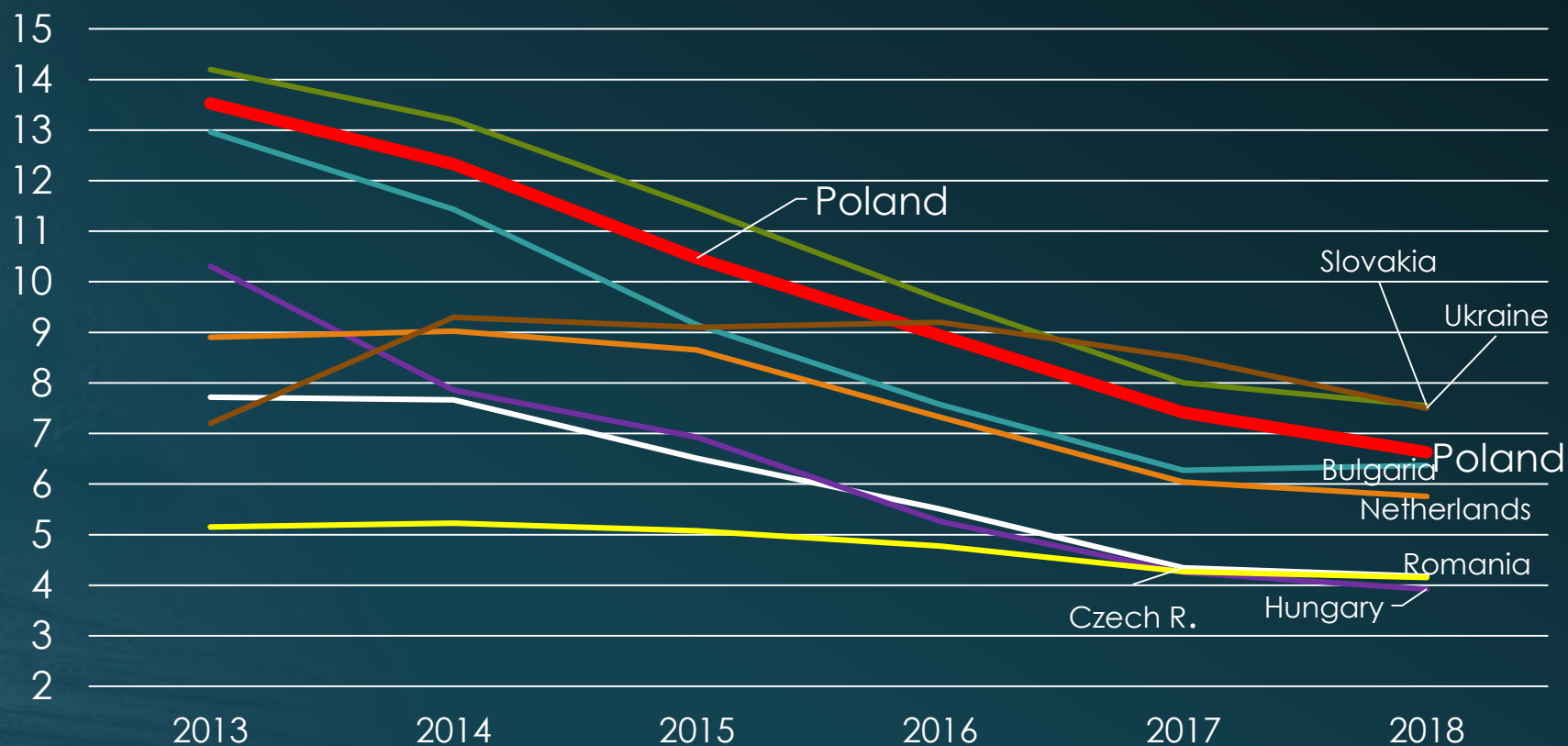


# Challenges for companies in Poland and NL

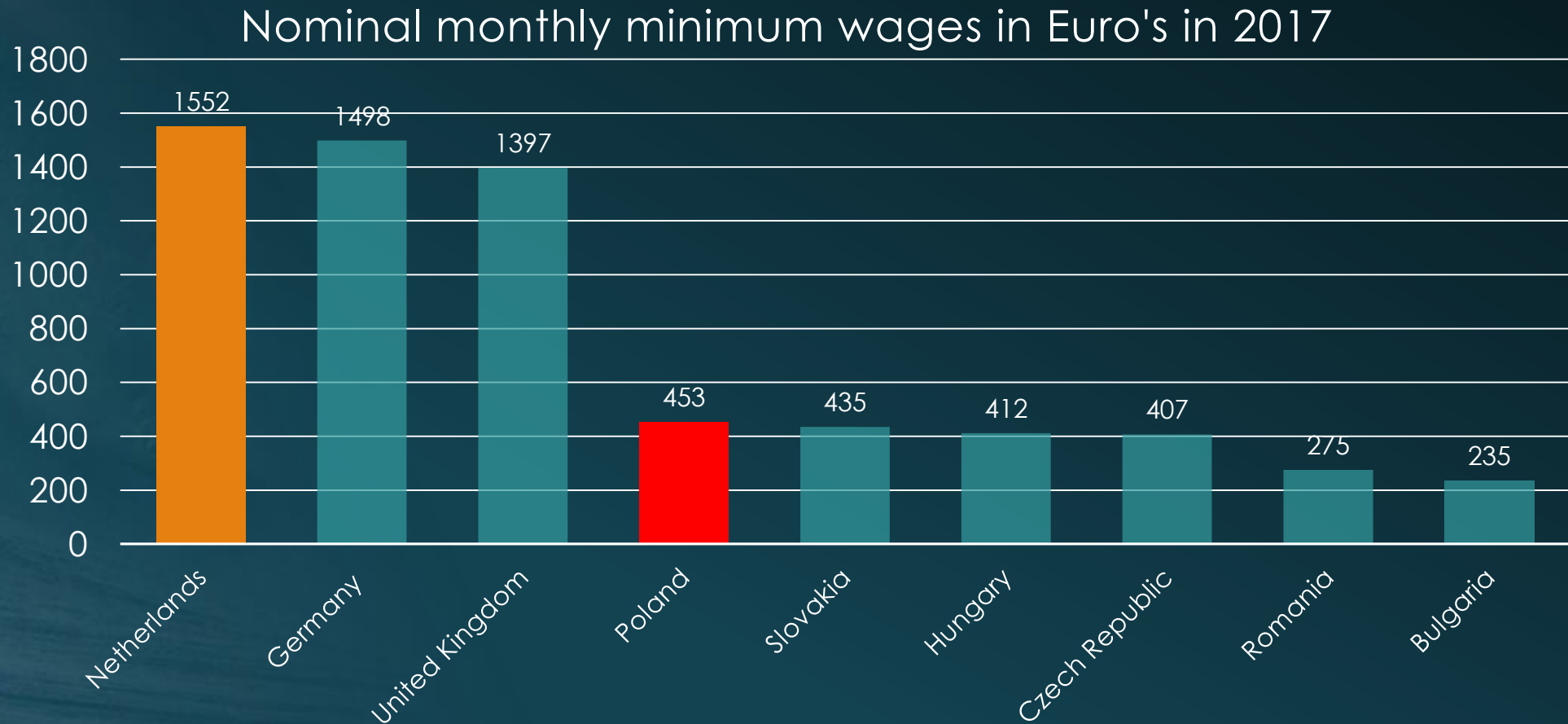
- To hire the right people
- Unemployment still high but record low
- Pressure on wages
- Wage differentials

# Unemployment still high but record low

in % of working age population



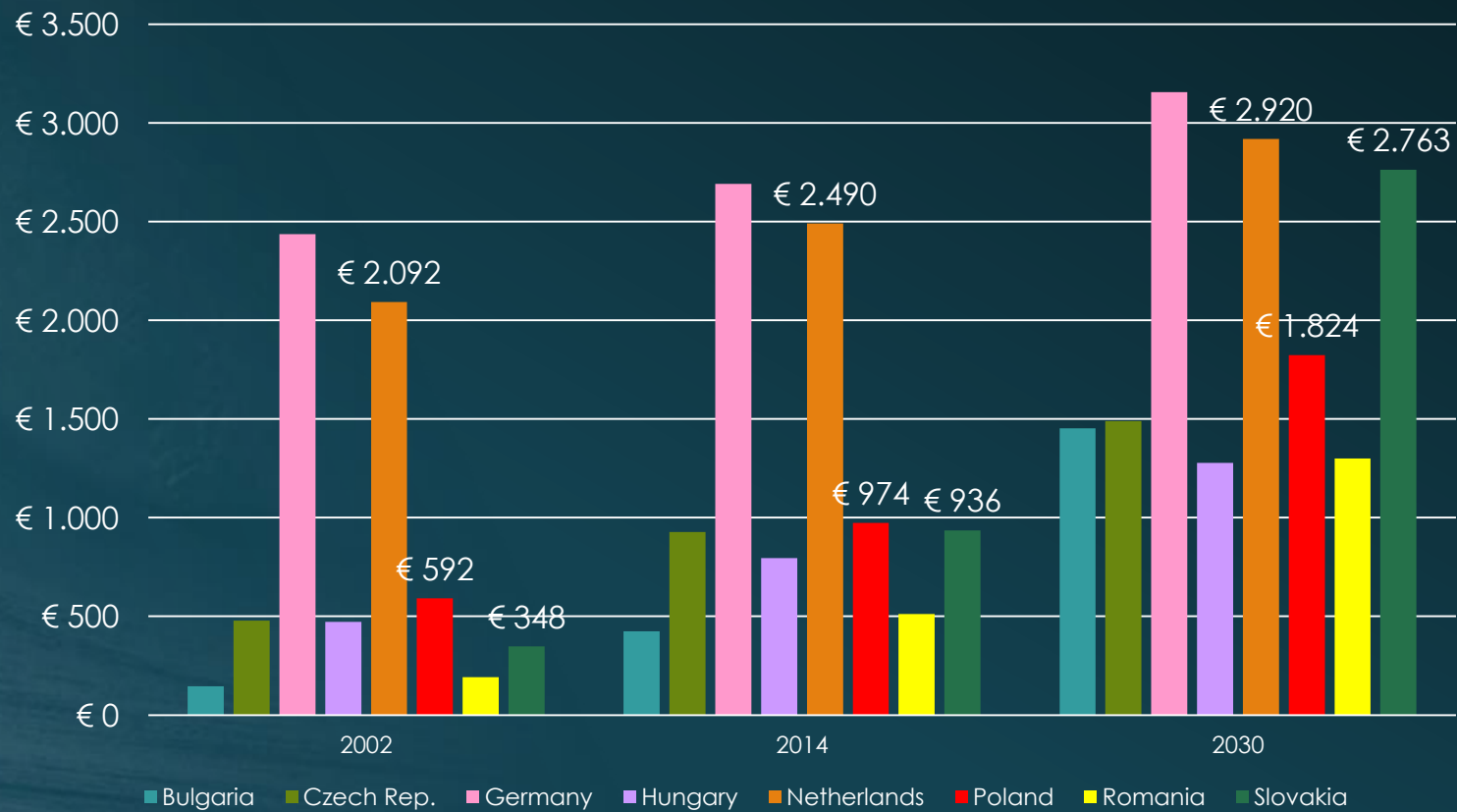
# Minimum wages still a huge cap





# Catching up in monthly earnings

Average monthly earnings business economy



	2014	2030
Bulgaria	17%	50%
Czech. Rep	37%	51%
Germany	108%	108%
Hungary	32%	44%
NL	100%	100%
Poland	39%	62%
Romania	21%	45%
Slovakia	38%	95%

# Conclusions

- Success story C&EE was based on cheap labour, relatively skilled and large volumes of foreign direct investments
- Still a huge wage gap
- Labour shortages in C&EE become an increasing obstacle especially in Hungary, Poland a distant next
- Migration of skilled workers (brain drain) led to skills mismatch
- Success story is changing

# Hope you enjoyed



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