

## Labor market

- **Unemployment descended**

The increase of employment and decrease of unemployment continued in the 1. Q 2006 in accordance with total growth of production in basic branches and GDP sources. The long-term unemployment descended but still remains on a high level. Simultaneously, the non-activity considerably declined. The average wage of workers increased and the wage differentiation increased.
- **Employment rate increased to**

On average, there were 4 785.2 thousand employed people with the only one or main job in the 1. Q 2006, which was inter-annually more by 80.7 thousand and by 1.7% respectively. Simultaneously, structural shifts in the status of employed people appeared, as the number of employees increased by 93.4 thousand persons (2.4%), while the number of entrepreneurs including helping family members declined by 7.3 thousand persons. The inter-annual decline of number of people employed in agriculture by 11.6 thousand, in construction by 14.6 thousand and increase in manufacturing industry by 77.2 thousand belong to the main structural changes. The share of workers in services declined moderately (from 56.6% in 1. Q 2005 to 56.3% in 1.Q 2006). Manufacturing industry with its share of 28.2% strengthened its position.
- **Noticeable decline of long-term unemployed**

Unemployed persons were (according to ILO) 414.1 thousand on average in the 1.Q 2006, which was inter-annually less by 15.0 thousand, i.e. by 3.5%. The long term unemployment reached 52.3% (218.1 thousand) out of the total number; its decline by 16.2% considerable accelerated. The general rate of unemployment (15+ according ILO methodology) declined from 8.4% in the 1.Q 2005 to 8.0% in the 1.Q 2006.
- **Non-activity declined**

Apart from unemployed, a big group of people exists, which do not work, do not look for a job and therefore do not fill the conditions to be included among unemployed. By sample survey, however, they say they would like to work. There were 263.5 thousand of these people in the 1.Q 2006, which was by one tenth less than a year ago.
- **Employees obtained inter-annually higher average wage**

The gross monthly average wage in nominal terms (CZK 18 903) was inter-annual higher by 6.9% in the 1.Q 2006. After seasonal leveling, the average wage increased by 1.7%, which means that it accelerated moderately. The average wage in real terms increased by 4.0%. The inter-annual increase of average wage was higher in the entrepreneurship (7.2%) than in non-entrepreneurship sphere (6.0%). The difference between these two spheres (CZK 421 in the 1.Q 2005) increased to CZK 661 in the 1Q 2006. The great wage increase can be found in financial intermediaries (CZK 44 530), i.e. an increase of 9.0%. The difference between the lowest and highest average wage in particular branches (CZK 28 758 in the 1.Q 2005) increased to CZK 31 659 in the 1.Q 2006.