

Earnings

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IMAD

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Gross wage per employee, growth index	Wages in SIT May 2003	In nominal terms		In real terms ¹	
		May 2003/ Apr 2003	Jan-May 2003/ Jan-May 2002	May 2003/ Apr 2003	Jan-May 2003/ Jan-May 2002
Gross wage per employee, total	249,309	101.0	108.1	100.5	102.0
Private sector (activities A to K)	228,138	101.2	108.3	100.7	102.2
A Agriculture	206,309	100.8	106.3	100.3	100.2
B Fisheries	189,515	100.4	108.1	99.9	101.9
C Mining and quarrying	292,842	98.8	109.2	98.4	102.9
D Manufacturing	207,324	101.1	107.9	100.6	101.7
E Electricity, gas and water supply	286,587	101.7	107.6	101.2	101.4
F Construction	212,504	106.6	109.0	106.0	102.8
G Wholesale, retail; certain repairs	216,866	99.6	107.4	99.2	101.3
H Hotels and restaurants	187,333	102.2	106.3	101.7	100.2
I Transp., storage and communicat.	259,697	100.3	109.4	99.8	103.1
J Financial intermediation	367,275	103.2	110.3	102.7	104.0
K Real estate, renting	269,002	100.0	108.4	99.5	102.2
Public services (activities L to O)	309,140	100.4	106.9	99.9	100.8
L Public administration	317,552	100.0	109.6	99.5	103.3
M Education	304,180	100.3	106.7	99.8	100.5
N Health services and social work	309,289	101.1	104.9	100.6	98.8
O Other social and personal services	300,613	100.0	105.0	99.5	99.0

Source of data: SORS, private sector and public services wages calculated by the IMAD.

Note: ¹deflated by the consumer price index (December 1998=100).

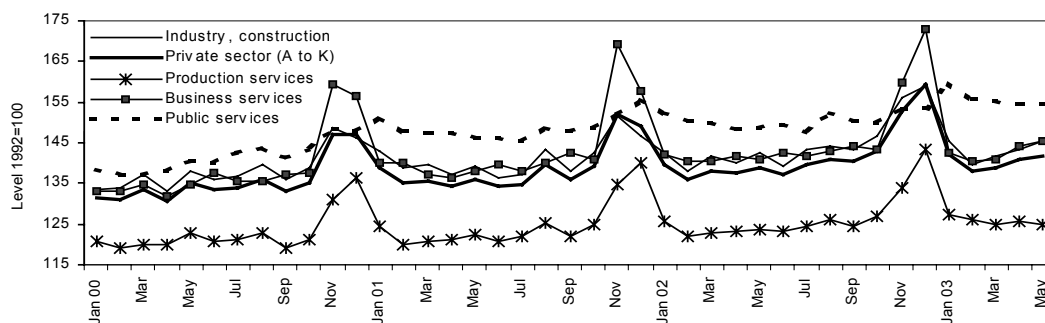
May's gross wage per employee rose by 1.0% in nominal and 0.5% in real terms.

In the **private sector (activities from A to K)**, the gross wage per employee rose by 1.2% in nominal terms mainly as a result of increased overtime; May had in fact fewer working days than April. In **industry and construction (activities C, D, E and F)**, where growth was the strongest, the gross wage per employee rose by 1.7% in nominal terms. Construction was particularly exceptional, seeing a 10.5% increase in overtime. **Production services (activities G, H, and I)** recorded stagnation; the gross wage per employee rose only in hotels and restaurants, owing to seasonal factors. In **business services (activities J and K)**, the gross wage per employee climbed by 1.3% in nominal terms.

In **public services (activities L to O)**, the gross wage per employee stagnated in nominal terms. This trend was seen in almost all activities, except in health and social work, where nominal wage growth was 1.1%. This was due to the increased number of working hours spent on duty because of the holidays.

In the **first five months**, the **gross wage per employee** rose by 2.0% in real terms compared to the same period last year. Wage movements recorded so far were in line with projections for this year. In the **private sector (activities from A to K)**, wage growth was slightly stronger, up 2.2% in real terms, due to faster rising wages in financial intermediation, transport, storage and communications, construction, and mining. In manufacturing, on the other hand, wages rose below the average of the private sector. This continues the trend that has been seen over the last few years. However, manufacturing tends to record one of the biggest rates of annual wage growth due to bonus payments given at the end of the year. In **public services (activities L to O)**, the gross wage per employee rose by 0.8% in real terms. Public administration recorded strong wages growth due to the wage supplement for five and a half months, which was paid together with January's wage. The social partners signed the Annexe to the Collective Agreement for the Public Sector, which will enable civil servants to exercise the right to collective supplementary pension insurance. The premium agreed to replace August's wage adjustment is composed of two parts: the minimum and additional premium. Every employee is entitled to the minimum premium; in 2004 it will be adjusted using the same mechanism as in public-sector wages, while in 2005 and onwards it will be adjusted to growth in the national average gross wage per employee once a year. The amount of the additional premium will depend on the number of years of service; as of 2005 it will be adjusted using the same adjustment mechanism as in public-sector wages. Because August's adjustment was replaced by a premium of collective supplementary pension insurance, annual growth in the public sector's gross wage per employee will be about one percentage point lower, around 0.5% in real terms. This growth will be very moderate and lower than wages growth in the private sector. This will be achieved for the fourth time in the last ten years.

Graph: Monthly real gross wage per employee



Source of data: SORS, calculations by IMAD. Note: index of real gross wage per employee (1992=100), deflated by consumer price index (Dec. 1998=100).