

6. Labour Market

6.1 Employment and unemployment

Employment and unemployment increased slightly. Wage growth maintained a brisk pace owing to more significant imbalances on the labour market. The purchasing power of wages gradually approached the level of 2021.

The effects of last year's mild acceleration of economic growth were gradually reflected on the labour market. Moderate growth of the number of employees and self-employed persons persisted, with the focus continuing to be on services, where the supply of part-time work was also expanding more. Higher investment activity in the economy was reflected in employment in construction. By contrast employment positions were declining in industry and the primary sector of the economy. The inflow of workers from abroad, in addition to Ukraine, also from distant Asian countries continued to increase in intensity. Firms' expectations for employment improved over the summer, and the impact of external geopolitical turbulence had not yet been very evident in this area. Unemployment, including its long-term component, continued to rise slightly. The supply of job vacancies rather stagnated and a long-term noticeable structural mismatch between supply and demand persisted. Nominal wages grew steadily, often more rapidly in many low-wage branches. The stabilisation of the price level in the economy led to rapid growth of real wages, which was evident in all major branches in H1 2026. The purchasing power of gross employment earnings still lagged slightly below the level of 2021.

Moderate quarter-on-quarter employment growth accelerated this year. The number of workers in the Czech Republic has again moved to an all-time high.

Moderate employment growth also continued at the beginning of this year. The total number of employees¹ increased by 0.1%, quarter-on-quarter, in Q1 2026, continuing the weak dynamics from last year. However, the pace accelerated markedly to 0.9% in Q2, mainly due to the improved situation in industry and growing demand for advanced business services (concentrated mainly in professional, scientific, technical and administrative activities). However, the number of workers increased in almost all major branches. Employment in the total economy currently reached a record 5.60 million people and was already 4.2% higher (+224 thousand) compared to the peak value from the last boom period (Q4 2018), which was related, among other things, to the development of public services².

The slight year-on-year growth of the employment was mainly due to employees, but also small entrepreneurs, whose role increased in a number of market services branches.

Total employment increased by 1.3%³, year-on-year, in H1 and it strengthened almost identically throughout last year. Two-thirds of the current growth was contributed by employees (+49 thousand, +1.0%), nevertheless the number of self-employed increased at a relatively stronger pace (+2.7%), which was true for most of the period after the pandemic subsided. From the branches' point of view, public services⁴ continued to have a crucial impact on the total employment dynamics in the economy. This is because 2.3% more people worked in them, year-on-year, and all branches contributed to this increase, the highest in the last four and a half years (mostly human health and social work together with education). Employment also increased at the same pace in long-term developing professional, scientific, technical and administrative activities, this year largely thanks to the unprecedentedly strong growth of the self-employed⁵. This segment also significantly

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.

² 13% (+135 thousand) more people were employed in the public administration and defence, education, human health and social care activities in Q2 this year compared to the end of 2018. An increase in professional, scientific, technical and administrative activities (+10%), information and communication activities (+23%) and real estate also had a significant impact. Of the traditional sectors of material production, only employment in construction increased (+10% and +39 thousand persons, respectively), while the number of workers in industry decreased significantly (-7%, -102 thousand).

³ This year's employment growth in the Czech Republic, as in the whole of last year, was more rapid than in the EU. It was only 0.5% in the EU in H1 2026, also due to the persistent fall in Germany (-0.5%) and Romania (-1.3%). Among the Central European countries, only Poland (+0.8%) recorded further growth. The number of workers increased at a higher rate to that in the Czech Republic only in six member states – e.g. Italy (+1.3%) and Spain (+2.3%). The year-on-year development of employment in terms of branches in the EU was very similar to that in the Czech Republic – total growth was driven by the vast majority of services (except ICT) and construction. The decline affected industry (-0.5%) and the primary sector of the economy (-3.0%).

⁴ For simplification consist of economic group public administration and defence, education, human health and social work activities.

⁵ Their number increased by 8.3% in H1 (the highest since 2003), which contrasted with a weak increase for employees (+0.3%). It cannot be ruled out that there was a transition of people between these forms of employment. A similar process seems to be taking place in the financial sector in recent years.

Employment growth in public services was the highest in the last 4.5 years. More advanced business services, real estate and tourism-related industries also did well.

supported growth in the diverse sector of other activities⁶ (+3.7%) and also contributed to a slight recovery of total employment in financial and insurance activities (+2.6%). On the contrary, in fact, only employees contributed to an increase in the number of employees in the relatively small and specific real estate sector (+5.8%)⁷. The increase of workers rose very gradually in the remaining service areas. Growth slowed down to 0.8% in the grouping trade, transport, accommodation and food service activities this year, i.e. the slowest pace in the last three and a half years. On the one hand, tourism-related activities continued to develop here, but at the same time, there was no increase of jobs in the more important segments (trade, transport and storage). In addition, growth in this group continued to be driven only by employees (the number of self-employed persons stagnated and still lagged behind the 2019 level). In information and communication, total employment increased by 1.3%, nevertheless it was the slowest pace in H1 this year in the last eleven years⁸.

Employees contributed mainly to the rapid growth in construction this year. Employment in manufacturing and agriculture continued to decline slightly.

Outside the services sector, the number of workers increased (similarly to the total for the whole of last year) mainly in construction (+2.4%) this year. While the growth in 2025 was significantly aided by small entrepreneurs, it was largely driven by the employees themselves, whose growth rate was among the highest in the “post-pandemic period” this year. A slight but longer-term decline of employment continued in manufacturing (by 0.5%, year-on-year, in H1). This did not avoid even the most traditional export sectors. A sign of stabilisation or a slight recovery can be observed in the small business segment⁹. Employment increased slightly (+2.5%) in other industry, as the effects of the deep downturn in mining and quarrying were offset by growing employment in the energy sector and in water and waste management. The number of workers decreased by 2%, similarly to last year in the primary sector of agriculture, forestry and fishing, mainly due to a more pronounced decline in the important category of self-employed. The sector as a whole continued to struggle with increased cost pressures and increasing import competition, which had a negative impact on the profitability of a number of types of agricultural and crop production.

The number of hours worked continued to grow more rapidly than the physical number of employees in most branches.

The year-on-year growth of the total number of hours worked¹⁰ in the economy rose in H1 this year by the highest pace since the end of 2022 (+2.7%¹¹). As in previous years (since the retreat of the COVID-19 pandemic), the number of hours has grown faster than the number of employed persons (in natural persons). From the point of view of the main branches, this disproportion is particularly evident in construction this year (where hours worked have grown at more than twice the rate of employment¹²), and to a lesser extent in most other areas of the economy, with the exception of some smaller service branches (e.g. real estate activities). This may be related to the lack of manual workers (regardless of qualifications), but also of specialists on the market.

The year-on-year strengthening of hourly

The moderate year-on-year growth of hourly labour productivity¹³ in the domestic economy, which resumed last year after a three-year hiatus, did not continue in H1 2026 (−0.8%). Of

⁶ These include in addition to cultural, amusement and recreational activities, for instance various services for households (repair of goods, hairdressing and cosmetic activities, etc.). Employment is comprised of more than one third of small entrepreneurs in this branch (or self-employed persons).

⁷ The high rate of employment may also be related to more frequent changes in the classification of enterprises (their classification into the branch takes into account the predominant activity on the basis of preliminary sales data, which can then be refined using more detailed data).

⁸ In a dynamically changing technological environment, ICT areas, as well the financial and insurance sectors, face challenges in maintaining competitiveness and high productivity while effectively using the relatively costly and not always easily accessible work of specialists.

⁹ The number of self-employed persons in manufacturing increased by 1.2%, year-on-year, in H1.

¹⁰ The data are based on the national accounts' conception and seasonally adjusted.

¹¹ Compared to H1 2019, the number of hours worked in the economy was higher by 5.1% this year, of which the number of self-employed was 7.1%. An analogous increase was 4.1% for the number of manual workers, of which 6.1% for the self-employed. This year's rapid total growth of hours worked in the economy was also supported by an increase of work on contracts (agreement to complete a job, to perform work). According to the CZSO's experimental statistics, the number of hours worked in this way increased by 14%, year-on-year, in H1 this year (it also increased at a slightly higher pace throughout last year).

¹² Of these, the year-on-year growth of the number of self-employed persons was 9.1% (with an increase in the number of physical employees by 1.2%).

¹³ It expresses seasonally adjusted GDP or gross value added at the level of individual branches (at comparable 2020 prices) per hour worked by persons in paid employment (after seasonal adjustment).

labour productivity has halted this year. However, the favourable development continued in manufacturing.	the market sectors, advanced business services and construction had the most significant effect against the strengthening of productivity. Information communication activities in particular had the opposite effect. Productivity growth also continued in manufacturing (+0.5%), trade, transport, accommodation and food service activities (+0.4%) and the primary sector of the economy (+1.8%). Compared to the pre-crisis year of 2019, the current level of labour productivity in total economy was 2.4% higher. This was mainly due to manufacturing (with an increase of 11%) and information and communication activities (+26%), followed by financial and insurance activities or the primary sector of the economy. Labour productivity per worker (in natural persons) increased by 0.6%, year-on-year, in the total economy in H1. Its growth thus continued, albeit at a slower pace than in the whole of last year.
Labour productivity per worker continued to grow very slightly.	
The rapid growth of the number of working foreigners in the Czech Republic continued. Their increase was still driven mainly by Ukrainian citizens, while the number of Slovaks and Filipinos also increased.	Due to demographic ageing and the long-term persistence of low birth rates, the domestic labour market is struggling with a low supply of available labour force ¹⁴ . This, together with the growing pressure of companies to optimise production costs, is stimulating the demand of domestic employers for workers from abroad. Legislative changes reducing administrative demands in this area have helped to facilitate the employment of foreigners in the recent period. The long-term influx of foreign workers to the Czech Republic has therefore continued. According to the current qualified estimates of the Ministry of Labour and Social Affairs, a record 957 thousand of them were registered at labour offices in the dominant group of employees in March this year. This was 11.5% more ¹⁵ , year-on-year, and the growth rate accelerated slightly. Traditionally, the largest year-on-year increase was recorded in the number of citizens of Ukraine (+62 thousand to 374 thousand, in that females +30 thousand, to 199 thousand), followed by Slovakia (+14 thousand, to 230 thousand), the Philippines (+4.4 thousand, to 14.9 thousand) and Vietnam (+2.3 thousand, to 23.5 thousand). Of the more important groups of foreigners, the number of citizens of India, China, Kazakhstan, Uzbekistan and Azerbaijan grew rapidly (between 11 and 17%). On the contrary, in a number of large groups of workers from relatively poorer countries of Central and Eastern Europe – mainly from Poland, Bulgaria, Romania – their number grew minimally (up to 3%) or even slightly decreased ¹⁶ . This is related to the gradual equalization of the wage level in this region.
The influx of people from some Asian countries accelerated. The number of workers from Central and Eastern Europe increased only moderately or even decreased.	A third of all foreigners in employment status in the Czech Republic were registered in Prague in March this year (together with the “ <i>Středočeský</i> region”, half of them). Year-on-year, the number of foreigners increased in all regions – most in the “ <i>Olomoucký</i> region” (+18%), Prague (+14%), the least in the “ <i>Liberecký</i> region” (+8%), “ <i>Plzeňský</i> region” and “ <i>Středočeský</i> region” (both +9%). Males were not prevailing among employees with foreign citizenship only in the “ <i>Karlovarský</i> region”.
The number of foreigners holding employment position has noticeably increased in all regions.	
The employment rate increased slightly. The impact of the improved performance of the economy and the faster	According to data in the LFSS, the employment rate of persons aged 15 to 64 rose to 76.1% in Q2 this year. Year-on-year, it increased slightly by 0.4 p. p. (it grew comparably on average in the two previous years), without a significant difference in dynamics between males and females, whose employment reached 80.4% and 71.7% ¹⁷ , respectively. The

¹⁴ According to the LFSS data, the number of economically inactive persons who are not looking for work, but state their willingness to work, reached 73 thousand in Q1 this year, down 8%, year-on-year (and the decrease was as much as 28% in the last five years). In addition, however, only less than a fifth of this number was able to start work immediately (within 14 days) - a significant part of the potential labour reserves comprises of students and women on parental leave.

¹⁵ In addition, the Ministry of Industry and Trade registered 145,000 foreign nationals with trade licenses in the Czech Republic in the same period (a tenth more, year-on-year). Ukrainians accounted for two-thirds of this growth, with 51,000 doing business in the Czech Republic, followed by Slovaks (28,000), Vietnamese (21,000) and Russians, Romanians, Germans and Poles with a significant distance.

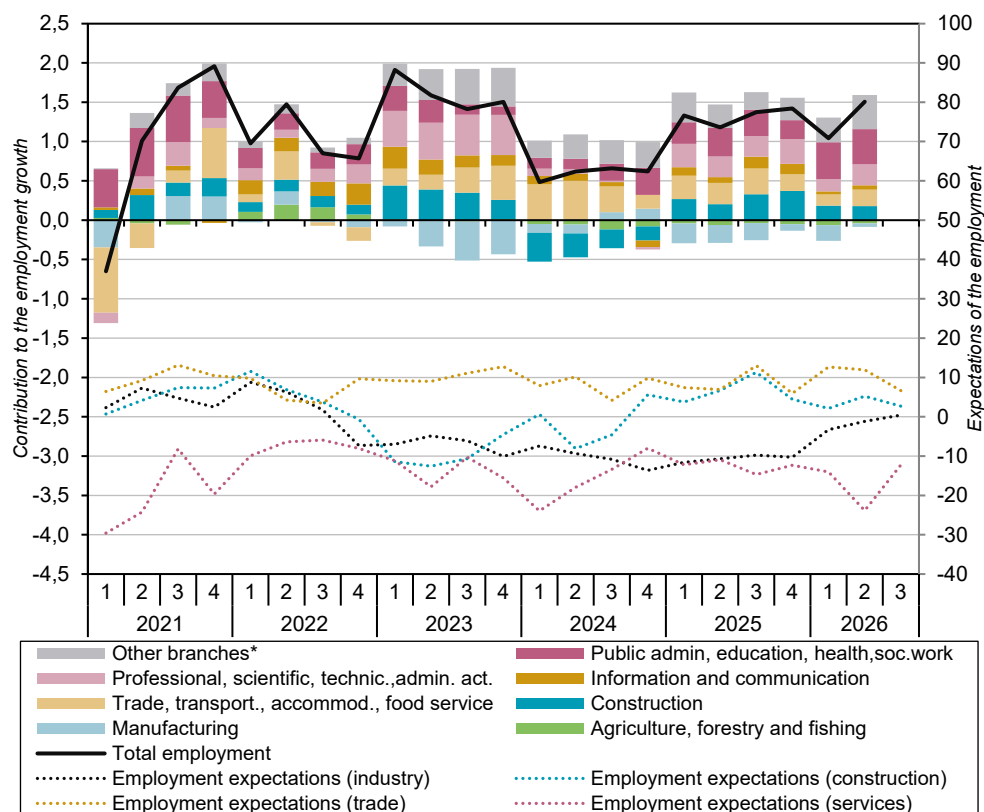
¹⁶ This concerned, for example, citizens of Macedonia, Serbia, Bosnia and Herzegovina or Belarus.

¹⁷ The Czech Republic has long been one of the countries with a high employment rate within the EU. According to the latest data for Q1 2026, this rate was the fifth highest in the Union for males aged 15 to 64 years (it exceeded the EU average by 5.1 p. p.) and the eleventh highest for females (+4.4 p. p.). However, the Czech Republic clearly lagged behind the Netherlands, which achieves the highest employment among the member states (by 5.3 p. p. for males and 7.6 p. p. for females). Among the member states that joined the EU only after 2000, the Czech Republic was surpassed only by some small economies (Malta, Cyprus) and by the Baltic States for females. In terms of age, the total employment rate in the Czech Republic is lower than in the EU only for persons aged 15 to 24 years, but also for females in the 25-39 age group.

expansion of part-time work became apparent.

employment rate increased in the vast majority of cohesion regions¹⁸, with the exception of the Northwest area, where it also reaches the lowest level (72.7%, while Prague has the highest level in the long term: 79.9%). Its current development at the national level is reflected in the slightly accelerating growth of the economy, the steadily increasing retirement age, as well as the expanding offer of part-time work, which is used by women in three quarters of cases in the Czech Republic. In Q2, 16.0% of employed females (and 5.4% of males) already used this form of work, and the year-on-year growth of the number of people with these jobs accelerated to 9.9% (twice as much as last year's average)¹⁹.

Chart 13 Decomposition of year-on-year change in total employment (contributions of branches to growth, p. p.), **expectations of employment** (balance in p. p.)



* 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 own employment in the nearest three months. The data are seasonally adjusted and express the average for the total quarter, for the last period the average for the first two months.
 Source: CZSO (national accounts), Eurostat (business cycle surveys)

Short-term employment expectations of companies have increased this summer. They were still the most favourable in construction and trade.

Short-term expectations of domestic businesses in terms of their own employment²⁰ improved at the very beginning of this year, reaching their highest level in three and a half years in March (and their level was in line with the long-term average). Expectations subsequently deteriorated slightly due to external shocks related to the worsening geopolitical situation (businesses in services experienced more movement), nevertheless they returned to the level of the beginning of this year during the summer holidays. The greatest optimism in the employment area was maintained in construction in Q3, which contrasted with a significantly more cautious outlook in a number of service

¹⁸ These are regions at the NUTS-2 level (according to the EU nomenclature). As of this year, quarterly data from the LFSS are available only at this (and not the previously published) regional level (NUTS-3).

¹⁹ Females accounted for 80% of the year-on-year increase of the number of part-time workers in Q2 2026 (+49 thousand), mainly by strengthening these job contracts in the youngest working group (persons aged 15–24 years) and the oldest group (persons aged 60 years and over). This was also related to more general changes on the labour market after the retreat of the COVID-19 pandemic, as well as to the state employment policy, which stimulated the supply of these job contracts from 2023 onwards (in particular in the form of a discount on employers' insurance premiums, which applies to selected groups of employees, e.g. persons caring for a child under 10 years of age, persons over 55 years of age, persons with disabilities or students).

²⁰ Unless otherwise stated, seasonally adjusted data are also used.

The lack of free labour force significantly limits the development of construction; however, it is also reflected in some areas of services.

sectors²¹. In industry, expectations have been steadily improving since the beginning of the year. Naturally, significant differences persisted within sub-sectors²². The share of companies for which labour shortages represent one of the significant growth barriers²³ was also the highest in construction (41%) at the beginning of Q3 2026. The opposite was true in services (12%) and industry (13%), where the role of this barrier increased very slightly, year-on-year, while the opposite was true in construction. Nevertheless, there were a few mostly smaller sectors of industry and services in which labour shortages represented the main growth barrier²⁴.

The general unemployment rate continued to rise slightly. The number of long-term unemployed also increased.

The general unemployment rate²⁵ has started to increase slightly since last spring after stagnating in 2024. Unemployment of persons aged 15–64 years thus stood at 3.4% in July this year (males: 2.8%, females: 4.0%). Total unemployment is thus comparable to that at the peak of the pandemic (March 2021) and was last higher at the beginning of 2017. Unemployment increased by 0.3 p. p., year-on-year, with growing at a slightly higher pace for females. The number of long-term unemployed grew faster (by 14 thousand, year-on-year, in H1 to 53 thousand), nevertheless they still accounted for less than a third of all unemployed (which is not out of step with the long-term and international context). On the positive side, hidden unemployment (in the form of a temporary “escape” into economic inactivity) is not increasing significantly²⁶.

Unemployment in the EU stagnated, year-on-year. Among the member states, it reached a minimum in the Czech Republic and a maximum in Finland.

Despite its moderate growth, unemployment in the Czech Republic remains low from a historical and international point of view. The unemployment rate for persons aged 15 to 74 years reached 6.1% in the EU in July (males 5.9%, females 6.3%) and continued to stagnate, year-on-year. Total unemployment in the Czech Republic (3.3%) was at a minimum among the member states, but seven countries had a better position among females (led by Bulgaria and Poland, where unemployment was lower by 0.7 p. p. compared to the Czech Republic). In Germany it reached in total 4.0% and 5.7% in Slovakia, and in both cases, it increased slightly, year-on-year (+0.2 p. p.). Unemployment peaked in Finland at 10.5% (+0.6 p. p.) and Spain (10.0%) was also hit hard, however there was a slight improvement (–0.6 p. p.) thanks to decent economic growth. The relatively difficult situation continued in Sweden (8.6%) and France (8.3%).

The year-on-year growth of the number of registered job applicants slowed down this year. Unemployment increased in all regions.

Even data from labour offices do not yet indicate a significant cooling of the domestic labour market. The seasonally unadjusted share of registered job applicants in the total population aged 15 to 64 years reached 5.0% at the end of July this year (males: 4.4%, females: 5.5%). This share has been increasing, year-on-year, for more than two and a half years, but this year the growth of unemployment slowed down for the sixth month in a

²¹ According to the August Business Survey, 19% of companies in services expected (without taking into account seasonality) to reduce the number of employees in the three-month horizon, about a tenth in industry and construction (but only 7% in trade). On the contrary, the intention to increase the number of employees was most evident in construction (14%), followed by a slight distance in industry (11%), trade (10%) and services (8% of companies).

²² Businesses in a third of *manufacturing industries* expressed predominantly negative expectations of employment in August this year. The worst prospects were held in metallurgy, electronics and mechanical engineering, and among smaller sectors in leather, woodworking and paper industries. On the contrary, positive outlooks persisted mainly in electrical engineering, metalworking industry, repair of machinery and equipment, other industries (e.g. production of sporting goods), food, pharmaceutical and printing industries. Negative expectations also prevailed in a third of sub-sectors *in services* – mostly in telecommunications, financial, advertising industries, veterinary activities and some administrative and support service activities. By contrast, optimism prevailed in information activities, legal and accounting activities, activities of head offices and management consultancy activities, activities of employment placement agencies, land transport, warehousing, and security and investigation activities.

²³ Businesses could have stated multiple barriers simultaneously.

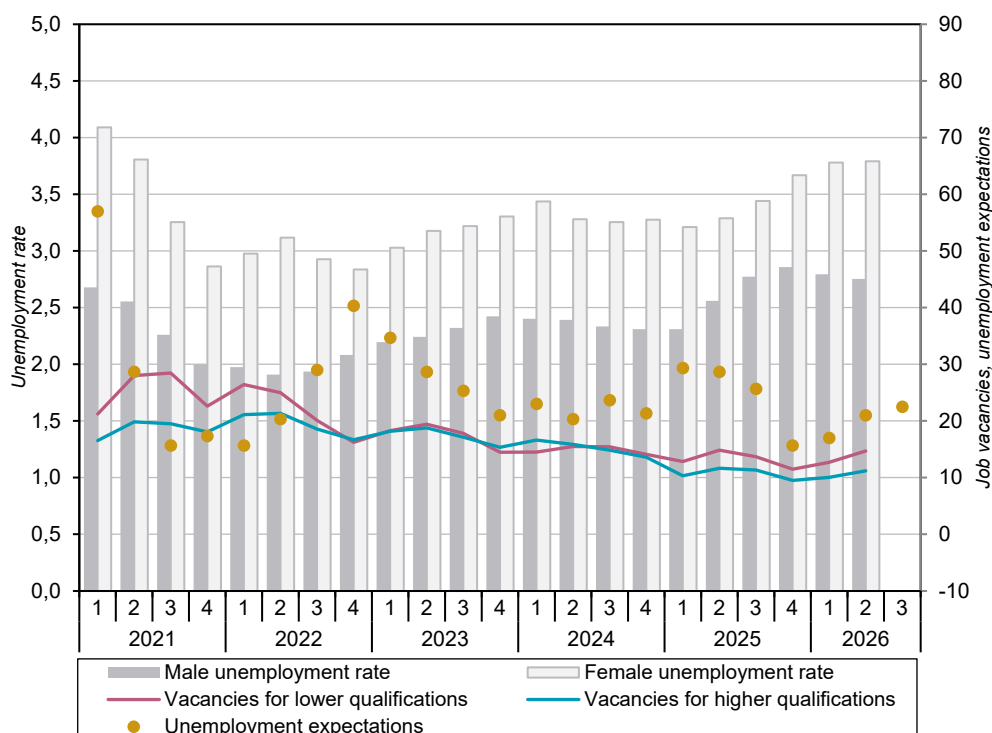
²⁴ These included the manufacturing of other transport equipment, repairs of machinery and equipment, as well as other industries (e.g. manufacturing of sporting goods, games and toys, etc.). The services included land transport, food service and restaurants, architectural and engineering activities, security and investigation activities, cleaning activities, employment placement agencies and the provision of other personal services.

²⁵ Data on unemployment rates in the Czech Republic are based on the LFSS (according to the ILO methodology) and are seasonally adjusted using a trend cycle.

²⁶ The number of economically inactive persons who are not actively looking for work, however at the same time state their willingness to work, reached 76 thousand in H1 this year, and this group decreased by 5 thousand, year-on-year.

row (to +0.5 p. p.)²⁷. Unemployment has traditionally been significantly regionally differentiated²⁸. The current increase of registered job applicants may be related (apart from normal seasonality) and ongoing structural changes in the economy to higher activity of labour offices in the field of counselling and retraining, as well as to more flexible options for their contact (digitally at a distance). It cannot be ruled out that people may have already been more courageous to change unsatisfactory jobs (e.g. with motivation to gain higher earnings or increased support in the first months of unemployment, which has been in force since January 2026).

Chart 14 General unemployment rate (in %, age 15 to 4 years), unemployment expectations of households* (in p. p.), job vacancies (in thousand)**



Note: Figures regarding the unemployment rate are adjusted using trend cycle.

* 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). It expresses the monthly average for the entire quarter, and for the last period, the average for the first two months.

** Only job vacancies (balance at the end of quarter) with a registration period of up to six months are included.

Vacancies for lower qualifications include positions requiring secondary education without A-level examination.

Vacancies for higher qualifications include secondary education (with A-level examination) or tertiary education.

Source: CZSO (LFSS, business cycle survey), MLSA (job vacancies registered at labour offices in the CR)

The supply of vacancies through labour offices increased slightly, year-on-year. However, the pressure of applicants for jobs increased slightly.

The labour offices registered 100.9 thousand vacancies at the end of April this year (in principle, only vacancies with a registration period of less than six months) and their number expanded, year-on-year, for the second month in a row (most recently by 5.4 thousand). There were currently 3.6 job applicants per 1 vacancy in the Czech Republic (including persons temporarily unreachable). This was still slightly more than in the same period last year (3.4), nevertheless at the same time (together with June this year) the least in the last nine months. There was still a significant structural mismatch between

²⁷ In January this year, it reached 0.8 p. p., which at the time represented the most significant deterioration since the peak of the pandemic (or March 2021).

²⁸ The highest share of unemployed (to the population aged 15 to 64 years) in July this year was recorded by males in the "Karviná district" (11.0%) and females in the "Most district" (12.0%). Total unemployment in the range of 7 to 10% plagued the "districts of Bruntál, Ostrava, Sokolov, Chomutov, Ústí nad Labem, Děčín and Louny". On the contrary, the lowest unemployment rate was still recorded in the districts of Prague-West and Prague-East (2.0%), Rychnov nad Kněžnou (2.9%), Pelhřimov (3.0%), Zlín (3.5%), Kroměříž, Ústí nad Orlicí and Jindřichův Hradec (both 3.6%). Year-on-year, unemployment increased in all districts of the Czech Republic – mostly due to the decline of coal mining in the "Karviná district" (+1.1 p. p.), followed by the "Bruntál district" (+1.1 p. p.), the Prostějov district and the Děčín district (+0.8 to 0.9 p. p.). However, slightly above-average growth also occurred, for example, in Plzeň (from 3.5% to 4.1%) and Prague (from 3.4% to 3.9%).

supply and demand from the qualification²⁹ and regional point of view³⁰. People's concerns about the rise of unemployment (expressed in the annual outlook in business surveys) have been growing very slightly since March this year, but they have been lower, year-on-year, and their level did not exceed the long-term average even in August.

6.2 Wages

Nominal wage growth remained relatively stable and rapid.

The favorable development of consumer prices led to a further significant increase of the purchasing power of wages. Despite this, it has not yet surpassed the level of 2021.

A noticeable shortage of available labour force in a number of sectors continued to contribute to wage growth. State measures through the institute of the minimum wage and the establishment of salary scales for employees paid from public budgets also played an important role.

The average gross monthly nominal wage of an employee in the national economy reached 51,966 CZK in Q2 2026. It increased by 6.4%, year-on-year, which was slightly higher than in Q1 2026 (when the pace was 6.1% and the wage level was 49,328 CZK), however at the same time less than the average for 2024 and 2025 (both +6.6%). Seasonally adjusted wages increased by 1.6%, quarter-on-quarter, in Q2 this year and increased at a similar pace as in previous periods (including 2025). Relatively moderate growth of consumer prices created room for a further rapid strengthening of the purchasing power of employee earnings. Average wages thus increased by 4.3%, year-on-year, in real terms and grew for the tenth quarter in a row, while at the same time reaching a slightly higher pace than the average for both 2024 and 2025. The purchasing power of gross wages was already slightly above the level of the 2019 boom year, however compared to Q2 2021 (which was on the verge of a strong inflation wave), it was still slightly behind (by 2.5%). In the case of net earnings, however, it also probably already exceeded even this level slightly³¹.

This year's brisk wage growth took place in an environment of moderate growth in the domestic economy, accompanied only by a weak strengthening of labour productivity (per worker). Persistent imbalances on the labour market, consisting mainly of a longer-term shortage of available labour force, which is most visible in construction, but also in a number of service areas (e.g. transport and hospitality), played an important role, which stimulates further growth of nominal earnings. The fading effect of strong growth of consumer prices and corporate profitability in the period 2022 to 2023, which is reflected in increased wage demands of employees, has a similar impact. Given the persistently relatively low unemployment rate (as well as its relatively stable outlook for the near future) and the absence of any significantly accentuated household concerns about its growth, there may have been a higher turnover of workers (due to increased motivation to change jobs with the prospect of higher earnings). Wage growth was also influenced by state activity – on the one hand, through a relatively brisk, steady increase of the minimum wage³², and on the other hand, mainly through wage growth in the public sector (which has usually been more differentiated in recent years in terms of various areas of public services and also different timing within the year³³).

²⁹ For three quarters of the job vacancies offered, only basic education was sufficient for the applicants and for 90% secondary education without a school-leaving certificate. On the contrary, more than a third of all registered job applicants have at least a school-leaving certificate and as many as 70% of applicants have achieved at least a lower form of secondary education. However, it should not be forgotten that better-paid jobs for applicants with higher qualifications are often primarily offered in a form other than through labour offices.

³⁰ The highest number of applicants per position is traditionally in the "mining districts" of *Karviná* (19.1) and *Sokolov* (18.3), followed by *Ústí nad Labem* (17.1), *Děčín* (16.4), *Bruntál* (10.5), *Jablonec n. Nisa* (9.5) and *Ostrava* (8.6). On the contrary, the ratio between applicants and vacancies was almost equal in the districts of *Tachov* (1.2), Prague-East and Prague-West, *Mladá Boleslav* and *Prachatice* (both 1.3), and it was also relatively favourable, for example, in Prague (1.7) and in the vicinity of *Píseň*. The pressure of applicants for vacancies increased, year-on-year, in 60% of districts, most notably in *Ústí nad Labem* (from 8.8 to 17.0, mainly due to the absolute decrease of vacancies) and *Děčín* (from 13.8 to 16.4), and among the regions the most in the "Liberecký region" and "Střední Čechy". By contrast, among the districts, it decreased mainly in *Hodonín* (from 12.2 to 7.4) and *Karviná* (from 24.4 to 19.1), and among the regions mainly in the "Jihomoravský region" and the "Vysočina region".

³¹ Regarding net earnings, the slight increase of the tax burden on labor due to the reintroduction of employee contributions to sickness insurance (the total social insurance contribution for employees increased from 6.5% to 7.1%), which was approved as part of the government's consolidation package (with effect from January 2024), has an adverse effect on their development. On the other hand, the abolition of the super-gross wage (as of January 2021) contributed significantly to the growth of the purchasing power of earnings.

³² It has increased by 7.7%, year-on-year, to 22,400 thousand CZK since January 2026.

³³ Since January this year, expenditure on salaries of education workers, soldiers and security forces has increased. The salary tariffs have been indexed for employees remunerated under the Civil Service Act and the Labour Code since April: for civil servants and other administrative professions, including culture (by 9%), for human health care workers and employees in social services (by 5%) and for doctors and dentists (by 2%).

High wage growth in administrative and support service activities continued for the second year in a row. Rapid growth was also evident in a few other low-profit branches.

Despite the decline of employment, information and communication activities maintained the highest wage level among branches.

The wage pace in industry weakened for the third year in a row. A number of major export sectors reduced their job positions.

The relatively low wage growth in the energy sector is related to last year's high payment of extraordinary bonuses.

Percentage wage growth in Prague did not differ significantly from other regions.

The difficulties of the mining industry were reflected in the decline of the number of employees at the level of the entire "Moravskoslezský region".

Administrative and support service activities stood out among the main branches in H1 2026 (as well as throughout last year) due to strong wage dynamics, where average gross earnings increased by 14.4%, year-on-year, and approached the limit of 40 thousand CZK per month. Growth was concentrated in the employment placement agency segment, with the situation of employees in cleaning services, for example, also improving relatively significantly. Earnings increased slightly above average (in the range from 6.6% to 7.4%) in other branches with a lower wage level – agriculture, forestry and fishing, water and waste management, construction, real estate activities, as well as in cultural, entertainment and recreational activities. However, advanced business services also performed well, concentrated mainly in the professional, scientific and technical activities, where wages increased above average in 2024 and 2025 and increased by 7.1% this year (to 63.8 thousand CZK). A similar increase was also recorded in the financial and insurance activities (in absolute terms, it presented 5.9 thousand – the highest of all branches). In information and communication activities, wage growth slowed down to 6.4% compared to last year's pace, but employees still received the most (94.3 thousand CZK) here. The two above-mentioned "high-earning" branches are also connected by a slight decline of the registered number of workers, which persisted for the second year in a row. Of the branches with a significant role of public services, wages increased the most this year in public administration, defence and social security (+7.5%), but the highest level of earnings was maintained by employees in human health and social work (54.1 thousand CZK), despite continued more modest wage growth (+4.6%). In the important trade branch, which concentrates almost a fifth of employees from the entire service sector, wage growth accelerated slightly to 6.3% after a weaker last year.

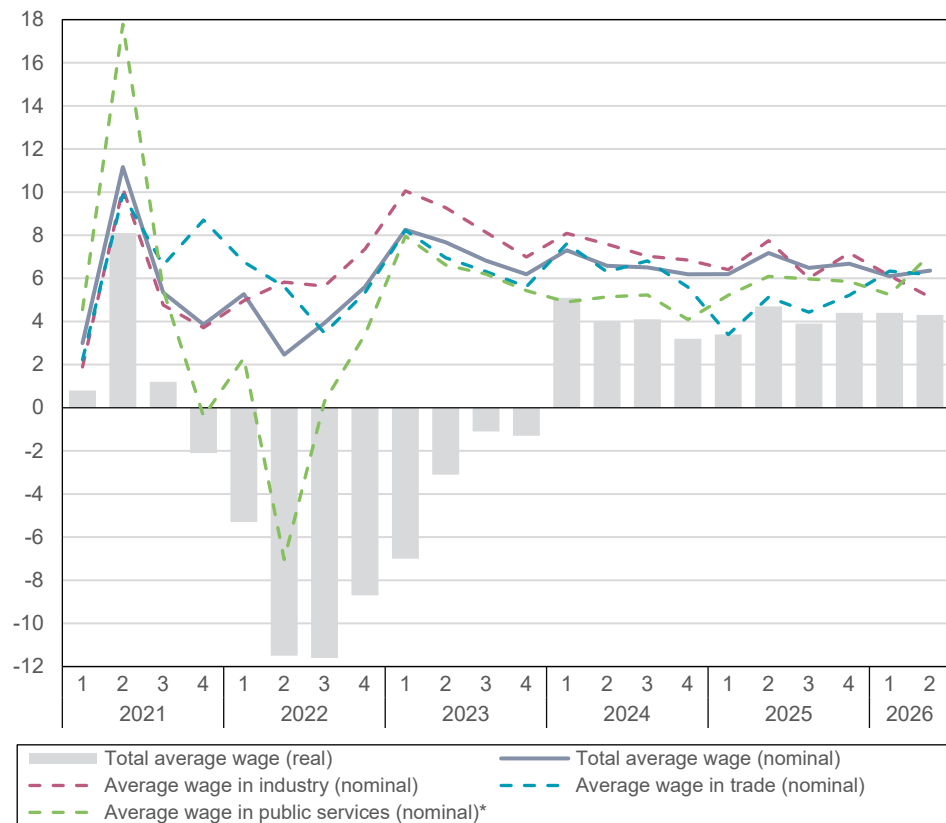
Wage growth in industry reached 5.6% this year, its pace declined for the third year in a row, and the number of employees has been decreasing virtually continuously since 2019. This reflects a controlled decline of a significant part of the mining industry, which is accompanied by continued weak growth of average wages (currently +3.6%). Within the manufacturing industry, situation of employees in food manufacturing (+6.9%) and manufacturing of electrical equipment (+6.6%) improved the most, while situation of employees in manufacturing of building materials, mechanical engineering and metalworking industry improved the least (+5.1%). This basically corresponds to the current economic results of these sectors. These are also reflected in the energy sector, where wage growth slowed sharply this year, also influenced by last year's high bonuses payments (to 2.8%, the lowest among all branches). Wage growth slowed down markedly in transportation and storage (to +4.4%) in services. In accommodation, food service and restaurants activities, which are characterised by their very low wage levels, the impact of the statutory increase of the minimum wage was not particularly noticeable. The weaker wage rate (+5.8%) contrasted with rapid employment growth. The situation was similar in other service activities³⁴, where wage growth weakened markedly compared to last year's rate (to 3.0%) and average earnings did not even reach three-quarters of the level of the national economy.

Among the regions, average nominal wages grew the most, year-on-year, in H1 this year in the "Plzeňský region" (+7.0%), the least in the "Ústecký region" (+5.3%). Wage dynamics in Prague followed the nationwide pace, however the registered number of employees grew the most among all regions (+1.5%) together with the "Pardubický region". A slight decrease of the number of employees affected only the "Moravskoslezský region" (–0.2%), where the impact of the sharp decline in coal mining was reflected. The wage level in Prague (66.5 thousand CZK/month) exceeded the national level by almost a third, and an order of magnitude less in Central Bohemia (with 51.8 thousand). The lowest wage level has long been reported by businesses in the

³⁴ These include mainly various services for households (product repairs, hairdressing and beauty activities, etc.).

“*Karlovarský* region”³⁵ (this year at 85% of the national level), with a slight gap in the “*Zlínský*, *Olomoucký* and *Pardubický* regions”.

Chart 15 Average nominal and real wage in the national economy and selected branches (year-on-year change, in %)



* Includes branches with a significant state involvement: Public administration, defence, social security; Education; Human health and social work activities; Cultural, amusement and recreational activities.

Source: CZSO

³⁵ However, the earnings of employees residing in this small region may actually be higher due to commuting to other regions of the Czech Republic and also due to work in Germany.