# eurostat newsrelease

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Labour Cost Survey 2012 in the EU28

# Labour costs highest in the financial and insurance sector

Three times higher than in the accommodation and food sector

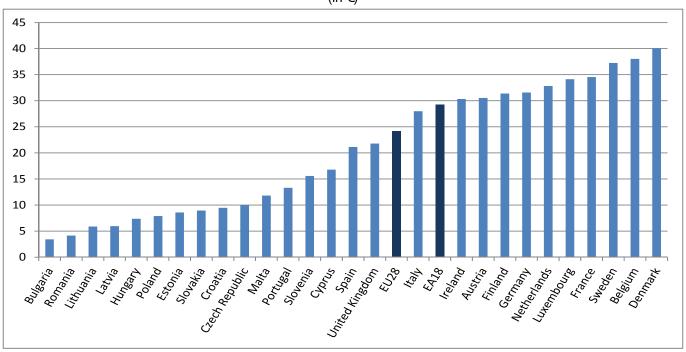
In 2012, average hourly labour costs<sup>1</sup> in the whole economy<sup>2</sup> (excluding agriculture and public administration) stood at €24.2 in the **EU28**<sup>3</sup> and €29.3 in the **euro area**<sup>3</sup> (EA18). However, this average masks significant differences between EU Member States, ranging from €3.4 in **Bulgaria** to €40.1 in **Denmark.** 

Compared with 2008, hourly labour costs in euros in 2012 had increased by 10.9% in the **EU28** (or +2.6% annually) and by 11.8% in the **euro area** (or +2.8% annually).

In both the **EU28** and the **euro area**, hourly labour costs in 2012 were lowest in the "accommodation and food service activities" sector (€14.4 in the EU28 and €16.9 in the euro area) and highest in the "financial and insurance activities" sector (€41.2 in the EU28, €48.5 in the euro area).

These figures come from a <u>publication</u><sup>4</sup> issued by **Eurostat**, **the statistical office of the European Union**, and are based on the results of the 2012 edition of the four-yearly Labour Cost Survey<sup>5</sup>.

# Hourly labour costs in the EU28 Member States, 2012 (in €)



Greece: no data available at the time of the publication

# Highest hourly labour costs in the manufacturing sector in Belgium, lowest in Bulgaria

In 2012, the highest average hourly labour costs in the whole economy were recorded in **Denmark** ( $\leq$ 40.1), **Belgium** ( $\leq$ 38.0), **Sweden** ( $\leq$ 37.3), **France** ( $\leq$ 34.6) and **Luxembourg** ( $\leq$ 34.1), and the lowest in **Bulgaria** ( $\leq$ 3.4), **Romania** ( $\leq$ 4.1), **Lithuania** ( $\leq$ 5.9) and **Latvia** ( $\leq$ 6.0).

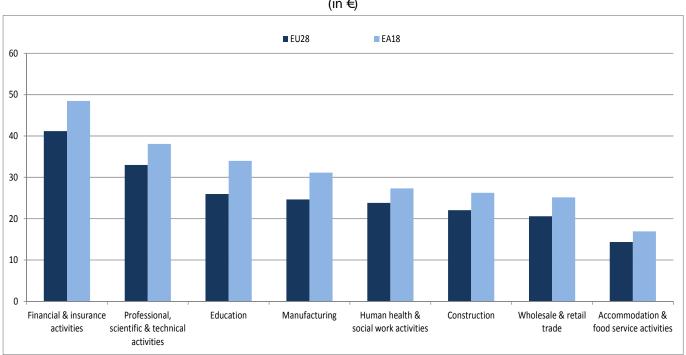
The pattern was very similar within the manufacturing sector where the highest average hourly labour costs were observed in **Belgium** (€42.0), **Sweden** (€41.4) and **Denmark** (€40.6), and the lowest in **Bulgaria** (€2.8), **Romania** (€3.7), **Latvia** and **Lithuania** (both €5.5). In 2012, average hourly labour costs in the manufacturing sector stood at €24.7 in the **EU28** and €31.2 in the **euro area**.

## Financial sector: where hourly labour costs are the highest in all Member States

In all Member States, the highest hourly labour costs in 2012 were observed in the financial and insurance activities sector, and the lowest in the accommodation and food service activities sector. In the financial sector, hourly labour costs were at least 50% above the national average in all EU Member States, except **Finland** (+34%), **Ireland** (+43%), **Croatia** (+45%) and **Slovenia** (+48%). Hourly labour costs in the financial and insurance activities sector were at least twice as high as the national average for the total economy in **Portugal** (+167%), **Romania** (+136%), **Latvia** (+113%), **Hungary** (+110%) and **Cyprus** (+106%).

Conversely, hourly labour costs were at least 25% lower in the accommodation and food service activities sector than the national average, except in **Croatia** (-18%) and **Slovenia** (-23%). The highest differences to the national average were observed in **Ireland** (-49%), **Cyprus** (-48%) and **Germany** (-47%).

# Hourly labour costs in the EU28 and in the euro area, by economic sector, 2012 (in €)



# Hourly labour costs expressed in euro in the EU28 Member States, by economic sector, 2012

	Total economy <sup>2</sup>	Manufacturing	Construction	Wholesale & retail trade	Accommodation & food service activities	Financial & insurance activities	Professional, scientific & technical activities	Education	Human health & social work activities
EU28	24.2	24.7	22.1	20.6	14.4	41.2	33.0	26.0	23.8
EA18	29.3	31.2	26.3	25.2	16.9	48.5	38.1	34.0	27.3
Belgium	38.0	42.0	33.6	37.6	21.3	67.0	47.6	40.5	30.5
Bulgaria	3.4	2.8	3.0	3.1	2.2	6.3	5.5	3.5	3.5
Czech Republic	10.0	9.7	9.3	9.3	5.6	19.4	14.4	9.4	9.6
Denmark	40.1	40.6	37.6	37.6	28.5	60.0	48.7	39.5	35.7
Germany	31.6	36.1	26.4	27.1	16.6	49.1	39.6	36.4	27.7
Estonia	8.6	8.2	10.0	7.9	5.4	14.9	12.2	7.3	7.9
Ireland	30.3	30.8	30.1	22.1	15.4	43.4	38.0	46.0	32.8
Greece	••	:	:	:	:		:	:	:
Spain	21.1	22.4	20.9	17.9	13.8	39.6	24.0	23.7	22.3
France	34.6	36.1	31.1	29.7	23.0	53.0	44.7	39.0	29.3
Croatia	9.5	8.0	8.2	8.2	7.8	13.8	17.6	9.9	10.3
Italy	28.0	27.1	23.9	24.1	18.0	48.4	34.9	39.2	28.3
Cyprus	16.8	13.5	15.0	14.0	8.8	34.6	19.9	25.6	14.5
Latvia	6.0	5.5	5.5	5.3	3.9	12.7	9.1	5.2	5.2
Lithuania	5.9	5.5	5.5	5.2	3.2	11.6	8.2	6.3	5.7
Luxembourg	34.1	30.2	23.9	26.0	19.7	58.7	44.8	42.1	36.5
Hungary	7.4	7.6	6.4	7.0	4.4	15.5	11.7	6.8	4.7
Malta	11.8	С	9.4	9.5	7.7	С	11.9	С	С
Netherlands	32.8	33.3	33.9	27.8	18.2	57.8	42.7	41.0	32.5
Austria	30.5	33.4	29.8	27.4	16.8	48.8	38.1	32.4	28.5
Poland	7.9	6.9	6.9	6.1	5.0	12.6	10.6	10.9	7.1
Portugal	13.3	10.9	11.7	12.2	8.2	35.6	18.6	17.2	12.3
Romania	4.1	3.7	3.3	3.8	2.4	9.8	6.5	3.7	3.8
Slovenia	15.6	14.6	12.1	14.8	11.9	23.1	19.7	16.9	16.2
Slovakia	9.0	8.9	8.4	8.2	5.7	16.4	12.2	7.9	8.3
Finland	31.4	35.0	31.8	29.0	22.7	42.0	39.2	34.3	28.6
Sweden	37.3	41.4	38.3	36.6	25.3	64.0	49.2	30.3	34.5
United Kingdom	21.8	21.4	22.8	17.6	12.6	35.5	29.3	23.7	21.4

<sup>:</sup> no data available for Greece at the time of the publication c: confidential

Data refer to employees working in enterprises with at least 10 employees and NACE Rev. 2 Sections B to S excluding O.

Apprentices are excluded except for: Bulgaria, Latvia, Croatia and Slovenia.

# Largest increases in hourly labour costs in Bulgaria, Poland and Slovakia

Compared with 2008, hourly labour costs, expressed in national currencies<sup>6</sup>, in the whole economy have increased in all EU Member States, except **Lithuania** where they remained stable.

Within the euro area, the largest increases were recorded in **Slovakia** (+21.4%), **Finland** (+15.8%), **Belgium** (+15.7%), **Austria** (+12.6%) and the **Netherlands** (+10.3%), and the smallest in **Cyprus** (+0.4%) and **Latvia** (+0.5%) where they remained almost stable.

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 2012 were registered in **Bulgaria** (+33.7%), **Poland** (+22.5%) and **Romania** (+19.3%), and the smallest in **Lithuania** (+0.0%) and the **United Kingdom** (+5.4%).

Changes (%) in hourly labour costs in national currencies, by component, 2012/2008

-	Total change in hourly labour	Of which:			
	costs	Wages and salaries	Non-wage costs		
EU28	10.9	8.2	2.7		
EA18	11.8	9.1	2.7		
Belgium	15.7	10.8	4.9		
Bulgaria	33.7	31.1	2.6		
Czech Republic	9.9	7.3	2.6		
Denmark	13.7	11.1	2.7		
Germany	9.2	7.0	2.3		
Estonia	9.2	6.6	2.5		
Ireland	3.9	3.8	0.1		
Greece	:	:	:		
Spain	9.0	6.9	2.1		
France*	8.4	5.1	3.3		
Croatia	7.8	7.1	0.7		
Italy	9.7	6.9	2.8		
Cyprus	0.4	-0.6	1.0		
Latvia	0.5	0.7	-0.2		
Lithuania	0.0	-0.1	0.1		
Luxembourg	9.1	8.2	0.9		
Hungary	8.3	10.9	-2.7		
Malta	4.6	5.6	-1.0		
Netherlands	10.3	7.1	3.2		
Austria	12.6	8.9	3.6		
Poland	22.5	17.7	4.8		
Portugal	8.9	6.6	2.3		
Romania	19.3	15.3	4.0		
Slovenia	12.2	11.4	0.8		
Slovakia	21.4	15.7	5.7		
Finland	15.9	12.9	3.0		
Sweden	6.6	5.7	1.0		
United Kingdom	5.4	3.4	2.0		

<sup>:</sup> no data available for Greece at the time of the publication

### Contribution of wages and salaries highest in Bulgaria, of non-wage costs in Slovakia

Labour costs are made up of wages & salaries (which represented 76% of total labour costs in 2012) and non-wage costs (24%) such as employers' social contributions. The contribution of wages and salaries to the growth of labour costs was +8.2 percentage points in the **EU28** and by +9.1 pp in the **euro area**.

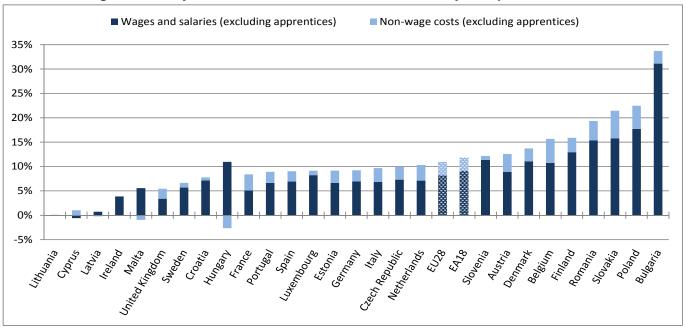
<sup>\*</sup> Data for France do not cover section P "Education"

Figures may not add up due to rounding

The wage component made the largest contribution to changes in the hourly labour costs expressed in national currencies in nearly every Member State. The highest contributions of wages in the growth of hourly labour costs over the period 2008-2012 were recorded in **Bulgaria** (+31.1 percentage points - pp) and **Poland** (+17.7 pp), while the lowest contributions were recorded in **Lithuania** (-0.1 pp), **Cyprus** (-0.6 pp) and **Latvia** (+0.7 pp).

The contribution of the non-wage component, i.e. mainly social contributions paid by the employer, was +2.7 percentage points for both the **EU28** and the **euro area**. It ranged from -2.7 pp in **Hungary**, -1.0 pp in **Malta** and -0.2 pp in **Latvia**, to +4.8 pp in **Poland**, +4.9 pp in **Belgium** and +5.7 pp in **Slovakia**.

Changes in hourly labour costs in national currencies, by component, 2012/2008

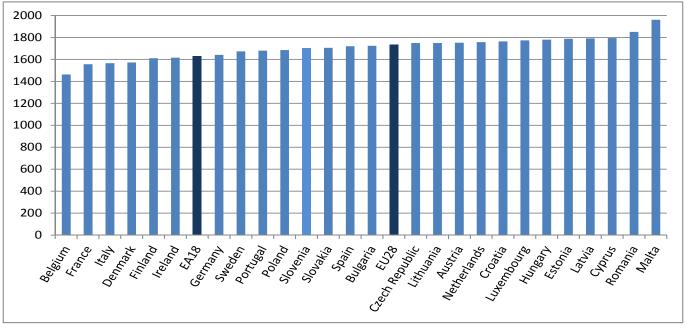


Greece: no data available at the time of the publication

### Highest number of annual hours worked in Malta and Romania, lowest in Belgium and France

In 2012, full-time employees worked on average 1 750 hours per year in the **EU28** and 1 661 hours in the **euro area**. Among EU Member States for which data are available, the average number of annual hours worked<sup>7</sup> ranged from less than 1 600 hours in **Belgium** (1 462), **France** (1 555), **Italy** (1 565) and **Denmark** (1 571), to more than 1 800 hours in **Romania** (1 850) and **Malta** (1 961).

Actual hours worked per year, per full-time employee, 2012



Greece: no data available at the time of the publication; United Kingdom: comparable data not available.

# Annual hours worked increased in 7 Member States

Compared with 2008, the average number of hours worked per year dropped slightly in both the **EU28** (-15 hours) and in the **euro area** (-32 hours). Among EU Member States, the average number of actual annual hours worked decreased the most in **Ireland** (-90 hours) and **Belgium** (-79h), while increases were observed in **Malta** (+100 hours), **Cyprus** (+83h), **Estonia** (+27h), **Lithuania** (+15h), the **Czech Republic** (+14h), the **Netherlands** (+10h) and **Sweden** (+8h).

Number of actual hours worked per year, per full-time employee, 2012/2008

	2012	2008	Change 2012/2008 (in hours)
EU28	1 735	1 750	-15
EA18	1 629	1 661	-32
Belgium	1 462	1 541	-79
Bulgaria	1 723	1 755	-32
Czech Republic	1 749	1 735	+14
Denmark	1 571	1 588	-17
Germany	1 641	1 650	-9
Estonia	1 787	1 760	+27
Ireland	1 616	1 706	-90
Greece	:	1 707	:
Spain	1 719	1 738	-19
France	1 555	1 583	-28
Croatia	1 764	1 811	-47
Italy	1 565	1 614	-49
Cyprus	1 794	1 711	+83
Latvia	1 792	1 806	-14
Lithuania	1 749	1 734	+15
Luxembourg	1 773	1 790	-17
Hungary	1 780	1 782	-2
Malta*	1 961	1 861	+100
Netherlands	1 757	1 747	+10
Austria	1 751	1 774	-23
Poland	1 685	1 698	-13
Portugal	1 680	1 716	-36
Romania	1 850	1 852	-2
Slovenia	1 704	1 719	-15
Slovakia	1 705	1 715	-10
Finland	1 610	1 656	-46
Sweden	1 673	1 665	+8
United Kingdom	:	:	:

<sup>:</sup> no data available for Greece at the time of the publication; comparable data not available for the United Kingdom

<sup>\* 2008</sup> data may be underestimated.

- 1. Total Labour Costs refer to the total expenditure borne by employers in order to employ staff. They cover wage and non-wage costs less subsidies. They do 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.
- 3. The EU28 includes Belgium, Bulgaria, the Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.
  - The euro area (EA18) includes Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.
  - EU28 and EA18 data presented in this news release do not include Greece, for which 2012 data was not available at the time of the publication.
- 4. **Eurostat**, Statistics explained articles available on the Eurostat website: "Labour cost structural statistics levels" and "Labour cost structural statistics changes".
- 5. The labour cost survey (LCS) is a four-yearly survey which provides details on the level and structure of labour cost data, hours worked and hours paid for employees. Employees include all persons employed at the observation unit and with an employment contract (permanent or not), except family workers; home workers; occasional workers; persons wholly remunerated by way of fees or commission; board of Director Members; directors/managers paid by way of profit share or by fee; self-employed persons. Data do not cover apprentices except in the case of Bulgaria, Latvia, Croatia and Slovenia where they represent a low share of the total labour force (less than 1%).
  - If not otherwise stated, data refer to full-time and part-time employees working in enterprises employing 10 employees or more, in all economic sectors except: agriculture, forestry and fishing (NACE Rev. 2 Section A) and public administration and defence; compulsory social security (NACE Rev. 2 Section O). The transmission of LCS data for NACE section O is not mandatory and the corresponding data are available for 22 Member States only.
  - LCS results are available for the reference years 2000, 2004, 2008 and 2012. The data are collected on the basis of Commission Regulation (EC) No 1737/2005 of 21 October 2005, implementing Council Regulation (EC) No 530/1999 concerning structural statistics on earnings and labour costs as regards the definition and transmission of information on labour costs.
- 6. When comparing labour costs over time, it should be noted that data for those Member States outside the euro area are influenced by exchange rate movements if analysed in euro. For non-euro area countries, exchange rate movements impacted hourly labour cost in euros in 2012 compared with 2008 downwards for Romania (-17%), Poland (-16%), Hungary (-13%), Croatia (-4%), the United Kingdom (-2%) and the Czech Republic (-1%). They impacted them upwards for Sweden (+10%) and Latvia (+1%).
- 7. Hours worked are defined as the periods of time employees spent on direct and ancillary activities to produce goods and services, including normal periods of work, training, paid and unpaid overtime and time spent on preparation, maintaining, repairing, cleaning and writing reports associated to main work. They exclude periods of vacation and other public holidays, sick leave and other type of absence which employees are paid for.

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