



Dacia offers realistic salaries

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During negotiations of the 2008 Collective Labour Contract, the Management Board of Dacia came with a serious offer as regards the increase in the salaries of the company's employees, in line with the current economic and social state of affairs in Romania. The Logan range of vehicles also brought benefits to all the employees working for Dacia. The average salary at Dacia is superior to the average salary at national economy level, at industry and industrial branch level. The claims of the Dacia Union are not realistic.

In order to maintain the level of success acquired with the Logan programme, Dacia needs to remain as competitive. The offer of the Management Board will stand only in case of an agreement to close negotiations for the 2008 Collective Labour Contract as late as 23rd March. Should a general strike be declared, the Management Board will withdraw the offer. The Management Board of Dacia is open for negotiations.

1. The Management Board of Dacia came with a serious and realistic offer as regards the increase in the salaries of its employees, in line with the evolution of the Romanian economy. The Management Board offered a 12% rise in the basic salary, which stands for a minimum 144 lei gross salary for the workers. The rise also stands for a +18,5% for a gross basic salary of 778 lei. (See detailed presentation according to responsibility levels in Annex 1.)

An additional 2007 performance bonus adds to the increase, amounting to 1 individual basic salary, payable in one bracket. The minimum value of such bonus will amount to the gross sum of 1020 lei. Should the amount of 1020 lei be divided to each month, it would stand for 85 lei/ month.

Consequently, for employees with gross basic salaries inferior to 1020 lei, a minimum 85 lei/ month will be ensured. For employees with superior basic salaries, the bonus will equal the individual basic salary.

The sum of the invariable amounts hereabove stand for a minimum average rise of a gross $144+85 = 229$ lei/ month, or a net 161 lei/ month. (See examples in Annex 2)

2. The Logan range of vehicle also brought benefits to all the employees working for Dacia. The Logan programme has consistently brought an income increase for the Dacia employees, ever since its launch, in 2004. The gross average salary of a Dacia worker in 2007 was 1663 lei (a net 1205 lei), 2.5 higher than in 2003, that is 691 lei. More specifically, under inflation coditions rated at 32.66% throughout the same period, the salaries of the Dacia workers increased by 140.67%. (See Annex 3)

Such level of remuneration was brought around by the high success of the Dacia Logan, wich lead to an increase of production volumes and, implicitly, to a rise in the employees salaries and purchasing power. To exemplify, in 2004 a Dacia worker needed 38,6 salaries to buy a Logan (at the 2004 price); today, the same worker needs only 19,2 lei to buy the same car (at the current price).

3. The average salary at Dacia is superior to the average salary at national economy level, at industry and industrial branch level. The total gross average salary at Dacia in 2007 amounted to 1896 lei (See Annex 4). The workers salary level reached 1663 lei. Compared to the same period, the gross average

salaries were, according to the information supplied by the Statistics National

Commission:

1. National economy * = 1410 lei
2. Industry * = 1312 lei
3. Road transport industry * = 1532 lei
4. Dacia = 1896 lei

Observation: * the average of all employee categories in the sector

4. The claims of the Automobile Dacia Union are not realistic. Example: a salary increase by an invariable amount of 550 lei applicable for all employee categories. For an equitable compensation of each employee, the individual salary is correlated to the employee's training, responsibility level and performances, and to the work force market. The invariable sum claimed as a salary increase for all employees will hinder a fair appreciation of the employees work and of the resulting individual performance.

A 550 lei-increase is equivalent to a 51.7% raise. For an unqualified worker, this would mean a 74% raise, a 70.7% raise for a qualified worker and a 27% raise for specialists in executive position 7 (designers, operating costs supervisors, purchasing analysts). If the remaining increase claims the Easter and Christmas bonuses (for the current 30% to 50% as compared to the company's total gross average salary) and the holiday bonus (from the current 40% to 100% as compared to the company's total gross average salary) are added to the 51.7% raise, the average increase would amount to approximately 64.2%.

The Union also required a 5-10% - profit participation from the company's net profit. By the law, such claim is not possible since Dacia still has a negative balance. (See Annex 5)

5. The offer of the Management Board will stand only in case of an agreement to close negotiations for the 2008 Collective Labour Contract as late as 23rd March. Should a general strike be declared, the Management Board will withdraw the offer. The strike will not bring about additional benefits, rather a higher risk for all parties involved. The Management Board of Dacia is open for negotiations.

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[Annex 1. Remuneration scale offered by the Dacia Management Board on 18th March 2008](#) [2]

[Annex 2. Two examples of salary increases for a minimum basic salary and an average basic salary](#) [3]

[Annex 3. Annual evolution of salary](#) [4]

[Annex 4. Evolution of the gross average salary applicable on the industrial site of Dacia during 2003 - 2007 as compared to the evolution of the gross average salaries at national economy level, at industry level and at road transport industry level](#) [5]

[Annex 5. Legal terms of profit distribution.](#) [6]