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Agjencia e Statistikave të Kosovës - Agencija za Statistike Kosova – Kosovo Agency of Statistics

Series 5: Social Statistics

Wage Level in Kosovo 2012 - 2019



Introduction

This report has been drafted on the user's needs and requests, including needs and request of state institutions and other different users. The data presented in this report on average wage are data that will help decision-makers in orienting their policies and planning more effective ways to retain and motivate employees.

This publication is a review of the average wage data in Kosovo 2012 - 2019 published in June 2020. In the estimation of the average wage at the national level a technical and professional error was made. Thanks to the data users who have identified the errors, the publication has been withdrawn. In order to increase the quality, it is required to verify each revised data.

The wage level is a very important data asset, not only for the organizations that use it as a basis for making changes (increase / decrease), but it is also a very important indicator for new investors and a key or attractive instrument to attract best candidates.

When an organization is made up of skilled and motivated people, success is not lacking. Wage structures are an indispensable part of effective management, but are also key factors and drivers of developments. For easier access to the users, this report provides the average gross and net wage.

This is a report with data for 2019 which includes data for 2012-2018 as a continuous approach. KAS plans to regularly publish data on the average wage at the lowest level also by the economic sectors.

The division of the wage level is done for the three (3) sectors as follows:

- Public Sector (Administration),
- Private Sector, and
- Public Enterprises.

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Your comments, remarks, suggestions and proposals regarding this publication are welcome and can be sent to the email address: social@rks-gov.net

List of Abbreviations

KBRS	Kosovo Business Registration Agency
KAS	Kosovo Agency of Statistics
TAK	Tax Administration of Kosovo
EU	European Union
BRK	Budget of the Republic of Kosovo
ISCO	International Standard Classification of Occupations
MPA	Ministry of Public Administration
NACE	Statistical Classification of Economic Activities
RBS	Statistical Business Register

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Definitions

Gross wages	Gross employee income, which includes income for work and time spent at work, other personal income, determined by law or by collective agreement (additions), or work contract, in which the personal income tax is applied. Otherwise, gross wages are the total of non-tax wages and deductible contributions (pension / pension savings, health insurance, etc.).
Net wages	Net wages are tax and contributions deducted from gross wages.
Public sector	All employees who receive wage from the Kosovo Consolidated Budget are included in the public sector.
Private sector	All employees who work in private enterprises (private business) for which enterprises pay their taxes and contributions.
Public enterprises	Publicly-owned enterprises include all publicly owned enterprises, or are established by public funds or under public law and are not public authorities or part of public authorities.

Data sources and methodology

Public sector

Data sources: Public sector data are extracted from the Payments Administration Division / payroll list held by the Ministry of Public Administration (MAP) for the gross and net wages. The number of payee recipients in the Kosovo Consolidated Budget (KCB) sector in December 2019 was a total of 83 783 persons¹.

Method of calculating average annual wage / public sector: The calculation of the average annual wage for the public sector is done according to the formula:

$$\bar{x} = \frac{\sum_{i=1}^n x_i}{n} = \frac{x_1 + x_2 + \dots + x_n}{n}$$

\bar{x} - presents the symbol for the arithmetic mean of the sample

n - is the total number of observations - elements

x - presents individual values

Σ - presents the total sum of the values.

Private sector

Data source: data on the private sector are extracted from the Statistical Business Register (SBR), which contains data on all enterprises (public and private), which exercise economic activity within the territory of Kosovo. This includes all economic sectors according to the Nomenclature of Economic Activities, NACE Rev.2. Does not include Public Administration, Non-Profit Organizations and International Organizations.

Sources for updating SBR variables are: Administrative resources (information from the Kosovo Business Registration Agency and the Kosovo Tax Administration), as well as statistical resources (SBR Update Survey, Structural Business Survey and Short-term Statistics Surveys).

Public enterprises

Data sources: Data for public enterprises are extracted from the Statistical Business Register (SBR), the same basis as in the private sector.

¹In the average of wages from the Kosovo Consolidated Budget is included the staff fund (additions).

Data review of the average wage in Kosovo 2012 - 2019

In the tabular presentation on the average wage during the drafting of the report (June 2020), a technical and professional error was made and thanks to the users of the data who made the identification of errors, the data was reviewed. Since the report was prepared under more difficult conditions than usual due to the Pandemic where, as a result of the commitment preparing the report in question, three (3) people who worked were infected with COVID-19 until it was requested to verify each revised data.

Findings from the review:

Public sector: there is no change in gross and net wage compared to the report published prior the review.

Publicly Owned Enterprises: During the review of data to verify data on public enterprises despite administrative data (registers obtained from other institutions) KAS has contacted all public enterprises to obtain additional information. During the exchange of information / data it resulted that: some public enterprises that were privatized and then for various reasons again returned to public enterprises, their ownership status was not modified (codified) and as such in the previous report are accounted for as private enterprises. This has led to a change in gross and net wages in public enterprises.

Private sector: Findings in the classification of enterprises that were previously public and then private, has also affected the changes in the average gross and net wage in the private sector.

The following table presents the final data on the level of wages for the years 2012-2019.

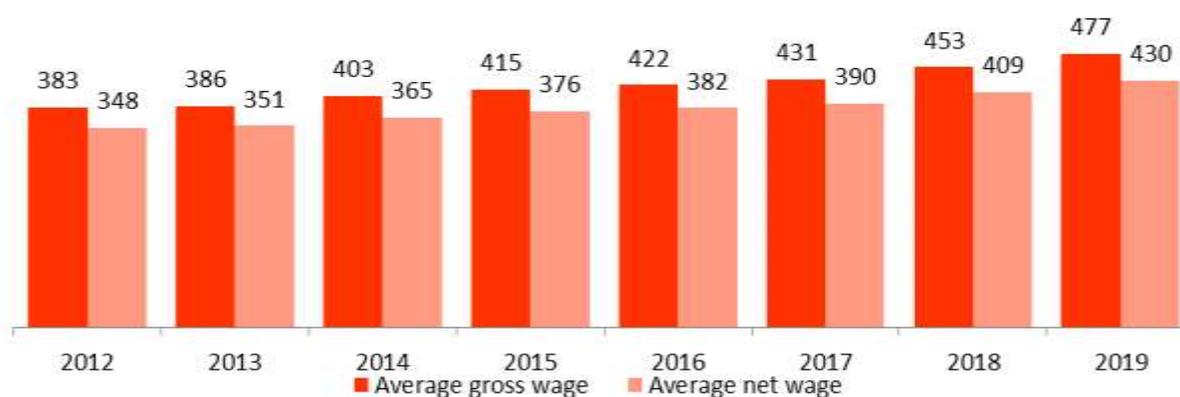
Average wage level in Kosovo

In 2012, the average gross wage in Kosovo was 383 Euros, while in 2019 it was 477 Euros, an increase of 94 Euros or 24.5%. While the net wage from 348 Euros, as it was in 2012, increased to 430 Euros in 2019, with 82 Euros more, or 23.5%.

Table 1: Average gross and net wage level (in Euro) by years 2012 - 2019

Year	Kosovo		Public Sector		Publicly Owned Enterprises		Private Sector	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2012	383	348	407	366	561	502	337	308
2013	386	351	411	370	573	512	340	310
2014	403	365	473	423	656	583	329	301
2015	415	376	509	454	674	598	328	300
2016	422	382	525	467	686	609	340	310
2017	431	390	532	474	699	620	356	324
2018	453	409	573	509	721	639	376	342
2019	477	430	584	519	766	677	411	372

Graph 1: Average gross and net wage level (in Euro) by years 2012 - 2019



Average wage by sectors in Kosovo

Public sector

The average gross wage in the public sector in 2012 was 407 Euros, while in 2019 it was 584 Euros, increasing by 177 Euros, or 43.5%. While, the net wage from 366 Euros, as it was in 2012, increased to 519 Euros, an increase of 153 Euros, or 41.8%.

Graph 2: Average gross and net wage level (in Euro) in the public sector, 2012-2019



Public enterprises

The average gross wage in public enterprises in 2012 was 561 Euros, while in 2019 it was 766 Euros, which increased by 205 Euros, or 36.5%. While, the net wage from 502 Euros, as it was in 2012, increased to 677 Euros, an increase of 175 Euros, or 34.9%.

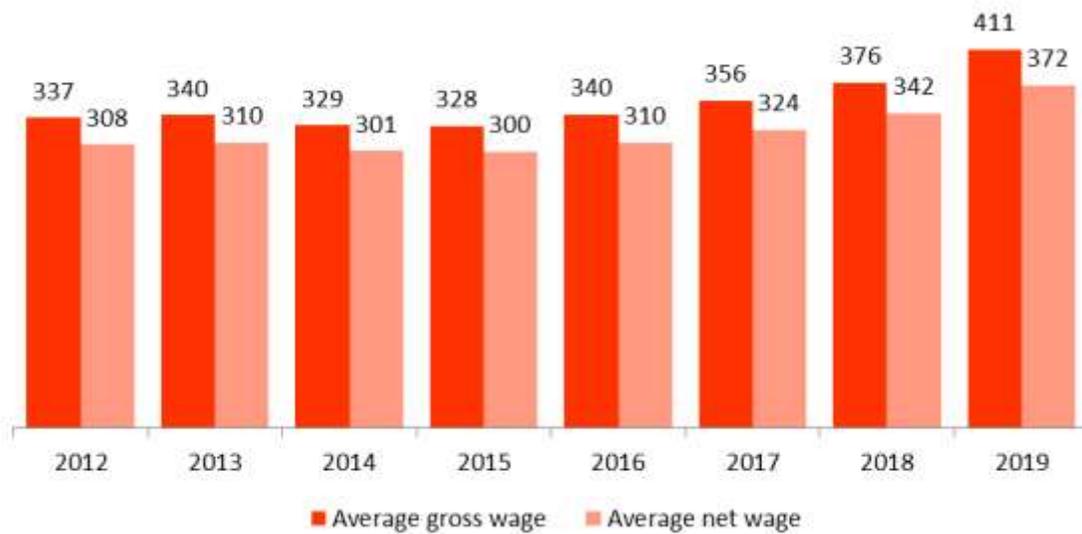
Graph 3: Average gross and net wage level (in Euro) in public enterprises, 2012-2019



Private sector

The average gross wage in the private sector in 2012 was 337 Euros, while in 2019 it was 411 Euros, which increased by 74 Euros, or 22.0%. While, the net wage from 308 Euros, as it was in 2012, increased to 372 Euros, with an increase by 64 Euros, or 20.8%.

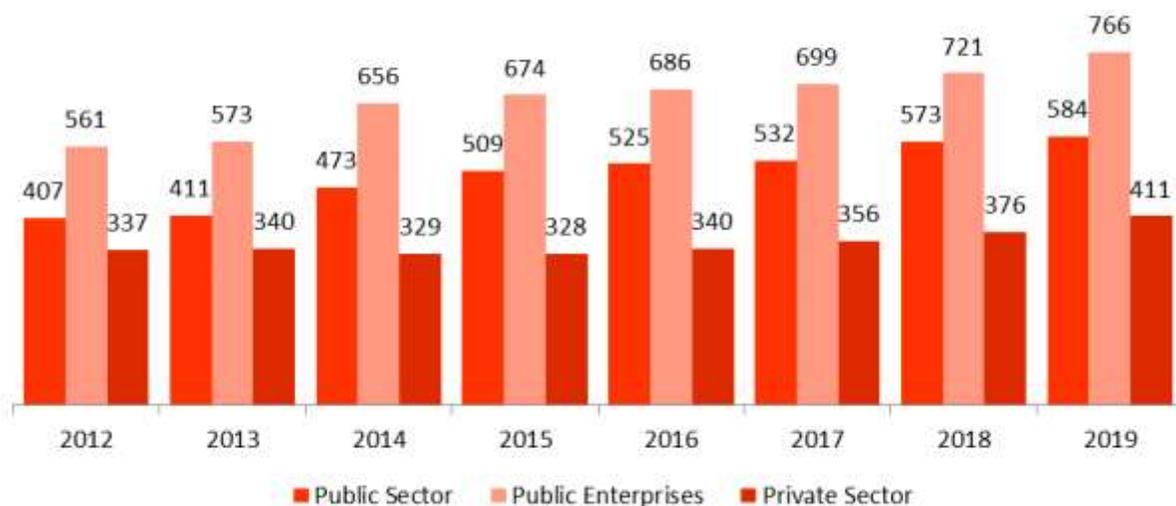
Graph 4: Average gross and net wage level (in Euro) in the private sector, 2012-2019



Average gross wage by sector

The highest wage level in Kosovo was in public enterprises. In 2012, in public enterprises, the average gross wage was 561 Euros, while in 2019 it reached 766 Euros. The public sector, in 2012, had an average gross wage of 407 Euros and in 2019 an average wage of 584 Euros. The private sector was the sector with the lowest average gross wage and with a very small increase. This sector, in 2012 had an average wage of 337 Euros, while in 2019 it had an average wage of 411 Euros.

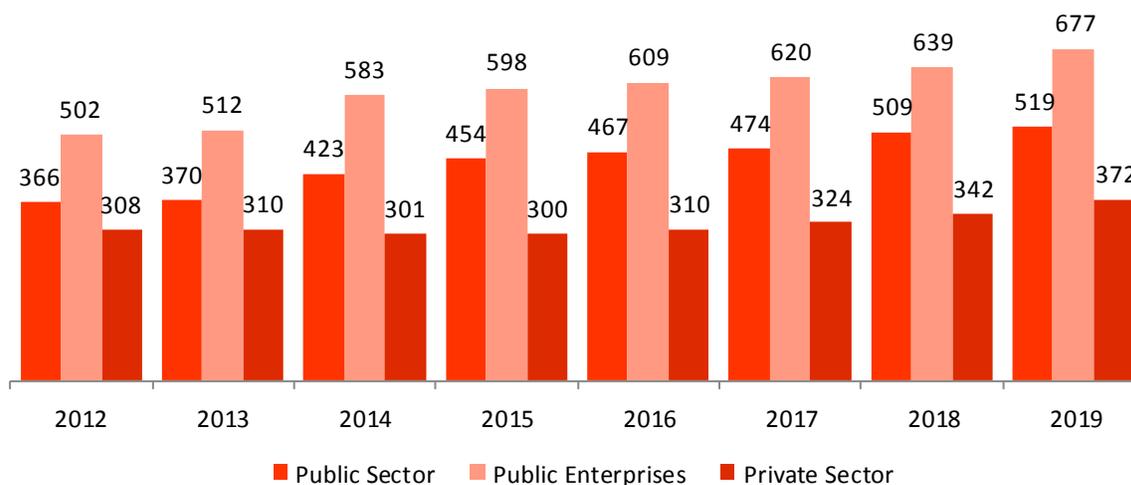
Graph 5: Level of average gross wages (in Euro) by sectors, 2012-2019



Net average wage by sector

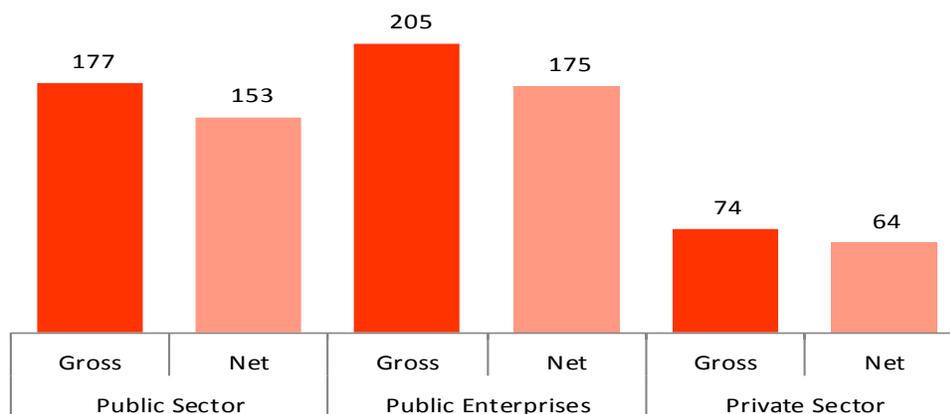
In public enterprises, the average net wage, in 2012, reached the level of 502 Euros, while in 2019 it reached 677 Euros. The public sector, in 2012, had an average net wage of 366 Euros and in 2019 an average net wage of 519 Euros. The private sector, in 2012, had an average net wage of 308 Euros, while in 2019 it had an average wage of 372 Euros.

Graph 6: Level of average net wage (in Euro) by sector, 2012-2019



Not all sectors had significant wage increases over the years. In the public sector, the gross wage for the period 2012-2019 increased by 177 euros. In the private sector, there was only an increase of 74 Euros, within the period in question, from 337 to 411 Euros. In public enterprises, there was a larger increase by 205 Euros more than in 2012. Net wages also increased in parallel.

Graph 7: Increase of average gross and net wage (in Euro) by sectors, 2012 - 2019



Minimum wage in Kosovo

The minimum wage rate is the lowest wage allowed, usually regulated by state laws. In Kosovo, currently the minimum wage is categorized at 130 Euros for employees under the age of 35 and 170 Euros for employees over the age of 35.

Table 2: Ratio of minimum wage to average gross and net wage (in Euro) in Kosovo, 2019

Age group	Minimum wage	Gross (%)	Net (%)
Up to the age of 35	130	27,25	30,23
Over the age of 35	170	35,64	39,53

Average gross and net wage by economic activity

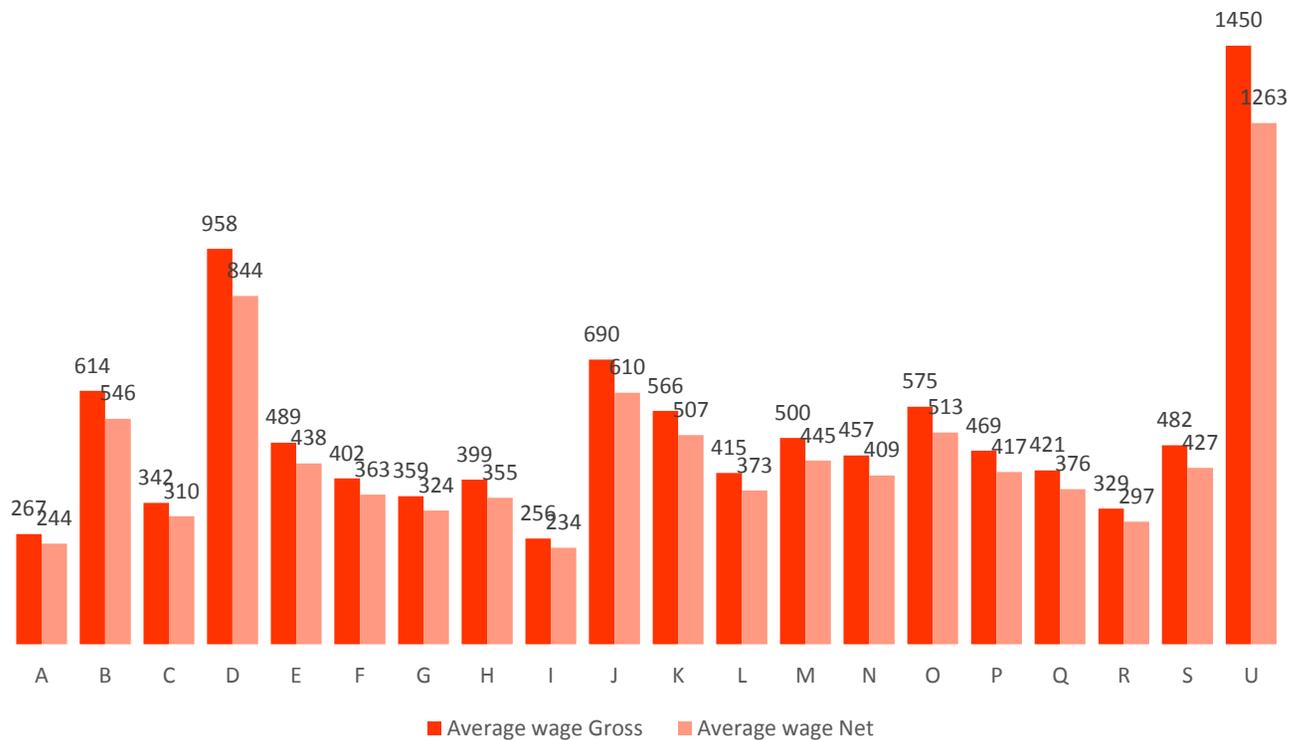
Gross and net wages by economic activities in Kosovo are also very important indicators. The average gross wage in 2019 according to the highest economic activities was at: Organizations and extra-territorial bodies with 1450 euros followed by electricity, gas, steam and air conditioning supply with 958 euros, then Information and communication with 690 euros and mining and quarrying with 614 euros, while the lowest wage was at Accommodation and food service activities with 256 euros.

The average net wage in 2019 according to economic activities has the same ranking as above with: Organizations and extra-territorial bodies with 1263 euros followed by Electricity, gas, steam and air conditioning supply with 844 euros, then Information and communication with 610 euros and mining and quarrying with 546 euros, while the lowest salary was at Accommodation and food service activities at 234 euros.

Table 3: Average wage (in Euro) by economic activity in Kosovo, 2019

Economic activity		Paga mesatare	
		Bruto	Neto
A	Agriculture, forestry and fishing	267	244
B	Mining and quarrying	614	546
C	Manufacturing	342	310
D	Electricity, gas, steam and air conditioning supply	958	844
E	Water supply, sewerage, waste management and remediation activities	489	438
F	Construction	402	363
G	Wholesale and retail trade, repair of vehicles and motorcycles	359	324
H	Transportation and storage	399	355
I	Accommodation and food service activities	256	234
J	Information and communication	690	610
K	Financial and insurance activities	566	507
L	Real estate activities	415	373
M	Professional, scientific and technical activities	500	445
N	Administrative and support activities	457	409
O	Public administration and defence, compulsory social security	575	513
P	Education	469	417
Q	Human health and social work activities	421	376
R	Art, entertainment and recreation	329	297
S	Other service activities	482	427
U	Activities of extraterritorial organizations and bodies	1450	1263

Graph 8: Increase of average gross and net wage (in Euro) by economic activity, 2012 - 2019



Kosovo Agency of Statistics: Brief description

Kosovo Agency of Statistics is a professional institution which deals with collection, processing and publication of official statistical data. As such, acts since 1948 and has passed through several historical stages, structured according to state regulation of those times.

On 2 August 1999, the Agency has resumed his professional work (after nine years of interruption of all statistical series detrimental to the interest of Kosovo), as an independent institution under the Ministry of Public Administration. Since 12.12.2011 the Agency operates in the frames of the Prime Minister's Office. Office is funded by the Kosovo Consolidated Budget, but also by donors for specific projects and for technical professional support.

Kosovo Agency of Statistics acts according to the Law No. 04/L-036 which entered into force on 12.12.2011. The Programme of Official Statistics 2013/2017 is currently implemented for the development of the statistical system in correlation with European Union Statistics (Eurostat).

Kosovo Agency of Statistics has this organizational structure: Departments for statistical production; (Department of Economic Statistics and National Accounts, Department of Agriculture and Environment Statistics and Department of Social Statistics. And Support Departments; Department of Methodology and Information Technology, Department for Policies Planning, Coordination and Communication, Department of Enumerations and Surveys and Department of Administration. Within the Agency also operate Regional Offices; Gjakove, Gjilan, Mitrovica, Peja, Prizren, Prishtina and Ferizaj.

There are 156 employees in total, of them 115 in KAS, while in the Regional Offices, 4. KAS has this qualifying structure: 123 with university education; 15 with post-secondary not tertiary education; while 18 with secondary education.

KAS has professional and technical cooperation with all ministries of the Government of Kosovo, especially with the Ministry of Economy and Finance, Central Bank of Kosovo, with international institutions, EUROSTAT, International Monetary Fund, World Bank, Sweden's SIDA, DFID, UNFPA, UNDP, UNICEF and the statistics of states in the region.

Kosovo Agency of Statistics almost completely covers the territory of Kosovo, based on the statistical structure of the enumeration areas as the basic unit and sole in the country from where obtains first hand information. All surveys conducted in the field use the extension of the samples in these enumeration areas but also a statistical methodology according to international recommendations. During the collection of statistical data and reports from reporting entities are involved professionals, technicians, administrators, servants of the country offices, field enumerators from regional offices, etc.

In 2011, the project of Population Census, Households and Dwellings was successfully implemented, and in 2014 was successfully carried out the Agriculture Census. The results obtained from these censuses will have an important role to play in drafting Development Policies.

The mission of the KAS is to meet the needs of users with qualitative statistical data, objective, in time and space so that users have reliable base to conduct regular analysis in the interest of planning and project development at the municipal and country level. To support government institutions, scientific institutes, research academies, businesses in order to provide proper information for decision-makers and other users in Kosovo.

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