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Labour market and social sphere

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Labour market and social sphere

Q1-2026

Key findings

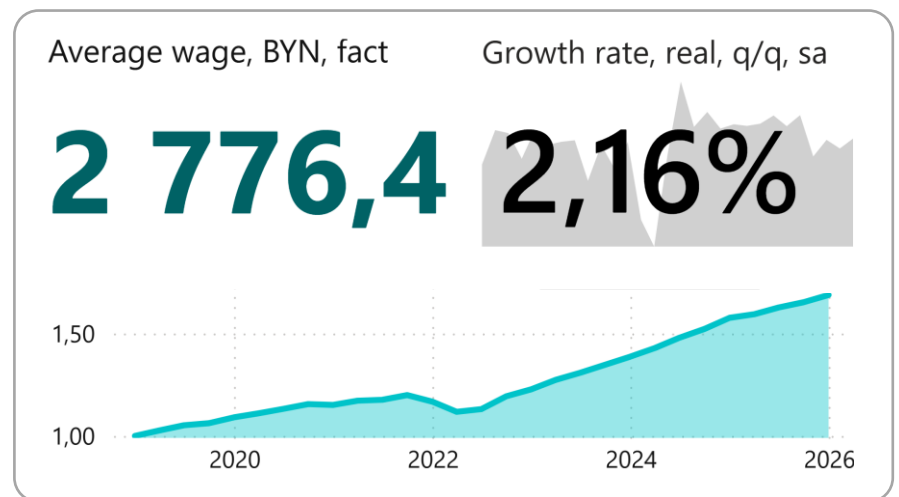
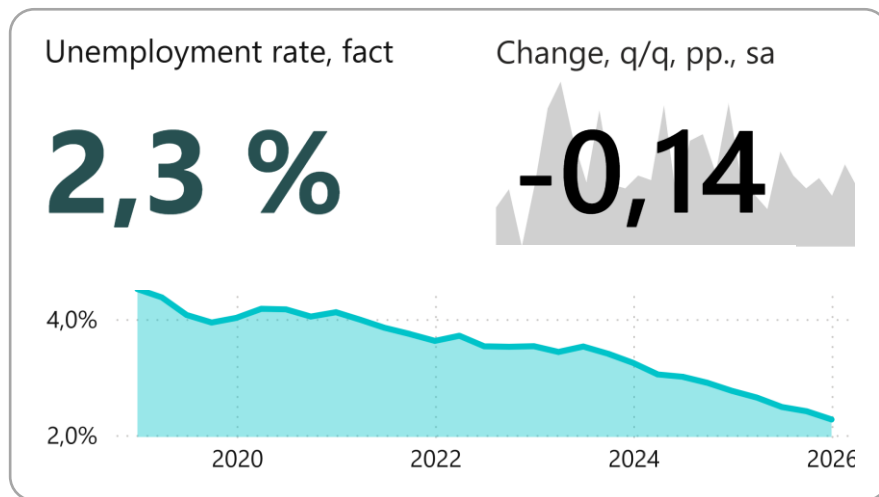
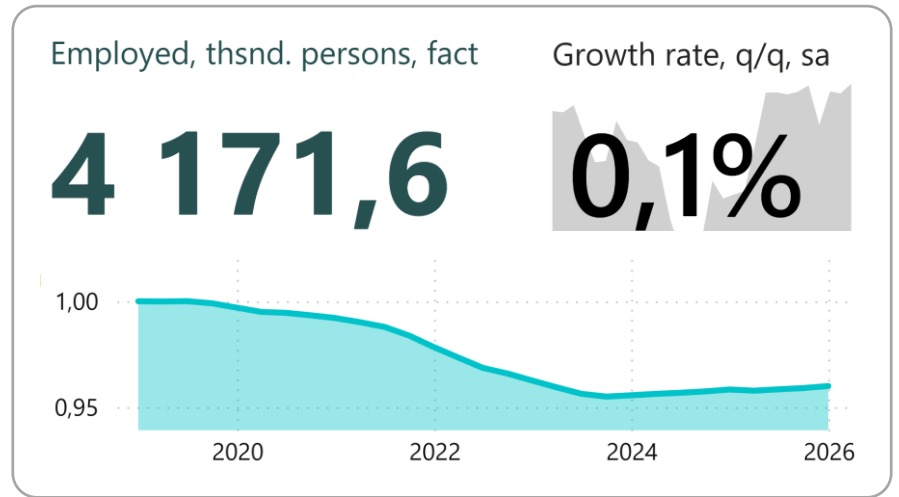
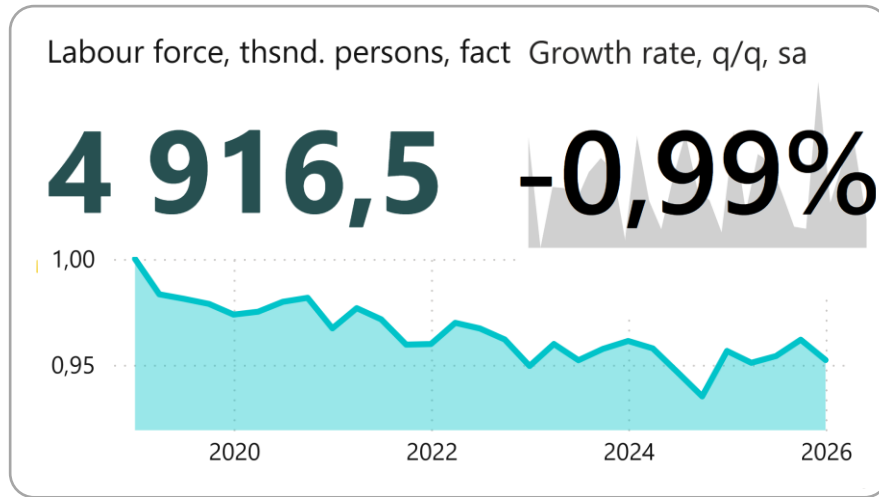
- Employment in the economy in seasonally adjusted terms increased by **0,1%**, while the average actual level of employment reached **4171,6 thsnd.** persons.
- The unemployment rate declined. By the end of the quarter, a new historical low of **2,3%** was reached.
- The number of new hires and terminations almost equalised; the number of new hires for additionally introduced workplaces grew actively, increasing by **13,2%** quarter-on-quarter in seasonally adjusted terms.
- Strong labour market and wage dynamics across regions persisted in Minsk City and Minsk Region, while a slowdown in dynamics was observed in Gomel Region.
- The increase in the number of new hires and additionally introduced workplaces across industries was observed in Construction and Agriculture. At the same time, a noticeable decline in labour turnover took place in Other services. The labour market was also least active in Financial services and Trade and service.
- The labour market remained tight primarily due to the declining unemployment rate without a noticeable trend towards an increase in labour supply.
- Average monthly accrued wages in nominal terms amounted to **2776,4 BYN** by the end of the quarter and increased by **2,16%** in real terms over the quarter with seasonal adjustment taken into account. The growth rate of real wages continued to exceed the growth rate of labour productivity without changes in the prevailing trend.
- The level of relative wages in the state commercial sector and the budgetary sector remained virtually unchanged compared to the previous quarter, amounting to **1,04** and **0,79** of the average wage in the economy respectively. The share of the payroll number of employees in the state commercial sector remained within the range observed over the previous four quarters and amounted to **42,3%** of the payroll number of employees in the economy by the end of the quarter.

The bulletin "Labour Market and Social Sphere" provides an overview of developments in the labour market and the social sector in Belarus. It presents the dynamics of key labour market indicators – the size of the labour force and employed population, unemployment, and average wages (including the public commercial and budgetary sectors). The bulletin analyses the contributing factors behind these changes, assesses the overall labour market situation, and examines its impact on the country's economic development. The methodological foundation of the analysis is based on the dynamics of the aforementioned indicators and their factor-based decomposition. All data used for the calculations are drawn from open official sources.

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Labour market dynamics remained unchanged

Key Labour Market Indicators in Q1-2026



Notes. 1) The cards display actual values of the indicators; base indices (Q1-2019 = 1), unemployment dynamics, and growth rates are presented in real terms, seasonally adjusted¹. 2) The average wage is reported for registered staff and external part-time workers. Source: Compiled basing on Belstat data.

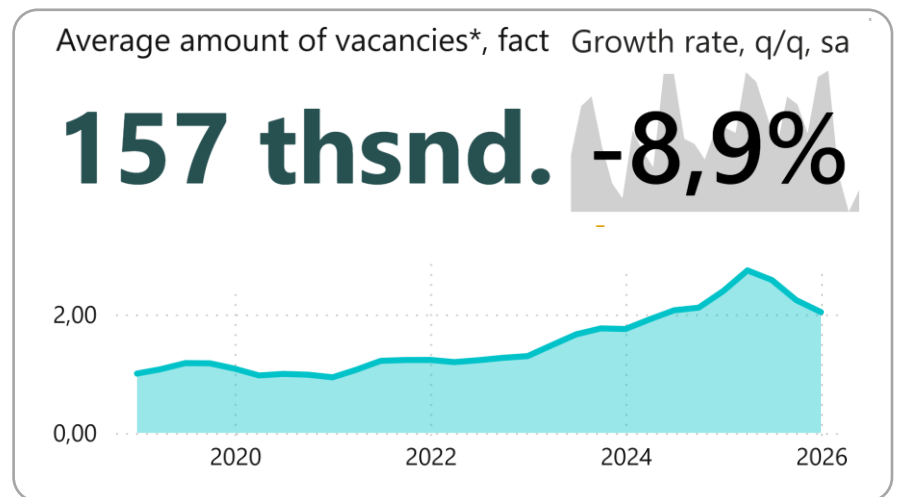
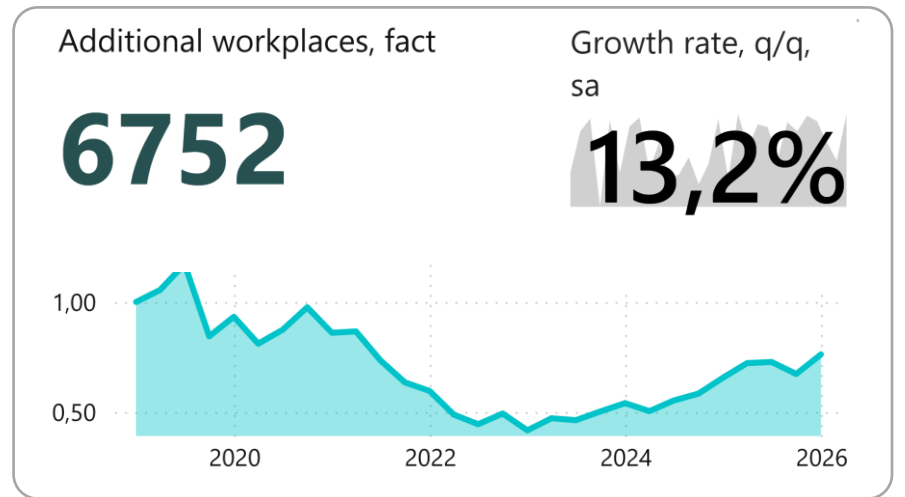
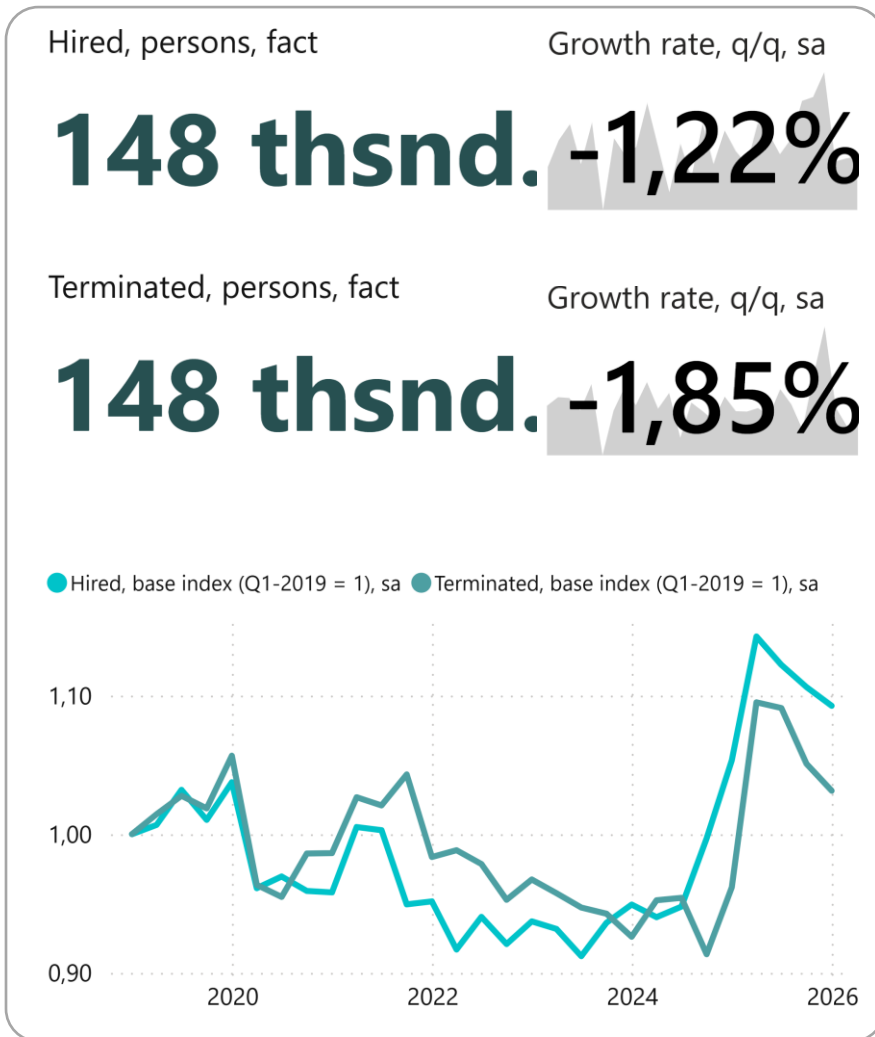
Employment in the economy continues to demonstrate a slight upward trend. In Q1-2026, average employment increased in absolute terms by 13,3 thsnd., or by 0,1% quarter-on-quarter with seasonal adjustment taken into account. At the same time, the labour force slightly declined: according to labour force survey data, by 0,99% quarter-on-quarter in seasonally adjusted terms. Trends in labour force and employment dynamics remain stable and moderately positive.

The unemployment rate reached a new historical low. According to the household labour force survey, in Q1-2026 the unemployment rate declined and amounted to 2,3% in absolute terms. Given the trend towards gradual employment growth alongside a stable labour force level over the past two years, the continued decline in unemployment signals the persisting problem of labour resource depletion.

Real wage growth continues at the same pace as in the previous three quarters. In Q1-2026, average real wages increased by 2,16% with seasonal adjustment taken into account. Despite the overall slowdown in real wage growth during 2025, growth rates remain comparatively high, which also signals continuing tightness in the labour market.

Hiring and termination levels remained high

The Labor Market Dynamics in Q1-2026



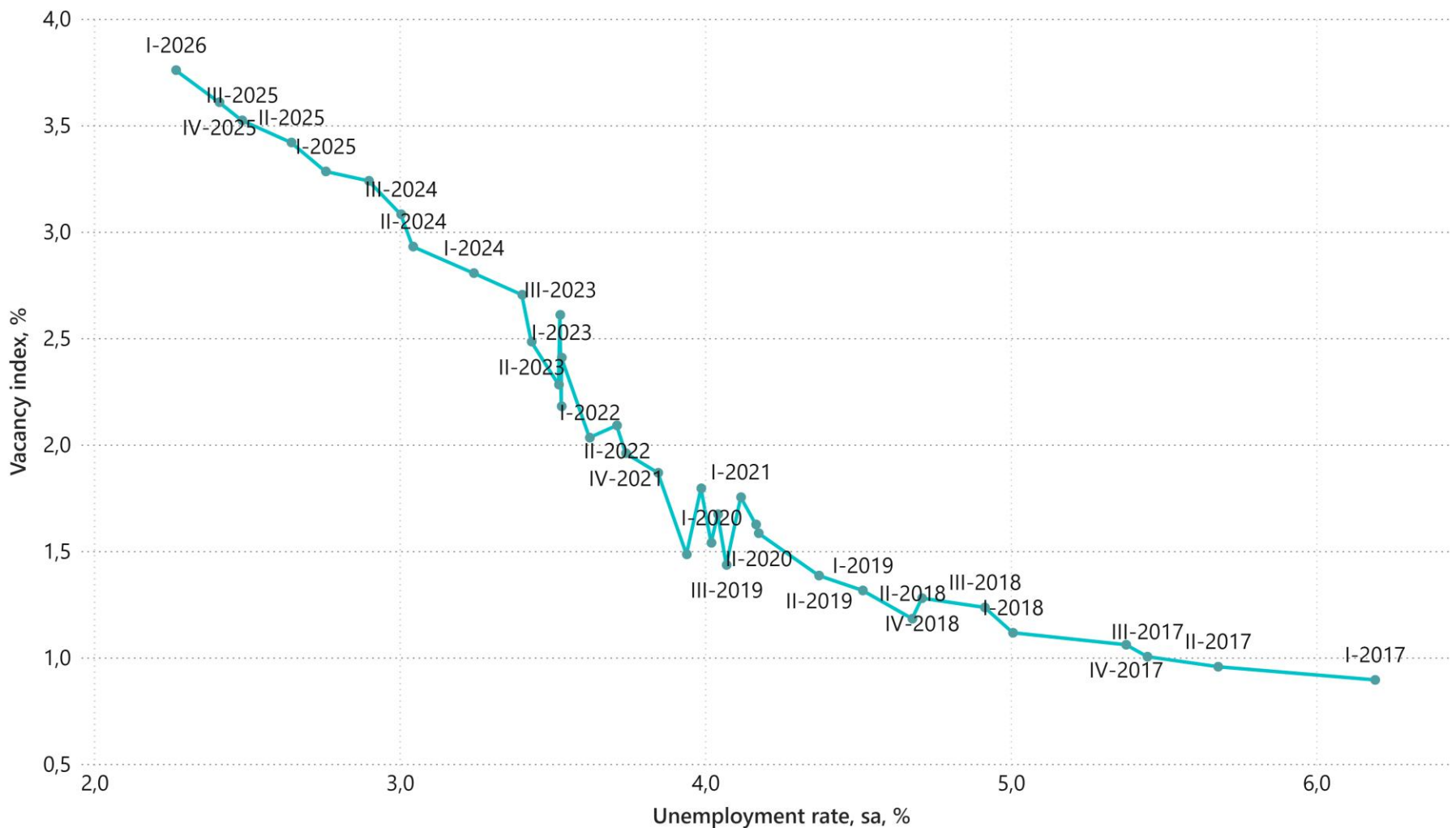
*Notes. 1) The cards display the actual values of indicators; growth rates and base indices (Q1-2019 = 1) are presented in real terms, seasonally adjusted. 2) * - due to changes in legislation on job vacancy postings², the data contains a structural shift. Source: compiled basing on Bel-stat and Ministry of Labour and Social Defense of Republic of Belarus data.*

In Q1-2026, the number of terminations slightly exceeded the number of new hires. The negative balance of hiring and terminations amounted to 0,2 thsnd. persons in absolute terms over the quarter. Although in seasonally adjusted terms both hiring and termination levels continue to remain at their highest values over the observed period, both indicators demonstrate a tendency towards gradual decline.

The number of additionally introduced workplaces increased. In Q1-2026, following a slight decline, the number of new hires for additionally introduced workplaces increased by 13,2% quarter-on-quarter with seasonal adjustment taken into account. The overall upward trend in hiring for additionally introduced workplaces persisted.

The average number of vacancies continued to decline. By the end of Q1-2026, the average number of vacancies decreased by 8,9% quarter-on-quarter; the decline continued for the third consecutive quarter. The observed situation may be associated both with the closure of previously posted vacancies, especially against the background of a gradual increase in employment in the economy, and with a reduction in employers' demand for workers related to the economic slowdown.

Beveridge curve, Q1-2017 - Q1-2026



Note. The Beveridge curve reflects labor market tension: movement from the lower right to the upper left corner indicates increasing tension³. The vacancy index is calculated as the ratio of the average number of vacancies, smoothed using a one-sided Hodrick–Prescott filter, to the seasonally adjusted labor force. Source: calculated basing on Belstat and Ministry of Labour and Social Defense of Republic of Belarus data.

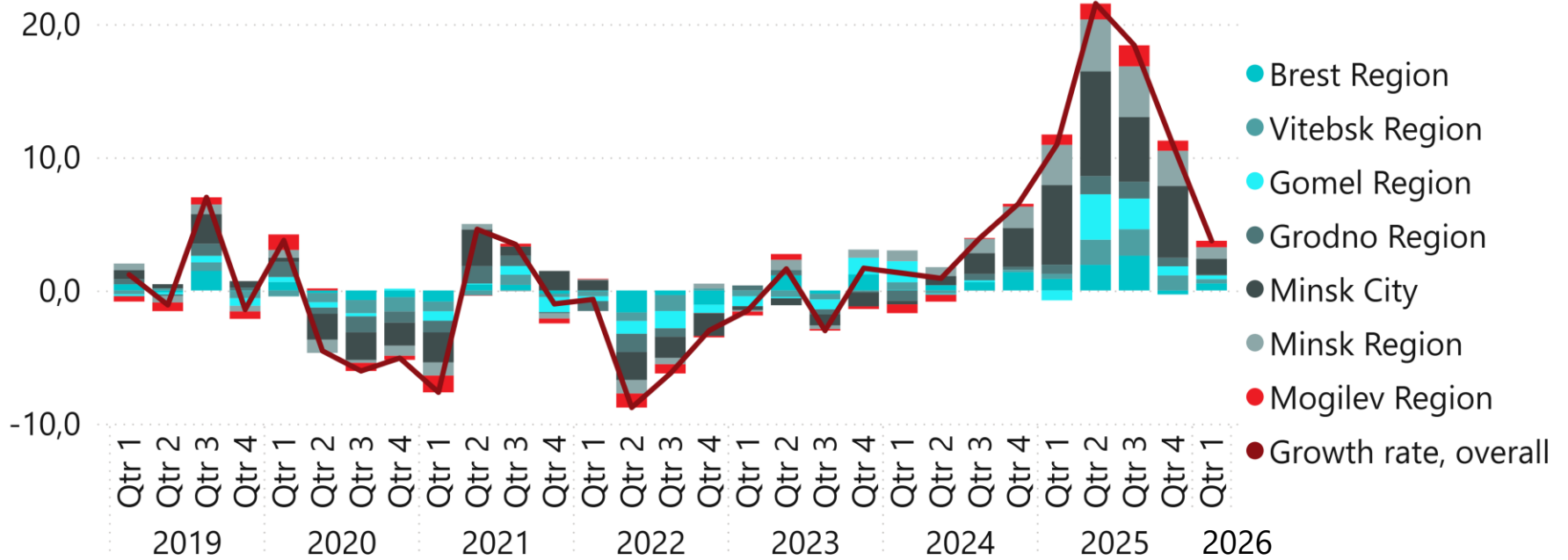
Labour market tightness remained high. In Q1-2026, the primary reason for this was the decline in the unemployment rate. Despite the reduction in the number of vacancies and employment growth, labour market tightness did not ease due to the relatively unchanged volume of labour supply. Thus, the dynamics of the indicators contributed to an increase in the vacancy index and a leftward-upward movement of the Beveridge curve. Based on current trends, it can be assumed that labour market tightness will persist in the medium term, and it will only be possible to state that it is tending to decline if the trend towards fewer vacancies continues throughout the following year.

The number of new hires increased across all regions and in most sectors⁴. The increase in the number of new hires in Q1-2026 compared to the corresponding quarter of the previous year amounted to 3,73%. Among the regions, the largest contribution came from Minsk City (1,18 pp.) and Minsk Region (0,88 pp.), which together accounted for 65,7% of the total increase. The lowest hiring activity was observed in Gomel Region (0,06 pp.). Among sectors, the largest contribution came from Construction (1,58 pp.) and Agriculture (1,11 pp.), which together accounted for 62,2% of the total increase. The number of new hires slightly declined in Financial services (-0,21 pp.) and Trade and service (-0,16 pp.).

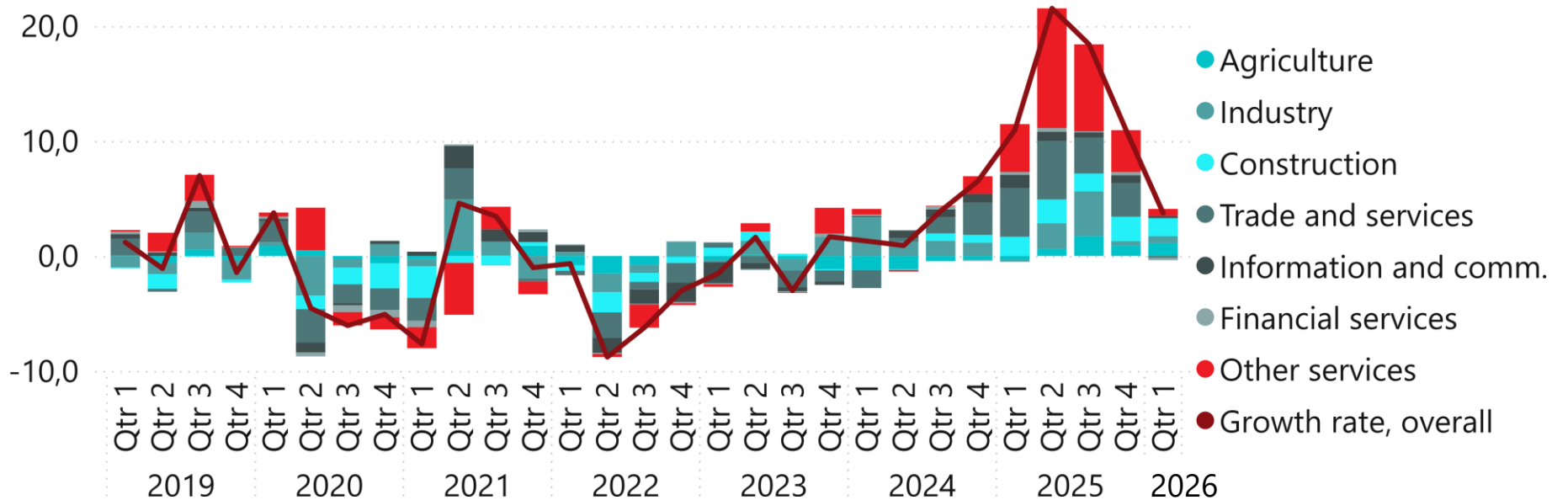
Hires growth rates decomposition

q/q same period of previous year, %, including:

by regions



by industries

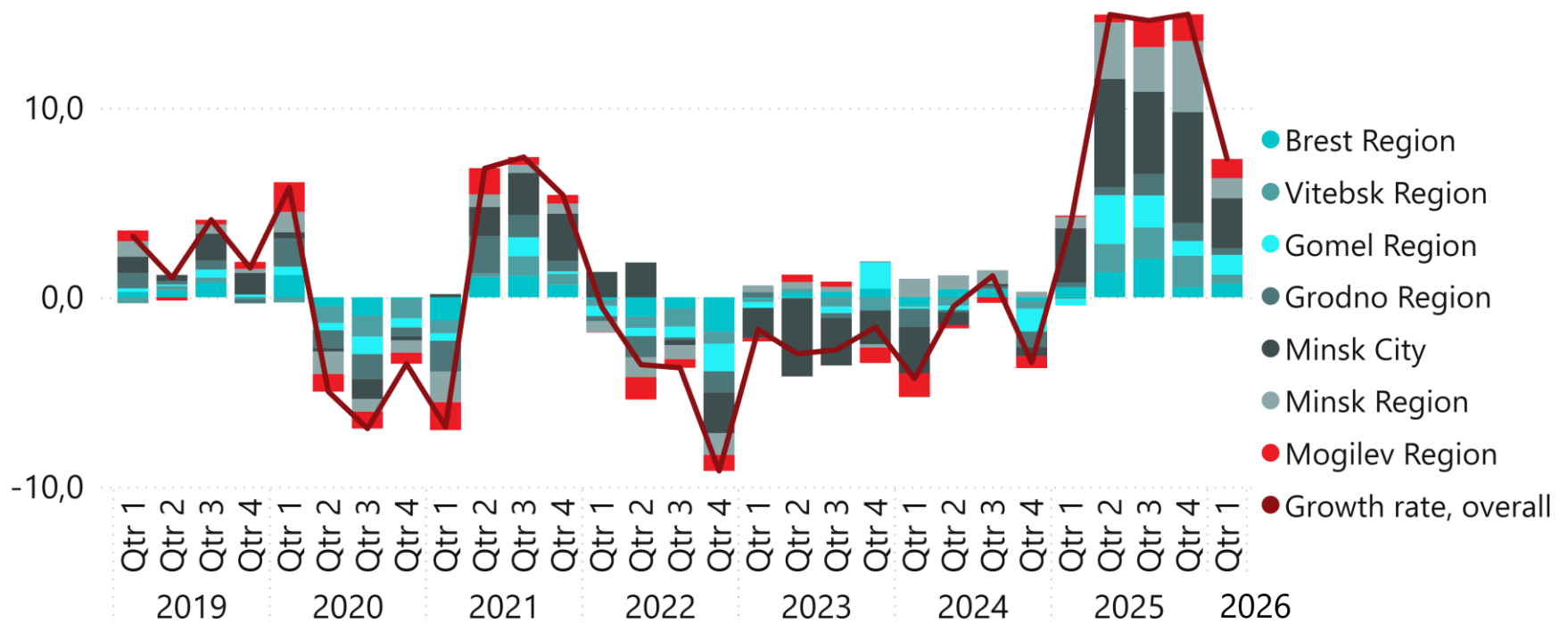


Note. Switching to year-over-year growth rates and their decomposition by factors helps address the issue of seasonality; the value of such growth differs from that of the original seasonally adjusted series. Source: calculated basing on Belstat data.

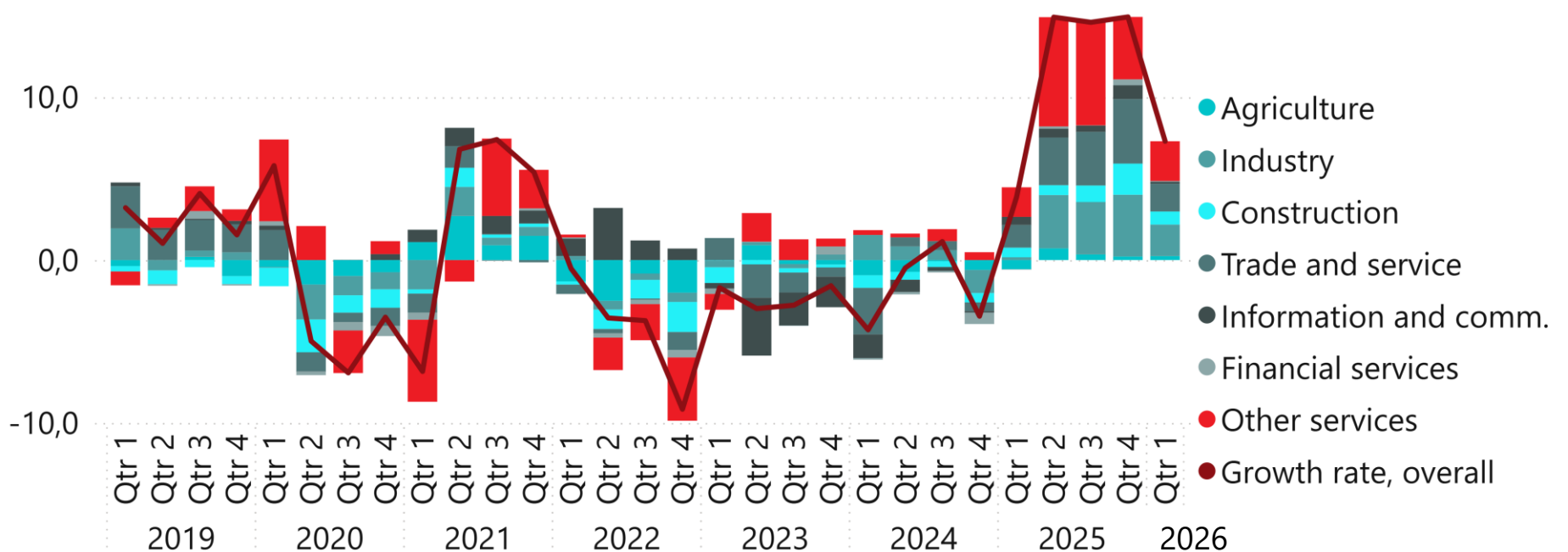
The number of terminations increased across all regions and sectors. In Q1-2026, the indicator increased by 7,29% compared to the corresponding quarter of the previous year. The largest contribution to the increase in the indicator came from Minsk City (2,64 pp.), Minsk Region (1,06 pp.) and Gomel Region (1,05 pp.), which together accounted for 65,2% of the total increase, while the smallest contribution to the increase in terminations came from Grodno Region (0,35 pp.). Among sectors, the largest contribution came from Other services (2,44 pp.), Industry (1,94 pp.) and Trade and service (1,70 pp.), which together accounted for 83,3% of the increase. The smallest increase in terminations was observed in Financial services (0,05 pp.) and Information and communication (0,13 pp.).

Terminations growth rates decomposition
q/q same period of previous year, %, including:

by regions



by industries



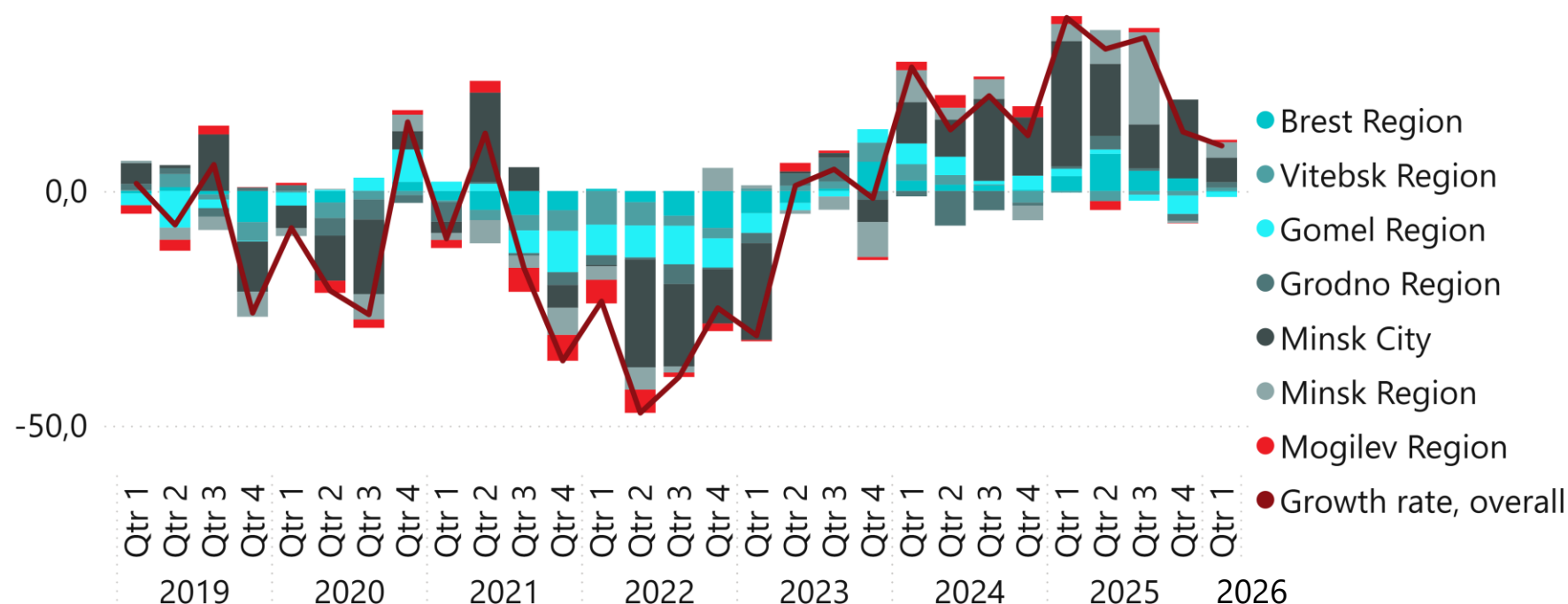
Note. Switching to year-over-year growth rates and their decomposition by factors helps address the issue of seasonality; the value of such growth differs from that of the original seasonally adjusted series. Source: calculated basing on Belstat data.

The number of new hires for additionally introduced workplaces increased in most regions and sectors. In Q1-2026, the increase in the number of additionally introduced workplaces compared to the corresponding quarter of the previous year amounted to 9,63%. Across regions, the main contribution came from Minsk City (5,18 pp.) and Minsk Region (3,33 pp.), which together accounted for 78,0% of the positive contribution to the increase. A decline in hiring for additionally introduced workplaces was observed in Gomel Region (-1,12 pp.) and Brest Region (-0,16 pp.). Among sectors, Industry made the largest contribution to the increase in the number of new hires for additionally introduced workplaces (9,48 pp.), accounting for 57,9% of the total positive contribution; Construction (2,18 pp.) and Agriculture (2,08 pp.) also made significant positive contributions to the increase in the indicator. At the same time, the indicator declined in Trade and service (-4,74 pp.) and Other services (-2,0 pp.).

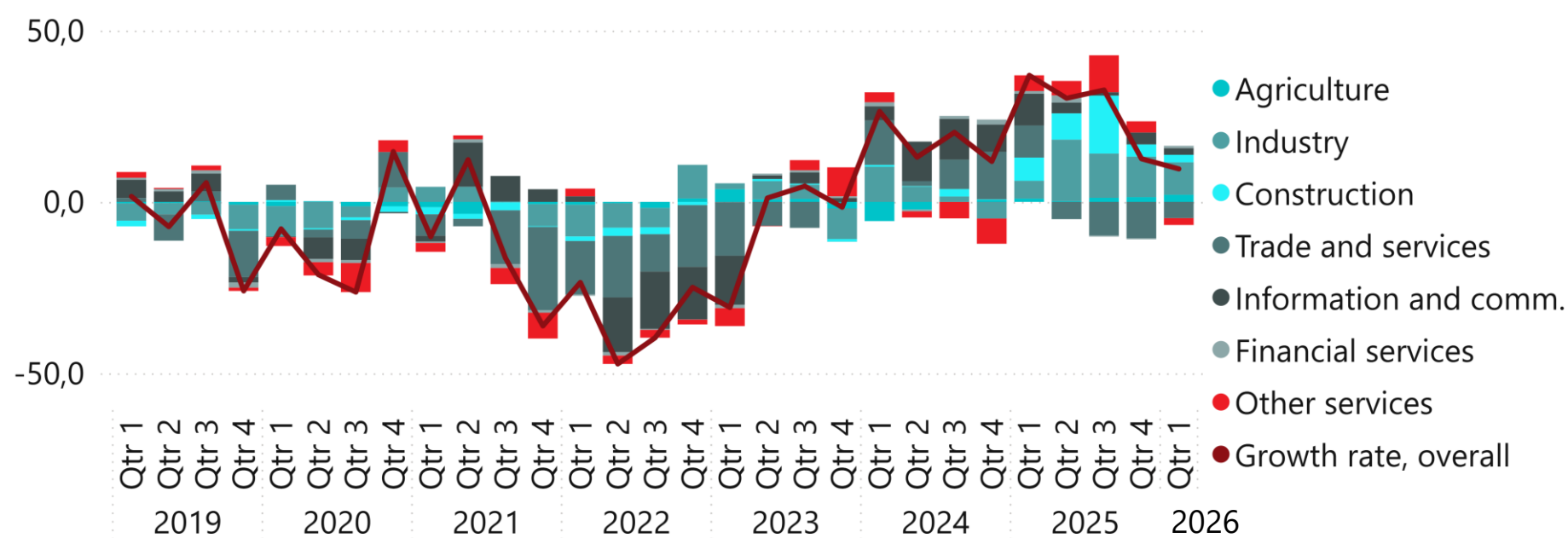
Additionally introduced workplaces growth rates decomposition

q/q same period of previous year, %, including:

by regions



by industries



Note. Switching to year-over-year growth rates and their decomposition by factors helps address the issue of seasonality; the value of such growth differs from that of the original seasonally adjusted series. Source: Calculated basing on Belstat data.

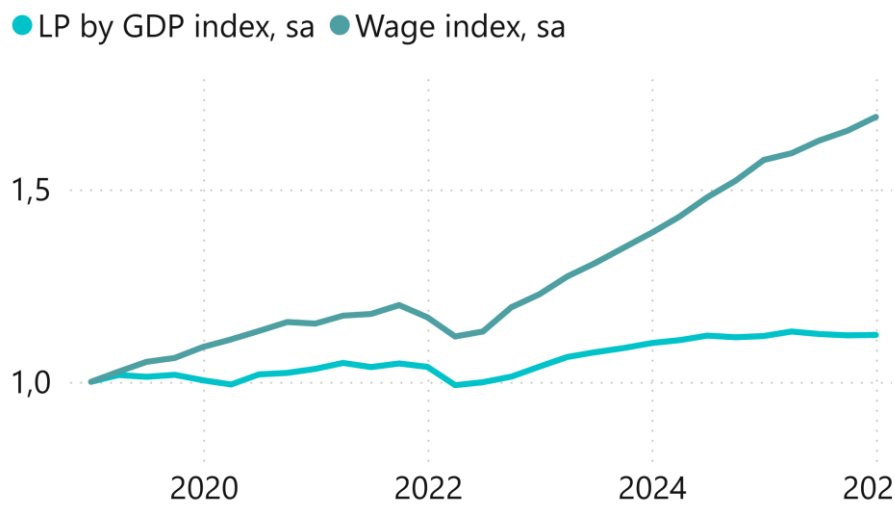
Thus, in Q1-2026 labour market dynamics were more restrained than in previous quarters. Among the regions, the highest level of activity persisted in Minsk City and Minsk Region; however, among sectors the main positive dynamics shifted to Construction and Agriculture, which demonstrated a significant contribution to the increase in new hires and new hires for additionally introduced workplaces alongside only a slight increase in terminations. A decline in labour market activity across regions was observed in Gomel Region, while among sectors it was observed in Financial services, Trade and service, and Other services; in the latter, unlike in previous quarters, a significant slowdown in hiring and termination dynamics was recorded.

The trend towards rising labour costs persists

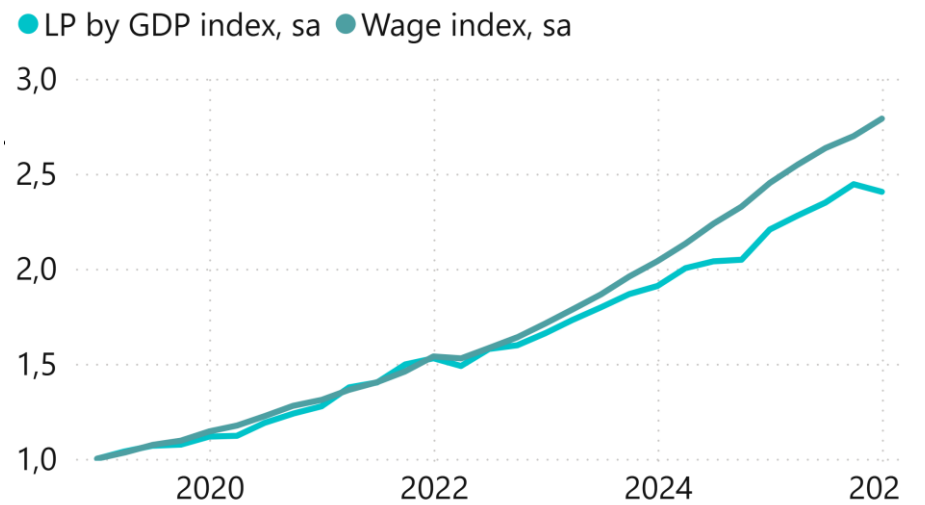
Labor productivity and wage dynamics

Base indices (Q1-2019 = 1), seasonally adjusted

in real terms



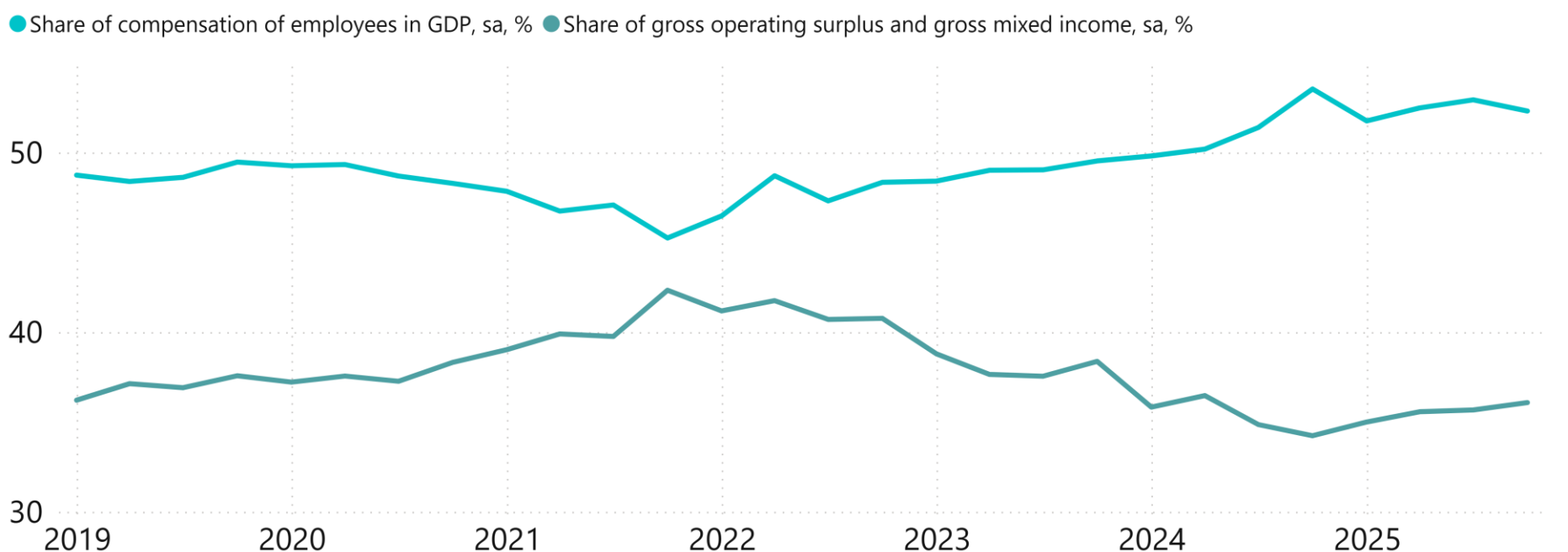
in nominal terms



Source: calculated basing on Belstat data.

No tendency towards narrowing the gap between wage growth and labour productivity growth (hereinafter – LP) was observed. In Q1-2026, the seasonally adjusted average accrued real wage increased by 2,16%, while average real LP by GDP with seasonal adjustment taken into account remained virtually unchanged, increasing by 0,07% quarter-on-quarter. In nominal terms, the growth trends of both indicators remained unchanged and did not demonstrate any tendency towards narrowing the gap.

Dynamics of shares of compensation of employees and gross mixed income in GDP structure



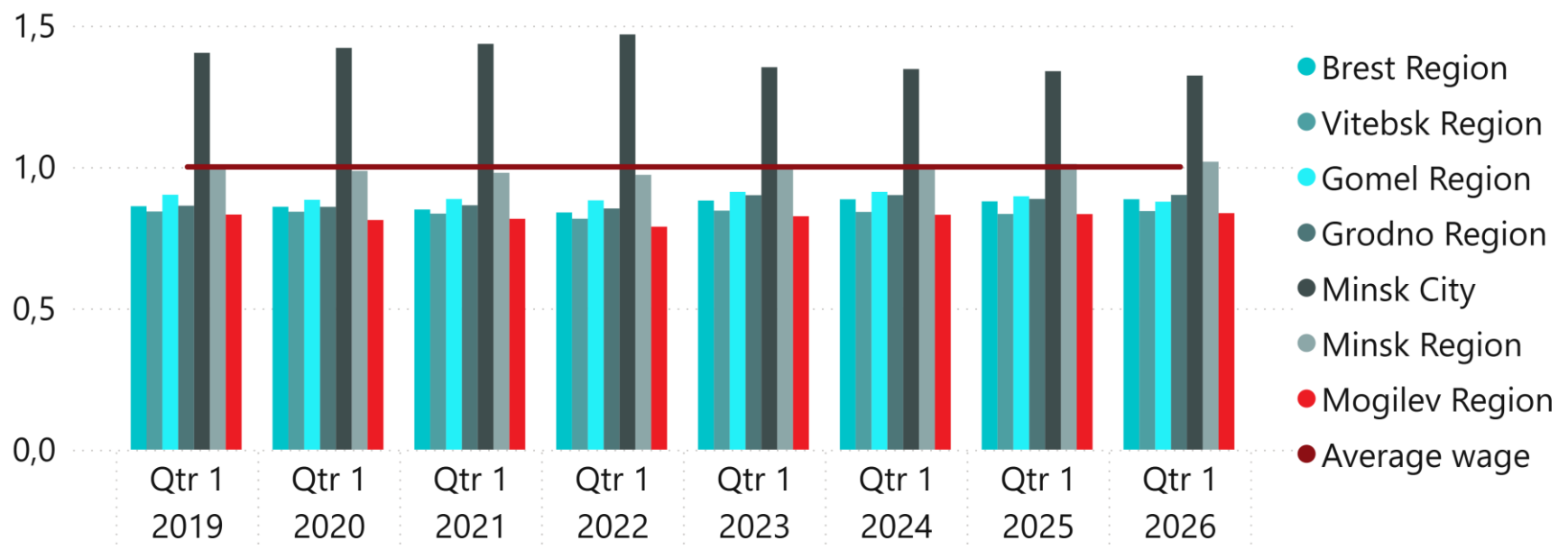
Note: The data are provided with a one-quarter lag due to the publication schedule. Source: calculated basing on Belstat data.

The share of labour costs in the GDP structure remained at the previous level. In Q4-2025, the share of compensation of employees in the GDP structure amounted to 52,3% of GDP in seasonally adjusted terms. The share of gross profit in the GDP structure slightly increased compared to the previous quarter and amounted to 36,1%; despite remaining within the range of the lowest values over the observation period, it demonstrated an upward trend.

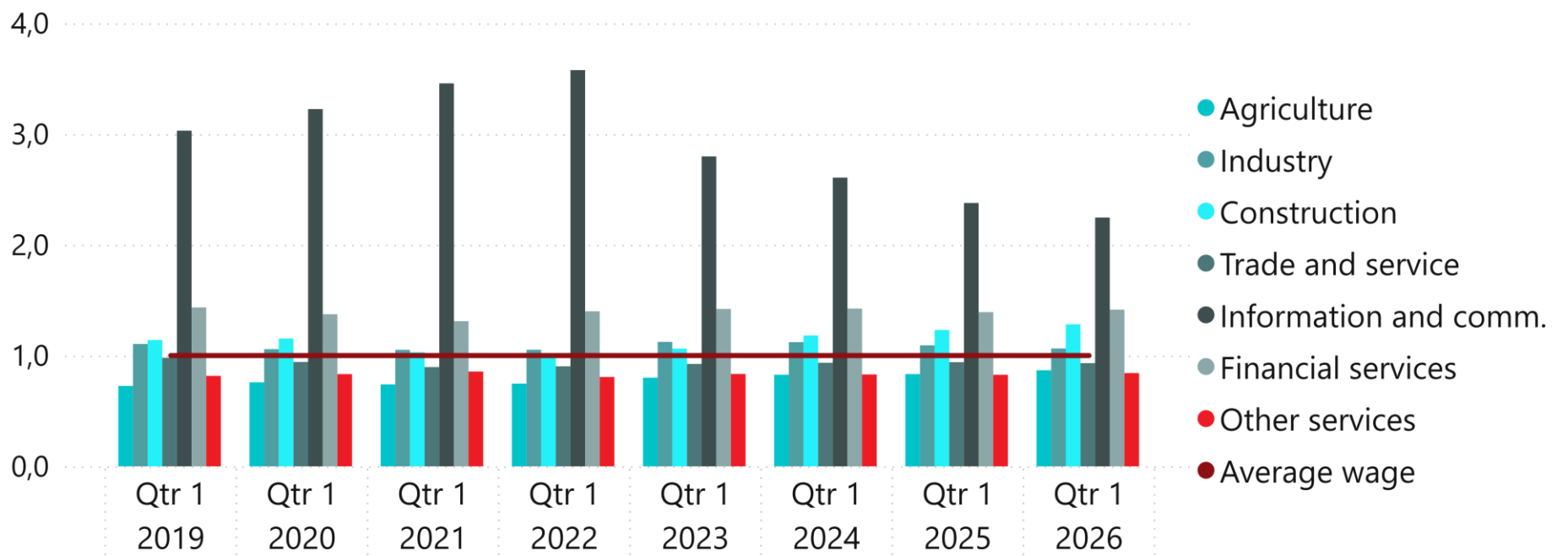
Relative nominal average monthly wage

Average wage in economy = 1

in regions



in industries



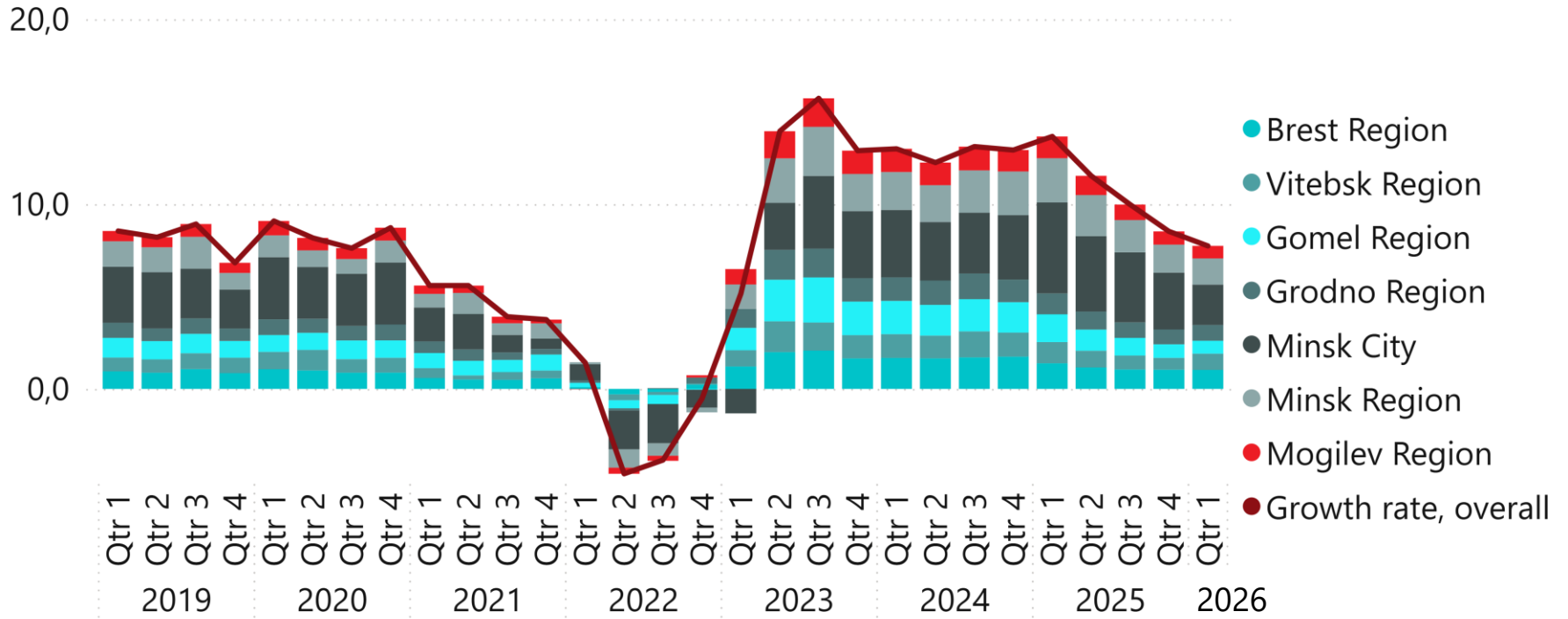
Note: The relative wage indicator is calculated as the ratio of the nominal accrued average monthly wage in a given sector or region to the corresponding countrywide average, seasonally adjusted. Source: calculated basing on Belstat data.

Regional wage ratios remained virtually unchanged, while sectoral dynamics continued to evolve. Relative wages remained highest, with a slight decline, in Minsk City (1,32 times) and Minsk Region (1,02 times); overall, relative wages across regions remained virtually unchanged. Among sectors, Information and communication retained the highest relative wage level (2,25 times), while continuing to demonstrate a downward trend. Relative wages in Construction (1,28 times) continued to show an upward trend; wage growth was also observed in Agriculture (0,87 times compared to 0,83 times in the corresponding quarter of the previous year). A decline in relative wages was observed in Industry (1,06 times compared to 1,09 times in the corresponding quarter of the previous year).

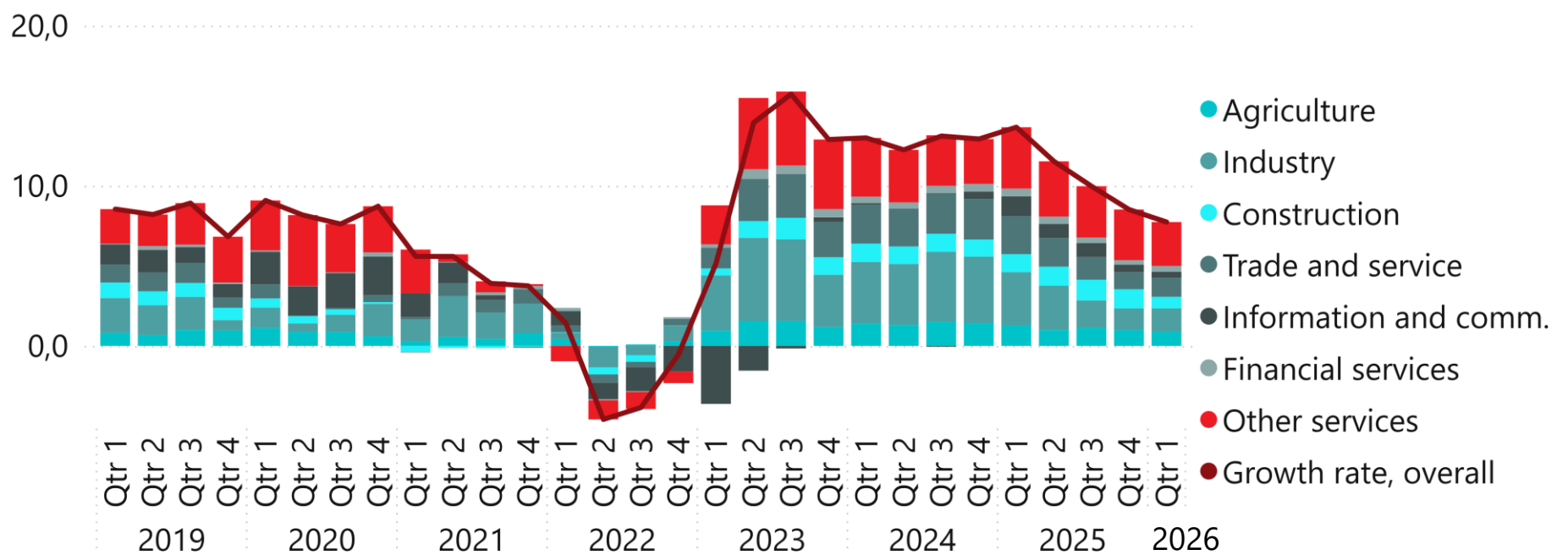
Real wage growth decomposition⁵

q/q same period of previous year, %, including:

by regions



by industries



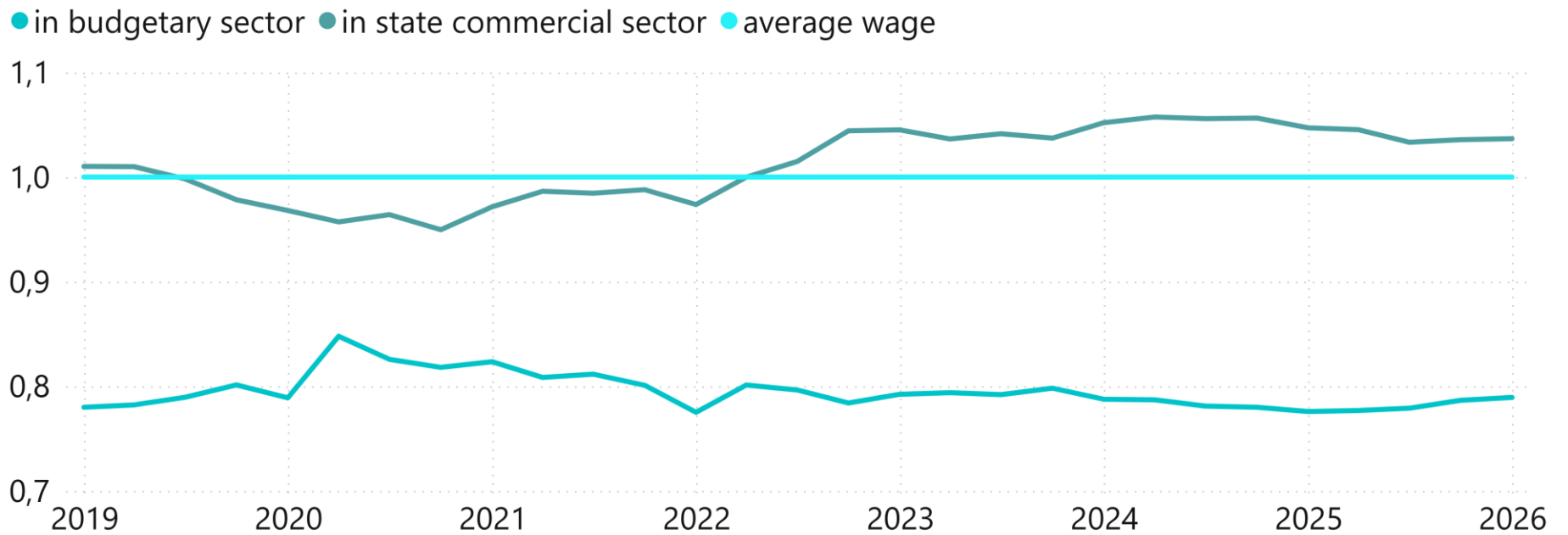
Note. Switching to year-over-year growth rates and their decomposition by factors helps address the issue of seasonality; the value of such growth differs from that of the original seasonally adjusted series. Source: calculated basing on Belstat data.

Despite the continuing downward trend, real wage growth persisted across all regions and sectors. The increase in real wages in Q1-2026 compared to the corresponding quarter of the previous year amounted to 7,74%. Among the regions, the largest contribution to real wage growth remained attributable to Minsk City (2,18 pp.) and Minsk Region (1,42 pp.), while the slowest real wage growth was observed in Mogilev Region (0,68 pp.). Among sectors, the main contribution came from Other services (2,74 pp.), Industry (1,46 pp.) and Trade and service (1,19 pp.), which together accounted for 69,6% of the total increase. The smallest contribution to real wage growth came from Information and communication (0,37 pp.) and Financial services (0,38 pp.).

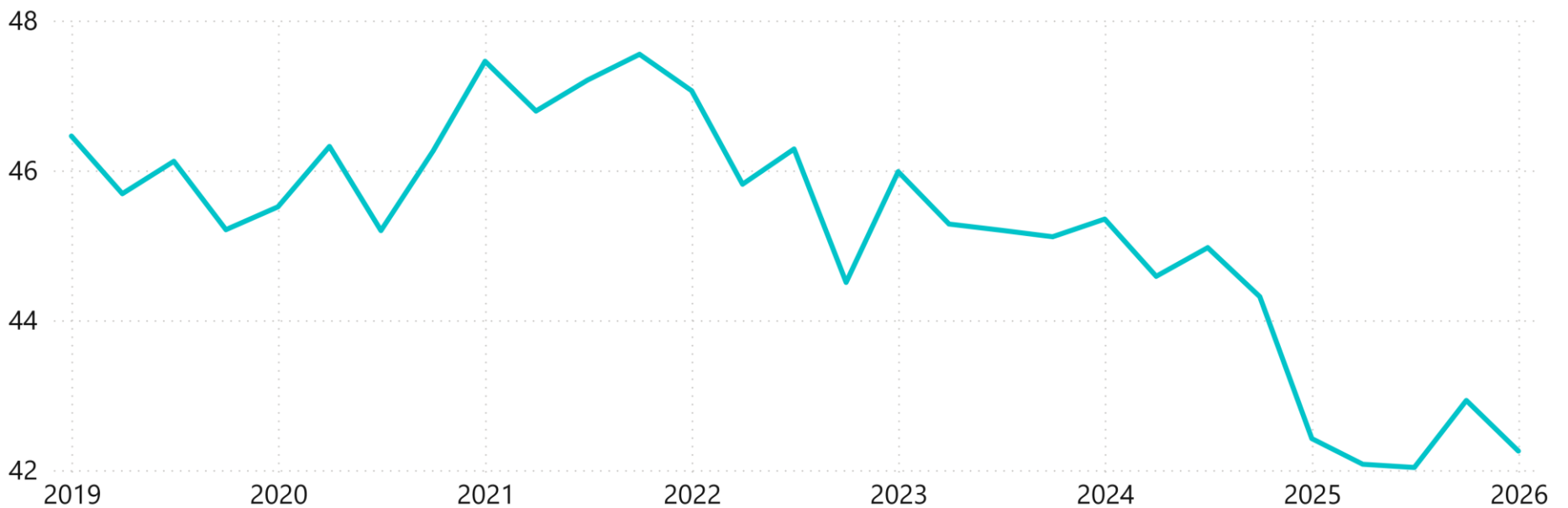
The situation in the public sector remained stable

Relative nominal average wage in state sector

average wage in economy = 1



Share of payroll number of employees of state commercial sector in overall payroll number of employees, %



Notes. 1) The public commercial sector refers to commercial organizations with state ownership or a state ownership share. 2) Wage indicators are seasonally adjusted. Source: calculated basing on Belstat data.

No significant changes were observed in the public sector. Relative wages in the state commercial sector remained unchanged compared to the previous quarter, amounting to 1,04 of the average wage in Q1-2026 with seasonal adjustment taken into account. In real terms, wages in the state commercial sector grew slightly faster than the average wage in the economy, increasing by 2,26% over the quarter compared to 2,16% for the average wage in the economy with seasonal adjustment taken into account. The share of the payroll number of employees in the state commercial sector continued to remain within the range of the lowest values over the observed period, showing little dynamics and amounting to 42,3% of the total payroll number of employees in the economy in Q1-2026. In the budgetary sector, in Q1-2026 the real growth rate of relative wages continued to slightly exceed the economy-wide average and amounted to 2,51% with seasonal adjustment taken into account. In relative terms, the wage level in the budgetary sector remained virtually unchanged, amounting to 79,0% of the average wage in the economy.

Notes and Comments

¹ Seasonal adjustment is applied to remove the seasonal component from the data, which does not carry significant information but can distort the true trend. The seasonal adjustment procedure is performed using JDemetra+ software with the X13-ARIMA-SEATS or TRAMO-SEATS methods, depending on the quality of the series adjustment. Explanations regarding the seasonal adjustment methods are available upon request.

² For more detailed information on the changes in legislation regarding job vacancy postings, please refer to the [source](#) (available in Russian only).

³ Labour market tightness refers to a situation where, despite the increase in the number of vacancies, the labour supply remains relatively low, leading to a shortage of workers. A tight labour market is characterized by low unemployment and high demand for labour, which creates difficulties for firms in finding and hiring new employees.

⁴ In the bulletin the types of economic activities listed in the Nomenclature of Economic Activities (hereinafter – NACE-2011) have been grouped into industrial categories. The correspondence table between industrial groups and types of economic activities is provided below.

Industrial group	Economic activities according to NACE-2011 classification, included in industrial group
Agriculture	A «Agriculture, forestry and fishing»
Industry	B «Mining and quarrying», C «Manufacturing», D «Electricity, gas, steam, hot water and air conditioning supply», E «Water supply; waste management and remediation activities»
Construction	F «Construction»
Trade and service	G «Wholesale and retail trade; repair of motor vehicles and motorcycles», H «Transportation, storage, postal and courier activities», I «Accommodation and food service activities»
Information and communication	J «Information and communication»
Financial services	K «Financial and insurance activities», L «Real estate activities»
Other services	M «Professional, scientific and technical activities», N «Administrative and support service activities», O «Public administration», P «Education», Q «Human health and social work activities», R «Arts, sports, entertainment and recreation», S «Other service activities»

⁵ The model for real wage growth decomposition by regional (industry) factors is as follows:

$$\Delta W_t = \frac{\sum_{i=1}^n WF_{i,t}}{\sum_{i=1}^n PNE_{i,t}} / \frac{\sum_{i=1}^n WF_{i,t-4}}{\sum_{i=1}^n PNE_{i,t-4}} \times 100 - 100,$$

where:

i – regional (industrial) index;

t – reporting quarter index;

ΔW_t – value of the average real wage growth in the reporting quarter;

$WF_{i,t}$ – real wage fund in the region (industry) in the reporting quarter;

$PNE_{i,t}$ – payroll number of employees in the region (industry) in the reporting quarter.