6. Labour Market

Branch-differentiated employment growth continued, saturated largely from abroad. However, the number of unemployed also increased slightly. Wage growth maintained a brisk pace.

The strengthening of the economy's output was gradually reflected in the labour market in 2025. There was a slight increase of the number of both employees and self-employed persons, the focus of which was on services, which generally benefited from growing domestic demand. The growth of investment activity in the economy was reflected in construction performance, employment and wages. The improved situation in industry was also partly reflected in employment towards the end of the year. The influx of workers from abroad, in addition to Ukraine, also from distant Asian countries continued at an enhanced intensity. Companies' expectations in the area of employment were improving, a positive shift was evident in trade and construction, and currently also in industry. Unemployment, including its long-term component, increased slightly. The supply of job vacancies stagnated and a long-term structural mismatch between supply and demand persisted. Brisk nominal wage growth continued and there was no apparent tendency for the dynamics to weaken from their quarter-on-quarter rates. Wage growth accelerated for the lowest-paid employees at the end of the year. The stabilisation of the price level in the economy led to rapid growth of real wages, which has been evident in all major economic activities since the beginning of last year. The purchasing power of gross employee earnings reached the level of Q4 2019 at the end of the year.

Employment increased, quarter-on-quarter, for most of last year. The number of workers in the Czech Republic has again moved to an all-time high.

The employment growth rate increased at the beginning of last year. Total employment[1] increased by 0.4%, quarter-on-quarter, in Q1 2025 and by 0.5% in the following period. This recovery was due to most of the services branches, as well as industry, which experienced a partial stabilisation (and the number of employees did not decrease here anymore, quarter-on-quarter, in Q2). However, the total brisk pace was not maintained in Q3, and the number of employees only stagnated at the very end of the year, mainly due to a partial correction in the economic group trade, transport, accommodation and food service activities. Employment in the total economy currently stood at a record 5.52 million people and was already 2.7% higher (+145 thousand) compared to the peak from the last boom period (Q4 2018), mainly as result of the development of public services[2].

Both employees and small entrepreneurs participated on the slight year-on-year growth of the number of employees.

Total employment increased by 1.1%[3] in 2025, increasing for the fifth time in a row and slightly accelerating compared to the pace the year before last. Not only employees (+46 thousand), but also the self-employed (+12 thousand)[4] contributed to the growth last year, whose percentage increase was nevertheless half that of employees. From a branch perspective, the services sector continued to play a key role in the total employment dynamics in the economy. If in 2023 the total employment was driven by advanced business services (concentrated mainly in the professional, scientific, technical and administrative activities) and by real estate activities in the subsequent

[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] 12% more people (+117 thousand) were employed in the public administration and defence, education, human health and social work activities in Q4 last year compared to the end of 2018. Increases in construction (+13%), professional, scientific, technical and administrative activities (+8%), information and communication (+18%) and also real estate also had a significant impact.

[3] Unlike the year before last, domestic employment grew faster than in the EU (where it grew by 0.5% in year 2025), also for the reason that the domestic growth was also supported by self-employed persons. As in the Czech Republic, the increase of jobs in the Union manifested exclusively in construction (+1.1%) and across the services branches - the most in real estate activities (+2.9%), financial and insurance activities (+1.3%) and branches with a significant state role (+1.2%). On the contrary, the number of workers shrank in manufacturing (-0.7%), where the situation rather continued to deteriorate (there was no positive turnaround even in Q4 2025), similarly to the primary sector (-4.8%). The total number of workers in the economy grew the most last year in Malta (+3.9%) and among the major countries, mainly in Spain (+2.7%) and Italy (+1.1%). Employment stagnated in France, Germany and in all other countries neighbouring the Czech Republic. Only Romania (−3.5%) recorded a more significant decline, followed by a milder decline in Lithuania (−0.7%), Latvia, Estonia and Finland (equal: −0.5%) and Slovenia (−0.4%). Industrial employment had a significant impact on the different rates between Member States, with the fastest growth in Spain (+3.9%) and Ireland (+3.6%), the largest contraction in Estonia (-4.5%) and Romania (-4.2%), and a widening decline to 1.8% in Germany.

[4] More detailed data from the LFSS show that both the number of entrepreneurs without employees and employers increased, year-on-year, in Q3 and Q4 of 2025.

Public services were the focus of employment growth. More advanced business services, real estate, trade and tourism also did well.

period, public services[5] took over this role last year. There were 1.8% more jobs in them, year-on-year, and all economic activities (human health and social care the most) contributed to this increase, the highest in the last four years. However, employment increased relatively most significantly in the smaller diversified sector of other service activities[6], where the number of entrepreneurs (+4.4%) and employees (+4.0%) increased rapidly, and the total number of workers in this branch, which was significantly affected by anti-pandemic restrictions, thus exceeded the record level of pre-crisis 2018 for the first time. A slower growth persisted in the group trade, transport, accommodation and food service activities last year (+1.0%). On the one hand, trade and tourism-related activities prospered, but at the same time, jobs in transportation and storage were declining, which was connected to the ongoing weaker dynamics of performance in industry. Employment increased by 1.3% in professional, scientific, technical and administrative activities, which mainly concentrate specialists providing advanced services mainly for the corporate sector, which was the lowest in the last four years (also due to a slowdown of growth in the category of employees). Real estate activities developed rapidly (+3.5%), where primarily employment jobs continued to grow. By contrast, total employment in the most advanced services (included in the quaternary sector of the economy) grew only slightly in recent quarters – only by 0.5% in ICT last year (the pace slowed for the third year in a row). It even decreased (by 0.2%, for the second year in a row, solely due to employees) in financial activities. While the total employment growth rate in ICT last year was the weakest since the recession in 2012, it was a confirmation of a longer-term trend related to the development of digitalisation in the financial and insurance activities. In a dynamically changing technological environment, both industries thus face challenges to maintain competitiveness and high productivity and simultaneously effectively use the relatively expensive (and not always easily accessible) work of specialists.

The lowest number of workers was added last year in the time period after year 2012 in the ICT area. The reduction of employment continued in financial activities.

Employment growth accelerated also thanks to the strengthening of the role of small entrepreneurs in construction.

Outside the services sector, the number of workers increased only in construction last year (+2.5%). The high stock of construction orders led to a strengthening of employment during the year (up to 3.5% in Q4), to which small entrepreneurs contributed significantly. On the contrary, the number of workers decreased, year-on-year, in manufacturing for the third year in a row. However, last year's reduction was relatively milder here (-0.2%) and was driven by both employees and the self-employed. In addition, external demand for goods recovered in Q4 2025, and domestic investment activity (machinery, weapons) also improved, which was positively reflected in employment – it grew by 0.3% and recorded its first year-on-year growth after thirteen quarters (a positive turnaround was recorded in the segment of small enterprises in industry). In other industry, employment fell by 0.4% for the whole last year after three years of moderate growth. The impact of the deepening slump in mining and quarrying became apparent, and it was not compensated by a slight strengthening of employment in water and waste management. The number of workers did not change significantly in the primary sector of agriculture, forestry and fishing for the third year in a row, but it was 6% lower than in 2018.

The reduction of employment in manufacturing eased last year and stopped in Q4. However, the situation in many traditional export industries is still difficult.

Hours worked increased faster than the physical number of workers, especially in construction and advanced business services.

The total number of hours worked[7] in the economy increased by 2.3%[8], year-on-year, last year, and the pace also accelerated slightly during the year. As in previous years (since the retreat of the COVID-19 pandemic), the number of hours has expanded faster than the number of employed persons (in physical persons). The same was valid with similar intensity for employees and the self-employed last year, and from the point of

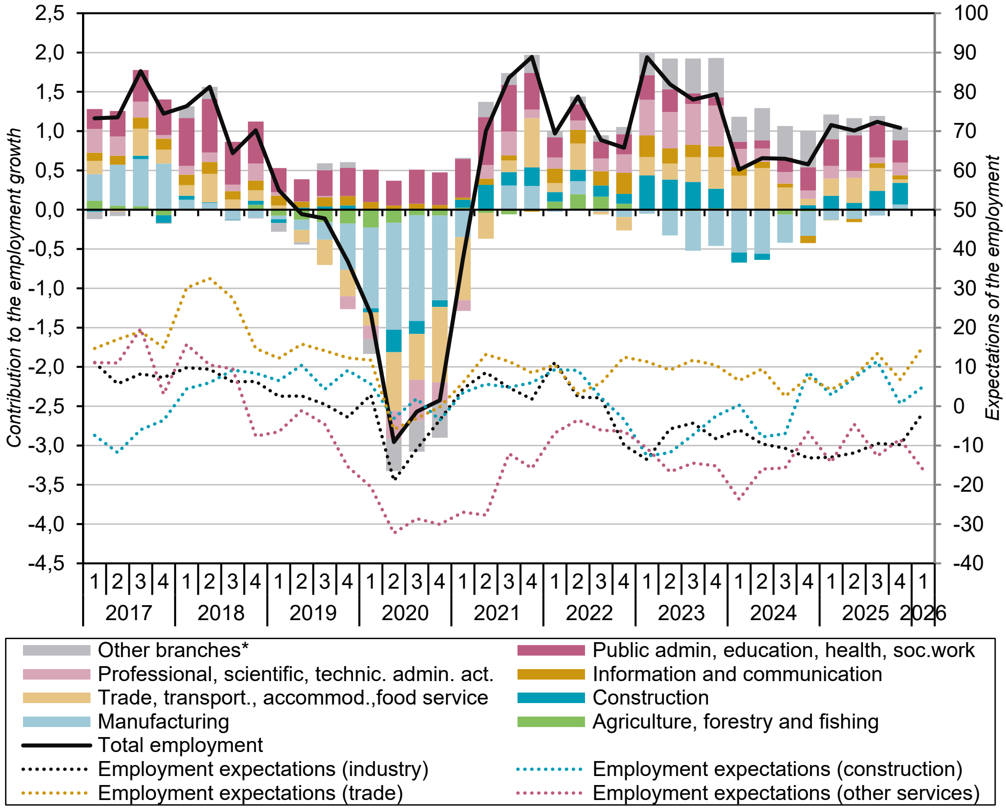
[5] For simplification consist of economic group public administration and defence, education, human health and social work activities.
[6] These include in addition to cultural, amusement and recreational activities, for instance various services for households (repair of goods, hairdressing and cosmetic activities, etc.). Employment is comprised of more than one third of small entrepreneurs in this branch (or self-employed persons).
[7] Data stem from the national accounts' conception and are seasonally adjusted.
[8] Compared to 2019, the number of hours worked in the economy was higher by 5.2% last year, of which 9.8% for the self-employed. A similar increase was 2.9% for the number of manual workers, of which 5.4% for the self-employed.

view of the main economic activities then in general especially for construction (where the number of hours worked compared to employment grew at almost twice the rate), and to a lesser extent also for most other areas of the economy (with the exception of some services branches with a small weight[9]). This is related to the lack of manual (both skilled and less skilled) workers, as well as specialists on the market.

Labour productivity growth has resumed, mainly thanks to the ICT branch. Construction or primary sector also prospered.

The acceleration of economic performance led to an increase of labour productivity last year, even with a relatively significant growth of hours worked. Hourly productivity[10] increased by 0.3%, year-on-year, and grew for the first time since 2021. It increased the most in ICT (+6.2%) and was also the main driver of productivity growth in total economy. It also grew rapidly in construction (2.2%) and similarly in the primary sector or in the group trade, transport, accommodation and food service. On the contrary, there was a decline in business support service activities for the third year in a row (by 1.4% last year, by 4.3% in total), and productivity also declined slightly in manufacturing and financial activities. A positive turnaround in productivity expressed per worker (in physical persons), which increased slightly, year-on-year, already in Q2 2024. Compared to 2019, this productivity was slightly higher (+2.2%), mainly due to manufacturing, ICT, financial and also the primary sector, where it grew by almost a fifth over this six-year period. By contrast, it lagged behind the pre-crisis level mainly in real estate activities and construction (by 16%). Hourly labour productivity across the economy was completely comparable to year 2019 levels last year.

Chart 14 Total employment (year-on-year in %), **contributions of branches to year-on-year change of employment (in p. p.), expectations of employment** (in p. p.)



* Mining and energetics; Financial and insurance activities; Real estate activities; Arts, entertainment and recreation activities. 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)

[9] These are activities in real estate, where the time worked (as in the only major economic activity) even decreased slightly last year (by 0.3%). The second exception is the other service activities, where 3.0% more hours were worked, year-on-year, last year, however employment increased by as much as 4.2%.
[10] Expresses seasonally adjusted GDP or GVA at the level of individual branches (in 2020 prices) per hour worked by employed persons (after seasonal adjustment).

The growth of the number of working foreigners in the Czech Republic accelerated last year. Their increase was still driven mainly by the citizens of Ukraine.

The labour market has long been struggling with a low supply of available labour force in the Czech Republic due to demographic ageing and low birth rates[11]. This, together with the growing pressure of companies to optimize production costs, stimulates the demand of domestic employers for workers from abroad. Legislative changes to reduce the administrative burden in this area have helped to facilitate the employment of foreigners in recent years. This applies to both Ukrainian citizens[12] and foreigners from other countries, not only from economically less developed countries outside the EU[13]. The long-term influx of foreign workers to the Czech Republic therefore continued. In the dominant group of employees, a record 935 thousand of them were registered at the labour offices last December, according to qualified estimates by the Ministry of Labour and Social Affairs. This was 90 thousand more[14], year-on-year, while the growth rate accelerated compared to previous years. Citizens of Ukraine traditionally accounted for the highest year-on-year increase (+53 thousand to 358 thousand, of which females +27 thousand, to 190 thousand), followed by Slovakia (+13 thousand, to 229 thousand), the Philippines (+4.3 thousand, to 14.0 thousand) and Vietnam (+2.1 thousand, to 23.0 thousand). Among the more important groups of foreigners, the number of citizens of India, China and Kazakhstan, Uzbekistan and Azerbaijan grew rapidly (both around 20%). On the contrary, for a number of large groups of workers from relatively poorer countries of Central and Eastern Europe – mainly from Poland, Bulgaria, Romania and Macedonia – their number grew minimally (up to 2%), while it decreased slightly (up to 5%) for Serbia and Bosnia and Herzegovina. This is related to the gradual levelling of wage levels in this region. A third of all foreigners in employment status in the Czech Republic were registered in Prague (together with the "*Středočeský* region", half of them). Year-on-year, there was an increase of foreigners in all regions – the highest in Prague (+16%), "*Olomoucký* region" (+15%), "*Karlovarský* region" and "*Pardubický* region" (+10%), and the least in "*Liberecký* region" (+4.5%)[15].

The influx of people from some Asian countries has accelerated. The number of workers from Central and Eastern Europe usually increased only slightly.

The year-on-year growth of the employment rate for persons aged 15 to 64 halted at the end of last year.

The above trends were reflected in the continuing growth of the number of workers with higher qualifications (especially specialists, technical and professional workers and officials), but employment in the lowest class of assistant and unskilled workers also increased slightly[16]. On the contrary, the number of people in some manual professions decreased, especially craftsmen and repairmen or operators of machinery and equipment. The long-term trend of gradual ageing of workers also continued, with employment growth being overwhelmingly driven by people over the age of 45. The employment rate[17] (persons aged 15 to 64 years) reached 75.4% in January this year, falling by 0.3 p. p., year-on-year (it had been rising slightly for the vast majority of last

[11] It stems from the LFSS data, that the number of economically inactive persons not looking for work but stating their willingness to work amounted to 75 thousand last year in Q4 (similarly to the preceding year). In addition, only a fifth of this number was able to start work (a significant part of the work reserves are students and women on parental leave) immediately (within 14 days). Further, it is also possible to include the frictionally unemployed in the labour force reserves – in a broader sense, people who have been unemployed for less than one year. According to the same source, there were 106 thousand of them (a tenth more, year-on-year). A numerically marginal group of part-time workers who report a willingness to work longer (20 thousand) can also be added. Even with the theoretical immediate integration of all these people into the labour market (not taking into account their territorial and qualification mismatch with potential vacancies), the total number of employed persons would increase by only 3.9%.
[12] More than four-fifths of all Ukrainian citizens (or 74% of males and 91% of females) working in the Czech Republic in an employed capacity did not need a work permit (work permit, the employee card or blue card) at the end of Q4 2025.
[13] 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) newly do not need a work permit or employee cards in the Czech Republic. At the end of December last year, 10.0 thousand persons from these countries worked in the Czech Republic in an employment position (up 4%, year-on-year).
[14] In addition, the Ministry of Industry and Trade registered 146 thousand foreign nationals with trade licenses in the Czech Republic in the same period (a tenth more year-on-year). Ukrainians, of whom 52,000 did business in the Czech Republic, accounted for two-thirds of this growth, followed by Slovaks (28,000), Vietnamese (21,000) and Russians, Romanians, Germans and Poles with a significant margin.
[15] This region, with a relatively strong representation of industry, has recently faced relatively higher unemployment and job losses (probably also in subcontractors for the motor vehicle industry).
[16] According to data from the LFSS, their number increased by 21 thousand or 8%, year-on-year, in Q4 2025 (the growth rate was strengthening last year), which could be related to a strong influx of workers from non-EU countries.
[17] These are data in a new model of seasonal adjustment – using the trend cycle. The innovated adjustment model better reflects changes in the nature of the labour market and seasonality. The monthly unemployment rate is similarly adjusted.

However, female employment continued to grow, albeit at a more moderate pace.

year). The decline was caused exclusively by males, for whom the rate reached 80% (−1.1 p. p.), while for females the growth continued to 70.5% (+0.6 p. p.). However, the gap between males and females is no longer as intense as it used to be from H2 2025, (the rate of year-on-year fall of the male employment rate is no longer deepening, while growth for females is noticeably weakening). Males are affected by partial improvements in industry and the developing construction industry. The development for females indicates a possible current exhaustion of growth potential in some branches of market services, as well as the fact that most of the females from the ranks of Ukrainian refugees have probably already integrated into the labour market. Also, the increase in the supply of part-time work, particularly noticeable in 2022 and 2023[18], moderated last year[19].

Short-term employment expectations of businesses have improved in industry and trade this year, while the opposite has been achieved in services.

There was a slight increase of enterprises limited by the lack of free labour force in construction and services.

Short-term expectations of domestic companies in terms of their own employment[20] were already improving during 2024. The beginning of last year brought (not only in the Czech Republic, but also in the EU and the euro area) a short-term strengthening of the negative outlook, which reflected the growing uncertainty of entrepreneurs probably stemming from external (foreign) factors. Nevertheless, the outlook began to improve slightly again in Q2, and the total indicator of employment expectations in the Czech Republic rose to the highest level in the summer in the last two and a half years (and its level corresponded to the long-term average). There were no significant changes in the rest of the year, however a slight whiff of optimism prevailed at the beginning of 2026, particularly evident in industry and trade. On the contrary, a deterioration occurred in services and expectations, employment was the weakest[21] here among all the main sectors. Naturally, significant differences persisted within sub-sectors[22]. The share of enterprises for which labour force shortages present one of the major barriers to growth[23] has traditionally been highest in construction at the beginning of Q1 2026 (57%). The opposite was true in services (15%) and also in industry (11%), where the role of this barrier decreased slightly, year-on-year, while it strengthened slightly in construction and services.

The general unemployment rate rose

The general unemployment rate[24] has started to increase slightly since last spring after stagnating in 2024. Unemployment for persons aged 15-64 years was 3.3%[25] in January

[18] This was 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 jobs from year 2023 (in particular in the form of a discount on employers' 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).

[19] Nevertheless, the number of people working in this form grew slightly, year-on-year. According to data from LFSS, 366 thousand of females (+7.5%, year-on-year) and 149 thousand of males (+3.7%) worked part-time in the Czech Republic in Q4 2025. Although a full third of women working part-time were aged 30–44 years, the year-on-year growth of the number of these jobs was concentrated in older or alternatively the youngest women (up to 25 years of age). 12.4% of females worked in this form in the age group 25 to 54 years and this share stagnated, year-on-year (it was 15% in the total female population). Thus, in the European context, the Czech Republic is still one of the countries with a significantly below-average share of part-time work. 29% of all females aged 15 to 74 worked in this way in the EU in Q4 2025, 50% in Germany and Austria, and even around 63% in the Netherlands. On the contrary, among the countries that joined the Union after 2000, only Estonia (20%) and Malta (17%) had a higher share than the Czech Republic, and Greece (10%) and Portugal (8%) had a very low share among the older members. Year-on-year, this share increased the most in Finland, Belgium, Latvia, Poland and Slovakia (in the range of 1 to 2 p. p.), and by 0.4 p. p. in the Czech Republic.

[20] Unless stated otherwise, seasonally adjusted data are used from now on.

[21] According to the Business Survey from February 2026, a quarter of companies (excluding seasonality) expected a reduction of the number of employees in selected services over a three-month horizon, a tenth both in industry and construction (but only 3% in trade). On the contrary, the intention to expand the number of workers was most evident in trade and construction (both 18%) and the least in industry and services (only 10% of firms agreed).

[22] The prevailing negative anticipations of employment were expressed by enterprises in one half of *manufacturing industries*. Mechanical engineering, metallurgy and foundry industry, manufacturing of building materials and chemical industry, and from smaller activities the textile, clothing, woodworking and furniture industries held the worst prospects. On the contrary, positive employment outlook persisted mainly in the manufacturing of rail transport equipment, electrical engineering, repairs of machinery and equipment, pharmaceutical and food industry. In *services*, negative expectations prevailed in a quarter of sub-sectors – most notably in financial and insurance activities, motion picture and sound industry, telecommunications and advertising. By contrast, optimism prevailed in restaurants and food service, information activities, warehousing, activities of head offices and management consultancy activities, security and investigation activities.

[23] Businesses could have stated more barriers simultaneously.

[24] 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.

[25] The labour market remains generally stable within the EU. The seasonally adjusted unemployment rate (persons aged 15-74 years) was 5.8% in the Union in January 2026, and 6.1% in the euro area. There was no significant change month-on-month or year-on-year. Current unemployment in both formations is almost at its historical lows (yet it is currently slightly higher than, for example, in the USA,

slightly for most of the year. Still, it remains low from both a historical and international point of view.

this year (males: 2.8%, females: 3.8%). General 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 0.5 p. p., year-on-year, similarly for males and females (however, it showed higher month-on-month dynamics for females in the last half of the year, while it was stabilised for males). This is mainly related to the situation in the industry. Especially the developing services were still largely able to absorb the redundant workers from some declining industries. This is one of the reasons why the number of long-term unemployed has not increased dramatically[26]. At the same time, hidden unemployment (in the form of a temporary "escape" into economic inactivity) is not increasing significantly either.

The number of registered job applicants increased slightly. Their share of the working-age population was the highest since January 2017.

Data from the Labour Offices (LO) do not yet indicate a significant cooling of the domestic labour market. The seasonally unadjusted share of registered job applicants on the total population of persons aged 15 to 64 years reached 5.1% at the end of January this year (males: 4.9%, females: 5.4%). This is 0.8 p. p. more, year-on-year, the most significant deterioration since the peak of the pandemic (March 2021). Moderate growth of unemployment continued continuously throughout 2024, the year-on-year growth rate gradually increased slightly last year. The last time unemployment was higher compared to the current level was in January 2017. Unemployment has traditionally been significantly regionally differentiated[27]. The current increase of registered job applicants may (in addition to the usual seasonality) also be related to higher activity of the Labour Office in the field of counselling and retraining, as well as to more flexible contact options for the Labour Office (digitally at a distance). It can be assumed that people may already be more courageous to change unsatisfactory working positions (e.g. with motivation to earn more or enhanced support in the first months of unemployment, which has been in force since January 2026). It also cannot be ruled out that proportion of persons who intended to leave their jobs in recent months have timed their departure only for the period of validity of higher unemployment benefits.

The acceleration of economic growth last year did not translate much into a higher supply of job vacancies through the Labour Offices.

At the end of January this year, the Labour Offices registered 86.4 thousand job vacancies[28] (in principle, only vacancies with a registration period of less than six months). There were fewer of them month-on-month for the fourth month in a row (and at the same time, comparable number to the end of January 2025, 83.3 thousand). The development of vacancies during the last year basically corresponded to standard seasonal influences. The impact of the accelerating growth of the economy is not yet

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where it was 4.3%, or in Japan with 2.7%). Unemployment in the Czech Republic (3.2%) is one of the lowest, currently together with Poland and Bulgaria (3.1% each) and Malta (3.4%). It is now at 4% in Germany and the Netherlands, 4.5% in Hungary, and at 5.6% in Slovakia and Austria. The worst situation is in Finland (10.0%), and after a long time, Spain (9.8%) and Greece (7.7%) are not in the lead in the EU, as the reduction of unemployment in these countries is currently one of the highest. There was also a positive shift in Sweden, yet unemployment remains high (8.0%). It also continued to increase in France (7.7%) and Denmark (7.5%). Year-on-year, total unemployment is lower in 11 Member States – mainly in Greece (−2.1 p. p.), Sweden (−1.8 p. p.) Italy (−1.5 p. p.), Estonia (−1.3 p. p.) and Spain (−1.1 p. p.). On the contrary, there was a deterioration in 14 countries – mainly in Finland and Denmark (both +0.9 p.p.).

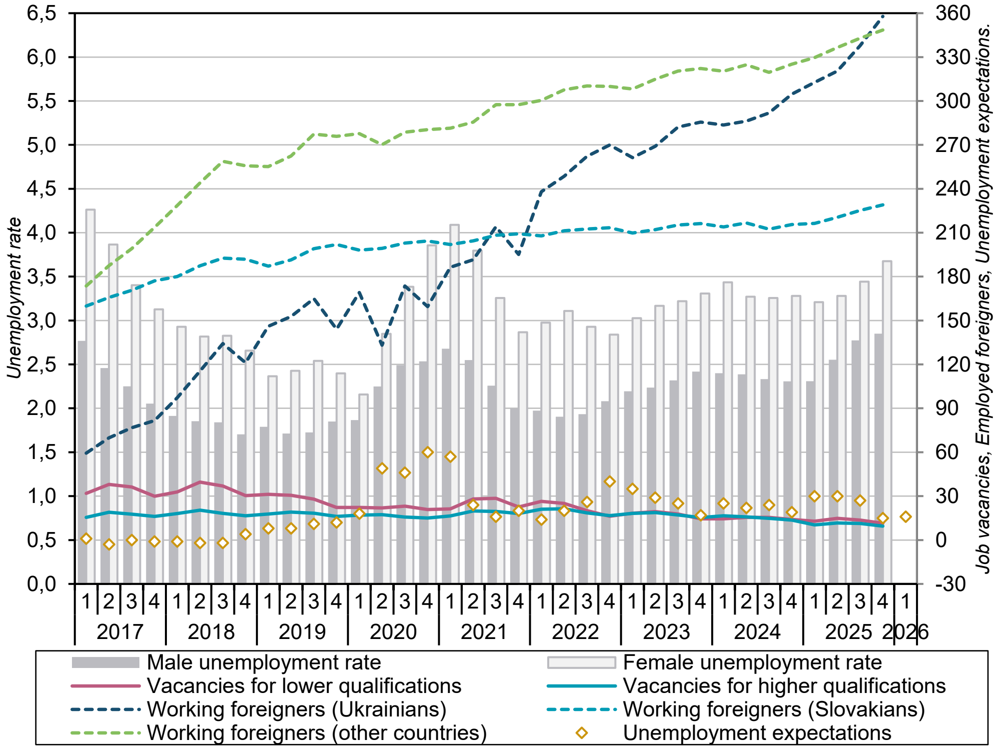
[26] Year-on-year, there were 13 thousand of them more in Q4 (to 52 thousand), mainly due to the influence of males. People who have been unemployed for more than a year currently account for 33% of the total number of unemployed (29% a year earlier), which represents an average value in the long-term and international context.

[27] The highest share of unemployed (to the population aged 15–64) was currently held by males in the "*Karviná* district" (10.5%) and females in the "*Most* district" (11.8%). In addition to the above-mentioned regions, total unemployment exceeding the national value by at least half was recorded in the "districts of *Bruntál, Sokolov, Chomutov, Znojmo* and *Děčín*". On the contrary, the lowest (below 3.6%) was in the immediate outskirts of Prague and in the "*Rychnov, Pelhřimov and Mladá Boleslav* districts". Year-on-year, unemployment increased in all regions of the Czech Republic – the most in the "*Sokolov* region" (from 6.3% to 8.2%), the "*Most* region" (from 8.8% to 10.3%) and the "*Česká Lípa* region" (from 4.9% to 6.4%).

[28] According to the CZSO experimental statistics (surveys of enterprises carried out since 2020), the offer of domestic companies was estimated at 99 thousand vacancies in Q4 2025 (these are only employed positions, not temporary jobs, e.g. various types of agreements). The number of job vacancies decreased by 2%, year-on-year (and was slightly falling also in the previous last year's quarters). The current decline of supply was mainly due to administrative and support activities (-2.2 thousand), as well as public administration and transport, including warehousing (both around 1 thousand) and, somewhat surprisingly, construction and information and communication. On the contrary, the supply of jobs in trade and industry grew the most (both by about 2 thousand) and in education (+1.2 thousand). Most vacancies were in sectors with an important role of the state (26 thousand), in industry (25 thousand) and in trade (13 thousand).

very evident in the supply of job vacancies[29]. There were currently 4.4 applicants per 1 vacancy in the Czech Republic (including persons temporarily not available). A significant structural mismatch between supply and demand persisted from both a qualification[30] and regional perspective[31]. People's concerns regarding rising unemployment (as expressed in business surveys) grew in H1 2025, subsequently stabilised and decreased significantly during the autumn months, thus being below the long-term average at the beginning of 2026.

Chart 15 General unemployment rate (in %, age 15-64 years)**, unemployment expectations of households*** (in p. p.), **job vacancies**** (in thousand) **and working foreigners with the employee status***** (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). Data relates to the second month of the given quarter.
**Only job vacancies with a registration period of up to six months (balance at the end of quarter).
Vacancies for higher qualifications include positions requiring at least secondary education with A-level or higher education.
***Number of foreigners in the status of employee registered at labour offices in the Czech Republic (at the end of the relevant quarter).
Source: CZSO (LFSS, business cycle survey), MLSA (JV registered at labour offices in the CR, employed foreigners)

The growth rate of nominal wages did not change much during the last year.

Wage growth was supported mainly by

The average gross monthly nominal wage of an employee in the national economy reached 52,283 CZK in Q4 and increased by 7.4%, year-on-year. Seasonally adjusted wages increased by 1.8%, quarter-on-quarter, which is not out of step with the development over the last 1.5 years. The recalculated number of registered employees increased by 0.2%, year-on-year (the same as in total since the beginning of last year). The average gross monthly wage for the whole last year was 49,215 CZK and increased by 7.2% (identically in years 2023 and 2024). The persistently brisk wage growth is related to the gradual strengthening of the performance of the domestic economy,

[29] However, many job vacancies (especially for people with higher qualifications) are advertised in a different form (e.g. via job portals). At the same time, not all unemployed persons (according to the international concept of the ILO) use labour offices as their primary source of information on job vacancies. People with higher education more often prefer several ways of looking for a job simultaneously (placing and updating CVs, actively attending interviews, etc.).
[30] For almost three quarters of job vacancies, only basic education was sufficient for applicants. On the other hand, more than a third of all registered job applicants have at least a high school diploma.
[31] At the end of January 2026, the highest number of applicants for a position was traditionally in the "Karviná district" (20), followed by *Sokolov* and *Děčín* (17 each), *Bruntál* (14*), Hodonín* and *Znojmo* (12) and *Jablonec n. Nisa* (11) and *Ústí nad Labem* (10). On the contrary, the ratio between applicants and vacancies was almost equal in the "districts of *Mladá Boleslav*" (1.3), Prague-East and West (1.4) and continued to be favourable in the "Tachov region" (1.6) and Prague (1.7).

improved economic performance and a persistent shortage of available labour force in a number of activities.

including labour productivity growth. There is also general shortage of available labour force, which is most visible in construction, but also in some services (e.g. transportation). Given the persistently relatively low unemployment (as well as its stable outlook for the near term) and the subsiding concerns of households regarding its growth, there may be a higher turnover of workers. They may be more motivated to change working positions with the vision of higher earnings (among other things, due to the influence of state employment policy – an increase in the supply of retraining, an enhanced state support for people in the first months of unemployment). On the other hand, wage growth in the economy was still dampened by the need for savings in the budgetary sphere and also by the steadily rising number of foreign workers from "third countries". They often occupy low-skilled positions, and their earnings therefore usually do not reach the level of Czech citizens[32].

The rapid growth of the purchasing power of average wages persisted. Purchasing power was at the level of the end of 2019.

With consumer price developments stabilising, annual growth of the average real wages rose to 5.1% in Q4 (to 4.6% for the whole last year, similarly in 2024). Although this represents a high growth, it lags by about 1 p. p. in comparison to the boom years 2018 and 2019. Year-on-year, the purchasing power of wages increased in all major economic activities (including the most important branches of manufacturing), which was also valid in previous quarters last year. At the level of the total economy, real wages have been growing, year-on-year, continuously since the beginning of 2024. In total, the current purchasing power of gross wages was currently at the level of Q4 2019, while net earnings already likely moved slightly above this level[33].

Wages grew relatively the most in advanced business support services throughout the year, and in the energy sector then in Q4.

However, wages of employees in construction and in the primary sector also improved significantly.

Year-on-year wage growth at the end of last year did not differ much from the rates for the whole 2025 in most economic activities. However, there have traditionally been more significant differences in wage dynamics between economic activities. These were also linked to the payment of extraordinary bonuses and pre-Christmas bonuses in Q4. The wage growth was 15.8% in the energy sector (only 7.8% for the whole last year). The improved economic results of this branch and a lower comparative wage basis were reflected. The high demand for qualified specialists continued in professional, scientific and technical activities, and wages thus increased by 11.8% in Q4 (similarly in the full-year perspective, where it presented the highest growth among all economic activities). However, some branches with traditionally low wage levels also performed well - earnings in agriculture, forestry and fishing grew by 11.5% (the highest since Q1 2008). The growth was driven by good economic results (higher crop yields, growth of the profitability of some livestock farming) and the progressive modernisation of production, which reduces the demand for low-skilled labour force (which is already difficult to access for this branch). Wage growth was 10.9% in construction (it was higher than the pace in the economy as a whole for more than two years), with employment mildly strengthening at the same time. Earnings were higher by 9.1% in administrative and support service activities and by 8% in transportation and storage – in both cases accompanied by long-term declining employment. This is not the case in real estate activities, where wages increased moreover by 8.8% and their level was gradually approaching the level of the total economy.

Wage growth in economic activities with an important role of the state lagged behind the

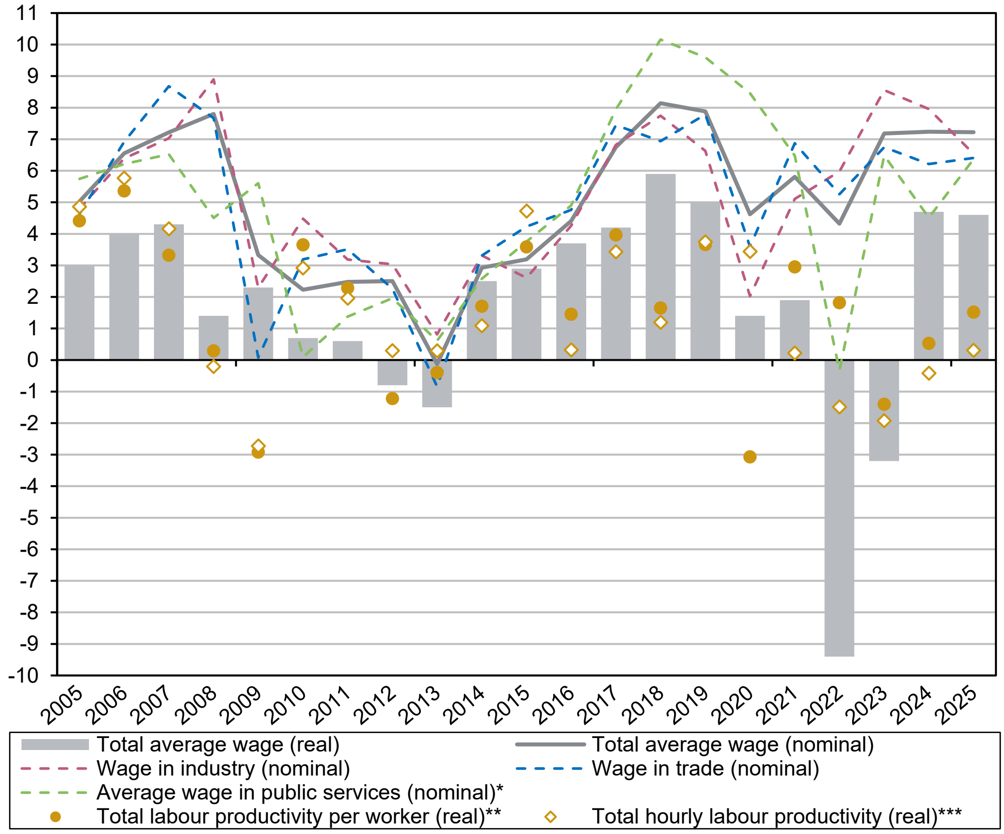
Wages in economic activities with an important role of the state increased the most in cultural, entertainment and recreational activities in Q4 (and throughout last year), specifically by 9.8% (however, their level remained below average, in contrast to other

[32] According to the preliminary results of the Information and Statistics on Average Earnings (under the responsibility of the MLSA), the median wage of Ukrainians working in the Czech Republic reached only 77% of the wage of workers with Czech citizenship last year, it was 91% for citizens of Bulgaria, 97% for Poland and Romania, but 116% for Slovaks and 97% for other foreigners in total.
[33] Regarding net earnings, the slight increase of the tax burden on labour 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 impact on their development. On the contrary, the abolition of the super-gross wage (January 2021) contributed to the growth of the purchasing power of earnings.

economy as a whole for the fourth year in a row last year.

areas of public services). Average wages increased by 8.4% in public administration and defence and compulsory social security (their pace strengthened during the year, while in contrast the growth was very low throughout 2024). Weaker wage growth in education (6.6%) and human health and social care (4.5%) was partly “sacrificed” to continued rapid growth of employees (it amounted to over 2% in both cases). In total, wage growth in branches with an important role of the state lagged behind the economy as a whole for the fourth year in a row.

Chart 16 Average nominal and real wage and labour productivity in the national economy (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.
**Expresses GDP in total economy (in 2020 prices) related to 1 worker (in natural persons).
***Expresses GDP in total economy (in 2020 prices) related to the total number of hours worked.
Source: CZSO

The persistently moderate wage rates in industry reflect the difficult economic conditions of this branch.

Weaker economic results, together with still significant cost pressures, translated into relatively moderate wage growth in manufacturing, which stood at 6.8% in Q4 2025 (6.6% for the full year). Among the main sectors, earnings increased the most in the manufacturing of motor vehicles and motorcycles (+7.5%, to 59.4 CZK thousand per month), the least in its subcontracted branch – rubber and plastics (+5.1%). It remains true that among the main manufacturing branches, the number of employees is expanding only in the food industry (in the automotive sector, on the contrary, the decline is one of the highest: around 3%). Mining and quarrying lost almost a tenth of workers, year-on-year, and the average wage grew at a weaker pace for the second year (by 4.7% in Q4 of last year), and its level (mainly in the annual perspective) did not differ significantly from the total economy. In the trade sector, which concentrates almost a third of employees in the total services market segment, wages increased by 7.1% in Q4 (by 6.4%, year-on-year). The same was true in accommodation, food service and restaurants, as well as in information and communication (ICT). Still, the average earnings in ICT (90.7 thousand CZK) remained at the top among the economic activities and were three times higher than in accommodation, food service and restaurants.

The relative wage pace continued to be below average in the financial and insurance activities.

Wages increased by only 3.7% (by 5.2% for the whole last year, which was the third year in a row at a below-average pace) in the financial and insurance activities. However, non-wage financial benefits also play a relatively substantial role in this economic activity (the importance of which may have been strengthened due to a slight increase of taxation of high-income earners – in connection with the consolidation package effective from 2024). The weakest wage growth occurred in the small low-profit branch of other services activities (+3.4%)[34].

Prague continued to report the relatively highest wage and employment growth among the regions.

Among the regions, average nominal wages grew the most, year-on-year, in Prague (+7.8%), among the other regions in the "*Pardubický* region" (+7.7%), "*Jihomoravský* region" (+7.5%) and "*Moravskoslezský* region" (+7.4%), in which, unlike in the above-mentioned regions, this was associated with a reduction of employment. Wages increased the least in the "Karlovarský*, Liberecký* and *Zlínský* region" (from 6.1% to 6.3%). An almost identical picture was evident for the whole 2025. The wage level is currently above the level of the total economy only in Prague (+24%) and was just below the average in the "*Středočeský* and *Jihomoravský* regions", while it lagged behind the most in the "*Karlovarský* region" (−14%) and by a tenth in the "*Liberecký*, *Olomoucký*, *Zlínský* and *Moravskoslezský* regions".

Wage growth of the lowest-paid employees accelerated significantly at the end of the year.

The total wage differentials increased year-on-year. However, the earnings gap between men and women has narrowed.

Median wages reached 45.5 thousand CZK per month in Q4 and increased by 8.8%, year-on-year, i.e. the highest in the last four and a half years (the full-year median wage reached 44.3 thousand CZK last year, +6.4%, year-on-year). It grew faster at the end of the year for females (9.5%, to 42.7 thousand). The tenth of employees with the lowest wages received a gross monthly wage below 23.3 thousand CZK (the lower decile increased by a high 13.8%, year-on-year), the tenth with the highest wages earned above 89.0 thousand CZK (the top decile increased by 7.8%). Total wage differentials thus decreased, year-on-year, in Q4 (nevertheless, they were almost unchanged in the previous part of last year). The gap in median earnings by gender decreased by 1 p. p. and amounted to 11.7% (for earnings on the lower decile the difference was only 3.8%). The lowest wages grew relatively the most in total, mainly due to a number of market services branches (but partly also the state – e.g. in cultural and social services), where the shortage of free labour force is deepening and at the same time (even after the abolition of guaranteed wages in the market sphere) the continuing growth of the statutory minimum wage still has a partial influence.

[34] It includes business, employer and professional organisations and also personal services (e.g. hairdressing treatment, funeral services), repairs of goods and activities of households as employers of domestic personnel.