

49/2015 - 19 March 2015

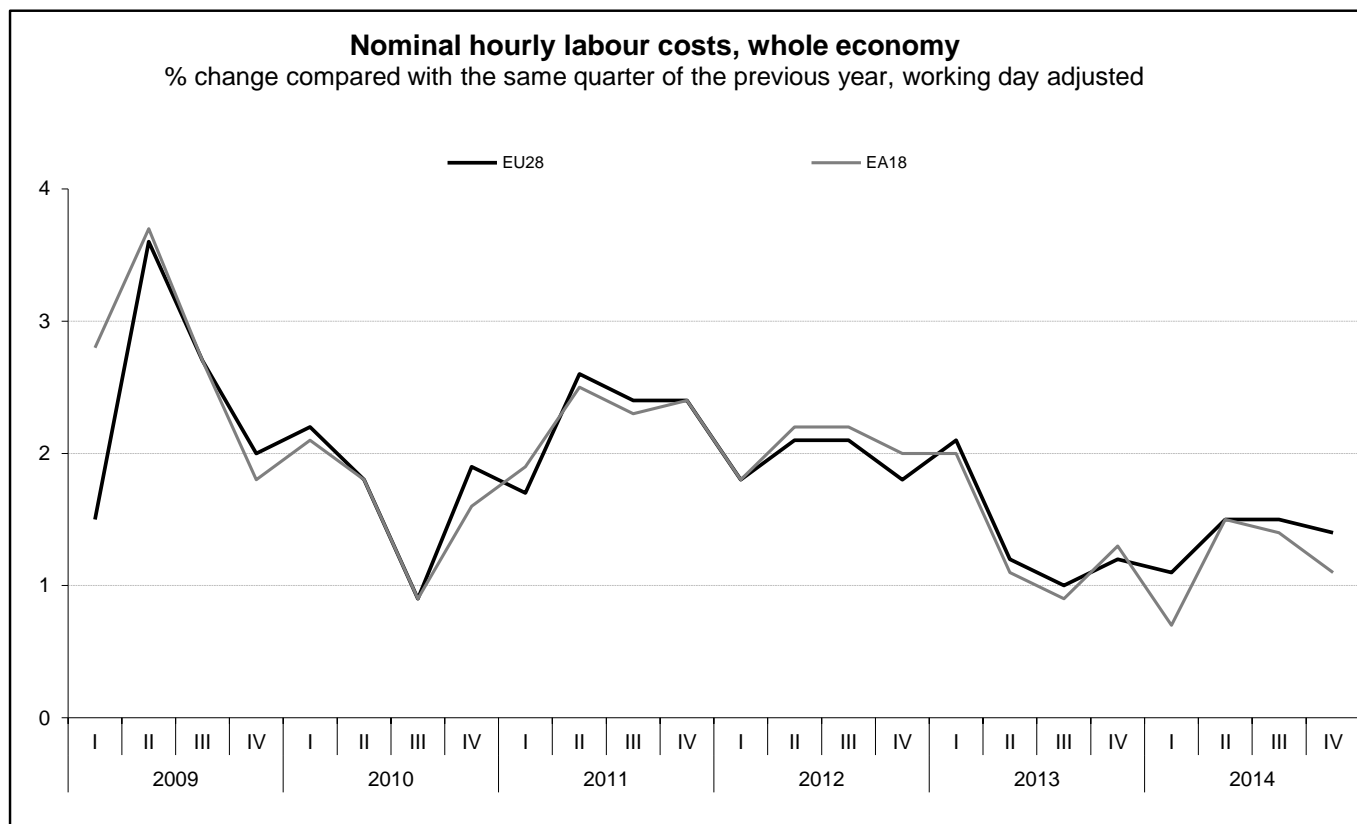
Fourth quarter of 2014

Annual growth in labour costs down to 1.1% in euro area

Down to 1.4% in EU28

Hourly labour costs¹ rose by 1.1% in the **euro area**² (EA18) and by 1.4% in the **EU28**² in the fourth quarter of 2014, compared with the same quarter of the previous year. In the third quarter of 2014³, hourly labour costs increased by 1.4% in the **euro area** and by 1.5% in the **EU28**. 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 1.0% and the non-wage component by 1.2%, in the fourth quarter of 2014 compared with the same quarter of the previous year. In the third quarter of 2014, the annual changes were +1.4% for both components. In the **EU28**, hourly wages & salaries rose by 1.4% and the non-wage component by 1.6% for the fourth quarter of 2014. In the third quarter of 2014, annual changes were +1.4% and +1.7% respectively.

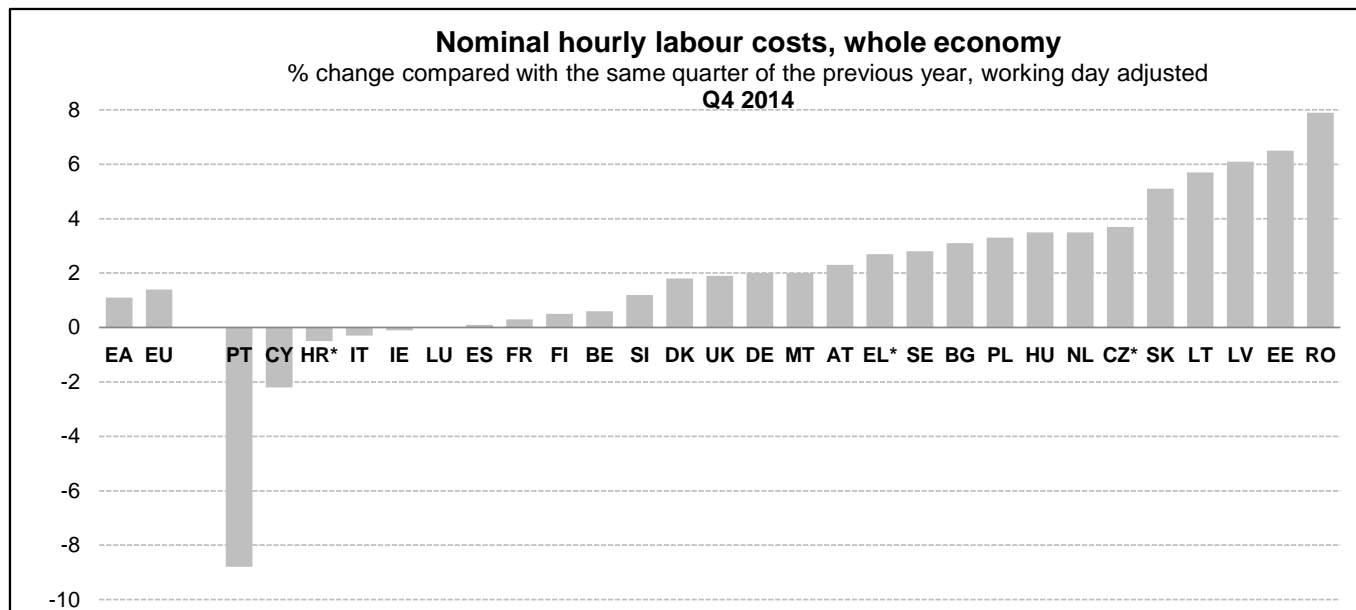


Breakdown by economic activity

In the fourth quarter of 2014 compared with the same quarter of the previous year, hourly labour costs in the **euro area** rose by 1.3% in industry, by 0.7% in construction, by 0.8% in services and by 1.2% in the (mainly) non-business economy. In the **EU28**, labour costs per hour grew by 1.6% in industry, by 0.9% in construction, by 1.3% in services and by 1.4% in the (mainly) non-business economy in the fourth quarter.

Member States

In the fourth quarter of 2014, the highest annual increases in hourly labour costs for the whole economy were registered in **Romania** (+7.9%), **Estonia** (+6.5%), **Latvia** (+6.1%), **Lithuania** (+5.7%) and **Slovakia** (+5.1%). Decreases were recorded in **Portugal** (-8.8%), **Cyprus** (-2.2%), **Croatia** (-0.5%), **Italy** (-0.3%) and **Ireland** (-0.1%).



* Not working day adjusted

- The Labour Cost Index is a short-term indicator showing the development of hourly labour costs incurred by employers. It is calculated dividing the labour cost in national currency by the number of hours worked. Therefore, the development of both variables, labour costs and hours worked, affects the evolution of the index.

The quarterly changes in hourly employers' costs are measured for total labour costs and the main components: wages and salaries; and labour costs other than wages and salaries (non-wage costs). 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. For more breakdowns and further definitions please refer to:

http://ec.europa.eu/eurostat/statistics-explained/index.php/Labour_cost_index_-_recent_trends

- Up to 31 December 2014, the euro area (EA18) included Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland. From 1 January 2015 the euro area (EA19) also includes Lithuania.

The European Union (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).

As part of Eurostat's guidelines for the dissemination of data when the euro area is enlarged, the aggregate data series commented on in this News Release refer to the official composition in the most recent quarter for which data is available. **Thus News Releases with data for quarters up to the fourth quarter of 2014 comment on EA18 series, while Releases with data for the first quarter of 2015 onwards will comment on EA19 series.**

Eurostat's guidelines can be found on the Eurostat website:

http://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/GUIDE_ENLARG_2007

- Compared with News Release 198/2014 of 17 December 2014, annual growth rates for the total economy for the third quarter of 2014 were revised from +1.3% to +1.4% for the EA18 and from +1.4% to +1.5% for the EU28.

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Nominal hourly labour costs
% change compared with same quarter of previous year – working day adjusted

	Whole economy (NACE Rev. 2 sections B to S)														
	Q4 2013			Q1 2014			Q2 2014			Q3 2014			Q4 2014		
	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER
EA18	1.3	1.6	0.3	0.7	1.2	-0.6	1.5	1.5	1.4	1.4	1.4	1.4	1.1	1.0	1.2
EA19	1.4	1.7	0.4	0.8	1.2	-0.6	1.5	1.5	1.4	1.4	1.4	1.4	1.1	1.1	1.2
EU28	1.2	1.4	0.4	1.1	1.5	-0.2	1.5	1.5	1.5	1.5	1.4	1.7	1.4	1.4	1.6
Belgium	1.6	1.6	1.5	0.8	0.8	0.8	0.9	0.9	0.9	0.7	0.7	0.7	0.6	0.6	0.7
Bulgaria	8.4	8.7	7.0	3.6	2.8	7.5	3.6	3.0	6.5	3.2	2.6	5.7	3.1	2.4	6.3
Czech Republic*	0.5	0.2	1.5	2.2	2.2	2.2	2.4	2.4	2.4	0.2	0.2	0.3	3.7	3.7	3.7
Denmark	0.9	1.0	0.6	0.9	0.9	1.1	1.1	1.0	1.8	1.4	1.5	1.2	1.8	1.8	1.9
Germany	1.2	1.2	1.1	0.5	1.3	-2.2	1.8	1.6	2.7	2.3	2.0	3.3	2.0	1.8	2.4
Estonia	7.1	7.5	6.0	7.6	7.8	6.8	7.3	7.4	6.9	6.2	6.2	6.5	6.5	6.8	5.8
Ireland	0.7	-0.1	7.0	-0.1	0.3	-3.1	-0.4	-0.8	3.2	-0.9	-1.3	2.2	-0.1	1.0	-7.4
Greece*	-6.6	-5.7	-10.8	-1.9	-1.1	-5.4	-1.2	-0.2	-5.2	5.2	c	c	2.7	1.8	4.5
Spain	3.1	3.7	1.2	0.5	0.6	0.4	1.4	1.4	1.2	0.2	0.5	-0.7	0.1	0.4	-0.8
France	0.5	1.7	-2.0	1.3	1.9	0.0	0.8	1.4	-0.5	0.4	1.1	-1.0	0.3	1.0	-1.1
Croatia*	0.2	0.2	0.2	-1.7	-1.7	-1.8	0.4	0.4	0.4	-0.3	-0.3	-0.3	-0.5	-0.5	-0.5
Italy	1.9	1.6	2.5	0.7	0.5	1.0	0.8	0.8	0.9	0.9	0.7	1.2	-0.3	-0.4	0.1
Cyprus	-4.6	-4.2	-6.7	-4.7	-5.2	-2.2	-2.3	-3.0	1.3	-3.0	-4.0	2.9	-2.2	-3.3	4.1
Latvia	5.9	5.7	6.6	6.5	7.2	3.3	5.8	6.8	2.3	5.0	5.9	1.6	6.1	7.2	1.5
Lithuania	5.0	5.1	5.0	3.6	3.6	3.4	5.1	5.2	4.8	3.0	3.3	2.1	5.7	6.1	4.5
Luxembourg	3.3	3.4	2.7	3.3	3.5	1.9	4.0	4.2	3.7	3.0	3.1	3.1	0.0	0.1	-0.7
Hungary	2.5	4.6	-4.3	2.8	3.0	2.4	4.6	4.8	3.8	3.2	3.6	2.3	3.5	3.7	2.6
Malta	1.8	1.7	2.2	0.6	0.8	-2.4	2.3	2.4	0.5	0.8	0.7	2.1	2.0	2.1	1.4
Netherlands	1.6	2.5	-1.7	0.0	0.7	-2.3	1.1	0.7	2.6	2.0	1.4	3.9	3.5	1.3	12.3
Austria	2.3	2.3	2.5	3.0	3.1	2.7	4.0	4.0	3.9	3.0	3.3	2.2	2.3	2.4	2.0
Poland	3.7	3.7	4.0	4.2	3.6	6.7	4.2	3.6	6.7	2.8	2.2	5.3	3.3	2.7	5.9
Portugal	2.0	1.1	5.4	-1.4	-1.8	0.2	3.2	2.7	4.8	0.4	-1.9	8.3	-8.8	-9.7	-5.8
Romania	3.5	3.1	4.9	5.3	5.3	5.3	4.9	5.0	4.9	5.2	5.2	5.2	7.9	7.9	7.9
Slovenia	2.2	2.2	1.7	2.5	3.0	-0.3	2.4	2.4	2.2	2.1	2.0	2.6	1.2	0.9	2.6
Slovakia	2.2	0.8	6.7	3.4	3.5	2.8	6.0	6.1	5.7	5.7	5.6	5.9	5.1	5.2	4.9
Finland	1.2	1.5	0.9	1.3	1.1	1.7	2.4	2.1	2.9	0.8	0.8	1.7	0.5	0.3	1.3
Sweden	1.9	2.2	1.1	2.7	3.0	2.2	2.7	2.8	2.7	2.8	2.7	2.9	2.8	2.7	3.0
United Kingdom	0.5	0.6	0.2	1.8	2.0	0.0	0.4	0.5	0.2	1.2	1.0	2.5	1.9	1.7	3.0

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

* Not working day adjusted

c Confidential

TOTAL = total labour costs

WAGES = wage and salary costs

OTHER = non-wage costs

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

% change compared with same quarter of previous year – working day adjusted

	Business economy (NACE Rev. 2 section B to N)							Mainly non-business economy (NACE Rev. 2 section O to S)						
	Q4/13	Q1/14	Q2/14	Q3/14	Q4 2014			Q4/13	Q1/14	Q2/14	Q3/14	Q4 2014		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
EA18	1.0	0.8	1.6	1.3	1.0	1.1	0.6	2.1	0.7	1.2	1.7	1.2	0.9	2.1
EA19	1.0	0.8	1.6	1.3	1.0	1.1	0.7	2.1	0.7	1.3	1.7	1.3	1.0	2.1
EU28	1.0	1.3	1.6	1.5	1.4	1.5	1.2	1.7	0.7	1.1	1.5	1.4	1.1	2.4
Belgium	1.4	1.0	1.0	0.8	0.7	0.7	0.8	2.0	0.2	0.6	0.5	0.2	0.2	0.2
Bulgaria	9.0	2.8	3.2	2.6	2.8	2.2	5.3	6.5	6.6	5.1	4.8	4.0	2.9	9.1
Czech Republic*	0.3	3.0	2.3	0.9	3.0	3.0	3.0	1.5	-0.1	2.6	-1.7	6.0	6.0	6.0
Denmark	1.4	1.2	1.4	1.5	1.7	1.7	1.3	0.1	0.4	0.7	1.3	2.0	1.9	2.8
Germany	1.1	0.3	2.1	2.1	1.6	1.5	1.9	1.6	0.8	1.1	2.6	2.9	2.7	3.4
Estonia	6.5	6.9	7.0	5.3	5.7	6.0	5.0	8.8	9.9	8.1	8.6	9.1	9.2	8.5
Ireland	2.4	1.2	0.9	-0.2	-0.2	1.5	-9.9	-2.4	-2.6	-2.8	-2.4	0.2	0.0	2.1
Greece*	-6.9	-2.4	-3.5	2.2	-1.2	0.4	-6.7	-5.8	-1.0	3.1	10.4	10.4	4.4	28.1
Spain	-0.1	0.0	1.1	-0.2	-0.3	0.3	-2.0	11.0	1.9	1.9	0.9	0.9	0.5	1.9
France	0.3	1.7	1.0	0.6	0.3	1.1	-1.4	0.8	0.4	0.4	-0.1	0.4	0.8	-0.4
Croatia*	1.0	-2.1	0.2	0.1	-0.1	-0.1	-0.1	-1.2	-1.0	0.8	-1.0	-1.2	-1.2	-1.2
Italy	2.5	0.7	1.1	1.1	-0.3	-0.4	-0.2	0.9	0.5	0.4	0.6	-0.3	-0.6	0.2
Cyprus	-5.1	-5.4	-1.8	-3.0	-1.8	-2.6	2.7	-3.6	-3.2	-3.0	-3.2	-3.0	-4.6	6.3
Latvia	5.4	6.3	6.2	5.3	5.8	7.3	-0.1	7.0	6.3	4.8	5.1	6.6	6.8	5.5
Lithuania	6.0	4.0	5.3	3.6	5.6	6.3	3.9	2.7	2.3	4.7	2.1	5.7	5.6	6.0
Luxembourg	3.3	3.5	4.3	2.9	-0.2	-0.1	-1.0	3.2	2.7	3.4	3.4	0.6	0.7	0.2
Hungary	2.0	4.0	3.8	3.0	3.3	3.6	2.4	3.9	0.1	6.5	3.6	3.8	4.1	3.1
Malta	1.2	-0.8	1.4	0.3	1.5	1.5	2.0	3.0	3.5	3.9	1.5	3.2	3.5	0.8
Netherlands	2.0	-0.5	0.5	1.9	3.3	1.0	12.9	0.9	1.3	2.2	2.1	3.9	2.0	11.1
Austria	2.3	2.2	4.3	2.1	3.4	3.5	2.9	2.3	4.9	4.0	3.6	0.0	0.0	0.1
Poland	5.1	5.0	5.1	3.7	3.3	2.5	6.3	0.0	2.1	1.9	0.7	3.7	3.4	4.8
Portugal	-3.7	3.4	-1.7	-1.7	-3.4	-3.6	-2.7	11.4	-8.2	10.2	3.2	-16.5	-19.2	-9.1
Romania	3.4	6.2	6.0	6.2	8.7	8.7	8.7	4.1	2.4	1.6	2.2	5.2	5.2	5.2
Slovenia	2.5	2.7	3.0	2.5	1.5	1.4	2.3	1.5	2.1	0.9	1.2	0.4	-0.1	3.3
Slovakia	1.6	3.6	5.8	6.1	4.7	4.8	4.5	3.7	2.7	6.3	4.6	6.2	6.3	6.1
Finland	0.9	1.5	3.2	0.5	0.1	-0.3	1.1	1.6	1.0	1.3	1.3	0.9	0.9	1.4
Sweden	1.7	3.0	3.1	3.0	2.9	2.9	3.1	2.2	2.3	2.2	2.4	2.5	2.3	2.9
United Kingdom	0.6	2.3	0.6	1.5	2.3	2.1	3.0	0.3	0.4	0.0	0.4	1.1	0.8	3.1

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

* Not working day adjusted

TOT = total labour costs

WAG = wage and salary costs

OTH = non-wage costs

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

% change compared with same quarter of previous year – working day adjusted

	Industry (NACE Rev. 2 sections B to E)							Construction (NACE Rev. 2 section F)						Services (NACE Rev. 2 section G to N)							
	Q4/13	Q1/14	Q2/14	Q3/14	Q4 2014			Q4/13	Q1/14	Q2/14	Q3/14	Q4 2014			Q4/13	Q1/14	Q2/14	Q3/14	Q4 2014		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
EA18	2.0	0.9	2.7	1.7	1.3	1.3	1.2	0.4	0.7	0.7	1.0	0.7	1.0	0.1	0.6	0.7	1.1	1.1	0.8	1.0	0.4
EA19	2.0	0.9	2.8	1.7	1.3	1.3	1.3	0.5	0.8	0.8	1.1	0.8	1.0	0.2	0.6	0.8	1.1	1.1	0.9	1.0	0.4
EU28	1.8	1.3	3.0	2.1	1.6	1.6	1.9	0.7	1.2	0.5	1.3	0.9	1.0	0.6	0.7	1.3	1.1	1.2	1.3	1.5	0.9
Belgium	1.1	1.2	1.2	1.1	0.9	0.9	1.0	1.8	1.2	1.1	1.0	0.7	0.7	0.7	1.5	0.8	0.9	0.7	0.7	0.7	0.7
Bulgaria	4.7	5.1	6.9	5.3	6.5	6.0	7.7	4.1	4.4	3.9	4.3	2.9	2.0	7.3	12.0	1.3	1.1	0.9	0.9	0.3	3.5
Czech Republic*	2.3	4.5	2.7	1.9	3.8	3.8	3.7	-5.6	-0.2	2.4	1.3	3.8	3.8	3.8	-0.5	2.3	1.9	-0.1	2.1	2.1	2.1
Denmark	2.1	1.7	2.0	1.2	1.6	1.7	1.1	-0.6	0.3	0.2	2.1	1.4	1.3	2.0	1.3	1.1	1.3	1.6	1.7	1.8	1.4
Germany	2.9	0.8	3.5	2.2	1.7	1.7	1.9	0.3	-0.1	1.1	1.4	1.3	1.2	1.6	-0.1	0.1	1.3	2.1	1.6	1.5	1.9
Estonia	7.8	6.6	7.0	5.5	4.9	5.1	4.1	2.2	5.1	6.6	1.8	8.3	8.6	7.4	6.6	7.4	7.1	5.8	5.7	6.0	5.0
Ireland	2.7	1.0	2.3	2.6	1.1	1.4	0.1	3.0	5.1	1.4	-4.4	-1.2	-2.6	11.8	2.2	0.9	0.4	-0.8	-0.6	2.0	-14.8
Greece*	-2.3	-2.8	3.3	3.5	-1.5	-0.6	-5.2	-21.0	-3.6	-0.2	9.8	9.3	11.9	0.8	-7.0	-2.1	-5.0	1.4	-1.8	-0.2	-7.4
Spain	0.3	-0.1	1.8	-0.3	0.8	0.3	2.3	-0.4	-0.1	-0.8	-0.1	-1.2	0.2	-4.6	-0.1	-0.1	1.2	-0.2	-0.6	0.3	-3.1
France	0.4	1.7	1.2	0.8	0.9	1.6	-0.7	0.2	1.7	0.4	-0.2	-0.2	0.7	-2.3	0.3	1.7	1.0	0.7	0.2	1.0	-1.5
Croatia*	0.8	-1.9	0.1	-0.9	-0.2	-0.2	-0.2	1.5	-4.1	0.9	0.5	-0.7	-0.7	-0.7	1.1	-1.9	0.1	0.6	0.0	0.0	0.0
Italy	2.3	-0.1	2.7	1.8	-0.3	-0.1	-0.9	2.5	3.4	0.5	3.3	-0.4	-0.3	-0.7	2.6	0.9	0.2	0.2	-0.3	-0.6	0.4
Cyprus	-3.9	0.5	2.6	-1.2	-1.6	-2.6	3.3	-6.7	-5.4	-2.2	-3.8	-2.7	-3.9	6.6	-5.3	-6.3	-2.6	-2.9	-2.0	-2.7	2.0
Latvia	5.9	5.1	5.8	5.5	4.9	6.7	-1.3	7.7	6.9	8.9	10.1	9.2	9.9	6.1	4.9	6.7	6.0	4.7	5.6	7.2	-0.4
Lithuania	5.3	2.7	5.0	2.8	5.9	6.6	4.1	13.7	4.3	5.9	3.7	4.7	3.5	7.2	5.0	4.6	5.3	3.9	5.6	6.6	3.2
Luxembourg	2.0	0.9	4.9	2.3	-1.1	-1.1	-1.7	2.6	0.0	3.4	2.7	-0.5	-0.4	-0.7	3.6	4.4	4.3	3.0	0.0	0.1	-0.9
Hungary	3.0	2.9	3.7	3.0	3.1	3.3	2.3	8.6	-2.6	-0.1	0.0	5.3	5.3	4.4	0.8	5.3	4.1	3.3	3.3	3.6	2.3
Malta	-0.8	-0.4	-0.8	-1.0	-2.2	-2.7	4.9	-0.9	2.0	4.7	-1.4	4.1	3.9	6.1	2.1	-1.2	1.8	0.8	2.4	2.5	0.5
Netherlands	2.5	1.3	1.5	3.3	c	c	c	0.4	-3.8	0.5	0.0	c	c	c	2.1	-0.7	0.2	1.8	c	c	c
Austria	3.0	1.7	3.0	3.2	3.2	3.7	1.6	2.0	2.1	5.4	5.8	5.7	5.9	5.2	2.0	2.5	4.9	1.0	3.1	3.0	3.3
Poland	3.7	5.2	6.2	3.6	5.5	4.3	11.0	7.7	3.2	6.2	4.2	0.0	-0.5	2.0	6.0	5.1	3.9	3.7	1.8	1.5	3.3
Portugal	-3.1	2.4	-1.7	-0.3	-4.6	-4.8	-3.7	1.5	2.1	-4.0	-6.1	-6.7	-6.8	-6.0	-5.1	4.4	-1.1	-1.4	-2.0	-2.1	-1.4
Romania	5.1	6.8	6.0	6.5	9.3	9.2	9.3	3.8	-1.8	-2.0	0.3	1.4	1.4	1.4	2.0	7.1	7.1	6.9	9.3	9.3	9.3
Slovenia	3.9	2.9	3.1	5.8	2.9	2.8	3.7	-2.0	-3.3	1.7	-2.8	2.0	1.8	2.8	2.0	3.3	3.1	0.6	0.4	0.2	1.1
Slovakia	3.2	1.3	4.5	5.4	6.2	6.0	6.5	-1.0	-7.9	-4.1	-3.9	0.2	0.9	-0.8	0.7	6.5	7.8	7.6	4.0	4.1	3.4
Finland	-0.6	0.8	4.2	0.8	-0.6	-1.3	0.3	2.9	1.6	0.6	3.5	0.7	0.6	0.9	1.4	2.1	2.9	-0.2	0.4	0.1	1.7
Sweden	1.0	3.0	3.3	3.4	3.4	3.1	4.0	1.7	2.8	2.9	2.6	2.3	2.5	1.6	1.9	3.0	3.0	2.8	2.8	2.8	2.9
United Kingdom	-0.2	1.6	3.6	3.3	1.6	1.1	4.3	1.3	2.4	-2.5	1.5	1.0	0.7	3.1	0.8	2.4	0.2	1.1	2.5	2.5	2.7

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

* Not working day adjusted

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TOT = total labour costs

WAG = wage and salary costs

OTH = non-wage costs