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Area: Labour Market

# THE AVERAGE GROSS EARNINGS\*) ON TOTAL ECONOMY IN FEBRUARY 2021 WERE 5497 LEI AND THE NET 3365 LEI

- In February 2021, the average gross nominal earnings were 5497 lei, with 52 lei (-0.9%) lower than the one registered in January 2021.
- The average net nominal earnings were 3365 lei, decreasing as against the previous month with 30 lei (-0.9%).
- The highest values of the average net nominal earnings were recorded in computer programming, consultancy and related activities (including information service activities) (8047 lei), while the lowest in accommodation and food service activities (1747 lei).

### February 2021 as compared to February 2020

As compared to February of the previous year, the average net nominal earnings increased by 5.1 %\*\*).

## Earnings in relation with the evolution of consumer prices

- The real earnings index¹ was 101.9% for February 2021 in relation with the same period of previous year.
- The real earnings index was 98.7% for February 2021 as against previous month.
- As compared to October 1990, the real earnings index was 221.4%, by 2.8 percentage points lower than the one recorded in January 2021.

# Evolution of consumer price index and of net average earnings index during February 2019 – February 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.

### February 2021 as compared to January 2021

In February 2021, 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 the previous months of the occasional bonuses (quarterly, annual, for 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 decreases of the average net earnings were caused by

<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 February 2020 – February 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

suspending/ceasing the activity, continuation of technical unemployment of certain economic operators or partial remuneration of the employees, production unachievements or lower receipts (depending on contracts/projects), as well as hiring staff with lower earnings as against the average, in some economic activities.

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

- By 26.3% in extraction of crude petroleum and natural gas, due to occasional bonuses granted in the previous months;
- Between 6.0% and 10.0% in manufacture of coke and refined petroleum products, mining of metal ores, mining support service activities, warehousing and support activities for transportation, electricity, gas, steam and air conditioning supply;
- Between 2.0% and 5.0% in telecommunications, motion picture, video and television programmes production, sound recording and music publishing activities (including programming and broadcasting activities), mining of coal and lignite, manufacture of motor vehicles, trailers and semi-trailers, air transport, insurance, reinsurance and pension funding (except compulsory social security), professional, scientific and technical activities, land transport and transport via pipelines, postal and courier activities.

The increases of the average net earnings as against the previous month were determined by granting the occasional bonuses (annual or for 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 resuming the activity of certain economic agents, higher production achievements or receipts level (depending on contracts/projects).

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

- By 53.6% in manufacture of tobacco products, by 17.8% in activities auxiliary to financial services and insurance activities, respectively by 13.0% in manufacture of basic pharmaceutical products and pharmaceutical preparations and were due to occasional bonuses, payments in kind and other funds granted;
- Between 3.0% and 6.5% in manufacture of computer, electronic and optical products, other mining and quarrying, publishing activities, real estate activities;
- Between 1.0% and 3.0% in forestry and logging (including fishing and aquaculture), manufacture of basic metals, manufacture of electrical equipment, manufacture of paper and paper products, arts, entertainment and recreation, other service activities, printing and reproduction of recorded media, manufacture of rubber and plastic products.

In the **budgetary sector**<sup>3</sup> were registered decreases of the average net earnings as against the previous month in human health and social work activities (-2.7%), respectively in education (-0.3%). The average net earnings slightly increased in public administration (+0.1%) 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/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 April 13<sup>th</sup> 2021):

http://statistici.insse.ro:8077/tempo-online/#/pages/tables/insse-table

• from the Monthly Statistical Bulletin no. 2/2021.

The next press release on the average monthly earnings will be issued on May 13<sup>th</sup> 2021.

Press release archive: <a href="https://insse.ro/cms/en/comunicate-de-presa-view">https://insse.ro/cms/en/comunicate-de-presa-view</a>

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