

49/2017 - 20 March 2017

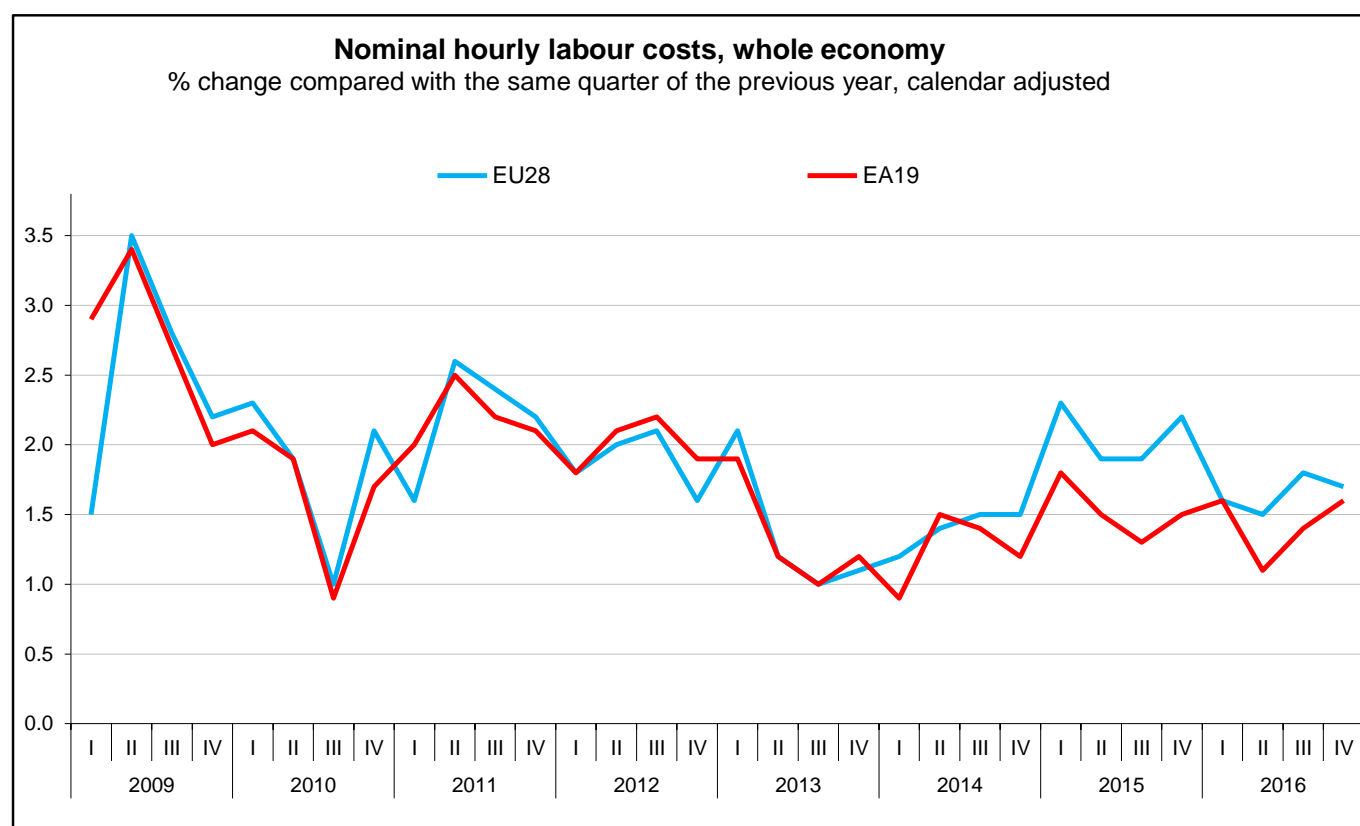
Fourth quarter of 2016

Annual growth in labour costs at 1.6% in euro area

At 1.7% in EU28

Hourly labour costs rose by 1.6% in the **euro area** (EA19) and by 1.7% in the **EU28** in the fourth quarter of 2016, compared with the same quarter of the previous year. In the third quarter of 2016, hourly labour costs increased by 1.4% and 1.8% respectively. These figures are published by **Eurostat, the statistical office of the European Union**.

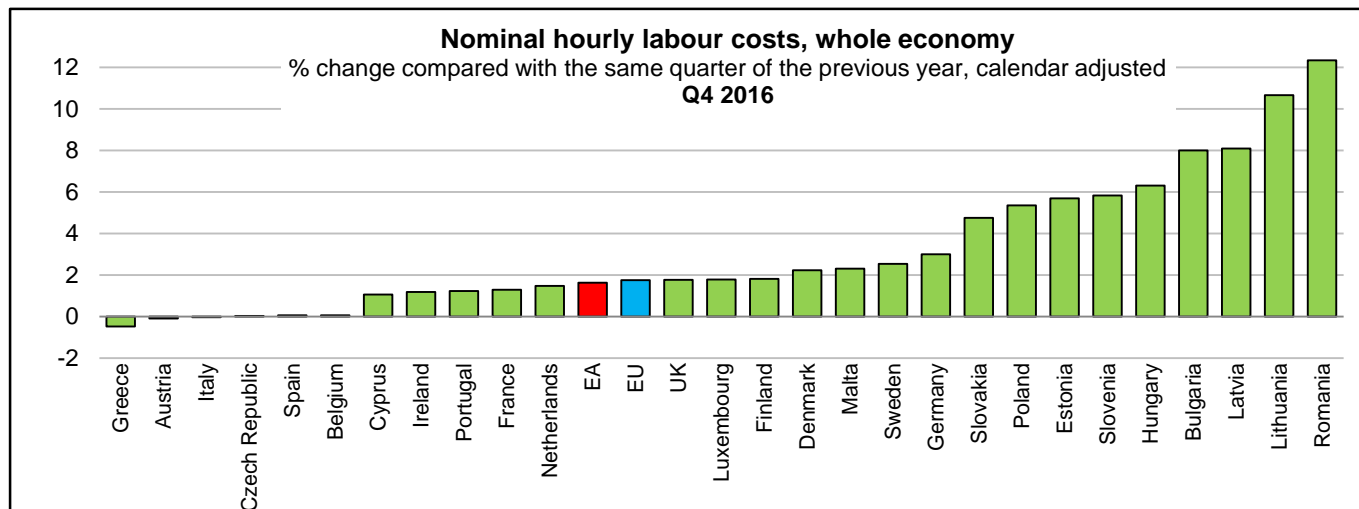
The two main components of labour costs are wages & salaries and non-wage costs. In the **euro area**, wages & salaries per hour worked grew by 1.6% and the non-wage component by 1.5%, in the fourth quarter of 2016 compared with the same quarter of the previous year. In the third quarter of 2016, the annual changes were +1.5% and +1.0% respectively. In the **EU28**, hourly wages & salaries rose by 1.8% and the non-wage component by 1.5% in the fourth quarter of 2016. In the third quarter of 2016, annual changes were +1.9% and +1.4% respectively.

**Breakdown by economic activity**

In the fourth quarter of 2016 compared with the same quarter of the previous year, hourly labour costs in the **euro area** rose by 1.8% in industry, by 2.3% in construction, by 1.5% in services and by 1.5% in the (mainly) non-business economy. In the **EU28**, labour costs per hour grew by 1.7% in industry, by 3.1% in construction, by 1.6% in services and by 1.8% in the (mainly) non-business economy.

Member States

In the fourth quarter of 2016, the highest annual increases in hourly labour costs for the whole economy were registered in **Romania** (+12.3%), **Lithuania** (+10.7%), **Latvia** (+8.1%) and **Bulgaria** (+8.0%). Decreases were recorded in **Greece** (-0.5%) and **Austria** (-0.1%).



Geographical information

The **euro area** (EA19) includes Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

The **European Union** (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.

Methods and definitions

The **Labour Cost Index** is a short-term indicator showing the development of hourly labour costs incurred by employers, in nominal terms, that is without adjusting for price developments. It is calculated dividing the labour cost in national currency by the number of hours worked. Therefore, the development of variables, labour costs and hours worked, affect the evolution of the index (base year = 2012).

The quarterly changes in hourly employers' costs are measured for total labour costs and its main components: wages and salaries; and non-wage costs (labour costs other than wages and salaries). Total labour costs (TOT) 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 (WAG) include direct remuneration, 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 remuneration in kind such as food, drink, fuel, company cars, etc.

Labour costs other than wages and salaries (OTH - 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.

Eurostat publishes Labour Cost Index data for NACE Rev. 2 sections B to S. The aggregate is referred to as "**Whole economy**" for the sake of simplification, even if agriculture, activities of households as employers and activities of extraterritorial organisations are excluded.

Revisions and time table

The Labour Cost Index data are subject to revision, in particular for the latest quarters, when new source data become available. The original data, before any subsequent revision, are also available [here](#).

Compared with News Release [258/2016](#) of 19 December 2016, the annual growth rate for the total economy in the third quarter of 2016 has been revised from +1.5% to +1.4% for the EA19 and from +1.9% to +1.8% for the EU28.

For more information

Eurostat [website section](#) on labour costs

Eurostat [database section](#) on labour costs

Eurostat [Statistics Explained article](#) on labour cost index

Eurostat €-indicators [release calendar](#)

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Nominal hourly labour costs

% change compared with same quarter of previous year – calendar adjusted

	Whole economy (NACE Rev. 2 sections B to S)														
	Q4 2015			Q1 2016			Q2 2016			Q3 2016			Q4 2016		
	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER
EA19	1.5	1.8	0.7	1.6	1.7	1.4	1.1	0.9	1.5	1.4	1.5	1.0	1.6	1.6	1.5
EU28	2.2	2.4	1.4	1.6	1.6	1.6	1.5	1.4	1.7	1.8	1.9	1.4	1.7	1.8	1.5
Belgium	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.3	-0.6	0.3	0.8	-1.1	0.1	0.7	-1.6
Bulgaria	5.6	5.8	4.5	7.7	7.6	7.8	7.3	7.3	7.3	8.4	8.3	8.8	8.0	8.2	7.0
Czech Republic	8.9	8.9	8.6	0.0	:	:	3.7	:	:	8.9	:	:	0.0	0.0	0.0
Denmark	1.5	1.3	2.0	1.9	1.7	2.7	1.4	1.3	2.2	2.0	2.0	2.3	2.2	2.2	2.1
Germany	2.9	2.5	4.0	3.0	3.0	3.0	2.0	1.2	4.6	2.3	2.2	2.6	3.0	2.9	3.5
Estonia	4.7	4.8	4.4	7.3	6.9	8.6	4.7	5.0	3.8	4.6	4.7	4.5	5.7	5.7	5.8
Ireland	-0.3	-0.1	-1.8	1.4	1.5	0.6	0.6	0.7	-0.2	0.6	0.5	1.7	1.2	1.1	1.4
Greece	-0.6	-0.7	0.0	0.8	1.4	-1.0	5.3	4.3	8.2	-0.6	0.2	-3.1	-0.5	-2.0	3.1
Spain	1.6	2.0	0.2	0.4	0.8	-0.5	0.5	1.0	-0.9	0.3	0.6	-0.6	0.1	0.2	-0.2
France	1.3	1.7	0.4	2.0	1.6	3.0	1.4	1.4	1.3	1.3	1.5	1.0	1.3	1.5	0.9
Croatia	1.1	1.4	1.1	:	:	:	:	:	:	:	:	:	:	:	:
Italy	-0.9	-0.1	-2.9	-1.7	-0.9	-3.8	-1.3	-0.7	-3.0	-0.7	-0.2	-1.9	0.0	0.1	-0.3
Cyprus	-0.6	-0.5	-0.9	0.3	0.4	0.1	0.1	0.1	0.2	0.6	0.6	0.7	1.1	1.1	1.0
Latvia	7.6	8.0	6.1	4.7	4.8	3.9	6.7	6.3	8.0	7.9	7.5	9.4	8.1	7.0	12.5
Lithuania	4.7	4.7	4.7	5.9	6.1	5.3	6.7	6.6	6.9	6.8	6.7	7.1	10.7	10.5	11.0
Luxembourg	0.4	0.4	-0.4	0.6	0.7	-0.1	-1.3	-1.1	-2.9	1.5	1.6	0.7	1.8	1.9	1.0
Hungary	4.0	4.3	2.8	4.1	4.6	2.3	3.0	3.6	1.2	6.0	6.4	4.8	6.3	6.7	4.7
Malta	3.5	3.6	1.9	-1.4	-1.5	-0.3	-0.4	-0.5	0.3	0.3	0.3	0.3	2.3	2.3	2.1
Netherlands	0.1	1.9	-6.5	2.2	2.3	1.4	0.7	1.0	-0.3	1.9	2.3	0.7	1.5	1.6	1.1
Austria	5.0	5.2	4.2	0.7	0.6	1.0	0.5	0.3	1.0	2.3	2.1	3.3	-0.1	-0.2	0.5
Poland	3.0	2.9	3.3	3.2	3.2	3.2	2.9	2.9	3.0	4.8	4.9	4.7	5.4	5.4	5.0
Portugal	1.9	1.7	2.8	0.2	0.2	0.0	2.1	2.7	0.3	2.8	3.0	2.1	1.2	1.2	1.2
Romania	8.6	11.4	-1.8	11.9	12.0	11.6	13.3	13.4	13.0	14.7	14.7	14.8	12.3	12.3	12.5
Slovenia	1.0	0.7	2.7	0.8	0.4	2.9	1.8	1.1	5.8	3.5	2.9	7.0	5.8	5.7	6.2
Slovakia	5.4	5.9	3.5	4.0	4.0	4.2	1.3	:	:	4.5	4.4	5.5	4.8	4.8	4.9
Finland	0.9	0.6	1.8	1.2	0.8	2.8	-1.9	-2.3	-0.6	1.9	1.5	3.3	1.8	1.4	3.4
Sweden	3.4	2.9	4.7	3.3	2.4	5.1	2.8	1.9	4.9	2.9	2.2	4.5	2.5	2.0	3.7
United Kingdom	4.3	4.3	4.5	0.2	0.3	-0.2	2.6	2.8	1.4	1.5	1.7	0.2	1.8	2.0	0.7

Labour cost data are subject to revision, in particular for the latest quarters, when new source data become available.

: not available

TOTAL = total labour costs

WAGES = wage and salary costs

OTHER = non-wage costs

The source dataset is available [here](#).

Nominal hourly labour costs for the business / mainly non-business economy

% change compared with same quarter of previous year – calendar adjusted

	Business economy (NACE Rev. 2 section B to N)							Mainly non-business economy (NACE Rev. 2 section O to S)						
	Q4/15	Q1/16	Q2/16	Q3/16	Q4 2016			Q4/15	Q1/16	Q2/16	Q3/16	Q4 2016		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
EA19	1.4	1.6	1.0	1.3	1.7	1.7	1.5	1.8	1.6	1.3	1.7	1.5	1.5	1.5
EU28	2.2	1.6	1.3	1.8	1.7	1.8	1.4	2.1	1.5	1.8	1.8	1.8	1.8	1.9
Belgium	0.1	0.2	0.1	0.0	-0.1	0.6	-1.7	0.0	0.2	0.2	0.9	0.3	0.9	-1.5
Bulgaria	6.0	7.7	7.2	7.8	8.5	8.6	8.1	4.3	7.5	7.5	10.3	6.2	6.8	3.8
Czech Republic	9.1	-0.1	3.3	8.9	-0.5	-0.5	-0.4	8.3	0.3	4.9	9.0	1.5	1.6	1.5
Denmark	1.7	1.9	1.5	2.1	2.0	2.0	1.5	1.0	1.9	1.3	1.8	2.6	2.6	3.0
Germany	2.9	3.0	1.8	2.1	3.0	2.8	3.8	2.7	2.9	2.2	2.6	2.9	3.0	2.8
Estonia	4.2	7.6	4.6	4.4	5.1	5.0	5.2	6.2	6.2	5.0	5.3	7.7	7.7	7.6
Ireland	-0.2	2.2	1.2	1.0	1.9	1.9	1.4	-0.3	-0.2	-0.5	-0.2	-0.2	-0.4	1.4
Greece	-2.3	-2.1	2.4	-2.8	-3.3	-2.9	-5.9	1.7	4.3	9.0	2.1	3.4	-0.7	13.4
Spain	0.7	0.5	0.1	-0.3	0.2	0.4	-0.2	3.4	0.0	1.3	1.5	-0.3	-0.3	-0.3
France	1.2	2.3	1.5	1.3	1.2	1.4	0.8	1.5	1.4	1.1	1.3	1.5	1.6	1.2
Croatia	0.7	:	:	:	:	:	:	1.9	:	:	:	:	:	:
Italy	-0.9	-2.0	-1.4	-0.4	0.7	0.8	0.3	-1.0	-1.0	-1.2	-1.4	-1.2	-1.2	-1.0
Cyprus	-0.6	0.9	0.7	1.0	1.4	1.4	1.5	-0.6	-1.1	-1.3	-0.2	0.3	0.3	0.2
Latvia	8.4	5.6	7.5	9.5	7.5	5.9	14.2	5.7	2.5	4.7	4.4	9.6	9.9	8.7
Lithuania	4.9	6.7	7.9	8.3	10.6	10.4	11.0	4.0	3.6	3.6	3.9	10.8	10.8	10.8
Luxembourg	0.1	0.7	-0.8	1.8	2.0	2.2	1.4	1.2	0.5	-2.8	0.5	1.2	1.3	0.1
Hungary	4.1	4.7	4.0	5.2	5.4	5.7	4.4	3.7	2.7	0.7	7.8	8.4	9.0	5.3
Malta	2.8	-4.1	-3.3	-0.7	0.8	0.8	1.3	4.8	3.7	4.8	1.7	4.9	5.1	2.7
Netherlands	-0.6	1.5	0.3	1.4	0.8	1.0	0.0	1.4	3.4	1.5	3.1	2.9	2.8	3.0
Austria	4.3	0.7	0.3	2.0	0.6	0.5	0.7	7.3	0.7	0.9	3.0	-1.9	-2.3	-0.2
Poland	3.6	3.5	3.1	5.5	4.5	4.5	4.2	1.3	2.3	2.5	3.4	7.9	7.9	7.8
Portugal	2.3	-1.1	1.5	-0.2	-0.8	-0.3	-2.7	1.4	2.1	2.8	6.4	4.3	3.7	5.9
Romania	6.4	9.3	11.3	11.3	10.5	10.5	10.6	16.3	20.9	20.1	25.6	18.3	18.2	18.8
Slovenia	0.5	-0.8	0.0	1.5	6.4	6.3	6.8	2.3	4.9	5.9	8.1	4.5	4.3	4.8
Slovakia	5.7	2.9	0.5	4.0	3.6	3.5	4.4	4.7	6.9	3.3	5.9	7.7	8.2	6.1
Finland	1.0	0.8	-1.6	2.5	1.3	0.8	3.3	0.6	2.1	-2.7	0.7	2.9	2.7	3.4
Sweden	3.7	3.5	3.4	3.3	2.7	2.1	4.1	3.0	2.8	1.8	2.2	2.2	1.9	3.0
United Kingdom	4.7	0.2	2.2	2.1	1.5	1.8	-0.5	3.3	0.1	3.7	0.3	2.4	2.3	3.3

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: not available

TOT = total labour costs

WAG = wage and salary costs

OTH = non-wage costs

The source dataset is available [here](#).

Nominal hourly labour costs by main economic activity branches for the business economy

% change compared with same quarter of previous year – calendar adjusted

	Industry (NACE Rev. 2 sections B to E)							Construction (NACE Rev. 2 section F)							Services (NACE Rev. 2 section G to N)						
	Q4/15	Q1/16	Q2/16	Q3/16	Q4 2016			Q4/15	Q1/16	Q2/16	Q3/16	Q4 2016			Q4/15	Q1/16	Q2/16	Q3/16	Q4 2016		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
EA19	1.8	1.6	0.9	1.5	1.8	1.8	1.7	0.8	1.2	1.6	1.8	2.3	2.2	2.6	1.3	1.6	0.9	1.1	1.5	1.6	1.2
EU28	2.2	1.6	1.1	2.1	1.7	1.7	1.6	2.7	2.5	3.1	2.6	3.1	3.2	3.0	2.1	1.5	1.2	1.5	1.6	1.7	1.1
Belgium	0.2	0.2	0.1	0.2	0.0	0.8	-1.6	0.1	0.1	-0.3	-0.3	-0.1	0.7	-1.7	0.1	0.2	0.1	0.1	-0.1	0.6	-1.8
Bulgaria	7.5	8.6	8.6	8.5	8.1	8.3	7.4	11.0	8.4	6.7	5.0	2.2	2.2	2.1	4.7	7.0	6.6	7.7	9.4	9.4	9.2
Czech Republic	9.1	-0.2	3.9	9.5	-0.6	-0.6	-0.5	10.5	-0.8	2.3	8.4	0.6	0.6	0.6	9.0	0.0	2.8	8.4	-0.5	-0.5	-0.5
Denmark	1.3	2.0	2.1	3.6	3.3	3.6	1.6	2.5	2.1	2.9	2.2	2.7	2.6	2.7	1.8	1.8	1.1	1.6	1.4	1.3	1.4
Germany	3.1	3.1	1.5	2.5	3.0	2.8	3.9	3.8	2.3	3.1	3.2	3.9	3.8	4.3	2.6	3.0	1.9	1.7	2.9	2.8	3.7
Estonia	6.0	7.7	5.3	3.0	6.3	6.6	5.2	-4.2	6.8	1.4	1.3	1.8	1.7	2.1	4.8	7.8	4.8	5.6	5.0	4.7	5.8
Ireland	-1.8	1.9	0.2	0.8	2.2	2.5	0.6	0.7	3.0	3.1	0.7	0.6	0.6	0.4	0.2	2.2	1.3	1.2	1.9	1.9	1.8
Greece	1.9	-1.0	-0.5	-2.3	-4.5	-3.9	-7.1	-7.3	0.6	10.2	-7.1	-10.9	-8.9	-18.7	-3.4	-2.7	3.0	-2.7	-2.4	-2.1	-4.8
Spain	0.0	0.9	-0.4	0.0	0.6	0.4	1.1	-2.0	-1.1	-1.6	-2.7	-1.7	-1.8	-1.2	1.3	0.5	0.5	-0.2	0.4	0.7	-0.5
France	1.5	2.2	1.7	1.2	1.1	1.3	0.5	1.1	2.9	1.9	3.3	2.4	1.9	3.8	1.1	2.2	1.4	1.1	1.2	1.4	0.7
Croatia	1.4	:	:	:	:	:	:	1.6	:	:	:	:	:	:	0.2	:	:	:	:	:	:
Italy	0.5	-2.6	-1.6	-0.7	-0.2	0.0	-0.8	-5.6	-3.1	-1.4	-0.2	2.8	2.7	3.2	-1.4	-1.6	-1.4	-0.2	1.1	1.2	0.8
Cyprus	1.2	-0.5	0.5	1.0	0.6	0.6	0.5	-0.1	1.4	-0.7	0.9	0.9	0.9	0.9	-1.0	1.1	1.0	1.1	1.6	1.6	1.7
Latvia	9.1	6.2	7.2	8.1	9.6	7.9	15.9	10.3	12.7	9.5	8.9	5.2	4.6	7.7	7.9	4.3	7.3	10.2	7.0	5.3	14.4
Lithuania	7.4	7.9	8.5	8.8	10.4	11.1	8.4	2.5	2.1	8.4	9.5	8.7	8.7	8.6	4.2	7.0	7.6	8.0	11.0	10.3	12.6
Luxembourg	-1.5	-1.1	-1.3	0.2	1.5	1.5	0.8	-0.4	1.2	-1.2	1.7	2.0	2.2	1.1	0.4	0.9	-0.7	2.1	2.1	2.2	1.5
Hungary	3.9	4.8	3.9	5.8	5.8	6.0	4.7	5.8	2.6	3.2	1.6	1.5	:	:	4.2	4.9	4.1	5.0	5.5	5.9	4.3
Malta	6.4	-0.5	-3.5	-2.3	1.8	1.8	2.0	7.8	-4.0	-1.4	-1.1	0.1	0.2	-1.5	1.5	-5.0	-3.4	-0.2	0.7	0.7	1.4
Netherlands	-1.4	2.4	0.9	2.2	c	c	c	-1.4	4.6	3.4	2.5	c	c	c	-0.3	1.0	-0.1	1.1	c	c	c
Austria	2.4	-0.1	1.4	2.2	1.3	1.3	1.5	3.5	-5.3	0.9	0.8	0.2	0.3	0.2	5.5	2.0	-0.4	2.1	0.2	0.1	0.3
Poland	0.9	2.6	2.1	4.6	3.9	4.0	3.9	3.6	4.6	6.7	3.6	5.3	5.4	5.1	5.9	4.1	3.4	6.4	4.8	4.9	4.3
Portugal	3.3	0.8	3.0	0.2	-0.1	0.0	-0.5	1.3	-0.8	0.5	-0.1	-1.5	-0.9	-4.0	1.9	-2.4	0.9	-0.4	-1.0	-0.3	-3.7
Romania	5.2	7.0	8.2	9.1	9.1	9.1	9.1	5.5	11.7	15.7	14.2	15.2	15.2	15.2	7.5	10.5	13.1	12.7	10.9	10.9	11.1
Slovenia	0.5	1.1	2.2	2.4	8.1	8.1	8.1	3.3	-3.4	-2.9	-1.5	5.0	5.0	4.7	0.1	-1.9	-1.1	1.1	5.2	5.1	6.0
Slovakia	4.3	3.9	3.0	5.1	5.1	:	:	16.1	4.4	-3.1	5.3	0.2	-0.2	1.7	5.7	2.1	-1.1	3.0	2.9	2.6	4.0
Finland	2.5	-0.1	-1.2	3.6	0.6	0.1	2.7	1.4	-0.7	-1.7	2.1	0.9	0.3	3.4	0.0	1.6	-1.9	1.9	1.7	1.2	3.7
Sweden	3.2	3.5	2.7	2.4	2.3	1.7	3.6	5.7	3.9	4.2	4.5	2.7	2.0	4.4	3.5	3.5	3.6	3.5	2.9	2.3	4.2
United Kingdom	4.0	-0.5	1.2	2.8	0.2	0.5	-1.1	10.0	6.4	8.7	3.9	5.9	6.1	4.9	4.4	-0.2	1.8	1.7	1.4	1.7	-0.7

Labour cost data are subject to revision, in particular for the latest quarters, when new source data become available.

c Confidential : not available

TOT = total labour costs

WAG = wage and salary costs

OTH = non-wage costs

The source dataset is available [here](#).