



European Foundation for the Improvement of Living and Working Conditions

Pay developments - 2006

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This review of pay trends in Europe in 2005 and 2006 finds that average collectively-agreed nominal wage increases across the EU rose from 4.9% in 2005 to 5.6% in 2006. When inflation is taken into account, the rate of real increase rose from 1.9% in 2005 to 2.7% in 2006. However, the data show that there are considerable differences between the 'old' and 'new' EU Member States, in terms of both pay trends and the level of pay increases. The review also looks at collectively-agreed pay increases in three selected sectors (metalworking, banking and local government), current wage rates and minimum wage increases, and the extent of the gender pay gap across all countries.

This annual report from the [European Industrial Relations Observatory](#) (EIRO), based on contributions from its national centres, provides a broad indication of trends in pay increases over 2005 and 2006 across the current 27 EU Member States (EU27) and Norway (a full list of country groups are included in Appendix 8). It looks at the following: collectively-agreed pay rises across the economy as a whole and in three selected sectors; national minimum wage increases and current rates; gender pay differentials; and average increases in earnings.

The report does not seek to provide a fully scientific and comparable set of pay comparisons, given that EIRO is not a statistical service and that pay is an area where meaningful international comparisons are particularly difficult to make. Differing national systems of pay formation, industrial relations, taxation and social security, and the divergent ways in which pay-related statistics are collected and presented, mean that comparisons between countries are hard to draw. Nevertheless, given the vital importance of pay in industrial relations, EIRO provides these general indications of recent developments while pointing out the problems, caveats and qualifications. The figures provided in this review should be treated with caution, and the various notes and explanations read with care.

Average collectively-agreed pay increases

Figure 1 below provides data on the average nominal collectively-agreed basic pay increases in each country (or a broadly equivalent indicator, where these are not available). Where possible, the statistics cover the whole economy, although there are exceptions (see the notes below Figure 1). Data are not yet available for the whole of 2006 in a number of cases. Variations in the 2005 figures from those appearing in the EIRO pay update for 2005 ([TN0606101U](#)) are explained mainly by the replacement of provisional or partial figures with more reliable ones, plus in some cases changes in the data used, where more appropriate sources have been identified. (In Figure 1 and subsequent figures, the data are sorted in order of pay increase from highest to lowest for 2006. Where there is no figure available for 2006, the country is ranked by its 2005 figure in comparison with the 2006 figures for the other countries.)

Collective bargaining plays a relatively significant role in pay setting in all countries considered in this review, although the rates of direct bargaining coverage vary considerably (generally being higher in the 'old' Member States (EU15) and lower in the new Member States that joined the EU in 2004 and 2007 (NMS12), even though there are exceptions in both groups). The role of collective bargaining in pay determination differs widely. Notably, the various bargaining levels (for example, intersectoral, sectoral or company level) play different parts, while the importance of collective agreements in wage setting differs considerably between economic sectors and groups of workers.

These differences in national pay formation and industrial relations systems are illustrated by the varying ways in which the increases referred to in Figure 1 are arrived at.

Free collective bargaining, primarily (although not entirely in all cases) at sectoral level, plays the main role in Austria, Denmark, France, Germany, Italy, the Netherlands, Norway, Portugal, Slovakia, Spain and Sweden. National intersectoral agreements are responsible for setting the relevant increases, or laying down guidelines for lower-level bargaining, in Belgium, Finland,

Greece, Hungary, Ireland, Romania, Slovenia and Spain. In the UK and the majority of the NMS, company-level bargaining (or bargaining at lower levels within the company) predominates. In several central and eastern European countries such as Bulgaria, Estonia, Latvia, Lithuania and Poland, low levels of bargaining coverage and/or a lack of systematic data collection make it impossible to produce figures for average collectively-agreed pay increases (other indicators are thus used in Figure 1). Automatic pay indexation represents a significant proportion of the increases in Belgium and Luxembourg. The role of the increases referred to in Figure 1 also differs: in countries such as Austria, Denmark and Italy, the increases referred to are for sectoral minima, subject to subsequent lower-level bargaining (or in the case of Austria, the application of actual pay increases agreed at sector level); while in decentralised-bargaining countries such as the UK, the figures are more likely to represent actual increases.

Nominal pay increases

Bearing in mind the above considerations, Figure 1 indicates that in the EU overall (including Bulgaria and Romania which joined the EU on 1 January 2007), the average collectively-agreed nominal pay increase rose from 4.9% in 2005 to 5.6% in 2006. In 2005, increases ranged between 16.5% in Latvia (although the figure used here is not strictly for agreed increases) and 0.8% in the Netherlands where a wage freeze was in force. However, in 2006, the range of increases was wider, between 22.8% in Latvia and 1.5% in Germany.

Breaking down the overall EU27 figure into various groups of countries shows that there are considerable differences within the EU, in terms of both pay trends and the level of pay increases. Looking at the pre-2007 EU25, the average agreed increase rose from 4.4% in 2005 to 5.2% in 2006. This indicates that the addition of Bulgaria and Romania has pushed the average annual level of pay increases in the EU upwards by around 0.5 percentage points. In the former EU15, the average increase in 2005 stood at only 2.8%, rising to 2.9% in 2006 (the addition of Norway increases the figure by 0.1 percentage points each year). Pay increases in the EU15 are thus running at much lower levels than in the EU as a whole, and the upward trend from 2005 to 2006 was only slight. The figures for the eurozone (before Slovenia joined in 2007) are almost identical to those for the EU15, and remained static between 2005 and 2006 – the eurozone represents the subset of Member States that have already adopted the euro. The situation is rather different in the NMS. In the NMS10 that joined the EU on 1 May 2004, the average increase was 6.8% in 2005, rising to 8.8% in 2006, while in the current NMS12, the respective figures are 7.5% and 9.1%.

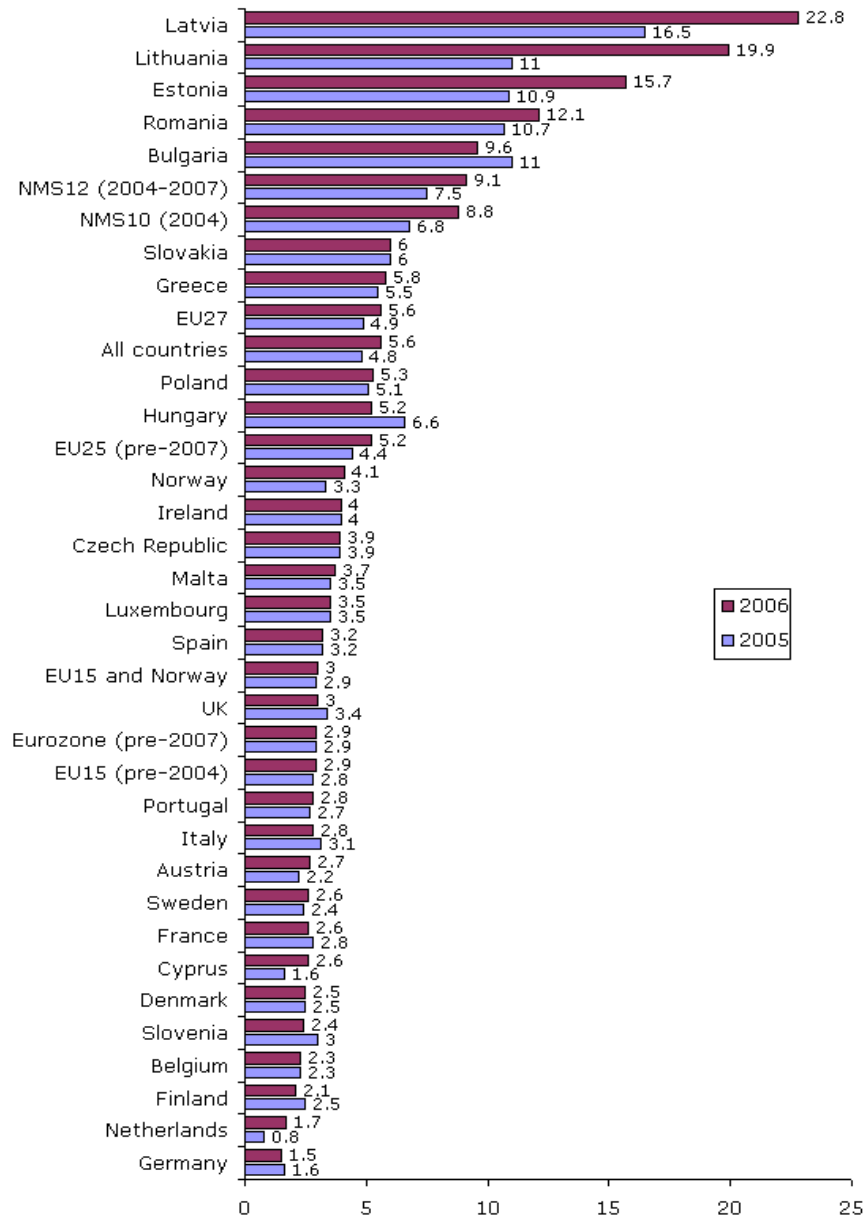
Comparing the former EU15 and the NMS, the overall picture is one of continuing moderation in wage bargaining in the EU15 and an upward trend from a relatively high base in the NMS. Nominal pay increases in the NMS12 were almost 2.7 times higher than in the EU15 in 2005 and 3.1 times higher than the average in 2006 – with the widening gap suggesting little in the way of convergence between the two groups.

However, this overall picture of low and relatively static agreed pay increases in the EU15 and high and rising increases in the NMS conceals considerable national differences within each group. Pay rises in Greece and Ireland, for example, ran far ahead of the EU15 averages in both 2005 and 2006. Among the NMS, countries such as Cyprus and Slovenia had relatively low pay increases, and the overall average for this group of countries was pushed up significantly by the high levels of increases in the Baltic states, Bulgaria and Romania.

In terms of trends, the rate of increase rose between 2005 and 2006 in 13 of the countries reviewed, remained unchanged in seven countries and fell in eight. Among the NMS12 and following the overall average for these countries, while there were sharp rises in Estonia, Latvia and Lithuania and rises in Cyprus, Malta, Poland and Romania, the rate of increase was static in the Czech Republic and Slovakia, and fell in Bulgaria, Hungary (sharply) and Slovenia. In the EU15, while the overall

tendency was for a slight rise (with the highest increases in Austria and the Netherlands), the rate of increase was unchanged in Belgium, Denmark, Ireland, Luxembourg and Spain, and fell in Finland, France, Germany and Italy.

Figure 1: Average collectively-agreed pay increases, 2005 and 2006 (%)



Average collectively-agreed pay increases, 2005 and 2006 (%)

The data in Figure 1 should be read in conjunction with the notes in Appendix 1.

Source: EIRO

Taking a slightly longer perspective, Table 1 below presents the average agreed pay rises in the various groups of countries in recent years (the length of each time series varies with the date of the

inclusion of countries in EIRO). In the EU15 and Norway, following a peak in 2001, the average rate of pay increases fell relatively steadily and gently until 2005, with a slight rise in 2006. Over this period, the trend in the eurozone was very similar, with annual average increases varying little from the EU15. In the NMS10, a downward trend was evident from 2002 until 2004 (the year when the differential with the EU15 was narrowest) and then rose again after EU accession. The inclusion of Bulgaria and Romania in the figures from 2004 increased the annual average pay rise for the NMS. The EU25 figure fell slightly from 2002 to 2004 and has since risen (as has the EU27 figure since the latter year).

In 2002, the average pay increase in the NMS10 was nearly twice as high as in the EU15. This ratio remained unchanged in 2003 and fell slightly in 2004, to 1.9 times higher in the NMS10 than the pay increase in the EU15, before rising to 2.4 times higher in 2005 and 3.0 times higher in 2006.

Including Bulgaria and Romania among the NMS12, average pay rises were 2.2 times higher than in the EU15 in 2004, rising to 2.7 times higher in 2005 and 3.1 times higher in 2006. Since EU enlargement, pay trends have thus diverged in the EU15 and NMS, and the pay gap continues to widen.

Table 1: Average collectively-agreed pay increases, 2000–2006 (%)

Average collectively-agreed pay increases, 2000–2006 (%)

	2000	2001	2002	2003	2004	2005	2006
All countries	-	-	-	5.6	4.6	4.8	5.6
EU27	-	-	-	-	4.6	4.9	5.6
EU25 (pre-2007)	-	-	4.4	4.2	4.1	4.4	5.2
EU15 (pre-2004)	-	-	3.3	3.0	3.0	2.8	2.9
EU15 and Norway	3.2	3.8	3.5	3.1	3.1	2.9	3.0
NMS10 (2004)	-	-	6.5	5.9	5.6	6.8	8.8
NMS12 (from 2007)	-	-	-	-	6.6	7.5	9.1
Eurozone (pre-2007)	3.1	3.9	3.4	3.1	3.1	2.9	2.9

Source: EIRO

Averaging the annual pay increases from 2002 to 2006, the 28 countries (EU27 and Norway) can be divided into the following groups:

- ‘very high’ nominal pay-increase countries – those where agreed rises averaged 10% or over. This group includes the two newest Member States, Bulgaria and Romania, and two Baltic countries, Estonia and Latvia;
- ‘high’ nominal pay-increase countries – those where agreed rises averaged 5%–10%. This group includes three NMS since 2004 – Hungary, Lithuania and Slovakia – and Greece;

- ‘medium’ nominal pay-increase countries – those where agreed rises averaged 3%–5%. This group includes a mixture of NMS – the Czech Republic, Poland and Slovenia – some of the former EU15 – France, Ireland, Luxembourg, Spain and the UK – and Norway;
- ‘low’ nominal pay-increase countries – those where agreed rises averaged 3% or below. With the exception of the two ‘Mediterranean’ NMS, Cyprus and Malta, this group includes mostly EU15 countries – Austria, Belgium, Denmark, Finland, Germany, Italy, the Netherlands, Portugal and Sweden.

Over the five-year period, few countries displayed a clear trend in nominal pay increases, with most varying up and down from year to year. Exceptions include a consistent upward trend in pay increases in Latvia, Lithuania and, to a lesser extent, Poland, and consistent downward trends in Hungary, Slovenia and, to a lesser extent, Slovakia. In the EU15, a steady downward trend was recorded in Germany and, to a lesser extent, Belgium and Luxembourg.

In terms of the size of the variations in annual pay increases from 2002 to 2006, the countries with the greatest stability were Austria, the Czech Republic, Denmark, Finland, France, Luxembourg, Spain, Sweden and the UK (in all cases, the variation between the highest and lowest annual increases was lower than one percentage point), while the least stable were Latvia, Lithuania and Romania (with variations of over 14%).

Real pay increases

To provide an indication of real pay increases, Figure 2 below adjusts the increases for inflation, subtracting the annual rates of inflation for December 2004–December 2005 and December 2005–December 2006 respectively, as calculated by Eurostat, using the Harmonised Index of Consumer Prices (HICP). For the EU27 as a whole, inflation remained unchanged from December 2004–December 2005 to December 2005–December 2006 at 2.1%. The eurozone, however, experienced a slight fall in inflation from 2.2% to 1.9%.

In the EU27, the average collectively-agreed real pay increase rose from 1.9% in 2005 to 2.7% in 2006. The average real increase thus rose by 0.8 percentage points from 2005 to 2006, compared with a rise of 0.7 points in nominal pay increases. In 2005, real increases ranged between 9.4% in Latvia (although the figure used here is not strictly for agreed increases) and -1.2% in the Netherlands given the wage freeze. However, in 2006, the range of the increase was wider, between 16.0% in Latvia and -1.4% in Hungary. The workers concerned received real pay increases in 2005 in all countries except Belgium, Germany, the Netherlands and Spain. In 2006, inflation again outstripped the nominal pay rise in Germany, Hungary and Slovenia.

As with nominal pay increases, major differences emerge between the various groups of countries within the EU, in terms of both pay trends and the level of real wage increases. In the EU25, the average wage increase rose from 1.7% in 2005 to 2.6% in 2006 (compared with a 0.8-point rise in nominal increases). In the EU15, the average increase in 2005 stood at only 0.6%, rising to 0.8% in 2006 (compared with a rise of 0.1 percentage points in nominal increases) – the same figures apply if Norway is included. Real wage increases in the EU15 were thus about a third of those in the EU as a whole, and the upward trend from 2005 to 2006 was only slight. The figure for the eurozone (pre-2007) was slightly lower than for the EU15 in 2005 but identical in 2006. In the NMS10, the average real increase was 3.5% in 2005, rising to 5.3% in 2006 – adding Bulgaria and Romania leaves the 2005 figure unchanged and reduces the 2006 figure by 0.1 percentage points. This 1.8-point rise from 2005 to 2006 (1.7 points, including Bulgaria and Romania) compares with a 2.0-point rise in the nominal average increase (this falls to 1.6 points if Bulgaria and Romania are included)

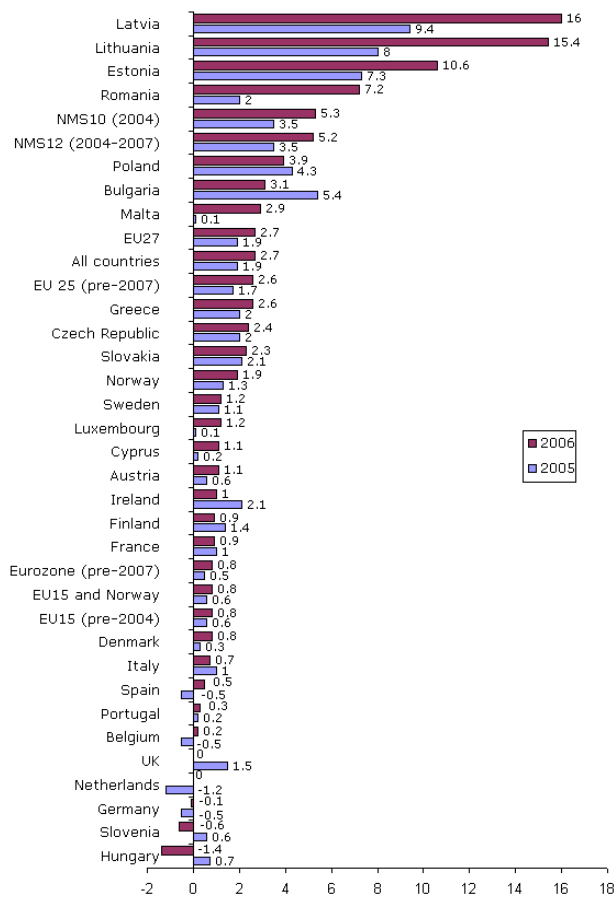
The general picture for real pay rises in the EU15 and the NMS is similar to that for nominal increases – moderation in the former group of countries (with real rises at low levels, although with a

slight upward tendency) and much higher rises with an upward trend in the latter country group. The average real wage increase in the NMS12 was 5.8 times higher than in the EU15 in 2005 and 6.5 times higher in 2006. These differentials are more than double those for nominal wage increases, indicating that real pay trends are even more divergent between the two groups.

However, within the groups of countries, the situation is by no means uniform. For example, among the NMS, Hungary and Slovenia especially go against the overall trend with real pay increases at notably low (at or below the EU15 average) and falling levels, and the overall average for this group is pushed up significantly by the high levels of pay increases in the Baltic states. In the EU15, Greece (and, to a lesser extent, Ireland), for example, had above-average real pay rises in both 2005 and 2006.

In terms of trends in real pay rises, the rate of increase, following the average trend, rose between 2005 and 2006 in 19 of the countries examined, but fell in nine of the countries. Among the NMS12, while there were pay rises in eight countries (most notably in Latvia, Lithuania and Romania), reductions in pay were found in four Member States (by the largest margin in Bulgaria and Hungary).

Figure 2: Average collectively-agreed pay increases, adjusted for inflation, 2005 and 2006 (%)



Average collectively-agreed pay increases, adjusted for inflation, 2005 and 2006 (%)

Source: EIRO and Eurostat

Looking at real pay rises from 2000 to 2006 (see Table 2 below), in the EU15 and Norway, the average rate of increase rose steadily until 2003 and then declined up to 2005, before showing a slight upturn in 2006. In the eurozone, the average real increase was around 0.2 percentage points lower on average than for the EU15 in each year until 2006, when the pay rises were identical. In the NMS10, the rate of increase fell from 2003 to 2004, but has been rising ever since (the same is true when Bulgaria and Romania are included). The EU25 figure rose slightly from 2002 to 2003, declined in 2004 and has been rising ever since (as has the EU27 figure).

In 2002, the average increase in the NMS10 was 2.9 times higher than in the EU15. This ratio fell to 1.4 in 2004, which might have been interpreted as indicating a degree of convergence around the EU enlargement of that year, but it then rose steeply to 5.8 in 2005 and 6.6 in 2006 (including Bulgaria and Romania among the NMS has relatively little effect on the figures). In 2005 and 2006, the pay-rise differential between the EU15 and the NMS12 was more than twice as large in real terms as it was in nominal terms, underlining again that there is still very much a ‘two-speed’ Europe in relation to wage trends.

Table 2: Average collectively-agreed pay increases, adjusted for inflation, 2000–2006 (%)

Average collectively-agreed pay increases, adjusted for inflation, 2000–2006 (%)

	2000	2001	2002	2003	2004	2005	2006
All countries	-	-	1.6	2.6	1.4	1.9	2.7
EU27	-	-	-	-	1.4	1.9	2.7
EU25 (pre-2007)	-	-	1.6	1.8	1.1	1.7	2.6
EU15 (pre-May 2004)	-	-	0.7	1.0	1.0	0.6	0.8
EU15 and Norway	0.5	0.8	0.9	1.3	1.1	0.6	0.8
Eurozone (pre-2007)	0.2	0.7	0.7	1.0	0.8	0.5	0.8
NMS10 (2004)	-	-	-	2.9	1.4	3.5	5.3
NMS12 (2004–2007)	-	-	-	-	1.9	3.5	5.2

Source: EIRO

Averaging the annual real wage rises from 2002 to 2006, the 28 countries considered can be divided into the following groups:

- ‘very high’ real pay-increase countries – those where annual rises averaged 4% or over. This group includes the three Baltic states (Estonia, Latvia and Lithuania) and the two newest Member States, Bulgaria and Romania;
- ‘high’ real pay-increase countries – those where rises averaged 2%–4%. This group includes two of the NMS – the Czech Republic and Poland – as well as Greece and Norway;

- ‘medium’ real pay-increase countries – those where rises averaged 1%–2%. This group includes mainly old Member States from the EU15 – Ireland, Finland, France, Sweden and the UK – and two NMS – Hungary and Slovakia;
- ‘low’ real pay-increase countries (the largest group) – those where rises averaged below 1%. With the exception of Slovenia and the two ‘Mediterranean’ NMS, Cyprus and Malta, this group includes mostly EU15 countries – Austria, Belgium, Denmark, Germany, Italy, Luxembourg, the Netherlands, Portugal and Spain.

Over the five-year period, few countries displayed a clear trend in real pay increases, with most countries fluctuating from year to year. However, a common tendency among numerous NMS (for example, Cyprus, Estonia, Latvia, Poland and Slovakia) was for pay increases to dip until 2004 when these countries joined the EU and then to rise again in the following years. A relatively consistent downward trend was also recorded in Bulgaria, Germany, Hungary and Slovenia.

Analysing the size of the variations in annual real increases from 2002 to 2006, the countries showing the greatest stability included France, Portugal and Sweden where the variation between the highest and lowest annual increases was lower than one percentage point, while the least stable were Latvia, Lithuania and Romania with variations of over 10%. In general, real pay increases tend to be more volatile than nominal increases.

Collectively-agreed pay increases by sector

Overview

Having looked at developments across the whole economy, this report provides figures below for collectively-agreed pay increases in three sectors selected to represent the manufacturing industry (metalworking), the services sector (banking) and the public sector (local government). While these more specific figures are probably more accurate than the overall average increases given in the previous section, caution is again advised in their use, and attention should be paid to the information in the notes under each figure.

Various factors should be borne in mind when comparing the sectoral wage increase figures, often reflecting differences in national industrial relations systems. These include the following:

- the figures have been arrived at in a number of ways – usually the basic increase provided for in the most recent relevant sectoral agreement, but also in some cases through producing an average or mid-range of a number of settlements at company or local level (for example, the UK, Dutch banking, and Czech metalworking and banking);
- the definitions of sectors, and the structure of sectoral bargaining, vary considerably across countries, so it is not always sure that like is being compared with exact like;
- the extent to which actual pay reflects the collectively-agreed increases referred to varies, with bonuses and additional payments of various types featuring more strongly in some countries than in others;
- pay rises are not always fully consolidated, with the use of one-off payments featuring in some cases (for example, in Belgian and German local government). Furthermore, increases may be awarded as a fixed cash amount, which will result in a differing percentage increase in the pay of workers on differing wage rates (as was the case in Slovenia in 2005, although a minimum percentage increase was guaranteed);
- automatic pay indexation may account for a considerable part of the pay increases recorded (as in Belgium and Luxembourg);

- the relative roles of sectoral and company bargaining are an important factor, with the sectoral agreements referred to in countries like Denmark, France and Italy (except banking) generally providing only for minima, with subsequent lower-level bargaining;
- the dates when the various collective agreements, and the relevant pay increases, come into force vary considerably and rarely run from the beginning of the calendar year;
- in some countries, multi-year agreements apply (as in Denmark, Finland, Ireland, Italy or Sweden) with the pay increases not always being paid in equal fractions, distorting the annual figures;
- only one category of workers may be referred to in the figures where bargaining occurs separately for blue and white-collar workers (for example, in Greek and Luxembourg metalworking or Luxembourg banking);
- in local government, the increases referred to in Figure 5 are in some cases not the result of bargaining but are imposed by law, as is the case in Austria, Bulgaria, Portugal and Romania.

EU27

Comparing the three sectors examined, in 2005, the average agreed wage increase across the EU27 stood at 6.1% in banking (1.2 percentage points above the EU-wide average for the whole economy), 4.8% in metalworking (0.1 percentage points below the EU average) and 4.1% in local government (0.8 points below the EU average). In 2006, the average pay increase in local government rose to 5.4% (0.2 points below the overall average), moving it into top position ahead of metalworking where the pay rise dropped to 4.6% (1.0 points below the average), while banking declined sharply to 3.4% (2.2 points below the average).

EU15 and Norway

Focusing only on the EU15 and Norway, the average nominal increase in 2005 stood at 3.2% in banking (0.3 percentage points above the whole-economy average for these countries), 3.1% in metalworking (0.2 points above the overall average) and 2.6% in local government (0.3 points below the average). In 2006, metalworking took over top position with 3.3% (0.3 points above the overall average), with banking at 3.2% (0.2 points above the average) and local government again lagging behind, although closer than in 2005, at 3.1% (0.1 points above the average). From 1999 to 2006, the average annual pay increase in the EU15 and Norway stood at 3.2% in metalworking (the same as the whole-economy average), 3.1% in banking and 3.0% in local government. Over the eight-year period, pay rates in banking and local government thus fell behind those recorded in metalworking and in the wider economy.

New Member States

With regard to the NMS12, in 2005, the average nominal increase was highest in banking, at 13.6% (6.1 percentage points above the whole-economy average, although the latter is based on a larger number of countries). This figure is particularly high mainly due to a large increase in Romania, without which the average increase would have been 5.9%. The next largest nominal increases were in metalworking at 8.0% (0.5 points above the overall average) and local government at 6.9% (0.6 points below the average). In contrast, in 2006, local government moved up into top position, with an average increase of 9.8% (0.7 points above the overall average, although again the latter is based on a larger number of countries). Metalworking followed at 7.0% (2.1 points below the average) and then banking at 4.0% (5.1 points below the average). In 2005, the average increases in the NMS exceeded those in the EU15 and Norway by 10.4 percentage points in banking, 4.9 points in

metalworking and 4.3 points in local government. In 2006, the gaps were generally narrower, ranging from 6.7 points in local government to 3.7 points in metalworking and 1.2 points in banking.

Metalworking

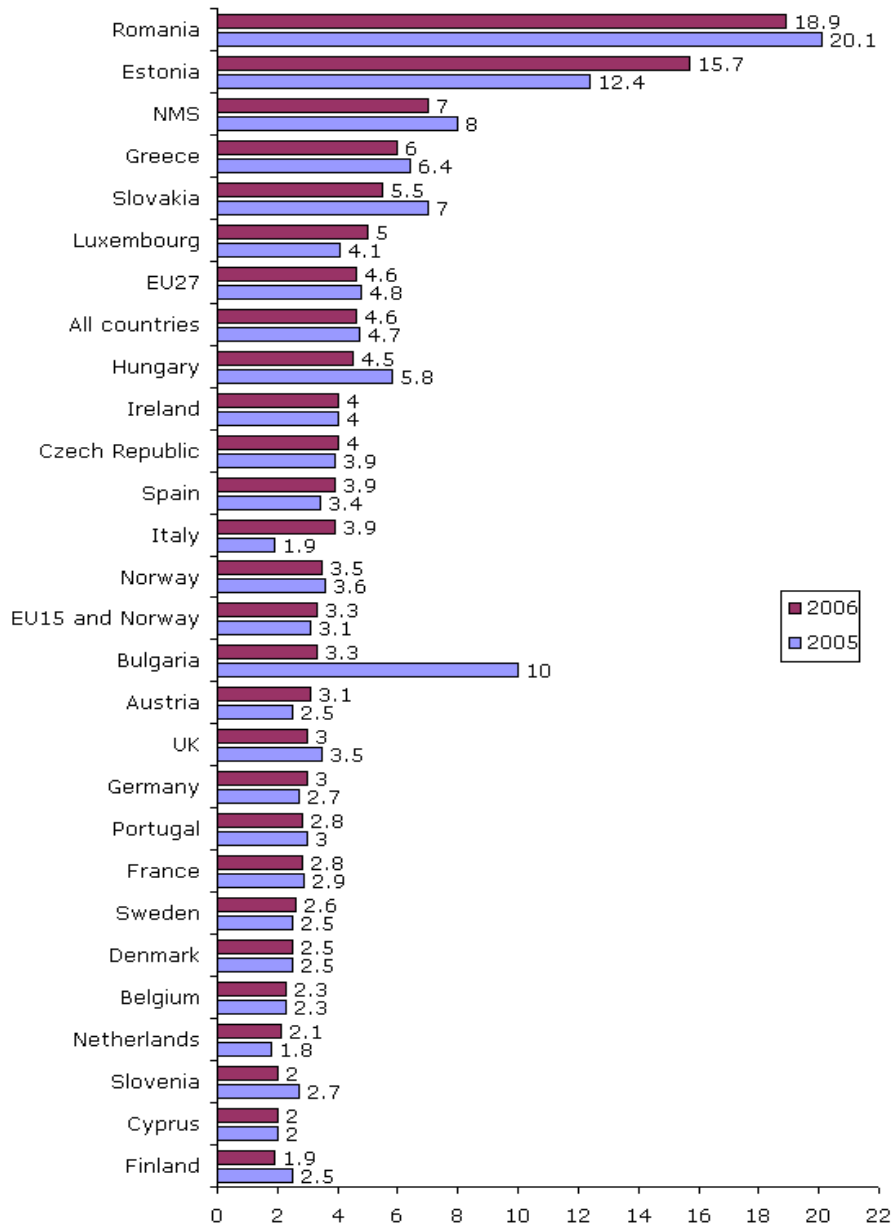
Data on agreed pay increases (or some similar indicator) in the metalworking sector are available for 24 of the 28 countries considered – the exceptions being Latvia, Lithuania, Malta (where the sector does not exist) and Poland. In 2005, nominal pay rises ranged between 20.1% in Romania (although the figure used here is not strictly for agreed increases) and 1.8% in the Netherlands – see Figure 3. In 2006, Romania again occupied top position, at 18.9%, with Finland in bottom position, at 1.9%. The average pay increase in metalworking across the EU27 fell slightly from 4.8% in 2005 to 4.6% in 2006 – 0.1 percentage points below the whole-economy average (see Figure 1 above) in 2005 and 1.0 points below the average in 2006. The rate of increase fell between 2005 and 2006 in 11 countries (most sharply in Bulgaria), rose in nine countries (most notably in Estonia) and remained unchanged in four countries.

In 2005, the increase in metalworking was higher than the national average increase for all sectors in 15 countries (most notably in Estonia, Germany and Romania), equal to the average in five countries and lower in three (most notably in Bulgaria and Italy). In 2006, the increase in metalworking was higher than the national average increase for all sectors in only 10 countries (most notably in Germany, Luxembourg and Romania), equal to the average in seven countries and lower in seven (most notably in Bulgaria and Hungary).

Looking only at the EU15 and Norway, metalworking recorded average pay increases of 3.1% in 2005 and 3.3% in 2006 – 0.2 percentage points above the whole-economy average in 2005 and 0.3 points above the average in 2006. This upward trend contrasts with the slight fall in metalworking wage rises in the whole EU. The EU15 and Norway increases for 2005 and 2006 compare with rises of 3.2% in 2004, 2.9% in 2003, 3.5% in 2002, 3.6% in 2001, 3.4% in 2000 and 2.9% in 1999. Thus, no clear trend has emerged in recent years.

With regard to the eight NMS for which data are available, the average nominal increase in the sector stood at 8.0% in 2005 and 7.0% in 2006 – 2.6 times higher than the EU15 and Norway average in 2005, falling to 2.1 times higher than the average in 2006. The average increase in metalworking in the NMS was 0.5 percentage points above the whole-economy average for these countries in 2005 but 2.1 points below the average in 2006 (although the averages do not correspond to the same number of countries for each year).

Figure 3: Average collectively-agreed pay increases in metalworking, 2005 and 2006 (%)



Average collectively-agreed pay increases in metalworking, 2005 and 2006 (%)

Notes on averages: ‘all countries’ is for 24 countries; ‘EU27’ is for 23 countries; ‘EU15 and Norway’ is for 16 countries; ‘NMS’ is for eight countries.

The date in Figure 3 should be read in conjunction with the notes in Appendix 2.

Source: EIRO

Banking

In 2005, across the 21 countries for which there is information – no data are available for Belgium (see note to Figure 4 below), Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania or Poland – the range of nominal pay increases awarded in the banking sector was between a massive 52.3% in Romania (five times the national whole-economy average, although the figure used is not strictly for agreed increases) and no increase in the Netherlands due to the general pay freeze. By contrast, in 2006, the range of increases narrowed considerably, between 13.8% in Malta and Romania, where no pay increase was introduced after the 2005 upsurge – see Figure 4.

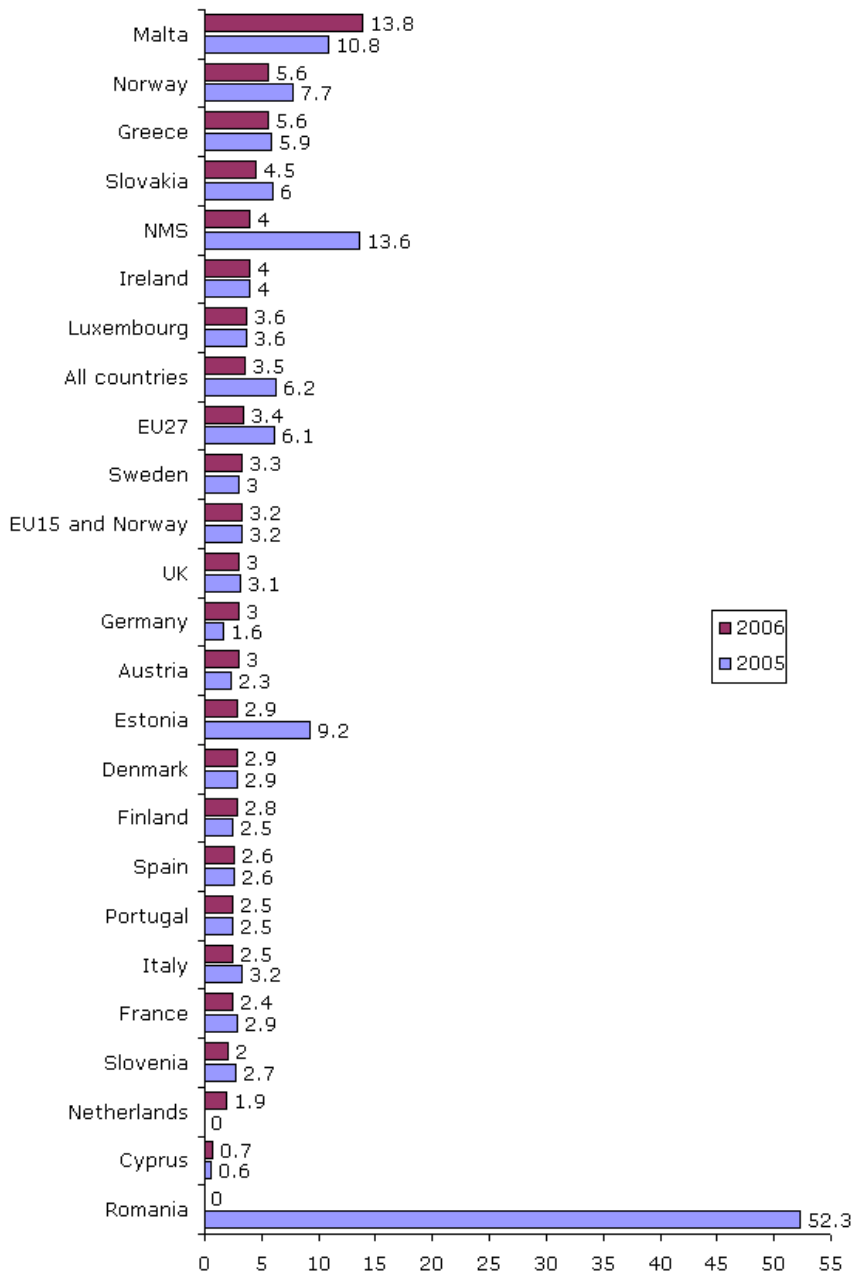
The average wage rise in banking across the EU27 fell sharply from 6.1% in 2005 to 3.4% in 2006 – 1.2 percentage points above the whole-economy average (see Figure 1 above) in 2005 but 2.2 points below the average in 2006. The large pay rise in Romania was responsible for much of the differential in 2005. The rate of increase fell between 2005 and 2006 in nine countries (most notably in Estonia and Romania), rose in seven countries (by the highest margin in Germany and the Netherlands) and remained unchanged in five countries.

The increase in banking in 2005 was higher than the national average increase for all sectors in nine countries (most notably in Malta, Norway and Romania), equal to the average in four countries and lower in eight countries (most notably in Cyprus and Estonia). In 2006, the banking increase was again higher than the national average increase for all sectors in nine countries (most notably in Germany, Malta and Norway), equal to the average in two countries and lower in 10 (most notably in Estonia and Romania).

In the EU15 and Norway, the average increase in banking stood at 3.2% both in 2005 and 2006 – 0.3 percentage points above the whole-economy average in 2005 and 0.2 points above the average in 2006. This stability contrasts with the rise in average banking wage increases across the whole EU. The increases in the EU15 and Norway for 2005 and 2006 compare with rises of 2.9% in 2004, 2.9% in 2003, 3.4% in 2002, 3.6% in 2001, 3.3% in 2000 and 2.6% in 1999.

Data are available for only six NMS, where the average nominal increase in banking fell considerably from 13.6% in 2005 (5.9% without Romania) to 4.0% in 2006 – 4.3 times higher than the EU15 and Norway average in 2005, falling to 1.3 times higher than that average in 2006. The average increase in banking in the NMS was 8.7 percentage points above the whole-economy average for these countries in 2005 but 1.6 points below the average in 2006 (although the averages do not correspond to the same number of countries for each year).

Figure 4: Average collectively-agreed pay increases in banking, 2005 and 2006 (%)



Average collectively-agreed pay increases in banking, 2005 and 2006 (%)

Notes on averages: ‘all countries’ is for 21 countries; ‘EU27’ is for 20 countries; ‘EU15 and Norway’ is for 15 countries; ‘NMS’ is for six countries.

The data in Figure 4 should be read in conjunction with the notes in Appendix 3.

Source: EIRO

Local government

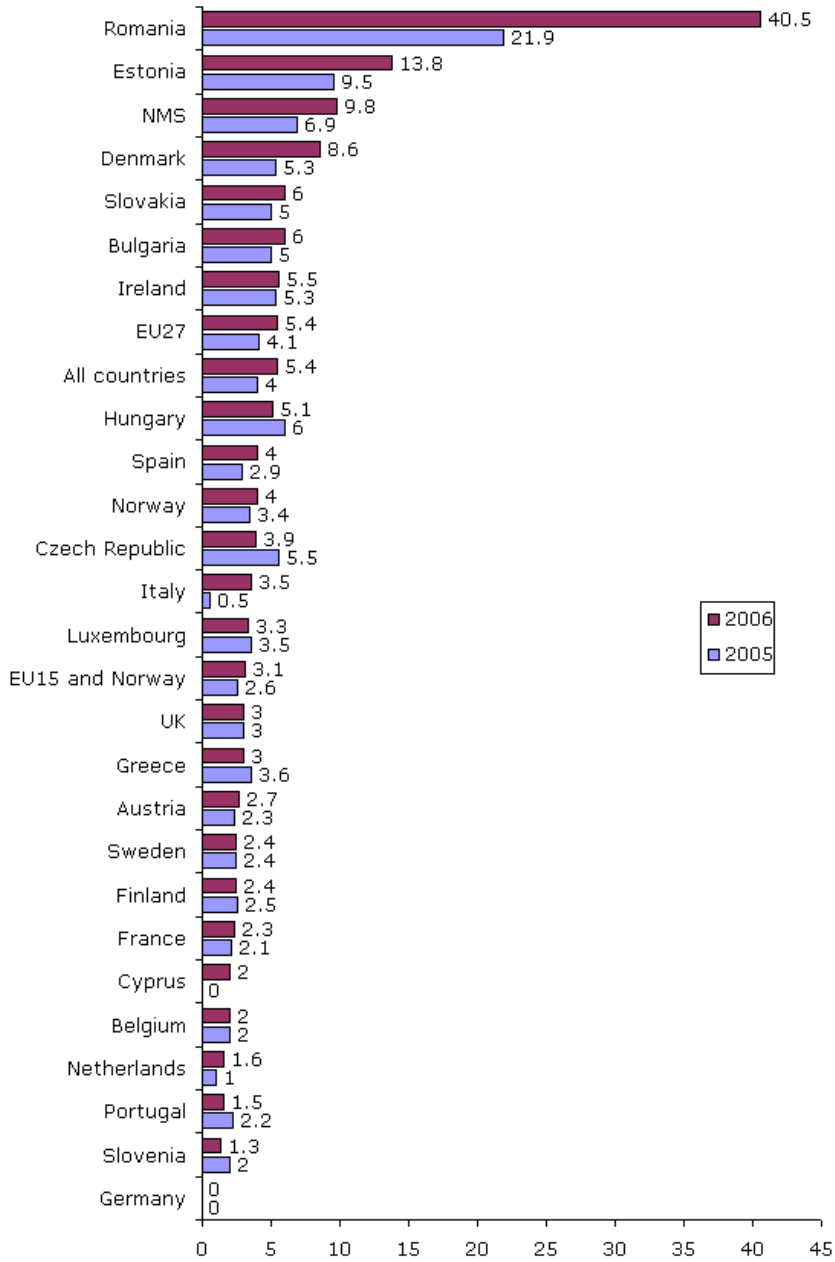
In 2005, the range of nominal pay increases awarded in the local government sector across the EU27 (no data are available for Latvia, Lithuania, Malta and Poland) was between 21.9% in Romania (although the figure used here is not strictly for agreed increases) and no increase in Cyprus and Germany (although in the latter case workers did receive a lump-sum payment) – see Figure 5 below. In 2006, Romania was even further ahead of all other countries, at 40.5%, while Germany had no wage increase (a lump-sum payment was given, although no consolidated pay rise was introduced). The average pay increase rose from 4.1% in 2005 – 0.8 percentage points below the whole-economy average (see Figure 1 above) – to 5.4% in 2006 – only 0.2 points below the whole-economy average. The rate of increase rose between 2005 and 2006 in 13 countries (most notably in Estonia and Romania), remained unchanged in four countries, and fell in seven countries (by the largest margin in the Czech Republic).

The pay increase in local government in 2005 was below the national average increase for all sectors in 14 countries (most notably in Bulgaria, Greece, Italy and Slovakia), equal to the average increase in three countries and higher than the average in seven countries (most notably in Denmark and Romania). In 2006, the local government pay increase was lower than the national average increase for all sectors in 15 countries (for example, in Bulgaria, Greece and Slovakia), equal to the average in three countries and higher than the average in six countries (most notably in Denmark and Romania).

The average pay increase in local government in the EU15 and Norway was 2.6% in 2005 and 3.1% in 2006 – 0.3 percentage points below the whole-economy average in 2005 and 0.1 points above the average in 2006. This rise was less than half that for the average local government wage increases across the whole EU. The EU15 and Norway increases for 2005 and 2006 compare with rises of 3.2% in 2004, 2.8% in 2003, 3.2% in both 2002 and 2001, 3.0% in 2000 and 2.7% in 1999. The 2005 increase was thus the lowest since EIRO started recording data, but the figure returned to more usual levels in 2006.

In the eight NMS for which data are available, the average nominal increase in local government pay rates rose from 6.9% in 2005 to 9.8% in 2006 – 2.7 times higher than the EU15 and Norway average in 2005, rising to 3.2 times higher than the average in 2006. The average increase in local government in the NMS was 0.6 percentage points below the whole-economy average for these countries in 2005 but 0.7 points above the average in 2006 (although the averages do not correspond to the same number of countries for each year).

Figure 5: Average collectively-agreed pay increases in local government, 2005 and 2006 (%)



Average collectively-agreed pay increases in local government, 2005 and 2006 (%)

Notes on averages: ‘all countries’ is for 24 countries; ‘EU27’ is for 23 countries; ‘EU15 and Norway’ is for 16 countries; ‘NMS’ is for eight countries.

The data in Figure 5 should be read in conjunction with the notes in Appendix 4.

Source: EIRO

Minimum wages

Of the 28 countries covered in this research, 20 have a national minimum wage, set either by law or by a national intersectoral agreement (Cyprus has a system of statutory minimum wages that applies to only six specific occupations – sales staff, clerical workers, auxiliary healthcare staff and auxiliary staff in nursery schools, crèches and schools – and is not included in this group). Figure 6 below provides data on the minimum wage increases in 2005 and 2006 for these countries. These minimum wages are generally increased through political and/or social partner decisions, as well as through some kind of indexation mechanism in a number of countries.

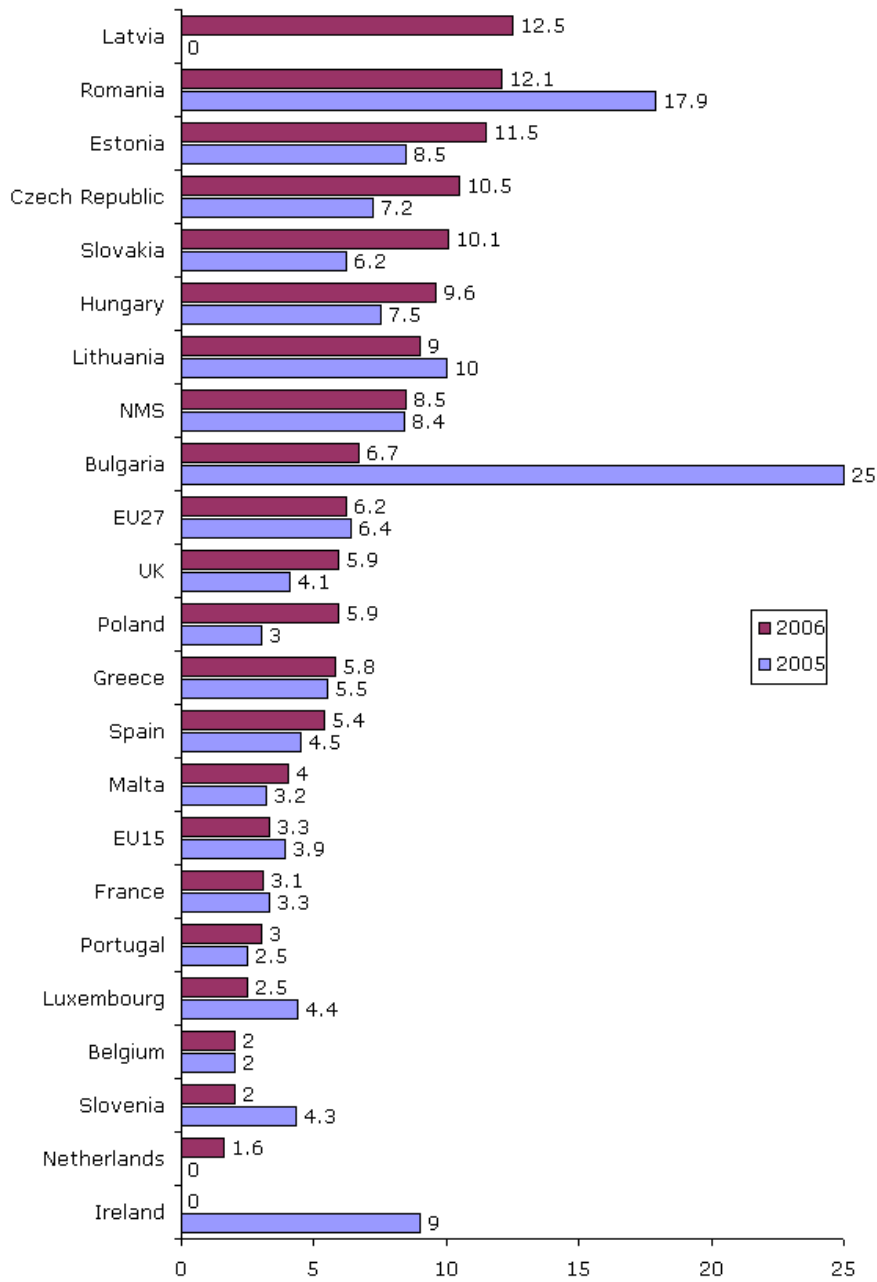
In 2005, the highest minimum wage increase in the countries concerned was in Bulgaria, at 25%, while no increase was recorded in both Latvia and the Netherlands. In 2006, the highest rise was recorded in Latvia, at 12.5%, with Ireland seeing no increase. The overall average rate of increase continued in a slight downward trend from 6.4% in 2005 to 6.2% in 2006 (having stood at 6.8% in 2004). The average increase in minimum wages was thus higher than the average increase in collectively-agreed wages in both years, but less so in 2006, with an overall downward trend in contrast to the rise in agreed wages. However, the rate of increase actually rose from 2005 to 2006 in 11 countries (most notably in the Czech Republic, Latvia and Slovakia) and fell in only eight countries (most steeply in Bulgaria, Ireland and Romania), while remaining unchanged in one Member State, namely Belgium.

The increase in the minimum wage lagged behind the average collectively-agreed pay increase in 2005 in eight countries (most notably in Estonia, Latvia, and Poland) while it exceeded the agreed increase in 11 countries (by the largest margin in the Czech Republic, Ireland and Romania) and was equal to the average in one country, namely Greece. In 2006, the minimum wage increase lagged behind the average pay increase in nine countries (most notably in Estonia, Latvia and Lithuania), exceeded it in nine countries (by the largest margin in the Czech Republic, Hungary and Slovakia) and was equal to it in two Member States, namely Greece and Romania.

Taking the nine EU15 Member States concerned, the average rate of increase fell from 3.9% in 2005 to 3.3% in 2006 (the average had been 4.9% in 2004, 3.5% in both 2003 and 2002, 4.9% in 2001, 2.8% in 2000, 2.9% in 1999 and 2.6% in 1998) – a steeper fall than for the whole EU. These figures were 1.1 percentage points higher than the average EU15 increase in collectively-agreed wages in 2005 and 0.4 points higher in 2006.

All of the NMS, apart from Cyprus (see above), have a national minimum wage. The average pay increase climbed slightly from 8.4% in 2005 to 8.5% in 2006 (having stood at 6.8% in 2004), moving in the opposite direction to the overall EU average. The average minimum wage increase for these countries was 0.9 percentage points higher than the average increase in collectively-agreed wages in 2005 but 0.6 points lower in 2006.

Figure 6: Increase in national minimum wage for adults, 2005 and 2006 (%)



Increase in national minimum wage for adults, 2005 and 2006 (%)

Notes on averages: ‘EU27’ is for 20 countries; ‘EU15’ is for nine countries; ‘NMS’ is for 11 countries.

The data in Figure 6 should be read in conjunction with the notes in Appendix 5.

Source: EIRO

Table 3 below provides the actual rate – hourly, daily, weekly or monthly, as relevant – of national minimum wages in the various national currencies in 2005 and 2006 (see the notes to Figure 6 for the dates from which wage rates applied. If more than one increase was introduced in the year, the rate given in Table 3 relates to the final one).

Table 3: National gross minimum wage for adults, 2005 and 2006, by national currency and euro equivalent

National gross minimum wage for adults, 2005 and 2006, by national currency and euro equivalent.

Country	Frequency	2005	2006
Belgium	Monthly	€1,234.20	€1,258.90
Bulgaria	Monthly	BGN 150 (€76.70)	BGN 160 (€81.81)
Czech Republic	Hourly	CZK 42.50 (€1.43)	CZK 48.10 (€1.70)
	Monthly	CZK 7,185 (€241.25)	CZK 7,955 (€280.68)
Estonia	Hourly	EEK 15.90 (€1.02)	EEK 17.80 (€1.14)
	Monthly	EEK 2,690 (€171.92)	EEK 3,000 (€191.73)
France	Hourly	€8.03	€8.27
	Monthly	€1,217.88	€1,254.28
Greece	Daily	€26.41	€27.96
	Monthly	€591.18	€625.97
Hungary	Hourly	HUF 328.00 (€1.32)	HUF 360.00 (€1.36)
	Daily	HUF 2,624 (€10.58)	HUF 2,880 (€10.90)
	Weekly	HUF 13,120 (€52.89)	HUF 14,400 (€54.49)
	Monthly	HUF 57,000 (€229.79)	HUF 62,500 (€236.51)
Ireland	Hourly	€7.65	€7.65
Latvia	Hourly	LVL 0.542 (€0.78)	LVL 0.611 (€0.88)
	Monthly	LVL 80 (€114.90)	LVL 90 (€129.27)
Lithuania	Hourly	LTL 3.28 (€0.95)	LTL 3.65 (€1.06)
	Monthly	LTL 550 (€159.29)	LTL 600 (€173.77)
Luxembourg	Hourly	€8.69	€8.91
	Monthly	€1,503.42	€1,541.00
Malta	Weekly	MTL 55.63 (€129.40)	MTL 57.88 (€134.82)
Netherlands	Daily	€58.38	€59.29
	Weekly	€291.90	€296.45
	Monthly	€1,264.80	€1,284.60

Poland	Monthly	PLN 849.00 (€211.04)	PLN 899.10 (€230.78)
Portugal	Monthly	€374.70	€385.90
Romania	Hourly	RON 1.94 (€0.54)	RON 2.18 (€0.62)
	Monthly	RON 330 (€91.14)	RON 370 (€104.94)
Slovakia	Hourly	SKK 39.70 (€1.03)	SKK 43.70 (€1.17)
	Monthly	SKK 6,900 (€178.76)	SKK 7,600 (€204.11)
Slovenia	Monthly	SIT 122,600 (€511.75)	SIT 125,052 (€521.99)
Spain	Daily	€17.10	€18.03
	Monthly	€513.00	€540.90
UK	Hourly	GBP 5.05 (€7.39)	GBP 5.35 (€7.85)

Note: Euro conversions, where necessary, used the average exchange rates for 2005 and 2006 from the [European Central Bank](#).

Source: EIRO

The rates in Table 3 should be read in conjunction with the notes to Figure 6 above, as well as in relation to the following.

- **Belgium:** rates given apply to workers aged 21 years and above; workers aged 21.5 years and above with six to 12 months' service and over 12 months' service receive higher wages.
- **France:** see note to Figure 6 for the meaning of the rates given; the monthly rate was based on a 35-hour working week.
- **Luxembourg:** rates given are for unqualified workers; qualified workers receive a 20% higher wage.
- **Romania:** figures refer to the minimum wage rate set by the single national collective agreement; the minimum wage for the public sector, set by the government, stood at RON 1.81 an hour in 2005 and RON 1.95 an hour in 2006 corresponding to RON 310 a month in 2005 and RON 330 a month in 2006.

Youth rates

The minimum wage increases and rates examined above are the full adult rates. However, 10 countries apply lower rates to younger or less experienced workers. Table 4 presents a summary of these rates.

Table 4: National minimum wages of younger and less experienced workers, 2006

An overview by country of the differences in pay for younger workers and those who are still in training or who have just started a job, 2006.

Country	% of full rate	Applicable to
Belgium (see note to Table 3 above for details of additional rates based on age and level of experience)	94%	Workers aged 20 years
	88%	Workers aged 19 years
	82%	Workers aged 18 years
	76%	Workers aged 17 years
	70%	Workers aged 16 years and younger
Czech Republic	90%	Workers aged 19–21 years in the first six months of employment
	80%	Workers aged 18 years and younger
Ireland	90%	Workers aged 18 years and over in the second year of employment, as well as workers aged over 18 years and undergoing the final third (lasting one month to a year) of a course of authorised training or study
	80%	Workers aged 18 years and over in the first year of employment, as well as workers aged over 18 years and undergoing the second third (lasting one month to a year) of a course of authorised training or study
	75%	Workers aged over 18 years and undergoing the first third (lasting one month to a year) of a course of authorised training or study
	70%	Workers aged under 18 years
Latvia	Special hourly rate	Workers aged 15–18 years, who may only work up to 35 hours a week
Luxembourg (% of qualified or unqualified workers receiving adult rate, as appropriate)	80%	Workers aged 17 years
	75%	Workers aged 15 and 16 years
Malta*	94.97%	Workers aged 17 years
	92.86%	Workers aged under 17 years
Netherlands	85%	Workers aged 22 years
	72.5%	Workers aged 21 years
	61.5%	Workers aged 20 years
	52.5%	Workers aged 19 years

	45.5%	Workers aged 18 years
	39.5%	Workers aged 17 years
	34.5%	Workers aged 16 years
	30%	Workers aged 15 years
Poland**	80%	Workers in their first year of employment
Slovakia	75%	Workers aged 16–18 years
	50%	Workers aged under 16 years (and workers aged 16–18 years who have a disabilities)
UK***	83.18%	‘Development rate’ for workers aged 18–21 years inclusive, as well as workers aged 22 years and above during the first six months in a new job with a new employer and who are receiving accredited training
	61.68%	Workers aged 16 and 17 years, other than apprentices

*Notes: * In 2005, the percentages were 94.77% for workers aged 17 years and 92.58% for workers aged under 17 years – the relative value increased due to higher increases in 2006 in the wage rates for younger workers than for the full adult rate.*

*** The former 90% rate for workers in their second year of employment was abolished in 2006.*

**** In 2005, the percentage was 87.62% for the development rate – the differential with the full adult rate rose in 2006 due to a higher increase in the adult rate than in the development rate.*

Source: EIRO

Gender pay differentials

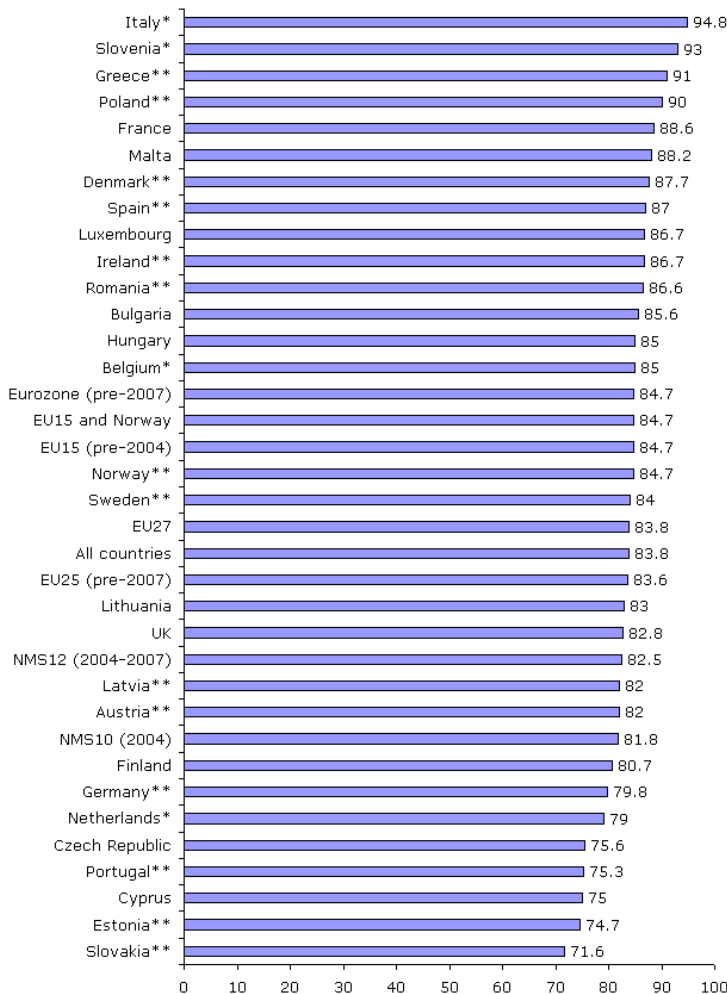
The explicit pay terms of the collective agreements and minimum wage laws dealt with above are presumably gender neutral – they do not provide for differing pay rates or increases for women and men (to do so would, of course, breach EU and national legislation on equal pay). However, it remains the case that women in all the countries examined in this research earn, on average, lower wages than men. Figure 7 below indicates this gender pay gap by showing women’s average earnings – on an hourly basis, unless otherwise specified – as a percentage of men’s pay.

On the basis of the national data among the 28 countries examined, the gender wage gap is widest in Slovakia (at 28.4%) and narrowest in Italy (at 5.2%). Other countries with a notably narrow gender wage differential include Denmark, France, Greece, Malta, Poland, Slovenia and Spain while those with a comparatively wide gap include Cyprus, the Czech Republic, Estonia, the Netherlands and Portugal. The gender wage gap averages 16.2% across the EU27 (the figure is unchanged if Norway is included), down from the 17.5% recorded as part of the 2005 pay update ([TN0606101U](#)) (the 2004 figure was 17.3%). Yearly upward and downward variations seem to be a feature of gender pay statistics, and the narrowing of the wage gap is unlikely to be significant over such a short period of time, while some variations in the figures are explained by changes in the source or nature of the data used (the values for Italy and Malta, for example, are very different than the rates of previous years). Where individual country data are available for several years, these often suggest small decreases in the gender pay gap – as is the case in Belgium, the Czech Republic, France, Luxembourg, the Netherlands, Romania and Sweden. However, slight moves in the opposite direction seem to be taking place in Austria, Bulgaria, Estonia, Latvia and Lithuania.

In the EU15, the average gender wage gap is narrower than for the whole EU27, at 15.3% compared with 16.2% (the figure is unchanged if Norway is included). This is slightly lower than the 18.1% recorded in the 2005 review of the data (the 2004, 2003, 2002 and 2001 reviews found gaps of 17.4%, 18.6%, 19.2% and 20.4% respectively). However, as noted above, short-term variations are unlikely to be significant and much of the movement may be due to changes in the source or nature of the data used. In the NMS12, the gender wage gap averages 17.5%, 2.2 points higher than the average in the EU15.

While the above figures provide a broad picture of the situation, differences in calculation methods between countries highlighted in the notes to Figure 7 should be taken into account.

Figure 7: Women's average earnings as a percentage of men's, latest figures (%)



Women's average earnings as a percentage of men's, latest figures (%)

Notes: Figures are for 2006 except where * = 2004 and ** = 2005; figures refer to average hourly pay unless indicated otherwise in the notes in Appendix 6.

The data in Figure 7 should be read in conjunction with the notes in Appendix 6.

Source: EIRO

Average earnings

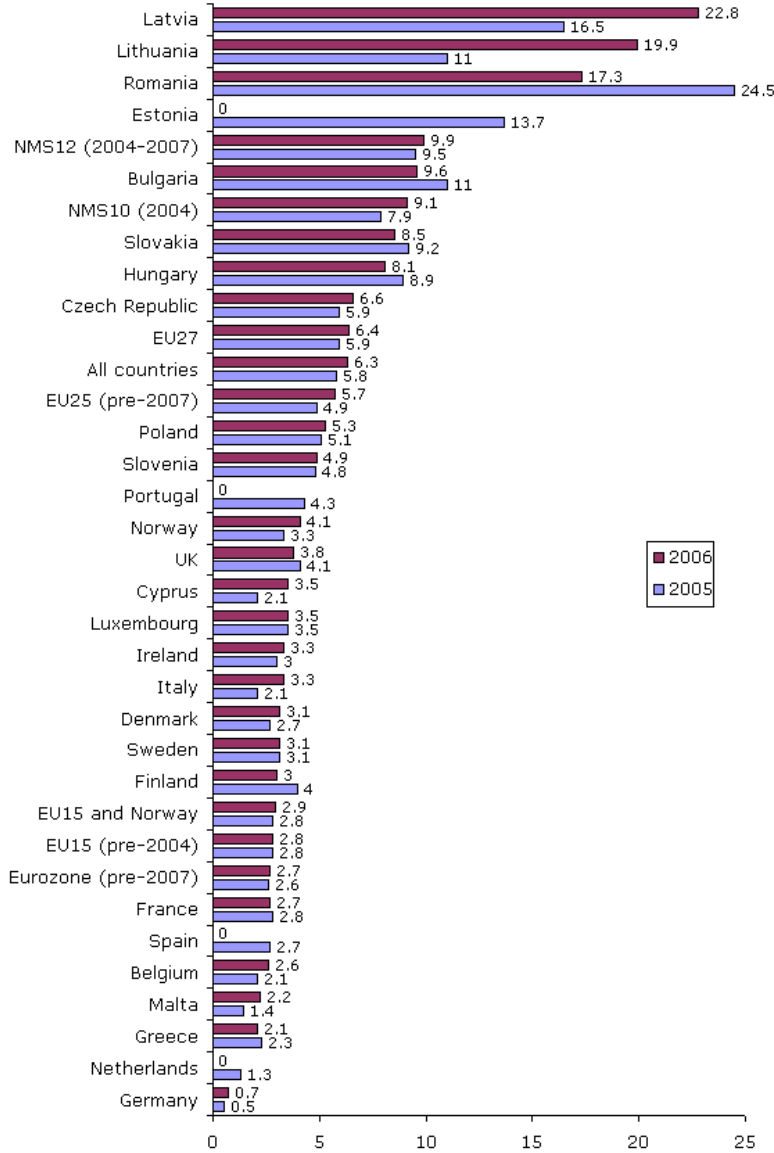
So far, the report has focused on collectively-agreed pay increases and minimum wage rises, based largely on the contents of agreements and laws. A clearer indication of the actual development of workers' incomes is revealed by earnings data, which are usually based on a survey of individuals' earnings and include elements such as bonuses and overtime pay. Figure 8 below provides data from national sources on increases in average earnings in 2005 and 2006 (figures are not available for Austria in either year, or for Estonia, the Netherlands, Portugal and Spain in 2006, while some 2006 figures are only partial). The notes below Figure 8 should be taken into consideration as the nature of the statistics and the definitions of earnings vary considerably across countries.

Throughout the entire EU27, the range of average earnings increases in 2005 was between 24.5% in Romania and 0.5% in Germany. Latvia took over the leading position in 2006, at 22.8%, with Germany again bringing up the rear with 0.7%. The average rate of pay increases across the EU rose from 5.9% in 2005 to 6.4% in 2006 (although the 2006 average relates to fewer countries). Taking Norway into account reduces the average pay rise by 0.1 percentage points in each year. The EU27 average stood at 5.2% in 2004, suggesting a continuing upward tendency. This reflects to some extent (if by no means exactly) the trend already noted for average collectively-agreed pay. However, the upward trend was far from universal. The average earnings increase rose from 2005 to 2006 in 12 countries (most notably in Lithuania), remained stable in two countries (namely Luxembourg and Sweden) and fell in nine countries (most significantly in Romania).

Considering the EU15 only, the picture is rather different in terms of both the level of increase and the trend. The average increase in earnings remained stable at 2.8% in 2005 and 2006 (although the 2006 average relates to fewer countries). A downward tendency witnessed over several years thus levelled out – the figure stood at 2.9% in 2004, 3.4% in 2003, 3.9% in 2002 and 4.3% in 2001 (having previously risen since 1998). In the countries of the pre-2007 eurozone, the average increase in earnings was slightly lower than that in the EU15 in both 2005 and 2006. By contrast, in the NMS12, the average rate of increase was much higher, and rising, in 2005–2006, climbing from 9.5% to 9.9% – 3.4 times the EU15 increase in 2005 and 3.5 times this figure in 2006.

When compared with the data for collectively-agreed pay increases, the earnings figures help to balance out to some extent the distortions caused by factors such as the fact that the relevant collective agreements in some countries provide only for minima, or varying levels of bargaining coverage. Increases in earnings are thus appreciably higher than agreed pay increases in many central and eastern European countries such as the Czech Republic, Estonia, Hungary, Romania, Slovakia and Slovenia and in western European countries such as Denmark, Finland, Portugal, Sweden and the UK. However, earnings increases tend to be lower than agreed pay rises in countries such as Germany, Greece, Ireland, Malta and Spain. Across all the countries covered, the average increase in earnings was slightly higher than the average agreed pay increase in both 2005 and 2006. However, the two average figures were almost identical for the EU15.

Figure 8: Increases in average earnings, 2005 and 2006 (%)



Increases in average earnings, 2005 and 2006 (%)

Notes on averages: ‘all countries’ is for 27 countries in 2005 and 23 countries in 2006; ‘EU27’ is for 26 countries in 2005 and 22 countries in 2006; ‘EU15’ is for 14 countries in 2005 and 11 countries in 2006; ‘EU15 and Norway’ is for 15 countries in 2005 and 12 countries in 2006; ‘NMS10’ is for 10 countries in 2005 and nine countries in 2006; ‘NMS12’ is for 12 countries in 2005 and 11 countries in 2006; ‘eurozone’ is for 11 countries in 2005 and eight countries in 2006.

The data in Figure 8 should be read in conjunction with the notes in Appendix 7.

Source: EIRO

Appendices

Appendix 1

Back to Figure 1

The data in Figure 1 should be read in conjunction with the following notes:

- **Austria:** figures, from Statistics Austria ([Statistik Austria](#)), refer to most collective agreements concluded in the autumn of the previous year.
- **Belgium:** figures, from the Federal Public Service for Employment, Labour and Social Dialogue ([SPF Emploi, Travail et Concertation sociale/FOD Werkgelegenheid, Arbeid en Sociaal Overleg](#)), are for collectively-agreed pay increases at sector level in the private sector (not including semi-privatised state enterprises); the 2006 figure includes an estimate for the last quarter.
- **Bulgaria:** no figures are available for average collectively-agreed pay increases (bargaining coverage is patchy); the statistics provided from the National Statistical Institute ([Националния статистически институт, NSI](#)) are for the average increase in monthly pay.
- **Cyprus:** figures are estimates from the [Pancyprian Federation of Labour \(Παγκύπρια Εργατική Ομοσπονδία, ΡΕΟ\)](#).
- **Czech Republic:** figures, from the Information System on Working Conditions ([ISWC](#)), refer to nominal increases in enterprise-level collective agreements (the more prevalent bargaining level); the Czech-Moravian Confederation of Trade Unions ([Českomoravská konfederace odborových svazů, ČMKOS](#)) estimates the average nominal increase in higher-level collective agreements signed by its affiliates at 4.0% in 2005.
- **Denmark:** no general figures are available and the figures used relate to the trend-setting industry sector agreement for 2004–2007, which operates the minimum-wage system, whereby sectoral agreements set only minimum rates, with subsequent local bargaining producing further increases; the figures represent the minimum hourly increases from March each year.
- **Estonia:** no figures are available for average collectively-agreed pay increases (data collection is still being developed and bargaining coverage is low); the statistics provided relate to the increases in the average monthly gross wage, as recorded in the survey on wages by Statistics Estonia ([Statistikaamet](#)); figures are for the increase in the first three quarters of each year, compared with the same period in the previous year.
- **Finland:** figures refer to the average annual labour cost impact of central incomes policy agreements, which provided: in 2005, for a general rise of €0.18 an hour or €30.06 a month from March, with a minimum increase of 1.9%, plus an additional 0.6% for sectoral distribution; and, in 2006, for a general rise of 1.4% from June, plus an additional 0.4% for sectoral distribution and an ‘equality increment’ of 0.3% targeted at low-paid and female-dominated sectors.
- **France:** no figures are available for average collectively-agreed pay increases; figures given, from the National Institute of Statistics and Economic Studies ([Institut national de la statistique et des études économiques, INSEE](#)), are for increases in average earnings; the 2006 figure is provisional.
- **Germany:** figures, from the collective agreement archive of the Institute for Economics and Social Research ([Wirtschafts- und Sozialwissenschaftliches Institut, WSI](#)), represent the annual average increase in collectively-agreed pay per employee.

- **Greece:** figures refer to increases in minimum rates as set out in the National General Collective Agreements; the 2005 figure includes a 2.2% rise from 1 January and a 3.3% rise from 1 September; the 2006 figure includes a 2.9% rise from 1 January and a 2.9% rise from 1 September.
- **Hungary:** figures are from the Ministry of Social Affairs and Labour ([Szociális és Munkaügyi Minisztérium, SZMM](#)).
- **Ireland:** the 2005 figure refers only to the private sector and represents an increase of 1.5% under the second phase of the second part of the *Sustaining Progress* (SP) national wage agreement, plus a 2.5% increase under the third and final phase of the second part of SP; the 2006 figure refers to the 4% increase due for private sector workers over the 12 months of 2006 under the new national agreement [Towards 2016 \(2.9Mb PDF\)](#) (which also awarded low-paid workers an additional 0.5% pay rise); different pay arrangements apply under the national agreements in the public sector, with average increases totalling 5.25% in 2005 (plus 0.5% for low-paid workers) and 5.5% in 2006.
- **Italy:** figures, from the National Statistics Institute ([Istituto Nazionale di Statistica, Istat](#)), are based on the contents of national sectoral collective agreements; the 2006 figure represents the January to December increase compared with the same period in 2005.
- **Latvia:** no figures are available for average collectively-agreed pay increases; the statistics provided, from the Central Statistical Bureau ([Centrālā statistikas pārvalde, CSP](#)), are for increases in the average gross monthly wages and salaries of workers.
- **Lithuania:** no figures are available for average collectively-agreed pay increases; the statistics provided, from Lithuanian Statistics ([Lietuvos statistikos departamentas, LS](#)), are for increases in average gross monthly earnings; the 2006 figure is for the year up to the third quarter.
- **Luxembourg:** no figures are available for average collectively-agreed pay increases; figures, from the General Social Security Inspectorate ([Inspection générale de la sécurité sociale, IGSS](#)), are for increases in average hourly earnings.
- **Malta:** figures, from the Economic Survey by the government's [Economic Policy Division](#), refer to the year running from September to September.
- **Netherlands:** figures are from the Labour Inspectorate ([Arbeidsinspectie](#)); excluding 'special remunerations', Statistics Netherlands ([Centraal Bureau voor de Statistiek, CBS](#)) puts the figures at 0.7% in 2005 and 1.6% in 2006.
- **Norway:** no reliable figures are available on collectively-agreed basic pay increases for all employees; the figures given, from the Technical Calculation Committee for Income Settlements ([Teknisk Beregningsutvalg, TBU](#)), represent the total annual pay increase (including wage drift – the above-average salary increases in certain sectors – and carryover effects from previous years, as well as bonuses).
- **Poland:** no figures are available for average collectively-agreed pay increase; the figures provided, from the Central Statistical Office ([Główny Urząd Statystyczny, GUS](#)), refer to increases in average earnings by year to the end of 2005 and 2006.
- **Portugal:** figures are from the Ministry of Social Security and Labour's Directorate General for Employment and Labour Relations ([Direcção Geral do Emprego e das Relações de Trabalho, DGERT](#)).
- **Romania:** figures refer to the increases set out in the single national collective agreement for 2005–2006 (and its addendum for 2006), which provides a minimum basic framework for

employment conditions; the 2005 increase applied from January and the 2006 increase applied from April.

- **Slovakia:** figures are from the Information System on Working Conditions, Trexima Bratislava.
- **Slovenia:** figures, from the Official Journal of the Republic of Slovenia ([Uradni list Republike Slovenije](#)), refer to the private sector only; equivalent figures for the public sector were 2.2% in 2005 and 1.6% in 2006.
- **Spain:** figures are from the labour statistics publications of the Ministry of Labour and Social Affairs ([Ministerio de Trabajo y Asuntos Sociales](#), [MTAS](#)).
- **Sweden:** figures (including the estimated effect of working time reductions where relevant) are from the National Mediation Office ([Medlingsinstitutet](#)) and are based on the three-year agreements concluded in the 2004 bargaining round, which covered much of the labour market; agreements concluded in 2005 provided for average increases of 2.6% in 2005 and 2.5% in 2006; agreements concluded in 2006 provided for average increases of 2.8% in 2006.
- **UK:** figures, from the [Labour Research Department \(LRD\)](#) *Workplace Report*, refer to the increase in the lowest basic rates; the 2005 figure is for the 12 months up to and including December 2005; the 2006 figure is for the 12 months up to and including December 2006; averages are calculated on the basis of the number of agreements not workers covered.

Appendix 2

Back to Figure 3

The data in Figure 3 should be read in conjunction with the following notes:

- **Austria:** figures, from the Union of Salaried Employees, Graphical Workers and Journalists ([Gewerkschaft der Privatangestellten, Druck, Journalismus, Papier, GPA-DJP](#)), relate to the sectoral collective agreement; increases applied for 12 months from November 2004 and November 2005 respectively.
- **Belgium:** figures refer to the sectoral agreement for blue-collar workers in metalworking (joint committee 111); the 2005 increase represents automatic indexation of 2.26% from July; the 2006 increase represents automatic indexation of 1.65% from July, plus an increase of 0.6% applied from January (if previously not otherwise bargained at company level).
- **Bulgaria:** figures relate to the sectoral collective agreement which provided for a 20% increase in basic monthly pay for the period from 1 May 2004 to 1 May 2006; no agreement was in force for the remainder of 2006 (the next agreement took effect from January 2007).
- **Cyprus:** figures refer to sectoral collective agreements and are approximate, representing minimum monthly increases of CYP 5.85 from January 2005 and CYP 5.85 from January 2006.
- **Czech Republic:** figures, from ISWC and the Czech Metalworkers' Federation KOVO ([Odborový svaz KOVO](#), [OS KOVO](#)), refer to nominal increases in enterprise-level collective agreements (the more prevalent bargaining level); ČMKOS estimates the average nominal increase in higher-level collective agreements signed by its sectoral affiliates at 2.5% in 2005 and 2.5% in 2006.
- **Denmark:** figures relate to the industry sector agreement for 2004–2007, which operates the 'minimum-wage' system, whereby sectoral agreements set only minimum rates, with subsequent local bargaining producing further increases; the figures represent the minimum hourly increases from March each year.

- **Estonia:** figures, from Statistics Estonia, are for increases in average monthly pay in manufacturing as a whole; the 2006 figure is for the second quarter, compared with the same quarter in the previous year; no data are available on collectively-agreed increases or metalworking alone.
- **Finland:** figures relate to the sectoral collective agreement.
- **France:** figures are from INSEE and the Ministry of Employment and Solidarity.
- **Germany:** figures are from the WSI collective agreement archive; the 2005 figure refers to the Baden-Württemberg ‘pilot agreement’ and the 2006 figure to the North-Rhine Westphalia ‘pilot agreement’; increases applied from March 2005 and June 2006.
- **Greece:** figures, based on collective agreements and arbitration decisions, refer to blue-collar workers and technicians; the 2005 increase includes rises of 2.7% from January and 3.8% from September; the 2006 increase includes rises of 3.0% from January and 3.0% from September.
- **Hungary:** the 2005 figure relates to relevant collective agreements; no specific final figure is available for 2006, and the figure given is the mid-range of the centrally-recommended increase for the competitive sphere.
- **Ireland:** figures represent pay increases under national agreements – see note to Figure 1.
- **Italy:** figures refer to the main agreement for the private sector metalworking industry.
- **Luxembourg:** figures are for blue-collar workers and include an automatic indexation-related increase of 2.5% in each year.
- **Netherlands:** figures refer to the relevant sectoral agreement, which provided for a 4.4% pay increase over 40 months from July 2004 to the end of October 2007, plus one-off payments of 0.5% in September 2005 and 0.75% in July 2006.
- **Norway:** figures, from TBU, include more than collectively-agreed pay increases (for example, wage drift and carryover effects); the 2005 figure is for blue-collar workers in metalworking and the 2006 figure (calculated by TBU at 3.5%) is for all industrial blue-collar workers.
- **Portugal:** figures are from the National Industry and Energy Workers’ Trade Union ([Sindicato Nacional da Indústria et da Energia, SINDEL-UGT](#)).
- **Romania:** figures are based on data from the Institute of National Statistics ([Institutul National de Statistica, INS](#)) and refer to effective nominal growth of the monthly average gross wage in November each year compared with the same month in the previous year; no sectoral collective agreement was signed in 2005 or 2006.
- **Slovakia:** figures, from the Information System on Working Conditions, Trexima Bratislava, relate to sectoral collective agreements signed for each year by OZ KOVO.
- **Slovenia:** the 2005 figure refers to the minimum increase in the average gross wage in the industry laid down in the sectoral collective agreement, which provided for a flat-rate monthly pay increase of SIT 5,100 in August 2005; the 2006 figure refers to the basic pay increase in the sectoral agreement, from August.
- **Spain:** figures, from MTAS, are for ‘metalworking excepting machinery’ and for the year up to December.
- **Sweden:** figures, from the IF Metall ([Industriförbundet Metall](#)) union, refer to the 2004–2006 national metalworking agreement.

- **UK:** figures, from LRD *Workplace Report*, represent an average (calculated on the basis of the number of agreements not workers covered) of agreements and refer to median increases in the lowest basic rates in ‘manufacturing – engineering and metal products’.

Appendix 3

Back to Figure 4

The data in Figure 4 should be read in conjunction with the following notes:

- **Austria:** figures, from GPA-DJP, relate to the sectoral collective agreement; increases applied from February each year.
- **Belgium:** no sectoral agreement concluded for banking (joint committee 310) for 2005–2006; the previous agreement did not provide for a percentage increase, only indexation and a lump sum.
- **Cyprus:** figures refer to the relevant sectoral agreement; the 2005 increase applied from July (backdated); the 2006 increase applied from January.
- **Denmark:** figures relate to the sectoral collective agreement (which operates a standard system, whereby the sectoral agreement sets actual rates and there are no additional local pay negotiations); increases applied from July each year.
- **Estonia:** figure, from Statistics Estonia, is for the annual increase in average wages in the financial intermediation sector; the 2006 figure is for the second quarter, compared with the same quarter in 2005; no data are available on collectively-agreed increases.
- **Finland:** figures relate to sectoral collective agreement.
- **France:** figures are from INSEE and the Ministry of Employment and Solidarity.
- **Germany:** figures, from the WSI collective agreement archive, refer only to increases in basic pay and exclude any flat-rate payments and special bonuses; increases applied from September each year.
- **Greece:** figures are based on collective agreements and arbitration decisions; the 2005 increase includes rises of 2.97% from January and 2.88% from September; figures refer to ‘main staff’, while increases for ‘assistant staff’ were 5.6% in 2005 and 6.0% in 2006, and increases for cleaning staff were 5.6% in 2005 and 6.4% in 2006.
- **Ireland:** figures represent pay increases under national agreements – see note to Figure 1 above.
- **Italy:** figures refer to the main agreement for the financial intermediation sector.
- **Luxembourg:** figures relate to the sectoral agreement for white-collar workers in banking and include an automatic indexation-related increase of 2.5% in each year.
- **Malta:** figures, from the government’s Economic Policy Division, refer to increases in ‘banking and other financial intermediaries’ between September 2004 and September 2005 and between September 2005 and September 2006 respectively.
- **Netherlands:** in 2005, banking observed a centrally-agreed national pay freeze; the 2006 figure represents an average of the increases in company collective agreements at five large banks ([ABN-Amro](#), [ING](#), [Fortis](#), [Rabobank](#) and [SNS Real](#)) and in the sectoral agreement for smaller banks.
- **Norway:** figures, from TBU, include more than collectively-agreed pay increases (for example, wage drift and carryover effects) and cover both banking and insurance.

- **Portugal:** figures are from the Southern and Islands Bank Workers' Union ([Sindicato dos Bancários Sul-Ilhas, SBSI](#)).
- **Romania:** figures, based on INS data, refer to effective nominal growth of the monthly average gross wage in November each year compared with the same month in the previous year; no sectoral collective agreement was signed in 2005 or 2006.
- **Slovakia:** figures, from the Information System on Working Conditions, Trexima Bratislava, relate to sectoral collective agreements signed for each year by the Banking and Insurance Union ([Odborový zväz pracovníkov peňažníctva a poisťovníctva, OZ P Pap](#)).
- **Slovenia:** the 2005 figure refers to the minimum increase in the average gross wage in this industry laid down in the sectoral collective agreement, which provided for a flat-rate monthly pay increase of SIT 9,768 in August 2005; the 2006 figure refers to the basic pay increase in the sectoral agreement, from August.
- **Spain:** figures, from MTAS, refer to banking and insurance, and are for the period of the year up to December.
- **Sweden:** figures, from the Financial Sector Union ([Finansförbundet](#)), relate to the sectoral agreement for banking and finance; the 2005 figure represents half of a 6% increase set out under a two-year agreement for 2004–2005; the 2006 figure represents a third of a 9.9% increase set out under a three-year agreement for 2006–2008.
- **UK:** figures, from LRD *Workplace Report*, represent an average (calculated on the basis of the number of agreements not workers covered) of agreements and refer to median increases in the lowest basic rates in 'finance and business services'.

Appendix 4

Back to Figure 5

The data in Figure 5 should be read in conjunction with the following notes:

- **Austria:** pay increases fixed by law at regional (*Länder*) level; data are from the Municipal Employees' Union ([Gewerkschaft der Gemeindebediensteten, GdG](#)); increases applied from January each year.
- **Belgium:** figures represent only an automatic pay indexation of 2% in each year – any additional wage increases depended on the local implementation of regional agreements/protocols; for example, a 1% rise could be awarded in the Wallonia local government in December 2004 or December 2005, while the Flemish local government saw a flat-rate €100 increase in the end-of-year allowance and a €100 increase in food vouchers in 2006.
- **Bulgaria:** increases were agreed in the [National Council for Tripartite Cooperation](#) (NSTP) and imposed by cabinet decree.
- **Cyprus:** data are from the [Semi-government, Municipal and Local Authority Workers' and Employees' Trade Union](#) (SIDIKEK-PEO); workers received a minimum cash increase of CYP 4.50 a month in 2006.
- **Czech Republic:** figures, from the ISWC, refer to nominal increases in enterprise-level collective agreements.
- **Denmark:** figures are from the Local Government Pay Data ([Det kommunale løndatakontor](#)); the 2005 figure is the sum of the increases of 2.2% awarded in April and 3.1% in October; the 2006 figure is the sum of the increases of 4.5% awarded in April and 4.1% in October.

- **Estonia:** figures, from Statistics Estonia, refer to the annual increase in average wages in public administration and defence; the 2006 figure is for the second quarter compared with the same quarter in 2005; no data are available on collectively-agreed increases.
- **Finland:** figures are from Statistics Finland ([Tilastokeskus](#)).
- **France:** figures are from INSEE and the Ministry of Employment and Solidarity.
- **Germany:** figures are from the WSI collective agreement archive; no percentage increase was awarded in 2005 or 2006; workers received a lump-sum flat-rate payment of €300 in each year.
- **Greece:** figures are estimates for public sector employees working under a private-law contract, whose pay rates are set by collective agreement; different increases applied to local government civil servants, whose pay rates are set by law.
- **Hungary:** figures refer to centrally-agreed increases for public employees.
- **Ireland:** figures refer to public sector increases under national wage agreements; in 2005, low-paid workers received an additional 0.5% increase.
- **Italy:** figures refer to the national sectoral agreement for regional and local authorities.
- **Luxembourg:** figures refer to the agreement for civil servants employed at local level; the rises given for each year include an automatic indexation-related increase of 2.5%, paid in October.
- **Netherlands:** figures refer to the collective agreement covering some 193,000 employees in the Netherlands' 467 municipalities; the 2005 increase applied from June, while the 2006 increase applied from February.
- **Norway:** figures, from TBU, include more than the collectively-agreed pay increases (for example, wage drift and carryover effects).
- **Portugal:** following consultation, increases are set from January each year by governmental orders.
- **Romania:** pay increases are set by state budget law rather than collective bargaining; figures are based on INS data for 'public administration and national defence', and refer to effective nominal growth of monthly average gross wages in November each year compared with the same month in the previous year.
- **Slovakia:** figures refer to increases set by sectoral collective agreements for public service for each year; increases applied from July each year.
- **Slovenia:** figures refer to increases set out in the public sector pay agreement; increases applied from July each year.
- **Spain:** figures, from MTAS, refer to 'public administration, defence and social security, extra-territorial organisations' and for the period up to December.
- **Sweden:** figures, from the National Institute of Economic Research ([Konjunkturinstitutet](#), [KI](#)) represent the average of increases awarded under agreements for the main categories of local government employees; the average increase for blue-collar workers was 2.9% in 2005 and 2.9% in 2006; the average increase for white-collar workers was 2.0% in 2005 and 2.0% in 2006.
- **UK:** figures, from the [Incomes Data Services \(IDS\) Pay Report](#) from August 2005 and October 2006, refer to England and Wales – for Scotland, the figure was 2.95% for 2005 and 2.5% for 2006.

Appendix 5

Back to Figure 6

The data in Figure 6 should be read in conjunction with the following notes:

- **Belgium:** increases, based on a social partner agreement given legal force, represent automatic indexation and applied from August 2005 and October 2006.
- **Bulgaria:** increases, agreed in the NSTP and imposed by cabinet decree, applied from January each year.
- **Czech Republic:** increases are set by government resolution; the 2005 increase applied from January; the 2006 increase is the sum of a 5.4% rise applied from January and a 5.1% rise applied from July.
- **Estonia:** increases, set by government decree based on a consensus among the social partners, applied from January each year.
- **France:** increases applied by the government from July each year; the 2005 increase refers to the hourly minimum wage applicable to those workers still working a 39-hour week – for all other workers receiving the minimum wage, the rises were lower (as low as 1.7%), depending on when their company changed over to the 35-hour working week; the 2006 increase refers to a single hourly wage rate achieved following the completion of the process of harmonising previous differing wage rates that had arisen since the introduction of the 35-hour week.
- **Greece:** figures refer to increases in minimum rates as set out in National General Collective Agreements; the 2005 increase consisted of rises of 2.2% from January and 3.3% from September; the 2006 increase comprised rises of 2.9% from January and 2.9% from September.
- **Hungary:** increases, agreed in the tripartite council and imposed by the government, applied from January each year; the minimum wage for skilled workers increased by an additional 5%–10% in July 2006.
- **Ireland:** increases are based on tripartite national pacts; the 2005 increase applied from May; no wage rise was introduced in 2006 (a 9% rise came into effect from January 2007).
- **Latvia:** the 2006 increase, set by government regulation, applied from January; no increase was introduced in 2005.
- **Lithuania:** increases applied by the government upon submission of a proposal by the Tripartite Council of the Republic of Lithuania ([Lietuvos Respublikos Trišalė taryba](#), [LRTT](#)); increases applied from July each year.
- **Luxembourg:** the 2005 figure includes a 1.9% increase awarded by law in January, as well as an automatic indexation increase of 2.5% awarded in October; the 2006 figure represents only an automatic indexation increase awarded in December.
- **Malta:** increases applied by government order from January each year.
- **Netherlands:** no increase was awarded by the government in 2005 due to the general wage freeze; the 2006 increase comprised rises of 0.62% from January and 0.94% from July.
- **Poland:** increases are set by a tripartite body (or by government decision if no agreement is reached); increases applied from January each year.
- **Portugal:** increases applied by law in January of each year.

- **Romania:** figures refer to the minimum wage rate set by the single national collective agreement – increases applied from January 2005 and April 2006; the government also sets a minimum wage for the public sector, which was increased by 10.7% from January 2005 and by 6.5% from April 2006.
- **Slovakia:** increases are awarded by government regulation (based on a tripartite agreement) in October of each year.
- **Slovenia:** the 2005 increase applied by government regulation (based on a tripartite agreement) in August; the 2006 increase was set by the government on the basis of the new minimum wage legislation and applied in August.
- **Spain:** increases applied by law from January.
- **UK:** figures refer to the adult hourly rate; increases were awarded by government decision in October of each year.

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Back to Figure 7

The data in Figure 7 should be read in conjunction with the following notes:

- **Austria:** figure, from [Eurostat](#), refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Belgium:** figure, from the Statistics Belgium ([Statbel](#)) structure of earnings survey, refers to monthly earnings of full-time employees in the industry sectors NACE C – F and the services sectors NACE G – K; the figure for a more complete population (based on social security data) is available only for Flanders – this was 83.4% for annual gross full-time equivalent wages in 2004.
- **Bulgaria:** figure, from the NSI, refers to average monthly pay (in December).
- **Cyprus:** an approximate figure from the Statistical Service of Cyprus ([Στατιστική Υπηρεσία της Κυπριακής Δημοκρατίας, CYSTAT](#)).
- **Czech Republic:** figure, based on data from the Czech Statistical Office ([Český statistický úřad, ČSÚ](#)) information system on average earnings, refers to ‘business branches’ (the equivalent figure for ‘non-business branches’ was 80.6%).
- **Denmark:** figure is the average of figures from Statistics Denmark ([Danmarks Statistik](#)) for local government (87.7%), the state sector (90.5%) and the private sector (84.8%).
- **Estonia:** figure is from Statistics Estonia earnings survey.
- **Finland:** figure is forecasted from Statistics Finland wage and salary statistics.
- **France:** figure is from INSEE.
- **Germany:** figure, from the Federal Statistical Office ([Statistisches Bundesamt, Destatis](#)), refers to the ‘overall pay gap’ rather than hourly wages.
- **Greece:** figure, from Eurostat, refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Hungary:** figure is the average of various estimates.
- **Ireland:** figure is from the [Central Statistics Office \(CSO\)](#).

- **Italy:** figure is from the National Council for Economic Affairs and Labour ([Consiglio Nazionale dell'Economia e del Lavoro, Cnel](#)).
- **Latvia:** figure, from CSP, refers to monthly wages and salaries.
- **Lithuania:** figure, from LS, is for the third quarter and refers to gross hourly earnings.
- **Luxembourg:** figure is from the IGSS.
- **Malta:** figure is an estimate based on the [National Statistics Office \(NSO\)](#) labour force survey data, assuming that most men and women work a normal 40-hour week.
- **Netherlands:** figure is from the CBS.
- **Norway:** figure is from Statistics Norway ([Statistisk sentralbyrå, SSB](#)).
- **Poland:** figure, from Eurostat, refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Portugal:** figure, from the Ministry of Labour and Solidarity ([Ministério do Trabalho e Emprego, MTE](#)), refers to monthly earnings.
- **Romania:** figure is from the INS.
- **Slovakia:** figure is from the Slovak Statistical Office ([Štatistický úrad Slovenskej republiky, ŠÚ SR](#)) wage structure survey.
- **Slovenia:** figure, from the Statistical Office of the Republic of Slovenia ([Statistični urad Republike Slovenije, SURS](#)), refers to average monthly wages.
- **Spain:** figure (provisional), from Eurostat, refers to gross hourly earnings for all paid employees aged 16–64 years who work 15 or more hours a week.
- **Sweden:** figure is from Statistics Sweden ([Statistiska Centralbyrån, SCB](#)); if 'standard weighted' for factors such as age and educational level, the SCB figure is 92.0%.
- **UK:** figure is from the [Office for National Statistics \(ONS\)](#) annual survey of working hours and earnings.

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Back to Figure 8

The data in Figure 8 should be read in conjunction with the following notes:

- **Belgium:** figures are estimates from the Central Economic Council ([Conseil Central de l'Économie/Centrale raad voor het bedrijfsleven, CCE-CRB](#)).
- **Bulgaria:** see note to Figure 1.
- **Cyprus:** figures are from CYSTAT's National Accounts.
- **Czech Republic:** figures, from ČSÚ, are for the first nine months of the year.
- **Denmark:** figures are the average of figures from Statistics Denmark for local government (2.2% in 2005, 3.6% in 2006), the state sector (3.0% in 2005, 2.5% in 2006) and the private sector (2.8% in 2005, 3.1% in 2006).
- **Estonia:** the 2005 figure, from Statistics Estonia earnings survey, is for the period of the year up to October.

- **Finland:** figures are from Statistics Finland.
- **France:** figures are from INSEE; the 2006 figure is provisional.
- **Germany:** figures, from Destatis, refer to annual increase in gross wages and salaries per employee.
- **Greece:** figures, from the National Statistical Service ([Εθνική Στατιστική Υπηρεσία της Ελλάδος, ESYE](#)), refer to the annual increase in actual earnings.
- **Hungary:** figures are from the Central Statistical Office ([Központi Statisztikai Hivatal, KSH](#)).
- **Ireland:** figures, from the CSO, refer to average industrial earnings in the private sector (the public sector figure was 5.5% in 2005); the 2006 figure is for the period of the year up to September.
- **Italy:** figures, from Istat, refer to earnings in industry and services (excluding public administration); the 2006 figure is for the period of the year up to November.
- **Latvia:** see note to Figure 1.
- **Lithuania:** see note to Figure 1.
- **Luxembourg:** figures are from the IGSS.
- **Malta:** figures, from the government's Economic Policy Division, are for the increase in nominal average weekly earnings; figures are for the period of the year up to June.
- **Netherlands:** the 2005 figure is from the CBS.
- **Norway:** see note to Figure 1.
- **Poland:** see note to Figure 1.
- **Portugal:** the 2005 figure, based on survey data from the MTE, is for the period of the year up to April 2005 and excludes public administration, parts of the primary sector and domestic services.
- **Romania:** figures are from the INS; the 2006 figure is for the period of the year up to November.
- **Slovakia:** figures are from ŠÚ SR; the 2006 figure is a forecast.
- **Slovenia:** figures, based on SURS data, refer to the growth rate of the gross wage per employee in nominal terms for all sectors; the 2006 figure is an estimate.
- **Spain:** the 2005 figure is from the INE wage costs survey of the National Statistics Institute ([Instituto Nacional de Estadística, INE](#)).
- **Sweden:** figures are from the National Mediation Office; the 2006 figure is for the period of the year up to November.
- **UK:** figures are based on the ONS average earnings index; the 2005 figure represents the average of earnings increases for the three months to December 2005 compared with the same period in 2004; the 2006 figure represents the average of earnings increases for the three months to September 2006 compared with the same period in the previous year.

Appendix 8

Country groups

EU27	EU15 and NMS12
EU25	EU15 and NMS10
EU15	Former 'old' Member States pre-enlargement 2004: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom
NMS10	10 new Member States that joined the EU on 1 May 2004: Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia
NMS12	NMS10, plus Bulgaria and Romania which joined the EU on 1 January 2007

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