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Labour costs in the EU28

Hourly labour costs ranged from €3.7 to €40.1 across the EU28 Member States in 2013

In 2013, average hourly labour costs¹ in the whole economy² (excluding agriculture and public administration) were estimated to be €23.7 in the **EU28**³ and €28.4 in the **euro area**³ (EA17). However, this average masks significant differences between EU Member States, with the lowest hourly labour costs recorded in **Bulgaria** (€3.7), **Romania** (€4.6), **Lithuania** (€6.2) and **Latvia** (€6.3), and the highest in **Sweden** (€40.1), **Denmark** (€38.4), **Belgium** (€38.0), **Luxembourg** (€35.7) and **France** (€34.3).

Within the business economy, labour costs per hour were highest in industry (€24.6 in the **EU28** and €31.0 in the **euro area**), followed by services (€23.9 and €28.0 respectively) and construction (€21.0 and €24.5). In the mainly non-business economy (excluding public administration), labour costs per hour were €23.2 in the **EU28** and €27.7 in the **euro area**.

Labour costs are made up of wages & salaries and non-wage costs such as employers' social contributions. The share of non-wage costs in the whole economy was 23.7% in the **EU28** and 25.9% in the **euro area**, varying between 8.0% in **Malta** and 33.3% in **Sweden**.

These preliminary estimates for 2013, published by **Eurostat, the statistical office of the European Union**, cover enterprises with 10 or more employees and are based on the 2008 Labour Cost Survey and the Labour Cost Index⁴.



* Based on Eurostat's estimate for the 3rd and 4th quarter of 2013. Only the total level is estimated.

Growth in labour costs

Between 2008 and 2013, hourly labour costs in the whole economy expressed in euro have risen by 10.2% in the **EU28** and by 10.4% in the **euro area**.

Within the euro area, the largest increases were recorded in **Austria** (+18.9%), **Slovakia** (+17.0%) and **Finland** (+15.9%). Decreases were observed in **Greece** (-18.6%) and **Portugal** (-5.1%).

For Member States outside the euro area, and expressed in national currency, the largest increases in hourly labour costs in the whole economy between 2008 and 2013 were registered in **Bulgaria** (+44.1%) and **Romania** (+32.8%), and the smallest in **Croatia** (+0.7%), **Lithuania** (+5.0%), the **United Kingdom** (+6.3%) and **Latvia** (+6.9%). When comparing labour cost estimates over time, it should be noted that data for those Member States outside the euro area are influenced by exchange rate movements⁴ if analysed in euro.

1. Total Labour Costs cover wage and non-wage costs less subsidies. They do not include vocational training costs or other expenditures such as recruitment costs, spending on working clothes, etc.
Wage and salary costs include direct remunerations, bonuses, and allowances paid by an employer in cash or in kind to an employee in return for work done, payments to employees saving schemes, payments for days not worked and remunerations in kind such as food, drink, fuel, company cars, etc.
Non-wage costs include the employers' social contributions plus employment taxes regarded as labour costs less subsidies intended to refund part or all of the employer's cost of direct remuneration.
2. The whole economy (except agriculture and public administration) includes NACE Rev. 2 sections B to N and P to S, and can be subdivided into the following economic activities:
 - The business economy includes NACE Rev. 2 sections B to N; for the EU28 and euro area this accounts for about 76% of the labour costs of the whole economy. It can further be broken down into:
 - Industry includes: Mining and quarrying; Manufacturing; Electricity, gas, steam & air conditioning supply; and Water supply, sewerage, waste management & remediation activities. Industry accounts for around 24% of the whole economy.
 - Construction accounts for around 6% of the whole economy.
 - Services include: Wholesale and retail trade, repair of motor vehicles & motorcycles; Transportation & storage; Accommodation & food service activities; Information & communication; Financial & insurance activities; Real estate activities; Professional, scientific & technical activities; Administrative & support service activities. Services account for around 48% of the whole economy.
 - The mainly non-business economy (except public administration) includes NACE Rev. 2 sections P to S; for the EU28 and euro area this accounts for about 24% of the labour costs of the whole economy. It includes Education; Human health & social work activities; Arts, entertainment & recreation; and Other service activities.
3. The EU28 includes Belgium (BE), Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), Croatia (HR), Italy (IT), Cyprus (CY), Latvia (LV), Lithuania (LT), Luxembourg (LU), Hungary (HU), Malta (MT), the Netherlands (NL), Austria (AT), Poland (PL), Portugal (PT), Romania (RO), Slovenia (SI), Slovakia (SK), Finland (FI), Sweden (SE) and the United Kingdom (UK).
Up to 31 December 2013 the euro area (EA17) included Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. From 1 January 2014 the euro area (EA18) also includes Latvia. Data in this News Release refer to EA17, since Latvia was not a part of the euro area at the time to which this data refer (2013).
4. Estimates for years after 2008 are obtained by extrapolating the 2008 Labour Cost Survey hourly labour cost data expressed in national currencies using the Labour Cost Index (LCI) transmitted by the Member States. In order to calculate monetary estimates in euros and to derive European aggregates, exchange rate movements have to be incorporated. For this purpose, an exchange-rate adjusted LCI index is calculated for non-euro area countries.
The LCI not adjusted for calendar effects is used except for Denmark, France and Sweden where only calendar-adjusted data are available. Discrepancies between the growth rates derived from the 2008 and 2013 values and the growth rates reported in the table are due to rounding.
Additional information is available at:
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Hourly_labour_costs
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Labour_cost_index_-_recent_trends
5. For France, the aggregate shown for the whole economy also excludes NACE Rev. 2 section P (Education). For Greece, values for 2013 are estimated based on the LCI for 2013 Q1-Q2 and Eurostat estimates based on national accounts data for Q3 and Q4. Share of non-wage cost is based on 2012 data. For Romania the values for the years 2009 – 2012 and for Spain the years 2009-2011 are taken from national sources.

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Labour costs per hour in euro, whole economy (excluding agriculture and public administration)

	2008	2010	2011	2012	2013	Non-wage costs (% of total), 2013*	Change 2013/2008, %
EA17	25.7	26.9	27.5	28.0	28.4	25.9%	10.4%
EA18	25.5	26.7	27.3	27.8	28.2	25.9%	10.4%
EU28	21.5	22.4	22.9	23.4	23.7	23.7%	10.2%
Belgium	32.9	35.3	36.3	37.2	38.0	27.4%	15.4%
Bulgaria	2.6	3.1	3.3	3.6	3.7	15.8%	44.1%
Czech Republic	9.2	9.8	10.5	10.5	10.3	26.8%	12.4%
Denmark	34.4	36.7	37.3	38.0	38.4	12.4%	11.7%
Germany	27.9	28.8	29.6	30.5	31.3	21.8%	12.2%
Estonia	7.8	7.6	7.9	8.4	9.0	26.7%	15.2%
Ireland	28.9	28.9	28.7	29.0	29.0	13.8%	0.5%
Greece⁵	16.7	17.0	16.2	15.0	13.6	19.1%	-18.6%
Spain⁵	19.4	20.7	21.2	21.0	21.1	26.6%	8.7%
France⁵	31.2	32.6	33.6	34.3	34.3	32.4%	9.9%
Croatia	9.2	8.6	8.7	8.7	8.8	15.4%	-4.0%
Italy	25.2	26.8	27.2	27.6	28.1	28.1%	11.4%
Cyprus	16.7	17.7	18.0	18.0	17.2	16.6%	2.6%
Latvia	5.9	5.5	5.7	6.0	6.3	20.6%	7.1%
Lithuania	5.9	5.4	5.5	5.8	6.2	28.5%	5.0%
Luxembourg	31.0	32.9	33.9	34.7	35.7	13.4%	15.4%
Hungary	7.8	7.0	7.3	7.5	7.4	24.6%	-5.2%
Malta	11.3	11.9	12.2	12.5	12.8	8.0%	13.9%
Netherlands	29.8	31.1	31.6	32.3	33.2	24.7%	11.7%
Austria	26.4	28.0	29.0	30.5	31.4	26.7%	18.9%
Poland	7.6	7.2	7.3	7.4	7.6	16.7%	0.1%
Portugal	12.2	12.6	12.6	11.6	11.6	19.3%	-5.1%
Romania⁵	4.2	4.1	4.2	4.1	4.6	23.2%	10.6%
Slovenia	13.9	14.6	14.9	14.9	14.6	14.7%	4.9%
Slovakia	7.3	7.7	8.0	8.3	8.5	27.4%	17.0%
Finland	27.1	28.8	29.5	30.8	31.4	22.1%	15.9%
Sweden	31.6	33.6	36.4	39.2	40.1	33.3%	26.9%
United Kingdom	20.9	20.0	20.1	21.6	20.9	15.3%	-0.3%
Norway	37.8	41.6	44.5	48.5	48.5	18.9%	28.2%

* 2012 data for Greece

**Labour costs per hour in national currency for non-euro area countries
whole economy (excluding agriculture and public administration)**

		2008	2010	2011	2012	2013	Change 2013/2008, %
Bulgaria	BGN	5.0	6.0	6.5	7.0	7.2	44.1%
Czech Republic	CZK	228.3	247.1	257.0	265.2	267.2	17.0%
Denmark	DKK	256.3	273.1	278.1	283.1	286.4	11.7%
Croatia	HRK	66.1	62.7	64.4	65.7	66.6	0.7%
Latvia	LVL	4.1	3.9	4.0	4.2	4.4	6.9%
Lithuania	LTL	20.3	18.5	19.1	20.0	21.3	5.0%
Hungary	HUF	1 971.0	1 938.9	2 029.8	2 162.1	2 205.8	11.9%
Poland	PLN	26.8	28.8	30.2	31.1	32.1	19.6%
Romania⁵	RON	15.5	17.4	17.7	18.5	20.5	32.8%
Sweden	SEK	304.2	320.2	328.7	341.0	347.2	14.2%
United Kingdom	GBP	16.7	17.1	17.4	17.5	17.7	6.3%
Norway	NOK	311.0	333.1	346.7	362.9	378.6	21.7%

Labour costs per hour in euro, breakdown by economic activity in 2013

	Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
EA17	28.6	31.0	24.5	28.0	27.7
EA18	28.4	30.8	24.3	27.7	27.4
EU28	23.8	24.6	21.0	23.9	23.2
Belgium	41.2	43.4	33.6	41.2	31.1
Bulgaria	3.7	3.4	2.8	4.1	3.7
Czech Republic	10.4	10.2	9.5	10.9	9.5
Denmark	39.6	38.7	34.6	40.8	35.9
Germany	31.7	36.5	24.6	29.0	29.5
Estonia	9.3	9.1	9.9	9.4	8.0
Ireland	27.6	30.7	25.5	26.7	34.3
Greece ⁵	:	:	:	:	:
Spain ⁵	20.9	23.3	20.3	20.1	22.0
France ⁵	35.0	36.8	30.6	34.8	:
Croatia	8.5	8.8	7.9	8.4	10.1
Italy	28.0	28.0	26.5	28.2	28.9
Cyprus	15.9	14.4	14.4	16.6	25.3
Latvia	6.5	6.2	5.9	6.8	5.5
Lithuania	6.2	6.1	5.8	6.3	6.1
Luxembourg	35.6	31.5	23.6	39.2	36.8
Hungary	7.8	8.0	6.2	7.9	6.1
Malta	12.6	12.8	9.5	13.0	13.5
Netherlands	32.6	c	c	c	c
Austria	31.3	33.8	30.0	30.2	32.2
Poland	7.4	7.6	6.4	7.5	8.5
Portugal	11.5	10.1	10.3	12.6	12.4
Romania ⁵	4.7	4.7	3.8	5.1	4.3
Slovenia	14.3	14.7	11.4	15.0	16.0
Slovakia	8.8	9.2	8.3	8.6	7.6
Finland	31.8	34.0	33.2	30.2	30.4
Sweden	43.1	45.1	38.5	42.8	34.6
United Kingdom	21.1	22.5	23.1	20.6	20.1
Norway	47.7	53.3	38.7	46.9	50.6

: Data not available

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Labour costs per hour in national currency for non-euro area countries, breakdown by economic activity in 2013

		Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
Bulgaria	BGN	7.2	6.7	5.6	8.0	7.2
Czech Republic	CZK	271.5	265.1	247.5	283.5	247.6
Denmark	DKK	295.2	288.3	258.1	304.5	267.7
Croatia	HRK	64.3	66.3	60.2	63.9	76.6
Latvia	LVL	4.6	4.4	4.2	4.8	3.9
Lithuania	LTL	21.4	20.9	20.1	21.9	21.1
Hungary	HUF	2 321.6	2 363.5	1 835.1	2 351.2	1 814.1
Poland	PLN	31.2	31.9	27.0	31.4	35.8
Romania ⁵	RON	21.0	20.6	16.6	22.7	19.1
Sweden	SEK	372.8	389.8	333.3	370.5	299.2
United Kingdom	GBP	18.0	19.1	19.6	17.5	17.1
Norway	NOK	372.1	416.3	301.8	366.1	395.4