# 6. Labour Market

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| The uneven recovery of the economy in 2024 likely led to greater movements of people on the labour market.  Year-on-year growth of the purchasing power of wages resumed last year, and wages have thus gradually begun to eliminate their deep losses from 2022 and 2023. |  | The labour market was still experiencing the reverberations of the mild recession in 2024, that hit the economy in the previous year. Simultaneously, however, signs of recovery were becoming increasingly apparent, especially in branches that benefited from the strengthening domestic demand. Moderate, rather differentiated employment growth persisted. Businesses slightly improved short-term employment expectations in most economic branches at the end of year 2024. Nevertheless, the situation remained difficult in industry. Despite the uncertain economic outlook, companies still intensively demanded the cheaper labour from abroad, and at the same time, the integration of Ukrainian refugees into the labour market in the Czech Republic continued, which partially addressed the longer-term shortage of available labour force in the country. The unemployment remained unchanged at a very low level. In most cases, workers made redundant from industrial enterprises could find a new job in other branches without any significant difficulties, also thanks to the higher activity of labour offices (LO) in the field of retraining. Relatively rapid nominal wage growth, driven mainly by market branches of services, continued. This given the stabilisation of the price level in the economy, led to renewed growth of real wages, which had occurred in all major branches in the annual perspective. However, the purchasing power of employee earnings still did not even reach the level of 2019. |
| Employment growth moderated last year, however, the Czech Republic (CR) had the highest number of people working here in absolute terms in modern history of the CR. |  | The trend of moderate employment growth continued in 2024, lasting since the COVID-19 pandemic subsided. Total employment[[1]](#footnote-2) increased by 0.3%, year-on-year, which, however, meant a slight slowdown compared to the dynamics in the previous three years. This is also related to the fact that the number of employees only stagnated, quarter-on-quarter, in the second half of last year, as the recent stagnation in the performance of the total economy took effect with a lag. In spite of this, the employment climbed up to a record 5.41 mil people during the last year and was 0.6% higher in comparison to the peak value of the last expansion (Q4 2018), largely due to the development of public services. At the same time, it should not be omitted that the rate of employment growth in the Czech Republic has long been slower compared to most EU countries[[2]](#footnote-3). |
| In particular, especially the public services continued to contribute to employment growth. However, most other branches of the tertiary sphere of the economy were also successful. |  | Both employees (their number increased by 0.2%) and self-employed (+0.9%) contributed to the growth of total employment in a similar way last year. In terms of main branches, public services[[3]](#footnote-4) traditionally contributed the most, with almost 2% of workers added last year, as in the previous year. In addition, the employment growth strengthened slightly here during 2024 (up to 2.5% in Q4). These services thus responded to the high demand associated with longer-term changes in the age structure of the population (in the areas of education, health and social care). The important division of trade, transport, accommodation and food service activities also thrived (+1.0%) in the annual perspective, however the total employment still lagged slightly behind 2019 here (−10 thousand persons). It also resulted from the worse development in transportation and warehousing, where the demand for workers was limited by weaker performance in the related industry sector last year. On the contrary, the small entrepreneurs fared better in the entire above-mentioned division, which can be attributed to the recovery of tourism. Further, the real estate activities also continued to develop, leading to an increase of the number of employees (+2.3%). Total employment increased more moderately in other areas of services[[4]](#footnote-5), with the exception of information and communication, where a decrease occurred for the first time in the last thirteen years (−0.3%). This decrease concerned exclusively employees (−0.7%)[[5]](#footnote-6). However, even the number of self-employed persons in ICT recorded a more significant slowdown of the growth rate last year compared to previous years (+2.2%). |
| The decrease of employment in manufacturing deepened to 2% last year and affected almost all sectors.  The construction was also in a minor downturn, but the situation improved during the year. |  | Growth of total employment was significantly dampened throughout last year by developments in manufacturing, where 2% of positions were lost (the reduction occurred with similar intensity for both employees and self-employed). It was related to the recession of the total branch accompanied by enhanced cost pressures as well as weakened demand in a number of traditional export activities (mechanical engineering, electrical engineering, metallurgy)[[6]](#footnote-7). The situation was more favourable in other industry, as even a slight increase of employment in energy industry, water and waste management activities was sufficient to compensate the deepening downturn in the relatively small field of mining and quarrying. The growth of the number of workers ceased in construction last year (after three years), which can be attributed to a less favourable development among small entrepreneurs (−1.5%). However, the situation gradually improved during the year. The total employment rather stagnated in agriculture, forestry and fishing for the second year in a row last year, while the number of self-employed continued to increase. |
| The number of hours worked in the economy fell slightly due to a lower work needs of the industry and also as a result of part-time work expansion. |  | The total number of hours worked in the economy, which returned to pre-crisis levels (year 2018) for the first time in 2023 decreased slightly last year (-0.2%). The largest growth manifested in division trade, transport, accommodation, and food service activities (+1.6%) and also in the primary sphere of the economy (+2.0%), where it however largely depends on the natural conditions. On the contrary, the largest decrease occurred in manufacturing (−2.7%), where it also exceeded the rate of decline of employment (in natural persons). This may have reflected a lower need for overtime work, or even a reduction of planned shifts in some sectors affected by the recession. Hours worked also decreased slightly in some branches of services in which employment otherwise increased last year (financial and insurance activities, public services). This may be linked to the expansion of part-time work[[7]](#footnote-8) (due to the growing employment of women supported by the integration of female refugees from Ukraine as well as the tax relief to support part time jobs introduced last year) or to a decrease of the number of persons working on job agreement contracts[[8]](#footnote-9) (due to legislative changes reducing the financial benefits of these forms of work for employees and, conversely, increasing administrative burdens for companies). |
| The number of persons combining multiple employments grew.  The long-term growth of the number of specialists as well as the decrease in the category of office workers continued. |  | The increasing role of part-time work is also associated with the growing share of persons working in two jobs. While 2.8% of workers were employed in this way in Q3 2023, a record 3.3%[[9]](#footnote-10) a year later. In addition to these shifts, longer-term structural changes of employment are also taking place. As the education of the workforce increases, the number of people working in the specialist category is also growing (according to LFSS data, by 8%, year-on-year, in Q1 to Q3 2024). There has also been an increase of services and sales workers (+6%) and technical and professional staff (+4%) in 2024. On the contrary, the decrease continued in the category of office workers (−13%), largely due to the development of digitalisation in the area of market as well as public services. |
|  |  | **Chart 13 Total employment** (year-on-year in %), **contributions of branches to year-on-year change of employment** (in p.p.)**, expectations of employment** (balance in p. p.) |
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| \* This category includes branches: Mining and energetics; Financial and insurance activities; Real estate activities; Arts, entertainment and recreation activities.  Note: Balance of expectations expresses the difference in p.p. between categories growth vs. decrease of employment in the nearest three months. Data are seasonally adjusted and relate to the second month of the given quarter.  Source: CZSO (national accounts), Eurostat (business cycle surveys). |
| The number of foreigners with employment status hiked up to a record 846 thousand. However, their year-on-year growth slowed down as the number of workers from Central Europe decreased. On the contrary, the influx of people from some Asian countries accelerated. |  | The long-term limited pool of available labour force in the Czech Republic (resulting from demographic ageing as well as low birth rates) and the growing pressure of companies to optimise production costs have stimulated the rising demand of domestic employers for workers from abroad. Legislative amendments reducing the administrative burden in this area help to make it easier to employ foreigners. This applies to both Ukrainian citizens[[10]](#footnote-11) and foreigners from other, not only economically less developed countries outside the EU[[11]](#footnote-12). The long-term influx of foreign workers to the Czech Republic thus continued. However, the number of working foreigners in the Czech Republic grew more slowly last year compared to previous years. Total 846[[12]](#footnote-13) thousand were registered at labour offices at the end of December (+22 thousand, year-on-year, +52 thousand in two years)[[13]](#footnote-14) in the dominant group of employees. Traditionally, the largest year-on-year increase was in the number of citizens of Ukraine (+19 thousand to 305 thousand, of which females +14 thousand, to 163 thousand), with orders of magnitude less from Russia and Vietnam. The number of citizens of the Philippines (by half), China, India, Bangladesh, Kazakhstan and Egypt also expanded quickly (all by about a fifth). On the contrary, the number of emploees from Central Europe reduced – mainly Poles (−5.4 thousand and 11% respectively) and Hungarians (−7%) as well as from the Balkans – Romanians (−4%) and Bulgarians (−7%). The number of Slovaks also decreased (−0.3%) for the first time since 2009, nevertheless they still made up the second largest group among foreigners (216 thousand) after Ukrainians. The total number of foreigners in employee status increased last year only thanks to females, the number of males decreased slightly (to 482 thousand). |
| The employment rate of females aged 15 to 64 has risen above the 70% threshold for the first time. Still, it was only average within the EU.  The male employment rate in the Czech Republic decreased unlike in the EU last year. Nevertheless, it was still the highest among Central European countries. |  | The above-mentioned tendencies on the domestic labour market, together with the gradually lengthening retirement age, are reflected in the growth of the employment rate (those aged 15 to 64 years). It arrived at 75.8% (+0.4 p. p., year-on-year) in Q4. Its growth was driven only by females, whose employment strengthened by 1.4 p. p. and climbed above the 70% threshold (70.2%) for the first time in history. It decreased for males due to the difficult situation in traditional manufacturing industries by 0.3 p. p. (81.3%). According to the currently available data for Q3 2024, the total employment rate in Czechia was the eighth highest among the EU countries, exceeding the EU average by 4.6 p. p. Only Germany had higher employment among Central European countries than the Czech Republic (by 1.7 p. p.). Strong male participation rate (the fourth highest in the EU after Malta, the Netherlands and Cyprus) assists the relatively high employment rate in the Czech Republic and in all age groups, except for the youngest under 25 years of age. On the contrary, the employment of females ranks the Czech Republic on the 15th place among the EU members (it is only average even compared to newer member states), mainly due to the weaker participation of persons under 40 years of age. |
| Firms' short-term employment expectations improved slightly at the end of the year. Mild optimism occurred in trade as well as construction.  A shortage of workers continues to plague construction companies in particular, however its role is also growing slightly in services. |  | Companies' short-term expectations of their own employment[[14]](#footnote-15) remained slightly negative in the Czech Republic last year (as well as throughout 2023). However, the situation improved slightly during the year, especially in construction as well as selected services, while pessimism deepened in industry. According to a survey from February 2025, 16% of companies expected to lay off their employees in industry, 6% in construction, 9% in trade and 23% in services. These intentions were outweighed by a higher number of businesses planning to recruit workers in construction and trade. The situation at the level of sub-sectors within industry and services naturally differed[[15]](#footnote-16). The share of businesses for which labour shortages represent one of the significant growth barriers[[16]](#footnote-17) was traditionally the most pressing in construction at the beginning of this year (54%). The opposite situation prevailed in industry (13%) and also in services (24%), where there was, however, a slight year-on-year increase. |
|  |  | **Chart 14 General unemployment rate** (in %, age 15 to 64 years)**, unemployment expectations of households\*** (in p. p.), **job vacancies and working foreigners with the employee status\*\*** (in thousand) |
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| Note: Figures regarding the unemployment rate are seasonally adjusted. JV=job vacancies (balance at the end of quarter. Vacancies for higher qualifications include positions requiring at least secondary education with A-level or higher education.)  \*Seasonally adjusted balance of expectations of unemployment in the next 12 months (difference between percentage frequency of answers of households “growth” and “decrease” expressed in percentage points). Data relates to the second month of the given quarter.  \*\* Number of foreigners in the status of employees registered at labour offices in the Czech Republic at the end of the relevant quarter.  Source: CZSO (LFSS, business cycle survey), MLSA (job vacancies registered at labour offices in the CR) |
| The general unemployment rate fluctuated slightly at a low-level last year. Development of long-term unemployment was also favourable.  The size of the potential labour reserve remained low. |  | Despite the difficulties of some, especially industrial businesses, the general unemployment rate[[17]](#footnote-18) did not increase significantly during 2024, rather it can be said to fluctuate, especially for females. The developing services were able to absorb the laid-off workers from some attenuated industries to a large extent since. The labour offices, whose activity in the field of retraining (with financial support from EU funds) increased especially in the second half of the year, also assisted the anticipated higher turnover of workers on the labour market. The seasonally adjusted unemployment rate (aged 15–64 years) was 2.7% last December (2.2% for males and 3.3% for females) [[18]](#footnote-19). The number of long-term unemployed did not increase either – they accounted for less than 30% of the total number of jobless persons in Q3 (this is below average value in the long-term as well as international context). The size of the potential labour reserve (i.e. economically inactive persons not looking for work but stating their willingness to work) was virtually stagnating, year-on-year, in Q4 (to 77 thousand persons)[[19]](#footnote-20) and remains low from the long-term perspective. Although this represents an appreciable issue for many employers, on the other hand, it is also a positive signal indicating that the extent of hidden unemployment (in the form of an "escape" into economic inactivity) is currently not significant on the domestic labour market. |
| There was a slight year-on-year increase in the number of registered job applicants.  People's concerns about the development of unemployment in the next 12 months have been increasing since last December. |  | The steady state of the domestic labour market is also validated by the Ministry of Labour and Social Affairs data. The seasonally unadjusted share of the unemployed (available job applicants to the total population of 15–64-year-olds) was 4.1% (+0.4 p.p., year-on-year), 3.8% for males and 4.4% for females, at the end of December. Higher unemployment (above 6%) was recorded in twelve municipalities (located in five different regions). The number of all registered job applicants rose slightly above 300 thousand for the first time since the peak of the pandemic (Spring 2021) and exceeded the number of jobs offered[[20]](#footnote-21) for thirteen months in a row. People's fears of rising unemployment (expressed in business surveys) fell to their lowest level since the onset of the pandemic last Spring. Subsequently, they fluctuated slightly but increased noticeably at the beginning of 2025 (moderately above the long-term average). The current growth of concerns may be related to the situation in industry, ongoing public discussions on fiscal consolidation, but also the tense geopolitical situation. |
| The year-on-year growth of average wages fluctuated slightly since the beginning of last year, reaching 7.2% in Q4 2024. |  | The average gross monthly nominal wage in the national economy reached 49,229 CZK in Q4 2024 and increased 7.2%, year-on-year. Quarter-on-quarter wage growth (seasonally adjusted) was 1.7% and fluctuated slightly over the past year. Wages increased by 7.1% (to 46,165 CZK) for the whole of last year, which was a slight slowdown compared to the pace in 2023 (8.0%). The dynamics of average wages of persons converted to full-time equivalents (FTEs) versus natural persons differed significantly throughout last year. Due to the expansion of part-time work (as a result of financial support from the state, or also tax optimisation – transfer of persons with agreements to complete a job, to perform work), wages per individual increased by only 6.7%, year-on-year, in Q4. The registered number of employees (FTE) increased by 0.1%, but by natural persons by 0.6%. These differences were the most evident in some services (real estate activities, employment placement agencies, transportation and storage, health and social work) and agriculture and forestry branches. |
| There are significant factors fostering higher wage growth, but also those with the opposite impact. |  | Wage growth in the economy was dampened by the growing need for savings in the budgetary sphere as well as the growing number of foreign workers from "third countries". They frequently work in low-skilled positions[[21]](#footnote-22) and thus their earnings usually do not reach the level of Czech citizens. By contrast, nominal wage growth was still fostered by relatively high demand of businesses for labour in a number of sectors (especially in services) or the increased pressure from employees, also stemming from tight family budgets caused by ongoing high growth of prices of some consumer basket items as well as other expenditure (mortgage payments). The persisting high corporate profit rate also enabled a more dynamic wage growth in a number of branches. The accelerated raise of the minimum wage[[22]](#footnote-23) may have had a partial effect in some branches. |
| The expected year-on-year growth of real wage resumed at the beginning of last year. In a year-round perspective, it permeated all branches. |  | Thanks to the calming of the price level in the economy, the expected growth of real wage continued. It was 4.2%, year-on-year, in Q4. It was then 4.6% for the whole last year, the purchasing power of wages grew more rapidly over the last two decades only in the expansion era in years 2018 and 2019. In the full-year perspective, there was growth in all major branches last year. The increase of real wages in the economy is gradually leading to the elimination of the significant plunge of the purchasing power of employees in 2022 and 2023 (however, the average wage was still only at the level from the end of 2018 in real terms at the end of last year). Growth of the purchasing power of wages was dampened by a slight increase of the tax burden on labour last year (e.g. the reintroduction of employee contributions to sickness insurance) approved as part of the government's consolidation package. |
| Average wages increased the most in real estate area and advanced business services in Q4 2024. Tourism-related branches also continued to thrive.  Wages grew relatively more slowly in the branches with the highest wage level last year. |  | The total growth of the average wage conceals traditionally very heterogeneous developments at the level of individual branches of businesses or organisations. The highest year-on-year growth was achieved by wages in the small branch of real estate activities (16.0%) in Q4 last year, which, together with the rapid growth in years 2022 and 2023, led to their current level (47.9 thousand CZK) coming significantly closer to the entire economy. Wages in professional, scientific and technical activities also grew dynamically (12.2%, by 6,836 CZK in absolute terms – the most of all branches) and, as in the previous branch, their pace accelerated last year and was accompanied by above-average employment growth as well. The continuing recovery of inbound tourism as well as the increase of the minimum wage threshold were reflected in a 10.3% increase of wages in accommodation, food service and restaurants (an above-average rate remained for the fourth year in a row). However, it still clearly represented the branch with the lowest level of wages (29.1 thousand CZK, a mere third compared to the branch – information and communication). The construction industry was also successful, with 9.9% wage growth also responding to the issue of chronic shortages, especially of skilled labour. This is also partially true for health and social work, where wages increased by 9.2%[[23]](#footnote-24) and their level (54.9 thousand CZK) was the highest of all sectors with a significant role of the state in Q4. The wage growth accelerated to 8.1% amid stagnating employment in the most important branch of services – trade – in Q4. Transportation and storage had a similar both wage rate and level (45 thousand CZK) (however with a different development of the number of employees: −0.8%). Earnings grew relatively more slowly in branches with the highest wage level: financial activities (6.8%) and ICT (+7.3%) lagged behind the pace in the economy as a whole from the annual point of view. |
| Wage growth in the economy continued to be subdued by the need for budget savings in public services.  The sales difficulties of manufacturing were reflected in a below-average wage rate and a longer-term reduction of employment. |  | The lowest wage growth continued in most branches with a significant role of the state. It was identically only 2.3%, year-on-year, in public administration, defence and social security, as well as in education in Q4 2024 and was the only major branch in which it lagged behind inflation. The current wage growth was average (7.2%) in cultural, entertainment and recreational activities, but the level of earnings (43.3 thousand CZK) lagged significantly behind the level of the economy and the government sector as a whole. Among the market branches, wages increased the least in mining and quarrying (1.2%), mainly due to a higher last year's basis (payment of higher bonuses). The same effect also occurred with wages in the energy sector (4.7%), nevertheless the absolute increase (+3,223 CZK per month) was similar to that of the economy as a whole here. Wages increased in both absolute and relative terms at below-average pace in agriculture, forestry and fishing (6.4%) and in manufacturing (7.0%). In both cases, they were accompanied by an almost 2% decrease of the number of employees. Of the larger industrial sectors, wages increased the most in manufacturing of electrical equipment (9.3%), the least in manufacturing of motor vehicles (5.3%), where the average level of earnings was still relatively high (55.2 thousand CZK). |
| Among the regions, wages increased in Q4 and in the annual view the most in the *Pardubice* region, the least in the *Karlovy Vary* region. |  | Wage growth among regions ranged in Q4 from 9.0% in the *Pardubice* region to 5.0% in the *Karlovy Vary* region, where the lowest level of average monthly wages persisted (42.3 thousand CZK, only 71% of the level in Prague). The registered number of employees in most regions declined, year-on-year, the most in the *Moravian-Silesian* region (−1.3%, due to the difficulties of heavy industry), it increased only in three regions, of which more markedly only in Prague (+2.2%). |
| The median wage grew more slowly than the average wage throughout last year. Lower dynamics of median earnings were particularly evident among females. |  | The median wage increased by only 4.2% in Q4 (it grew more freely than the average wage then throughout last year). Weaker growth manifested among females (who often work in public services). The total median wage was 41.7 thousand CZK (+6.3%, year-on-year) according to preliminary data for the whole of 2024. Mainly middle earnings grew more slowly, while both high earnings in the 9th decile (by 7.7%), which increased to 77.1 thousand CZK, and low wages in the 1st decile (by 7.5%), which rose to 23.7 thousand CZK, increased more rapidly. Men's wages grew faster compared to women's wages, year-on-year, in the entire band. The median wage of females increased by 6.1% last year and its level (38.7 thousand CZK) lagged behind the level of males by 13.6% last year. From the point of view of occupational groups, the average wages increased the most for specialists (+10.5%) last year, while the pace did not differ much for other groups. |
|  |  | **Chart 15 Average nominal and real wage and labour productivity**  (individual half-years, year-on-year change in %) |
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| \*Includes branches with a significant state involvement: Public administration, defence, social security; Education; Human health and social work activities; Cultural, amusement and recreational activities.  \*\*Expresses GDP (in constant prices) related to 1 worker (in natural persons).  Source: CZSO |

1. Data regarding employment stem from the national accounts’ conception. They are expressed in physical persons and adjusted for seasonal effects. Unlike the data from the business statistics or the labour force sample survey (LFSS) also include for instance the estimation of the grey economy impact. [↑](#footnote-ref-2)
2. This has been true continuously since 2016, with relatively slower growth of employment in the Czech Republic in the category of employees. The number of all workers in the EU increased by 0.8%, year-on-year, last year (the least in the last four years). The employment growth was also centred in the tertiary sphere in the Union, with the largest increases in information and communication (+2.2%) and public services (+1.7%). On the other hand, agriculture, forestry and fishing in particular continued to lose positions (−3.2%) and employment in manufacturing stagnated last year (as in 2023). Of the individual countries, the total number of workers increased in 2024 the most in Croatia (+6.1%) or Ireland (+2.7%), and among the major economies mainly in Spain (+2.2%) and Italy (+1.6%). On contrary, the total employment decreased only in five mostly smaller countries – especially in Latvia (−0.9%) and Finland (−0.6%), but also in Poland (−0.7%) and Slovakia (−0.2%), in most cases mainly due to unfavourable developments in industry. Even very modest total employment growth in the Czech Republic meant the highest pace in the Central European region. The total number of workers increased slightly in Germany (+0.2%), nevertheless it fell by 1% in manufacturing alone. [↑](#footnote-ref-3)
3. Include branch Public administration, Education, Health and social work. [↑](#footnote-ref-4)
4. These include, for example, other services (+2.0%) including, in addition to cultural, amusement and recreational activities, for instance various services for households (repair of goodss, hairdressing and cosmetic activities, etc.). However, employment in this section (comprised of nearly 40% of small entrepreneurs), which was severely affected during the period of anti-pandemic restrictions, still lagged slightly behind the 2019 level. [↑](#footnote-ref-5)
5. An imminent, albeit likely temporary, change in demand for workers in this branch was already indicated by a halt in real sales growth during 2023. [↑](#footnote-ref-6)
6. A decrease of employment occurred across almost all manufacturing sectors last year. The food industry (+2.1%) and also the chemical industry, where employment gradually stabilized, represented the exceptions. [↑](#footnote-ref-7)
7. According to LFSS data, 483 persons worked part-time in the Czech Republic in Q4 2024, up 9%, year-on-year (24% more in the last six years). Women contributed mainly to the growth, of whom 14.4% already utilised this form of work (most freqently those aged 30 to 44). However, only 5% of working men preferred it (mostly at the end of their working careers). Despite the current increase, the representation of these jobs on the domestic labour market remains relatively low. The share of persons employed in this way in Czechia (9.0%) at the end of 2024 was only half of the value in the EU (similar relations apply to both males and females). On the other hand, among the countries that joined the EU after 2000, only Estonia (15%) and Malta (11%) featured a higher share than the Czech Republic. [↑](#footnote-ref-8)
8. According to the CZSO experimental statistics, the number of persons working on job agreement contracts (to complete a job, to perform work) decreased by 4%, year-on-year, in 2024 and the number of hours worked by 9%. People working on job agreement contracts for more than one employer simultanously are included multiple times (i.e. separately for each employer). [↑](#footnote-ref-9)
9. Roughly less than half of this increase is accounted for by persons performing two different employment positions, and a slightly larger part by employees who "additionally" act as self-employed. 3.9% of workers held two or more jobs in the whole EU in Q3 2024. The Netherlands (10%) and Denmark (9%) had the highest proportion of such employed among the member states, it was also above average in the Nordic countries and the Baltic States. [↑](#footnote-ref-10)
10. Almost four-fifths of all Ukrainian citizens (or 67% of men and 88% of women) working in the Czech Republic with the employee status did not need a work permit (work permit, the employee card or blue card) at the end of 2024. [↑](#footnote-ref-11)
11. As of 1st July 2024, foreigners from some economically developed countries outside the EU (USA, Great Britain, Canada, Australia, New Zealand, Japan, South Korea, Israel and Singapore) do not need a work permit or employee cards in the Czech Republic. [↑](#footnote-ref-12)
12. In addition, the Ministry of Industry and Trade registered 132 thousand foreign nationals with a trade license in the Czech Republic in the same period. Unlike foreigners in employment status, their growth accelerated last year (to 11%). Ukrainians accounted for almost two-thirds of this growth, with 43 thousand doing business in the Czech Republic, followed with a margin by Slovaks (26 thousand) and Vietnamese (21 thousand). [↑](#footnote-ref-13)
13. From the point of view of regions, the number of foreigners increased the most in *Prague* (+7.9%) and the *Olomouc* region (+7.5%) last year. Almost a third of all foreigners in employeey position in the Czech Republic (i.e. registered with labour offices) thus pertained to Prague in December 2024, and together with *Central Bohemia*, then nearly one half. [↑](#footnote-ref-14)
14. Unless stated otherwise, seasonally adjusted data are used from now on. [↑](#footnote-ref-15)
15. The prevailing negative anticipatons of employment were expressed (according to the December 2024 survey) by enterprises in 90% of manufacturing industries. Metallurgy, electronics, clothing and manufacturing of beverages recorded the worst prospects. On the contrary, positive prospects persisted only in manufacturing of rail transport equipment, the food industry and the footwear industry.

    In services, negative expectations prevailed in less than half of the sub-sectors. It was the most evident in creative, artistic and amusement activities, in veterinary activities, water as well as air transport, publishing, and at a margin in financial activities, land transport or travel agencies. In contrast, optimism prevailed in postal and courier activities, insurance, legal and accounting activities, science and research, employment placement agencies and majority of information and communication activities. [↑](#footnote-ref-16)
16. Businesses could have state more barriers simultaneously. [↑](#footnote-ref-17)
17. Unless stated otherwise, all data regarding the unemployment rates are sourced from the LFSS (based on the ILO methodology) and are adjusted for seasonal effects. [↑](#footnote-ref-18)
18. Unemployment also remains low in the EU - reaching 5.9% in the 15- to 74-year-olds group in December 2024 (6.3% in the euro area). It stayed almost unchanged, month-on-month and year-on-year, nevertheless there was a slight improvement for females (to 6.1%). Total unemployment in the EU has been the lowest since 2000 in the available time series and is about 1 p. p. lower than at the beginning of 2008 (in both the EU and the euro area). Total unemployment in the Czech Republic (2.6%) has been the lowest in the EU for eight consecutive years – currently ahead of Malta and Poland (both 3.0%), Germany (3.4%) and the Netherlands (3.7%). The Czech Republic traditionally held a privileged position thanks to males (2.4%). However, even among females, where unemployment traditionally fluctuates more, only Malta (2.9%) has currently reached a slightly lower level than in the Czech Republic. The total unemployment increased, year-on-year, in 10 Member States – most notably in Slovenia (from 3.3% to 5.2%), Denmark (from 5.8% to 7.0%) and Finland (from 7.6% to 8.7% – the third highest level in the Union). A slight deterioration also occurred in other Nordic countries and in the Benelux region. On the contrary, there was an improvement mainly in the south – in Italy (from 7.1% to 6.2%), where unemployment fell below the EU level for the first time in a long time. The situation also improved by 1 p. p. in Croatia and Cyprus (both to 4.5%) or Greece (9.4%). The largest decline occurred in Spain (from 11.9% to 10.6%), which is experiencing relatively rapid economic growth, when even sectors that are currently in decline in the EU (e.g. industry and construction) are simultaneously thriving in Spain. Desptie this fact, unemployment remains the highest within EU in Spain. The Czech Republic also has a favourable position in terms of unemployment of persons under 25 years of age, as it has long been one of the third of the EU countries with the lowest youth unemployment. It reached 9% in the Czech Republic December 2024 (15% in the EU) and unemployment of more than 20% plagued six Member States – especially the countries of the southern wing of the euro area. [↑](#footnote-ref-19)
19. However, only a sixth of this number is able to start work immediately. A significant part of the work reserves is made up of students and women on parental leave. [↑](#footnote-ref-20)
20. Only a smaller proportion of jobs can be considered active – only 112 thousand jobs were advertised at the Labour Office less than half a year, down by 10 thousand, year-on-year (the decrease manifested across educational categories). According to experimental statistics of the CZSO (surveys of enterprises conducted since 2020), the offer of domestic businesses was estimated at 101 thousand vacancies in Q4 2024 (these are only jobs in an employment relationship, not temporary jobs, e.g. various types of agreements). The number of jobs increased by 9%, year-on-year (slightly growing in all quarters of last year). Currently, mainly the supply of jobs in public services (across branches), as well as in trade or advanced services for businesses, has increased. In contrast, the number of jobs offered in contruction decreased. In industry, where a similar development persisted for eight quarters in a row, the reduction of jobs stopped at the very end of last year (to 25 thousand). However, the largest offer of vacancies was available in the services sector (69 thousand), of which 26 thousand were in branches with a significant role of the state. [↑](#footnote-ref-21)
21. For example, in 2023, only 13% of all non-EU foreigners (or 9% of Ukrainians), 24% of all foreigners from EU countries, but 44% of all employees with Czech citizenship worked in the most qualified employment classes (managers, specialists, technical and professional workers) in the Czech Republic. [↑](#footnote-ref-22)
22. The minimum wage was set by a new indexation mechanism last year (it is expected to gradually increase up to 47% of the average wage in 2029). From January 2025, this wage thus increased by 10% to 20,800 CZK. On the other hand, the institute of guaranteed wages was fundamentally simplified and is now used only in the salary sphere. [↑](#footnote-ref-23)
23. There have been tariff adjustments and personal allowances have increased for a large number of employees here since January 2024. [↑](#footnote-ref-24)