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Area: Labour Market

AVERAGE GROSS EARNINGS ON TOTAL ECONOMY*) WERE 2874 LEI IN AUGUST 2016

- In August 2016, the average gross nominal earnings were 2874 lei, only 1 leu lower than the one registered in July 2016.
- The average net nominal earnings were 2076 lei, decreasing with 2 lei as against the previous month (-0.1%).
- The highest values of the average net nominal earnings were recorded in computer programming, consultancy and related activities (including information service activities) (5464 lei), while the lowest in accommodation and food service activities (1261 lei).

August 2016 as compared to August 2015

As compared to August of the previous year, the average net nominal earnings increased by 14.5%. **The real earnings index**¹ in relation with the same period of previous year was 114.7%.

Earnings in relation with the evolution of consumer prices

The real earnings index was 99.8% for August 2016 as against previous month. As compared to October 1990, the real earnings index was 158.4% by 0.3 percentage points lower than the one recorded in July 2016.

Evolution of consumer price index and of net average earnings index during August 2014 - August 2016



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

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

August 2016 as compared to July 2016

In August 2016, in the majority of activities belonging to the economic sector² the level of the average net earnings was lower as against July 2016. The decreases of the average net earnings as against the previous month were determined by occasional bonuses (including quarterly, annual, holiday or performance bonuses), payments in kind and other allowances, amounts from the net profit and other funds granted in July. Also, the decreases of the average net earnings were caused by production unachievements or lower receipts (depending on contracts or due to summer holidays when meal vouchers and other salary rights are not granted) or by hiring employees with lower earnings in certain economic activities.

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

- By 9.8% in warehousing and support activities for transportation;
- Between 7.0% and 9.5% in insurance, reinsurance and pension funding (except compulsory social security), manufacture of coke and refined petroleum products, manufacture of motor vehicles, trailers and semi-trailers;
- Between 2.5% and 4.5% in manufacture of leather and related products, financial service activities (except insurance and pension funding), other manufacturing, manufacture of textiles, electricity, gas, steam and air conditioning supply, accommodation and food service activities.

Increases of the average net earnings as against July 2016 were due to granting of occasional bonuses (including quarterly, annual, holiday or performance bonuses), payments in kind and other allowances, amounts from the net profit and other funds (including meal or gifts tickets), but also to the production achievements or higher receipts (depending on contracts).

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

- By 19.3% in mining of metal ores, respectively by 16.4% in mining of coal and lignite;
- Between 3.0% and 8.5% in real estate activities, extraction of crude petroleum and natural gas, manufacture of basic metals;
- Between 1.5% and 2.5% in air transport, telecommunications, publishing activities.

In the **budgetary sector**³ were registered increases of the average net earnings as against the previous month in health and social assistance (+5.3%), public administration (+3.1%), respectively in education (+2.8%) due to granting the legal provisions⁴ for staff paid from public funds.

Additional Information:

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 with 10th October 2016): http://statistici.insse.ro/shop/index.jsp?page=tempo2&lang=en&context=15
- from the Monthly Statistical Bulletin no. 8/2016.

The next press release on the average monthly earnings will be issued on November 7th, 2016.

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

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 $^{^{\}rm 2}$ Excluding activities of public administration, education, health and social assistance

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

⁴ Government Ordinances no. 20/2016 and no. 43/2016 amending and supplementing the Government Emergency Ordinance no. 57/2015 regarding the salaries of staff paid from public funds in 2016, the extension of deadlines and fiscal measures, amending and supplementing certain acts and for the uniform application of laws; Government Decision no. 582/2016 approving the Methodological Norms for the application of art. 3 ^ 1 par. (2), (3) and (8) art. 3 ^ 3 and 3 ^ 4 of the Government Emergency Ordinance no. 57/2015 regarding the salaries of staff paid from public funds in 2016, the extension of deadlines and fiscal measures.