

Labour Cost Index

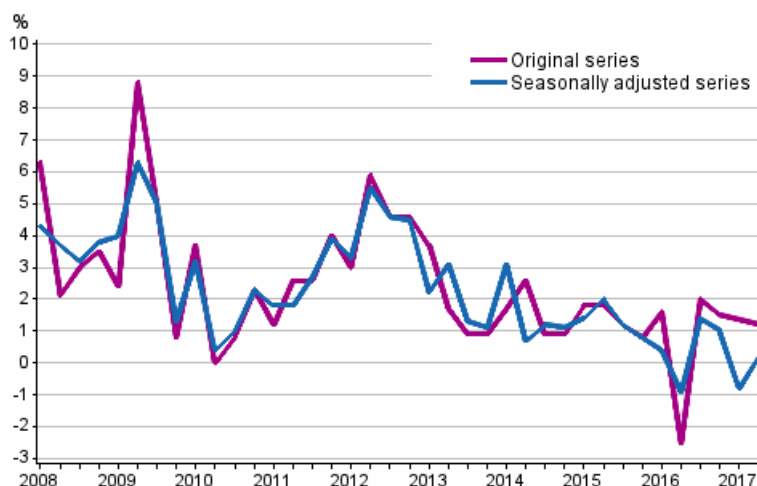
2017, 2nd quarter

Cost of an hour worked went up by 1.2 per cent in April to June year-on-year

Private sector labour costs went up by 1.2 per cent in April to June 2017 when compared with the respective period of the year before. Seasonally adjusted labour costs increased by 0.2 per cent in April to June 2017. There were three less working days in the second quarter of 2017 than in the corresponding period of 2016 as this year, Easter was in the second quarter and last year it was in the first quarter. In the Labour Cost Index, a decrease in the number of working days has an increasing effect on costs.

In the private sector, labour costs without one-off pay items, such as performance-based bonuses, increased by 0.3 per cent in April to June 2017 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 0.5 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 declined by 1.6 per cent in April to June 2017 when compared with the respective period of the year before. Seasonally adjusted labour costs went down by 3.3 per cent. Labour costs without one-off pay items increased by 1.7 per cent over the same period.

Over the same quarter, the index of wage and salary earnings in the central government sector went down by 1.1 per cent.

In the local government sector, the cost of an hour worked decrease by 1.0 per cent in April to June 2017 when compared with the respective period of the year before. The year-on-year change in labour costs without one-off pay items was a rise of 0.2 per cent. Over the same period, the index of wage and salary earnings in the local government sector went down by 1.2 per cent.

In the public sector, both cuts in holiday bonuses according to the Competitiveness Pact and lower social insurance contributions had a significant effect on the decline in labour costs.

Year-on-year change in labour costs according to TOL 2008, 2nd quarter 2017

Code	Industry	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	0,3	0,2
B to E	Manufacturing	2,7	1,8	0,3
F	Construction	2,8	0,8	2,8
G to N	Business service activities	0,9	-0,2	0,9
J to R	Central government	-1,6	1,7	-3,3
D to S	Local government	-1,0	0,2	..

The cost per an hour worked went up by 2.7 per cent in manufacturing industries (B to E), by 2.8 per cent in construction (F), and by 0.9 per cent in business service activities (G to N) in April to June 2017.

In manufacturing industries, the biggest rise in costs of an hour worked in the second quarter of 2017 was in the chemical industry, 6.8 per cent. In the forest industry, costs went down by 0.7 per cent, while in the food industry there was a rise of 5.6 per cent in labour costs. Among service industries, the biggest fall in costs, 0.6 per cent, was in transportation and storage, and the biggest rise, 2.8 per cent, was in trade.

The seasonally adjusted cost of an hour worked in all manufacturing (B to E) went up by 0.3 per cent in April to June 2017 compared with the corresponding period last year. In construction, the seasonally adjusted cost of an hour worked went up by 2.8 per cent and in business service activities by 0.9 per cent.

The seasonally adjusted cost of an hour worked went down by 2.7 per cent in the forest industry and up by 2.7 per cent in the metal industry in the April to June period of 2017 from the same period of the previous year. In trade, seasonally adjusted costs increased by 2.8 per cent and in financial and insurance activities decreased by 0.6 per cent.

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

		2015/2*	2015/3*	2015/4*	Whole year 2015*	2016/1*	2016/2*	2016/3*	2016/4*	Whole year 2016*	2017/1*	2017/2*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	114,3	107,1	94,8	104,8	104,8	111,4	109,2	96,2	105,4	101,4	112,7
B-E	Industry	114,1	108,2	93,4	105,2	107,3	110,4	112,1	93,7	105,9	102,1	113,3
C	Manufacturing	114,0	107,8	93,3	105,0	107,3	110,3	111,9	93,5	105,8	102,2	113,6
10, 11	Food industry	116,8	107,7	92,5	105,9	103,7	110,4	107,6	95,1	104,2	105,2	116,5
16, 17	Forest industry	128,2	108,3	94,8	110,7	114,3	124,2	105,9	94,2	109,6	105,1	123,3
19-22	Chemical industry	113,4	108,4	89,8	105,4	113,5	109,0	104,9	91,2	104,6	105,2	116,5
24-30	Metal industry	111,0	109,6	94,4	104,4	105,7	107,4	118,6	93,4	106,3	100,0	110,3
F	Construction	113,0	109,3	99,1	107,1	106,2	111,1	111,6	99,9	107,2	103,5	114,2
G-N	Services of the business economy	115,4	105,7	95,0	104,8	104,3	112,8	107,6	96,9	105,4	102,2	113,9
G	Wholesale and retail trade	116,0	104,1	94,9	104,9	107,6	115,6	108,3	97,7	107,3	106,8	118,8
H	Transportation and storage	114,1	108,9	93,3	103,5	100,0	110,6	109,3	95,0	103,7	95,8	110,0
J	Information and communication	119,1	110,4	94,8	107,9	106,6	115,5	112,2	96,0	107,6	103,5	117,0
K	Financial and insurance activities	131,8	98,1	95,6	107,4	106,2	126,2	100,0	97,3	107,4	100,1	126,5
State sector, J-R	Total	121,6	107,6	94,4	104,8	99,4	115,0	104,4	94,2	103,3	91,9	113,1
Local government sector, D-S	Total	111,6	122,9	94,3	106,4	98,9	108,4	124,2	97,0	107,1	94,2	107,4

*Preliminary data

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

		2015/2*	2015/3*	2015/4*	Change 2015/2014*	2016/1*	2016/2*	2016/3*	2016/4*	Change 2016/2015*	2017/1*	2017/2*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	1,8	1,2	0,8	1,4	1,6	-2,5	2,0	1,5	0,5	-3,2	1,2
B-E	Industry	0,4	2,5	2,6	2,0	2,1	-3,3	3,6	0,3	0,6	-4,9	2,7
C	Manufacturing	0,2	2,6	2,8	2,1	2,2	-3,2	3,8	0,2	0,7	-4,8	3,0
10, 11	Food industry	5,8	2,5	1,6	3,0	-2,8	-5,5	-0,1	2,9	-1,6	1,4	5,6
16, 17	Forest industry	3,5	4,6	2,8	4,7	2,6	-3,1	-2,3	-0,6	-0,9	-8,0	-0,7
19-22	Chemical industry	2,0	2,1	-5,3	0,7	3,0	-3,9	-3,3	1,6	-0,8	-7,3	6,8
24-30	Metal industry	-1,8	5,3	6,1	2,8	2,9	-3,3	8,2	-1,0	1,8	-5,4	2,7

		2015/2*	2015/3*	2015/4*	Change 2015/ 2014*	2016/1*	2016/2*	2016/3*	2016/4*	Change 2016/ 2015*	2017/1*	2017/2*
F	Construction	1,0	-1,1	1,4	0,8	-0,6	-1,7	2,1	0,8	0,1	-2,5	2,8
G-N	Services of the business economy	2,6	0,7	0,2	1,4	1,4	-2,2	1,8	1,9	0,6	-2,1	0,9
G	Wholesale and retail trade	3,1	-0,6	1,1	1,1	2,7	-0,3	4,0	2,9	2,2	-0,8	2,8
H	Transportation and storage	2,4	0,5	-2,4	0,3	2,5	-3,1	0,4	1,9	0,2	-4,2	-0,6
J	Information and communication	5,6	4,3	0,6	3,7	-0,7	-3,1	1,6	1,3	-0,3	-3,0	1,3
K	Financial and insurance activities	1,3	1,2	-0,2	1,5	2,0	-4,2	1,9	1,8	0,0	-5,7	0,2
State sector, J-R	Total	-0,6	-0,2	0,8	0,2	3,9	-5,4	-3,0	-0,2	-1,5	-7,5	-1,6
Local government sector, D-S	Total	2,2	0,7	1,2	1,5	2,2	-2,9	1,1	2,8	0,7	-4,8	-1,0

*Preliminary data

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

		2015/2*	2015/3*	2015/4*	Whole year 2015*	2016/1*	2016/2*	2016/3*	2016/4*	Whole year 2016*	2017/1*	2017/2*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	108,5	107,7	97,7	104,3	104,6	105,9	108,9	99,7	104,8	101,2	106,2
B-E	Industry	108,8	109,4	96,2	104,6	105,6	105,4	109,8	98,0	104,7	101,1	107,3
C	Manufacturing	108,7	109,1	95,9	104,4	105,6	105,3	109,4	97,7	104,5	101,3	107,6
10, 11	Food industry	113,2	106,8	96,0	105,5	103,4	105,9	107,7	99,0	104,0	104,8	110,7
16, 17	Forest industry	117,5	110,4	97,9	108,8	112,0	114,7	107,8	97,3	108,0	104,0	113,6
19-22	Chemical industry	107,7	110,3	94,2	104,7	109,0	102,5	107,0	96,0	103,6	100,1	106,0
24-30	Metal industry	106,5	111,0	96,1	104,1	104,5	103,7	112,1	97,9	104,5	100,3	106,1
F	Construction	108,9	107,2	99,9	105,5	105,9	106,7	109,6	100,8	105,8	103,0	107,6
G-N	Services of the business economy	108,8	106,9	98,4	104,3	104,5	106,6	108,9	100,4	105,1	102,1	106,4
G	Wholesale and retail trade	108,8	107,3	98,7	104,8	106,1	108,4	111,5	101,7	106,9	105,6	109,6
H	Transportation and storage	110,0	107,6	96,2	103,3	102,0	106,2	107,6	97,9	103,4	97,4	105,3
J	Information and communication	110,5	109,5	99,2	106,3	106,9	108,4	112,1	100,3	106,9	103,3	106,4
K	Financial and insurance activities	113,1	101,8	99,8	104,9	107,1	108,9	104,2	102,3	105,6	100,9	110,0
State sector, J-R	Total	111,1	111,5	98,2	105,0	103,0	104,7	108,3	98,1	103,5	95,2	106,5
Local government sector, D-S	Total	109,9	117,8	98,1	106,5	102,5	106,7	118,8	100,8	107,2	97,3	107,0

*Preliminary data

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

		2015/2*	2015/3*	2015/4*	Change 2015/ 2014*	2016/1*	2016/2*	2016/3*	2016/4*	Change 2016/ 2015*	2017/1*	2017/2*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	1,5	0,7	0,2	0,9	1,3	-2,4	1,1	2,1	0,5	-3,2	0,3
B-E	Industry	0,3	1,6	1,1	1,3	1,4	-3,1	0,4	1,8	0,1	-4,3	1,8
C	Manufacturing	0,2	1,6	1,2	1,3	1,6	-3,2	0,3	1,8	0,1	-4,1	2,2
10, 11	Food industry	5,8	1,7	1,6	2,9	-2,4	-6,5	0,8	3,2	-1,4	1,4	4,6
16, 17	Forest industry	2,6	4,4	2,1	3,7	2,5	-2,3	-2,4	-0,6	-0,7	-7,1	-1,0
19-22	Chemical industry	1,7	1,8	-0,8	1,5	2,2	-4,9	-3,0	1,9	-1,1	-8,2	3,5
24-30	Metal industry	-1,4	3,4	1,6	1,4	1,9	-2,6	0,9	1,8	0,5	-4,0	2,3
F	Construction	0,7	-0,6	1,4	0,7	-0,2	-2,0	2,3	0,9	0,2	-2,7	0,8
G-N	Services of the business economy	2,0	0,3	-0,1	0,9	1,2	-2,0	1,9	2,1	0,8	-2,3	-0,2
G	Wholesale and retail trade	1,9	-0,7	1,0	0,6	1,6	-0,3	3,9	3,0	2,0	-0,4	1,1
H	Transportation and storage	1,8	0,2	-2,4	0,0	2,4	-3,4	-0,0	1,8	0,1	-4,4	-0,9
J	Information and communication	4,3	2,9	0,2	2,6	0,7	-1,9	2,4	1,1	0,6	-3,3	-1,9
K	Financial and insurance activities	1,8	0,3	-1,2	1,0	2,1	-3,7	2,4	2,5	0,7	-5,8	1,0
State sector, J-R	Total	-1,2	0,5	1,0	0,2	3,9	-5,7	-2,8	-0,1	-1,4	-7,5	1,7
Local government sector, D-S	Total	1,9	1,1	1,2	1,6	2,2	-2,8	0,9	2,7	0,6	-5,1	0,2

*Preliminary data

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

		2015/2*	2015/3*	2015/4*	Whole year 2015*	2016/1*	2016/2*	2016/3*	2016/4*	Whole year 2016*	2017/1*	2017/2*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	105,5	104,3	104,5	104,8	105,3	104,6	105,7	105,5	105,3	104,4	104,8
B-E	Industry	105,1	104,4	105,4	105,1	105,5	104,8	106,9	105,3	105,6	104,4	105,1
C	Manufacturing	105,0	104,2	105,3	104,9	105,5	104,5	106,9	105,2	105,5	104,3	105,2
10, 11	Food industry	108,4	104,7	104,1	105,8	103,1	102,5	104,6	106,8	104,2	104,8	108,3
16, 17	Forest industry	110,5	110,8	109,9	110,5	111,6	109,4	108,3	108,4	109,4	105,8	106,4
19-22	Chemical industry	105,2	106,2	103,1	105,3	107,9	102,5	103,0	104,7	104,5	102,4	107,0
24-30	Metal industry	106,0	102,9	105,0	104,4	106,7	102,5	111,4	104,0	106,2	100,9	105,3
F	Construction	107,5	106,0	106,8	107,1	107,4	105,7	108,3	107,6	107,2	104,7	108,6
G-N	Services of the business economy	106,5	103,7	103,9	104,7	106,1	104,2	105,5	105,9	105,5	104,0	105,1
G	Wholesale and retail trade	107,3	103,0	104,1	104,8	107,8	107,0	107,2	107,1	107,3	107,0	109,9
H	Transportation and storage	105,8	103,1	101,9	103,4	105,1	102,6	103,5	103,7	103,7	100,8	102,1
J	Information and communication	110,0	106,2	106,2	107,8	108,2	106,6	107,9	107,5	107,6	104,9	108,0
K	Financial and insurance activities	107,6	107,0	106,9	107,1	107,8	106,2	106,7	106,3	106,8	105,3	105,6
State sector, J-R	Total	106,3	104,3	103,7	104,8	107,2	102,7	101,3	103,2	103,6	101,5	99,4

*Preliminary data

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

		2015/2*	2015/3*	2015/4*	Change 2015/ 2014*	2016/1*	2016/2*	2016/3*	2016/4*	Change 2016/ 2015*	2017/1*	2017/2*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	2,0	1,2	0,8	1,3	0,4	-0,9	1,4	1,0	0,4	-0,8	0,2
B-E	Industry	1,2	2,1	2,4	1,9	0,2	-0,3	2,4	-0,0	0,5	-1,1	0,3
C	Manufacturing	0,9	2,2	2,6	2,0	0,3	-0,5	2,7	-0,1	0,6	-1,2	0,7
10, 11	Food industry	5,8	2,5	1,6	2,9	-2,7	-5,5	-0,1	2,5	-1,5	1,7	5,6
16, 17	Forest industry	3,4	5,1	2,9	4,1	0,7	-1,0	-2,3	-1,4	-1,0	-5,2	-2,7
19-22	Chemical industry	2,5	2,3	-5,0	0,5	1,1	-2,6	-3,1	1,5	-0,8	-5,1	4,4
24-30	Metal industry	-1,7	5,3	6,1	2,9	2,9	-3,2	8,3	-1,0	1,7	-5,5	2,7
F	Construction	1,0	-1,1	1,4	0,8	-0,6	-1,7	2,1	0,8	0,1	-2,5	2,8
G-N	Services of the business economy	2,6	0,7	0,2	1,3	1,4	-2,2	1,8	1,9	0,7	-2,0	0,9
G	Wholesale and retail trade	3,1	-0,6	1,1	1,0	2,7	-0,3	4,0	2,9	2,3	-0,8	2,8
H	Transportation and storage	2,3	0,5	-2,3	0,1	2,5	-3,1	0,3	1,8	0,3	-4,1	-0,5
J	Information and communication	5,6	4,3	0,6	3,6	-0,7	-3,1	1,6	1,3	-0,2	-3,0	1,3
K	Financial and insurance activities	1,8	0,8	0,4	1,3	0,8	-1,3	-0,2	-0,6	-0,3	-2,4	-0,6
State sector, J-R	Total	-0,1	-0,2	0,3	0,2	2,3	-3,4	-2,8	-0,5	-1,1	-5,3	-3,3

*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 8.9.2017	1st release	
Private sector, original series	04/2015	0,8	0,8	0,0
	01/2016	1,6	1,5	0,1
	02/2016	-2,5	-2,4	-0,1
	03/2016	2,0	2,1	-0,1
	04/2016	1,5	1,7	-0,2
	01/2017	-3,2	-3,0	-0,2
State sector, original series	04/2015	0,8	0,8	0,0
	01/2016	3,9	3,9	0,0
	02/2016	-5,4	-5,4	0,0
	03/2016	-3,0	-3,0	0,0
	04/2016	-0,2	-0,2	0,0
	01/2017	-7,5	-7,5	0,0
Local government sector, original series	04/2015	1,2	1,0	0,2
	01/2016	2,2	2,4	-0,2
	02/2016	-2,9	-2,6	-0,3
	03/2016	1,1	0,4	0,7
	04/2016	2,8	2,8	0,0
	01/2017	-4,8	-4,8	0,0

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 8.9.2017	1st release	
Private sector, seasonally adjusted series	04/2015	0,8	1,8	-1,0
	01/2016	0,4	0,5	-0,1
	02/2016	-0,9	-0,9	0,0
	03/2016	1,4	1,8	-0,4
	04/2016	1,0	1,7	-0,7
	01/2017	-0,8	-0,9	0,1

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Source: Wages, Salaries and Labour Costs, Statistics Finland