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LABOUR COSTS IN INDUSTRY IN 1975

The detailed results of the Community survey on labour costs in industry in 1975 are now all available at Eurostat (summary results were already published in Eurostat No. 2/1977 - "Hourly Earnings - Hours of Work"). The more important trends shown by the detailed results are as follows:

In almost every country indirect costs have risen faster than direct wages

Since the previous survey, the proportion of labour costs taken up by indirect costs has increased in almost every country by about 3 %. This rise is mainly due to an increase in the amount of statutory social security contributions and in payments for days not worked.

The relative significance of indirect costs varies widely from one country to another; they represent 9 % of labour costs in Denmark, between 20 and 24 % in Ireland and the United Kingdom, between 33 and 37 % in Luxembourg and the Federal Republic of Germany, 42 % in France, the Netherlands and Belgium, and 50 % in Italy. In particular this explains why direct wages in a given country may be higher than in another while its labour costs remain lower (as, for example, Denmark compared with the Netherlands, or the United Kingdom compared with Italy).

Reduction in the average number of hours worked

The results of the survey confirm the trend observed in almost every country towards a reduction in the average number of hours worked annually by industrial workers; depending on the country concerned, these have been reduced by between 30 and 200 hours since 1972/1973, which in approximate terms represents a drop of between 2 % (in Denmark) and 12 % (in Belgium).



No appreciable reduction in disparities in labour costs between the various industrial activities

In general, labour costs are higher in the mining and durable goods industries than in the industries producing consumer goods.

The disparity between the highest and lowest costs in the various industrial activities has remained constant in France and Belgium (more than 60 %), the United Kingdom (59 %) and the Federal Republic of Germany (52 %), whilst in Italy and the Netherlands it has dropped from more than 60 % to about 53 %; the smallest difference is found in Denmark (39 %).

Differences in the level of labour costs between Member States are growing \*

As in the previous survey carried out in 1972/1973, Member States fall into three groups :

- the Federal Republic of Germany, the Benelux countries and Denmark, where labour costs are highest ;
- France and Italy follow with costs approximately 30 % lower ;
- finally, costs in the United Kingdom and Ireland are about 50 % lower.

However, disparities between countries have increased somewhat, both between these three groups and within the leading group itself ; thus average costs in the Netherlands, Denmark and Belgium have risen above those in the Federal Republic of Germany.

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\* Comparison of the level of labour costs between countries should be made with caution : the statistics for example should be interpreted in conjunction with statistics of labour productivity, capital intensity, financing of social protection, exchange rates, foreign trade and so on.

The Community Survey on Labour Costs in Industry in 1975

The survey was carried out simultaneously in the nine Member States and used identical methods and definitions. It covered some 350,000 industrial undertakings with at least ten employees, altogether employing some 28 million wage earners.

This survey, the fourth of a series which began in 1966, normally takes place every three years ; the next one will therefore cover the year 1978.

For the purposes of this survey, labour costs were defined as including the following costs borne by employers : direct wages, bonuses and allowances, holiday pay, employers' social security contributions (both statutory and non-statutory), benefits in kind and various other items of expenditure of a social nature connected with the employment of labour (vocational training, transport, etc.).

The final results of the survey, including details on the level of labour costs, their structure (proportions taken up by direct wages and by various associated costs), the numbers of wage-earners concerned and the average annual working hours, will be published during the year. These results will cover each industrial activity and will be broken down by size of undertaking and by region.



Table 1

## Labour Costs in Industry in 1975 (1)

	BR	France	Italia	Neder-	Belgique	Luxem-	United	Ireland	Danmark
	Deutsch-			land	België	bourg	Kingdom	(2)	(2)
	land								
Labour costs in national currency									
	DM	FF	Lit	F1	Fb	Flx	£	£	Dkr
Hourly labour costs (manual workers)	15,96	19,83	3 091	.	249,35	227,72	1,56	1,38	36,52
Monthly labour costs (non manual workers)	3 278	5 581	687 000	.	53 943	57 327	317	307	7 568
Hourly labour costs (manual + non manual workers)	17,57	24,44	3 400	20,21	271,55	255,75	1,69	1,51	40,90
Labour costs in EUA (3)									
Hourly labour costs (manual workers)	5,23	3,73	3,82	.	5,47	5,00	2,78	2,46	5,13
Monthly labour costs (non manual workers)	1 075	1 049	849	.	1 187	1 258	566	548	1 063
Hourly labour costs (manual + non manual workers)	5,76	4,59	4,20	6,45	5,96	5,61	3,02	2,70	5,74
Country with the highest costs = 100									
Hourly labour costs (manual + non manual workers)	89	71	65	100	92	87	47	42	89
Proportion of manual workers									
As % of all employees	73	70	82	.	80	81	73	77	73
Hours worked during the year									
Hours worked per manual worker	1 680	1 862	1 521	.	1 550	1 768	1 940	2 035	1 659

(1) Mining and quarrying, manufacturing industries, building and civil engineering.

(2) Excl. building and civil engineering.

(3) 1 EUA = 3,04939 DM; 5,31923 FF; 809,545 Lit; 3,13490 F1; 45,5690 Fb/Flx; 0,560026 £; 7,12266 Dkr.

EAU  
UCE

1975

7

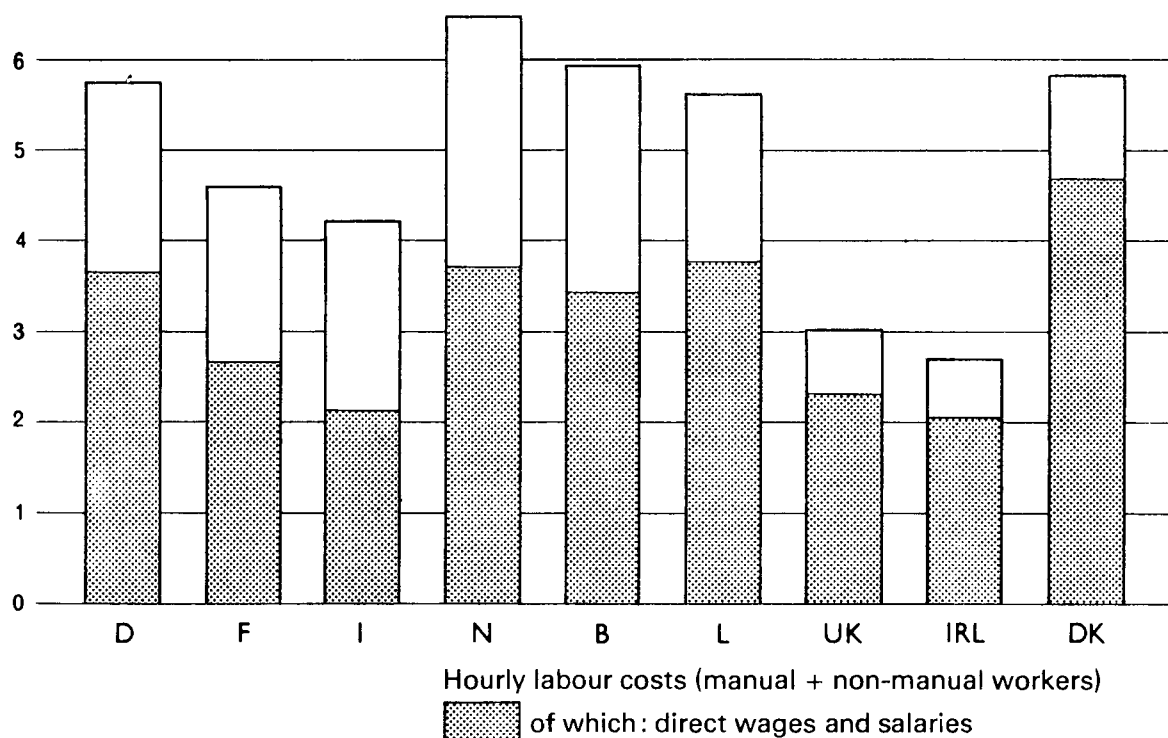




Table 2

## Hourly Labour Costs in Industry in 1975

Manual + non manual workers

in national currency

N A C E	BR	France	Italia	Neder-	Belgique	Luxem-	United	Ireland	Danmark
	Deutsch- land	FF	Lit	land	België	bourg	Kingdom	£	Dkr
	DM			F1	Fb	Flx	£	£	
11 Extraction and briquetting of solid fuels	24,72 <sup>(1)</sup>	34,34	3 188	.	355,47	-	2,63	1,27	-
12 Coke ovens	.	-	4 684	-	316,98	-	2,29	-	-
13 Extraction of petroleum and natural gas	23,06	53,58	5 221	29,80	-	-	.	-	-
14 Mineral oil refining	25,50	44,85	5 323	28,43	483,55	-	2,67	2,37	47,67
15 Nuclear fuels industry	-	35,01	4 168	-	-	-	.	-	-
16 Production and distribution of electricity, gas, steam and hot water	21,90	39,20	5 090	26,66	537,73	309,58 <sup>(2)</sup>	2,29	2,25	49,45
17 Water supply: collection, purification and distribution of water	20,62	27,61	5 299	24,82	280,17	.	1,97	1,32	.
21 Extraction and preparation of metalliferous ores	21,14	38,00	4 582	-	-	337,15	.	2,52	-
22 Production and preliminary processing of metals	19,83	29,33	4 012	24,07	336,27	307,22	1,97	1,48	44,66
23 Extraction of minerals other than metalliferous and energy producing minerals; peat extraction	15,37	26,33	4 056	22,58	278,93	204,42	.	1,58	37,42
24 Manufacture of non-metallic mineral products	16,42	23,71	3 109	19,13	265,21	206,18	1,59	1,66	40,65
25 Chemical industry	20,78	32,72	4 170	24,64 <sup>(3)</sup>	330,88	212,24	1,97	1,74 <sup>(3)</sup>	46,23
26 Man-made fibres industry	19,58	33,51	4 037	.	321,49	272,33	2,02	.	-
31 Manufacture of metal articles	17,13	23,06	3 376	18,79	265,86	208,20	1,60	1,36	38,75
32 Mechanical engineering	18,82	25,77	3 566	19,55	283,05	258,81	1,71	1,38	42,26
33 Manufacture of office machinery and data processing machinery	23,84	43,83	4 318	23,24	237,15	-	2,06	1,36	38,90
34 Electrical engineering	18,24	25,31	3 589	22,91	285,45	215,83	1,59	1,32	40,45
35 Manufacture of motor vehicles and of motor vehicle parts and accessories	21,04	26,37	3 739	20,40	299,95	198,46	1,92	1,86	38,49
36 Manufacture of other means of transport	19,41	29,22	3 749	20,05	311,40	-	1,94	1,98	44,36
37 Instrument engineering	16,39	23,47	3 283	19,52	265,11	-	1,56	1,29	39,64
41/42 Food, drink and tobacco industry	15,06	22,53	3 590	18,94	247,63	188,61	1,49	1,58	42,43
43 Textile industry	13,73	19,08	2 851	17,30	213,76	.	1,30	1,22	33,86
44 Leather and leather goods industry	12,15	17,72	3 473	16,24	192,15	-	1,25	1,21	32,71
45 Footwear and clothing industry	12,19	16,45	2 424	13,89	169,99	119,71	1,10	1,10	30,11
46 Timber and wooden furniture industries	14,89	18,46	2 661	16,47	220,85	174,70	1,50	1,36	34,04
47 Manufacture of paper and paper products; printing and publishing	16,69	29,17	4 132	20,73	278,16	229,87	1,81	1,69	47,02
48 Processing of rubber and plastics	15,94	23,42	3 702	18,55	259,27	272,59	1,54	1,58	37,77
49 Other manufacturing industries	14,78	20,01	2 846	16,83	191,13	-	1,33	1,20	36,81
50 Building and civil engineering	16,67	20,92	2 876	19,98	275,26	188,02	1,66	.	.
A Total mining and quarrying	22,66	33,56	4 337	26,79	337,73	304,30	2,49	1,72	37,42
B Total manufacturing industries	17,54	24,95	3 450	20,24	268,49	270,25	1,65	1,50	40,90
C All industries (A+B+NACE 50)	17,57	24,44	3 400	20,21	271,55	255,75	1,69	1,51 <sup>(4)</sup>	40,90 <sup>(4)</sup>

(1) Incl. NACE 12

(2) Incl. NACE 17

(3) Incl. NACE 26

(4) Excl. NACE 50





Table 3

## Hourly Labour Costs in Industry in 1975

Manual workers

in national currency

N A C E	FR	France	Italia	Neder-	Belgique	Luxem-	United	Ireland	Danmark
	Deutsch-	FF	Lit	land	België	bourg	Kingdom	£	Dkr
	DM			F1	Fb	Flx	£	£	
11 Extraction and briquetting of solid fuels	22,18 <sup>(1)</sup>	31,30	2 918	.	332,28	-	2,57	1,29	-
12 Coke ovens	.	-	4 511	.	293,87	-	2,20	-	-
13 Extraction of petroleum and natural gas	19,58	37,80	4 869	.	-	-	.	-	-
14 Mineral oil refining	21,12	34,82	4 709	.	416,63	-	2,47	1,97	35,13
15 Nuclear fuels industry	-	28,08	3 702	.	-	-	.	-	-
16 Production and distribution of electricity, gas, steam and hot water	20,31	29,41	4 664	.	452,13	262,39 <sup>(2)</sup>	2,08	2,09	39,88
17 Water supply: collection, purification and distribution of water	18,77	23,02	4 780	.	251,26	.	1,69	1,19	.
21 Extraction and preparation of metalliferous ores	18,42	34,44	4 241	.	-	300,79	.	2,29	-
22 Production and preliminary processing of metals	18,47	25,90	3 736	.	309,07	274,28	1,79	1,37	40,48
23 Extraction of minerals other than metalliferous and energy producing minerals; peat extraction	14,49	22,79	3 810	.	248,32	202,84	.	1,48	33,87
24 Manufacture of non-metallic mineral products	15,27	20,16	2 944	.	247,76	183,88	1,47	1,55	36,19
25 Chemical industry	17,84	24,49	3 632	.	287,21	174,78	1,70	1,54 <sup>(3)</sup>	36,19
26 Man-made fibres industry	17,73	28,37	3 889	.	274,39	223,34	1,86	.	-
31 Manufacture of metal articles	15,89	19,23	3 126	.	245,49	190,20	1,49	1,27	34,91
32 Mechanical engineering	17,23	21,03	3 219	.	255,41	216,35	1,59	1,32	38,14
33 Manufacture of office machinery and data processing machinery	14,99	21,74	3 658	.	200,07	-	1,71	1,21	34,59
34 Electrical engineering	15,64	19,50	3 155	.	246,83	200,21	1,41	1,18	34,76
35 Manufacture of motor vehicles and of motor vehicle parts and accessories	19,78	23,06	3 456	.	280,60	176,00	1,79	1,76	34,93
36 Manufacture of other means of transport	17,57	23,34	3 477	.	291,38	-	1,82	2,05	42,41
37 Instrument engineering	14,55	17,48	2 975	.	233,06	-	1,35	1,15	34,33
41/42 Food, drink and tobacco industry	13,35	18,77	3 255	.	224,83	162,40	1,36	1,42	38,58
43 Textile industry	12,39	15,88	2 651	.	195,96	-	1,20	1,12	29,68
44 Leather and leather goods industry	11,01	14,89	3 261	.	176,90	-	1,11	1,15	30,25
45 Footwear and clothing industry	11,07	14,11	2 299	.	160,53	109,32	1,00	1,01	27,15
46 Timber and wooden furniture industries	14,11	15,91	2 545	.	212,21	170,91	1,41	1,29	31,05
47 Manufacture of paper and paper products; printing and publishing	15,07	23,30	3 661	.	258,01	212,77	1,69	1,54	43,12
48 Processing of rubber and plastics	14,27	19,23	3 425	.	231,05	237,86	1,41	1,44	33,03
49 Other manufacturing industries	13,48	16,55	2 605	.	184,43	-	1,18	1,10	32,73
50 Building and civil engineering	16,00	17,97	2 706	.	268,79	178,76	1,58	.	.
A Total mining and quarrying	20,47	29,56	4 035	.	314,42	275,29	2,44	1,59	33,87
B Total manufacturing industries	15,76	20,02	3 130	.	242,50	239,74	1,50	1,37	36,53
C All industries (A+B+NACE 50)	15,96	19,83	3 091	.	249,35	227,72	1,56	1,38 <sup>(4)</sup>	36,52 <sup>(4)</sup>

(1) Incl. NACE 12

(2) Incl. NACE 17

(3) Incl. NACE 26

(4) Excl. NACE 50



Table 4

## Monthly Labour Costs in Industry in 1975

N A C E		in national currency								
		BR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Ireland	Danmark
		DM	FF	1000 Lit	Fl	Fb	Flx	£	£	Dkr
11	Extraction and briquetting of solid fuels	5 372 <sup>(1)</sup>	7 043	663	-	71 697	-	460	165	-
12	Coke ovens	.	-	806	-	69 089	-	409	-	-
13	Extraction of petroleum and natural gas	4 085	8 806	892	-	-	-	.	-	-
14	Mineral oil refining	4 572	7 767	924	-	84 446	-	451	432	8 710
15	Nuclear fuels industry	-	6 392	735	-	-	-	.	-	-
16	Production and distribution of electricity, gas, steam and hot water	3 623	6 613	854	-	92 964	52 265 <sup>(2)</sup>	379	405	8 700
17	Water supply : collection, purification and distribution of water	3 499	5 217	887	-	51 296	.	370	255	.
21	Extraction and preparation of metalliferous ores	4 312	8 230	862	-	-	70 774	.	506	-
22	Production and preliminary processing of metals	3 570	5 812	759	-	67 685	66 148	356	296	8 242
23	Extraction of minerals other than metalliferous and energy producing minerals ; peat extraction	2 946	6 191	848	-	57 265	34 290	.	341	7 593
24	Manufacture of non-metallic mineral products	3 107	5 609	624	-	52 564	48 853	313	333	7 914
25	Chemical industry	3 638	6 099	768	-	61 606	40 397	354	316 <sup>(3)</sup>	7 898
26	Man-made fibres industry	3 832	6 656	538	-	65 600	63 036	407	.	-
31	Manufacture of metal articles	3 128	5 494	656	-	51 723	45 942	310	273	7 428
32	Mechanical engineering	3 229	5 426	682	-	53 846	51 630	299	251	7 465
33	Manufacture of office machinery and data processing machinery	4 199	7 460	780	-	40 629	-	358	290	7 401
34	Electrical engineering	3 356	5 325	681	-	55 764	47 415	303	286	7 472
35	Manufacture of motor vehicles and of motor vehicle parts and accessories	3 671	5 677	712	-	59 245	49 294	353	350	7 096
36	Manufacture of other means of transport	3 474	6 199	697	-	58 666	-	325	291	7 882
37	Instrument engineering	3 035	5 330	642	-	48 150	-	293	311	7 174
41/42	Food, drink and tobacco industry	2 895	5 197	722	-	48 088	45 426	302	330	8 071
43	Textile industry	2 755	4 708	610	-	47 466	-	273	264	6 864
44	Leather and leather goods industry	2 522	4 801	732	-	42 719	-	286	258	6 080
45	Footwear and clothing industry	2 527	4 279	499	-	35 838	28 990	246	237	6 213
46	Timber and wooden furniture industries	2 742	4 722	504	-	43 045	31 797	291	253	6 698
47	Manufacture of paper and paper products ; printing and publishing	3 082	5 680	835	-	50 606	44 398	312	313	7 673
48	Processing of rubber and plastics	3 093	5 243	729	-	51 498	57 030	308	317	7 297
49	Other manufacturing industries	2 791	4 638	588	-	34 614	-	293	247	6 708
50	Building and civil engineering	3 048	5 507	625	-	50 353	44 712	313	.	.
A	Total mining and quarrying	4 774	7 159	858	-	67 135	64 076	421	381	7 593
B	Total manufacturing industries	3 265	5 562	690	-	53 967	58 343	315	305	7 567
C	All industries (A + B + NACE 50)	3 278	5 581	687	-	53 943	57 327	317	307 <sup>(4)</sup>	7 568 <sup>(4)</sup>

(1) Incl. NACE 12

(2) Incl. NACE 17

(3) Incl. NACE 26

(4) Excl. NACE 50



Table 5

## Structure of Labour Costs in Industry in 1975

Nature of expenditure	as % of total costs								
	BR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Ireland (1)	Danmark (1)
	Manual + non manual workers								
1 Direct remuneration + regular bonuses (2)	63,25	58,05	50,12	57,54	57,82	67,52	76,35	77,12	81,37
2 Other bonuses and gratuities	4,24	3,80	7,97	3,01	4,55	6,06	0,83	0,89	1,10
3 Payments for days not worked	12,55	9,31	11,61	13,32	12,95	9,13	8,75	7,73	11,13
4 Social security costs :									
- statutory social welfare costs	16,03	18,41	27,64	17,01	21,39	12,89	6,85	5,51	2,86
- customary, contractual or voluntary costs	1,56	6,00	0,60	6,24	1,26	1,11	4,83	4,94	1,92
- total	17,59	24,42	28,24	23,24	22,65	14,01	11,68	10,45	4,78
5 Other expenditure (3)	2,36	4,39	2,06	2,89	2,03	3,29	2,39	3,82	1,62
6 Total costs	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00
	Manual workers								
1 Direct remuneration + regular bonuses (2)	62,61	57,08	49,28	.	56,93	68,68	77,38	77,08	83,11
2 Other bonuses and gratuities	3,45	3,02	7,92	.	3,71	4,61	0,48	0,65	0,47
3 Payments for days not worked	12,60	9,19	11,16	.	12,91	8,71	8,67	7,80	10,82
4 Social security costs :									
- statutory social welfare costs	17,61	21,14	28,65	.	23,33	14,30	7,18	5,90	3,40
- customary, contractual or voluntary costs	1,06	5,21	0,70	.	0,73	0,28	3,49	4,11	0,34
- total	18,67	26,35	29,35	.	24,06	14,58	10,67	10,01	3,73
5 Other expenditure (3)	2,67	4,33	2,29	.	2,39	3,41	2,80	4,45	1,86
6 Total costs	100,00	100,00	100,00	.	100,00	100,00	100,00	100,00	100,00
	Non manual workers								
1 Direct remuneration + regular bonuses (2)	64,41	59,29	52,31	.	59,99	64,60	74,14	77,20	78,28
2 Other bonuses and gratuities	5,68	4,80	8,11	.	6,58	9,73	1,58	1,52	2,20
3 Payments for days not worked	12,45	9,47	12,77	.	12,97	10,17	8,91	7,56	11,67
4 Social security costs :									
- statutory social welfare costs	13,19	14,91	25,03	.	16,68	9,34	6,16	4,49	1,91
- customary, contractual or voluntary costs	2,45	7,01	0,34	.	2,60	3,21	7,67	7,07	4,72
- total	15,64	21,93	25,37	.	19,28	12,55	13,83	11,56	6,63
5 Other expenditure (3)	1,82	4,46	1,44	.	1,18	2,95	1,54	2,15	1,22
6 Total costs	100,00	100,00	100,00	.	100,00	100,00	100,00	100,00	100,00

(1) Excl. NACE 50.

(2) Incl. payments to workers' savings schemes.

(3) Benefits in kind, other expenditure of a social nature, vocational training, taxes and subsidies.

