

Minimum wages in the EU25

## **Statutory minimum wages varied by one to eleven across the EU in January 2006**

In January 2006, eighteen of the 25 Member States of the EU had national legislation setting statutory minimum wages<sup>1</sup>. The level at which these were set varied widely, from 129 euro per month in **Latvia** to 1 503 euro per month in **Luxembourg**. It should be noted that the proportion of employees receiving the minimum wage also differs greatly between Member States, ranging from less than 1% in **Spain** to 18% in **Luxembourg**.

These figures are published<sup>2</sup> by **Eurostat, the Statistical Office of the European Communities**.

### **From 130 euro per month in Latvia to 1 500 euro in Luxembourg**

Looking at the level of the minimum wage in euro, Member States fell into three broad groups. In **Latvia** (129), **Lithuania** (159), **Slovakia** (183), **Estonia** (192), **Poland** (234), **Hungary** (247) and the **Czech Republic** (261), minimum wages were below 300 euro per month in January 2006. **Portugal** (437), **Slovenia** (512), **Malta** (580), **Spain** (631) and **Greece** (668) fell into a middle group, with minimum wages of between 400 and 700 euro per month. In **France** (1 218), **Belgium** (1 234), the **United Kingdom** (1 269), the **Netherlands** (1 273), **Ireland** (1 293) and **Luxembourg** (1 503) minimum wages were over 1 200 euro per month.

For comparison, the federal minimum wage in the **USA** was 753 euro per month in January 2006.

When adjusted to take into account differences in purchasing power, the disparities between the Member States were reduced from a range of one to eleven (in euro), to a range of one to six (in PPS<sup>3</sup>): **Luxembourg** (1 417 PPS per month) remaining the highest, and **Latvia** (240) the lowest.

The proportion of employees on minimum wages in 2004 was lowest in **Spain** (0.8%), the **United Kingdom** (1.4%), **Malta** (1.5%), **Slovakia** (1.9%), the **Czech Republic** and **Slovenia** (both 2.0%), and highest in **Luxembourg** (18.0%), **France** (15.6%), **Lithuania** (12.1%) and **Hungary** (8.0%).

In the **USA**, 1.4% of employees received the minimum wage.

## Statutory minimum wages in January 2006

	Euro*	PPS*	National currency	Percentage of employees receiving the minimum wage, 2004
<b>Belgium</b>	1 234	1 184	1 234	:
<b>Czech Republic</b>	261	431	7 570	2.0
<b>Estonia</b>	192	305	3 000	5.7
<b>Greece**</b>	668	785	668	:
<b>Spain</b>	631	722	631	0.8
<b>France</b>	1 218	1 128	1 218	15.6
<b>Ireland</b>	1 293	1 050	1 293	3.1
<b>Latvia</b>	129	240	90	:
<b>Lithuania</b>	159	292	550	12.1
<b>Luxembourg</b>	1 503	1 417	1 503	18.0
<b>Hungary</b>	247	401	62 500	8.0
<b>Malta</b>	580	776	249	1.5
<b>Netherlands</b>	1 273	1 210	1 273	2.1
<b>Poland</b>	234	379	899	4.5
<b>Portugal</b>	437	510	437	5.5
<b>Slovenia</b>	512	676	123 000	2.0
<b>Slovakia</b>	183	314	6 900	1.9
<b>United Kingdom</b>	1 269	1 202	862	1.4
<b>Bulgaria</b>	82	191	160	:
<b>Romania</b>	90	189	330	12.0
<b>Turkey</b>	331	517	531	:
<b>USA</b>	753	779	893	1.4

\* As figures refer to statutory minimum wages applicable on 1 January, the average exchange rate for December 2005 has been used to convert to euros. The conversion rates for PPS are provisional.

\*\* The figures for Greece refer to the minimum wage for non-manual workers. A different rate applies to manual workers.

1. Refers to minimum wages set by national legislation and applicable to the majority of full-time salaried workers in each country. Other minimum wages may exist for certain categories within the country, e.g. based on age, physical or mental capacities, or economic state of the business.

The minimum wages given refer to a gross amount, i.e. before deduction of taxes and social security contributions, which vary from one country to another. In most countries the minimum wage is fixed at a monthly rate, but in a few cases, it is set at an hourly, daily or weekly rate. In these cases, a conversion to a monthly rate has been made.

Where the minimum wage is paid more than 12 times a year (for example, in Spain and Greece it is paid 14 times a year), the figures are adjusted to take these additional payments into account.

2. Eurostat, Statistics in Focus, Population and social conditions, 9/2006 "**Minimum wages 2006 - Variations from 82 to 1503 euro gross per month**" which is can be downloaded in PDF format from the Eurostat website.

3. The Purchasing Power Standard (PPS) is an artificial common reference currency unit that eliminates price level differences between countries. Thus one PPS buys the same volume of goods/services in all countries.

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