

Fourth quarter 2011 compared with fourth quarter 2010

Euro area hourly labour costs rose by 2.8%

Up by 2.7% in EU27

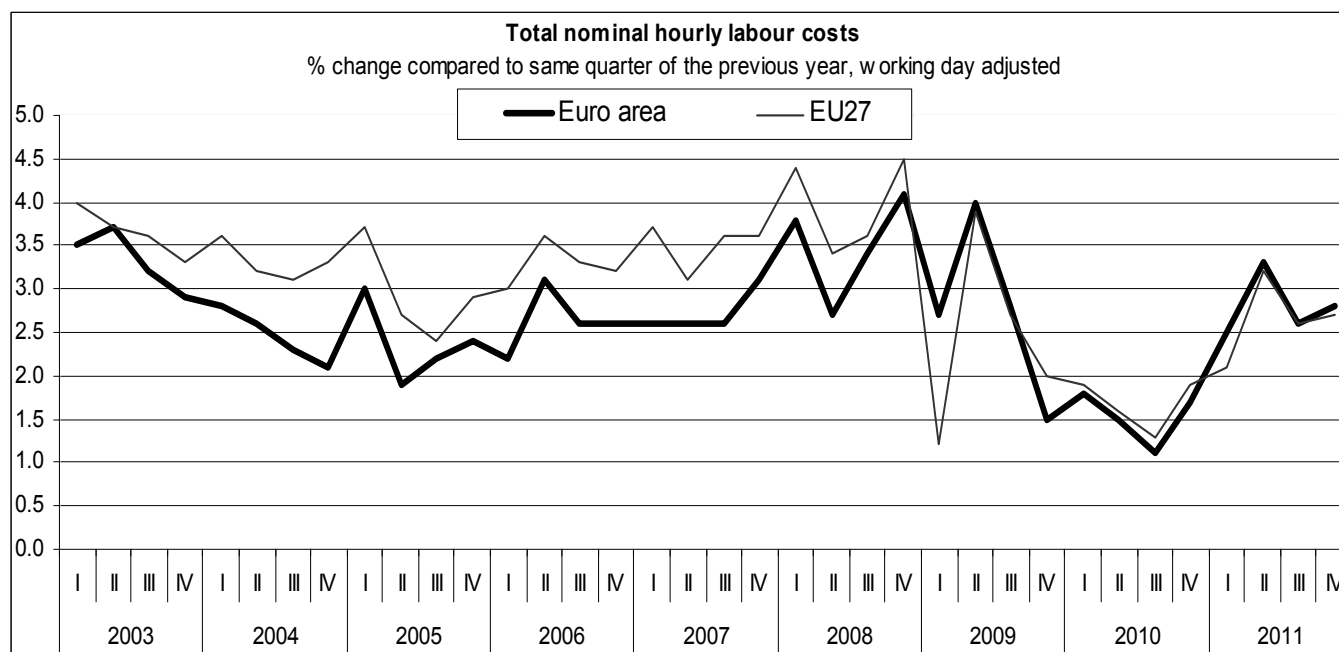
Hourly labour costs in the **euro area**¹ (EA17) rose by 2.8% in the year up to the fourth quarter of 2011, compared with 2.6% for the previous quarter². In the **EU27**¹, the annual rise was 2.7% up to the fourth quarter of 2011, compared with 2.6% for the previous quarter².

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 2.5% in the year up to the fourth quarter of 2011, and the non-wage component by 3.5%, compared with 2.4% and 3.1% respectively for the third quarter of 2011. In the **EU27**, hourly wages & salaries rose by 2.6% and the non-wage component by 3.5% in the year up to the fourth quarter of 2011, compared with 2.5% and 3.2% respectively for the third quarter of 2011.

The breakdown by economic activity shows that in the **euro area** hourly labour costs rose by 3.3% in industry and 2.6% in both construction and services in the year up to the fourth quarter of 2011. In the **EU27**, labour costs per hour grew by 3.2% in industry, 2.7% in construction and 2.5% in services.

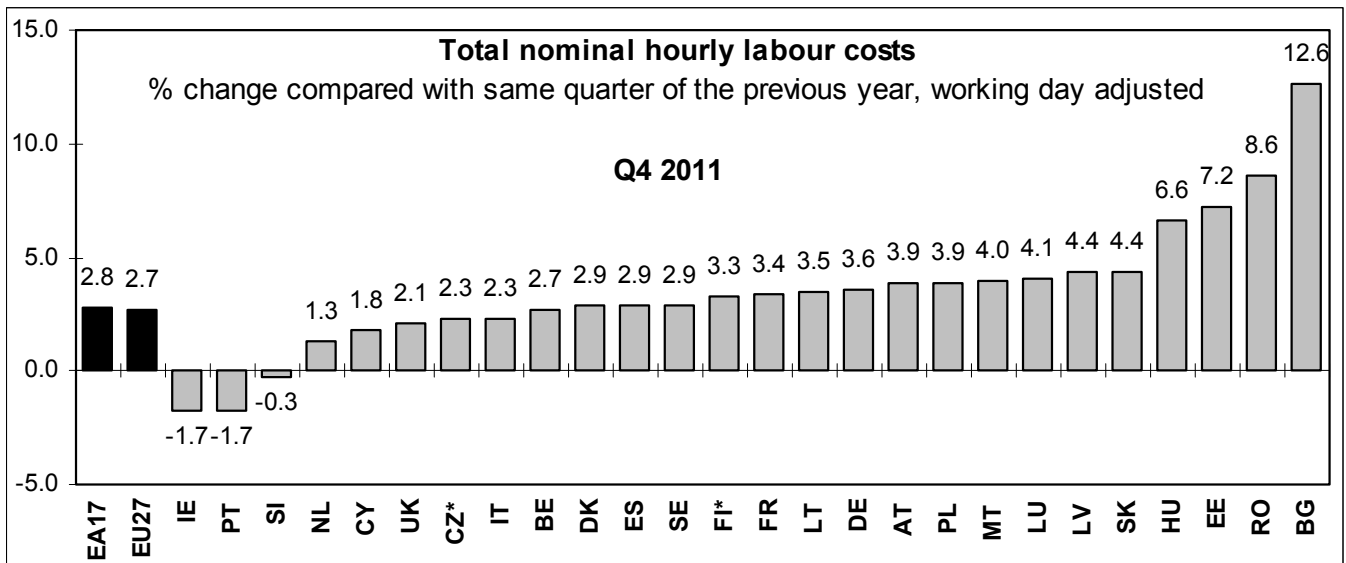
Over the whole year 2011, hourly labour costs increased by 2.8% in the **euro area** and by 2.7% in the **EU27**, compared with 1.5% and 1.7% respectively in 2010.

These figures are published by **Eurostat, the statistical office of the European Union**.



Member States

Among the Member States for which data are available for the fourth quarter of 2011, the highest annual increases in hourly labour costs were registered in **Bulgaria** (+12.6%), **Romania** (+8.6%), **Estonia** (+7.2%) and **Hungary** (+6.6%). Decreases were recorded in **Ireland** and **Portugal** (both -1.7%) and **Slovenia** (-0.3%).



* Not working day adjusted

1. The euro area (EA17) consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.
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).
2. Compared with News Release 191/2011 of 16 December 2011, data for the third quarter of 2011 have been revised from +2.7% to +2.6% for the euro area (EA17) and remain unchanged at +2.6% for the EU27.

Labour Cost Index

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 by the number of hours worked, therefore the development of both variables, labour costs and hours worked, affect the evolution of the index. The quarterly changes in hourly employers' costs are measured for the total labour costs and the main components, namely wages and salaries on one hand, and labour costs other than wages and salaries (non-wage costs) on the other hand.

Total Labour Costs (TOT) cover wage and non-wage costs less subsidies. It does not include vocational training costs or other expenditures such as recruitment costs, spending on working clothes, etc.

Wage and salary costs (WAG) 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.

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.

The labour cost index covers the following economic activities:

- Industry (NACE Rev. 2 sectors B to E); B Mining and quarrying, C Manufacturing, D Electricity, gas, steam and air conditioning supply, E Water supply; sewerage, waste management and remediation activities.
- Construction (NACE Rev. 2 sector F).
- Services (NACE Rev. 2 sectors G to N); G Wholesale and retail trade, repair of motor vehicles and motorcycles, H Transportation and storage, I Accommodation and food service activities, J Information and communication, K Financial and insurance activities, L Real estate activities, M Professional, scientific and technical activities, N Administrative and support service activities.

Data in the tables are shown as percentage changes compared to the same quarter a year earlier. To eliminate the effects of varying numbers of working days in the same quarters of different years (Easter and other moving holidays) these changes are presented in working day adjusted form. Indices are based on Regulation (EC) No 450/2003 of the European Parliament and of the Council concerning the European Union Labour Cost Index.

The data should not be considered as final as indices transmitted by Member States may be revised at a later date, in which case aggregates are recalculated.

Additional NACE Rev.2 economic activities, index levels and quarterly changes are available on the Eurostat internet site.

Other information

Hungary: The source data relates to private enterprises employing at least 5 persons and government organizations of all size classes.

Related statistical domains

Information on other earnings and labour cost indicators can be found on the Eurostat internet site under: Statistics Database / Population and social conditions / Labour market / Labour costs.

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Selected Principal European Economic Indicators: <http://ec.europa.eu/eurostat/euroindicators>

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

	Total (NACE Rev.2 sections B to N)														
	Q4 2010			Q1 2011			Q2 2011			Q3 2011			Q4 2011		
	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER
EA17	1.7	1.6	2.0	2.5	2.2	3.4	3.3	3.1	3.8	2.6	2.4	3.1	2.8	2.5	3.5
EU27	1.9	2.0	1.6	2.1	1.8	3.2	3.2	3.1	3.8	2.6	2.5	3.2	2.7	2.6	3.5
BE	3.2	3.2	3.2	3.3	3.2	3.6	2.8	3.1	2.2	2.5	2.4	2.6	2.7p	2.6p	2.7p
BG	7.6p	9.2p	0.8p	8.0p	8.3p	6.7p	12.3p	12.3p	13.1p	9.8p	10.0p	9.0p	12.6p	12.5p	12.7p
CZ*	3.7	3.5	4.2	3.0	3.0	3.0	4.3	4.3	4.2	5.2	5.2	5.2	2.3	2.3	2.4
DK	3.2	5.4	-8.2	3.1	3.4	1.5	2.5	2.7	1.9	2.5	2.6	2.1	2.9	3.0	2.4
DE	1.2	1.3	0.9	2.4	2.0	3.9	4.6	4.5	4.7	3.0	3.1	2.4	3.6	3.7	3.4
EE	1.3	1.8	0.3	1.9	2.4	1.3	4.5	4.6	3.9	4.9	4.8	4.9	7.2	7.3	7.0
IE	-1.1	-0.6	0.0	-1.3	-2.2	2.6	-2.6	-3.4	7.0	-1.0	-0.4	-1.2	-1.7	-1.9p	-3.1p
EL	-6.5	-5.5	-10.2	-6.8	-6.2	-8.7	-3.7	-3.0	-7.0	-7.5	-6.0	-12.5	:	:	:
ES	0.7p	0.9p	-0.3p	1.8p	2.3p	0.9p	2.6p	2.4p	3.0p	3.8p	3.4p	4.9p	2.9p	2.3p	4.2p
FR	3.0p	2.5p	3.9p	3.7p	3.3p	4.6p	3.4p	2.9p	4.5p	3.1p	2.5p	4.4p	3.4p	2.6p	5.1p
IT	1.0	1.0	0.9	2.4	2.3	2.6	2.0	1.9	2.4	1.8	1.5	2.6	2.3	2.2	2.7
CY	2.6	2.6	3.1	1.3	1.2	1.3	2.6	2.6	2.7	1.2	1.1	1.6	1.8p	1.7p	2.0p
LV	0.4p	1.4p	-3.2p	1.9p	2.0p	1.8p	3.3p	3.7p	1.6p	3.5p	4.2p	0.7p	4.4p	4.7p	3.5p
LT	0.5	1.0	-0.7	1.7	1.9	1.4	3.1	3.2	2.9	2.9	3.1	2.3	3.5	4.2	1.9
LU	3.9	4.1	3.2	2.4	2.8	0.5	2.8	3.0	2.1	2.3	2.4	1.5	4.1	4.1	4.0
HU	-1.1p	1.3p	-8.2p	5.6p	5.8p	5.4p	5.3p	5.1p	4.8p	4.1p	4.3p	3.9p	6.6p	6.5p	6.7p
MT	0.3p	0.4p	-0.1p	2.8p	2.9p	1.3p	3.6p	3.7p	3.2p	3.7p	3.7p	3.1p	4.0p	4.1p	3.3p
NL	3.9p	3.2p	6.7p	3.1p	2.6p	4.9p	2.0p	1.7p	3.2p	2.1p	1.7p	3.8p	1.3p	0.9p	3.0p
AT	2.8	2.6	3.4	3.0	2.9	3.0	4.0	4.0	4.0	5.0	5.1	4.7	3.9p	4.0p	3.6p
PL	0.7	4.0	-11.0	3.5	3.5	3.5	4.6	4.6	4.5	5.4	5.4	5.5	3.9	3.9	4.0
PT	4.2p	4.1p	4.4p	0.8p	0.3p	2.6p	-0.8p	-0.9p	-0.2p	0.8p	0.6p	1.2p	-1.7p	-1.7p	-1.8p
RO	4.7p	5.4p	2.1p	4.5p	4.5p	4.5p	7.1p	7.2p	7.1p	7.9p	7.9p	7.8p	8.6p	8.6p	8.6p
SI	4.5p	4.4p	5.1p	2.7p	2.7p	2.2p	4.3p	4.2p	4.6p	2.0p	2.4p	-0.6p	-0.3p	0.3p	-4.2p
SK	4.0p	4.2p	3.6p	3.8p	3.3p	5.5p	6.5p	5.9p	8.5p	7.1p	6.7p	8.7p	4.4p	3.8p	6.4p
FI*	1.2p	1.5p	-0.0p	2.1p	2.0p	2.4p	2.6p	2.5p	3.1p	2.4p	2.2p	3.2p	3.3p	3.0p	4.3p
SE	1.8	2.1	1.3	2.1p	1.7p	2.9p	3.2p	2.9p	4.0p	2.9p	2.5p	3.6p	2.9p	2.6p	3.8p
UK	2.0	2.3	2.2	-0.5	-0.9	0.5	2.8	2.7	3.5	1.8	1.9	3.2	2.1p	2.2p	2.8p
NO	3.2p	3.0p	3.6p	4.4p	4.5p	4.1p	4.1p	4.2p	3.6p	3.9p	4.1p	3.4p	3.4p	3.5p	3.1p

p Provisional
: Data not available
* Not working day adjusted
TOTAL = total labour costs

WAGES = wage and salary costs

OTHER = non-wage costs

Nominal hourly labour costs by main economic activity branches
 % 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)							
	Q4/10	Q1/11	Q2/11	Q3/11	Q4 2011			Q4/10	Q1/11	Q2/11	Q3/11	Q4 2011			Q4/10	Q1/11	Q2/11	Q3/11	Q4 2011		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
EA17	1.3	2.4	4.2	2.7	3.3	3.2	3.8	1.4	1.9	2.6	2.3	2.6	2.2	3.9	1.9	2.6	2.9	2.6	2.6	2.3	3.3
EU27	1.7	2.0	4.1	2.8	3.2	3.1	3.7	1.5	1.7	2.5	2.2	2.7	2.2	4.1	2.0	2.2	2.9	2.6	2.5	2.4	3.2
BE	3.7	3.0	2.6	2.5	3.1p	3.2p	2.9p	2.4	3.4	3.8	3.2	3.2p	3.2p	3.7p	3.2	3.4	2.7	2.5	2.4p	2.4p	2.5p
BG	7.8p	4.5p	9.1p	7.2p	6.6p	6.5p	6.0p	3.5p	3.8p	6.4p	5.3p	9.6p	9.9p	8.8p	8.1p	11.5p	15.3p	12.2p	17.4p	17.1p	18.6p
CZ*	3.8	3.6	5.8	6.0	3.0	3.0	3.1	6.0	0.2	-1.3	1.1	-1.0	-1.0	-1.0	3.2	2.9	3.9	5.3	2.4	2.4	2.4
DK	2.4	3.4	2.7	2.7	3.2	3.2	3.2	5.7	0.7	0.5	0.5	1.0	0.8	1.8	3.1	3.4	2.8	2.7	3.1	3.3	2.2
DE	0.9	2.6	5.9	3.7	4.5	4.3	5.2	0.8	-0.1	3.1	2.8	4.1	4.3	3.5	1.5	2.6	3.8	2.5	2.9	3.1	2.0
EE	1.2	3.7	3.9	4.9	6.1	6.5	5.6	3.9	-4.2	1.9	0.9	4.9	4.7	5.4	1.0	2.2	5.2	5.6	8.3	8.4	8.1
IE	-3.8	-1.2	-4.2	-4.0	0.9	-0.9p	5.9p	-1.1	-8.6	-4.1	-2.3	-12.5	-12.2p	-16.6p	-0.2	0.1	-1.8	0.3	-0.5	-0.2p	-3.7p
EL	-6.2	-6.2	-3.6	-8.1	:	:	:	-7.6	-1.5	1.5	-8.7	:	:	:	-6.3	-7.4	-4.4	-7.0	:	:	:
ES	1.0p	0.1p	1.1p	2.8p	2.2p	2.7p	0.5p	0.4p	3.0p	3.0p	3.8p	4.7p	3.8p	7.0p	0.8p	2.1p	3.2p	4.2p	3.0p	1.9p	5.1p
FR	3.7p	3.8p	4.4p	3.3p	3.4p	2.7p	4.8p	2.6p	4.7p	3.1p	2.0p	3.9p	3.1p	6.0p	2.7p	3.5p	3.1p	3.1p	3.4p	2.6p	5.0p
IT	-0.5	1.9	4.0	2.0	2.6	2.5	2.8	3.4	4.2	0.9	2.8	2.0	1.9	2.1	1.7	2.4	1.2	1.5	2.1	2.0	2.6
CY	2.2	1.4	4.8	0.8	2.3p	2.2p	2.7p	4.1	2.0	2.5	2.5	1.0p	1.0p	1.0p	2.4	1.1	2.2	1.1	1.7p	1.7p	1.9p
LV	2.4p	4.1p	5.0p	4.6p	4.1p	4.3p	3.7p	-6.4p	-2.9p	3.0p	4.9p	5.2p	5.8p	2.9p	1.1p	2.4p	2.6p	2.6p	4.4p	4.7p	3.5p
LT	3.3	0.6	2.5	2.3	1.3	3.8	-5.3	-4.8	-2.9	1.0	3.7	3.6	4.3	2.0	0.0	3.0	3.7	3.0	4.6	4.4	5.1
LU	1.5	3.2	-1.5	2.7	4.2	4.5	2.3	2.8	-1.7	0.6	0.9	1.1	3.2	-11.8	4.4	2.8	3.9	2.5	4.5	4.1	7.4
HU	2.1p	6.1p	6.1p	5.5p	5.9p	5.4p	6.3p	-3.3p	0.3p	4.1p	3.7p	3.7p	3.5p	4.5p	-3.3p	5.9p	4.8p	3.2p	7.5p	7.7p	7.1p
MT	-2.2p	4.1p	6.1p	6.8p	7.2p	7.2p	7.2p	-2.8p	2.8p	1.5p	-1.0p	-2.3p	-2.1p	-3.6p	1.8p	2.3p	2.8p	2.8p	3.3p	3.4p	2.5p
NL	3.1p	3.0p	0.6p	1.8p	c	c	c	2.3p	-1.3p	1.2p	1.6p	c	c	c	4.4p	3.7p	2.5p	2.3p	c	c	c
AT	1.4	2.3	2.4	2.3	2.1p	2.4p	1.2p	2.8	0.0	1.6	2.2	0.5p	0.5p	0.2p	3.5	3.8	5.1	6.9	5.5p	5.4p	5.5p
PL	2.0	3.6	7.0	4.4	5.0	5.0	5.3	-0.2	-0.3	3.0	8.3	2.8	2.8	2.6	-0.3	4.1	2.9	5.8	3.2	3.2	3.3
PT	5.6p	0.6p	-1.0p	-1.6p	0.2p	0.2p	0.3p	6.0p	4.2p	3.9p	5.8p	-3.9p	-3.5p	-5.2p	3.0p	0.3p	-1.5p	1.6p	-2.6p	-2.6p	-2.6p
RO	5.2p	4.5p	7.3p	7.5p	8.4p	8.4p	8.3p	-0.0p	0.1p	5.4p	6.7p	8.1p	8.1p	8.1p	5.2p	5.3p	7.3p	8.3p	8.8p	8.8p	8.8p
SI	4.1p	3.0p	3.6p	0.9p	1.9p	2.5p	-1.5p	6.6p	5.6p	5.5p	3.9p	-2.9p	-2.4p	-6.1p	4.5p	2.1p	4.5p	2.4p	-1.5p	-0.8p	-5.7p
SK	3.3p	4.2p	6.6p	9.5p	6.7p	6.0p	8.5p	10.1p	2.6p	3.8p	6.0p	10.6p	10.1p	12.3p	4.0p	3.7p	6.8p	5.5p	1.9p	1.2p	3.9p
FI*	1.0p	1.7p	2.9p	1.3p	3.5p	3.3p	4.1p	1.4p	-2.1p	-1.4p	1.3p	1.9p	1.8p	2.2p	1.1p	3.0p	2.8p	3.4p	3.3p	3.0p	4.8p
SE	1.9	2.8p	3.1p	2.8p	2.6p	2.3p	3.4p	-0.7	2.7p	3.6p	3.7p	4.1p	3.7p	5.1p	2.2	1.7p	3.2p	2.7p	2.9p	2.5p	3.8p
UK	3.7	-2.5	2.7	1.8	1.6p	1.7p	1.2p	1.5	0.6	2.6	0.4	3.2p	2.6p	7.8p	1.7	-0.1	2.8	2.0	2.1p	2.3p	2.9p
NO	3.7p	4.5p	3.6p	3.1p	1.9p	1.8p	2.3p	1.6p	1.5p	1.0p	4.3p	2.9p	3.0p	2.7p	3.3p	4.9p	5.0p	4.3p	4.2p	4.4p	3.6p

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OTH = non-wage costs