

No. 95/09 April 2020

Area: Labour Market

THE AVERAGE GROSS EARNINGS*) ON TOTAL ECONOMY IN FEBRUARY 2020 WERE 5243 LEI AND THE NET 3202 LEI

- In February 2020, the average gross nominal earnings were 5243 lei, with 18 lei (+0.3%) higher than the one registered in January 2020.
- The average net nominal earnings were 3202 lei, increasing as against the previous month with 13 lei (+0.4%).
- The highest values of the average net nominal earnings were recorded in computer programming, consultancy and related activities (including information service activities) (7488 lei), while the lowest in accommodation and food service activities (1781 lei).

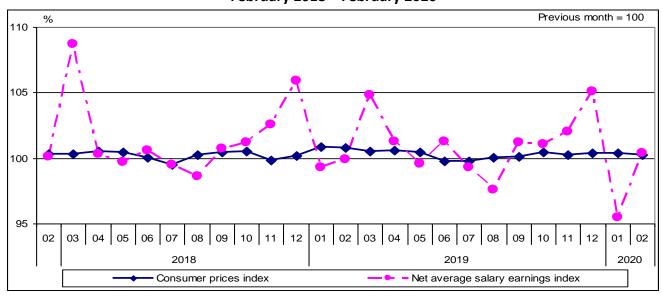
February 2020 as compared to February 2019

As compared to February of the previous year, the average net nominal earnings increased by 9.2 %**).

Earnings in relation with the evolution of consumer prices

- The real earnings index¹ was 106.0% for February 2020 in relation with the same period of previous year.
- The real earnings index was 100.1% for February 2020 as against previous month.
- As compared to October 1990, the real earnings index was 217.3%, by 0.4 percentage points higher than the one recorded in January 2020.

Evolution of consumer price index and of net average earnings index during February 2018 – February 2020



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.

^{*)} Please see Methodological notes from item 4. Concepts and definitions

^{**)} The evolution of the average net nominal earnings for the period February 2019 - February 2020 is presented in the Annex

 $^{^{\}rm 1}$ Calculated as the ratio between the net nominal earnings index and the consumer prices index

February 2020 as compared to January 2020

In February 2020 as against the previous month, the level of the average net earnings registered slightly increases in the majority of activities belonging to the economic sector², due to granting of occasional bonuses (annual or performance bonuses), payments in kind and other allowances, amounts from the net profit and other funds (including value tickets). Also, the increases of the average net earnings were due to higher production achievements or receipts level (depending on contracts/projects), as well as laying off the staff with lower earnings as against the average, in certain economic activities.

The most significant increases in the average net earnings have been recorded as follows:

- By 21.7% in manufacture of tobacco products, respectively by 11.1% in activities auxiliary to financial services and insurance activities;
- Between 3.0% and 9.5% in manufacture of basic pharmaceutical products and pharmaceutical preparations, motion picture, video and television programmes production, sound recording and music publishing activities (including programming and broadcasting activities), professional, scientific and technical activities, publishing activities, real estate activities, manufacture of computer, electronic and optical products;
- Between 1.5% and 3.0% in manufacture of paper and paper products, crop and animal production, hunting and related service activities, manufacture of electrical equipment, manufacture of rubber and plastic products, other manufacturing, manufacture of textiles, manufacture of basic metals, printing and reproduction of recorded media.

The decreases of the average net earnings as against January 2020 were determined by occasional bonuses, payments in kind and other allowances, amounts from the net profit and other funds (incl. value tickets) granted in the previous months. Also, the decreases of the average net earnings were caused by production unachievements or lower receipts (depending on contracts/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 have been recorded as follows:

- By 24.7% in mining of metal ores, respectively by 20.2% in extraction of crude petroleum and natural gas;
- Between 3.5% and 11.0% in insurance, reinsurance and pension funding (except compulsory social security), mining support service activities, warehousing and support activities for transportation, manufacture of coke and refined petroleum products;
- Between 1.5% and 3.0% in electricity, gas, steam and air conditioning supply, mining of coal and lignite, manufacture of other transport equipment, water transport, sewerage.

In the **budgetary sector**³ were registered slight increases of the average net earnings as against the previous month in education (+2.2%), respectively in public administration (+0.9%). In health and social assistance, the average net earnings slightly decreased (-0.6%) as against the previous month.

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 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.

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 April 10th 2020): http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table

• from the Monthly Statistical Bulletin no. 2/2020.

The next press release on the average monthly earnings will be issued on May 12th 2020.

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

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² Excluding activities of public administration, education, health and social assistance

³ See the Methodological notes from point 3 regarding "budgetary sector"