

# Labour Cost Index

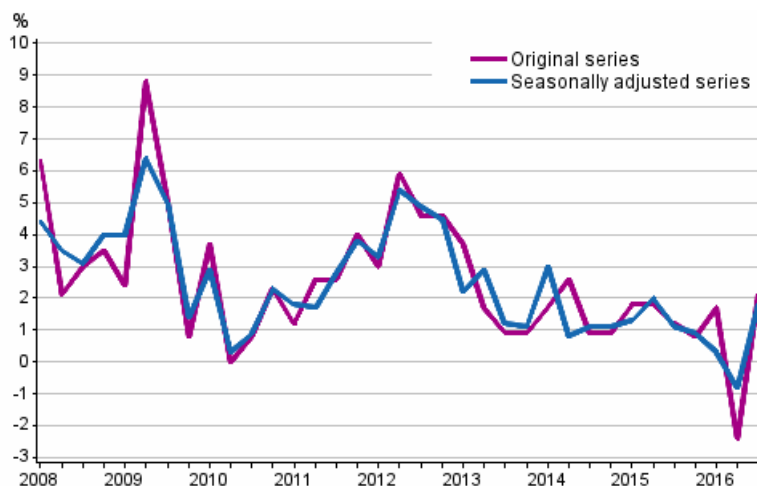
2016, 3rd quarter

## Cost of an hour worked went up by 2.1 per cent in July to September year-on-year

**Corrected on 9 December 2016.** Revision of data. The corrections are indicated in red.

Private sector labour costs rose by 2.1 per cent in July to September 2016 when compared with the respective period of the year before. Seasonally adjusted labour costs went up by 1.8 per cent in July to September 2016. Labour costs without one-off pay items, such as performance-based bonuses, increased by 1.2 per cent 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 decreased by 3.0 per cent in July to September 2016 when compared with the respective period of the year before. About two-thirds of the fall in costs of an hour worked were caused by lower social insurance contributions. Seasonally adjusted labour costs went down by 2.7 per cent. Labour costs without one-off pay items declined by 2.8 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 1.6 per cent.

In the local government sector, the cost of an hour worked rose by 0.4 per cent in July to September 2016 when compared with the respective period of the year before. The year-on-year change in labour costs without one-off pay items was 0.0 per cent. Over the same period, the index of wage and salary earnings in the local government sector went up by 1.0 per cent.

#### Year-on-year change in labour costs according to TOL 2008, 3rd quarter 2016

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

The cost per an hour worked rose by 3.8 per cent in manufacturing industries (B to E), by 2.1 per cent in construction (F), and by 1.9 per cent in business service activities (G to N) in July to September 2016. In the manufacturing industries, the rise in other extraordinary and one-off pay items and the decrease in hours worked accelerated the increase in labour costs. In the construction industry, the rise in wage and salary costs speeded up the rise in the costs of an hour worked.

In manufacturing industries, the biggest rise in costs of an hour worked in the third quarter was in the metal industry, 7.6 per cent. The rise was mainly caused by one-off pay items, which did not involve the obligation to work. The costs of an hour worked without extraordinary or one-off pay items remained at 0.3 per cent in the metal industry. In the forest industry, costs went down by 0.7 per cent and in the food industry by 0.1 per cent. Among service industries, the rise was biggest in trade, 4.0 per cent. In financial and insurance activities, the costs went up by 2.4 per cent.

The seasonally adjusted cost of an hour worked in all manufacturing (B to E) went up by 3.2 per cent in July to September 2016 compared with the corresponding period last year. In construction, the seasonally adjusted cost of an hour worked rose by 2.1 per cent and in business service activities by 1.9 per cent.

The seasonally adjusted cost of an hour worked went down by 0.2 per cent in the forest industry and rose by 7.2 per cent in the metal industry in the July to September period of 2016 from the same period of the previous year. In trade, seasonally adjusted costs increased by 4.1 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**

		2014/3*	2014/4*	Whole year 2014*	2015/1*	2015/2*	2015/3*	2015/4*	Whole year 2015*	2016/1*	2016/2*	2016/3*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	105,8	94,0	103,4	103,2	114,2	107,1	94,8	104,8	104,9	111,5	109,3
B-E	Industry	105,5	91,1	103,1	105,1	114,0	108,2	93,4	105,2	107,5	110,1	112,3
C	Manufacturing	105,1	90,8	102,9	105,0	114,0	107,8	93,3	105,0	107,6	110,1	112,1
10, 11	Food industry	105,1	91,0	102,9	106,7	116,8	107,7	92,5	105,9	103,7	110,4	107,6
16, 17	Forest industry	103,6	92,2	105,7	111,4	128,0	108,3	94,7	110,6	115,9	124,3	107,5
19-22	Chemical industry	106,2	94,7	104,7	110,2	113,4	108,4	89,8	105,5	113,5	109,0	104,9
24-30	Metal industry	104,1	89,0	101,6	102,8	111,1	109,6	94,4	104,5	105,5	106,4	117,9
F	Construction	110,4	97,8	106,2	106,9	113,0	109,2	99,1	107,1	106,3	111,4	111,5
G-N	Services of the business economy	105,0	94,9	103,3	102,9	115,4	105,8	95,0	104,8	104,5	113,3	107,8
G	Wholesale and retail trade	104,7	93,8	103,8	104,6	115,8	104,0	94,8	104,8	107,5	115,5	108,2
H	Transportation and storage	108,4	95,5	103,2	97,7	114,2	109,0	93,3	103,6	100,0	110,9	109,3
J	Information and communication	105,8	94,3	104,0	107,5	119,1	110,4	94,8	108,0	106,9	115,6	112,0
K	Financial and insurance activities	97,0	95,8	105,8	104,0	131,8	98,1	95,6	107,4	106,1	126,2	100,5
State sector, J-R	Total	107,8	93,6	104,7	95,7	121,6	107,6	94,4	104,8	99,4	115,0	104,4
Local government sector, D-S	Total	122,0	93,4	104,9	97,0	111,8	122,8	94,5	106,5	99,3	108,9	123,3

\*Preliminary data

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

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

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

\*Preliminary data

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

		2014/3*	2014/4*	Whole year 2014*	2015/1*	2015/2*	2015/3*	2015/4*	Whole year 2015*	2016/1*	2016/2*	2016/3*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	107,0	97,5	103,3	103,3	108,5	107,7	97,7	104,3	104,7	106,0	109,0
B-E	Industry	107,7	95,2	103,3	104,2	108,8	109,4	96,2	104,6	105,8	105,4	110,1
C	Manufacturing	107,4	94,8	103,1	104,0	108,7	109,1	95,9	104,4	105,7	105,3	109,6
10, 11	Food industry	105,1	94,5	102,5	105,9	113,2	106,8	96,0	105,5	103,4	105,9	107,6
16, 17	Forest industry	105,8	95,9	104,9	109,3	117,4	110,3	97,8	108,7	113,4	114,8	109,9
19-22	Chemical industry	108,3	95,0	103,2	106,7	107,7	110,3	94,2	104,7	109,0	102,4	107,0
24-30	Metal industry	107,4	94,6	102,7	102,5	106,5	111,1	96,1	104,1	104,2	103,3	111,4
F	Construction	107,9	98,5	104,7	106,2	108,9	107,2	99,8	105,5	106,0	106,8	109,6
G-N	Services of the business economy	106,6	98,5	103,4	103,3	108,8	106,9	98,4	104,3	104,7	106,8	109,1
G	Wholesale and retail trade	108,1	97,7	104,2	104,4	108,7	107,3	98,7	104,7	106,0	108,4	111,4
H	Transportation and storage	107,4	98,5	103,3	99,7	110,1	107,7	96,3	103,4	102,0	106,5	107,7
J	Information and communication	106,3	99,0	103,6	106,3	110,5	109,5	99,2	106,4	107,1	108,6	111,9
K	Financial and insurance activities	101,5	101,1	103,9	104,9	113,1	101,8	99,8	104,9	107,1	108,9	105,0
State sector, J-R	Total	111,0	97,2	104,8	99,1	111,1	111,5	98,2	105,0	103,0	104,7	108,3
Local government sector, D-S	Total	116,5	97,2	105,0	100,5	110,0	117,8	98,3	106,6	102,8	107,2	117,8

\*Preliminary data

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

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

\*Preliminary data

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

		2014/3*	2014/4*	Whole year 2014*	2015/1*	2015/2*	2015/3*	2015/4*	Whole year 2015*	2016/1*	2016/2*	2016/3*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	103,1	103,8	103,4	104,7	105,5	104,2	104,7	104,8	105,0	104,7	106,2
B-E	Industry	102,3	102,8	103,0	105,1	105,2	104,4	105,4	105,0	105,2	104,8	107,8
C	Manufacturing	101,9	102,5	102,8	104,9	105,1	104,2	105,3	104,9	105,2	104,6	107,8
10, 11	Food industry	103,0	103,3	103,1	105,4	107,3	104,8	104,5	105,5	103,5	102,9	104,2
16, 17	Forest industry	105,2	106,7	106,0	110,0	111,3	110,8	110,0	110,6	112,4	109,5	110,6
19-22	Chemical industry	104,1	108,3	104,8	105,3	106,8	106,9	103,1	105,5	106,3	103,7	104,4
24-30	Metal industry	98,7	99,3	101,4	102,9	105,5	103,5	105,3	104,3	105,6	101,7	111,0
F	Construction	107,2	105,4	106,2	107,8	107,6	106,0	106,8	107,1	107,3	106,0	108,3
G-N	Services of the business economy	103,1	103,9	103,4	104,5	106,3	103,9	104,2	104,7	106,0	104,5	105,9
G	Wholesale and retail trade	103,9	102,8	103,8	104,6	107,2	103,1	103,9	104,7	107,5	107,0	107,3
H	Transportation and storage	102,8	104,5	103,2	102,3	105,8	103,5	102,2	103,5	104,6	102,7	103,8
J	Information and communication	101,9	105,7	104,1	108,7	110,1	106,3	106,3	107,9	108,1	106,9	107,9
K	Financial and insurance activities	106,6	106,8	106,2	107,4	108,2	107,5	107,7	107,7	107,8	106,9	107,4
State sector, J-R	Total	104,6	103,9	104,7	104,3	105,7	104,8	104,9	104,9	105,7	102,2	102,0

\*Preliminary data



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

		2014/3*	2014/4*	Change 2014/ 2013*	2015/1*	2015/2*	2015/3*	2015/4*	Change 2015/ 2014*	2016/1*	2016/2*	2016/3*
Industry code	Standard Industrial Classification											
B-S	Total, private sector	1,1	1,1	1,5	1,3	2,0	1,2	0,9	1,3	0,3	-0,8	1,8
B-E	Industry	1,4	1,3	1,9	2,0	1,2	2,1	2,5	2,0	0,1	-0,5	3,2
C	Manufacturing	1,1	1,3	1,7	2,1	0,9	2,2	2,7	2,0	0,3	-0,5	3,4
10, 11	Food industry	0,5	0,5	1,1	1,8	4,5	1,8	1,2	2,3	-1,8	-4,1	-0,6
16, 17	Forest industry	0,3	0,8	2,3	5,3	3,5	5,3	3,2	4,3	2,1	-1,7	-0,2
19-22	Chemical industry	1,0	7,3	2,7	1,7	3,2	2,6	-4,8	0,6	1,0	-2,9	-2,3
24-30	Metal industry	0,3	-0,1	0,7	2,4	-1,5	4,9	6,0	2,9	2,7	-3,6	7,2
F	Construction	3,5	0,4	1,6	2,0	1,1	-1,1	1,4	0,8	-0,5	-1,5	2,1
G-N	Services of the business economy	0,4	0,6	1,3	1,8	2,5	0,8	0,2	1,3	1,4	-1,7	1,9
G	Wholesale and retail trade	1,2	-1,3	1,0	0,4	3,0	-0,7	1,1	0,9	2,8	-0,2	4,1
H	Transportation and storage	3,0	3,7	2,8	0,2	2,4	0,6	-2,2	0,2	2,2	-2,9	0,3
J	Information and communication	-0,3	1,7	2,0	4,2	5,6	4,4	0,6	3,7	-0,6	-2,9	1,4
K	Financial and insurance activities	2,7	1,9	2,3	2,2	1,8	0,9	0,8	1,4	0,3	-1,2	-0,2
State sector, J-R	Total	0,2	-0,4	2,0	-0,1	-0,2	0,2	0,9	0,2	1,3	-3,3	-2,7

\*Preliminary data

**Appendix table 7. Standard Industrial Classification 2008**

<b>Standard Industrial Classification</b>	<b>Code</b>
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>

Corrected on 9 December 2016. The corrections are indicated in red.				
Labour cost index	Quarter	Year-on-year change, %		Revision, %-points
		Latest release 9.12.2016	1st release	
Private sector, original series	01/2015	1,8	1,9	-0,1
	02/2015	1,8	1,3	0,5
	03/2015	1,2	1,0	0,2
	04/2015	0,8	0,8	0,0
	01/2016	1,7	1,5	0,2
	02/2016	-2,4	-2,4	0,0
State sector, original series	01/2015	0,9	0,9	0,0
	02/2015	-0,6	-0,6	0,0
	03/2015	-0,2	-0,2	0,0
	04/2015	0,8	0,8	0,0
	01/2016	3,9	3,9	0,0
	02/2016	-5,4	-5,4	0,0
Local government sector, original series	01/2015	2,3	2,1	0,2
	02/2015	2,2	2,1	0,1
	03/2015	0,7	0,1	0,6
	04/2015	1,2	1,0	0,2
	01/2016	2,3	2,4	-0,1
	02/2016	-2,6	-2,6	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

Corrected on 9 December 2016. The corrections are indicated in red.				
Labour cost index	Quarter	Year-on-year change, %		Revision, %-points
		Latest release 9.12.2016	1st release	
Private sector, seasonally adjusted series	01/2015	1,3	1,7	-0,4
	02/2015	2,0	1,3	0,7
	03/2015	1,2	1,2	0,0
	04/2015	0,9	1,8	-0,9
	01/2016	0,3	0,5	-0,2
	02/2016	-0,8	-0,9	0,1

### Inquiries

Pekka Haapala 029 551 3460

Annina Rouvinen 029 551 3525

Petri Ruuhonen 029 551 3465

Director in charge:

Mari Ylä-Jarkko

[tvkindeksi@stat.fi](mailto:tvkindeksi@stat.fi)

[www.stat.fi](http://www.stat.fi)

Source: Wages, Salaries and Labour Costs, Statistics Finland