

SNAPSHOT

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Wages in Lithuania grew slower than in Estonia

Lithuanian department of statistics has published wage rate data today. Average gross monthly pay was 2175 Litas (630 Euros) in the fourth quarter of 2011. Nominal wage rate increased by 2.5 per cent compared to the same period in 2010. Real growth (growth adjusted for inflation) in wage rates was negative at c. -0.9 per cent.

Assessment:

Average wage decreased sharply in Lithuania in 2009 and remained relatively stable through out 2010 and 2011. We expect only a minor increase in wage rates in Lithuania in 2012 due to slower economic growth and high levels of uncertainty which hinders output expansion.

Estonian statistics published Estonian wage data this Tuesday. In the fourth quarter of 2011 average real gross monthly pay grew by 2.1 per cent in Estonia compared to the same period in 2010 (nominal wage grew by 6.1 per cent). This is the second quarter of wage growth in the smallest Baltic nation. There are various reasons why remuneration growth in Lithuania and Estonia differed in 2011. However, the key factors were faster economic growth and lower level of unemployment in Estonia. GDP grew 7.5 per in Estonia versus 5.8 per cent in Lithuania in 2011. Unemployment level was 11.4 per cent in Estonia versus 13.9 per cent in Lithuania in the last quarter of 2011.

Latvia will publish its wage data on the 2nd of March.

Best regards,

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