

Labour Market

- ***Rising rate of employment***

There were 4 704.4 thousand of employed persons in Q1 2005 with one or main employment (based on LFSS), i.e. by 0.6 % more on a previous year while structural changes of position of these persons in their main job were remarkable. Largest among them is the increase of employees by 1.7 % (to 3 913.5 thousand persons) and decrease in the number of entrepreneurs without employees by 5.7 % (to 554.7 thousand persons). With regards to branch activities, among significant structural movements there is marketable growth of the number of employed persons in construction (by 6.1 %), in education (by 4.7 %) and health and social care (by 3.5 %). On the other hand the number of employed persons was slashed in real estate industry (by 5.6 %) and in trade, repairs of motor vehicles and consumer goods (by 1.4 %). Rate of employment (aged 15-64) 64.1 % in Q1 2005 was year-on-year 0.3 p. p. higher.

- ***Drop of unemployment***

The number of unemployed persons 429.1 thousand (based on ILO methodology) in Q1 2005 was year-on-year lower by 14.7 thousand, i.e. by 3.3 %, while the unemployment of women dropped considerably (by 15.9 thousand) and male unemployment mildly rose (by 1.5 thousand). Long-term unemployment keeps rising; there are 234.3 thousand unemployed for more than one year, which is 54.6 % out of the total and there are 68.1 thousand persons unemployed for more than four years, i.e. 15.9 % out of total. Age structure of unemployed persons also changed; the numbers of youth aged 15 - 19 increased (by 0.9 thousand) and so did the number of persons aged 60 - 64 (by 1.7 thousand). General rate of unemployment (ILO methodology) 8.4 % in Q1 2005 was year-on-year lower by 0.3 p. p.

- ***Mild growth of inactivity***

The number of economically inactive persons representing potential labour reserves of 292.7 thousand was in Q1 2005 year-on-year slightly higher (by 0.3 %), while more than one third of these persons is in the age group to 24 years; it is mostly students and apprentices interested in working.

- ***Increased share of wages on GVA***

The sum of salaries and wages in all larger economic units (in the business sector with 20 and more employees and in the non-business sector with all employees) in Q1 2005 shared in the total nominal volume of gross value added by 0.2 p. p. more than in the previous year. The sum of wages in Q1 2005 year-on-year expanded by 6.1 % and surpassed the growth of gross value added in constant prices, so the unit labour costs increased by 1.4 %.

- ***Slowdown of average wage growth***

Monthly average gross nominal wage of employees CZK 17 678 in Q1 2005 was year-on-year higher by 5.8 %, having grown by 3.0 p. p. slower on a previous year. Business sector experienced notably larger slowdown (3.7 p. p.) with 4.9 % wage growth compared to the non-business sector (0.7 p. p.) with 8.9 % wage growth. In real terms the total average wages grew by 4.1 % and their purchasing power grew slower on a previous year by 2.3 p. p. Given individual branch activities, the average monthly wage grew the most in financial intermediation (by 14.0 %) and reached CZK 41 046 Kč. With respect to non-financial businesses it was the highest and grew the most (CZK 22 009) in production and distribution of electricity, gas and water (by 7.1 %). On the other hand the average wage was the lowest and grew the least in accommodation and hospitality (CZK 12 449, growth only 2.0 %) and in agriculture, game keeping and forestry (CZK 12 139 and 5.6 %). Inter-branch wage differentials widened, variation coefficient of average wages 39.8 % for Q1 2005 was by 3.4 p. p. higher on a year before.