

## **Czech Republic - Current results of collective bargaining in OS KOVO**

April 2024

The main level of negotiation of collective agreements in the Czech Republic is the company level. The results of wage negotiations therefore vary greatly from company to company. The period of validity of company collective agreements also varies, some are valid from 1 January, others are effective from the second quarter of the year or even the second half of the year, thus collective bargaining takes place almost continuously.

OS KOVO preliminarily analyses company agreements regarding growth after the end of the first quarter of the year. A deeper analysis of the entire content of the agreements is then carried out in the second half of the year.

Based on a preliminary analysis as of 31 January 2024, it was found that:

- i) In 15% of the negotiated agreements, a wage increase of 8% or more was achieved.
- ii) In almost 52% of the agreements, the wage increase ranges from 5% to 8%.
- iii) In 24% of agreements, the pay rise was below 5%.
- iv) In almost 10% of agreements, there was no nominal wage growth.

As usual, inflation will take a bite out of wage growth, whose estimates for this year range from 3.1% (Ministry of Finance) to 5% (CMKOS estimate). Even so, real wages should grow in most companies this year. However, real wages have fallen by 8% in the metal industry over the past two years, and this decline is clearly not going to be offset in 2024.

**Edited by industriAll Europe.**