

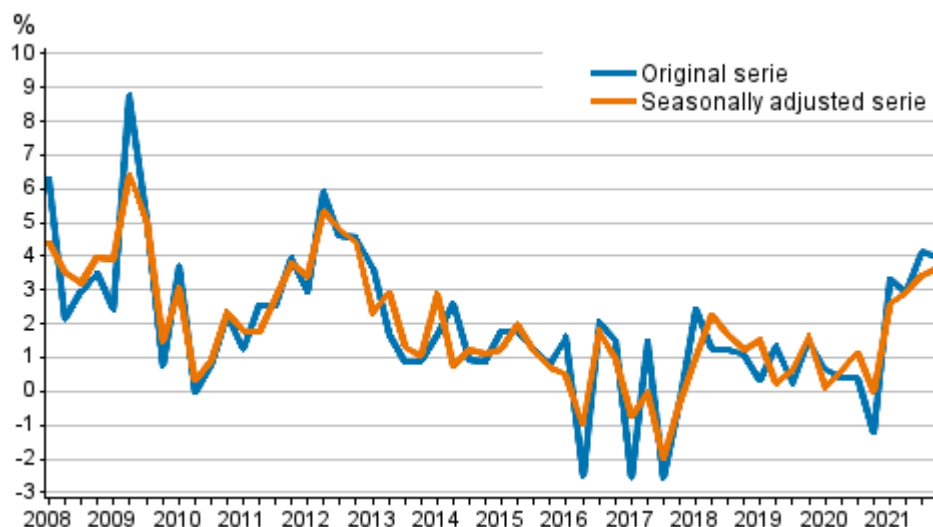
Labour Cost Index

2021, 4th quarter

Private sector cost of an hour worked increased by 3,9 per cent in October to December year-on-year

According to Statistics Finland, private sector labour costs increased by 3.9 per cent in October to December 2021 when compared with the respective period of the year before. Seasonally adjusted labour costs went up by 3.7 per cent in October to December 2021. In the fourth quarter of 2021, the number of working days was the same as in the corresponding period of 2020.

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



In the private sector, labour costs without one-off pay items, such as performance-based bonuses, increased by 4.1 per cent in October to December 2021 compared with the corresponding quarter one year ago.

In the central government sector, the cost of an hour worked increased by 2.4 per cent in October to December 2021 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 2.4 per cent increase. Seasonally adjusted labour costs went up by 2.9 per cent.

In the local government sector, the cost of an hour worked increased by 4.3 per cent in October to December 2021 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 4.4 per cent increase. Seasonally adjusted labour costs went up by 4.1 per cent.

In all sectors, the increase in costs is mainly due to the fact that wages and salaries subject to preliminary withholding tax increased more than the number of hours worked.

The original series of the labour cost index for 2021 and the seasonally adjusted series are preliminary.

Year-on-year change in labour costs according to industry (TOL 2008) and sector, 4th quarter 2021

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

Changes by industry

The cost per hour worked went up by 4.7 per cent in manufacturing industries (B to E) in October to December 2021 compared with the corresponding period last year. In business service activities (G to N), the costs went up by 3.9 per cent and in construction (F) 3.7 per cent.

In manufacturing industries in the fourth quarter of 2021, the cost per hour worked went up by 6.3 per cent in the food industry, 5.4 per cent in the metal industry, 5.2 per cent in the forest industry and 1.7 per cent in the chemical industry. Among service industries, the biggest rise in costs, 6.8 per cent, was in wholesale and retail trade and the smallest, 0.3 per cent, in financial and insurance activities.

The seasonally adjusted cost of an hour worked went up by 4.4 per cent in manufacturing industries (B to E). In business service activities (G to N), costs went up by 3.6 per cent and in construction (F) 3.3 per cent in October to December 2021 compared with the corresponding period last year.

In manufacturing industries, seasonally adjusted cost of an hour worked went up by 5.4 per cent in the food industry, 5.0 per cent in the metal industry, 4.4 per cent in the forest industry and 1.8 per cent in the chemical industry in the October to December period of 2021 from the same period of the previous year. In business service activities, seasonally adjusted costs rose by 6.3 per cent in wholesale and retail trade and 1.8 per cent in financial and insurance activities.

The Labour Cost Index measures the change in wage and salary costs calculated per hour worked

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 subject to preliminary

withholding tax 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.

Starting from the first quarter of 2019, the wages and salaries sum of the labour cost index is based on the Incomes Register. The wages and salaries sum is used to raise the labour costs reported by the data providers to the industry level.

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Appendix table 1. Labour costs, Labour Cost Index 2016=100

		2020/1	2020/2	2020/3	2020/4	Whole year 2020	2021/1*	2021/2*	2021/3*	2021/4*	Whole year 2021*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	100,3	110,4	102,9	92,2	101,5	103,6	113,7	107,2	95,8	105,1
B-E	Industry	100,1	108,0	102,4	88,0	99,6	103,9	111,4	107,3	92,1	103,7
C	Manufacturing	99,7	108,0	102,2	87,8	99,4	104,2	111,2	107,1	92,1	103,7
10, 11	Food industry	105,4	116,2	109,1	93,5	106,1	110,7	118,7	113,4	99,4	110,6
16, 17	Forest industry	100,9	115,3	98,4	85,4	100,0	101,3	116,7	101,8	89,9	102,4
19-22	Chemical industry	106,9	111,5	104,2	88,1	102,7	110,0	116,5	106,8	89,6	105,7
24-30	Metal industry	95,7	102,4	99,8	85,0	95,7	101,4	105,2	105,9	89,6	100,5
F	Construction	102,0	107,7	108,1	94,8	103,1	105,3	113,1	110,7	98,2	106,9
G-N	Services of the business economy	101,3	113,2	102,0	93,9	102,6	105,1	116,4	106,9	97,6	106,5
G	Wholesale and retail trade	102,2	116,9	104,0	94,5	104,4	111,7	119,9	108,6	101,0	110,3
H	Transportation and storage	97,3	110,0	105,6	92,7	101,4	99,4	110,7	108,5	96,1	103,7
J	Information and communication	100,2	107,9	102,2	89,5	99,9	104,5	114,8	103,1	93,7	104,0
K	Financial and insurance activities	100,7	126,5	95,0	92,9	103,7	100,6	125,2	100,6	93,2	104,9
State sector, J-R	Total	92,2	116,3	101,7	93,2	100,9	94,1	119,4	107,1	95,4	104,0
Local government sector, D-S	Total	92,7	109,2	117,5	93,5	103,2	96,0	111,9	121,1	97,5	106,6

*Preliminary data

Appendix table 2. Labour costs, percentage changes, Labour Cost Index 2016=100

		2020/1	2020/2	2020/3	2020/4	Change 2020/2019	2021/1*	2021/2*	2021/3*	2021/4*	Change 2021/2020*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	0,7	0,4	0,4	-1,2	0,1	3,3	2,9	4,1	3,9	3,6
B-E	Industry	2,9	-1,9	-0,1	-2,4	-0,4	3,8	3,2	4,8	4,7	4,1
C	Manufacturing	3,1	-2,1	0,1	-2,5	-0,4	4,5	2,9	4,9	4,8	4,3
10, 11	Food industry	2,2	3,4	-1,9	-1,7	0,6	5,0	2,1	3,9	6,3	4,2
16, 17	Forest industry	2,0	-3,9	-0,9	-3,4	-1,6	0,4	1,3	3,4	5,2	2,4
19-22	Chemical industry	3,4	-2,7	-0,4	-3,3	-0,7	3,0	4,5	2,5	1,7	3,0
24-30	Metal industry	2,9	-3,3	0,8	-2,8	-0,7	5,9	2,8	6,1	5,4	5,0
F	Construction	-0,1	0,1	0,7	0,2	0,2	3,3	5,0	2,4	3,7	3,6
G-N	Services of the business economy	-0,1	2,5	-0,1	-0,9	0,4	3,8	2,8	4,8	3,9	3,8

		2020/1	2020/2	2020/3	2020/4	Change 2020/ 2019	2021/1*	2021/2*	2021/3*	2021/4*	Change 2021/ 2020*
G	Wholesale and retail trade	-3,2	1,4	-0,8	-1,6	-1,0	9,2	2,5	4,5	6,8	5,6
H	Transportation and storage	0,5	1,0	0,4	-3,9	-0,4	2,2	0,7	2,7	3,7	2,3
J	Information and communication	0,6	-1,1	0,8	-2,3	-0,5	4,3	6,3	0,9	4,8	4,1
K	Financial and insurance activities	2,1	6,3	2,2	-0,5	2,8	-0,1	-1,0	5,9	0,3	1,1
State sector, J-R	Total	0,6	5,2	0,4	0,6	1,8	2,1	2,6	5,3	2,4	3,1
Local government sector, D-S	Total	-0,5	4,3	3,4	1,1	2,2	3,6	2,4	3,1	4,3	3,3

*Preliminary data

Appendix table 3. Labour costs, excluding one-off items, Labour Cost Index 2016=100

		2020/1	2020/2	2020/3	2020/4	Whole year 2020	2021/1*	2021/2*	2021/3*	2021/4*	Whole year 2021*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	100,1	104,4	104,3	95,8	101,1	102,8	107,2	108,8	99,7	104,6
B-E	Industry	100,6	103,7	105,9	93,2	100,8	102,5	106,8	110,7	97,7	104,4
C	Manufacturing	100,6	103,8	105,8	93,1	100,8	102,6	106,8	110,7	97,8	104,5
10, 11	Food industry	104,2	110,3	109,0	96,0	104,9	108,1	111,8	113,8	103,0	109,2
16, 17	Forest industry	101,9	106,5	102,4	90,3	100,3	100,9	107,9	105,7	94,8	102,3
19-22	Chemical industry	102,8	103,6	108,3	94,1	102,2	103,3	108,9	110,2	95,8	104,6
24-30	Metal industry	98,7	101,1	104,8	91,2	99,0	101,2	104,2	111,3	96,4	103,3
F	Construction	102,9	104,3	106,4	97,0	102,6	106,0	107,8	110,6	100,2	106,1
G-N	Services of the business economy	100,1	105,4	103,3	97,1	101,5	103,7	108,5	108,6	101,0	105,5
G	Wholesale and retail trade	101,5	108,9	106,9	98,5	103,9	107,3	110,9	112,2	104,6	108,7
H	Transportation and storage	98,5	104,8	104,1	94,7	100,5	100,2	105,6	107,3	99,3	103,1
J	Information and communication	97,6	100,3	102,3	93,5	98,4	102,7	106,4	104,3	98,4	103,0
K	Financial and insurance activities	102,7	109,1	101,4	98,9	103,0	103,1	111,5	107,2	99,5	105,3
State sector, J-R	Total	95,4	105,1	105,4	96,9	100,7	97,6	107,6	110,8	99,2	103,8
Local government sector, D-S	Total	95,3	106,3	113,1	96,4	102,8	98,9	108,1	117,3	100,7	106,2

*Preliminary data

Appendix table 4. Labour costs, excluding one-off items, percentage changes, Labour Cost Index 2016=100

		2020/1	2020/2	2020/3	2020/4	Change 2021/ 2020	2021/1*	2021/2*	2021/3*	2021/4*	Muutos 2021/ 2020*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	0,0	0,0	0,1	-1,3	-0,3	2,7	2,8	4,4	4,1	3,5
B-E	Industry	2,1	-1,6	-0,1	-2,6	-0,6	1,9	2,9	4,6	4,8	3,5
C	Manufacturing	2,3	-1,7	-0,1	-2,7	-0,6	2,0	2,9	4,6	5,0	3,6
10, 11	Food industry	0,7	1,1	-2,0	-2,7	-0,7	3,8	1,4	4,4	7,3	4,1
16, 17	Forest industry	2,6	-3,1	-0,5	-3,3	-1,1	-1,0	1,4	3,2	4,9	2,0
19-22	Chemical industry	3,5	-2,6	0,1	-3,1	-0,5	0,5	5,2	1,8	1,7	2,3
24-30	Metal industry	1,6	-1,8	0,2	-3,2	-0,8	2,6	3,1	6,2	5,6	4,4
F	Construction	0,7	0,3	0,0	0,2	0,3	3,0	3,4	3,9	3,3	3,4
G-N	Services of the business economy	-0,9	1,4	-0,3	-0,7	-0,1	3,6	2,9	5,1	4,0	3,9
G	Wholesale and retail trade	-2,0	1,0	-1,3	-1,3	-0,9	5,7	1,9	4,9	6,3	4,6
H	Transportation and storage	-0,1	0,0	0,3	-3,4	-0,7	1,7	0,8	3,1	4,9	2,6
J	Information and communication	-0,5	-0,7	0,2	-1,7	-0,7	5,2	6,1	1,9	5,2	4,6
K	Financial and insurance activities	0,5	2,2	3,2	-0,8	1,3	0,4	2,3	5,6	0,7	2,3
State sector, J-R	Total	0,2	1,2	0,3	0,6	0,6	2,3	2,3	5,2	2,4	3,1
Local government sector, D-S	Total	0,7	2,1	1,6	0,8	1,3	3,7	1,6	3,7	4,4	3,3

*Preliminary data

Appendix table 5. Seasonally adjusted labour costs, Labour Cost Index 2016=100

		2020/1*	2020/2*	2020/3*	2020/4*	Whole year 2020*	2021/1*	2021/2*	2021/3*	2021/4*	Whole year 2021*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	101,7	102,1	102,5	102,7	102,2	104,3	105,1	106,0	106,4	105,5
B-E	Industry	101,0	99,5	100,4	100,2	100,3	103,6	103,4	104,7	104,6	104,1
C	Manufacturing	100,6	99,5	100,3	100,0	100,1	104,1	103,1	104,6	104,5	104,1
10, 11	Food industry	105,5	108,1	106,6	106,1	106,6	110,8	110,1	110,4	111,8	110,8
16, 17	Forest industry	102,2	100,3	101,1	100,3	101,0	101,8	102,3	103,7	104,7	103,1
19-22	Chemical industry	104,2	102,0	103,7	102,9	103,2	107,0	106,4	106,0	104,8	106,0
24-30	Metal industry	96,9	96,0	96,4	96,4	96,4	101,5	99,6	101,8	101,2	101,0
F	Construction	103,2	102,8	105,2	103,9	103,8	106,7	107,7	107,3	107,3	107,2
G-N	Services of the business economy	102,4	104,0	103,0	104,0	103,3	105,9	106,5	107,5	107,7	106,9
G	Wholesale and retail trade	102,2	108,0	104,7	105,1	105,0	111,6	110,3	108,9	111,7	110,6
H	Transportation and storage	101,7	102,9	102,2	101,5	102,1	103,8	103,3	104,4	104,8	104,1
J	Information and communication	101,2	100,4	100,6	101,0	100,8	105,4	106,2	101,2	105,4	104,6
K	Financial and insurance activities	104,0	105,1	104,2	104,4	104,4	104,4	105,1	106,5	106,3	105,5
State sector, J-R	Total	100,2	101,9	100,3	101,5	101,0	102,4	104,3	105,3	104,4	104,1
Local government sector, D-S	Total	102,3	104,7	104,4	104,3	103,9	106,0	107,0	107,5	108,6	107,3

*Preliminary data

Appendix table 6. Seasonally adjusted labour costs, percentage changes, Labour Cost Index 2016=100

		2020/1*	2020/2*	2020/3*	2020/4*	Change 2020/ 2019*	2021/1*	2021/2*	2021/3*	2021/4*	Change 2021/ 2020*
Industry code	Standard Industrial Classification										
B-S	Total, private sector	0,1	0,6	1,1	0,0	0,5	2,6	2,9	3,4	3,7	3,2
B-E	Industry	2,5	-1,3	0,4	-1,5	0,0	2,7	3,9	4,3	4,4	3,8
C	Manufacturing	2,8	-1,5	0,6	-1,6	0,0	3,5	3,6	4,4	4,4	4,0
10, 11	Food industry	2,2	3,7	-1,5	-0,9	0,9	5,0	1,9	3,5	5,4	3,9
16, 17	Forest industry	1,7	-2,5	-0,1	-2,4	-0,8	-0,4	2,0	2,5	4,4	2,1
19-22	Chemical industry	2,8	-2,4	0,1	-2,3	-0,5	2,7	4,3	2,2	1,8	2,8
24-30	Metal industry	2,7	-2,8	1,3	-2,1	-0,3	4,7	3,8	5,5	5,0	4,7
F	Construction	0,0	0,5	1,2	0,9	0,6	3,3	4,8	2,0	3,3	3,3
G-N	Services of the business economy	-0,1	2,1	0,6	0,2	0,7	3,4	2,4	4,4	3,6	3,4
G	Wholesale and retail trade	-3,2	1,8	-0,2	-1,0	-0,6	9,2	2,1	4,0	6,3	5,4
H	Transportation and storage	0,4	1,3	1,0	-3,3	-0,2	2,1	0,4	2,1	3,2	2,0
J	Information and communication	0,1	-0,9	1,7	-1,5	-0,2	4,1	5,8	0,6	4,4	3,7
K	Financial and insurance activities	3,5	4,0	1,8	1,1	2,6	0,4	0,0	2,1	1,8	1,1
State sector, J-R	Total	1,0	4,2	0,6	0,9	1,7	2,2	2,3	4,9	2,9	3,1
Local government sector, D-S	Total	0,1	3,5	3,5	1,6	2,2	3,6	2,2	3,0	4,1	3,2

*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 11.3.2022	1st release	
Private sector, original series	01/2020	0,7	1,0	-0,3
	02/2020	0,4	0,8	-0,4
	03/2020	0,4	0,4	0,0
	04/2020	-1,2	-1,2	0,0
	01/2021	3,3	3,2	0,1
	02/2021	2,9	2,4	0,5
	03/2021	4,1	4,2	-0,1
State sector, original series	01/2020	0,6	0,5	0,1
	02/2020	5,2	5,2	0,0
	03/2020	0,4	0,4	0,0
	04/2020	0,6	0,6	0,0
	01/2021	2,1	2,1	0,0
	02/2021	2,6	2,5	0,1
	03/2021	5,3	5,4	-0,1
Local government sector, original series	01/2020	-0,5	-0,2	-0,3
	02/2020	4,3	3,4	0,9
	03/2020	3,4	3,6	-0,2
	04/2020	1,1	1,3	-0,2
	01/2021	3,6	3,7	-0,1
	02/2021	2,4	2,4	0,0
	03/2021	3,1	3,0	0,1

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 11.3.2022	1st release	
Private sector, seasonally adjusted series	01/2020	0,1	1,0	-0,9
	02/2020	0,6	1,1	-0,5
	03/2020	1,1	0,9	0,2
	04/2020	0,0	-0,6	0,6
	01/2021	2,6	2,1	0,5
	02/2021	2,9	2,2	0,7
	03/2021	3,4	3,2	0,2
State sector, seasonally adjusted series	01/2020	1,0	0,5	0,5
	02/2020	4,2	4,7	-0,5
	03/2020	0,6	0,8	-0,2
	04/2020	0,9	0,8	0,1
	01/2021	2,2	2,0	0,2
	02/2021	2,3	2,0	0,3
	03/2021	4,9	5,1	-0,2

Labour cost index	Quarter	Year-on-year change, %		Revision, %-points
		Latest release 11.3.2022	1st release	
Local government sector, seasonally adjusted series	01/2020	0,1	0,0	0,1
	02/2020	3,5	2,9	0,6
	03/2020	3,5	3,8	-0,3
	04/2020	1,6	1,8	-0,2
	01/2021	3,6	3,4	0,2
	02/2021	2,2	2,3	-0,1
	03/2021	3,0	2,8	0,2

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Source: Wages, Salaries and Labour Costs, Statistics Finland