

## First quarter 2009 compared with first quarter 2008

# Euro area labour costs rose by 3.7%

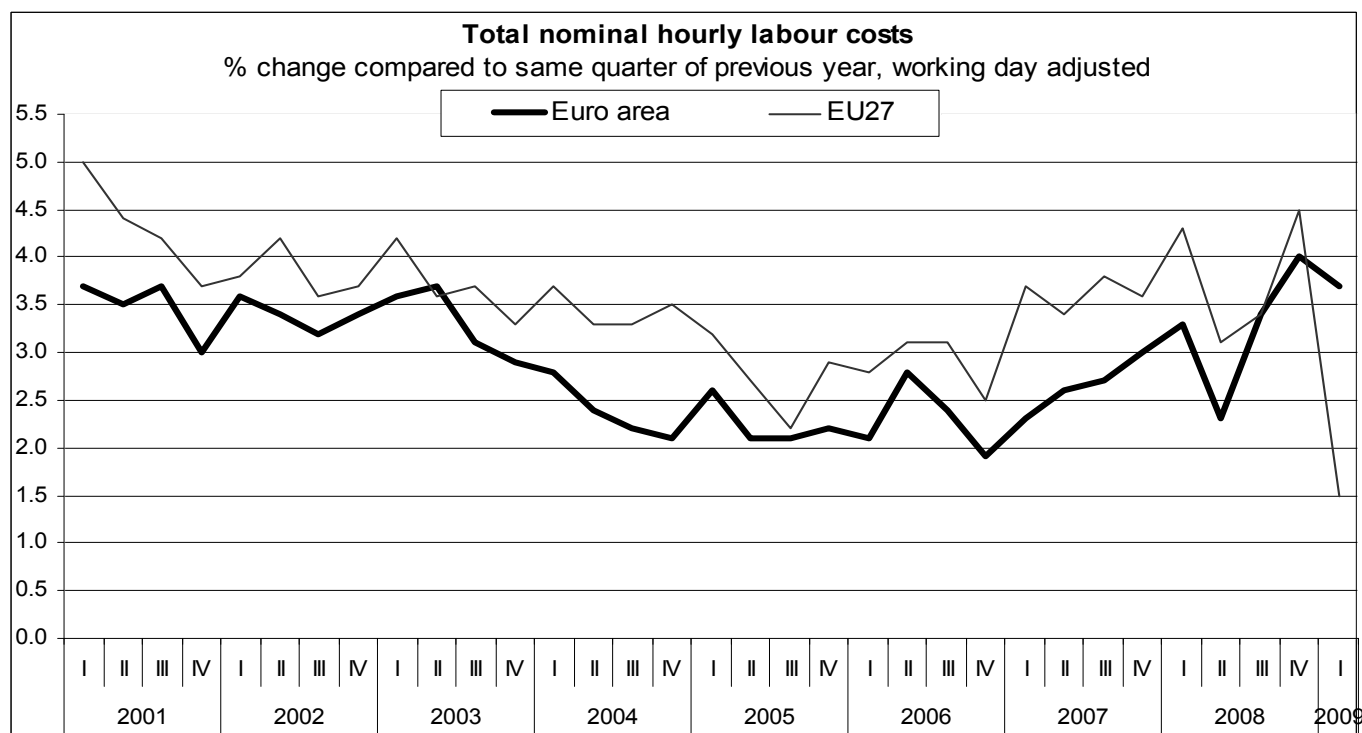
## EU27 up by 1.5%

Total hourly labour costs in the **euro area**<sup>1</sup> (EA16) rose by 3.7% in nominal terms in the year up to the first quarter of 2009, compared with 4.0% for the previous quarter<sup>2</sup>. In the **EU27**<sup>1</sup>, the annual rise was 1.5% up to the first quarter of 2009<sup>3</sup>, compared with 4.5% for the previous quarter<sup>2</sup>.

The two main components of labour costs are wages and salaries and non-wage costs. In the **euro area**, wages and salaries grew by 3.6% in the year up to the first quarter of 2009, and non-wage costs by 4.5%, compared with 3.9% and 4.4% respectively for the fourth quarter of 2008. In the **EU27**, wages & salaries rose by 1.1% and the non-wage component by 3.1%. For the previous quarter the corresponding rates were 4.5% and 4.6%.

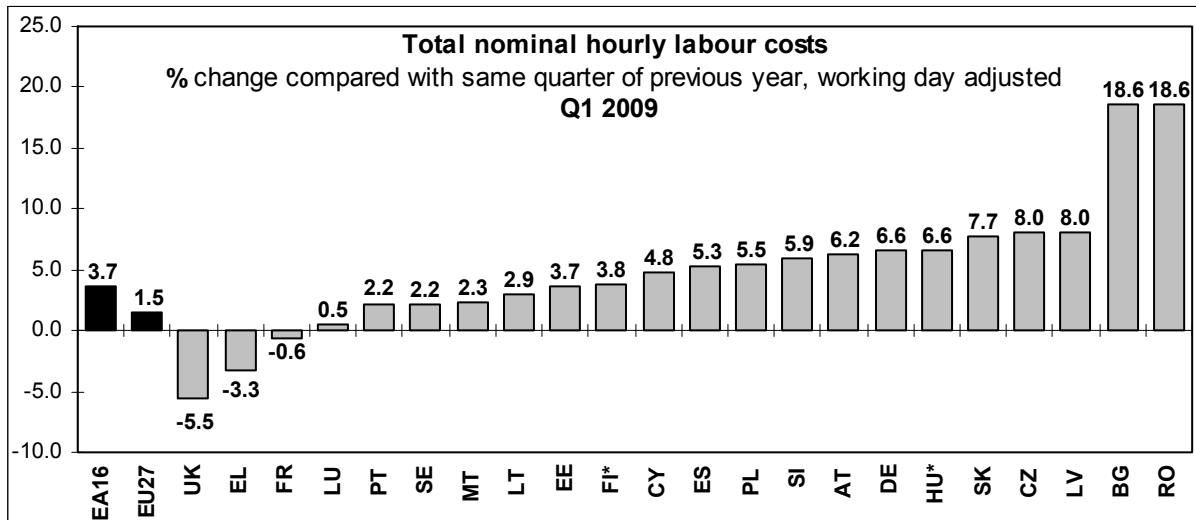
The breakdown by economic activity shows that in the **euro area** hourly labour costs rose at an annual rate of 6.1% in industry, 3.6% in construction and 2.4% in services up to the first quarter of 2009. In the **EU27**, labour costs grew by 5.2% in industry and 2.8% in construction, but fell by 0.5% in services.

These figures come from **Eurostat, the Statistical Office of the European Communities**.



## Member States

Among the Member States for which data are available for the first quarter of 2009, annual decreases in hourly labour cost were observed in the **United Kingdom**<sup>3</sup> (-5.5%), **Greece** (-3.3%) and **France** (-0.6%). The highest annual rises were registered in **Bulgaria** and **Romania** (both 18.6%).



\*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 fourth quarter 2008, published in News Release 34/2009 of 13 March 2009, was +3.8% for the euro area and +4.6% for the EU27.
3. There is a significant decrease in annual labour cost growth for the EU27 in the first quarter of 2009 compared with the previous quarter. This decrease 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.
4. Belgium and Ireland have not yet supplied data in the new classification (NACE Rev. 2).

## Labour Cost Index

The Labour Cost Index is a short-term indicator showing the development of hourly labour costs incurred by employers as a result of engaging the labour work force. The quarterly changes in 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 is **published for the first time according to the new classification NACE Rev.2**, as previously announced in News Release 34/2009 of 13 March 2009. It 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.

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.

*Finland:* Data concerns only full-time employees; the quarterly change in labour costs since the first quarter 2005 has been estimated by the change in earnings for regular working time.

*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: Data / 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)														
	Q1 2008			Q2 2008			Q3 2008			Q4 2008			Q1 2009		
	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER	TOTAL	WAGES	OTHER
<b>EA16</b>	3.3	3.7	2.5	2.3	2.4	2.2	3.4	3.4	3.3	4.0	3.9	4.4	3.7	3.6	4.5
<b>EU27</b>	4.3	4.7	3.1	3.1	3.2	2.8	3.4	3.5	3.2	4.5	4.5	4.6	1.5	1.1	3.1
<b>BE<sup>4</sup></b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>BG</b>	19.8p	23.0p	7.5p	21.1p	24.2p	9.2p	19.3p	21.9p	9.1p	18.7p	19.7p	14.1p	18.6p	19.9p	12.5p
<b>CZ</b>	8.7	8.8	8.8	8.3	8.4	7.6	5.0	5.1	4.2	8.8	9.2	8.7	8.0	8.0	7.9
<b>DK</b>	4.0	3.8	5.3	3.3	2.7	5.4	4.1	3.4	7.2	3.5	2.8	6.4	c	c	c
<b>DE</b>	1.6	2.4	-1.0	1.1	1.3	0.5	2.5	2.7	1.7	4.8	4.8	4.9	6.6	6.1	8.4
<b>EE</b>	18.3	19.5	18.0	16.5	17.2	17.4	13.0	13.4	14.1	8.5	11.1	11.5	3.7	5.1	8.5
<b>IE<sup>4</sup></b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EL</b>	1.1	1.0	1.3	2.3	2.3	2.3	2.7	2.7	2.6	5.7	3.9	3.7	-3.3	-2.4	-1.8
<b>ES</b>	5.6p	6.4p	3.8p	4.9p	5.0p	4.5p	4.7p	4.9p	4.1p	5.4p	4.7p	7.3p	5.3p	3.3p	10.6p
<b>FR</b>	2.8	2.9	2.5	2.6	2.8	2.3	2.5	2.5	2.4	2.1	2.1	2.0	-0.6	-0.4	-1.1
<b>IT*</b>	6.1	6.1	6.3	2.1	1.8	3.1	5.5	5.2	6.1	5.2	5.1	5.4	c	c	c
<b>CY</b>	5.0	4.9	5.3	6.6	6.4	6.8	6.1	6.0	6.0	6.7	6.7	7.2	4.8p	4.4p	4.6p
<b>LV</b>	29.2p	29.9p	28.9p	24.8p	24.5p	25.7p	19.2p	19.3p	20.9p	16.2p	15.5p	18.8p	8.0p	6.4p	9.9p
<b>LT</b>	25.6	25.9	24.8	20.7	21.3	19.4	14.8	15.0	14.5	10.4	9.7	12.1	2.9	1.3	7.0
<b>LU</b>	2.5	3.1	1.1	2.7	3.0	2.1	2.5	2.7	1.8	3.4	3.7	1.7	0.5	0.3	0.7
<b>HU*</b>	5.8	5.3	7.0	2.9	2.4	4.3	2.9	2.5	4.1	2.5	2.0	3.9	6.6	6.7	6.2
<b>MT</b>	1.0p	1.0p	1.2p	2.2p	2.2p	2.4p	0.7p	0.6p	1.4p	0.7p	0.8p	-0.3p	2.3p	2.2p	0.3p
<b>NL</b>	3.7p	3.3p	5.1p	4.3p	3.8p	6.4p	5.1p	4.1p	9.4p	0.1p	-0.7p	3.5p	c	c	c
<b>AT</b>	5.5p	5.6p	5.4p	3.6p	3.6p	3.9p	4.4p	4.3p	4.5p	4.0p	3.9p	4.4p	6.2p	6.0p	6.8p
<b>PL</b>	13.2	13.1	13.5	10.2	10.2	10.3	9.6	9.6	9.6	7.7	7.8	7.6	5.5	5.5	5.5
<b>PT</b>	3.6p	3.3p	4.9p	3.1p	3.3p	2.1p	5.4p	5.3p	5.9p	4.6p	4.7p	4.4p	2.2p	2.2p	2.0p
<b>RO</b>	19.3p	19.3p	19.3p	23.1p	23.1p	23.1p	22.2p	22.2p	22.2p	21.5p	21.5p	21.4p	18.6p	18.6p	18.6p
<b>SI</b>	8.8p	10.2p	1.7p	8.0p	9.6p	0.2p	11.4p	13.0p	3.4p	9.4p	11.3p	-0.0p	5.9p	7.6p	-3.4p
<b>SK</b>	6.0	7.1	3.0	8.1	9.4	3.7	5.5	6.8	2.0	4.9	6.0	1.7	7.7	8.0	6.7
<b>FI*</b>	6.4p	6.3p	5.5p	-0.5p	0.3p	1.9p	-0.2p	0.7p	1.3p	0.6p	1.6p	5.4p	3.8p	6.8p	6.2p
<b>SE</b>	4.3p	5.8p	1.0p	3.1p	4.5p	0.2p	0.7p	1.5p	-1.2p	1.4p	2.3p	-0.5p	2.2p	1.3p	4.5p
<b>UK</b>	5.7	6.0	3.9	3.9	4.0	3.6	2.3	2.5	0.6	5.6	5.8	4.8	-5.5p	-5.5p	-6.2p

c Confidential

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)								
	Q1/08	Q2/08	Q3/08	Q4/08	Q1 2009			Q1/08	Q2/08	Q3/08	Q4/08	Q1 2009			Q1/08	Q2/08	Q3/08	Q4/08	Q1 2009			
	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH	TOT	TOT	TOT	TOT	TOT	WAG	OTH	
<b>EA16</b>	3.7	2.3	2.8	5.6	<b>6.1</b>	<b>6.0</b>	<b>7.1</b>	4.2	3.6	3.5	4.6	<b>3.6</b>	<b>3.2</b>	<b>5.0</b>	2.9	2.2	3.7	3.0	<b>2.4</b>	<b>2.3</b>	<b>2.9</b>	
<b>EU27</b>	4.6	3.1	3.2	5.9	<b>5.2</b>	<b>5.0</b>	<b>6.4</b>	5.3	4.4	3.1	4.6	<b>2.8</b>	<b>2.4</b>	<b>4.7</b>	4.0	2.9	3.6	3.8	<b>-0.5</b>	<b>-1.0</b>	<b>1.2</b>	
<b>BE<sup>4</sup></b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>BG</b>	20.5p	21.8p	19.4p	18.3p	<b>18.9p</b>	<b>20.2p</b>	<b>13.6p</b>	19.7p	21.3p	19.6p	25.0p	<b>36.3p</b>	<b>38.8p</b>	<b>24.6p</b>	19.1p	20.5p	19.2p	18.0p	<b>15.0p</b>	<b>16.2p</b>	<b>9.1p</b>	
<b>CZ</b>	7.2	8.2	3.1	6.7	<b>11.1</b>	<b>10.8</b>	<b>11.5</b>	10.5	9.7	8.2	10.5	<b>7.7</b>	<b>10.9</b>	<b>7.2</b>	9.5	8.1	6.1	10.3	<b>5.6</b>	<b>5.4</b>	<b>5.3</b>	
<b>DK</b>	4.1	3.9	4.2	4.2	<b>c</b>	<b>c</b>	<b>c</b>	6.2	3.3	4.4	2.8	<b>c</b>	<b>c</b>	<b>c</b>	3.7	3.1	4.0	3.2	<b>c</b>	<b>c</b>	<b>c</b>	
<b>DE</b>	2.1	1.1	1.2	7.6	<b>10.8</b>	<b>10.1</b>	<b>13.1</b>	1.9	1.4	0.5	1.3	<b>2.3</b>	<b>1.8</b>	<b>4.1</b>	1.2	1.1	3.6	3.1	<b>4.0</b>	<b>3.6</b>	<b>5.2</b>	
<b>EE</b>	18.4	16.0	12.3	8.9	<b>6.2</b>	<b>6.6</b>	<b>12.4</b>	20.2	15.0	9.6	4.8	<b>1.5</b>	<b>1.4</b>	<b>9.1</b>	17.7	17.2	14.5	9.2	<b>2.7</b>	<b>5.2</b>	<b>6.2</b>	
<b>IE<sup>4</sup></b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EL</b>	0.6	1.4	1.9	2.4	<b>-4.8</b>	<b>-5.4</b>	<b>-3.3</b>	0.3	3.6	3.2	4.3	<b>-4.6</b>	<b>-3.4</b>	<b>-4.1</b>	1.4	2.3	2.8	7.1	<b>-2.6</b>	<b>-1.2</b>	<b>-1.0</b>	
<b>ES</b>	5.5p	5.7p	4.4p	6.0p	<b>5.9p</b>	<b>3.3p</b>	<b>12.8p</b>	7.8p	6.3p	5.8p	7.4p	<b>6.8p</b>	<b>4.7p</b>	<b>11.9p</b>	4.9p	4.0p	4.5p	4.5p	<b>4.4p</b>	<b>2.7p</b>	<b>9.1p</b>	
<b>FR</b>	3.7	3.1	3.0	2.7	<b>-0.4</b>	<b>-0.3</b>	<b>-0.5</b>	1.5	2.4	2.0	1.9	<b>-0.9</b>	<b>-0.7</b>	<b>-1.2</b>	2.5	2.5	2.3	1.9	<b>-0.7</b>	<b>-0.4</b>	<b>-1.3</b>	
<b>IT*</b>	7.3	3.9	6.0	7.0	<b>c</b>	<b>c</b>	<b>c</b>	6.4	5.2	6.5	9.2	<b>c</b>	<b>c</b>	<b>c</b>	5.1	0.1	4.9	3.1	<b>c</b>	<b>c</b>	<b>c</b>	
<b>CY</b>	4.9	6.9	6.4	6.5	<b>3.3p</b>	<b>3.2p</b>	<b>3.9p</b>	2.9	4.6	5.0	7.1	<b>4.4p</b>	<b>4.4p</b>	<b>4.4p</b>	5.4	7.0	5.8	7.0	<b>5.8p</b>	<b>4.5p</b>	<b>4.7p</b>	
<b>LV</b>	25.1p	20.6p	18.9p	13.5p	<b>7.5p</b>	<b>6.4p</b>	<b>9.8p</b>	34.2p	25.0p	15.9p	13.3p	<b>12.2p</b>	<b>11.5p</b>	<b>16.1p</b>	30.1p	26.6p	19.9p	17.8p	<b>7.1p</b>	<b>5.2p</b>	<b>8.5p</b>	
<b>LT</b>	25.7	22.3	17.0	12.8	<b>5.0</b>	<b>2.5</b>	<b>11.7</b>	25.9	15.7	9.2	-1.1	<b>-6.3</b>	<b>-10.1</b>	<b>3.3</b>	25.3	21.3	15.4	12.5	<b>4.4</b>	<b>3.9</b>	<b>5.7</b>	
<b>LU</b>	0.7	2.2	0.2	1.3	<b>0.4</b>	<b>0.1</b>	<b>-1.1</b>	1.2	2.7	2.0	3.1	<b>2.5</b>	<b>3.4</b>	<b>-2.9</b>	3.0	2.8	3.0	3.8	<b>0.1</b>	<b>-0.1</b>	<b>1.8</b>	
<b>HU*</b>	5.5	3.7	3.9	3.3	<b>7.5</b>	<b>7.7</b>	<b>6.9</b>	2.2	2.6	1.1	5.6	<b>9.8</b>	<b>10.1</b>	<b>8.8</b>	6.3	2.3	2.3	1.6	<b>5.6</b>	<b>5.7</b>	<b>5.4</b>	
<b>MT</b>	1.6p	1.7p	2.4p	3.9p	<b>4.8p</b>	<b>4.8p</b>	<b>2.0p</b>	5.0p	9.6p	3.4p	2.7p	<b>-2.5p</b>	<b>1.2p</b>	<b>-3.8p</b>	0.3p	1.8p	-0.4p	-1.1p	<b>1.6p</b>	<b>1.1p</b>	<b>0.1p</b>	
<b>NL</b>	4.6p	4.2p	4.3p	0.2p	<b>c</b>	<b>c</b>	<b>c</b>	5.1p	6.2p	5.6p	1.9p	<b>c</b>	<b>c</b>	<b>c</b>	3.2p	4.1p	5.3p	-0.2p	<b>c</b>	<b>c</b>	<b>c</b>	
<b>AT</b>	5.3p	4.4p	5.9p	5.5p	<b>5.1p</b>	<b>4.2p</b>	<b>8.1p</b>	5.8p	6.1p	5.6p	6.7p	<b>5.2p</b>	<b>5.4p</b>	<b>4.8p</b>	5.5p	3.4p	4.1p	3.6p	<b>6.4p</b>	<b>6.4p</b>	<b>6.7p</b>	
<b>PL</b>	12.3	10.9	9.3	9.4	<b>6.7</b>	<b>6.7</b>	<b>6.5</b>	15.5	17.3	10.6	10.0	<b>7.6</b>	<b>7.7</b>	<b>7.5</b>	13.7	8.4	9.7	5.7	<b>4.0</b>	<b>4.0</b>	<b>4.1</b>	
<b>PT</b>	2.7p	0.7p	4.9p	1.2p	<b>3.3p</b>	<b>3.5p</b>	<b>2.6p</b>	3.0p	4.4p	2.6p	5.4p	<b>1.6p</b>	<b>2.1p</b>	<b>-0.3p</b>	4.3p	4.5p	6.4p	6.9p	<b>1.6p</b>	<b>1.5p</b>	<b>2.0p</b>	
<b>RO</b>	19.0p	25.2p	24.0p	22.4p	<b>19.8p</b>	<b>19.7p</b>	<b>19.8p</b>	25.7p	25.6p	27.0p	20.1p	<b>11.4p</b>	<b>11.4p</b>	<b>11.4p</b>	18.1p	20.7p	19.8p	20.9p	<b>18.9p</b>	<b>18.9p</b>	<b>18.8p</b>	
<b>SI</b>	10.0p	7.0p	14.0p	11.0p	<b>7.7p</b>	<b>9.3p</b>	<b>-0.8p</b>	7.3p	15.8p	6.3p	7.6p	<b>1.2p</b>	<b>2.7p</b>	<b>-6.8p</b>	8.1p	7.6p	10.3p	8.5p	<b>5.3p</b>	<b>7.2p</b>	<b>-4.7p</b>	
<b>SK</b>	5.2	8.7	5.6	6.9	<b>9.4</b>	<b>9.6</b>	<b>5.7</b>	6.1	10.1	10.9	11.0	<b>11.8</b>	<b>10.6</b>	<b>14.4</b>	6.7	7.3	4.7	2.2	<b>5.5</b>	<b>6.3</b>	<b>6.6</b>	
<b>FI*</b>	7.4p	-2.6p	-3.1p	-1.7p	<b>3.8p</b>	<b>9.5p</b>	<b>6.5p</b>	8.3p	4.7p	7.8p	6.8p	<b>9.5p</b>	<b>9.9p</b>	<b>8.0p</b>	4.9p	1.5p	2.9p	3.2p	<b>3.1p</b>	<b>3.2p</b>	<b>5.4p</b>	
<b>SE</b>	5.6p	5.6p	2.4p	2.5p	<b>4.0p</b>	<b>2.9p</b>	<b>6.5p</b>	2.9p	5.7p	2.0p	2.8p	<b>3.7p</b>	<b>3.5p</b>	<b>4.1p</b>	3.8p	1.6p	-0.3p	0.7p	<b>1.2p</b>	<b>0.2p</b>	<b>3.6p</b>	
<b>UK</b>	5.9	3.4	2.6	6.4	<b>-0.8p</b>	<b>-0.2p</b>	<b>-2.8p</b>	6.9	5.0	-0.4	3.8	<b>-0.8p</b>	<b>-0.5p</b>	<b>0.0p</b>	5.5	4.0	2.5	5.6	<b>-7.1p</b>	<b>-7.3p</b>	<b>-7.7p</b>	

c Confidential

p Provisional

: Data not available

\* Not working day adjusted

TOT = total labour costs

WAG = wage and salary costs

OTH = non-wage costs