

National minimum wages in the EU

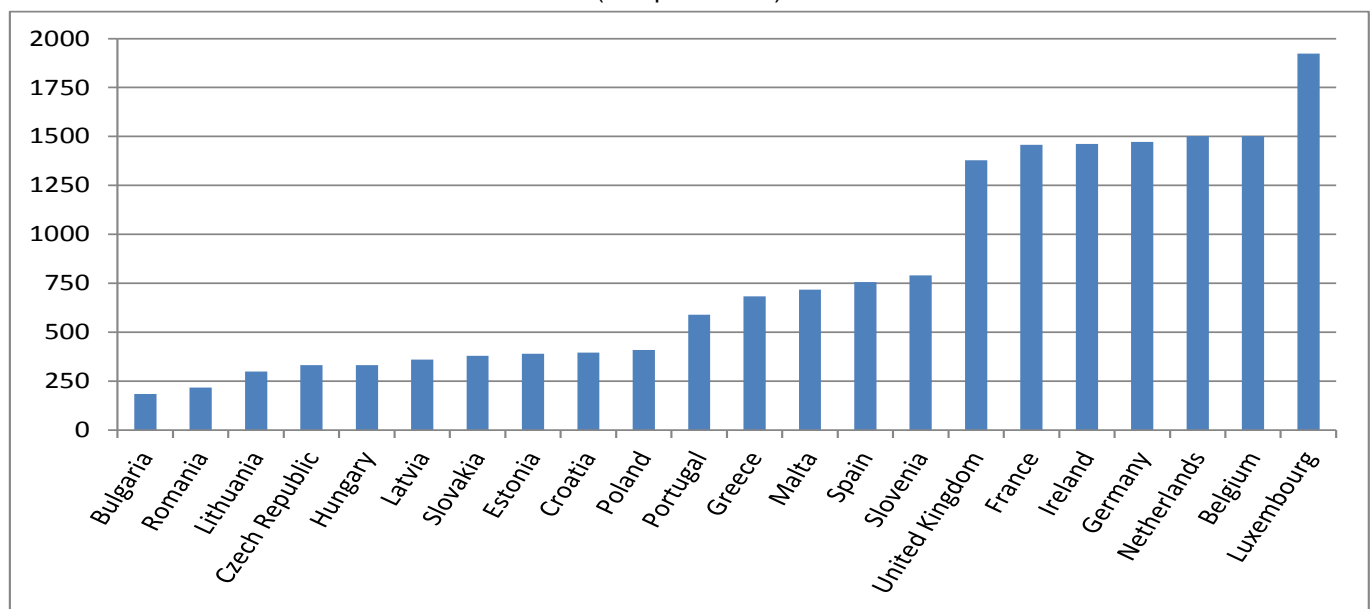
Monthly minimum wages in euro varied by 1 to 10 across the EU in January 2015

Variation reduced to 1 to 4 when expressed in PPS

As of 1st January 2015, 22¹ out of the 28 Member States of the **European Union** (EU) had national minimum wages². They ranged from €184 per month in **Bulgaria** to €1 923 in **Luxembourg**. However, when adjusted for differences in purchasing power, the disparities between Member States are reduced from a ratio of 1 to 10 in euro to a ratio of 1 to 4 in purchasing power standards (PPS)³.

This information comes from a publication⁴ issued by **Eurostat, the statistical office of the European Union**.

Minimum wages in the EU Member States, as of 1st January 2015
(in € per month)



From €184 in Bulgaria to €1 923 per month in Luxembourg

For those countries where the national minimum wage is not fixed at a monthly rate (i.e. Germany, Ireland, France, Malta, the United Kingdom and the United States) the level of the minimum wage is converted into a monthly rate according to a standard number of hours worked per month that may differ across countries².

The 22 EU Member States that have national minimum wages can be divided into three main groups based on the level in euro. In January 2015, ten Member States had minimum wages below €500 per month: **Bulgaria** (€184), **Romania** (€218), **Lithuania** (€300), the **Czech Republic** (€332), **Hungary** (€333), **Latvia** (€360), **Slovakia** (€380), **Estonia** (€390), **Croatia** (€396) and **Poland** (€410). In five other Member States, minimum wages were between €500 and €1 000 per month: **Portugal** (€589), **Greece** (€684), **Malta**² (€720), **Spain** (€757) and **Slovenia** (€791).

In the remaining seven Member States, minimum wages were well above €1 000 per month: the **United Kingdom**² (€1 379), **France**² (€1 458), **Ireland**² (€1 462), **Germany**² (€1 473), **Belgium** and the **Netherlands** (both €1 502) and **Luxembourg** (€1 923). For comparison, the federal minimum wage in the **United States**² was just over €1 000 per month (€1 035) in January 2015.

Minimum wages between 40% and 60% of the median earnings

Minimum wages may also be measured in relative terms, i.e. as a proportion of the median gross monthly earnings⁶. In 2010, minimum wages as a proportion of median gross monthly earnings were below 60% in all Member States for which data are available, being lowest in the **Czech Republic** and **Estonia** (both 40%), **Spain** (41%) and **Romania** (42%), and highest in **Portugal** and **France** (both 60%).

Minimum wages decreased compared with 2008 only in Greece

Compared with 2008, minimum wages in 2015, expressed in national currency⁵, increased in every Member State having a national minimum wage, except **Greece** where they dropped by 14% and **Ireland** where they remained unchanged. The highest increases between 2008 and 2015 were registered in **Romania** (+95%), **Bulgaria** (+64%), **Slovakia** (+58%) and **Latvia** (+57%).

Minimum wages in the EU (in € per month)

	1 st January 2008	1 st January 2014	1 st January 2015	Change 2015/2008 ⁵	Proportion of the median earnings (2010) ⁶
Belgium	1 310	1 502	1 502	15%	51%
Bulgaria	112	174	184	64%	50%
Czech Republic	300	310	332	11%	40%
Denmark	-	-	-	-	-
Germany ²	-	-	1 473	-	49%
Estonia	278	355	390	40%	40%
Ireland ²	1 462	1 462	1 462	0%	48%
Greece	794	684	684	-14%	51%
Spain	700	753	757	8%	41%
France ²	1 280	1 445	1 458	14%	60%
Croatia	380*	396	396	4%	47%
Italy	-	-	-	-	-
Cyprus	-	-	-	-	-
Latvia	230	320	360	57%	50%
Lithuania	232	290	300	29%	53%
Luxembourg	1 570	1 921	1 923	22%	57%
Hungary	272	342	333	22%	50%
Malta ²	617	718	720	17%	53%
Netherlands	1 335	1 486	1 502	13%	50%
Austria	-	-	-	-	-
Poland	313	404	410	31%	48%
Portugal	497	566	589	19%	60%
Romania	139	190	218	57%	42%
Slovenia	539	789	791	47%	57%
Slovakia	241	352	380	58%	46%
Finland	-	-	-	-	-
Sweden	-	-	-	-	-
United Kingdom ²	1 242	1 251	1 379	11%	47%
United States ²	689	911	1 035	50%	:

: Data not available

- Not applicable

* 1 July 2008

Minimum wages per month in national currency for non-euro area countries

		1 January 2008	1 January 2014	1 January 2015	Change 2015/2008
Bulgaria	BGN	220	340	360	64%
Czech Republic	CZK	8 000	8 500	9 200	15%
Croatia	HRK	2 747*	3 018	3 030	10%
Hungary	HUF	69 000	101 500	105 000	52%
Poland	PLN	1 126	1 680	1 750	55%
Romania	RON	500	850	975	95%
United Kingdom	GBP	911	1 043	1 074	18%
United States	USD	1 014	1 257	1 257	24%

* 1 July 2008

Gap reduced to 1 to 4 when minimum wages are expressed in PPS

The disparities in minimum wages across the EU States are considerably smaller once price level differences are eliminated: minimum wages in those Member States with relatively lower price levels become relatively higher when expressed in purchasing power standard (PPS)³, and relatively lower in those Member States with higher price levels.

The gap in minimum wage rates between the EU Member States was reduced from a ratio of 1:10 in euro to a ratio of 1:4 in PPS, ranging from 380 PPS per month in **Bulgaria** to 1 561 PPS in **Luxembourg**.

In particular, six Member States (the **Czech Republic, Croatia, Latvia, Hungary, Poland** and **Slovakia**) moved from the lower group (less than €500 per month) to the medium group (500 PPS to 1 000 PPS per month) when price level differences are eliminated.

Minimum wages per month in purchasing power standards* in the EU

	1 st January 2008	1 st January 2014	1 st January 2015
Belgium	1 185	1 374	1 374
Bulgaria	228	359	380
Czech Republic	415	464	502
Denmark	-	-	-
Germany²	-	-	1 441
Estonia	362	445	488
Ireland²	1 126	1 238	1 238
Greece	865	764	764
Spain	735	794	798
France²	1 155	1 325	1 337
Croatia	512**	582	584
Italy	-	-	-
Cyprus	-	-	-
Latvia	303	450	507
Lithuania	351	448	464
Luxembourg	1 338	1 559	1 561
Hungary	395	573	593
Malta²	797	903	906
Netherlands	1 281	1 349	1 363
Austria	-	-	-
Poland	462	708	738
Portugal	565	658	685
Romania	215	335	384
Slovenia	650	947	949
Slovakia	371	497	536
Finland	-	-	-
Sweden	-	-	-
United Kingdom²	1 110	1 082	1 114
United States²	841	1 019	1 019

* PPS for 2014 and 2015 are estimated.

** 1 July 2008

- Not applicable


1. In 1 January 2015, Belgium, Bulgaria, the Czech Republic, Germany (from 1 January 2015), Estonia, Ireland, Greece, Spain, France, Croatia, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, and the United Kingdom had a national minimum wage as defined in footnote 2.
2. Minimum wage statistics, published bi-annually by Eurostat, refer to monthly national minimum wages applied on 1 January and 1 July each year. The national minimum wage usually applies to all employees, or at least to a large majority of employees in a country. It is fixed at an hourly, weekly or monthly rate, and is enforced by law, often after consultation with social partners, or directly by a national inter-sectorial agreement. Minimum wages are generally presented as monthly wage rates for gross earnings, that is, before the deduction of income tax and social security contributions payable by the employee; these deductions vary from country to country.
For those countries where the national minimum wage is not fixed at a monthly rate (for example, where minimum wages are specified on an hourly or weekly basis) the level of the minimum wage is converted into a monthly rate according to conversion factors supplied by the countries:
Germany: (hourly rate x 40 hours x 52 weeks) / 12 months. The national minimum wage is €8.50 per hour
Ireland: (hourly rate x 39 hours x 52 weeks) / 12 months. The national minimum wage is €8.65 per hour
France: (hourly rate x 35 hours x 52 weeks) / 12 months. The national minimum wage is €9.61 per hour
Malta: (weekly rate x 52 weeks) / 12 months. The national minimum wage is €166.26 per week
United Kingdom: (hourly rate x mean basic paid hours per week for full-time employees in all sectors x 52.18 weeks) / 12 months. The national minimum wage is £6.50 per hour
United States: (hourly rate x 40 hours x 52 weeks) / 12 months. The national minimum wage is \$7.25 per hour
In addition, when the minimum wage is paid for more than 12 months per year (as in Greece, Spain and Portugal, where it is paid for 14 months a year), data have been adjusted to take these payments into account.
Additional information, including country-specific information, is available on the Eurostat website:
http://ec.europa.eu/eurostat/cache/metadata/en/earn_minw_esms.htm
3. To remove the effect of differences in price levels between the countries, special conversion rates called purchasing power parities (PPPs) are used. PPPs for household final consumption expenditure in each country are used to convert the monthly minimum wages expressed in euro or national currencies to an artificial common unit called the purchasing power standard (PPS). As PPPs for 2014 and 2015 are not yet available, they are replaced by the PPP of the year 2013.
4. Eurostat, Statistics Explained article "**Minimum wage statistics**" available on Eurostat's website:
http://ec.europa.eu/eurostat/statistics-explained/index.php/Minimum_wage_statistics
5. Data on national minimum wages are submitted to Eurostat in national currency. For the non-euro area countries, minimum wages in national currencies are converted into euro by applying the monthly exchange rate as recorded at the end of the previous month (for example, the rate at the end of December 2014 was used for calculating minimum wages in euro as of 1 January 2015). It should be noted that for those EU Member States outside of the euro area that have minimum wages (Bulgaria, the Czech Republic, Croatia, Hungary, Poland, Romania and the United Kingdom), as well as for the United States, the levels and developments of minimum wages expressed in euro may differ from those expressed in national currency, due to exchange rate effects.
6. Data refer to the gross monthly earnings and cover remuneration in cash paid before any tax deductions and social security contributions payable by wage earners and retained by the employer. They are restricted to gross earnings which are paid in each pay period. They generally refer to NACE Rev. 2 Sections B-S (industry, construction and services, except activities of households as employers and extra-territorial organisations and bodies), and cover full-time employees working in enterprises of all sizes. Data for Lithuania also cover part-time workers converted into full-time equivalents. Data for Greece and Belgium exclude Section O whereas data for Portugal also exclude Sections P and Q (non-market units). Data for Belgium, Germany, Croatia and Romania refer to enterprises with 10 or more employees which tends to over-estimate the median earnings and to consequently under-estimate the "minimum wages to median earnings" ratio. Data from Bulgaria, the Czech Republic, Estonia, Hungary, Poland, Latvia, Slovenia, Croatia and Romania are calculated by Eurostat on the basis of the Structure of Earnings Survey (2010). Data from Germany is an estimation for the year 2015. Median earnings refer to the value that splits the earnings distribution into two parts of equal size: exactly 50% fall below that value, 50% are above it.

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