

Labour Cost Index

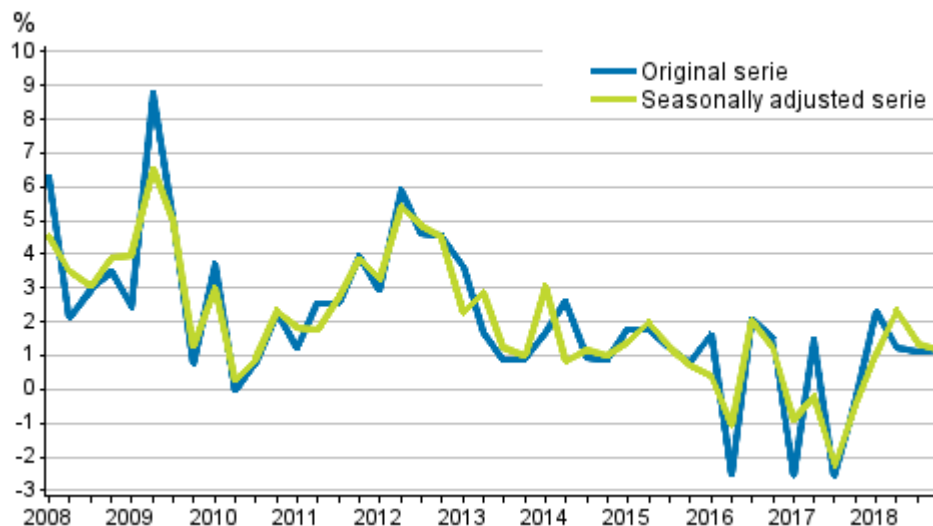
2018, 4th quarter

Cost of an hour worked increased by 1.2 per cent in October to December year-on-year

Private sector labour costs increased by 1.2 per cent in October to December 2018 when compared with the respective period of the year before. Seasonally adjusted labour costs went up by 1.2 per cent in October to December 2018.

In the private sector, labour costs without one-off pay items, such as performance-based bonuses, increased by 1.6 per cent in October to December 2018 compared to the corresponding quarter one year ago. Over the same period, the index of wage and salary earnings for the private sector went up by 2.3 per cent.

Year-on-year change in labour costs in the private sector from the corresponding quarter of the previous year



In the central government sector, the cost of an hour worked increased by 5.7 per cent in October to December 2018 when compared with the respective period of the year before. Seasonally adjusted labour costs went up by 5.0 per cent. The rise in costs was mainly due to the growth in wages and salaries subject to preliminary withholding tax. About a third of the rise in costs was due to decline of hours worked. Over the same quarter, the index of wage and salary earnings in the central government sector went up by 2.3 per cent.

In the local government sector, the cost of an hour worked increased by 1.6 per cent in October to December 2018 when compared with the respective period of the year before. The year-on-year change in labour costs without one-off pay items increase was 1.2 per cent. Over the same period, the index of wage and salary earnings in the local government sector went up by 1.7 per cent.

Year-on-year change in labour costs according to TOL 2008 and sector, 4th quarter 2018

Code	Industry/Sector	Labour costs, year-on-year change		
		Labour costs	Labour costs, without one-off pay items	Labour costs, seasonally adjusted
B to S	Total, private sector	1,2	1,6	1,2
B to E	Manufacturing	1,8	1,8	1,8
F	Construction	4,2	4,4	4,5
G to N	Business service activities	0,1	1,0	0,1
J to R	Central government	5,7	5,4	5,0
D to S	Local government	1,6	1,2	..

The cost per an hour worked went up by 1.8 per cent in manufacturing industries (B to E), by 4.2 per cent in construction (F) and by 0.1 per cent in business service activities (G to N) in July to September 2018.

In manufacturing industries in the fourth quarter of 2018, there was a rise of 1.8 per cent in the forest industry. In the food industry costs went up by 2.3 per cent and in the chemical industry labour costs went up 1.1 per cent respectively. Among service industries, the biggest rise in costs, 2.1 per cent, was in wholesale and trade. In information and communication activities, costs decreased by 4.8 per cent.

The seasonally adjusted cost of an hour worked in all manufacturing (B to E) went up by 1.8 per cent in October to December 2018 compared with the corresponding period last year. In construction (F), the seasonally adjusted cost of an hour worked increased by 4.5 per cent and in business service activities (G to N) increased by 0.1 per cent.

In manufacturing industries seasonally adjusted cost of an hour worked went up by 2.5 per cent in the forest industry and in chemical industry labour costs went up 1.4 per cent in the October to December period of 2018 from the same period of the previous year. In business service activities, seasonally adjusted costs rose by 2.2 per cent in trade and by 0.7 per cent in transportation and storage. In information and communication there was a 4.7 per cent decrease in the seasonally adjusted costs.

The Labour Cost Index measures the change in wage and salary costs calculated per hour worked. Hours actually worked refer to the working hours an employee has spent on his/her actual duties. Hours worked include Sunday and overtime work but not paid hours off work, like the hours of annual leaves, national holidays or paid sickness absences.

In the index, hours worked or the structure of personnel have not been standardised. The cost of an hour worked is calculated directly as the ratio of industry-specific wages and salaries sum and social insurance contributions to the hours worked for each quarter. The change in average labour costs is affected by changes in regular earnings, performance-based bonuses and other one-off pay components, social insurance contributions, as well as changes in the number of hours worked and the structure of the labour force.

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Appendix table 1. Labour costs, Labour Cost Index 2012=100

		2017/1*	2017/2*	2017/3*	2017/4*	Whole year 2017*	2018/1*	2018/2*	2018/3*	2018/4*	Whole year 2018*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	102,2	113,0	106,5	95,9	104,4	104,5	114,5	107,7	97,1	105,9
B-E	Industry	102,7	113,7	106,3	92,3	103,7	104,8	113,7	107,6	93,9	105,0
C	Manufacturing	102,9	114,1	106,1	92,1	103,8	104,7	114,0	107,2	93,8	104,9
10, 11	Food industry	105,8	116,6	110,3	96,5	107,3	107,3	121,1	112,4	98,7	109,9
16, 17	Forest industry	106,1	125,4	107,9	94,0	108,4	110,7	128,4	109,9	95,7	111,2
19-22	Chemical industry	105,6	116,3	105,2	92,0	104,8	103,9	118,2	106,8	93,0	105,5
24-30	Metal industry	101,0	110,2	105,4	89,9	101,6	103,0	107,4	105,2	91,0	101,7
F	Construction	103,5	113,2	108,7	97,4	105,7	106,4	115,4	112,5	101,4	108,9
G-N	Services of the business economy	103,2	114,4	107,5	98,4	105,9	105,9	115,9	108,2	98,5	107,1
G	Wholesale and retail trade	109,5	119,3	110,8	100,4	110,0	111,3	121,1	113,7	102,6	112,1
H	Transportation and storage	96,1	109,9	106,1	95,4	101,9	101,2	111,9	107,9	95,9	104,2
J	Information and communication	104,5	115,5	115,6	101,3	109,2	107,4	118,4	112,7	96,5	108,7
K	Financial and insurance activities	103,1	127,3	99,5	98,5	107,1	107,5	124,6	96,6	99,1	107,0
State sector, J-R	Total	91,9	113,1	101,9	90,2	99,3	93,6	111,7	102,1	95,3	100,7
Local government sector, D-S	Total	94,3	108,2	119,1	95,5	104,3	94,5	107,3	120,3	96,9	104,8

*Preliminary data

Appendix table 2. Labour costs, percentage changes, Labour Cost Index 2012=100

		2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/2016*	2018/1*	2018/2*	2018/3*	2018/4*	Change 2018/2017*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	-2,5	1,5	-2,6	-0,3	-1,0	2,3	1,2	1,1	1,2	1,5
B-E	Industry	-4,3	3,1	-5,1	-1,5	-2,0	2,0	0,1	1,2	1,8	1,2
C	Manufacturing	-4,1	3,5	-5,2	-1,5	-1,8	1,8	-0,1	1,1	1,9	1,1
10, 11	Food industry	2,0	5,6	2,5	1,5	3,0	1,5	3,9	1,9	2,3	2,4
16, 17	Forest industry	-7,1	1,8	1,9	-0,2	-1,0	4,3	2,3	1,9	1,8	2,6
19-22	Chemical industry	-6,9	6,6	0,4	0,9	0,1	-1,6	1,7	1,5	1,1	0,7
24-30	Metal industry	-4,6	2,6	-11,1	-3,7	-4,4	2,0	-2,5	-0,2	1,2	0,0
F	Construction	-2,7	1,9	-2,6	-2,5	-1,4	2,8	2,0	3,5	4,2	3,1

		2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/ 2016*	2018/1*	2018/2*	2018/3*	2018/4*	Change 2018/ 2017*
G-N	Services of the business economy	-1,1	1,2	-0,2	1,5	0,3	2,5	1,4	0,7	0,1	1,2
G	Wholesale and retail trade	1,8	3,2	2,4	2,7	2,5	1,6	1,5	2,5	2,1	1,9
H	Transportation and storage	-3,9	-0,6	-2,9	0,5	-1,7	5,3	1,8	1,7	0,5	2,3
J	Information and communication	-2,0	0,1	3,1	5,5	1,6	2,8	2,4	-2,5	-4,8	-0,5
K	Financial and insurance activities	-3,8	-0,6	-1,6	0,4	-1,4	4,3	-2,1	-2,8	0,6	-0,1
State sector, J-R	Total	-7,5	-1,6	-2,4	-4,2	-3,8	1,8	-1,3	0,2	5,7	1,4
Local government sector, D-S	Total	-4,5	-0,1	-4,3	-1,3	-2,6	0,2	-0,8	1,0	1,6	0,5

*Preliminary data

Appendix table 3. Labour costs, excluding one-off items, Labour Cost Index 2012=100

		2017/1*	2017/2*	2017/3*	2017/4*	Whole year 2017*	2018/1*	2018/2*	2018/3*	2018/4*	Whole year 2018*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	101,7	106,5	107,2	99,0	103,6	103,7	108,1	108,7	100,6	105,3
B-E	Industry	101,8	107,5	108,8	97,0	103,8	103,2	108,0	110,0	98,8	105,0
C	Manufacturing	102,0	107,8	108,6	96,8	103,8	103,1	108,1	109,8	98,6	104,9
10, 11	Food industry	105,2	110,5	109,9	100,0	106,4	106,1	114,6	112,0	102,2	108,7
16, 17	Forest industry	104,9	115,1	110,6	97,5	107,0	108,6	116,0	112,6	99,9	109,3
19-22	Chemical industry	100,3	106,0	108,1	96,5	102,7	100,6	108,1	109,5	97,4	103,9
24-30	Metal industry	101,2	105,8	108,8	95,6	102,9	102,3	104,6	109,0	96,7	103,2
F	Construction	102,7	107,3	105,8	97,9	103,4	105,0	109,5	110,3	102,2	106,7
G-N	Services of the business economy	102,7	107,1	108,4	101,0	104,8	105,0	109,0	109,6	102,0	106,4
G	Wholesale and retail trade	107,2	111,2	113,7	103,8	109,0	108,6	114,3	116,7	106,4	111,5
H	Transportation and storage	97,9	105,3	104,7	98,1	101,5	102,4	107,3	106,1	98,5	103,6
J	Information and communication	103,2	106,0	112,6	101,1	105,7	106,1	108,4	112,4	101,1	107,0
K	Financial and insurance activities	103,8	110,9	103,6	103,1	105,3	107,1	109,2	101,4	104,0	105,5
State sector, J-R	Total	95,2	106,5	106,1	94,1	100,5	97,1	105,1	106,3	99,1	101,9
Local government sector, D-S	Total	97,4	107,9	116,9	99,2	105,4	97,6	106,8	117,9	100,4	105,6

*Preliminary data

Appendix table 4. Labour costs, excluding one-off items, percentage changes, Labour Cost Index 2012=100

		2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/ 2016*	2018/1*	2018/2*	2018/3*	2018/4*	Change 2018/ 2017*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	-2,8	0,5	-1,6	-0,8	-1,2	1,9	1,5	1,4	1,6	1,6
B-E	Industry	-3,7	2,1	-1,0	-1,0	-0,9	1,5	0,5	1,2	1,8	1,2
C	Manufacturing	-3,4	2,4	-0,7	-0,9	-0,6	1,1	0,3	1,1	1,9	1,1
10, 11	Food industry	1,8	4,4	2,1	1,0	2,3	0,8	3,7	1,9	2,2	2,2
16, 17	Forest industry	-6,3	0,9	2,7	0,2	-0,7	3,5	0,8	1,7	2,4	2,1
19-22	Chemical industry	-7,9	3,4	1,0	0,5	-0,9	0,3	2,0	1,4	0,9	1,2
24-30	Metal industry	-3,1	2,1	-2,9	-2,3	-1,6	1,1	-1,2	0,2	1,2	0,3
F	Construction	-3,2	0,5	-3,4	-2,9	-2,2	2,3	2,1	4,2	4,4	3,2
G-N	Services of the business economy	-1,9	0,3	-0,6	0,4	-0,4	2,2	1,8	1,2	1,0	1,5
G	Wholesale and retail trade	1,0	2,6	2,0	1,9	1,9	1,3	2,7	2,7	2,5	2,3
H	Transportation and storage	-4,0	-0,8	-2,6	0,2	-1,8	4,6	1,9	1,2	0,5	2,0
J	Information and communication	-3,4	-2,2	0,5	0,8	-1,1	2,8	2,3	-0,1	0,0	1,2
K	Financial and insurance activities	-4,6	0,5	-1,6	-0,6	-1,6	3,2	-1,5	-2,1	0,9	0,1
State sector, J-R	Total	-7,5	1,7	-2,0	-4,1	-3,0	2,0	-1,3	0,2	5,4	1,4
Local government sector, D-S	Total	-4,8	1,3	-1,8	-1,3	-1,6	0,2	-1,1	0,8	1,2	0,3

*Preliminary data

Appendix table 5. Seasonally adjusted labour costs, Labour Cost Index 2012=100

		2017/1*	2017/2*	2017/3*	2017/4*	Whole year 2017*	2018/1*	2018/2*	2018/3*	2018/4*	Whole year 2018*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	104,3	104,1	104,2	105,1	104,4	105,4	106,6	105,6	106,4	106,0
B-E	Industry	104,3	104,1	102,9	103,5	103,7	104,2	106,1	104,4	105,4	105,0
C	Manufacturing	104,3	104,3	102,8	103,4	103,7	104,0	106,0	104,2	105,4	104,9
10, 11	Food industry	105,7	107,4	107,6	108,4	107,3	107,5	111,5	109,8	110,9	109,9
16, 17	Forest industry	106,9	107,9	109,4	109,3	108,4	110,3	111,4	111,5	112,0	111,3
19-22	Chemical industry	103,3	106,2	103,8	104,9	104,6	102,9	107,2	105,7	106,4	105,5
24-30	Metal industry	101,3	104,6	99,8	100,4	101,5	103,3	101,9	99,6	101,6	101,6
F	Construction	105,0	106,6	105,6	105,6	105,7	107,5	108,3	109,2	110,4	108,9
G-N	Services of the business economy	105,2	105,3	105,9	107,2	105,9	107,2	107,4	106,8	107,4	107,2
G	Wholesale and retail trade	109,5	110,3	109,9	110,3	110,0	111,3	112,0	112,7	112,7	112,2
H	Transportation and storage	100,5	102,1	101,5	103,9	102,0	105,8	104,1	103,5	104,6	104,5
J	Information and communication	106,1	107,0	111,1	113,1	109,3	109,0	109,6	108,3	107,8	108,7
K	Financial and insurance activities	105,7	107,1	107,6	107,5	107,0	107,9	106,3	106,1	107,0	106,8
State sector, J-R	Total	99,6	100,7	100,1	98,8	99,8	101,1	100,0	100,5	103,7	101,3

*Preliminary data

Appendix table 6. Seasonally adjusted labour costs, percentage changes, Labour Cost Index 2012=100

		2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/2016*	2018/1*	2018/2*	2018/3*	2018/4*	Change 2018/2017*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	-0,9	-0,2	-2,2	-0,4	-1,0	1,1	2,3	1,4	1,2	1,5
B-E	Industry	-1,2	0,0	-4,7	-1,6	-1,9	-0,1	1,9	1,5	1,8	1,3
C	Manufacturing	-1,2	0,5	-4,7	-1,6	-1,8	-0,3	1,7	1,4	1,9	1,2
10, 11	Food industry	2,2	5,4	2,6	1,6	2,9	1,7	3,8	2,1	2,3	2,5
16, 17	Forest industry	-4,0	-0,8	1,2	0,2	-0,9	3,1	3,2	1,9	2,5	2,7
19-22	Chemical industry	-5,3	5,0	0,2	0,7	0,1	-0,4	1,0	1,8	1,4	0,9
24-30	Metal industry	-4,6	2,6	-11,1	-3,7	-4,4	2,0	-2,5	-0,1	1,2	0,1
F	Construction	-2,2	0,8	-2,2	-1,7	-1,3	2,4	1,6	3,5	4,5	3,0
G-N	Services of the business economy	-0,4	0,5	-0,1	1,3	0,3	1,9	2,0	0,9	0,1	1,2
G	Wholesale and retail trade	1,8	3,2	2,3	2,6	2,5	1,7	1,5	2,6	2,2	2,0
H	Transportation and storage	-4,0	-0,5	-2,6	0,5	-1,7	5,2	1,9	2,0	0,7	2,4
J	Information and communication	-2,0	0,1	3,1	5,5	1,7	2,8	2,5	-2,5	-4,7	-0,6
K	Financial and insurance activities	-2,5	-0,4	-0,7	-0,2	-0,9	2,1	-0,7	-1,4	-0,5	-0,1
State sector, J-R	Total	-6,9	-1,2	-1,9	-4,2	-3,6	1,5	-0,7	0,4	5,0	1,6

*Preliminary data

Appendix table 7. Standard Industrial Classification 2008

Standard Industrial Classification	Code
Mining and quarrying	B
Manufacturing	C
Electricity, gas, steam and air conditioning supply	D
Water supply; sewerage; water supply; sewerage, waste management and remediation activities	E
Construction	F
Wholesale and retail trade; repair of motor vehicles and motorcycles	G
Transportation and storage	H
Accommodation and food service activities	I
Information and communication	J
Financial and insurance activities	K
Real estate activities	L
Professional, scientific and technical activities	M
Administrative and support service activities	N
Public administration and defence; compulsory social security	O
Education	P
Human health and social work activities	Q
Arts, entertainment and recreation	R
Other service activities	S

Revision of data

The data of the statistics have become revised according to the table below. For more information about data revisions, see Section 3 of the quality description (in Finnish).

Revisions to the Labour Cost Index, year-on-year-change¹⁾

Labour cost index	Quarter	Year-on-year change, %		Revision, %-points
		Latest release 8.3.2019	1st release	
Private sector, original series	02/2017	1,5	1,2	0,3
	03/2017	-2,6	-2,4	-0,2
	04/2017	-0,3	-0,2	-0,1
	01/2018	2,3	2,7	-0,4
	02/2018	1,2	0,8	0,4
	03/2018	1,1	1,3	-0,2
State sector, original series	02/2017	-1,6	-1,6	0,0
	03/2017	-2,4	-2,4	0,0
	04/2017	-4,2	-4,2	0,0
	01/2018	1,8	1,8	0,0
	02/2018	-1,3	-1,3	0,0
	03/2018	0,2	0,2	0,0
Local government sector, original series	02/2017	-0,1	-1,0	0,9
	03/2017	-4,3	-4,4	0,1
	04/2017	-1,3	-1,3	0,0
	01/2018	0,2	0,3	-0,1
	02/2018	-0,8	-0,7	-0,1
	03/2018	1,0	2,8	-1,8

1) 1st release refers to the point of time when data for the reference period were first published. Revision describes the difference on annual change percentages between the first and the latest release. The revisions are calculated from rounded numbers.

Revisions to data on annual changes in the seasonally adjusted labour cost index

Labour cost index	Quarter	Year-on-year change, %		Revision, %-points
		Latest release 8.3.2019	1st release	
Private sector, seasonally adjusted series	02/2017	-0,2	0,2	-0,4
	03/2017	-2,2	-2,4	0,2
	04/2017	-0,4	-0,4	0,0
	01/2018	1,1	1,3	-0,2
	02/2018	2,3	2,8	-0,5
	03/2018	1,4	1,4	0,0

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Source: Wages, Salaries and Labour Costs, Statistics Finland