Q2-2025

Labour market and social shpere

Labour market and social sphere
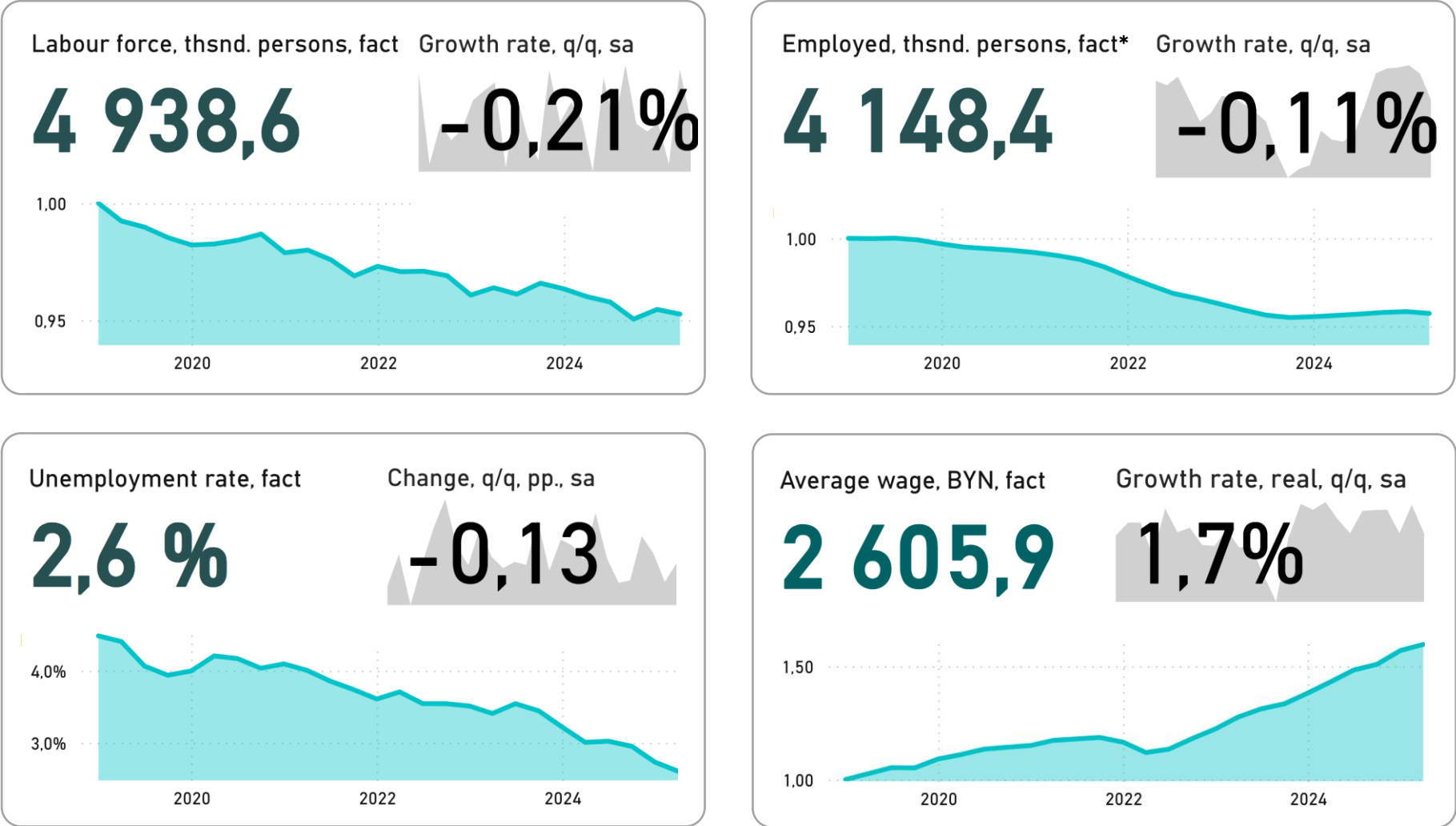## Q2-2025

Key findings

- The number of employed in the economy decreased by **0,11%** in seasonally adjusted terms for the quarter, while the average actual employment reached **4148,4 thsnd.** persons.
- The unemployment rate continues to decline. By the end of the quarter, a new historical low of **2,6%** was reached.
- A significant surge was observed both in new hires and terminations – compared to the previous quarter, seasonally adjusted, **8,0%** and **9,1%** respectively. The number of additionally introduced workplaces remained approximately at the level of the previous quarter.
- The most active labor market and wage dynamics in regional terms were demonstrated by Minsk City and Minsk Region, while a slowdown was observed in Grodno Region and Vitebsk Region. Against the backdrop of a small contribution to the growth of additionally introduced workplaces and wages, the large contribution of new hires and terminations in Gomel Region may indicate rising staff turnover.
- By industry, the most dynamic labor market developments were seen in Industry, Trade and service, and Other services, while a slowdown was observed in Financial services, Agriculture, and Information and communication. However, for similar reasons described above, there are risks of rising staff turnover in Trade and service and Other services.
- Labor market conditions continue to tighten, primarily due to the decline in the unemployment rate and the persistently high growth in vacancies.
- The average monthly accrued wage, in nominal terms, amounted to **2605,9** BYN for the quarter, and in real terms grew by **1,70%** seasonally adjusted. Due to the slowdown in growth rates, the gap between wage growth and labor productivity did not increase significantly, but remains large.
- As of May 2025, the median wage amounted to **2014,0 BYN** (**+11,62%** in real terms compared to the same period of the previous year). The largest share of employees received wages in the range 1500,1–2000 BYN (**19,8%**), while the share of low-wage employees stood at **23,4%**.
- No significant changes were observed in the state commercial and budgetary sectors in terms of wages and employment – relative wages and the share of the payroll number of employees in the state commercial sector remained virtually unchanged.

The labor market situation is becoming ambiguous

Key Labour Market Indicators in Q2-2025

Labour force, thsnd. persons, fact | **Growth rate, q/q, sa**

4 938,6 | -0,21%

Employed, thsnd. persons, fact* | **Growth rate, q/q, sa**

4 148,4 | -0,11%

Unemployment rate, fact | **Change, q/q, pp., sa**

2,6 % | -0,13

Average wage, BYN, fact | **Growth rate, real, q/q, sa**

2 605,9 | 1,7%

*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 adjusted[1]. 2) * – data for 2024–2025 have been revised due to the finalized labor resources balance. 3) The average wage is reported for registered staff and external part-time workers. Source: Compiled basing on Belstat data.*
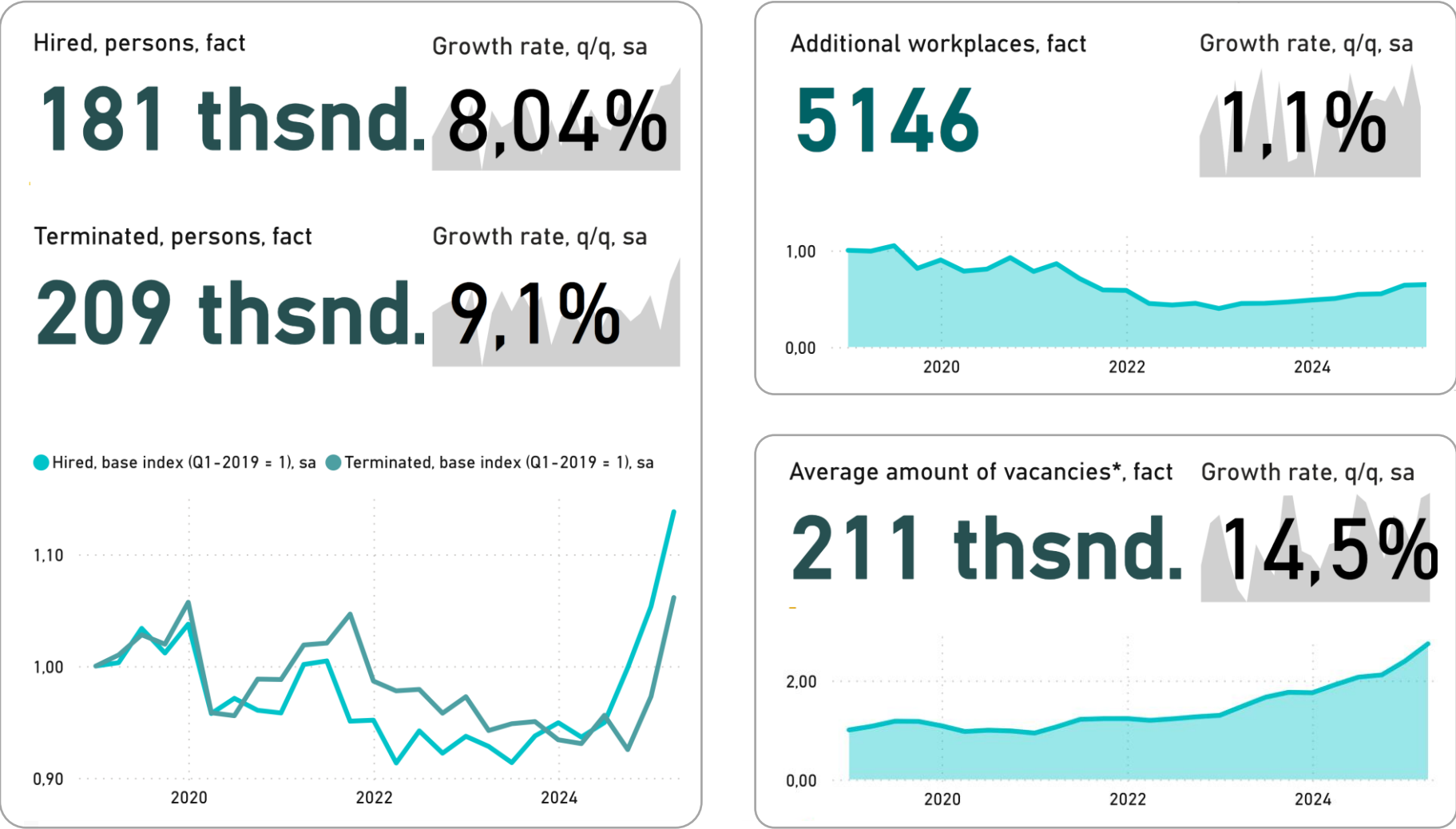
The growth of employment observed over the previous two quarters has slowed down. In Q2-2025, the average employment in absolute terms decreased by 14,7 thsnd. compared to the previous quarter, accompanied by a slight decline in the labour force: according to the labour force survey data, seasonally adjusted, it decreased by 0,21% over the quarter. If the trend observed during this period continues, it can be stated that the effect of previously implemented measures to attract additional workers to the labour market has been exhausted.

The unemployment rate reached new historical lows. According to the household labour force survey, in Q2-2025 the unemployment rate continued to decline, amounting to 2,6% in actual terms. One of the main reasons for the decrease in unemployment, as noted by Belstat, is external labour migration. This dynamic continues to signal that the issue of workforce shortages remains relevant.

Wages also showed a slight slowdown in growth. In Q2-2025, the average wage in real terms increased less than in the previous quarter; the average quarterly growth, seasonally adjusted, amounted to 1,70%. The main reason for the slowdown in the growth of real wages is the acceleration of inflation.

The number of new hires and terminations continues to increase

The Labor Market Dynamics in Q2-2025

Hired, persons, fact

181 thsnd.

Growth rate, q/q, sa

8,04%

Terminated, persons, fact

209 thsnd.

Growth rate, q/q, sa

9,1%

● Hired, base index (Q1-2019 = 1), sa ● Terminated, base index (Q1-2019 = 1), sa

Additional workplaces, fact

5146

Growth rate, q/q, sa

1,1%

Average amount of vacancies*, fact

**211 thsnd.**

Growth rate, q/q, sa

14,5%

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 postings[2], the data contains a structural shift. Source: compiled basing on Belstat and Ministry of Labour and Social Defense of Republic of Belarus data.

Despite the number of terminations exceeding new hires in absolute terms, it is too early to speak of a trend reversal. The dynamics of new hires and terminations in Q2-2025 accelerated on both sides, with a negative balance in absolute terms of 28 thsnd. However, when the seasonal factor is removed, it is noticeable that the accumulated effect of new hires exceeding terminations persisted, and both new hires and terminations reached their peak for the period under review.

The creation of additionally introduced workplaces remains at the same level. In Q2-2025, the number of employees hired for additionally introduced workplaces in absolute terms remained at a level similar to the previous quarter, which is likely a result of the continued effect of changes in legislation on the re-registration of individual entrepreneurs as legal entities. In seasonally adjusted terms, the indicator demonstrated a slight increase.

High growth rates in the number of vacancies persisted. In Q2-2025, the number of posted vacancies once again broke the historical record, exceeding 200 thsnd. in absolute terms. Partly, the high increase in vacancies can be explained by the continued effect of changes in legislation on vacancy posting, but even taking structural shifts into account, it is noticeable that the trend of vacancy growth remained at a high level.

Beveridge curve, Q1-2017 - Q2-2025
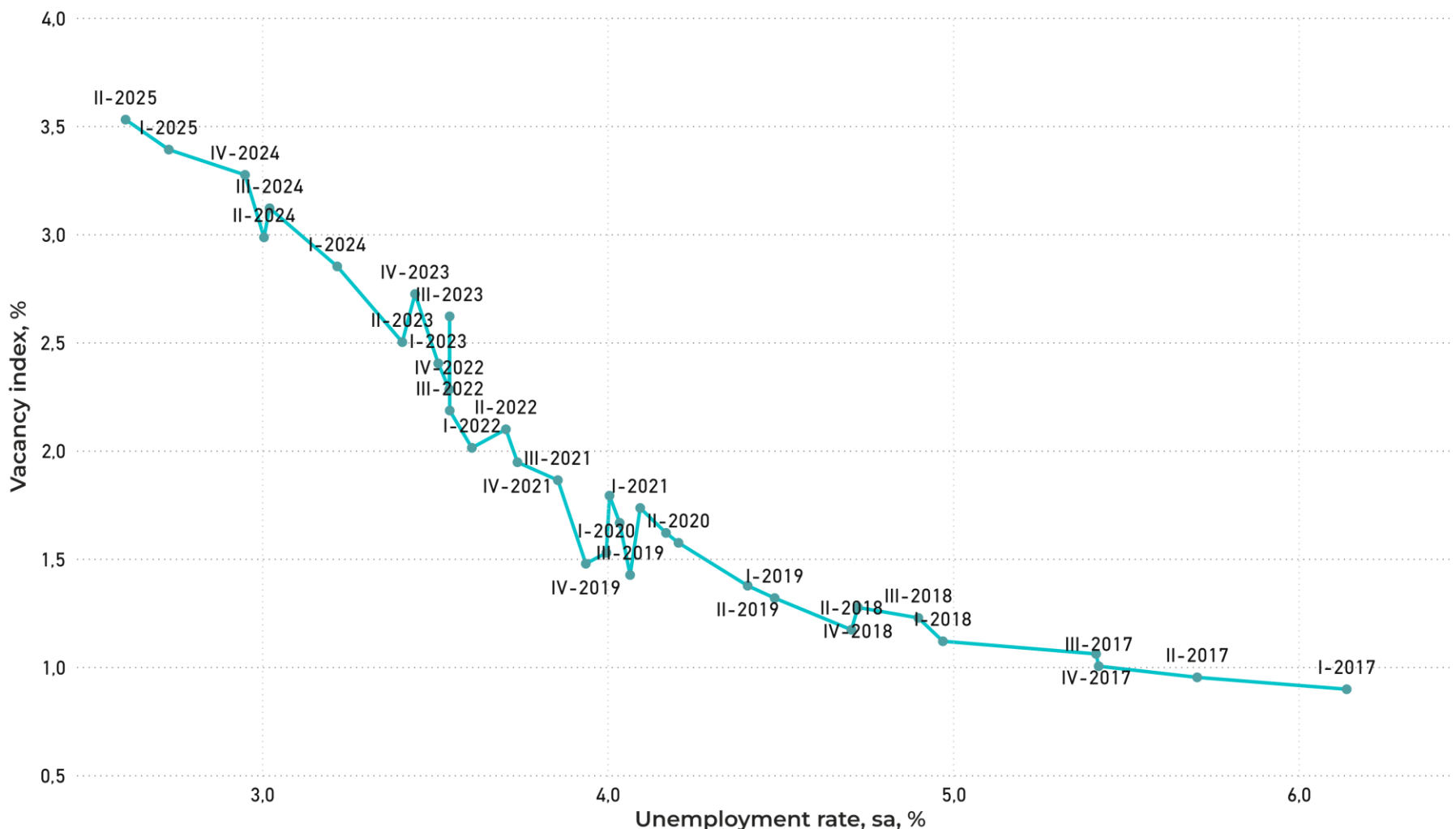
Note. The Beveridge curve reflects labor market tension: movement from the lower right to the upper left corner indicates increasing tension[3]. The vacancy index is calculated as the ratio of the average number of vacancies, smoothed using a one-sided Hodrick–Prescott filter, to the seasonally adjusted labor force. Source: calculated basing on Belstat and Ministry of Labour and Social Defense of Republic of Belarus data.

Labour market tightness continues to intensify. The main reason for this increase is the ongoing decline in unemployment. However, in Q2-2025, the vacancy index also accelerated, driven both by a decrease in the labour force in seasonally adjusted terms and by persistently high growth rates of the smoothed number of vacancies, which resulted in an increase of the index by 0,35 pp. and shifted the point on the Beveridge curve up and to the left. This dynamic indicates that the risks of exhausting the ability to hire workers in the domestic market continue to rise, while the dynamics of new hires and terminations signal more about risks of increasing staff turnover rather than a closure of firms' demand for employees.

The increase in new hires in Q2-2025 was driven by growth in hiring across all regions and sectors[4]. The indicator in Q2-2025, compared to the same quarter of the previous year, rose by 21,53%. The main contribution to the regional increase came from Minsk City (7,85 pp.), Minsk Region (3,91 pp), and Gomel Region (3,41 pp.), accounting for 70,5% of the total growth in new hires. The lowest hiring levels were observed in Mogilev Region (1,19 pp.) and Grodno Region (1,37 pp.). Among sectors, the highest hiring occurred in Other services (10,41 pp.) and Trade and service (5,07 pp.), providing 76,6% of the total contribution to the increase in new hires, while the lowest hiring for the second consecutive quarter was seen in Financial services (0,32 pp.) and Agriculture (0,59 pp.).

Hires growth rates decomposition
q/q same period of previous year, %, including:
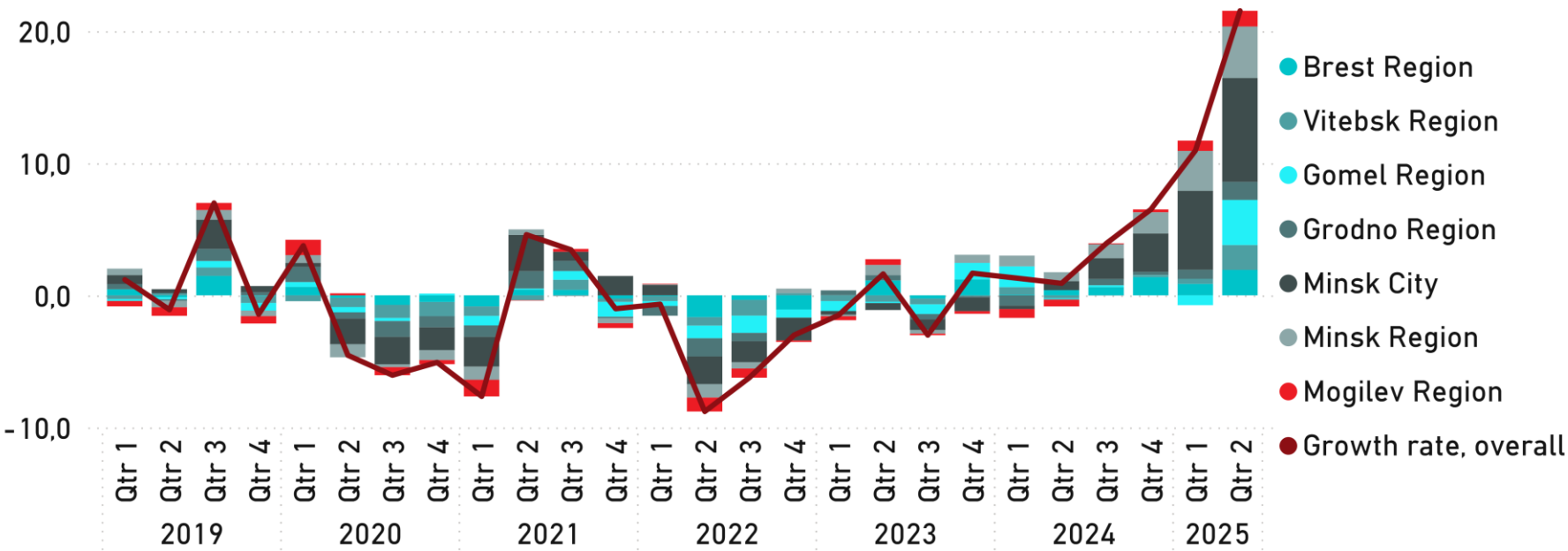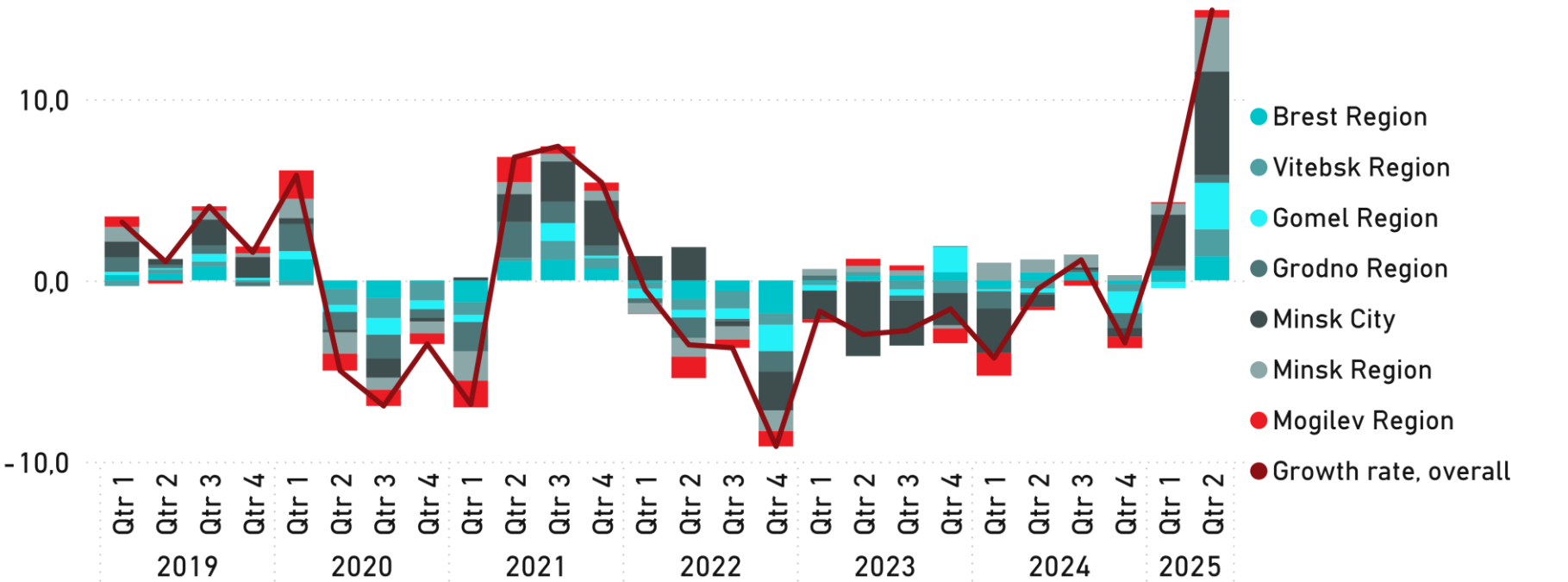
by regions

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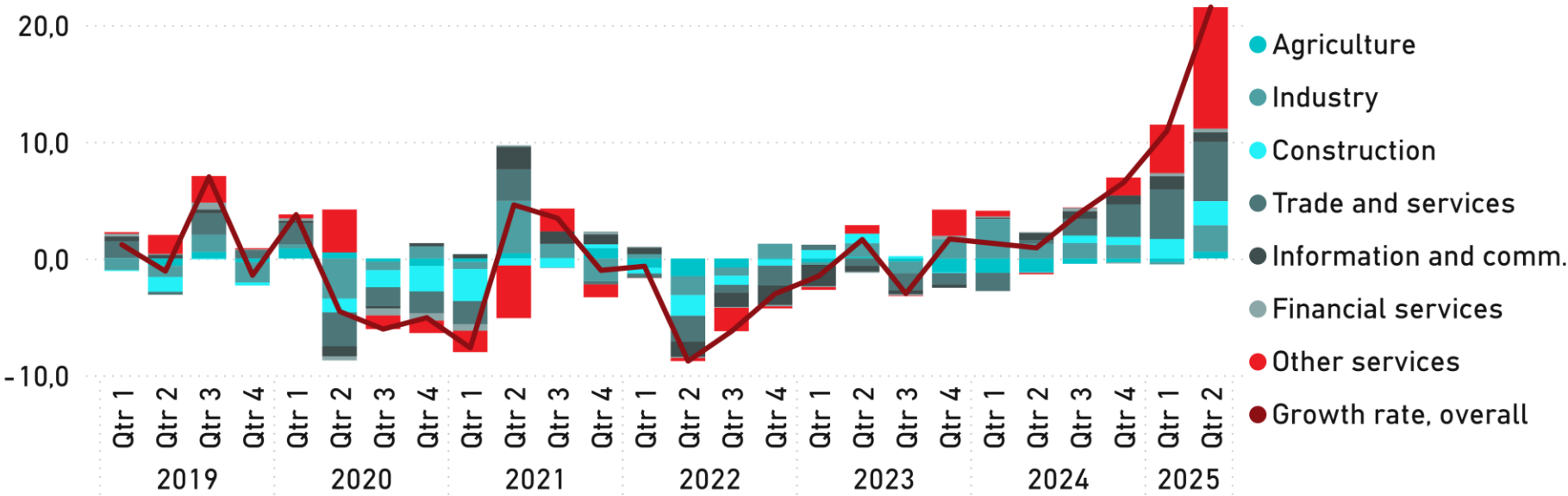
Note. Switching to year-over-year growth rates and their decomposition by factors helps address the issue of seasonality; the value of such growth differs from that of the original seasonally adjusted series. Source: Calculated basing on Belstat data.

At the same time, the sharp increase in terminations in Q2-2025 was also driven by all regions and sectors. The increase in terminations in Q2-2025, compared to the same quarter of the previous year, amounted to 14,91%. Among regions, the largest contributions came from Minsk City (5,70 pp.), Minsk Region (2,98 pp.) and Gomel Region (2,57 pp.), together accounting for 75,5% of the total increase. The lowest termination levels were observed in Mogilev Region (0,41 pp.) and Grodno Region (0,43 pp.). By sector, the growth in terminations was mainly due to Other services (6,71 pp.), Industry (3,27 pp.) and Trade and service (2,92 pp.), which together accounted for 86,5% of the total increase. At the same time, the lowest termination dynamics were seen in Financial services (0,14 pp.) and Information and communication (0,55 pp.)

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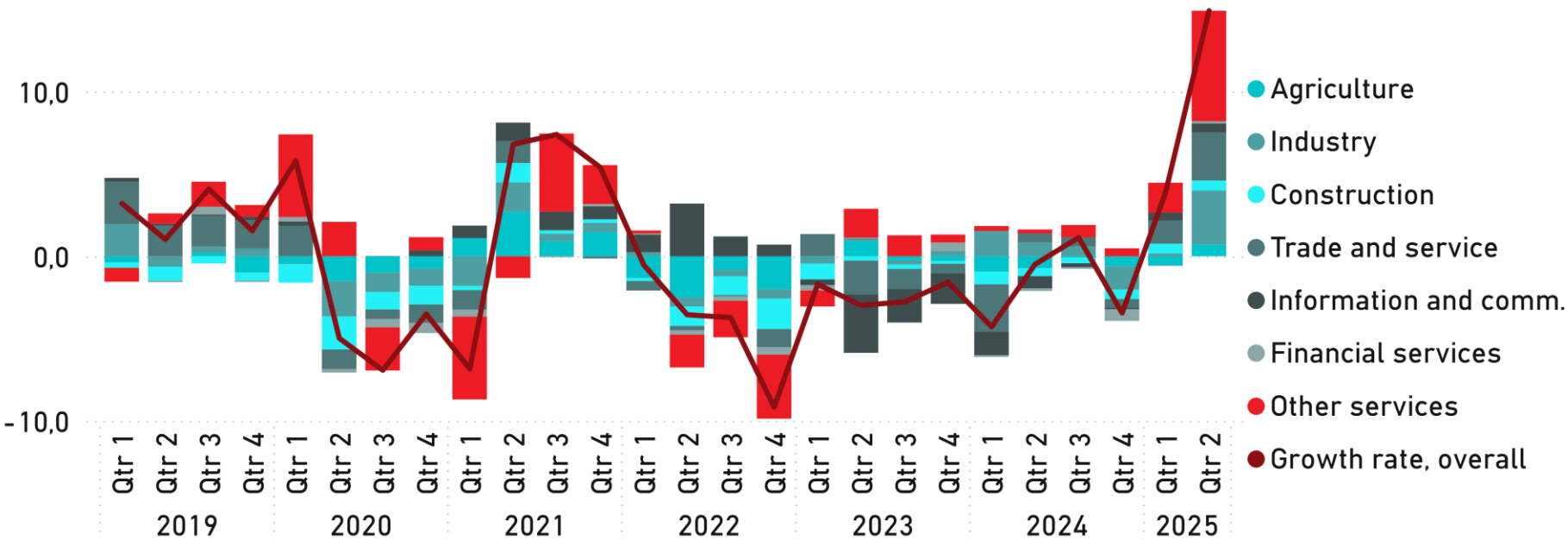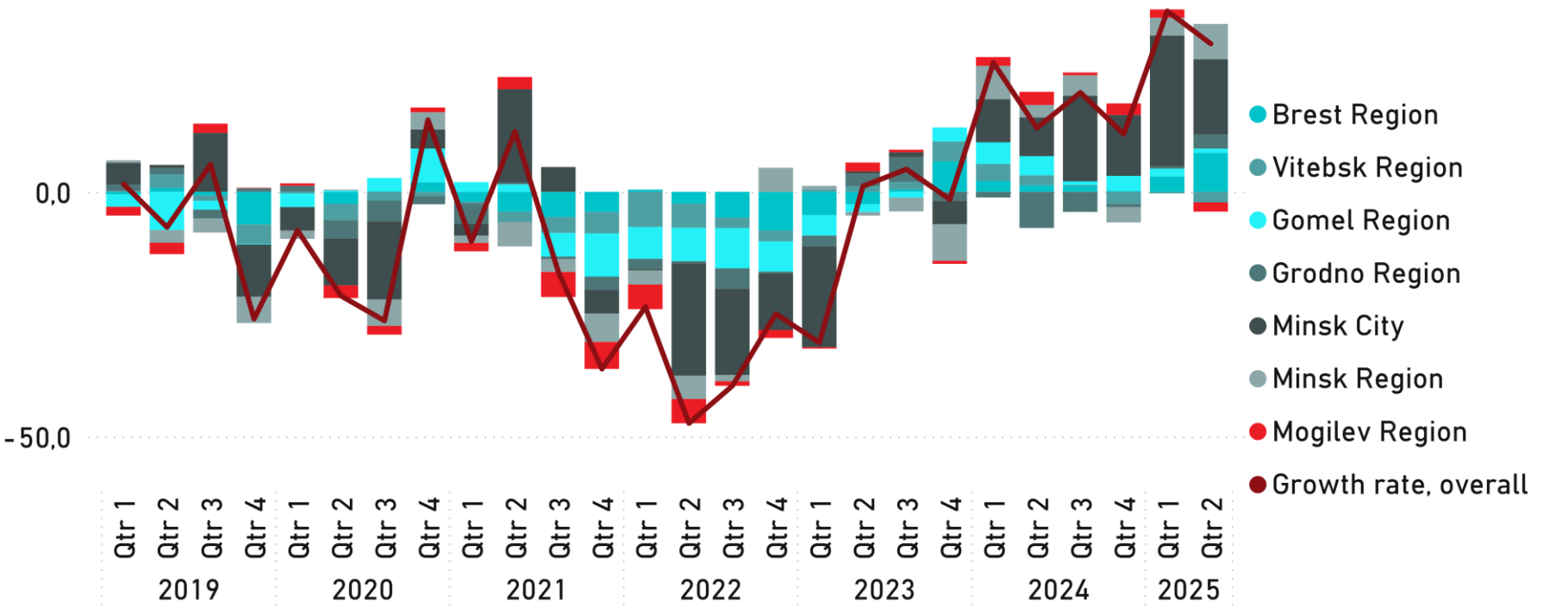
by regions

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.
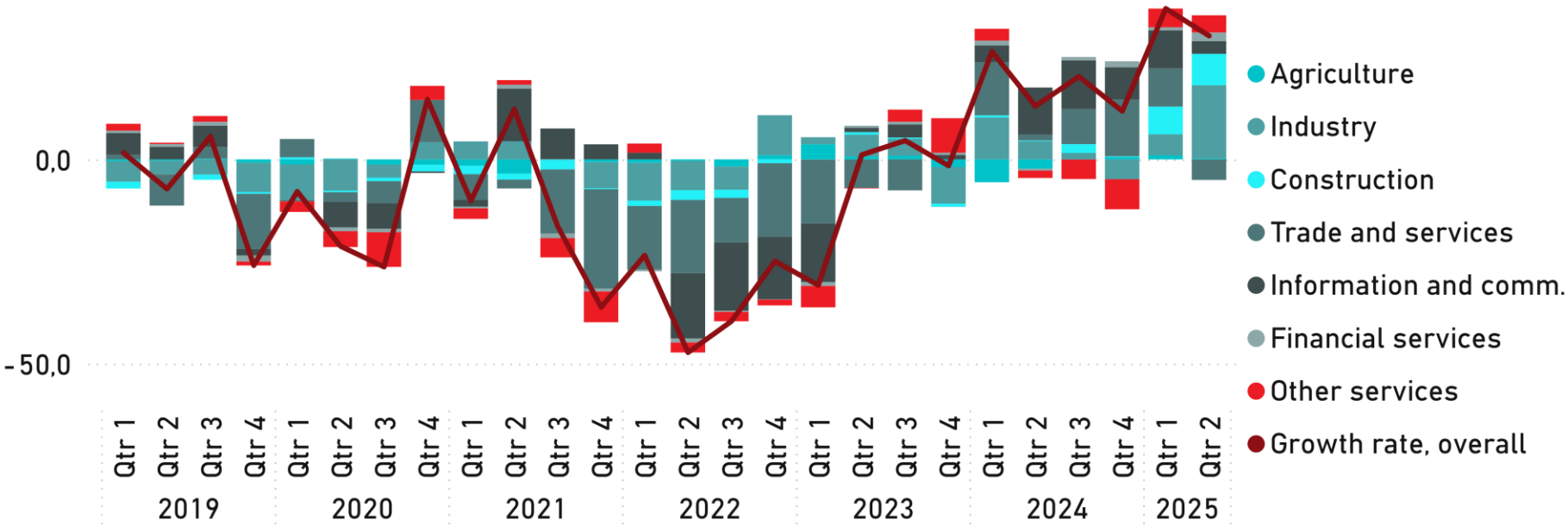
The creation of additionally introduced workplaces grew in most regions and sectors. The increase in the indicator in Q2-2025, compared to the same quarter of the previous year, amounted to 30,25%. The main regional contributions came from Minsk City (15,34 pp.), Brest Region (7,92 pp.) and Minsk Region (7,21 pp.), together accounting for 88,9% of the positive increase. A slowdown in additionally introduced workplaces was observed in Vitebsk Region (-2,15 pp.) and Mogilev Region (-1,90 pp.). By sector, the growth in additionally introduced workplaces was primarily driven by Industry (17,92 pp.) and Construction (7,67 pp.), providing 72,5% of the positive contribution to the increase in new hires. The decline in additionally introduced workplaces in Trade and service (-5,04 pp.) contributed negatively.

Additionally introduced workplaces growth rates decomposition
q/q same period of previous year, %, including:

by regions

Legend: Brest Region, Vitebsk Region, Gomel Region, Grodno Region, Minsk City, Minsk Region, Mogilev Region, Growth rate, overall

by industries

Legend: Agriculture, Industry, Construction, Trade and services, Information and comm., Financial services, Other services, Growth rate, overall

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, the most active labour market dynamics among regions were observed in Minsk City, Minsk Region, and Gomel Region, while among sectors – in Industry, Trade and service, and Other services. The least active dynamics were seen in Grodno Region and Mogilev Region among regions, and in Financial services, Agriculture, and Information and communication among sectors. However, against the backdrop of a simultaneous acceleration in new hires and terminations, coupled with more modest growth in additionally introduced workplaces in Trade and service and Other services (among sectors) and in Gomel Region (among regions), there are risks of increasing staff turnover.
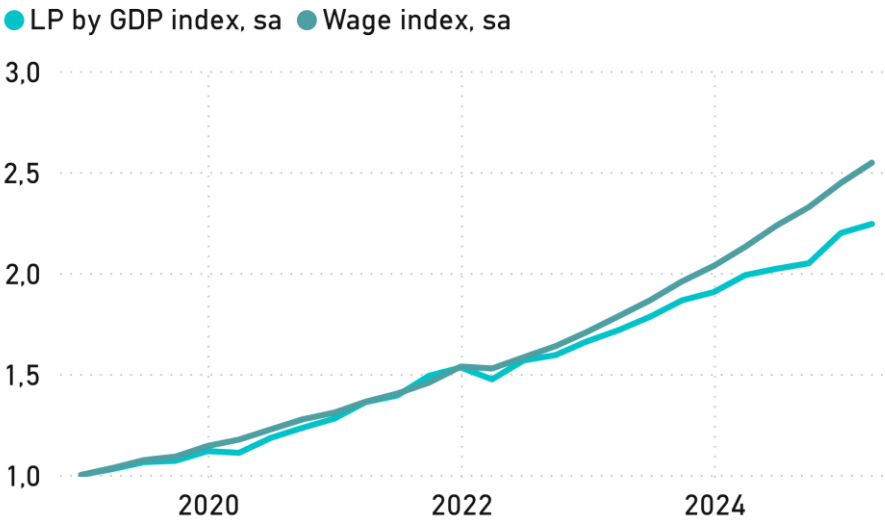
Labour costs slowed their growth, but remain high

Labor productivity and wage dynamics
Base indices (Q1-2019 = 1), seasonally adjusted

in real terms

● LP by GDP index, sa ● Wage index, sa

in nominal terms

● LP by GDP index, sa ● Wage index, sa
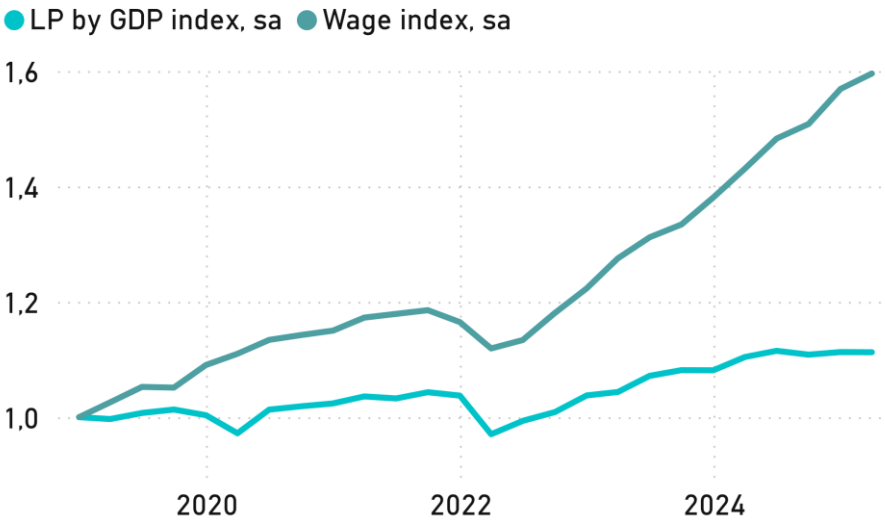
Source: calculated basing on Belstat data.

Due to the slowdown in the growth of real wages, the gap with the growth rate of labour productivity (hereinafter – LP) remains at the same level both in real and nominal terms, and continues to be large. In Q2-2025, the seasonally adjusted average wage in real terms increased by 1,70%, while the seasonally adjusted average LP per GDP in real terms decreased by 0,03% compared to the previous quarter. The ongoing, albeit slower, wage growth still reflects the tight situation in the labour market.

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

● Share of compensation of employees in GDP, sa, % ● Share of gross operating surplus and gross mixed income, sa, %
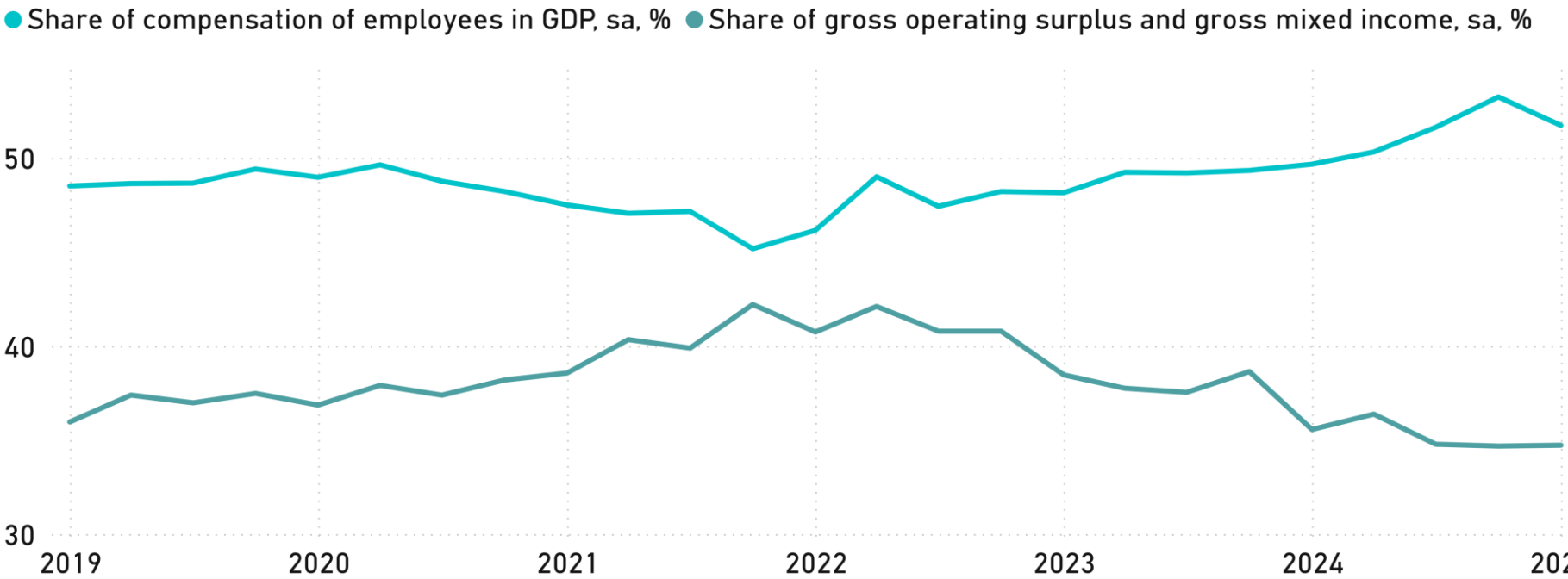
Note: The data are provided with a one-quarter lag due to the publication schedule. Source: calculated basing on Belstat data.

Despite the decline in the share of labour compensation in GDP, organizations' capacity for growth remains limited. In Q1-2025, the share of labour compensation in GDP amounted to 51,7% of GDP in seasonally adjusted terms. At the same time, the share of gross profit and gross mixed income in GDP slightly increased, reaching 34,7% of GDP in seasonally adjusted terms by the end of the quarter, but still remains among the lowest values observed over the period.

Relative nominal average monthly wage
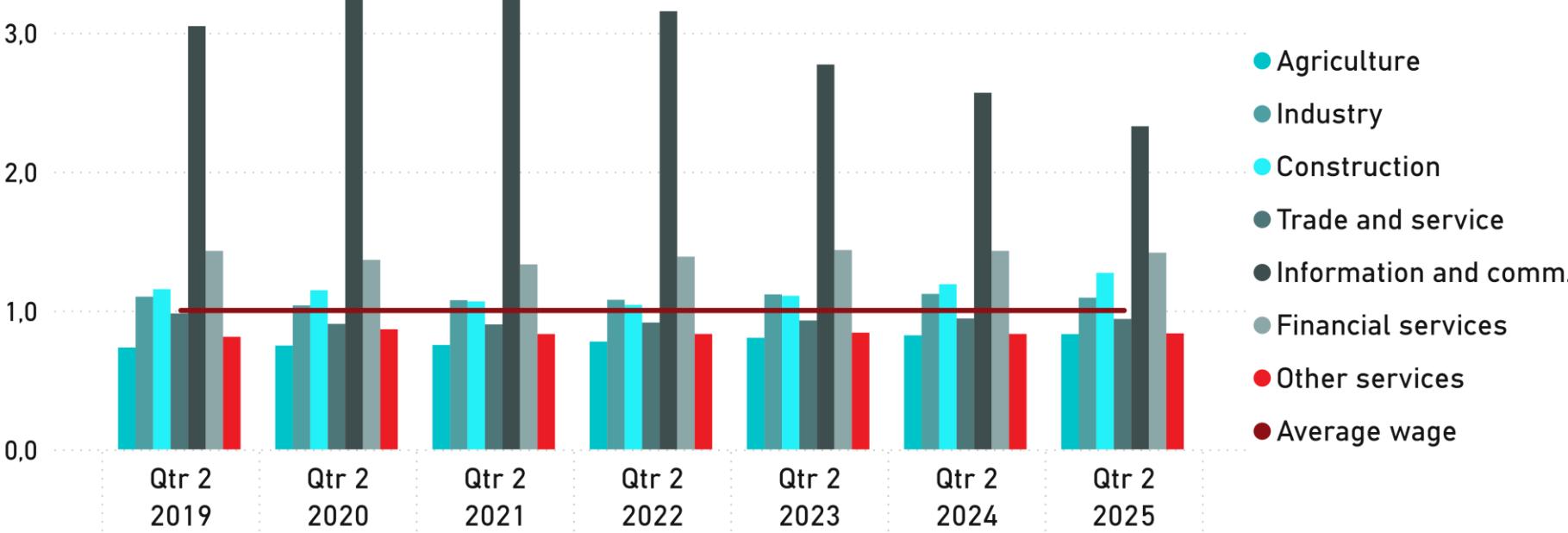Average wage in economy = 1

in regions

Legend:
- Brest Region
- Vitebsk Region
- Gomel Region
- Grodno Region
- Minsk City
- Minsk Region
- Mogilev Region
- Average wage

in industries

Legend:
- Agriculture
- Industry
- Construction
- Trade and service
- Information and comm.
- Financial services
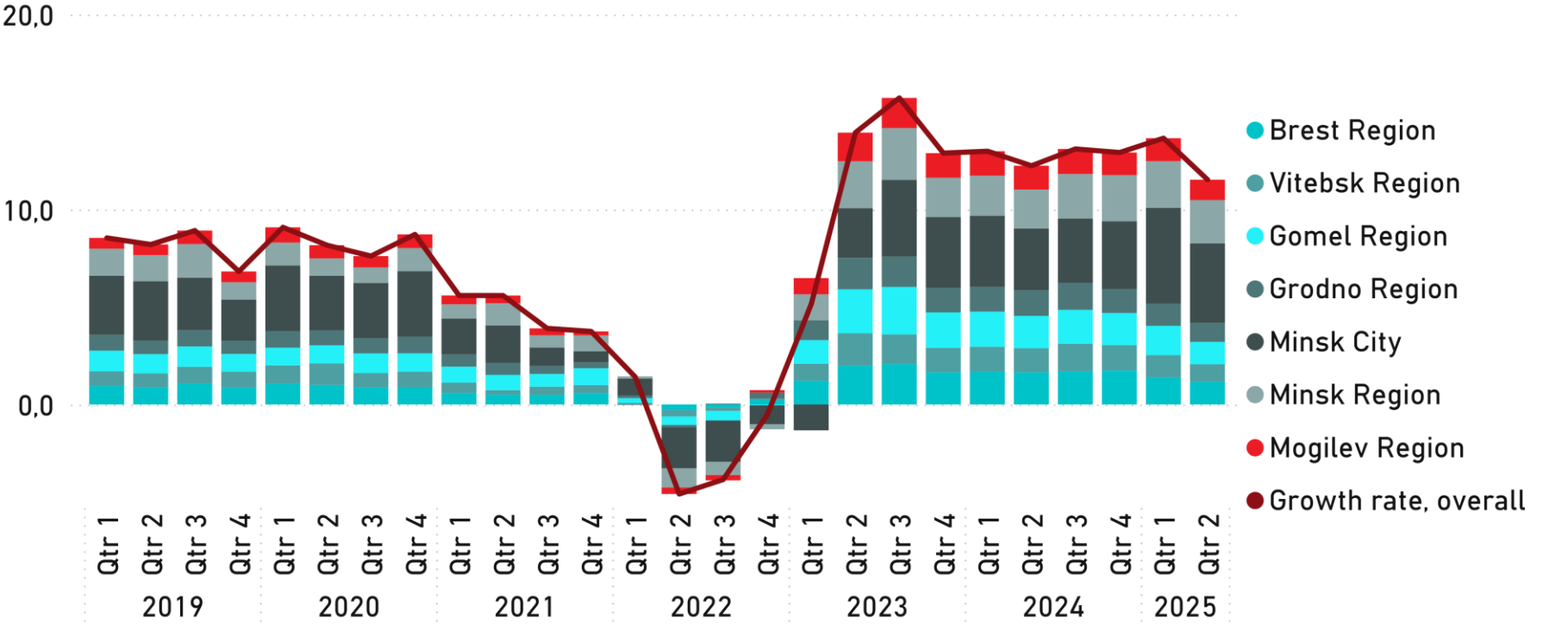- Other services
- Average wage
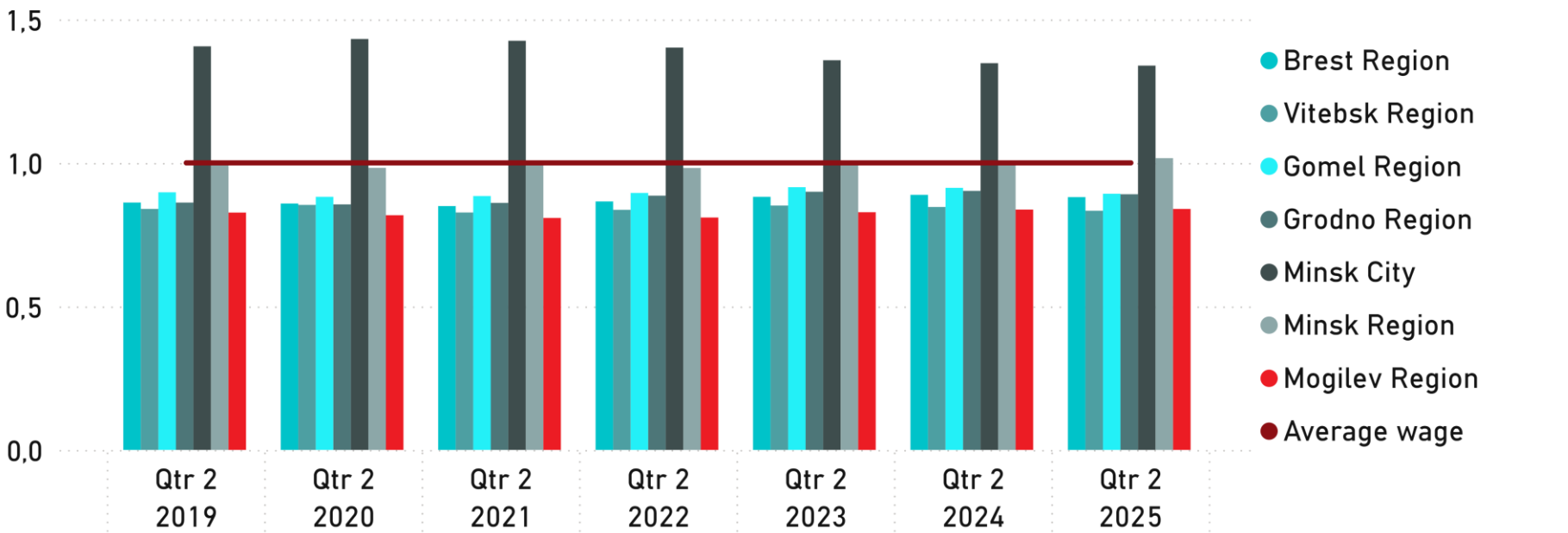
Note: The relative wage indicator is calculated as the ratio of the nominal accrued average monthly wage in a given sector or region to the corresponding countrywide average, seasonally adjusted. Source: calculated basing on Belstat data.
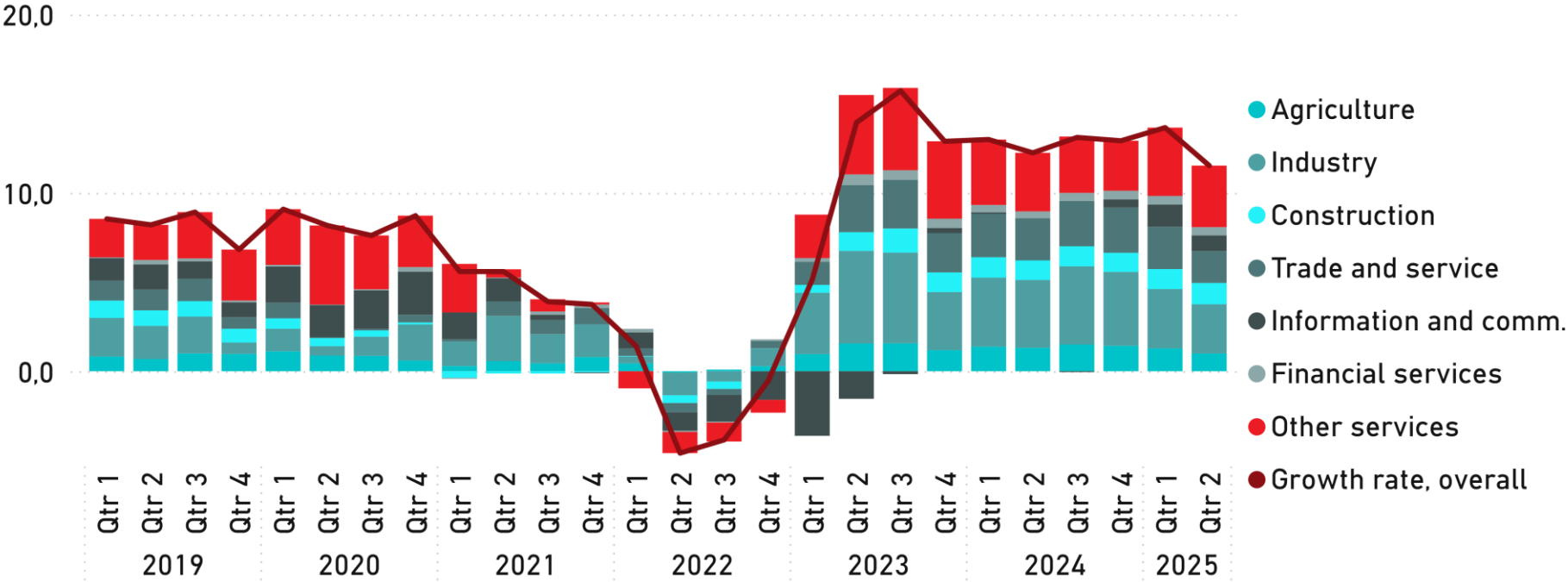
The level of relative wages across regions remained practically unchanged, but showed dynamics in some sectors. Among regions, Minsk City (1,34 times) and Minsk Region (1,02 times) continued to lead; otherwise, the structure of relative wages compared to the same quarter of the previous year remained largely unchanged. Among sectors, Information and communication continued to demonstrate leadership (2,33 times), although the downward trend in relative wages in this sector persisted. A significant increase in relative wages was observed in Construction: in Q2-2025, it amounted to 1,27 times compared to 1,19 times in the same period of the previous year. In other sectors, the level of relative wages did not undergo major changes.

Real wage growth decomposition[5]
q/q same period of previous year, %, including:

by regions

Legend: Brest Region, Vitebsk Region, Gomel Region, Grodno Region, Minsk City, Minsk Region, Mogilev Region, Growth rate, overall

by industries

Legend: Agriculture, Industry, Construction, Trade and service, Information and comm., Financial services, Other services, Growth rate, overall
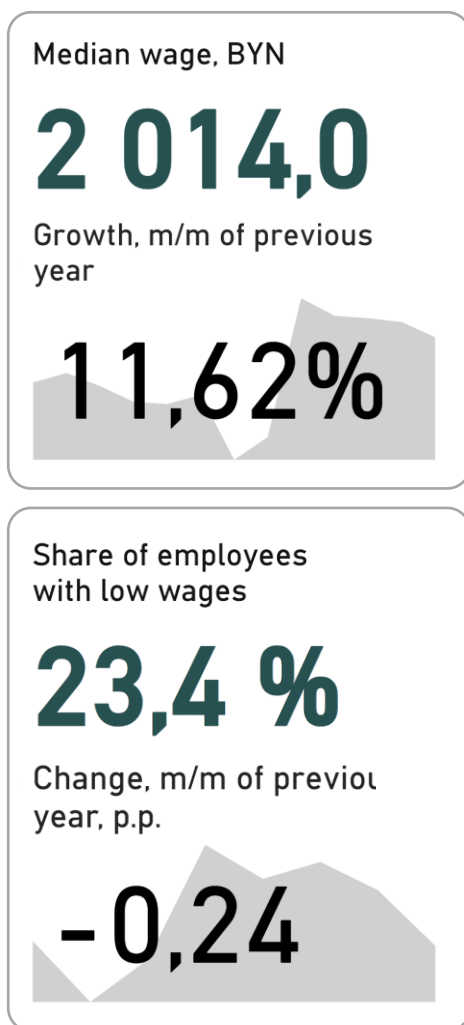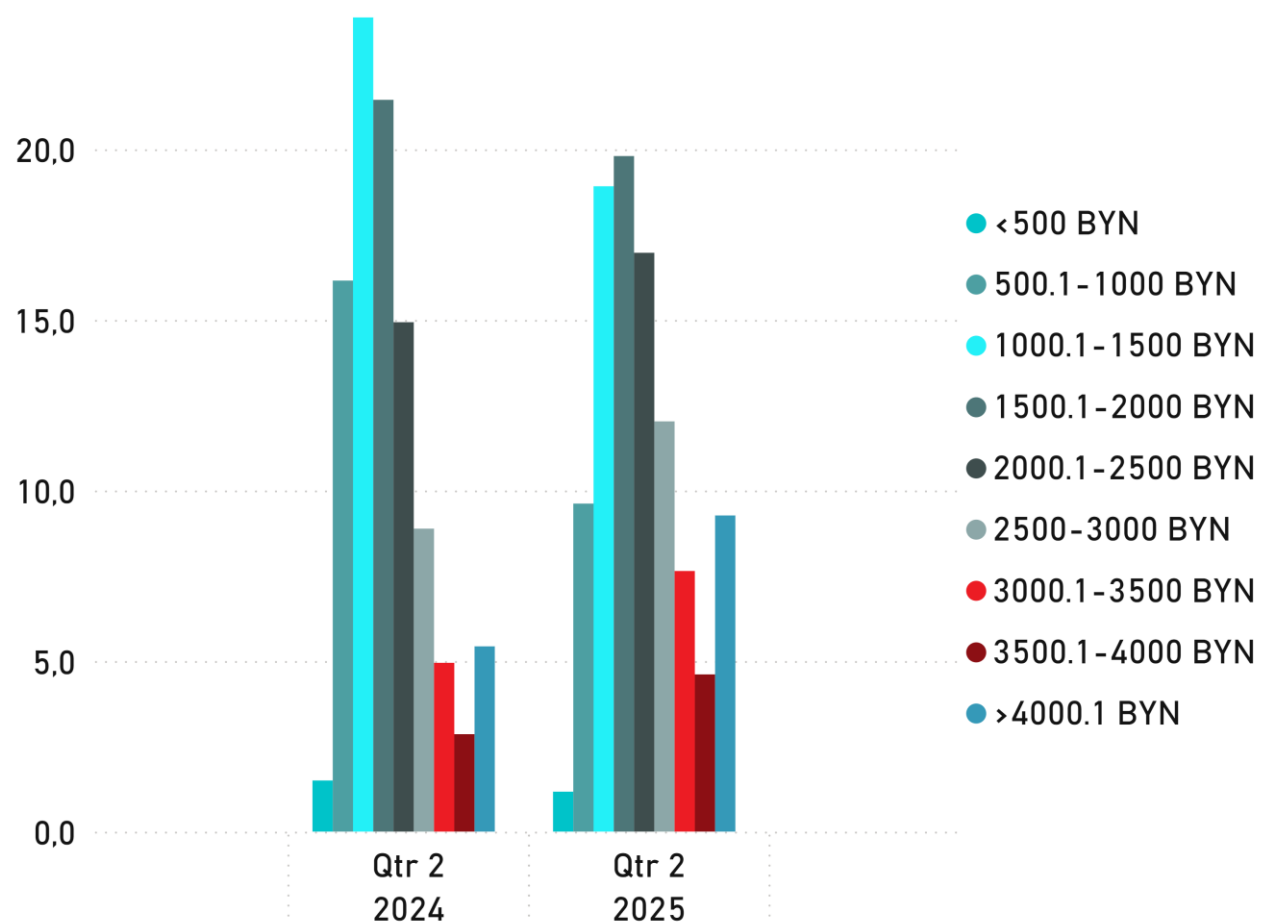
Note. Switching to year-over-year growth rates and their decomposition by factors helps address the issue of seasonality; the value of such growth differs from that of the original seasonally adjusted series. Source: calculated basing on Belstat data.

Despite the slowdown in the growth of real wages, it was observed across all regions and sectors. The increase in real wages in Q2-2025 compared to the same quarter of the previous year amounted to 11,53%. Among regions, the largest contributions to the growth of real wages came from Minsk City (4,08 pp.) and Minsk Region (2,23 pp.), accounting for 54,7% of the total increase; the contributions of the remaining regions were within 1,15 pp. By sector, the main contributions came from Other services (3,45 pp.), Industry (2,76 pp.) and Trade and service (1,79 pp.), together accounting for 69,4% of the total increase. The smallest contributions to the growth of real wages were observed in Financial services (0,46 pp.) and Information and communication (0,88 pp.).

Distribution of employees by wages, %

Median wage, BYN

2 014,0

Growth, m/m of previous year

11,62%

Share of employees with low wages

23,4 %

Change, m/m of previous year, p.p.

-0,24

Legend:
- <500 BYN
- 500.1-1000 BYN
- 1000.1-1500 BYN
- 1500.1-2000 BYN
- 2000.1-2500 BYN
- 2500-3000 BYN
- 3000.1-3500 BYN
- 3500.1-4000 BYN
- >4000.1 BYN

Notes. 1) The increase in median wages is presented in real terms. 2) Low wages are defined as wages below the threshold of 2/3 of the median wage in the period under review (according to OECD methodology). Source: compiled based on Belstat data.

Wage growth continued to shift the distribution of employees by wage levels in favor of higher-paid groups. According to Belstat data, as of May 2025, the group with the largest number of employees moved to the wage range of 1500,1–2000 BYN (19,8%); however, despite this, this group lost 1,65 pp. over the year, which also indicates a greater redistribution of employees toward higher wages. A significant decline occurred in the share of employees earning 500,1–1000 BYN, which decreased by 6,54 pp. to 9,61% and, unlike in 2024, became smaller than the share of employees earning 2500,1–3000 BYN, whose share increased by 3,14 pp. over the year, reaching a total of 12,02%. A notable increase was observed in the share of employees with high wages above 4000 BYN (+3,84 pp., 9,27%). The growth rates of the real median wage during the period under review were almost identical to the growth of real average wages: 11,62% and 11,82%, respectively. The fact that the share of employees with low wages decreased to 23,4% in May 2025 also indicates wage growth across all employee categories.

Employment in the public sector changed little

No significant changes occurred in the state commercial sector compared to the previous quarter. The relative wage level in the state commercial sector in Q2-2025 remained similar to the previous quarter at 1,05 of the average wage in the economy. The seasonally adjusted quarterly growth of real wages in the state commercial sector amounted to 1,50%. As for payroll number of employees, the share of the state commercial sector also remained practically unchanged, decreasing by 1 pp. over the quarter and reaching 42,1% by the end of Q2-2025.
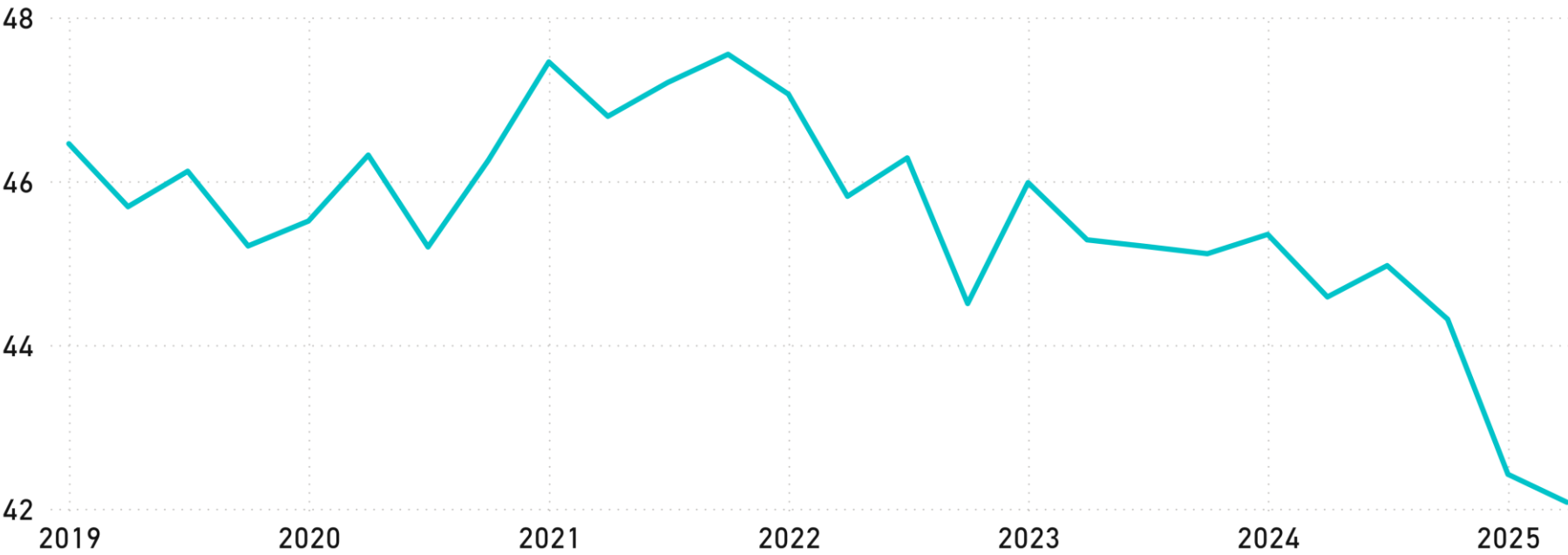
Relative nominal average wage in state sector

average wage in economy = 1

● in budgetary sector ● in state commercial sector ● average wage
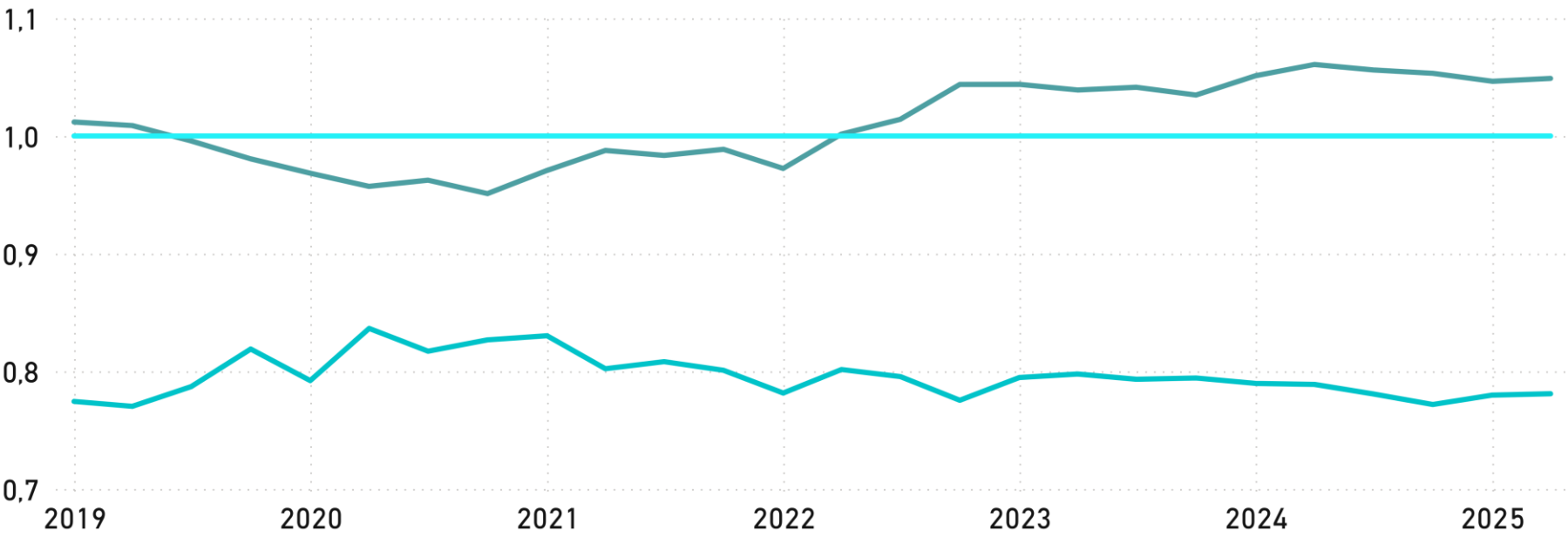
Share of payroll number of employees of state commercial sector in overall payroll number of employees, %

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.

In the budgetary sector, the level of relative wages in Q2-2025 also remained practically unchanged compared to the previous quarter, with the seasonally adjusted average nominal wage in the budget sector amounting to 78,1% of the average wage in the economy; over the quarter, the average wage in the budget sector grew slightly faster than the economy-wide average, by 2,33% seasonally adjusted.

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:

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

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.