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Area: Labour Market

THE AVERAGE GROSS EARNINGS*) ON TOTAL ECONOMY IN DECEMBER 2020 WERE 5906 LEI AND THE NET 3620 LEI

- In December 2020, the average gross nominal earnings were 5906 lei, with 341 lei (+6.1%) higher than the one registered in November 2020.
- The average net nominal earnings were 3620 lei, increasing as against the previous month with 209 lei (+6.1%).
- The highest values of the average net nominal earnings were recorded in manufacture of coke and refined petroleum products (8350 lei), while the lowest in accommodation and food service activities (1685 lei).

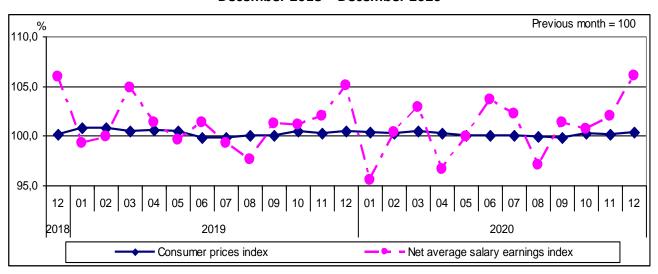
December 2020 as compared to December 2019

As compared to December of the previous year, the average net nominal earnings increased by 8.4 %**).

Earnings in relation with the evolution of consumer prices

- The real earnings index¹ was 106.2% for December 2020 in relation with the same period of previous year.
- The real earnings index was 105.7% for December 2020 as against previous month.
- As compared to October 1990, the real earnings index was 242.3%, by 13.2 percentage points higher than the one recorded in November 2020.

Evolution of consumer price index and of net average earnings index during December 2018 – December 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.

December 2020 as compared to November 2020

In December 2020, in the majority of activities belonging to the economic sector², the level of the average net earnings increased as against the previous month due to granting of occasional bonuses (quarterly, annual, winter

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

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

¹ Calculated as the ratio between the net nominal earnings index and the consumer prices index

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

holyday bonuses, performance bonuses or the 13th salary), 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), 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 at section/division level of NACE Rev.2 have been recorded as follows:

- By 28.2% in financial service activities (except insurance and pension funding);
- Between 21.0% and 25.5% in manufacture of basic metals, manufacture of coke and refined petroleum products, manufacture of basic pharmaceutical products and pharmaceutical preparations, electricity, gas, steam and air conditioning supply, manufacture of other non-metallic mineral products;
- Between 12.0% and 18.0% in telecommunications, extraction of crude petroleum and natural gas, other mining and quarrying, sewerage, mining of metal ores, forestry and logging (including fishing and aquaculture), manufacture of paper and paper products, water collection, treatment and supply, manufacture of other transport equipment, mining of coal and lignite;
- Between 7.0% and 10.5% in real estate activities, professional, scientific and technical activities, manufacture of
 wood and of products of wood and cork (except furniture, including manufacture of articles of straw and plaiting
 materials), water transport, manufacture of beverages, wholesale and retail trade (including repair of motor vehicles
 and motorcycles), manufacture of computer, electronic and optical products, motion picture, video and television
 programmes production, sound recording and music publishing activities (including programming and broadcasting
 activities), insurance, reinsurance and pension funding (except compulsory social security), repair and installation of
 machinery and equipment, printing and reproduction of recorded media, other service activities.

The decreases of the average net earnings as against the previous month were caused by suspending/ceasing the activity, continuation of technical unemployment by certain economic operators or partial remuneration of the employees, production unachievements or lower receipts (depending on contracts/projects). Also, the decreases of the average net earnings were determined by occasional bonuses, payments in kind and other allowances, amounts from the net profit and other funds (including value tickets) granted in the previous month.

The decreases in the average net earnings at section/division level of NACE Rev.2 have been recorded in air transport (-5.2%), respectively in manufacture of motor vehicles, trailers and semi-trailers (-2.0%).

In the **budgetary sector**³ were registered increases of the average net earnings as against the previous month in health and social assistance (+6.7%, mainly as a result of granting the value tickets (holiday vouchers/tickets) and the risk incentive for healthcare professionals involved in the treatment of patients with COVID-19, in accordance with the legal provisions in force), respectively in public administration (+1.3%). The average net earnings decreased in education as compared to the previous month (-2.4%) due to the amounts reduction representing the hourly payments of teaching staff during school holiday.

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 February 12th 2021): http://statistici.insse.ro:8077/tempo-online/

• from the Monthly Statistical Bulletin no. 12/2020.

The next press release on the average monthly earnings will be issued on March 12th 2021.

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

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

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