

## 8. Labour Costs

### BASIC DATA

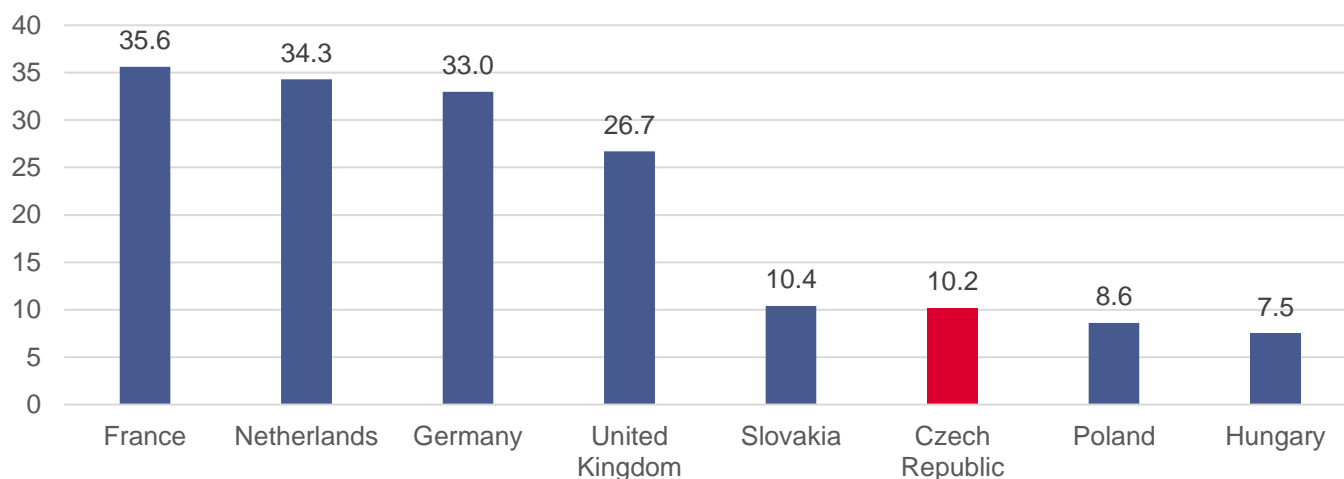
Average gross monthly wages, in CZK	Y 2010	23,951
	Y 2011	24,319
	Y 2012	25,101
	Y 2013	25,128
	Y 2014	25,686
	Y 2015	26,467
	Y 2016	27,589
Minimum wage per month in 2017, in CZK		11,000
Employer's social and health insurance contributions		34%

Average exchange rates CZK/EUR: 25.29 (2010), 24.586 (2011), 25.143 (2012), 25.974 (2013), 27.533 (2014), 27.283 (2015), 27.02 (March 2017)

Source: Czech Statistical Office 2017, Czech National Bank 2017

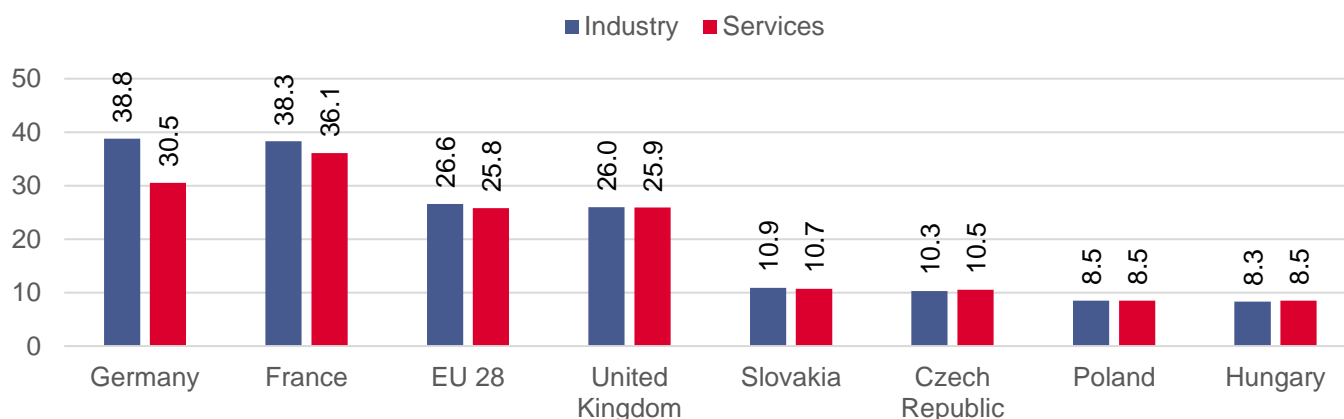
In comparison to other CEE countries, Czech Republic has very well educated, skilled and multi-lingual labour force. Over the past five years average annual wage has grown around 3% but it is coming from much lower base compared to Western Europe. More over the weaker CZK to EUR/USD exchange rate has recently made salaries more favourable and is expected to remain relatively stable at these levels.

### AVERAGE HOURLY WAGES IN 2016 (EUR)



Source: Eurostat, 2017

### HOURLY WAGES, BREAKDOWN BY ECONOMIC ACTIVITY IN 2016 (EUR)



Source: Eurostat, 2017

## AVERAGE MONTHLY WAGES IN SELECTED SECTORS AND POSITIONS IN THE CZECH REPUBLIC IN 2016 (EUR/MONTH)

CZ-NACE	EUR
Financial and insurance activities	1,866
Information and communication	1,863
Electricity, gas, steam and air conditioning supply	1,536
Professional, scientific and technical activities	1,262
Mining and quarrying	1,163
Public administration, defence; compulsory social security	1,129
Human health and social work activities	1,038
Manufacturing	1,020
Wholesale and retail trade; repair of motor vehicles and motorcycles	952
Transportation and storage	953
Education	989
Water supply; sewerage, waste management and remediation activities	944
Construction	919
Real estate activities	881
Agriculture, forestry and fishing	828
Administrative and support service activities	670
Accommodation and food service activities	582

ISCO CODE	EUR
Legislators, senior officials and managers	2,403
Professionals	1,708
Technicians and associate professionals	1,202
Clerks	888
Service workers and shop and market sales workers	665
Skilled agricultural and fishery workers	770
Craft and related trades workers	917
Plant and machine operators and assemblers	885
Elementary occupations	648
Manual workers	820
Non-manual workers	1,349

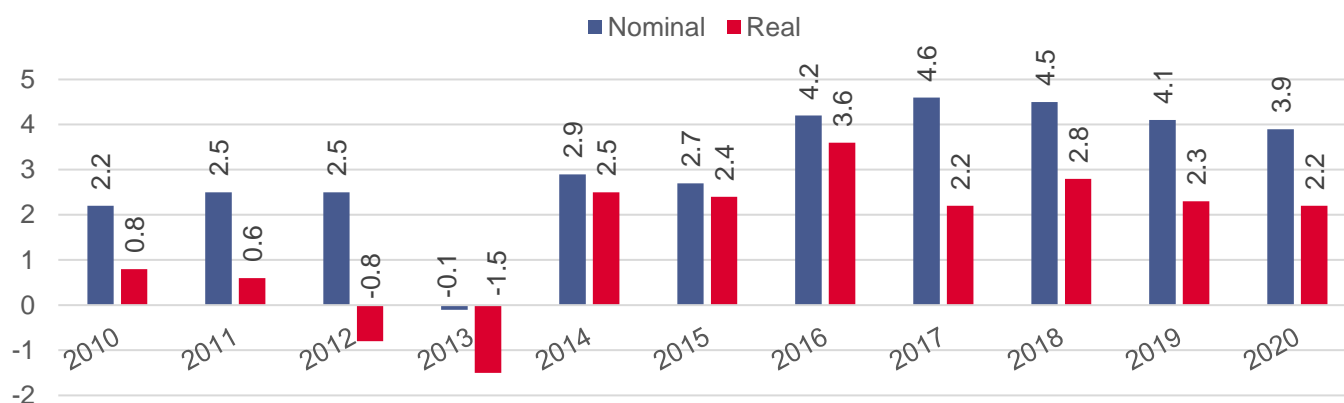
Average exchange rate CZK/EUR: 27.02 (March 2017)

Source: Czech Statistical Office 2017, Czech National Bank

Average exchange rate CZK/EUR: 27.02 (March 2017)

Source: Czech Statistical Office 2017, Czech National Bank 2017

## NOMINAL AND REAL WAGE GROWTH IN THE CZECH REPUBLIC (%)

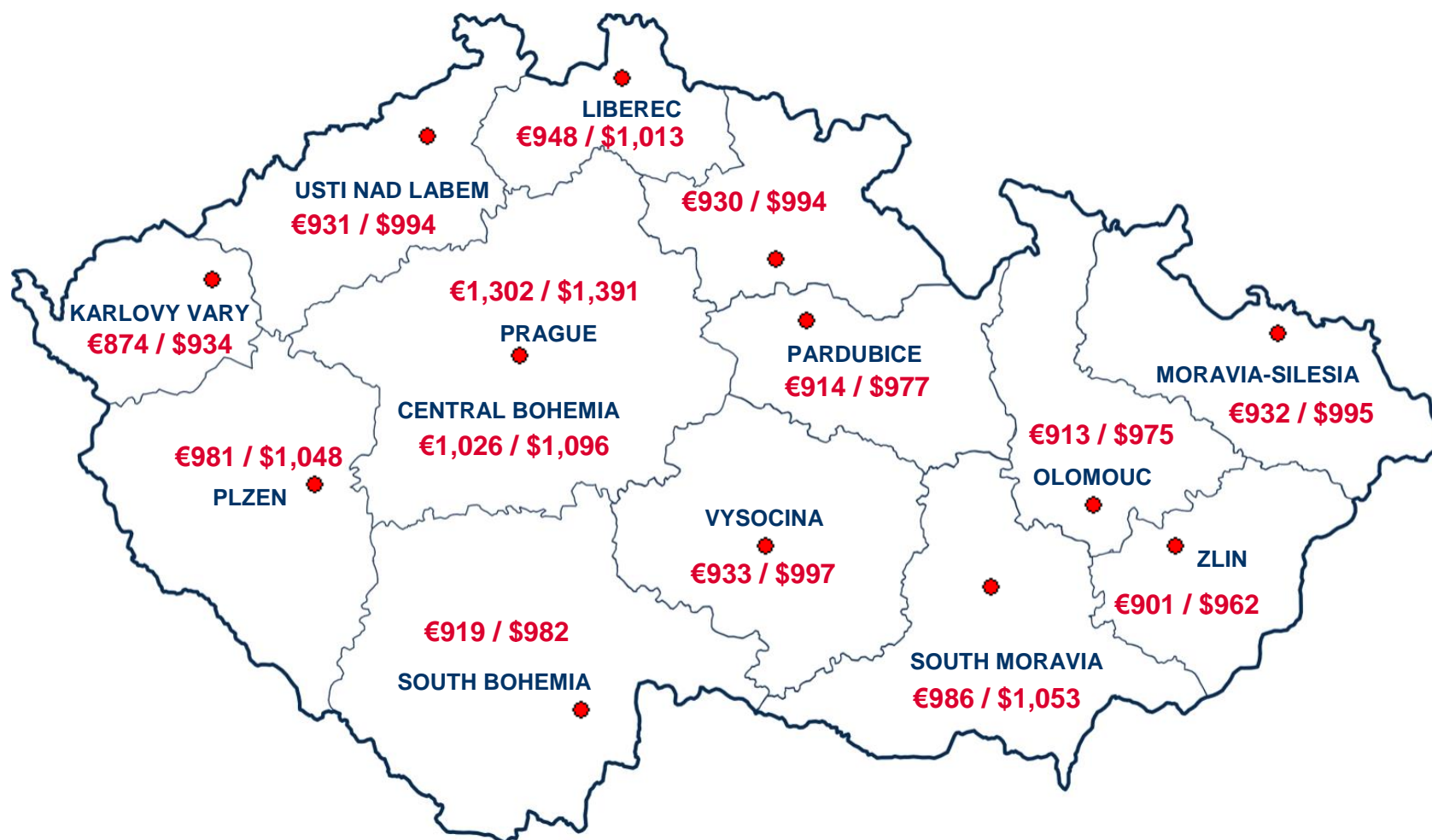


Note: Year 2017-2018 forecast, 2019-2020 outlook

Source: Macroeconomic Forecast April 2017, Ministry of Finance, 2017

## AVERAGE GROSS MONTHLY WAGES IN THE REGIONS OF CZECH REPUBLIC, 2016

Differences in remunerations among regions reach approx. 20%. Traditionally, employees in **Prague** are paid more than in other regions (currently 29% above Czech average). The lowest salary level is in the **Karlovy Vary Region** (15% below the Czech average).



Source: Czech Statistical Office, 2017

EUR (average exchange rate CZK/EUR: **27.02** (March 2017))  
 USD (average exchange rate CZK/USD: **25.292** (March 2017))