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# EcoAlert

## New graduates increased the share of unemployed only marginally



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### Share of unemployed (July 2018)

	Current	KB forecast	Consensus
Share of unemployed (%)	3.1	3.0	3.0

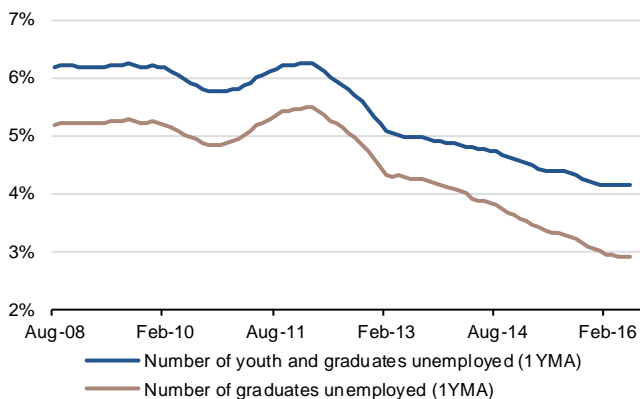
Source: Bloomberg, CZSO, Economic & Strategy Research, Komerční banka

The inflow of new graduates in July eased the situation on the labour market only marginally, although it can be described as a seasonal effect. The number of vacancies increased to its highest level ever, with twice as many vacancies per applicant than a year ago.

The share of unemployed registered by job offices rose in July two ticks to 3.1%. As every year, this increase was due to a seasonal effect caused by an inflow of new graduates on the labour market. At the end of July, the number of registered graduates reached 8,800. However, for the first time this year, the share of unemployed increased also after seasonal adjustment.

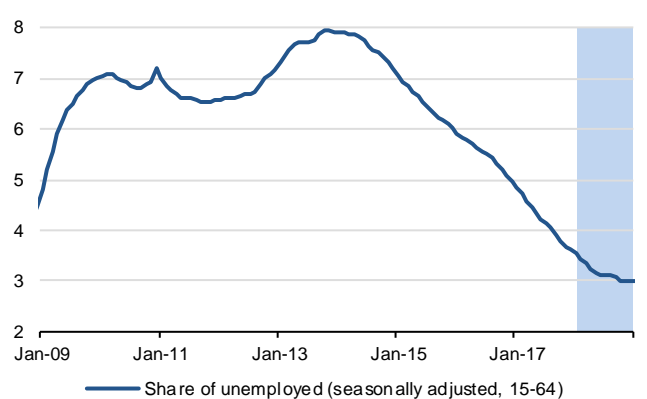
On the other hand, the statistics of vacancies indicate that the labour market situation is still very tight. In July, there were 80,000 more vacancies than the number of registered job seekers. Thus, there are 1.3 vacancies per reachable unemployed person. To compare, there was 0.6 per job seeker a year ago. Consequently, it is becoming difficult for employers to find suitable candidates.

### The share of youth on the overall share of unemployed has been decreasing for years



Source: MPSV, Bloomberg, Macrobond, Economic & Strategy Research, Komerční banka

### The share of unemployed will remain around 3%



Source: MPSV, Economic & Strategy Research, Komerční banka

The problem is the most pronounced in districts with extremely low shares of unemployment, such as Rychnov nad Kněžnou (1.1%) and Jindřichův Hradec (1.2%). In total, 18 districts recorded a share of unemployed below 2%.

The share of unemployed achieved its low in June and, in our view, there is not much room for it to drop further. It is likely though that due to seasonal effects and continuing economic

expansion it will decrease moderately in the following month, but the effect will be only marginal. The growth of vacancies indicates that employers are still intensively looking for new workers. Given such a low number of registered unemployed, there is nowhere to find them. Thus, most likely the share of unemployment will remain around 3% for the rest of the year. On average, it should reach 3.2% this year.

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