

## Labour costs in the EU

# Hourly labour costs ranged from €4.4 to €42.0 across the EU Member States in 2016

## Lowest in Bulgaria and Romania, highest in Denmark and Belgium

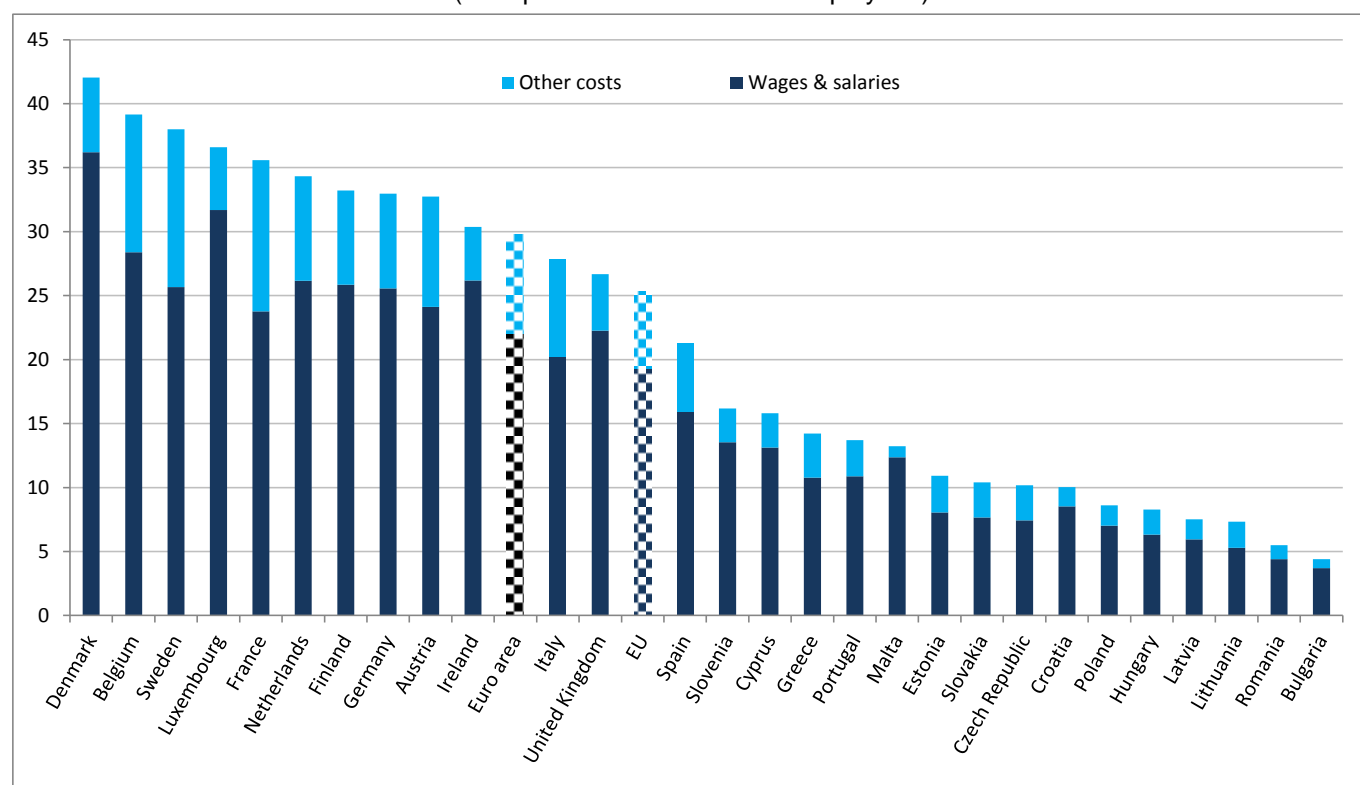
In 2016, average hourly labour costs in the whole economy (excluding agriculture and public administration) were estimated to be €25.4 in the **European Union (EU)** and €29.8 in the **euro area**. However, this average masks significant gaps between EU Member States, with the lowest hourly labour costs recorded in **Bulgaria (€4.4)**, **Romania (€5.5)**, **Lithuania (€7.3)**, **Latvia (€7.5)**, **Hungary (€8.3)** and **Poland (€8.6)**, and the highest in **Denmark (€42.0)**, **Belgium (€39.2)**, **Sweden (€38.0)**, **Luxembourg (€36.6)** and **France (€35.6)**.

In industry, labour costs per hour were €26.6 in the **EU** and €32.6 in the **euro area**, in services €25.8 and €28.7 respectively and in construction €23.3 and €26.1. In the mainly non-business economy (excluding public administration), labour costs per hour were €26.6 in the **EU** and €29.7 in the **euro area** in 2016.

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 23.9% in the **EU** and 26.0% in the **euro area**, ranging from 6.6% in **Malta** to 33.2% in **France**.

These estimates for 2016 come from an [article](#) issued by **Eurostat, the statistical office of the European Union**. Data cover enterprises with 10 or more employees and are based on the Labour Cost Survey data for 2012, which are extrapolated through the Labour Cost Index.

**Hourly labour costs for the whole economy in €, 2016**  
(enterprises with 10 or more employees)



## Decrease in hourly labour costs in Italy

Between 2015 and 2016, hourly labour costs in the whole economy expressed in € rose by 1.6% in the **EU** and by 1.4% in the **euro area**.

When comparing labour cost estimates over time, levels expressed in national currency should be used to eliminate the influence of exchange rate movements.

Within the euro area, the largest increases were recorded in the Baltic Member States: **Lithuania** (+7.5%), **Latvia** (+6.4%) and **Estonia** (+5.6%). The only decrease was observed in **Italy** (-0.8%), while hourly labour costs remained nearly stable in **Malta** (+0.0%), the **Netherlands** (+0.1%) and **Belgium** (+0.2%).

For Member States outside the euro area in 2016, and expressed in national currency, the largest rises in hourly labour costs in the whole economy were registered in **Romania** (+12.7%) and **Bulgaria** (+7.8%), and the smallest increases in the **United Kingdom** (+1.5%) and **Denmark** (+1.9%).

### Geographical information

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

### Methods and definitions

**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 employer's cost of direct remuneration.

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*, which includes NACE Rev. 2 sections B to N; for the EU and euro area this accounts for about 76% of the labour costs of the whole economy. It can be further broken down into:
  - Industry, which includes: Mining and quarrying; Manufacturing; Electricity, gas, steam & air conditioning supply; and Water supply, sewerage, waste management & remediation activities. Industry accounts for around 22% of the whole economy.
  - Construction, which accounts for around 6% of the whole economy.
  - Services, which 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), which includes NACE Rev. 2 sections P to S; for the EU 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.

Labour costs data presented in this News Release cover enterprises with 10 or more employees and include apprentices.

Labour cost data for the years 2004, 2008 and 2012 come from the Labour Cost Survey. Estimates for years after 2012 are obtained by extrapolating the 2012 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 € 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.

### **Country notes:**

France: the aggregate shown for the whole economy for 2008 also excludes NACE Rev. 2 section P (Education).

Italy: data up to 2012 are not strictly comparable over time due to methodological breaks.

Data for 2014 for Czech Republic, Denmark, France, Hungary and Austria are taken from national sources.

Data for 2015 for Czech Republic, Denmark, Spain, France, Hungary, Austria and Romania are taken from national sources.

Data for 2016 for France and Hungary are taken from national sources.

### For more information

Eurostat [website section](#) dedicated to labour cost statistics.

Eurostat [database](#) on labour costs.

Eurostat Statistics Explained article on [hourly labour costs](#) and that on [recent trends in labour costs index](#).

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

	2004	2008	2012	2014	2015	2016	Non-wage costs, 2016 (% of total)	Change, % 2016/2015
<b>EU</b>	<b>19.8</b>	<b>21.5</b>	<b>23.9</b>	<b>24.5</b>	<b>25.0</b>	<b>25.4</b>	<b>23.9%</b>	<b>1.6%</b>
<b>Euro area</b>	<b>23.0</b>	<b>25.3</b>	<b>28.3</b>	<b>29.0</b>	<b>29.4</b>	<b>29.8</b>	<b>26.0%</b>	<b>1.4%</b>
Belgium	29.2	32.9	38.0	39.0	39.1	39.2	27.5%	0.2%
Bulgaria	1.6	2.6	3.4	3.8	4.1	4.4	15.8%	7.8%
Czech Republic	5.8	9.2	10.0	9.4	9.8	10.2	27.0%	3.8%
Denmark	29.6	34.6	39.4	40.6	41.2	42.0	13.9%	2.1%
Germany	26.8	27.9	30.5	31.4	32.2	33.0	22.4%	2.5%
Estonia	4.3	7.8	8.6	9.8	10.3	10.9	26.3%	5.6%
Ireland	25.5	28.9	29.8	29.8	30.0	30.4	13.8%	1.3%
Greece	15.3	16.7	15.7	14.5	14.1	14.2	24.2%	0.8%
Spain	16.5	19.4	21.1	21.1	21.2	21.3	25.3%	0.4%
France	28.2	31.2	34.3	34.7	35.1	35.6	33.2%	1.5%
Croatia	6.9	9.2	9.5	9.4	9.6	10.0	14.9%	4.8%
Italy	22.4	25.2	27.7	28.3	28.1	27.8	27.4%	-0.8%
Cyprus	12.6	16.7	16.8	15.8	15.7	15.8	17.0%	0.6%
Latvia	2.7	6.0	5.9	6.6	7.1	7.5	20.6%	6.4%
Lithuania	3.2	5.9	5.9	6.5	6.8	7.3	27.8%	7.5%
Luxembourg	30.3	31.0	33.9	36.2	36.3	36.6	13.4%	0.8%
Hungary	5.9	7.8	7.4	7.7	7.9	8.3	23.6%	4.6%
Malta	9.6	11.4	11.8	12.8	13.2	13.2	6.6%	0.0%
Netherlands	27.3	29.8	32.5	33.2	33.2	33.3	20.4%	0.1%
Austria	25.2	26.4	29.7	31.4	32.4	32.7	26.3%	0.9%
Poland	4.7	7.6	7.9	8.3	8.6	8.6	18.4%	-0.2%
Portugal	11.3	12.2	13.3	13.2	13.4	13.7	20.6%	2.5%
Romania	1.9	4.2	4.1	4.6	4.9	5.5	19.9%	11.6%
Slovenia	11.2	13.9	15.6	15.6	15.8	16.2	16.3%	2.7%
Slovakia	4.1	7.3	8.9	9.7	10.0	10.4	26.4%	3.5%
Finland	24.4	27.1	31.3	32.5	33.0	33.2	22.2%	0.7%
Sweden	29.0	31.6	37.3	37.3	37.4	38.0	32.5%	1.7%
United Kingdom	21.5	20.9	25.0	25.8	29.7	26.7	16.5%	-10.1%
Norway	30.1	37.8	56.4	53.9	51.2	50.2	18.1%	-2.0%

Discrepancies between the growth rates derived from the 2015 and 2016 values and the growth rates reported in the table are due to rounding.

: Data not available

The source dataset can be found [here](#).

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

		2004	2008	2012	2014	2015	2016	Change, % 2016/2015
Bulgaria	BGN	3.1	5.0	6.7	7.5	8.0	8.6	7.8%
Czech Republic	CZK	183.6	228.3	251.0	258.0	267.5	275.1	2.8%
Denmark	DKK	220.0	257.7	293.0	303.0	307.2	313.0	1.9%
Croatia	HRK	51.8	66.1	71.3	71.7	72.9	75.6	3.6%
Hungary	HUF	1478.7	1971.0	2133.3	2365.2	2455.1	2579.3	5.1%
Poland	PLN	21.5	26.8	32.9	34.9	36.1	37.5	4.1%
Romania	RON	7.7	15.5	18.5	20.5	21.9	24.7	12.7%
Sweden	SEK	264.7	304.2	324.3	339.6	349.5	359.7	2.9%
United Kingdom	GBP	14.6	16.7	20.3	20.8	21.5	21.9	1.5%
Norway	NOK	252.2	311.0	421.5	450.7	458.0	465.9	1.7%

Discrepancies between the growth rates derived from the 2015 and 2016 values and the growth rates reported in the table are due to rounding.

The source dataset can be found [here](#).

## Labour costs per hour in €, breakdown by economic activity, 2016

	Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
<b>EU</b>	<b>25.9</b>	<b>26.6</b>	<b>23.3</b>	<b>25.8</b>	<b>26.6</b>
<b>Euro area</b>	<b>29.8</b>	<b>32.6</b>	<b>26.1</b>	<b>28.7</b>	<b>29.7</b>
Belgium	41.2	44.2	34.4	40.6	34.3
Bulgaria	4.4	4.2	3.6	4.7	4.4
Czech Republic	10.3	10.3	9.4	10.5	9.6
Denmark	43.4	43.9	39.1	43.7	39.7
Germany	33.4	38.8	27.1	30.5	31.7
Estonia	11.3	10.9	11.6	11.5	9.9
Ireland	29.2	32.5	27.1	28.1	33.8
Greece	13.9	15.1	11.2	13.8	15.1
Spain	20.9	23.3	20.1	20.1	22.7
France	36.3	38.3	31.4	36.1	33.8
Croatia	10.0	9.2	9.0	10.7	10.1
Italy	27.0	27.8	23.4	26.9	31.3
Cyprus	15.7	14.4	14.0	16.3	17.3
Latvia	8.0	7.5	7.4	8.3	6.4
Lithuania	7.5	7.3	7.2	7.7	6.8
Luxembourg	36.5	31.8	25.2	39.7	37.4
Hungary	8.3	8.3	6.0	8.5	7.3
Malta	12.5	13.0	9.2	12.8	15.5
Netherlands	32.4	35.3	33.7	31.6	36.1
Austria	33.1	36.0	31.7	31.8	30.6
Poland	8.4	8.5	7.6	8.5	9.1
Portugal	13.1	11.3	11.9	14.3	15.4
Romania	5.5	5.1	4.3	6.0	5.7
Slovenia	16.0	16.4	11.6	16.6	16.7
Slovakia	10.7	10.9	9.3	10.7	9.5
Finland	33.7	37.1	34.1	32.0	32.1
Sweden	40.9	42.3	39.9	40.4	33.3
United Kingdom	26.1	26.0	27.9	25.9	28.2
Norway	50.7	59.1	44.0	47.9	47.6

: Data not available

The source dataset can be found [here](#).

## Labour costs per hour in national currency for non-euro area countries, breakdown by economic activity, 2016

		Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
Bulgaria	BGN	8.6	8.2	7.1	9.1	8.6
Czech Republic	CZK	278.8	277.9	255.0	283.0	259.8
Denmark	DKK	322.8	327.1	291.4	325.1	295.9
Croatia	HRK	75.6	69.1	67.6	80.8	76.2
Hungary	HUF	2585.6	2599.8	1881.9	2639.6	2275.0
Poland	PLN	36.8	37.1	33.1	37.1	39.8
Romania	RON	24.5	23.1	19.3	26.9	25.6
Sweden	SEK	387.4	400.4	377.6	382.2	315.1
United Kingdom	GBP	21.4	21.3	22.9	21.2	23.1
Norway	NOK	471.2	549.5	408.9	445.3	442.3

The source dataset can be found [here](#).