

Third quarter 2009 compared with third quarter 2008

Euro area hourly labour costs rose by 3.2%

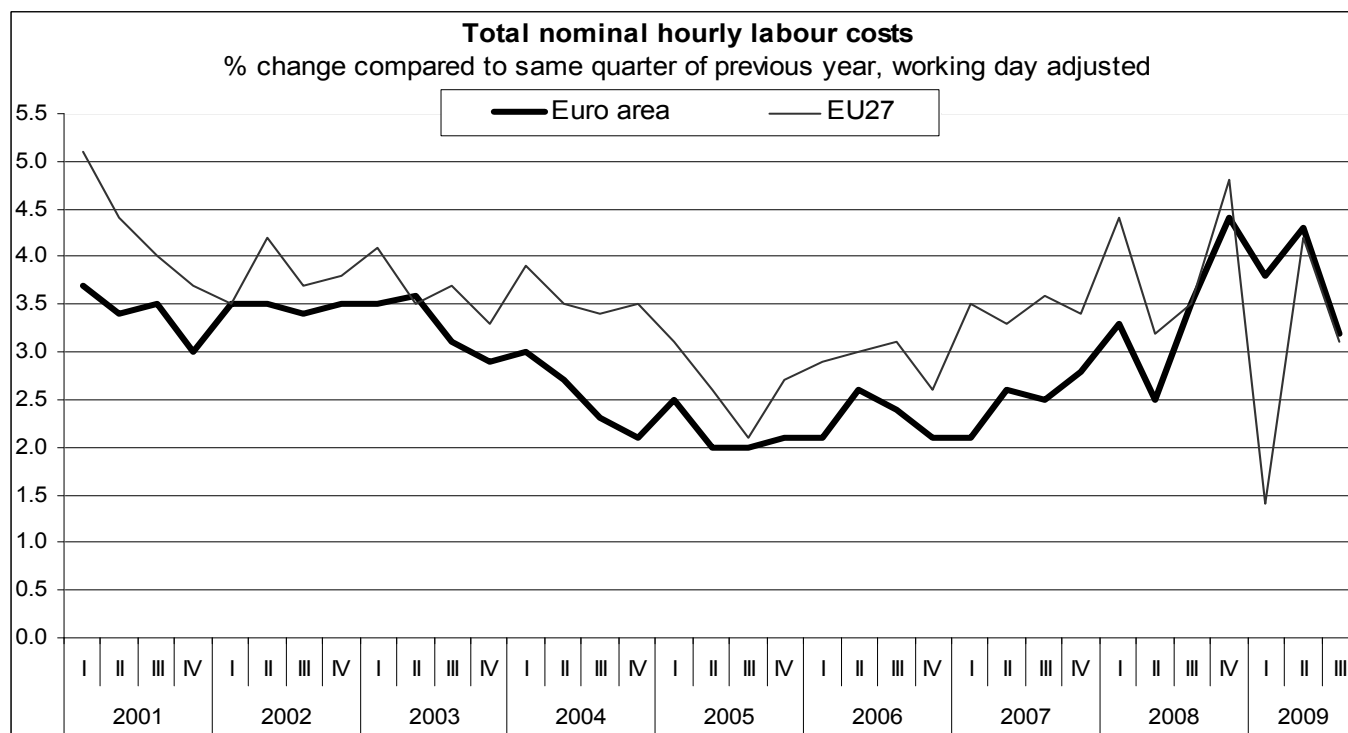
EU27 up by 3.1%

Hourly labour costs in the **euro area**¹ (EA16) rose by 3.2% in the year up to the third quarter of 2009, compared with 4.3% for the previous quarter². In the **EU27**¹, the annual rise was 3.1% up to the third quarter of 2009, compared with 4.2% 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 3.1% in the year up to the third quarter of 2009, and the non-wage component by 3.6%, compared with 4.2% and 4.6% respectively for the second quarter of 2009. In the **EU27**, hourly wages & salaries rose by 2.9% and the non-wage component by 3.6%, compared with 4.1% for both components for the previous quarter.

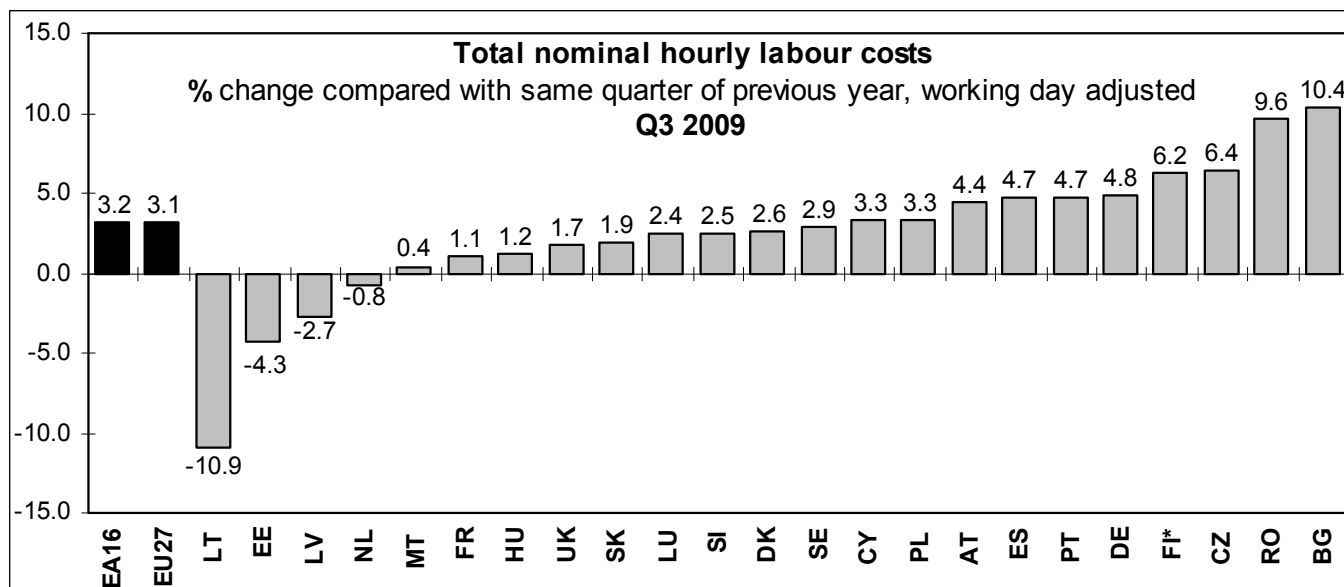
The breakdown by economic activity shows that in the **euro area** hourly labour costs rose by 5.4% in industry, 2.9% in construction and 2.0% in services in the year up to the third quarter of 2009. In the **EU27**, labour costs per hour grew by 4.9% in industry and by 2.3% in both construction and services.

These figures are published by **Eurostat, the Statistical Office of the European Communities**.



Member States

Among the Member States for which data are available for the third quarter of 2009, annual decreases in hourly labour costs were observed in **Lithuania** (-10.9%), **Estonia** (-4.3%), **Latvia** (-2.7%) and the **Netherlands** (-0.8%). The highest annual rises were registered in **Bulgaria** (+10.4%), **Romania** (+9.6%), the **Czech Republic** (+6.4%), **Finland** (+6.2%), **Germany** (+4.8%), **Spain** and **Portugal** (both +4.7%).



* Not working day adjusted

1. The euro area (EA16) consists of Belgium, Germany, 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. Revised data. The estimate for the second quarter 2009, published in News Release 131/2009 of 15 September 2009, was +4.0% for the euro area and +3.7% for the EU27.
3. There is a break in the series for Luxembourg between the fourth quarter 2008 and the first quarter 2009, due to a change in the source data used.
4. The significant decrease in annual labour cost growth for the EU27 in the first quarter of 2009 compared with the previous quarter is mainly due to the negative growth observed for the United Kingdom, which is itself the result of a large decrease recorded in bonuses paid in financial and insurance activities.

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

Ireland: Irregular bonuses are not included in the measurement of labour costs.

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

Sweden: Irregular bonuses are not included in the measurement of labour costs. Data cover only the private sector.

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.

Issued by:
Eurostat Press Office

Tim ALLEN
Tel: +352-4301-33 444
eurostat-pressoffice@ec.europa.eu

Eurostat news releases on the internet:
<http://ec.europa.eu/eurostat>

For further information on data:

Luis BIEDMA
Tel: +352-4301-34 728

Hubertus VREESWIJK
Tel: +352-4301-34 323

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

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)														
	Q3 2008			Q4 2008			Q1 2009			Q2 2009			Q3 2009		
	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER
EA16	3.5	3.6	3.5	4.4	4.3	4.9	3.8	3.7	4.5	4.3	4.2	4.6	3.2	3.1	3.6
EU27	3.5	3.7	3.3	4.8	4.8	4.9	1.4	1.0	3.0	4.2	4.1	4.1	3.1	2.9	3.6
BE	2.5	3.0	1.9	7.1	6.9	9.1	5.2p	4.6p	7.1p	5.0p	4.1p	6.7p	:	:	:
BG	19.8p	22.4p	9.6p	18.6p	19.5p	14.1p	18.0p	19.3p	11.8p	15.0p	16.1p	9.6p	10.4p	11.9p	4.1p
CZ	4.5	4.9	4.3	9.6	9.4	8.8	7.2	7.4	6.3	3.4	3.2	3.1	6.4	6.1	6.2
DK	4.1	3.6	7.0	3.5	3.0	6.4	3.9	3.3	7.3	3.1	2.4	7.7	2.6	1.5	9.1
DE	2.5	2.6	2.2	4.8	4.7	5.3	6.5	6.0	8.1	6.5	6.0	7.9	4.8	4.5	5.9
EE	13.0	12.9	14.0	8.5	7.5	11.5	3.7	1.9	8.6	-0.6	-2.1	4.1	-4.3	-5.4	-0.9
IE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EL	2.7	2.7	2.5	5.7	4.0	3.5	-3.5	-1.3	-1.7	6.6	6.5	7.2	:	:	:
ES	4.7p	5.0p	4.0p	5.4p	4.8p	7.3p	5.5p	3.4p	11.1p	5.7p	5.3p	6.6p	4.7p	4.4p	5.6p
FR	2.8	2.8	2.7	2.6	2.5	2.8	-0.3	-0.1	-0.8	0.9	0.9	0.9	1.1	1.0	1.3
IT	5.6	5.4	6.2	5.2	5.1	5.4	2.3	2.2	2.5	4.8	4.8	4.9	c	c	c
CY	6.0	6.0	6.1	6.8	6.8	7.0	4.7	4.6	4.9	4.8	4.3	8.3	3.3p	2.8p	6.5p
LV	19.6p	19.3p	21.3p	16.2p	15.6p	19.0p	7.1p	6.3p	9.3p	4.2p	3.1p	9.6p	-2.7p	-3.5p	0.5p
LT	14.8	15.0	14.5	10.4	9.7	12.1	2.9	1.3	7.0	-6.2	-7.7	-2.3	-10.9	-11.4	-9.6
LU³	2.6	3.2	2.1	3.3	3.8	2.0	2.6	2.9	-0.3	c	c	c	2.4	3.0	-2.8
HU	5.6	5.1	6.8	5.2	4.7	6.6	4.7p	4.7p	4.8p	5.3p	5.5p	4.9p	1.2p	3.5p	-5.0p
MT	0.7p	0.6p	1.4p	0.7p	0.8p	-0.3p	1.4p	1.5p	1.1p	0.3p	0.3p	0.1p	0.4p	0.3p	0.6p
NL	5.4p	4.7p	7.9p	1.4p	1.0p	3.0p	0.9p	1.9p	-2.9p	3.0p	3.7p	0.2p	-0.8p	-0.6p	-1.6p
AT	4.5	4.5	4.7	4.4	4.4	4.4	5.6	5.3	6.8	1.3	0.7	3.1	4.4p	3.7p	6.8p
PL	9.6	9.6	9.6	7.7	7.8	7.6	5.5	5.5	5.4	6.1	6.0	6.2	3.3	3.3	3.3
PT	5.4p	5.3p	5.9p	4.6p	4.7p	4.4p	2.5p	2.5p	2.4p	4.8p	4.7p	5.0p	4.7p	5.0p	3.6p
RO	21.2p	22.1p	18.0p	20.5p	21.5p	16.9p	18.1p	18.0p	18.4p	11.7p	11.7p	11.8p	9.6p	9.5p	9.9p
SI	11.4p	13.0p	3.4p	9.4p	11.3p	-0.0p	5.9p	7.6p	-3.4p	5.8p	7.6p	-3.9p	2.5p	4.1p	-6.2p
SK	5.5	6.8	2.0	4.9	6.0	1.7	7.2	7.7	6.4	3.0	3.5	2.3	1.9	2.4	0.1
FI*	2.6p	4.5p	1.8p	3.0p	4.9p	2.4p	4.3p	6.0p	3.6p	8.5p	8.3p	5.1p	6.2p	6.8p	2.8p
SE	0.7p	1.5p	-1.2p	1.4p	2.3p	-0.5p	2.0p	1.6p	3.1p	1.8p	1.6p	2.4p	2.9p	2.6p	3.7p
UK⁴	2.2	2.5	0.1	5.6	5.8	4.2	-5.6	-5.6	-6.4	2.4	2.9	-0.8	1.7p	1.6p	2.4p
NO	3.7p	4.4p	2.9p	3.4p	3.7p	3.4p	3.7p	4.6p	3.0p	3.0p	3.5p	2.1p	3.5p	3.7p	2.2p

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: 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)						
	Q3/08	Q4/08	Q1/09	Q2/09	Q3 2009			Q3/08	Q4/08	Q1/09	Q2/09	Q3 2009			Q3/08	Q4/08	Q1/09	Q2/09	Q3 2009		
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH
EA16	2.9	6.2	6.2	6.1	5.4	5.2	5.9	3.7	5.1	3.4	3.8	2.9	2.9	2.7	3.8	3.3	2.6	3.5	2.0	1.9	2.4
EU27	3.3	6.4	5.1	5.7	4.9	4.7	5.6	3.2	5.0	2.7	3.6	2.3	2.2	2.5	3.7	4.0	-0.5	3.4	2.3	2.2	2.7
BE	1.6	5.3	5.3p	5.1p	:	:	:	3.3	14.6	0.3p	4.3p	:	:	:	3.0	7.3	5.6p	4.9p	:	:	:
BG	20.2p	18.1p	18.1p	13.8p	9.3p	10.5p	4.5p	19.5p	25.0p	36.1p	30.2p	29.3p	31.3p	20.5p	19.6p	17.8p	14.4p	13.3p	8.1p	9.6p	0.7p
CZ	2.8	7.9	8.3	4.4	7.7	7.6	7.7	8.8	11.3	8.0	7.5	3.2	2.9	3.2	5.4	10.9	6.2	2.0	5.7	5.4	5.4
DK	4.2	4.2	4.6	2.4	2.3	1.1	9.7	4.4	2.8	2.7	3.1	-1.1	-2.2	6.7	4.0	3.3	3.7	3.4	3.2	2.2	9.1
DE	1.3	8.0	10.1	9.8	8.8	8.3	10.6	0.1	0.8	1.7	2.5	3.4	3.2	4.0	3.6	2.9	4.4	4.3	2.1	2.0	2.7
EE	12.3	8.9	6.2	1.7	-3.4	-4.8	0.6	9.6	4.8	1.5	-9.1	-10.2	-11.2	-7.4	14.5	9.2	2.7	0.3	-3.2	-4.3	0.0
IE*	2.1	3.8	1.1p	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EL	2.3	2.7	-5.2	4.9	:	:	:	3.2	4.2	-4.0	0.5	:	:	:	2.7	7.0	-2.9	8.2	:	:	:
ES	3.7p	5.4p	6.1p	6.7p	5.1p	4.3p	7.2p	6.3p	8.2p	7.0p	7.4p	4.1p	4.0p	4.5p	4.8p	4.5p	4.6p	4.8p	4.7p	4.5p	5.3p
FR	3.3	2.9	-0.2	0.0	0.5	0.4	0.7	2.1	2.2	-1.3	1.0	0.4	0.3	0.6	2.7	2.6	-0.3	1.3	1.4	1.3	1.6
IT	6.5	7.2	4.0	5.0	c	c	c	6.9	9.1	8.9	7.3	c	c	c	4.7	3.0	-0.3	4.1	c	c	c
CY	6.4	6.5	5.2	3.0	1.9p	1.4p	4.8p	5.0	7.1	5.2	7.0	3.2p	2.8p	6.5p	5.8	7.0	4.3	4.9	3.8p	3.3p	7.1p
LV	19.3p	13.8p	7.3p	7.7p	-3.3p	-4.3p	0.6p	16.1p	13.3p	11.3p	3.6p	-6.0p	-6.3p	-4.7p	20.3p	17.7p	6.1p	3.0p	-1.6p	-2.4p	1.7p
LT	17.0	12.8	5.0	-3.5	-9.2	-9.0	-9.7	9.2	-1.1	-6.3	-19.2	-25.1	-26.1	-22.6	15.4	12.5	4.4	-4.0	-7.9	-8.7	-6.0
LU³	2.2	3.4	6.9	c	4.2	4.7	-4.7	2.3	3.3	1.5	c	2.6	4.6	-8.3	2.8	3.3	2.0	c	2.1	2.5	-1.3
HU	5.7	5.2	6.5p	5.2p	2.9p	5.2p	-3.5p	2.7	7.1	8.2p	7.8p	2.7p	5.3p	-4.9p	5.7	5.0	3.0p	5.3p	-0.2p	2.0p	-6.3p
MT	2.4p	3.9p	3.9p	2.8p	1.8p	1.9p	1.0p	3.4p	2.7p	-1.5p	-1.2p	0.7p	0.8p	0.1p	-0.4p	-1.1p	0.6p	-0.7p	-0.3p	-0.4p	0.5p
NL	4.2p	1.3p	2.3p	3.7p	c	c	c	5.4p	3.4p	3.2p	5.0p	c	c	c	5.7p	1.2p	0.2p	2.5p	c	c	c
AT	5.6	6.2	5.6	-4.2	7.0p	5.0p	13.6p	5.1	6.9	4.5	-6.3	4.9p	4.3p	7.1p	3.9	2.9	5.8	5.2	3.0p	2.9p	3.2p
PL	9.4	9.4	6.7	5.3	3.6	3.6	3.6	10.6	10.0	7.6	4.3	0.0	0.0	0.0	9.6	5.7	3.9	7.1	3.6	3.6	3.7
PT	4.9p	1.2p	3.6p	7.0p	3.9p	4.0p	3.5p	2.6p	5.4p	1.8p	4.6p	4.2p	4.6p	2.5p	6.4p	6.9p	1.9p	3.4p	5.5p	5.8p	3.8p
RO	23.3p	22.0p	19.6p	13.3p	13.4p	13.3p	13.7p	21.4p	18.1p	20.4p	9.9p	6.6p	6.6p	6.6p	19.4p	19.6p	16.2p	10.8p	7.2p	7.2p	7.2p
SI	14.0p	11.0p	7.7p	10.1p	5.4p	6.9p	-2.5p	6.3p	7.6p	1.2p	-2.9p	4.9p	6.0p	-1.5p	10.3p	8.5p	5.3p	4.2p	0.1p	1.9p	-9.5p
SK	5.6	6.9	8.5	2.3	2.6	3.4	0.4	10.9	11.0	11.8	9.3	0.5	0.0	1.9	4.7	2.2	5.4	2.9	1.4	1.8	-0.5
FI*	0.9p	-0.1p	6.4p	12.0p	6.4p	7.3p	3.7p	7.8p	6.8p	9.6p	8.9p	6.1p	6.4p	2.6p	2.9p	5.0p	1.9p	5.6p	6.1p	6.6p	2.2p
SE	2.4p	2.5p	3.6p	2.9p	4.4p	4.1p	5.3p	2.0p	2.8p	2.7p	0.7p	1.1p	2.0p	-1.2p	-0.3p	0.7p	1.2p	1.5p	2.5p	2.0p	3.7p
UK⁴	2.2	6.1	-0.8	3.0	1.9p	1.8p	2.6p	-0.2	3.8	-0.5	2.5	0.8p	0.5p	3.1p	2.6	5.6	-7.3	2.3	1.7p	1.7p	2.2p
NO	2.6p	4.6p	6.9p	6.0p	6.0p	6.5p	4.1p	1.6p	2.6p	1.0p	-1.0p	1.8p	1.9p	1.4p	4.5p	3.0p	2.7p	2.3p	2.7p	2.8p	1.5p

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