

Labour costs in the EU

Hourly labour costs ranged from €3.8 to €40.3 across the EU Member States in 2014

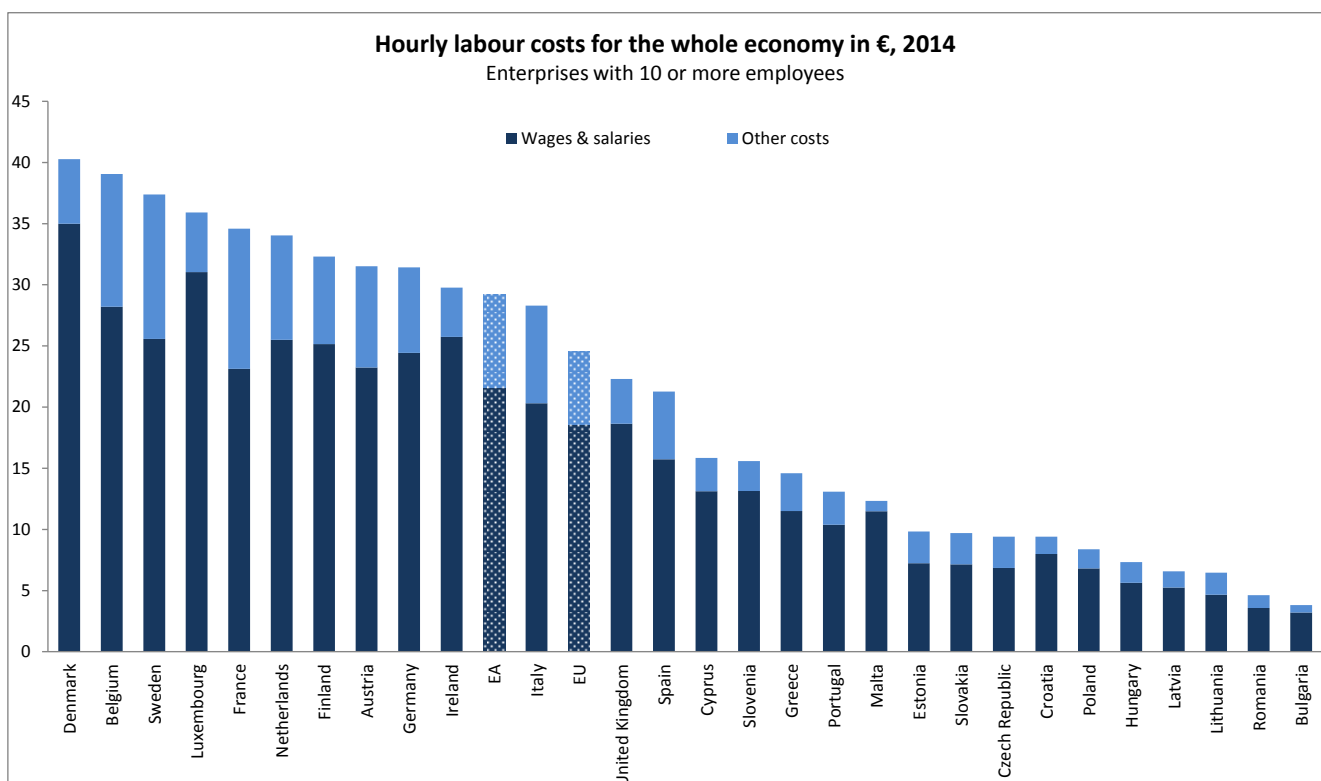
Lowest in Bulgaria, highest in Denmark

In 2014, average hourly labour costs¹ in the whole economy² (excluding agriculture and public administration) were estimated to be €24.6 in the **European Union**³ (EU) and €29.2 in the **euro area**³ (EA18). However, this average masks significant gaps between EU Member States, with the lowest hourly labour costs recorded in **Bulgaria** (€3.8), **Romania** (€4.6), **Lithuania** (€6.5) and **Latvia** (€6.6) and the highest in **Denmark** (€40.3), **Belgium** (€39.1), **Sweden** (€37.4) and **Luxembourg** (€35.9).

Within the business economy, labour costs per hour were highest in industry (€25.5 in the **EU** and €32.0 in the **euro area**), followed by services (€24.3 and €28.2 respectively) and construction (€22.0 and €25.8). In the mainly non-business economy (excluding public administration), labour costs per hour were €24.7 in the **EU** and €29.1 in the **euro area** in 2014.

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 24.4% in the **EU** and 26.1% in the **euro area**, with the lowest in **Malta** (6.9%) and **Denmark** (13.1%) and the highest in **Sweden** (31.6%) and **France** (33.1%).

These estimates for 2014 come from a publication⁴ issued by **Eurostat, the statistical office of the European Union**. Data cover enterprises with 10 or more employees and are based on the 2012 Labour Cost Survey and the Labour Cost Index⁵.



Decreases in hourly labour costs in Cyprus, Portugal, Croatia and Ireland

Between 2013 and 2014, hourly labour costs in the whole economy expressed in euro rose by 1.4% in the **EU** and by 1.1% in the **euro area**.

Within the euro area, the largest increases were recorded in **Estonia** (+6.6%), **Latvia** (+6.0%) and **Slovakia** (+5.2%). Decreases were observed in **Cyprus** (-2.8%), **Portugal** (-0.8%) and **Ireland** (-0.2%).

For Member States outside the euro area in 2014, and expressed in national currency, the largest increases in hourly labour costs in the whole economy between 2013 and 2014 were registered in **Romania** (+6.0%), **Lithuania** and **Poland** (both +3.5%) and **Hungary** (+3.3%), and the smallest in **Denmark** (+0.9%) and the **United Kingdom** (+1.3%). A decrease was recorded in **Croatia** (-0.8%). When comparing labour cost estimates over time, it should be noted that data for those Member States outside the euro area are influenced by exchange rate movements⁵ if analysed in euro.

1. 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 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, and can be subdivided into the following economic activities:
 - The business economy 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 further be broken down into:
 - Industry 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 accounts for around 6% of the whole economy.
 - Services 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) 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.
3. The 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.
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.
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 year for which data is available. Thus, this News Release with data for 2014 comments on EA18 series.
4. Eurostat, Statistics Explained article "**Hourly labour costs**" available on Eurostat's website:
http://ec.europa.eu/eurostat/statistics-explained/index.php/Hourly_labour_costs
See also the Statistics Explained article "**Labour cost index – recent trends**":
http://ec.europa.eu/eurostat/statistics-explained/index.php/Labour_cost_index_-_recent_trends
5. Hourly labour cost data for the years 2004, 2008 and 2012 comes from the Labour Cost Survey. Contrary to [Eurostat's news release 193/2014](#), apprentices are included in this news release which leads to some differences in some countries.
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 euros 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. Discrepancies between the growth rates derived from the 2013 and 2014 values and the growth rates reported in the table are due to rounding.
6. For France, the aggregate shown for the whole economy for 2008 also excludes NACE Rev. 2 section P (Education). For Denmark and Spain the year 2013 is taken from national sources.

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

	2004	2008	2012	2013	2014	Non-wage costs (% of total), 2014	Change 2014/2013, %
EA18	23.3	25.5	28.5	28.9	29.2	26.1%	1.1%
EA19	23.0	25.3	28.3	28.7	29.0	26.1%	1.1%
EU	19.8	21.5	23.9	24.2	24.6	24.4%	1.4%
Belgium	29.2	32.9	38.0	38.8	39.1	27.8%	0.8%
Bulgaria	1.6	2.6	3.4	3.7	3.8	16.0%	2.7%
Czech Republic	5.8	9.2	10.0	9.8	9.4	27.1%	-3.8%
Denmark ⁶	29.6	34.6	39.4	39.9	40.3	13.1%	0.9%
Germany	26.8	27.9	30.5	31.0	31.4	22.3%	1.5%
Estonia	4.3	7.9	8.6	9.2	9.8	26.3%	6.6%
Ireland	25.5	28.9	29.8	29.8	29.8	13.5%	-0.2%
Greece	15.3	16.8	15.7	14.6	14.6	21.2%	0.3%
Spain ⁶	16.5	19.4	21.1	21.2	21.3	26.0%	0.4%
France ⁶	28.2	31.2	34.3	34.3	34.6	33.1%	0.7%
Croatia	6.9	9.2	9.5	9.6	9.4	14.9%	-1.6%
Italy	22.4	25.2	27.7	28.1	28.3	28.2%	0.7%
Cyprus	12.6	16.7	16.8	16.3	15.8	17.1%	-2.8%
Latvia	2.9	6.0	5.9	6.2	6.6	20.2%	6.0%
Lithuania	3.2	5.9	5.9	6.3	6.5	28.0%	3.5%
Luxembourg	30.3	31.0	33.9	35.0	35.9	13.6%	2.5%
Hungary	5.9	7.8	7.4	7.4	7.3	23.2%	-0.5%
Malta	9.6	11.4	11.8	12.1	12.3	6.9%	1.9%
Netherlands	27.3	29.8	32.5	33.5	34.0	25.1%	1.6%
Austria	25.2	26.4	29.7	30.5	31.5	26.2%	3.2%
Poland	4.8	7.6	7.9	8.1	8.4	18.7%	3.8%
Portugal	11.3	12.2	13.3	13.2	13.1	20.6%	-0.8%
Romania	1.9	4.2	4.1	4.4	4.6	22.9%	5.5%
Slovenia	11.2	13.9	15.6	15.3	15.6	15.7%	1.8%
Slovakia	4.1	7.3	8.9	9.2	9.7	26.5%	5.2%
Finland	24.4	27.1	31.3	31.9	32.3	22.2%	1.3%
Sweden	29.0	31.6	37.3	38.2	37.4	31.6%	-2.2%
United Kingdom	21.5	20.9	21.7	20.9	22.3	16.5%	6.7%
Norway	30.1	37.8	56.4	56.3	54.0	18.1%	-4.2%

**Labour costs per hour in national currency for non-euro area countries in 2014
whole economy (excluding agriculture and public administration)**

		2004	2008	2012	2013	2014	Change 2014/2013, %
Bulgaria	BGN	3.1	5.0	6.7	7.3	7.5	2.6%
Czech Republic	CZK	183.6	228.3	251.0	253.8	259.0	2.0%
Denmark ⁶	DKK	220.0	257.7	293.0	297.7	300.3	0.9%
Croatia	HRK	51.8	66.2	71.3	72.3	71.7	-0.8%
Lithuania	LTL	10.9	20.3	20.3	21.6	22.3	3.5%
Hungary	HUF	1478.7	1971.0	2133.3	2188.8	2261.4	3.3%
Poland	PLN	21.5	26.8	32.9	33.9	35.1	3.5%
Romania	RON	7.7	15.5	18.5	19.4	20.6	6.0%
Sweden	SEK	264.7	304.2	324.3	330.8	340.1	2.8%
United Kingdom	GBP	14.6	16.7	17.6	17.8	18.0	1.3%
Norway	NOK	252.2	311.0	421.5	439.7	450.8	2.5%

Labour costs per hour in euro, breakdown by economic activity, 2014

	Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
EA18	29.2	32.0	25.8	28.2	29.1
EA19	29.0	31.8	25.6	28.0	28.9
EU	24.5	25.5	22.0	24.3	24.7
Belgium	41.1	44.1	34.4	40.6	34.1
Bulgaria	3.8	3.7	3.2	4.0	3.8
Czech Republic	9.6	9.6	8.7	9.8	8.6
Denmark ⁶	42.0	42.1	36.5	42.6	37.1
Germany	31.8	37.1	25.5	29.0	30.2
Estonia	10.2	9.8	11.5	10.4	8.6
Ireland	28.4	32.1	26.7	27.2	33.8
Greece	14.4	15.6	12.7	14.2	15.1
Spain ⁶	21.0	23.5	20.8	20.2	22.2
France	35.2	37.0	30.4	35.1	32.7
Croatia	9.4	8.5	8.3	10.0	9.6
Italy	27.4	28.0	24.7	27.2	32.3
Cyprus	15.7	14.8	14.4	16.1	17.7
Latvia	6.6	6.2	6.5	6.9	6.5
Lithuania	6.6	6.3	6.5	6.8	6.1
Luxembourg	35.7	32.0	24.8	38.6	37.4
Hungary	7.8	7.7	6.4	8.0	5.9
Malta	11.8	11.8	9.6	12.1	14.0
Netherlands	33.5	c	c	c	c
Austria	31.7	34.9	30.5	30.3	30.6
Poland	8.2	8.4	7.2	8.1	9.0
Portugal	12.6	10.7	11.5	14.0	14.4
Romania	4.8	4.7	3.4	5.1	4.1
Slovenia	15.5	15.8	11.6	16.1	15.7
Slovakia	10.0	10.1	8.2	10.2	8.7
Finland	32.9	35.9	33.7	31.4	31.0
Sweden	40.2	41.8	38.4	39.7	32.8
United Kingdom	22.2	22.6	22.3	22.1	22.5
Norway	54.6	63.8	46.9	51.7	51.1

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Labour costs per hour in national currency for non-euro area countries in 2014, breakdown by economic activity, 2014

		Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
Bulgaria	BGN	7.5	7.1	6.2	7.9	7.5
Czech Republic	CZK	264.1	263.3	239.1	269.4	237.6
Denmark ⁶	DKK	313.3	314.1	271.7	317.9	276.7
Croatia	HRK	71.4	65.1	63.6	76.5	73.2
Lithuania	LTL	22.7	21.8	22.5	23.3	21.2
Hungary	HUF	2416.5	2384.5	1985.1	2483.6	1821.1
Poland	PLN	34.2	35.2	30.3	34.1	37.8
Romania	RON	21.1	21.0	15.1	22.6	18.1
Sweden	SEK	365.8	380.7	349.3	361.2	298.7
United Kingdom	GBP	17.9	18.2	18.0	17.8	18.1
Norway	NOK	456.2	532.9	391.8	431.7	427.0