

## Labour market

- **Decreasing of imbalance on the labour market at decelerated growth of real wages**

Increase of employment and decrease of unemployment for the three quarters of 2006 continued in relation to an increase of economic performance. Imbalance between the higher offer and lower demand on the labour market slightly decreased. Positive influence of production increasing influenced also long-term unemployment, which further decreased; however, it still remains to be markedly high. The average monthly nominal wage was increasing; growth of the real wage decelerated, markedly especially in the Q3.
- **Growth of total employment rate**

Total employment rate 55.0% for the three quarters of 2006, of which 55.1% in the Q3, was by 0.4 and 0.1 p.p., respectively higher year-on-year. Rate of employment of the aged 15 – 64 was 65.2% for the Q1 – Q3 2006, i.e. by 0.5 p.p. higher y-o-y. There were 4,816.8 thousand employed persons with the only or main employment; in the average for the three quarters of 2006 it was by 1.4% more y-o-y and the growth accelerated by 0.3 p.p. At the same time, their structure changed by status in employment, especially in the Q3, when the number of entrepreneurs with employees extraordinarily increased y-o-y (by 16.8%). Also the number of employees grew; for the Q1 – Q3 2006 by 2.6%, however, in the Q3 only by 0.4%. Also as for classification by branch, especially in the Q3, there were marked changes and the interval between the two extremes – the maximum growth and decrease of the number of workers reached 24.7 p.p. Number of workers in main employment increased in manufacturing by 4.4% and in real estate, renting and business activities even by 9.5% and on the other hand, it decreased in education by 3.8% and in construction even by 5.9%.
- **Acceleration of total unemployment rate decrease**

Total unemployment rate 7.4% for the Q1 – Q3 2006, of which 7.0% in the Q3, was by 0.6 and 0.8 p.p., respectively, lower y-o-y. In average, there were 381.9 thousand of the unemployed in the three quarters of 2006, of which in the Q3 it was 364.9 thousand, which represents their decrease by 30.0 thousand y-o-y (-7.3%) and acceleration of the drop by 3.6 p.p. and drop by 39.7 thousand (-9.8%), respectively. There is still much more unemployed women than men; however, the difference in their number reduced especially thanks to the development in the Q3. Prevailing part of all the unemployed are persons with primary education and secondary education without “*maturita*”, i.e. national secondary school leaving examination.
- **Average wage is increasing; its growth slowed down in the Q3**

The average gross monthly nominal wage CZK 19 635 for the three quarters of 2006, of which CZK 19 968 for the Q3, was by 6.6% and 6.1%, respectively, higher y-o-y, which is for the three quarters acceleration of growth by 0.9 p.p., however, for the Q3 it was already a slight deceleration. The average wage was higher by 3.4% for the Q1 – Q3 in the business sphere than in the non-business one and at the same time it grew by 1.1 p.p. y-o-y (6.8% against 5.7%). This growth represented acceleration by 1.6 p.p. in the business sphere and deceleration by even 1.9 p.p. in the non-business sphere. In real terms, the average wage increased for the three quarters by 3.6%, of which for the Q3 by 3.1%, which was less than a year before by 0.3 and even by 1.1 p.p., respectively.
- **Wage differentiation is increasing**

As for branches, average wages developed for the three quarters of 2006 in a more differentiated way than a year before and their coefficient of variance 36.4% was by 0.7 p.p. higher y-o-y, of which in the Q3 it was by 1.9 p.p. The difference by section of the CZ-NACE of CZK 25 941 for the Q1 – Q3 2006 between the highest average wage (CZK 39 759 in financial intermediation) and the lowest (CZK 13 818 in restaurants and hotels) was higher by CZK 1 602, i.e. by 6.6%.