

54/2013 - 10 April 2013

Labour costs in the EU27

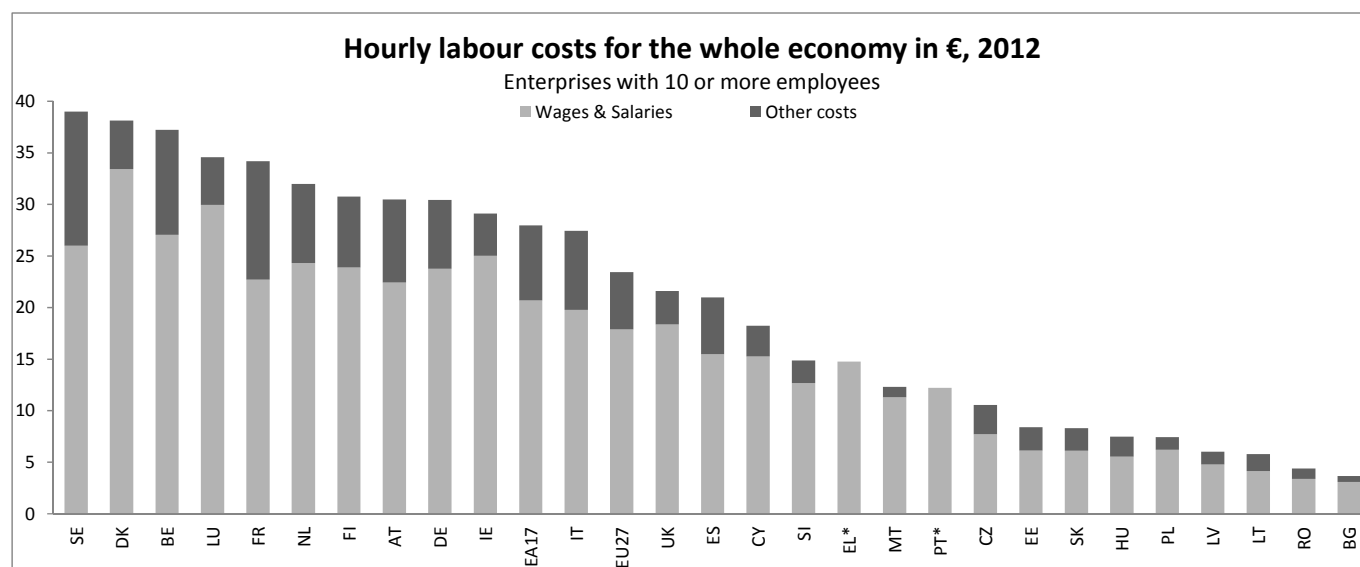
Hourly labour costs ranged from €3.7 to €39.0 across the EU27 Member States in 2012

In 2012, average hourly labour costs¹ in the whole economy² (excluding agriculture and public administration) were estimated to be €23.4 in the **EU27**³ and €28.0 in the **euro area**³ (EA17). However, this average masks significant differences between EU Member States, with hourly labour costs ranging from €3.7 in **Bulgaria**, €4.4 in **Romania**, €5.8 in **Lithuania** and €6.0 in **Latvia**, to €39.0 in **Sweden**, €38.1 in **Denmark**, €37.2 in **Belgium**, €34.6 in **Luxembourg** and €34.2 in **France**. When comparing labour cost estimates in euro over time, it should be noted that data for those Member States outside the euro area are influenced by exchange rate movements⁴.

Within the business economy, labour costs per hour were highest in industry (€24.2 in the **EU27** and €30.3 in the **euro area**), followed by services (€23.7 and €27.6 respectively) and construction (€21.0 and €24.3). In the mainly non-business economy (excluding public administration), labour costs per hour were €22.9 in the **EU27** and €27.2 in the **euro area**.

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 23.7% in the **EU27** and 26.1% in the **euro area**, varying between 8.2% in **Malta** and 33.6% in **France**.

These preliminary estimates for 2012, published by **Eurostat, the statistical office of the European Union**, cover enterprises with 10 or more employees and are based on the 2008 Labour Cost Survey and the Labour Cost Index⁵.



* Based on a Eurostat estimate for the 4th quarter of 2012. Only the total level is estimated.

Growth in labour costs

Between 2008 and 2012, hourly labour costs in the whole economy expressed in euro have risen by 8.6% in the **EU27** and by 8.7% in the **euro area**.

Within the euro area, the largest increases were recorded in **Austria** (+15.5%), **Slovakia** (+13.8%), **Finland** (+13.7%) and **Belgium** (+13.1%), and the smallest in **Portugal** (+0.4%) and **Ireland** (+0.8%). The only decrease was observed in **Greece** (-11.2%).

For Member States outside the euro area, and expressed in national currency, the largest increases in hourly labour costs in the whole economy between 2008 and 2012 were registered in **Bulgaria** (+42.6%) and **Romania** (+26.7%), and the smallest in **Latvia** (+1.3%) and the **United Kingdom** (+5.2%). The only decrease was observed in **Lithuania** (-1.4%).

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 EU27 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 23% of the total.
 - Construction accounts for around 7% of the total.
 - 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 47% of the total.
 - The mainly non-business economy (except public administration) includes NACE Rev. 2 sections P to S; for the EU27 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 EU27 includes Belgium (BE), Bulgaria (BG), the Czech Republic (CZ), Denmark (DK), Germany (DE), Estonia (EE), Ireland (IE), Greece (EL), Spain (ES), France (FR), 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).
The euro area (EA17) includes Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.
4. See Statistics Explained article for more details at the following link:
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Hourly_labour_costs
5. Estimates for years after 2008 are obtained by extrapolating the 2008 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 2008 and 2012 values and the growth rates reported in the table are due to rounding.
Additional information is available at:
http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Labour_cost_index_-_recent_trends
6. For France, the aggregate shown for the whole economy also excludes NACE Rev. 2 section P (Education). For Portugal and Greece, values for 2012 are estimated based on the LCI for 2012 Q1-Q3 and Eurostat estimates based on national accounts data for Q4. For Romania and Spain, the values for the years 2009 – 2011 are taken from national sources.

Issued by: **Eurostat Press Office**

Louise CORSELLI-NORDBLAD
Tel: +352-4301-33 444
eurostat-pressoffice@ec.europa.eu

For further information on data:

Sammy LAURITSEN
Tel: +352-4301-35 742
estat-labour-cost-indices@ec.europa.eu

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

	2008	2009	2010	2011	2012		Change 2012/2008, %
					€	Non-wage costs (% of total)	
EU27	21.6	22.1	22.5	23.0	23.4	23.7%	8.6%
EA17	25.7	26.4	26.9	27.5	28.0	26.1%	8.7%
Belgium	32.9	34.2	35.3	36.3	37.2	27.4%	13.1%
Bulgaria	2.6	2.9	3.2	3.4	3.7	15.7%	42.6%
Czech Republic	9.2	9.1	9.8	10.4	10.6	27.0%	15.3%
Denmark	34.4	35.6	36.7	37.5	38.1	12.4%	10.9%
Germany	27.9	28.6	28.8	29.6	30.4	21.9%	9.1%
Estonia	7.8	7.7	7.6	7.9	8.4	26.9%	7.0%
Ireland	28.9	29.3	28.9	28.7	29.1	14.1%	0.8%
Greece⁶	16.7	17.1	17.0	16.2	14.9	:	-11.2%
Spain⁶	19.4	20.5	20.7	21.2	21.0	26.3%	8.3%
France⁶	31.2	31.6	32.5	33.6	34.2	33.6%	9.5%
Italy	25.2	26.1	26.7	27.1	27.4	27.9%	8.9%
Cyprus	16.7	17.4	17.7	18.0	18.2	16.3%	9.1%
Latvia	5.9	5.8	5.5	5.7	6.0	20.5%	2.1%
Lithuania	5.9	5.6	5.4	5.5	5.8	28.3%	-1.4%
Luxembourg	31.0	32.2	32.9	33.9	34.6	13.4%	11.7%
Hungary	7.8	7.1	7.0	7.3	7.5	25.9%	-4.6%
Malta	11.3	11.6	12.0	12.1	12.3	8.2%	9.3%
Netherlands	29.8	30.4	31.1	31.7	32.0	23.9%	7.5%
Austria	26.4	27.6	28.0	29.0	30.5	26.4%	15.5%
Poland	7.6	6.6	7.2	7.3	7.4	16.7%	-2.6%
Portugal⁶	12.2	12.4	12.4	12.4	12.2	:	0.4%
Romania⁶	4.2	4.0	4.1	4.2	4.4	23.1%	4.6%
Slovenia	13.9	14.4	14.6	14.9	14.9	14.7%	6.9%
Slovakia	7.3	7.6	7.7	8.1	8.3	26.6%	13.8%
Finland	27.1	28.2	28.8	29.5	30.8	22.3%	13.7%
Sweden	31.6	29.5	33.6	36.4	39.0	33.3%	23.3%
United Kingdom	20.9	18.8	20.0	20.1	21.6	15.1%	3.3%
Norway	37.8	37.0	41.5	44.3	48.3	19.0%	27.7%

: Data not available

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

		2008	2009	2010	2011	2012	Change 2012/2008, %
Bulgaria	BGN	5.0	5.7	6.2	6.7	7.1	42.6%
Czech Republic	CZK	228.3	241.0	247.1	256.7	265.4	16.3%
Denmark	DKK	256.3	265.4	273.2	279.1	283.9	10.8%
Latvia	LVL	4.1	4.1	3.9	4.0	4.2	1.3%
Lithuania	LTL	20.3	19.5	18.5	19.1	20.0	-1.4%
Hungary	HUF	1 971.0	1 990.6	1 941.6	2 034.8	2 162.3	9.7%
Poland	PLN	26.8	28.4	28.8	30.2	31.1	16.1%
Romania⁶	ROL	15.5	17.2	17.4	17.7	19.6	26.7%
Sweden	SEK	304.2	313.5	320.2	328.7	339.4	11.6%
United Kingdom	GBP	16.7	16.7	17.1	17.4	17.5	5.2%
Norway	NOK	311.0	322.5	332.3	345.5	361.0	16.1%

Labour costs per hour in euro, breakdown by economic activity in 2012

	Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
EU27	23.6	24.2	21.0	23.7	22.9
EA17	28.2	30.3	24.3	27.6	27.2
Belgium	40.5	42.7	32.9	40.4	30.4
Bulgaria	3.7	3.3	2.9	4.2	3.4
Czech Republic	10.7	10.4	9.8	11.2	9.9
Denmark	39.2	38.0	35.0	40.5	35.8
Germany	31.0	35.4	24.7	28.4	28.4
Estonia	8.6	8.4	9.1	8.8	7.6
Ireland	27.4	29.6	27.3	26.6	35.3
Greece ⁶	:	:	:	:	:
Spain ⁶	20.8	23.0	20.2	20.1	21.9
France ⁶	34.9	36.6	30.7	34.7	:
Italy	27.2	27.3	25.6	27.3	28.9
Cyprus	16.7	15.4	15.5	17.3	28.3
Latvia	6.2	5.9	5.6	6.5	5.2
Lithuania	5.8	5.7	5.1	5.9	5.9
Luxembourg	34.4	30.7	22.9	37.8	36.1
Hungary	7.9	8.0	5.9	8.0	6.0
Malta	12.0	12.2	8.4	12.5	13.1
Netherlands	31.3	c	c	c	c
Austria	30.4	32.9	29.3	29.2	31.2
Poland	7.2	7.4	6.3	7.2	8.4
Portugal ⁶	:	:	:	:	:
Romania ⁶	4.5	4.4	3.6	5.0	3.9
Slovenia	14.5	14.6	11.7	15.3	16.7
Slovakia	8.6	8.8	8.2	8.5	7.3
Finland	31.1	33.5	31.9	29.5	29.9
Sweden	41.9	44.0	37.4	41.7	33.5
United Kingdom	21.9	23.3	24.4	21.3	20.8
Norway	48.2	54.9	38.9	47.0	49.2

: Data not available c confidential

Labour costs per hour in national currency for non-euro area Member States, breakdown by economic activity in 2012

		Business economy	Industry	Construction	Services	Mainly non-business (excl. public admin.)
Bulgaria	BGN	7.3	6.5	5.8	8.2	6.7
Czech Republic	CZK	268.8	261.4	247.0	281.4	249.8
Denmark	DKK	291.9	282.5	260.2	301.8	266.3
Latvia	LVL	4.4	4.1	3.9	4.6	3.6
Lithuania	LTL	19.9	19.7	17.6	20.5	20.3
Hungary	HUF	2 283.8	2 313.9	1 719.6	2 326.2	1 729.3
Poland	PLN	30.2	30.9	26.4	30.2	35.3
Romania ⁶	ROL	20.2	19.6	16.1	22.1	17.4
Sweden	SEK	365.1	382.7	325.5	362.7	291.3
United Kingdom	GBP	17.8	18.9	19.8	17.3	16.9
Norway	NOK	360.1	410.4	290.8	351.4	367.9