Irack Chanses Track Chanses

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INCREASE OF MINIMUM SALARY IN ROMANIA

- (1) Governmental Decision no. 937/2018 provides for an increase in the minimum gross salary in Romania, which is differentiated based upon professional experience and university studies, starting 1 January 2019. Specifically, the minimum gross salary will increase to RON 2,080 (approx. EUR 430), while the minimum gross salary for employees who have graduated from university studies and who have at least one (1) year of work experience in the field of their studies will be set at RON 2,350 (approx. EUR 490).
- (2) According to a publication of statistical data by the Labor Ministry¹, on 30 November 2018 there were 5,577,810 active employees in Romania. Pursuant to a different study published in July 2018², almost half of the individuals employed in Romania are paid on the basis of minimum gross salaries.
- (3) A study published by Adecco Research³ in September 2018 reflects that almost 19% of the employers in Romania budget their expenses based upon a minimum wage of RON 1,900. Considering the preponderance of minimum wage employees in Romania, the current increase of the gross minimum salary will most likely impact companies' 2019 budgets.
- (4) The minimum salary already increased from RON 1,450 to RON 1,800 just in January 2018. According to statements, the Government's **plan is to increase** the minimum salary by RON 150 (approx. EUR 30) every year until 2021.
- (5) A study published by the European Commission in July 2018⁴ shows that the following amounts apply at the European level in terms of minimum salary (comparison between July 2008 and July 2018). Given the anticipated increases in the minimum gross salary in Romania starting from 1 January 2019, Romania will likely lose some of its competitive salary advantages in the EU:

¹ http://www.mmuncii.ro/j33/index.php/ro/transparenta/statistici/date-statistice

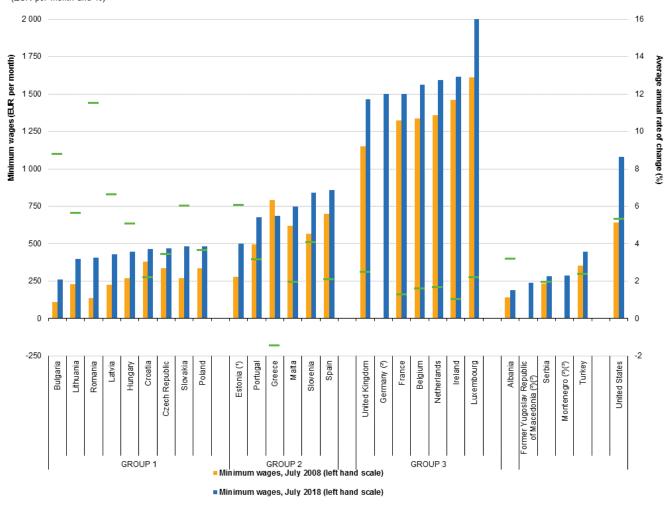
² http://www.economica.net/aproape-jumatate-dintre-angajatii-din-romania-castiga-salariul-minim-studiu_155710.html

³ https://www.adecco.ro/salariu-minim-2019-sondaj-bugete-hr/

https://ec.europa.eu/eurostat/statisticsexplained/index.php?title=File:Minimum_wages,_July_2008_and_July_2018_(EUR_per_month_and_%25).png

Minimum wages, July 2008 and July 2018





- Average annual rate of change, July 2008 to July 2018 (right hand scale)

Note: Denmark, Italy, Cyprus, Austria, Finland and Sweden: no national minimum wage.

(1) January 2018 instead of July 2018.

(²) July 2008 and average annual rate of change: not available.

(3) January 2017 instead of July 2018.

Source: Eurostat (online data code: earn_mw_cur)

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