

94/2020 - 16 June 2020

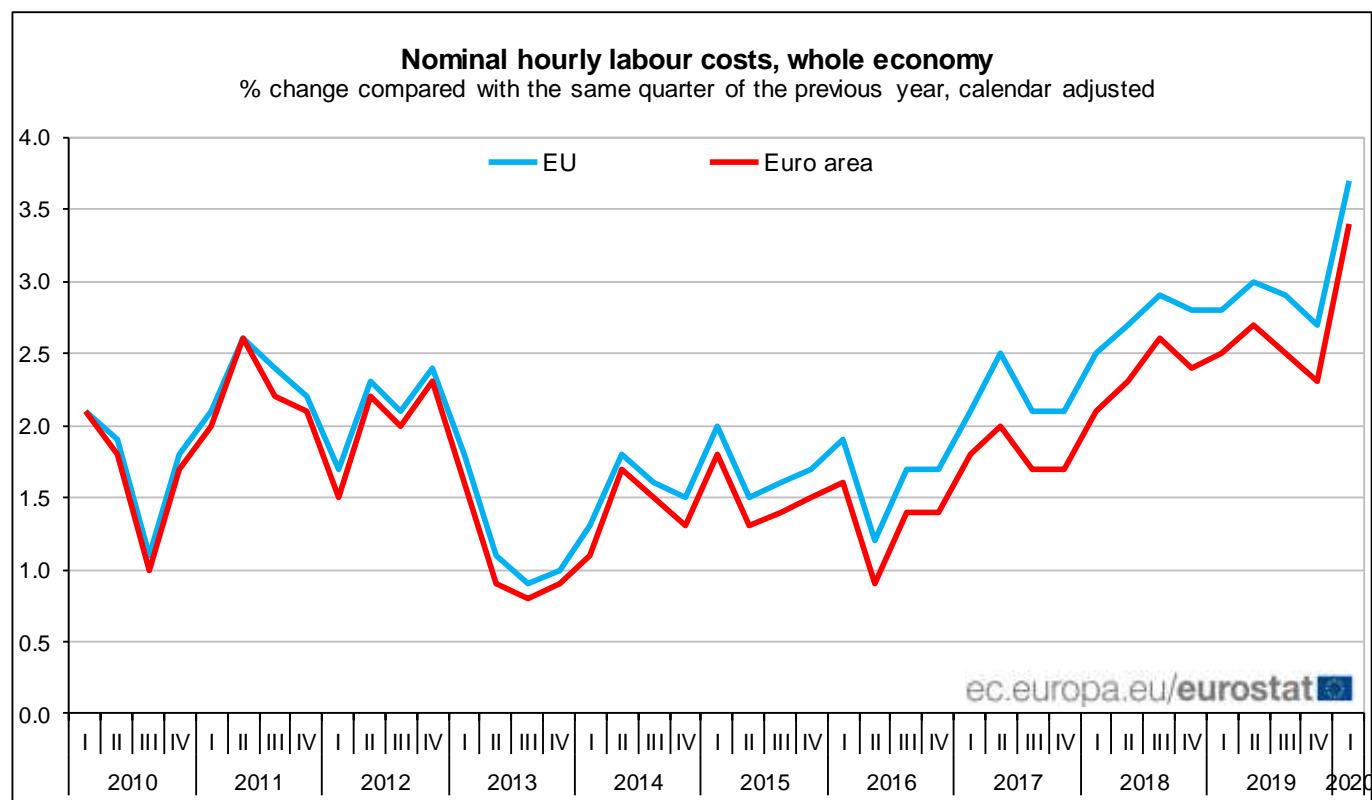
First quarter of 2020

Annual growth in labour costs at 3.4% in euro area

At 3.7% in EU

In the first quarter of 2020, the quarter when COVID-19 containment measures began to be widely introduced by Member States, hourly labour costs rose by 3.4% in the **euro area** and by 3.7% in the **EU**, compared with the same quarter of the previous year. In the fourth quarter of 2019, hourly labour costs increased by 2.3% and 2.7% 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**, the cost of wages & salaries per hour worked grew by 3.4% and the non-wage component grew by 3.6% in the first quarter of 2020 compared with the same quarter of the previous year. In the fourth quarter of 2019, the annual changes were +2.4% for wages & salaries and 2.2% for the non-wage component. In the **EU**, the costs of hourly wages & salaries as well as the non-wage component rose by 3.7% in the first quarter of 2020. In the fourth quarter of 2019, annual changes were +2.8% and +2.4% respectively.

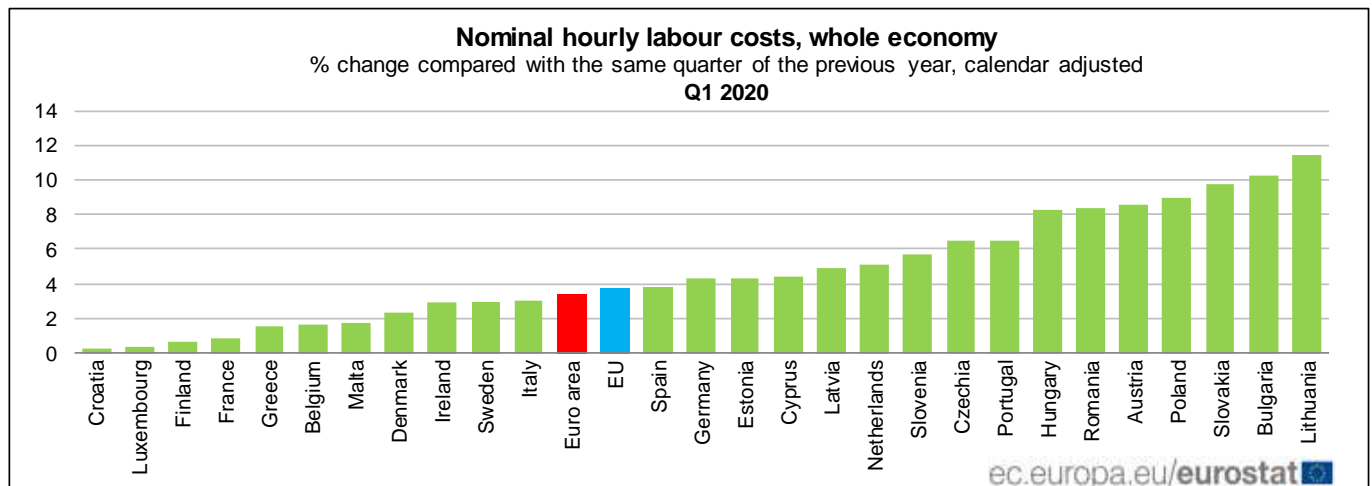


Breakdown by economic activity

In the first quarter of 2020 compared with the same quarter of the previous year, hourly labour costs in the **euro area** rose by 2.6% in industry, by 3.0% in construction, by 3.4% in services and by 4.2% in the (mainly) non-business economy. In the **EU**, labour costs per hour grew by 3.1% in industry, by 3.2% in construction, by 3.6% in services and by 4.3% in the (mainly) non-business economy.

Member States

In the first quarter of 2020, the highest annual increases in hourly labour costs for the whole economy were registered in **Lithuania** (+11.4%) and **Bulgaria** (+10.2%) while the lowest increase were recorded in **Croatia** (+0.3%) and **Luxembourg** (+0.4%).



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** (EU27) includes Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland and Sweden.

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 = 2016).

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 timetable

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](#).

For some Member States in particular, some COVID19-related support may not have been recorded in full, which may lead to revisions in the next release to be issued on 15 September 2020.

Compared with News Release 44/2020 of 17 March 2020, the annual growth rate for the total economy for the fourth quarter of 2019 was revised from +2.4% to +2.3% for the euro area and remains unchanged at +2.7% for the EU.

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](#)

European Statistics [Code of Practice](#)

Eurostat Press Office

Romina BRONDINO

Tel: +352-4301-33 408

eurostat-pressoffice@ec.europa.eu

For further information on data

Florin ISCRU

Tel: +352-4301-37 095

Beate CZECH

Tel: +352-4301-35 407

estat-labour-cost-indices@ec.europa.eu



Media requests: eurostat-mediasupport@ec.europa.eu / Tel: +352-4301-33 408



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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)														
	Q1 2019			Q2 2019			Q3 2019			Q4 2019			Q1 2020		
	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER
Euro area	2.5	2.7	1.9	2.7	2.7	2.6	2.5	2.6	2.3	2.3	2.4	2.2	3.4	3.4	3.6
EU	2.8	3.1	2.1	3.0	3.1	2.9	2.9	3.0	2.5	2.7	2.8	2.4	3.7	3.7	3.7
Belgium	2.1	2.6	0.8	2.0	2.5	0.7	2.6	3.0	1.2	1.6	2.1	0.3	1.6	1.6	1.7
Bulgaria	13.5	13.3	14.3	11.1	11.0	11.7	10.2	9.9	11.4	12.0	11.8	12.9	10.2	10.2	10.3
Czechia	7.1	7.1	7.2	7.7	7.7	7.8	5.3	5.3	5.1	7.8	7.8	7.8	6.5	6.6	6.4
Denmark	1.9	1.8	2.3	2.4	2.4	2.9	2.2	2.2	2.2	1.8	1.7	2.0	2.3	2.4	2.2
Germany	2.5	2.7	1.8	3.2	3.2	3.3	3.0	3.1	2.9	3.0	2.7	3.9	4.3	4.2	4.6
Estonia	7.5	7.5	7.4	8.4	8.4	8.2	7.7	7.8	7.1	6.7	6.7	6.8	4.3	4.3	4.2
Ireland	2.3	2.5	0.6	3.2	3.0	4.3	3.8	3.3	7.3	3.9	3.1	9.5	2.9	2.9	2.8
Greece	-0.2	0.3	-1.8	2.1	2.5	0.9	4.1	4.4	3.3	4.1	4.0	4.4	1.5	2.4	-1.0
Spain	2.6	2.3	3.5	3.5	3.1	4.6	2.4	2.0	3.3	2.9	2.4	4.6	3.8	3.9	3.6
France	2.4	2.8	1.3	1.6	1.6	1.6	1.9	2.0	1.9	1.0	1.5	-0.2	0.9	0.8	1.3
Croatia	4.5	5.2	0.8	2.1	2.6	-0.9	4.8	5.7	-0.4	3.0	3.4	0.7	0.3	1.1	-4.0
Italy	2.9	2.2	4.9	1.9	1.3	3.3	1.5	1.1	2.4	1.4	1.2	1.9	3.0	2.9	3.2
Cyprus	4.7	3.8	9.8	6.1	4.0	17.1	5.3	3.3	15.9	5.3	3.2	15.9	4.4	3.5	9.3
Latvia	8.1	6.8	13.4	7.4	7.0	9.2	7.9	7.7	8.7	7.7	8.2	5.7	4.9	6.1	0.1
Lithuania	4.9	:	:	4.7	:	:	5.1	:	:	4.9	:	:	11.4	11.8	4.0
Luxembourg	4.6	4.7	3.8	3.7	3.7	3.6	0.5	0.5	0.2	0.6	0.6	0.6	0.4	0.3	1.7
Hungary	10.5	10.0	13.3	10.1	9.7	12.3	8.9	10.0	2.9	9.9	11.0	4.2	8.3	9.4	2.9
Malta	-0.8	-0.4	-5.1	0.1	0.2	-1.5	2.9	3.0	2.0	0.1	0.4	-3.5	1.7	1.6	2.3
Netherlands	2.2	2.5	1.3	2.4	2.1	3.7	2.8	2.5	4.0	3.1	2.7	4.7	5.1	4.6	7.0
Austria	0.3	0.3	0.4	3.6	3.5	3.9	1.9	1.8	2.1	2.3	2.3	2.5	8.6	8.6	8.4
Poland	5.7	5.7	5.7	7.2	7.2	7.2	6.7	6.8	6.7	5.9	5.9	5.9	9.0	9.0	8.9
Portugal	1.7	1.5	2.7	0.0	-0.1	0.5	4.4	4.2	5.5	0.7	0.7	0.8	6.5	6.3	7.6
Romania	16.2	16.3	14.2	12.4	12.5	11.4	13.2	13.2	12.1	12.0	12.1	11.2	8.4	8.3	10.2
Slovenia	7.3	8.1	2.7	5.0	5.3	3.1	3.3	3.4	2.7	6.7	6.5	8.5	5.7	6.0	3.4
Slovakia	8.8	8.8	9.0	10.8	10.9	10.6	7.6	7.4	8.1	7.9	7.8	8.1	9.8	9.9	9.6
Finland	2.4	3.1	-0.6	1.4	2.0	-1.3	0.4	1.0	-2.1	1.6	2.1	-1.0	0.7	0.8	0.2
Sweden	2.7	2.9	2.4	2.8	2.8	2.7	2.8	2.9	2.6	2.7	2.8	2.7	2.9	2.8	3.3
United Kingdom	1.9	2.1	0.9	3.7	3.8	3.1	3.8	4.0	2.8	2.7	2.8	1.9	5.6	5.6	5.9

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

Source dataset: [lc_lci_r2_q](#)

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 sections B to N)							Mainly non-business economy (NACE Rev. 2 sections O to S)						
	Q1/19	Q2/19	Q3/19	Q4/19	Q1 2020			Q1/19	Q2/19	Q3/19	Q4/19	Q1 2020		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
Euro area	2.4	2.5	2.6	2.2	3.1	3.1	3.3	2.5	3.1	2.4	2.6	4.2	4.2	4.1
EU	2.8	2.8	3.0	2.6	3.4	3.4	3.5	3.0	3.4	2.7	2.9	4.3	4.3	4.2
Belgium	2.0	1.9	2.5	1.8	1.9	1.9	1.9	2.3	2.4	2.8	1.2	1.1	1.1	1.0
Bulgaria	13.0	10.7	9.8	11.4	9.1	9.1	9.1	15.4	12.7	11.1	14.2	14.1	14.2	13.9
Czechia	6.8	7.3	5.5	6.8	6.7	6.8	6.6	8.2	9.1	4.8	11.0	5.9	5.9	5.8
Denmark	1.6	2.2	2.6	2.0	2.3	2.5	1.7	2.3	2.9	1.7	1.5	2.3	2.2	3.2
Germany	2.4	2.5	2.9	2.6	3.0	3.0	2.9	2.7	5.0	3.4	3.8	7.4	7.2	7.8
Estonia	7.2	7.8	6.4	6.3	3.8	3.8	3.9	8.9	10.2	10.2	7.9	5.6	5.9	4.8
Ireland	2.7	3.4	4.3	4.3	2.6	2.9	0.7	1.5	2.7	2.7	2.9	3.7	3.1	9.8
Greece	2.2	2.8	5.3	6.5	1.4	1.4	1.2	-2.8	1.2	2.9	0.2	1.5	3.5	-3.6
Spain	1.5	2.6	2.1	2.5	3.5	3.6	3.2	5.1	5.2	2.9	3.8	4.6	4.6	4.6
France	2.6	1.6	2.1	0.8	0.7	0.5	1.2	1.8	1.6	1.7	1.3	1.5	1.5	1.6
Croatia	5.0	1.6	5.1	1.2	-1.1	-0.3	-6.2	3.6	3.0	4.2	7.2	3.4	4.0	0.4
Italy	3.3	3.4	2.2	1.9	4.9	4.8	5.3	2.2	-1.1	-0.2	0.4	-0.7	-0.7	-0.5
Cyprus	4.3	5.3	4.6	5.0	4.6	3.6	10.5	5.7	8.0	6.7	5.8	4.0	3.2	7.2
Latvia	7.4	7.7	7.2	7.7	5.3	5.9	3.1	10.0	6.7	9.5	7.6	3.6	6.7	-7.2
Lithuania	2.9	2.7	2.4	2.9	11.2	11.8	2.2	10.1	9.9	11.0	9.8	11.5	11.5	11.1
Luxembourg	4.6	3.7	0.7	0.5	0.1	0.0	1.8	4.8	3.9	0.0	0.7	1.3	1.3	1.3
Hungary	11.0	10.7	9.9	9.0	8.8	9.7	4.3	9.2	8.5	7.1	12.0	7.1	8.7	-0.4
Malta	-2.5	-0.5	-0.1	-2.9	0.3	0.1	3.5	1.9	1.0	7.6	5.2	3.9	4.2	1.2
Netherlands	1.8	2.3	3.1	3.3	4.9	4.2	7.9	3.1	2.6	2.2	2.8	5.6	5.8	5.3
Austria	1.6	4.3	2.9	2.6	9.2	9.1	9.3	-2.7	0.9	0.2	1.0	6.8	7.1	5.7
Poland	5.2	6.7	6.4	5.4	8.7	8.7	8.7	7.1	8.7	7.8	7.3	9.7	9.7	9.7
Portugal	1.1	-1.3	4.1	0.7	6.2	5.9	7.7	2.5	2.1	4.9	0.9	7.0	6.9	7.5
Romania	13.7	11.9	12.8	11.8	9.5	9.4	12.0	23.0	13.9	14.2	12.5	5.3	5.3	5.2
Slovenia	7.3	3.9	3.2	5.5	4.3	4.8	1.3	7.2	7.7	3.6	10.1	9.1	9.2	8.9
Slovakia	8.2	9.2	5.9	6.1	8.6	8.7	8.3	10.3	15.1	11.8	12.4	13.2	13.3	13.0
Finland	1.0	0.4	0.3	1.4	1.0	1.1	0.6	5.0	3.2	0.7	1.9	0.1	0.2	-0.7
Sweden	2.5	2.7	2.7	2.5	2.8	2.7	2.8	3.0	2.9	3.1	3.1	3.3	2.9	4.1
United Kingdom	1.6	3.7	4.2	2.7	5.7	5.7	5.1	2.9	3.6	2.8	2.7	5.6	5.2	7.8

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

TOT = total labour costs

WAG = wage and salary costs

OTH = non-wage costs

Source dataset: [lc_lci_r2_q](#)

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 sections G to N)							
	Q1/19	Q2/19	Q3/19	Q4/19	Q1 2020			Q1/19	Q2/19	Q3/19	Q4/19	Q1 2020			Q1/19	Q2/19	Q3/19	Q4/19	Q1 2020		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
Euro area	2.4	2.0	2.9	2.1	2.6	2.5	2.9	2.1	2.4	2.3	2.5	3.0	2.8	3.6	2.5	2.8	2.6	2.2	3.4	3.3	3.4
EU	2.9	2.6	3.3	2.6	3.1	3.1	3.2	2.3	2.7	2.6	2.9	3.2	3.0	3.8	2.8	3.0	2.9	2.5	3.6	3.6	3.5
Belgium	2.1	1.7	2.5	1.9	2.2	2.2	2.2	1.9	2.0	3.1	2.3	2.2	2.2	2.2	2.0	1.9	2.4	1.7	1.7	1.7	1.7
Bulgaria	12.4	9.5	8.3	10.5	9.0	9.1	8.7	9.8	10.2	10.2	14.5	8.1	8.1	8.4	13.6	11.4	10.6	11.6	9.2	9.2	9.4
Czechia	7.1	6.9	6.8	6.2	7.3	7.4	7.1	5.9	8.2	1.6	9.0	6.4	6.5	6.1	6.8	7.4	4.8	7.0	6.3	6.3	6.2
Denmark	2.3	3.0	4.2	3.3	3.7	4.0	2.2	2.6	2.0	2.8	0.5	1.3	1.2	2.0	1.3	1.9	1.9	1.6	2.0	2.1	1.5
Germany	1.9	1.1	3.4	1.7	1.8	1.8	1.9	2.2	3.1	1.8	3.7	2.8	2.7	2.8	2.7	3.4	2.7	3.1	3.8	3.8	3.6
Estonia	6.8	6.3	6.7	6.1	4.7	4.6	5.0	9.7	13.5	8.1	9.5	9.7	9.0	11.6	6.9	7.5	6.1	5.8	2.4	2.5	2.2
Ireland	1.6	1.8	3.2	5.4	3.2	4.0	-1.5	2.8	2.6	2.6	6.1	2.3	1.9	5.9	3.0	4.1	4.9	3.7	2.4	2.6	0.9
Greece	-2.4	2.1	0.4	3.8	-0.8	-0.5	-2.6	-14.5	-12.0	-11.2	-9.5	2.8	5.2	-6.6	4.6	3.7	7.6	8.1	2.0	1.9	2.5
Spain	2.0	2.6	1.9	1.9	3.1	3.1	3.0	0.5	1.5	1.8	2.6	3.4	2.8	4.8	1.5	2.8	2.3	2.7	3.6	3.9	3.0
France	3.1	1.9	1.9	1.2	0.5	0.3	1.2	3.9	1.6	2.4	1.7	0.8	0.5	1.7	2.3	1.5	2.1	0.6	0.7	0.5	1.1
Croatia	6.8	0.8	3.1	3.0	0.3	1.3	-5.2	-4.8	-5.0	-1.7	4.4	-0.6	0.4	-6.6	5.3	2.9	6.9	0.1	-1.9	-1.1	-6.6
Italy	3.4	3.9	2.6	3.0	5.3	5.2	5.5	2.7	2.5	2.4	-0.6	4.4	4.0	5.4	3.3	3.1	2.0	1.6	4.7	4.6	5.2
Cyprus	2.8	6.8	5.6	4.9	2.4	1.4	7.7	3.2	5.6	7.6	5.7	4.2	3.2	10.4	4.8	5.0	3.9	5.0	5.0	4.0	11.1
Latvia	7.2	7.9	7.8	8.4	5.4	6.3	2.1	6.8	6.8	10.4	15.3	9.2	10.2	5.6	7.6	7.8	6.6	6.5	4.7	5.2	3.1
Lithuania	5.9	6.1	5.5	6.1	12.4	11.8	31.8	-5.6	-5.6	-3.8	-2.8	15.9	16.5	4.4	3.0	2.4	1.9	2.3	10.0	11.1	-4.0
Luxembourg	2.6	2.6	0.4	0.6	-2.3	-2.7	1.1	4.5	4.6	1.3	2.3	2.2	1.7	6.6	4.9	3.7	0.6	0.3	0.2	0.1	1.2
Hungary	12.0	11.6	10.9	9.1	8.7	9.5	4.7	12.5	13.2	15.1	15.0	11.8	12.2	9.6	10.2	9.9	8.8	8.3	8.6	9.5	3.6
Malta	4.1	1.8	1.9	2.1	-0.8	-0.7	-1.3	-2.7	-6.2	-5.2	-8.3	-0.5	-0.4	-2.5	-3.9	-0.6	-0.3	-3.6	0.5	0.2	5.0
Netherlands	1.5	2.2	2.9	4.3	c	c	c	-1.5	2.0	3.3	2.8	c	c	c	2.3	2.3	3.2	3.1	c	c	c
Austria	2.7	3.7	4.1	3.6	4.3	3.9	5.6	0.5	5.0	4.6	3.4	10.9	11.0	10.5	1.1	4.6	2.0	1.9	11.5	11.6	11.2
Poland	5.7	6.9	6.9	5.6	8.3	8.3	8.3	4.4	11.0	2.6	8.1	7.9	7.9	7.9	5.0	6.0	6.5	5.0	9.0	9.0	9.0
Portugal	1.1	-1.1	3.4	1.2	7.5	7.4	8.2	2.5	-0.4	4.0	3.3	5.5	5.3	6.4	0.9	-1.4	4.6	0.1	5.6	5.3	7.5
Romania	12.7	11.5	11.6	11.1	9.9	9.9	10.7	18.6	18.3	21.1	19.8	7.6	6.5	42.8	13.6	11.2	12.5	11.2	9.5	9.5	9.5
Slovenia	6.9	4.2	1.5	3.4	3.8	4.5	0.1	7.4	2.1	12.2	4.7	7.0	7.3	5.5	7.6	3.8	3.4	7.2	4.3	4.8	1.8
Slovakia	9.2	7.8	4.7	6.6	8.1	8.1	8.2	6.3	9.3	5.8	1.8	4.7	4.2	6.0	7.7	10.4	6.9	6.1	9.2	9.4	8.5
Finland	0.6	0.2	0.8	1.7	2.8	3.1	1.2	3.1	0.2	2.5	0.0	-0.1	-0.1	-0.2	0.9	0.6	-0.3	1.6	0.3	0.3	0.4
Sweden	3.3	4.9	2.9	2.9	2.2	2.2	2.2	0.7	-1.0	1.8	1.2	2.7	2.6	3.2	2.5	2.6	2.8	2.7	3.0	3.0	3.0
United Kingdom	-1.7	1.9	2.3	3.6	6.2	5.8	8.0	0.7	5.0	6.3	6.3	7.8	8.3	5.0	2.3	4.0	4.4	2.2	5.4	5.5	4.5

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

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TOT = total labour costs

WAG = wage and salary costs

OTH = non-wage costs

Source dataset: [lc_lci_r2_q](#)