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Area: Labour Market

# THE AVERAGE GROSS EARNINGS\*) ON TOTAL ECONOMY IN JANUARY 2021 WERE 5549 LEI AND THE NET 3395 LEI

- In January 2021, the average gross nominal earnings were 5549 lei, with 357 lei (-6.0%) lower than the one registered in December 2020.
- The average net nominal earnings were 3395 lei, decreasing as against the previous month with 225 lei (-6.2%).
- The highest values of the average net nominal earnings were recorded in computer programming, consultancy and related activities (including information service activities) (8107 lei), while the lowest in accommodation and food service activities (1732 lei).

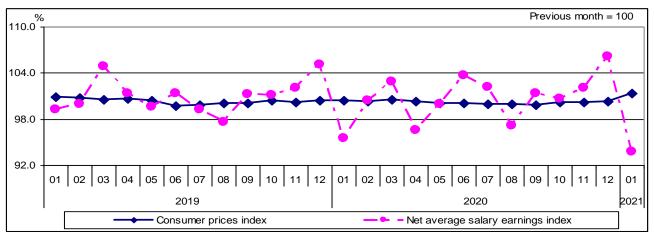
## January 2021 as compared to January 2020

As compared to January of the previous year, the average net nominal earnings increased by 6.5 %\*\*).

## Earnings in relation with the evolution of consumer prices

- The real earnings index¹ was 103.4% for January 2021 in relation with the same period of previous year.
- The real earnings index was 92.6% for January 2021 as against previous month.
- As compared to October 1990, the real earnings index was 224.2%, by 18.1 percentage points lower than the one recorded in December 2020.

## Evolution of consumer price index and of net average earnings index during January 2019 – January 2021



### The data of the graph (xls)

Fluctuations in earnings were recorded during the year, mainly determined by granting annual premiums and holiday bonuses (December, March/April). These are influencing the increases or decreases depending on the period they are granted, finally leading to smoothing the fluctuations in monthly earnings at the level of the whole year.

## January 2021 as compared to December 2020

In January 2021 as against the previous month, the level of the average net earnings registered decreases in the majority of activities belonging to the economic sector<sup>2</sup> due to granting in December 2020 of occasional bonuses (quarterly, annual, winter holyday bonuses, performance bonuses or the 13<sup>th</sup> salary), payments in kind and other allowances, amounts from the net profit and other funds (including value tickets). Also, the average net earnings in

<sup>\*)</sup> Please see Methodological notes from item 4. Concepts and definitions

<sup>\*\*)</sup> The evolution of the average net nominal earnings for the period January 2020 – January 2021 is presented in the Annex

<sup>&</sup>lt;sup>1</sup> Calculated as the ratio between the net nominal earnings index and the consumer prices index

<sup>&</sup>lt;sup>2</sup> Excluding activities of public administration, education, human health and social work activities

January were lower compared to the previous month due to production un-achievements or lower receipts (depending on contract/projects), as well as hiring staff with lower earnings as against the average, in certain economic activities.

The most significant decreases in the average net earnings at section/division level of NACE Rev.2 have been recorded as follows:

- Between 16.0% and 24.0% in financial service activities (except insurance and pension funding), manufacture of tobacco products, water transport, other mining and quarrying, manufacture of other transport equipment, manufacture of basic pharmaceutical products and pharmaceutical preparations, manufacture of basic metals, printing and reproduction of recorded media, manufacture of paper and paper products, manufacture of coke and refined petroleum products;
- Between 11.5% and 15.5% in telecommunications, manufacture of other non-metallic mineral products, real estate
  activities, manufacture of computer, electronic and optical products, scientific research and development,
  manufacture of wood and of products of wood and cork (except furniture, including manufacture of articles of straw
  and plaiting materials), publishing activities, mining of metal ores, electricity, gas, steam and air conditioning supply,
  forestry and logging (including fishing and aquaculture), manufacture of basic chemicals, fertilisers and nitrogen
  compounds, plastics and synthetic rubber in primary forms, activities auxiliary to financial services and insurance
  activities, sewerage, water collection, treatment and supply;
- Between 7.5% and 11.0% in motion picture, video and television programmes production, sound recording and
  music publishing activities (including programming and broadcasting activities), manufacture of electrical equipment,
  mining of coal and lignite, manufacture of textiles, construction, manufacture of fabricated metal products (except
  machinery and equipment), manufacture of beverages, waste collection, treatment and disposal activities (including
  materials recovery; remediation activities and other waste management services), professional, scientific and
  technical activities.

**Increases in the average net earnings** as against the previous month in the economic sector, at section/division level of NACE Rev.2, have been recorded as follows:

- in extraction of crude petroleum and natural gas (+5.4%), due to granting of the occasional bonuses (annual or performance bonuses);
- in accommodation and food service activities (+2.8%), respectively in arts, entertainment and recreation (+2.1%), due to resuming the activity of certain economic agents, application of legal basis<sup>3</sup>, higher receipts level (depending on contracts/projects), as well as laying off the staff with lower earnings as against the average.

In the **budgetary sector**<sup>4</sup> were registered decreases of the average net earnings as against the previous month as follows: in human health and social work activities (-2.6%), in public administration (-1.3%), respectively in education (-1.1%).

### Additional Information:

\*) The average gross monthly earnings are determined by reporting the amounts from the salary fund, net profit and other funds (excluding severance payments, backdated paid arrears as consequence of wining the lawsuits involving the money rights related to previous years) to the average number of employees.

NOTE: In relation to the situation caused by the COVID-19 pandemic, **the infra-annual, operative statistical data** may present a lower degree of reliability, accuracy, completeness and comparability, as a result of the difficulties arising from the application of economic and social measures, determined by the declaration of state emergency/alert throughout Romania. These difficulties were mainly determined by heavy access to the financial and accounting documents, caused frequently by the sudden closure of certain economic and social units, by not completing in due time of the respective documents, by relaxation of legal deadlines for submitting tax documents to the related institutions, by temporarily suspending the activity for a significant number of economic and social units or even by ceasing their activity, in some cases. In the average monthly earnings are also included the amounts paid to the employees for technical unemployment, in accordance with the legal provisions in force.

For an accurate interpretation of the indicators, please see the <u>Methodological notes</u> attached to the press release on the homepage. The average monthly gross and net earnings are presented in the <u>Annex</u>. Additional information can be obtained: • on-line accessing TEMPO database (starting March 15<sup>th</sup> 2021):

• from the Monthly Statistical Bulletin no. 1/2021.

The next press release on the average monthly earnings will be issued on April 12<sup>th</sup> 2021.

Press release archive: https://insse.ro/cms/en/comunicate-de-presa-view

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<sup>&</sup>lt;sup>3</sup> Ordinance no. 4/2021 for setting up the national minimum gross guaranteed wage

<sup>&</sup>lt;sup>4</sup> See the Methodological notes from point 3 regarding "budgetary sector"