

Labor market

- **Positive trends still prevailed on the labour market**

Summary data for the first three quarters of 2008 demonstrated continuation of the positive trends on the labor market in the past years (according to VŠPS results). The employment grew and the average number of the unemployed further decreased. The slower dynamics of GDP influenced the labour market only when a comparison was made between the individual quarters.
- **The growth of overall employment was minimum; the share of foreign employees increased**

The overall employment was on average 4 992.1 thousand persons and the increase compared to the first three quarters of 2007 was 189.2 thousand persons. The rate of employment in the age group from 15 to 64 years was in the 3rd quarter 66.7%. However, the intensity of the employment growth further slowed down. The difference between the individual quarters (based on data without seasonal influences) was in the 3rd quarter only 0.2%. The share of employees on the overall employment increased (the share of full-time entrepreneurs – relatively high in comparison with the other countries – slightly decreased). Meanwhile, the number of foreigners in the position of employees (according to the employment offices) increased in each quarter of 2008, so in September the number reached 290.2 thousand persons, which is more than 5% from the overall number of employees.
- **The number of the unemployed decreased but the number of job vacancies started decreasing**

The continuing growth of employment positively affected further reduction of unemployment, which in comparison with the first three quarters of the previous year decreased by 19% and the average number of the unemployed was 229.7 thousand persons. The general unemployment rate reached 4.4% and in the 3rd quarter slightly increased by 0.1 p.p. compared to the previous quarter.

One positive result was that the number of the long-term unemployed in the 3rd quarter decreased year on year by 26.4 thousand to 108.4 thousand persons and thus represented less than one half of all the unemployed (48.4%).

At the same time the number of job vacancies in the 3rd quarter decreased (according to the Ministry of Labor and Social Affairs) to 139.6 thousand and it keeps shrinking.
- **Wages grew in real terms only by 1.7%, which is less than in the first half of the year**

The average gross monthly nominal wage in the first three quarters of 2008 amounted to 22 942 CZK, i.e. increased by 8.7% year on year. However, as the consumer prices in the same period increased by 6.9%, the wages increased in real terms by 1.7%.

The higher growth of wages started already in 2007 and it reached its peak in the 1st quarter of this year (10.2%). On the other side the slowdown trend recorded in the 2nd quarter was confirmed in the 3rd quarter and the annual growth of the average gross monthly nominal wage represented 7.9%.
- **The wage differentiation increased**

The wage differentiation significantly increased. The average wage in the first three quarters in the business sphere increased in nominal terms by 10.1%, in real terms it was 3.0%. The average wage in the non-business sphere increased by 3.3% in nominal terms and it decreased by 3.4% in real terms. In the 3rd quarter the average nominal wage in the education sector increased by 2.9%, in public administration and defense by 3.7%, in healthcare and social work by 4.3%. The highest growth was in fishery and fish breeding (by 16.0%), extraction of mineral resources (by 15.3%) and agriculture (by 13.4%). The differences in average wages in the individual institutional sectors were even higher than differences based on the industrial structure.