

# Labour Cost Index

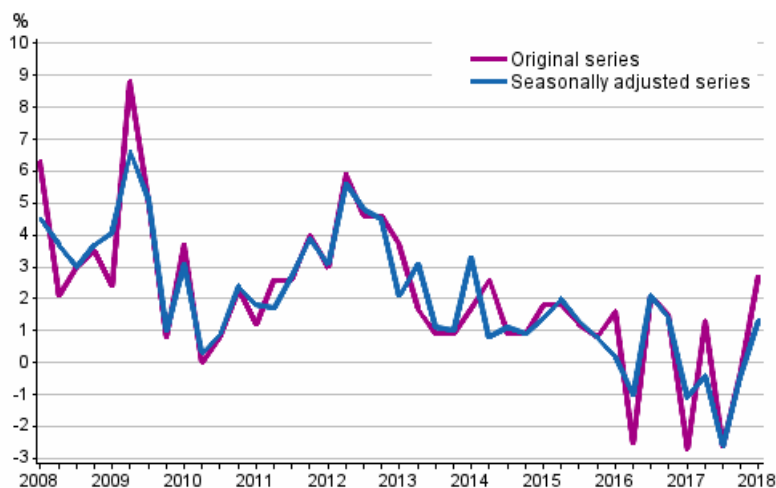
2018, 1st quarter

## Cost of an hour worked increased by 2.7 per cent in January to March year-on-year

Private sector labour costs increased by 2.7 per cent in January to March 2018 when compared with the respective period of the year before. Seasonally adjusted labour costs went up by 1.3 per cent in January to March 2018. There was one less working day in the first quarter of 2018 than in the corresponding period of 2017. In the Labour Cost Index, a decrease in the number of working days usually has an increasing effect on costs.

In the private sector, labour costs without one-off pay items, such as performance-based bonuses, increased by 2.1 per cent in January to March 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 1.2 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 1.8 per cent in January to March 2018 when compared with the respective period of the year before. Seasonally adjusted labour costs went up by 1.9 per cent. Labour costs without one-off pay items increased by 2.0 per cent over the same period. Over the same quarter, the index of wage and salary earnings in the central government sector went up by 0.6 per cent.

In the local government sector, the cost of an hour worked increased by 0.3 per cent in January to March 2018 when compared with the respective period of the year before. The year-on-year change in labour costs without one-off pay items was also a rise of 0.3 per cent. Over the same period, the index of wage and salary earnings in the local government sector went up by 0.5 per cent.

#### Year-on-year change in labour costs according to TOL 2008, 1st quarter 2018

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	2,7	2,1	1,3
B to E	Manufacturing	2,7	2,0	0,2
F	Construction	3,1	2,6	2,4
G to N	Business service activities	2,6	1,9	1,8
J to R	Central government	1,8	2,0	1,9
D to S	Local government	0,3	0,3	..

The cost per an hour worked went up by 2.7 per cent in manufacturing industries (B to E), by 3.1 per cent in construction (F) and by 2.6 per cent in business service activities (G to N) in January to March 2018.

In manufacturing industries in the first quarter of 2018, there was a rise of 4.1 per cent in the forest industry and of 3.7 per cent in the metal industry in the cost of an hour worked. In the food industry costs went up by 1.1 per cent and the chemical industry labour costs went down 2.3 per cent respectively. Among service industries, the biggest rise in costs, 4.9 per cent, was in transportation and storage. In financial and insurance activities, costs increased by 3.9 per cent.

The seasonally adjusted cost of an hour worked in all manufacturing (B to E) went up by 0.2 per cent in January to March 2018 compared with the corresponding period last year. In construction (F), the seasonally adjusted cost of an hour worked increased by 2.4 per cent and in business service activities (G to N) increased by 1.8 per cent.

In manufacturing industries seasonally adjusted cost of an hour worked went down by 1.7 per cent in the chemical industry and up by 3.3 per cent in the metal industry in the January to March period of 2018 from the same period of the previous year. In business service activities, seasonally adjusted costs rose by 2.5 per cent in trade, by 3.8 per cent in communication activities and by 5.0 per cent in transportation and storage. In financial and insurance activities there was a 3.2 per cent rise 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**

		2016/2*	2016/3*	2016/4*	Whole year 2016*	2017/1*	2017/2*	2017/3*	2017/4*	Whole year 2017*	2018/1*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	111,4	109,3	96,2	105,4	102,0	112,8	106,4	96,0	104,3	104,7
B-E	Industry	110,3	112,1	93,7	105,8	102,3	113,3	106,3	92,3	103,6	105,1
C	Manufacturing	110,2	111,9	93,5	105,7	102,5	113,7	106,1	92,2	103,6	105,0
10, 11	Food industry	110,4	107,6	95,1	104,2	105,7	116,5	110,2	96,5	107,2	106,9
16, 17	Forest industry	123,2	105,9	94,2	109,4	106,1	125,4	107,8	94,0	108,4	110,5
19-22	Chemical industry	109,0	104,9	91,2	104,6	105,6	116,3	105,2	92,0	104,8	103,1
24-30	Metal industry	107,4	118,6	93,4	106,3	100,1	109,5	105,5	90,0	101,3	103,8
F	Construction	111,1	111,5	99,8	107,2	103,3	113,1	108,6	97,2	105,6	106,5
G-N	Services of the business economy	113,0	107,7	97,0	105,5	103,2	114,2	107,3	98,4	105,8	105,8
G	Wholesale and retail trade	115,6	108,3	97,8	107,3	109,4	119,1	110,4	100,3	109,8	112,1
H	Transportation and storage	110,6	109,3	95,0	103,7	96,0	109,8	105,7	95,4	101,7	100,7
J	Information and communication	115,4	112,1	96,0	107,5	104,5	115,5	115,5	101,3	109,2	108,4
K	Financial and insurance activities	128,1	101,0	98,1	108,6	102,9	127,1	99,6	98,9	107,1	107,0
State sector, J-R	Total	115,0	104,4	94,2	103,3	91,9	113,1	101,9	90,2	99,3	93,6
Local government sector, D-S	Total	108,3	124,5	96,8	107,1	94,4	108,2	119,2	95,6	104,3	94,7

\*Preliminary data

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

		2016/2*	2016/3*	2016/4*	Change 2016/2015*	2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/2016*	2018/1*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	-2,5	2,1	1,5	0,6	-2,7	1,3	-2,6	-0,3	-1,1	2,7
B-E	Industry	-3,3	3,6	0,3	0,6	-4,7	2,8	-5,1	-1,5	-2,1	2,7
C	Manufacturing	-3,3	3,8	0,2	0,7	-4,6	3,1	-5,2	-1,4	-2,0	2,5
10, 11	Food industry	-5,5	-0,1	2,8	-1,6	2,0	5,5	2,4	1,5	2,9	1,1
16, 17	Forest industry	-3,8	-2,3	-0,6	-1,1	-7,1	1,8	1,8	-0,2	-1,0	4,1
19-22	Chemical industry	-3,9	-3,3	1,6	-0,8	-6,9	6,6	0,3	0,9	0,1	-2,3
24-30	Metal industry	-3,3	8,2	-1,0	1,8	-5,4	2,0	-11,1	-3,6	-4,7	3,7
F	Construction	-1,7	2,1	0,7	0,1	-2,9	1,8	-2,7	-2,6	-1,5	3,1

		2016/2*	2016/3*	2016/4*	Change 2016/ 2015*	2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/ 2016*	2018/1*
G-N	Services of the business economy	-2,1	1,9	2,0	0,7	-1,2	1,1	-0,4	1,5	0,2	2,6
G	Wholesale and retail trade	-0,3	4,0	3,1	2,3	1,7	3,0	2,0	2,6	2,3	2,5
H	Transportation and storage	-3,1	0,3	1,8	0,2	-4,0	-0,7	-3,3	0,5	-1,9	4,9
J	Information and communication	-3,1	1,6	1,2	-0,4	-2,0	0,1	3,0	5,5	1,6	3,8
K	Financial and insurance activities	-2,8	3,0	2,6	1,1	-3,9	-0,8	-1,4	0,8	-1,4	3,9
State sector, J-R	Total	-5,4	-3,0	-0,2	-1,5	-7,5	-1,6	-2,4	-4,2	-3,8	1,8
Local government sector, D-S	Total	-2,6	1,6	2,9	0,9	-4,5	-0,1	-4,3	-1,3	-2,6	0,3

\*Preliminary data

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

		2016/2*	2016/3*	2016/4*	Whole year 2016*	2017/1*	2017/2*	2017/3*	2017/4*	Whole year 2017*	2018/1*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	105,9	109,0	99,8	104,8	101,5	106,3	107,1	99,0	103,5	103,7
B-E	Industry	105,3	109,8	98,0	104,7	101,4	107,2	108,8	97,1	103,6	103,4
C	Manufacturing	105,2	109,4	97,6	104,4	101,6	107,5	108,6	96,8	103,6	103,3
10, 11	Food industry	105,9	107,7	99,0	104,0	105,2	110,4	109,8	100,0	106,4	105,9
16, 17	Forest industry	114,0	107,7	97,3	107,8	104,9	115,1	110,6	97,5	107,0	108,1
19-22	Chemical industry	102,5	107,0	96,0	103,6	100,3	105,9	108,0	96,5	102,7	99,6
24-30	Metal industry	103,7	112,0	97,8	104,5	100,4	105,3	108,9	95,7	102,6	103,1
F	Construction	106,7	109,5	100,8	105,8	102,6	107,2	105,7	97,7	103,3	105,2
G-N	Services of the business economy	106,7	109,0	100,6	105,3	102,7	106,9	108,2	101,0	104,7	104,6
G	Wholesale and retail trade	108,4	111,5	101,9	107,0	107,1	111,0	113,3	103,7	108,8	108,7
H	Transportation and storage	106,2	107,6	97,9	103,4	97,8	105,2	104,4	98,0	101,3	101,9
J	Information and communication	108,4	112,0	100,3	106,9	103,2	106,0	112,5	101,1	105,7	106,3
K	Financial and insurance activities	110,4	105,2	103,8	107,0	103,4	110,4	103,6	103,5	105,2	106,5
State sector, J-R	Total	104,7	108,3	98,1	103,5	95,2	106,5	106,1	94,1	100,5	97,1
Local government sector, D-S	Total	106,6	119,1	100,6	107,2	97,4	108,0	117,0	99,3	105,4	97,7

\*Preliminary data

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

		2016/2*	2016/3*	2016/4*	Change 2016/ 2015*	2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/ 2016*	2018/1*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	-2,4	1,2	2,1	0,5	-3,0	0,3	-1,7	-0,8	-1,3	2,1
B-E	Industry	-3,1	0,4	1,8	0,1	-4,0	1,8	-1,0	-0,9	-1,0	2,0
C	Manufacturing	-3,2	0,3	1,8	0,0	-3,8	2,2	-0,7	-0,8	-0,8	1,7
10, 11	Food industry	-6,5	0,8	3,2	-1,4	1,8	4,3	2,0	1,0	2,3	0,6
16, 17	Forest industry	-2,9	-2,5	-0,6	-0,9	-6,3	0,9	2,7	0,2	-0,7	3,0
19-22	Chemical industry	-4,9	-3,0	1,9	-1,1	-8,0	3,4	1,0	0,5	-0,9	-0,7
24-30	Metal industry	-2,7	0,9	1,8	0,4	-3,9	1,5	-2,8	-2,2	-1,9	2,7
F	Construction	-2,0	2,2	0,9	0,2	-3,3	0,5	-3,5	-3,0	-2,3	2,6
G-N	Services of the business economy	-1,9	2,0	2,2	0,9	-1,9	0,2	-0,8	0,4	-0,5	1,9
G	Wholesale and retail trade	-0,3	3,9	3,2	2,0	0,9	2,4	1,6	1,8	1,7	1,6
H	Transportation and storage	-3,4	-0,0	1,8	0,1	-4,1	-0,9	-3,0	0,1	-2,0	4,2
J	Information and communication	-1,9	2,4	1,1	0,5	-3,4	-2,2	0,4	0,9	-1,1	3,0
K	Financial and insurance activities	-2,4	3,4	3,9	2,0	-4,9	0,0	-1,6	-0,3	-1,7	3,0
State sector, J-R	Total	-5,7	-2,8	-0,1	-1,4	-7,5	1,7	-2,0	-4,1	-3,0	2,0
Local government sector, D-S	Total	-2,6	1,4	2,8	0,9	-4,8	1,3	-1,8	-1,3	-1,6	0,3

\*Preliminary data

\*Ennakkotieto

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

		2016/2*	2016/3*	2016/4*	Whole year 2016*	2017/1*	2017/2*	2017/3*	2017/4*	Whole year 2017*	2018/1*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	104,6	106,5	105,8	105,5	103,9	104,2	103,7	105,3	104,3	105,2
B-E	Industry	104,4	107,9	105,3	105,7	103,5	104,2	102,5	103,6	103,5	103,7
C	Manufacturing	104,1	107,9	105,2	105,6	103,6	104,3	102,4	103,6	103,5	103,7
10, 11	Food industry	102,5	104,5	106,8	104,2	105,2	108,2	107,0	108,4	107,2	106,5
16, 17	Forest industry	108,6	107,5	108,7	109,2	106,7	108,2	109,2	108,6	108,2	109,2
19-22	Chemical industry	101,7	103,1	104,0	104,5	103,2	107,3	103,4	104,7	104,6	101,4
24-30	Metal industry	102,3	111,2	104,1	106,0	100,9	104,1	99,5	100,5	101,2	104,3
F	Construction	105,8	108,0	107,4	107,1	104,6	107,0	105,6	105,1	105,6	107,1
G-N	Services of the business economy	105,0	106,0	105,8	105,6	105,1	105,3	105,6	107,3	105,8	107,0
G	Wholesale and retail trade	106,9	107,4	107,4	107,3	109,4	110,1	109,5	110,2	109,8	112,1
H	Transportation and storage	102,6	104,0	103,4	103,7	100,6	101,9	100,8	103,9	101,8	105,6
J	Information and communication	106,9	107,8	107,2	107,5	106,0	107,0	111,0	113,2	109,3	110,0
K	Financial and insurance activities	107,5	108,2	107,9	108,0	105,8	106,4	107,2	108,3	106,9	109,2
State sector, J-R	Total	101,1	101,4	103,8	103,6	100,3	99,8	99,4	99,7	99,8	102,1

\*Preliminary data



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

		2016/2*	2016/3*	2016/4*	Change 2016/ 2015*	2017/1*	2017/2*	2017/3*	2017/4*	Change 2017/ 2016*	2018/1*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	-1,0	2,1	1,4	0,7	-1,1	-0,4	-2,6	-0,4	-1,1	1,3
B-E	Industry	-0,8	3,4	0,2	0,7	-1,7	-0,3	-5,0	-1,6	-2,2	0,2
C	Manufacturing	-0,8	3,5	0,1	0,7	-1,7	0,2	-5,0	-1,5	-2,0	0,1
10, 11	Food industry	-5,5	-0,1	2,8	-1,5	2,0	5,6	2,4	1,5	2,9	1,2
16, 17	Forest industry	-2,1	-2,2	-0,7	-1,2	-4,8	-0,4	1,5	-0,1	-1,0	2,4
19-22	Chemical industry	-3,9	-3,1	0,7	-1,0	-5,6	5,5	0,2	0,7	0,1	-1,7
24-30	Metal industry	-2,8	7,5	-1,3	1,6	-5,1	1,8	-10,5	-3,5	-4,5	3,3
F	Construction	-1,6	2,0	0,5	0,2	-2,5	1,2	-2,3	-2,1	-1,5	2,4
G-N	Services of the business economy	-1,2	1,9	1,9	0,8	-0,4	0,3	-0,3	1,4	0,3	1,8
G	Wholesale and retail trade	-0,3	4,0	3,1	2,4	1,7	3,0	2,0	2,5	2,3	2,5
H	Transportation and storage	-3,1	0,4	1,7	0,3	-4,0	-0,6	-3,0	0,4	-1,8	5,0
J	Information and communication	-3,1	1,6	1,2	-0,3	-2,0	0,1	3,0	5,5	1,6	3,8
K	Financial and insurance activities	-0,3	1,5	1,2	1,0	-2,4	-1,0	-0,9	0,4	-1,0	3,2
State sector, J-R	Total	-5,4	-2,9	-0,1	-1,1	-7,3	-1,3	-2,1	-4,0	-3,7	1,9

\*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-change<sup>1)</sup>

Labour cost index	Quarter	Year-on-year change, %		Revision, %-points
		Latest release 8.6.2018	1st release	
Private sector, original series	03/2016	2,1	2,1	0,0
	04/2016	1,5	1,7	-0,2
	01/2017	-2,7	-3,0	0,3
	02/2017	1,3	1,2	0,1
	03/2017	-2,6	-2,4	-0,2
	04/2017	-0,3	-0,2	-0,1
State sector, original series	03/2016	-3,0	-3,0	0,0
	04/2016	-0,2	-0,2	0,0
	01/2017	-7,5	-7,5	0,0
	02/2017	-1,6	-1,6	0,0
	03/2017	-2,4	-2,4	0,0
	04/2017	-4,2	-4,2	0,0
Local government sector, original series	03/2016	1,6	0,4	1,2
	04/2016	2,9	2,8	0,1
	01/2017	-4,5	-4,8	0,3
	02/2017	-0,1	-1,0	0,9
	03/2017	-4,3	-4,4	0,1
	04/2017	-1,3	-1,3	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 8.6.2018	1st release	
Private sector, seasonally adjusted series	03/2016	2,1	1,8	0,3
	04/2016	1,4	1,7	-0,3
	01/2017	-1,1	-0,9	-0,2
	02/2017	-0,4	0,2	-0,6
	03/2017	-2,6	-2,4	-0,2
	04/2017	-0,4	-0,4	0,0

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Source: Wages, Salaries and Labour Costs, Statistics Finland