

Labour Market

- ***Slight decrease in labour market imbalance and sluggish wage increase***

Employment growth and unemployment decline continued in accordance with the increase of economic performance of basic branches so that the structural imbalance between higher supply and lower demand at the labour market slightly decreased. Increase of non-financial businesses production influenced positively also changes in long-term unemployment, which decreased slightly in absolute terms, though it remains henceforth significantly high. The average monthly wage of employees rose, the rise however slowed down and did not therefore jeopardised inflation or monetary development.
- ***Growth of employed accompanied by structural changes***

The average number of employed persons (4 764.0 thousands in 2005) was according to LFSS higher by 1.2% inter-annually; in comparison to 2004 it means speedup of growth by 1.8%. The average rate of employment (54.7%, 15 years +) increased by 0.4 p. p. inter-annually and the average rate of economic activity (59.4%) was slightly higher (by 0.2 p. p.) on y-o-y base. The employment structure changed substantially as a result of decrease in numbers of entrepreneurs including collaborating family members, a part of them became employees, including members of productive co-operatives. Their average number (3 979.4 thousands in 2005) was inter-annually higher by 2.3%.
- ***Decrease in numbers of unemployed ...***

The average number of unemployed (410,2 thousands) was inter-annually lower by 3.7% in 2005; it represents a substantial positive change compared to the excessive growth a year ago. Women prevail among unemployed; their number decreased though not so much as in case of men. The average rate of unemployment (7.9% in 2005, 15 years +) declined by 0.5 p. p. inter-annually.
- ***Also in case of non-interested in working***

The number of economic non-active persons representing the potential labour reserve (not working and not actively looking for work persons who however declare their will to work are not considered as unemployed according ILO) declined inter-annually. Decline in share of economic non-active individuals in the whole group was influenced by decreased of 15 year old. The high number of these interested is among students and pensioners.
- ***Total wages/HDP share slightly increased***

In 2005, the total of paid wages in economic subjects with more than 20 employees was higher inter-annually by 6.4% according to the Labour Statistics; this growth sped up by 0.7 p. p. as a result of a noticeable change in relation between average wage and the number of employees' developments. The growth of gross monthly average wage influenced the above mentioned wage increase almost by nine tenths, the rest then the growth of number of employed. In relation to HDP in current prices, the total wage bill increased only moderately (from 25.0% in 2004 to 25.1% in 2005). The relative meaning of wages is different in particular sections of branch activities` they differ in relation to gross value added as well as in relation to the price level change. Changes in the average wage changes and productivity changes at the macro/economic level differ form the same in particular branches.
- ***Gross monthly wage increased***

The 2005 average gross monthly wage CZK 19 030 (per physical person) was higher by 5.5% inter-annually, its growth slowed down by 1.1 p. p. The average wage adjusted for seasonal deviations was increased by 5.5% on y-o-y base in 4Q. The average wage increased more in non-entrepreneurship sphere (6.7%) than in entrepreneurship sphere (5.2%), while the difference massively declined in absolute terms; the average wage in entrepreneurship sphere (CZK 19 053) was higher only by 0.5% than in non-entrepreneurship sphere (CZK 18 954), the difference decreased by CZK 255 inter-annually. The average wage increased by 3.5% in real terms, i.e. less than a year ago by 0.2 p. p.
- ***Accompanied by growing differentiation***

The 2005 difference in absolute terms between the highest wage in a branch (CZK 37 406 in financial intermediary) and the lowest average wage (CZK 13 393 in accommodation and restaurants) amounted to CZK 24 013 and was higher by CZK 1 585 than a year ago. Also the total inter-branches wage differentiation increased,

when variation coefficient of average wages 35.1% increased by 1.7% inter-annually. The increased differentiation occurred as a result of distinct increases in average wages and distinct move of employed.