

# Labour market developments in the Czech Republic

Summer 2008

Daniel Münich, CERGE-EI  
Štěpán Jurajda, CERGE-EI<sup>1</sup>

August 2008

---

<sup>1</sup> Daniel Münich ([daniel.munich@cerge-ei.cz](mailto:daniel.munich@cerge-ei.cz)), Štěpán Jurajda ([stepan.jurajda@cerge-ei.cz](mailto:stepan.jurajda@cerge-ei.cz)).

## Abbreviations used (Czech version in brackets)

|               |   |
|---------------|---|
| ALMP (APZ)    | Active Labour Market Policy                                 |
| CCA           | Commission and Council assessments of NRP                   |
| CNB           | Czech National Bank   |
| CR (ČR)       | Czech Republic  |
| CSO (ČSÚ)     | Czech Statistical Office                                    |
| DLO (ÚP)      | District Labour Office                                      |
| ESA (SSZ)     | Employment Services Administration                          |
| EU            | European Union  |
| HICP          | Harmonized Consumer Price Index                             |
| IAP           | Individual Action plan                                      |
| LFS (VŠPS)    | Labour Force Survey   |
| LLL           | Life Long Learning  |
| LTU           | Long Term Unemployment                                      |
| METR          | Marginal Effective Tax Rate                                 |
| MoF (MF)      | Ministry of Finance   |
| MoL (MPSV)    | Ministry of Labour and Social Affairs                       |
| MoS (MŠMT)    | Ministry of Schooling, Youth, and Sports                    |
| MoIT (MPO)    | Ministry of Industry and Trade                              |
| NOESA         | National Office for Employment and Social Administration    |
| NRP           | National Reform Plan  |
| NRR           | Net Replacement Rate  |
| NITVE (NÚOV)  | National Institute of Technical and Vocational Education    |
| OP            | Operation Program   |
| PIT           | Personal Income Tax   |
| PTW           | Points To Watch   |
| SECG          | 2006 Spring European Council Guidelines                     |
| SNB           | Social Necessity Benefits                                   |
| RILSA (VÚPSV) | Research Institute for Labour and Social Affairs at the MoL |

## Executive Summary

- The value of the Czech crown (CZK) has been on the rise for a year now; a recent acceleration of its strengthening curbs Czech export performance, affects export oriented firms in particular and slows down revenues from tourism as well. GDP growth gradually declines. Euro adoption debates are frequent but actual steps leading to adoption are still far away. In early August, the CNB lowered interest rates to weaken the currency, despite July (y-to-y) inflation of nearly 7 percent.
- Real wage growth has been slow again in the first quarter of 2008, despite strong nominal wage growth, thanks to the January increase in price level. It is expected that once inflation subsides, real wages will grow. However, Czech wages have already grown significantly in Euro terms over the last year, thanks to the currency appreciation.
- Seasonally adjusted unemployment continues to decline while the share of long-term unemployed continues to be high in EU comparison. The regular seasonal increase in registered unemployment in July was somewhat higher than in previous years indicating possible impact of economic slowdown.
- The first stage of the modest pension reform, consisting of parametric changes to the current PAYG pension system, was signed into legislation. In the next step, the MoL announced a proposal for a small opt out from the PAYG system of about one tenth of the current contribution rate (3% of wages).
- Several pro-activity and pro-flexibility amendments to the Employment Act and the Labour Code are likely to be discussed in the Parliament during the fall.

# 1 Introduction

The proposed sweeping health-care reforms are being slowed down and partly retracted so the only remaining major policy initiative of the government, besides its support for locating a US anti-missile radar south of Prague, is the plan, recently revealed by the MoL, for a partial opt-out from the PAYG pension system.

The political scene continues to evolve around the few coalition MPs who vote against coalition proposals and around (alleged new cases of) renegade MPs switching parties. The economy is somewhat slowing down and the dramatic strengthening of the Czech crown (CZK) is making life difficult for exporters and the tourist industry.

## 2 Update on Economic and Labour Market Trends<sup>2</sup>

### *Aggregate Developments*

The growth rate of the Czech economy is now officially slowing down, as confirmed by the CSO. After peaking at almost 7 percent in late 2007, real GDP annual growth slowed down to 5.3 percent in the first quarter of 2008, mainly on account of lower consumption growth. While the recent fiscal reforms and the inflow of EU funds are expected to support growth prospects in the near future, a new macroeconomic concern is the acceleration of the appreciation of the Czech crown. The Euro-CZK rate was relatively stable between 2005 and 2007. However, the exchange rate vis-à-vis the Euro/USD strengthened from 29/21 CZK in July 2007 to 26/18 in January 2008 and further down to 23/15 at the end of July 2008. This curbs the profit margins of exporters and dampens demand for tourist services in Czech lands. Nevertheless, the CNB estimates the growth rate of potential GDP to be still above 5 percent. To fight the strengthening currency, the bank lowered the key interest rates by 0.25 of a percentage point in early August, despite the near 7 percent inflation rate. The crown's strength has clearly become the most important macroeconomic concern. Yet, Euro adoption is still not a political priority, despite repeated complaints by industrial chambers.

The rate of decline of economic confidence indicators (down from their 2006 peak) also accelerated recently. After taking a large negative hit in January, thanks to the tax-benefit reform and the rising price level, consumer confidence was back to its typical levels in April 2008. However, it declined significantly since

---

<sup>2</sup> A table providing key economic and labour market indicators is attached at the end of the report.

then. Compared to a year earlier, the July consumer (producer) confidence indicator was down 5 (6.7) percentage points

### *Population*

According to recent statistics, the Czech population grew in size at the end of 2007, thanks to some increases in fertility, minor decreases in mortality and a major inflow of foreigners. However, the fertility rate, at below 1.5 in 2007, is still low in international comparison, and is unlikely to substantially grow. The net inflow of foreigners reached 84 thousand in 2007, the highest number since the World War II. The share of retired population is steadily growing since 2004.

### *Inflation*

Price level (CPI) grew by 6.9% in July compared to a year earlier, up 0.2 of a percentage point compared to June inflation rate. Inflation increased in January and February 2008 due to energy and food prices, deregulated rents, but also costs of services. Recently, costs of housing, recreation and culture added to the price-level rise as well. However, both the CNB and the MoF expect inflation to be back close to 3 percent in early 2009.

According to the CNB, the rising inflationary pressures in late 2007 and early 2008 stemmed from the high GDP growth, which outpaced the rise in the potential, inflation-non-accelerating level of output. Contrary to earlier expectations, the real wage gap, which has been anti-inflationary since 2005, widened further into negative values as a consequence of the slow wage growth at the end of 2007 and higher-than-expected inflation since then.

### *Wage Developments*

According to the CSO, the annual nominal wage growth as of the first quarter of 2008 was 12.2 percent in the enterprise sector and 3.5 percent in the public sector (this compares to about 7 percent in both sectors in the last quarter of 2007). The last time enterprise-sector wages grew this fast was in 1998. While nominal wage growth picked up, as expected, real growth of wages was curbed by the sudden rise in inflation in January 2008. Real wages grew annually by only 2.8 percent in the enterprise sector and fell by 3.6 percent in the public sector.

The first quarter of 2008 thus follows the last quarter of 2007 in keeping CZK wage growth low, despite shortages on the labour market and recent history of slow wage growth. However, it is important to realize that in international perspective wage costs were rising rapidly in the Czech Republic over the last year thanks to strengthening of the Czech crown. Indeed, the media reported on

a few cases of companies relocating production further east and blaming the Euro value of Czech wages (e.g., the Siemens train coach factory in Prague). The pressure on exporters from stronger currency may also help wage growth under control in coming months. This expectation is supported by anecdotal evidence suggesting that the rapid rise in nominal wages in the enterprise sector in the first quarter may partly reflect tax optimization: income taxes for high-paid workers declined in 2008 and bonuses may have been delayed into 2008. Some export oriented employers informed about their intention to denominate their annual performance based salary bonus in Euro.

In its May Inflation Report, the CNB predicts that the real wage gap will continue to be anti-inflationary for the remainder of 2008. In 2009, however, wages may become an inflationary factor due to the combination of declining inflation rate and nominal-wage-growth persisting at near 10 percent level.

### *Employment*

Due to the combination of continued economic growth and the presence of two waves of large population cohorts in labour force (productive age), Czech employment continues to rise, albeit at a slower rate now than last year. Total employment grew by 0.3 percent between the first and second quarters of 2008 and is expected to grow during the second half of 2008, even if at a somewhat lower rate compared to last year.

The Czech employment rate (for those aged 15-64) reached 66.6 percent in the second quarter of 2008, growing by 0.6 of a percentage point in comparison with the second quarter of 2007. This overall-employment-rate growth occurred despite declines in employment rates for younger cohorts driven by longer initial education and a rise in maternity leaves.

The biggest employment gains were in manufacturing, despite its already unusually large share on total employment. In fact, there are four times as many Czech workers employed in manufacturing than in health and social care, while the latter forms the larger group in several EU15 countries. There is therefore clearly scope for reallocating labour to services, once the current manufacturing boom subsides.

Foreigners continue to represent the strongest force behind the growing employment. Given the shortages on the labour market, foreigners often form a significant fraction of employment in newly build production facilities.

The Czech employment rate is now higher than that of the EU27 or the EU15, according to latest Eurostat reports, despite the fact that the employment rate of

Czech women is still below the averages of both the EU15 and EU27. This may change soon, however, as limits on early retirement have helped to raise employment rates of older Czech women by 2 percentage points in the last year.

The share of entrepreneurs on total Czech employment is about one percentage point higher than the EU average. This is a remarkably high share given that there is only little employment in family farms in the Czech Republic, unlike in several EU economies.

### *Activity and Unemployment Rates*

The Czech labour force grows in size even though the number of economically inactive continues to grow too, due to population ageing. As the employment rate grows, the unemployment rate continues to decline, reaching 4.7 percent (using the ILO measure) in the first quarter of 2008 and 4.3 percent a quarter later. This represents a 1.3 and 1.1 percentage point decline on a year earlier, respectively, and partly reflects the improving skill level of those in productive age. Such declines should free up resources at the DLOs for activation of the remaining unemployed. The ILO unemployment rate is widely expected to decline to under 4 percent by the year's end.

The ongoing decline in unemployment and unemployment rate was accompanied by a declining inflow into unemployment (job terminations). The number of long-term unemployed (LTU) fell by almost a quarter in a year-to-year comparison and its rate of decline has been faster than that of overall unemployment, a most welcome development. Nevertheless, the Czech share of LTU on all unemployed remains to be high in EU-wide comparison.

The registered unemployment rate has followed the ILO-rate trend in recent years. It is therefore somewhat alarming to note that the registered rate grew from 5.0 percent in May and June to 5.3 in July. Even though the seasonal rise in July unemployment has been the highest in the last four years, the July 2008 unemployment rate is still 1.1 of a percentage point below the July 2007 level.

Finally, the Eurostat's harmonized Czech unemployment rate was 4.1 percent in June.

## **3 Labour Market Policy Developments**

### *3.1.1. Introduction to broad policy and/or institutional changes or plans*

The year started with a set of tax and benefit reforms. Their evaluation and presentation is still at the center of political debate. The August session of the Lower House of the Parliament is to consider another MoL's pro-activation amendment of the Employment Act and of the Law on help in material need. At the same session, the opposition Social Democrats will propose one-time additional social support payments of about two to three thousand crowns to pensioners and children; this extraordinary help is being motivated by the effects of the January 2008 reforms and price increases. The MoL considers these proposals fiscally irresponsible. According to MoL, statistical data from January to May 2008 suggest that the tax-benefit reform of January 2008 had no undesirable consequences: while social expenditures are declining, the relative net income position of households, particularly those with children, has improved thanks to tax changes. Social Democrats will also try to raise the sickness insurance replacement ratio during the first three days of sickness, raise wages in the public sector, and increase the statutory minimum wage. It is unlikely that the discussions on the floor will focus on practical aspects of the proposed activation policies.

Proposals for further tax changes will be discussed at the September session of the Czech Parliament's Lower House. In particular, the MPs should make sure that personal income tax rates, lowered from 15 to 12.5 percent within the tax-benefit reforms of 2008, are not raised again due to a bug in the reformed tax code. More importantly, although the government originally promised some of the coalition MPs that it would further lower corporate income taxes, it is now aiming to lower social security contributions instead, by about 1 to 1.5 percentage points.

The MoL is also preparing a major change of the Labour Code, which would lower employment protection and, according to the MoL, offer more contractual freedom. The trade unions are highly likely to stage a major strike to oppose such changes.

*3.1.2. Implementing employment policies aimed at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.*

The government decided to tighten the regulation of temporary work agencies, which help employ over quarter of million, mainly foreign workers in the Czech Republic. According to an amendment of the Employment Act, which is already being considered in the Lower House, the Ministry of the Interior would be responsible for overseeing these agencies and would have the power to prevent an agency from operating. The fines for illegal employment are to be doubled. However, the drafted conditions for the permits to employment agencies may not

be fully clear. A recent report based on inspections of employment of foreign workers suggests that about one fifth of foreign workers are employed without the necessary permits.

A new national strategy approved by the government in July calls for a 25% reduction in workplace injuries in the next five years. It is not clear whether the strategy is based on empirical evaluations of existing policies.

### *3.1.3. Attracting and retaining more people in employment, increasing labour supply and modernising social protection systems*

In our earlier reports, we reviewed policy changes proposed by the MoL that are currently being debated in the Parliament. These policies include further tightening of unemployment insurance benefits and support for individual action plans, the introduction of green cards, conditioning Social Necessity Benefits on participation in ALMP or public works (working at least 20 hours per month), and introducing food stamps as form of payment of such benefits in certain cases.

- *Promoting a lifecycle approach to work (Guideline No.18)*

In June, the Lower House passed in the third reading the parametric changes to the Czech PAYG pension system that we discussed in detail in our earlier reports. In short, the statutory retirement age is to gradually increase up to 65 in 2030, early retirement conditions are to be tightened, and the entitlement contribution period is to be increased from 25 to 35 years for those born in 1965 or later. These reforms were already signed by the president in early August.

An important part of the approved reforms is that retired workers will be able to raise their pension level through further labour market participation. If they work while collecting full (half) pension, their variable pension level will grow by 0.4 (1.5) percent for each year of work. Starting 2010, they will also be able to enter indefinite employment contracts; under the current legislation they can sign only fixed-term contracts of up to one year. These are most welcome amendments that should support old-age labour-market participation and help keep the PAYG system afloat a little longer.

In the next stage of the pension reform, the MoL is now focusing on drafting reform proposals affecting the second voluntary pension-savings pillar and on preparing steps for introducing the third pension-system pillar – an opt out from the public system. The second stage of the reform will likely involve reforming the accounting and investment practices of the existing private pension funds where workers save small additional monthly sums (typically three to five hundred

crowns a month) and receive government savings subsidies, which are partly absorbed in fees paid to pension fund managers. The introduction of annuities into the second pillar is also likely to be regulated by the new policy proposals.

The proposal for the third stage of the reform, announced by the MoL recently, consists of an opt-out of about one tenth of the current public-system contribution. The MoL proposes that workers are allowed to transfer 3 percent of their wage each month from the public system to private pension accounts as long as they add another 3 percent from their own pocket. This is a modestly sized opt-out that supports additional savings and helps make pension level more closely aligned with pay level (motivates participation). On the other hand, it is not clear yet that the third pillar will be introduced with low pension fund fees.

In our earlier reports, we reviewed recently approved legislative changes to parental leave regulation and the persistent lack of support for child care services, especially pre-kindergarten care. Child care is currently the fiscal responsibility of municipalities and central government refuses to support this key pro-activation policy in a country with the highest gap between employment rates of women with and without children.<sup>3</sup> Instead of supporting public child care, which is by far the most efficient way of allowing parents to participate in the labour market, the MoL now talks about supporting company child care and introducing a subsidy for employers who “create” a (part-time) job for a parent of child under 10 years of age. Such employer would deduct 1500 CZK a month from social security contributions. We observe lack of coordination, collaboration and mutual effort between the MoL and MoS run by ministers different governmental parties.

- *Ensuring inclusive labour markets, enhancing work attractiveness, and making work pay for jobseekers, including disadvantaged and inactive people (Guideline No.19)*

A new survey of Roma in marginalized localities (conducted in cooperation of the World Bank and the Office of government of the Czech Republic) provides several new facts on the situation of marginalized Roma. These localities are often found in regions of the CR characterized by generally low demand for low-skilled labour (North Bohemia, North Moravia). Roma women are largely out of the labour force, while participation of prime-aged Roma men is actually not far from the national average for low-skilled. Using a broad definition of unemployment, almost half of Roma are without a job but available. Formal employment is curbed by welfare

---

<sup>3</sup> The number of pre-kindergarten child-care facilities declined by 94 percent in the last 15 years.

traps and debt collection from official salaries above Minimum Living Standard (MLS); the median debt level is only 2.5 times the minimum wage level (but average is 10 times).

The survey suggests that even within the group of Roma living in marginalized locations, formal education as well as skills acquired in previous jobs (and having a driving license) strongly predict employment chances. Eight out of ten of the surveyed Roma have only elementary education or less and almost half are functionally illiterate. There is also some highly alarming evidence that children of Roma parents who have post-primary education receive less education nowadays. Employers also report that older Roma are better motivated and skilled than young Roma.

Despite the obvious importance of skill acquisition for Roma inclusion, only few unemployed Roma participate in ALMP training programs, which appear to be quite ineffective. Job search assistance is apparently provided to (only) 60% of registered unemployed Roma living in marginalized locations. Only 14% of these Roma receive counselling from Social Welfare Offices (on dealing with debt). DLOs do not use profiling or caseload prioritization and staff-client ratios are higher in DLOs in high-unemployment areas; there are also some extreme outliers with high staff-client ratios in mid-unemployment-level areas.

In our opinion, ALMP should therefore be restructured and possibly contracted out of the District Labor Offices in order to provide tailored support. Furthermore, a major share of the Roma population in marginalized location is below the age of 25 and policy interventions targeted at initial (and second-chance) education are thus likely to be the most efficient if applied immediately. For example, incentivizing young Roma (and their families) to stay in schools beyond the minimum mandatory school age may be a successful strategy. The study also argues that debt advice and commuting support must be an integral part of activation policies targeted at Roma, who are often trapped in neighbourhood labour markets and informal jobs (to avoid debt collection). The Czech government has recently launched a pilot Social Inclusion Agency, which could guide the implementation of OP HRD and evaluate the effects of various pilot policies.

In our spring 2008 review of sickness insurance, we previewed changes that will indeed take place as of September 1<sup>st</sup>: sick pay during the first three days of sickness will be lowered to 25% of the daily basic pay. According to newly proposed legislation, to be put into effect in 2009, the first three days of sickness will be without any financial compensation, the employers will be responsible for sickness benefits between day 4 and 14, and the public sickness insurance

scheme will kick in after that. Employers' will see their contributions fall from 3.3 to 2.3 percent in 2009 and to 1.4 in 2010. They will be reimbursed for half of their sickness benefits outlays in 2009.

- *Improving the matching of labour market needs (Guideline No.20)*

The amendment of the Employment Act that introduces the green card scheme reached second reading in the Lower House. Green cards are supposed to simplify access of non-EU workers to the Czech labour market. However, some of the details of the complex scheme, to be put into effect in 2009, appear to re-introduce the current barriers to foreign employment. Furthermore, the whole scheme is subject to possibly extensive modifications in the Parliament. One can hardly predict the real functioning of the scheme.

#### *3.1.4. Improving adaptability of workers and enterprises*

- *Promoting flexibility combined with employment security and reducing labour market segmentation, having due regard to the role of the social partners (Guideline No.21)*

A radically updated bankruptcy law became effective in January 2008. The law should shorten the extremely long Czech bankruptcy process and make production facilities available for better uses sooner. Further improvements in the business environment can be expected from changes in the Trades Licensing Act, which should substantially lower bureaucracy burden.

- *Ensuring employment-friendly labour cost developments and wage setting mechanisms (Guideline No.22)*

The MoL still plans to decrease income caps on social security contributions and the MoF prepares to lower employers' social security contributions by about 1 percentage point.

#### *3.1.5. Increasing investment in human capital through better education and skills*

- *Expanding and improving investment in human capital (Guideline No.23)*

A recently debated issue related to investment in human capital is the level of teachers' wages. A recent report by UIV (The Institute for Information on Education) suggests that teachers pay level did follow the slow growth of public wages. The annual nominal wage growth of wages in the public sector in the first quarter of 2008 was 3.5 percent, meaning that real wages there fell by 3.6

percent. The average pay level of teachers in regional schools (i.e., at the secondary and primary level) grew by only 1.7% during the same period. Academic workers at the tertiary level did better with a nominal growth of 6.6%.

- *Adapting education and training systems in response to new competence requirements (Guideline No.24)*

A key development in the policy area of LLL was the July-2007 adoption of the National Lifelong Learning Strategy. The launch of its implementation is planned by the end of 2008. The implementation plan was at the center of discussion of the sixth Lisbon strategy organized in June by the MoS. The Strategy should provide a frame of reference for the implementation of Operation Programmes during 2007-2013.

Table: Key economic and labour market indicators

|             |                                 |                  |       |       |       |       |       |       |       | 2008                |                  |       |                    |                    |
|-------------|---------------------------------|------------------|-------|-------|-------|-------|-------|-------|-------|---------------------|------------------|-------|--------------------|--------------------|
|             |                                 |                  | 2001  | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008                | Q1               | Q2    | Q3                 | Q4                 |
| <i>Note</i> |                                 |                  |       |       |       |       |       |       |       |                     |                  |       |                    |                    |
| 1           | Real GDP growth                 | y-to-y [%]       | 2.5   | 1.9   | 3.6   | 4.5   | 6.4   | 6.4   | 6.6p  | 4.6                 | 5.2 <sup>P</sup> | 4.7   | 4.4                | 4.3                |
| 2           | Inflation (CPI)                 | y-to-y [%]       | 4.1   | 0.6   | 1     | 2.8   | 2.2   | 1.7   | 5.4   | 4.5                 | 7.1              | 6.7   | 5.9                | 4.5                |
| 3           | Productivity                    | y-to-y [%]       | 2.1   | 1.1   | 4.3   | 4.8   | 4.8   | 4.9   | 4.5p  | 3.3                 | n.a.             | n.a.  | n.a.               | n.a.               |
| 4           | Consumer confidence             | EOP [%]          | -6.0  | -9.0  | -21.0 | -7.0  | -3.2  | 1.2   | -14.6 | n.a.                | 1.1              | -6.7  | n.a.               | n.a.               |
| 5           | Unemployment rate (registered)  | EOP [%]          | 8.9   | 9.8   | 10.3  | 9.5   | 8.9   | 7.6   | 5.3   | 4.3 <sup>AVG</sup>  | 6                | 5.0   | 5.1 <sup>AVG</sup> | 4.8 <sup>AVG</sup> |
| 6           | Unemployment rate (LFS)         | EOP [%]          | 7.9   | 7.3   | 8.2   | 8.2   | 7.9   | 6.6   | 4.9   | 4.3 <sup>AVG</sup>  | 4.7              | 4.1   | 4.1 <sup>AVG</sup> | 4.1 <sup>AVG</sup> |
| 7           | Employment rate                 | EOP [%]          | 65.1  | 65.6  | 64.5  | 64.3  | 65.0  | 65.5  | 66.3  | 66.9 <sup>AVG</sup> | 66.1             | 66.5  | 66.6               | 66.7               |
| 8           | Innactivity rate total          | EOP [%]          | 29.3  | 29.2  | 29.8  | 29.9  | 29.5  | 29.9  | 30.1  | 30.6 <sup>AVG</sup> | 30.6             | 30.6  | 30.4               | 30.4               |
| 9           | men                             | EOP [%]          | n.a.  | n.a.  | 21.9  | 21.8  | 21.7  | 21.7  | 21.6  | n.a.                | 22.2             | n.a.  | n.a.               | n.a.               |
| 10          | women                           | EOP [%]          | n.a.  | n.a.  | 37.6  | 37.7  | 37.0  | 38.0  | 38.7  | n.a.                | 39.1             | n.a.  | n.a.               | n.a.               |
| 11          | ages 15-24                      | EOP [%]          | n.a.  | 59.7  | 61.7  | 64.1  | 65.2  | 65.7  | 67.9  | n.a.                | 69.7             | n.a.  | n.a.               | n.a.               |
| 12          | ages 25-39                      | EOP [%]          | n.a.  | 14.0  | 15.2  | 14.9  | 14.7  | 15.7  | 15.8  | n.a.                | 16.7             | n.a.  | n.a.               | n.a.               |
| 13          | ages 40-54                      | EOP [%]          | n.a.  | 9.0   | 9.4   | 8.9   | 8.2   | 7.6   | 8.0   | n.a.                | 8.0              | n.a.  | n.a.               | n.a.               |
| 14          | ages 55-64                      | EOP [%]          | n.a.  | 56.6  | 56.0  | 54.8  | 52.6  | 52.9  | 51.4  | n.a.                | 50.9             | n.a.  | n.a.               | n.a.               |
| 15          | Working time                    | EOP [hours/week] | 41.5  | 42.0  | 42.0  | 41.9  | 41.8  | 41.8  | 41.7  | n.a.                | 41.6             | n.a.  | n.a.               | n.a.               |
| 16          | Registered vacancies            | EOP [thousands]  | 52.1  | 40.7  | 40.2  | 51.2  | 52.2  | 93.4  | 141.1 | n.a.                | 151.3            | 151.9 | n.a.               | n.a.               |
| 17          | Days lost through ind. disputes | [days]           | n.a.                | n.a.             | n.a.  | n.a.               | n.a.               |
| 18          | Real wages                      | y-to-y [%]       | 103.3 | 106.4 | 106.0 | 103.0 | 102.3 | 104.6 | 101.9 | 102.7               | 102.8            | n.a.  | n.a.               | n.a.               |
| 19          | Nominal wages                   | y-to-y [%]       | 107.7 | 106.9 | 106.8 | 106.2 | 104.8 | 106.2 | 106.8 | 109.0               | 110.4            | n.a.  | n.a.               | n.a.               |

#### Abbreviations used

- y-to-y: year to year change  
2000–100%: value for year 2000 is the base  
Yellow (shadow) background marks forecasts by the Ministry of Finance "Makroekonomická predikce"  
n.a. Not available yet  
EOP ~ End of the period values  
P ~ preliminary  
AVG ~ average

#### Source, definition, link

- CSO, <http://www.czso.cz/csu/ksu.nsf/kalendar/aktual-hdp>  
1 MFCR [http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro\\_pre.html](http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro_pre.html)  
CSO, [http://www.czso.cz/csu/redakce.nsf/i/mira\\_inflace](http://www.czso.cz/csu/redakce.nsf/i/mira_inflace), Table 2  
2 MFCR [http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro\\_pre.html](http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro_pre.html), Table 2.2.  
3 MFCR [http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro\\_pre.html](http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro_pre.html), Table 3.3.  
Macroeconomic productivity=GDP in c.p. per worker  
CSO, [http://www.czso.cz/csu/redakce.nsf/i/kpr\\_cr](http://www.czso.cz/csu/redakce.nsf/i/kpr_cr)  
4 Seasonally adjusted balances of confidence indicators  
Consumer confidence indicator is difference between answers growth (+) and decline (-) expressed in %  
[Konjunkturální saldo je rozdíl mezi odpověďmi ve variantách růst (+) a pokles (-) vyjádřený v %.]  
5 ESA, Monthly reports, EOP, before year 2004 other methodology used  
6 CSO, LFS Quarterly Reports, seasonally adjusted. Forecast by MFCR.  
7 CSO, LFS Quarterly Reports, seasonally adjusted. Forecast by MFCR [http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro\\_pre\\_38958.html](http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro_pre_38958.html) Table 3.2.  
CSO, LFS Quarterly Reports, seasonally adjusted, Computed as (1-participation rate)\*100 for population 15-64 years of age. Forecast by MFCR  
[http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro\\_pre\\_38958.html](http://www.mfcr.cz/cps/rde/xchg/mfcr/hs.xml/makro_pre_38958.html) Table 3.2.  
8  
9 *dtto.* Rates published before 2003 were computed for the population 15+ and rates for 15-64 years of age were not published.  
10 *dtto*  
11 *dtto*  
12 *dtto*  
13 *dtto*  
14 *dtto*  
15 CSO, LFS, Average weekly hours of work  
16 ESA, Monthly reports  
17 not available  
CSO, [http://www.czso.cz/csu/redakce.nsf/i/pmz\\_cr](http://www.czso.cz/csu/redakce.nsf/i/pmz_cr)  
18 Forecast by MFCR capture non-corporate sector and corporate sector with firms with 20+ employees.  
CSO, [http://www.czso.cz/csu/redakce.nsf/i/pmz\\_cr](http://www.czso.cz/csu/redakce.nsf/i/pmz_cr). Forecast by MFCR capture non-corporate sector and corporate sector with firms with 20+ employees.  
19  
Wage index is expressed as % in given quarter relative the same quarter of the previous year

#### Notes on definitions

- 1 Figures on GDP growth are being revised retroactively by the CSO.  
2  
3 Irregularly, figures are being revised retroactively by the CSO.  
4  
5  
6 Population 15-64 years of age  
7 Population 15-64 years of age  
8 Population 15-64 years of age  
9 Population 15-64 years of age  
10 Population 15-64 years of age  
11 Population 15-64 years of age  
12 Population 15-64 years of age  
13 Population 15-64 years of age  
14 Population 15-64 years of age  
15  
16  
17  
18 Wage index is expressed as % in given quarter relative the same quarter of the previous year. Full-time worker equivalent.  
19 Forecasts represent wages in firms with 20+ employees and whole non-commercial sector. Full-time worker equivalent.