

4 March 2015 | 1100 hrs | 043/2015

During 2012, mean annual labour costs per employee amounted to €21,290, with the highest average recorded in financial and insurance activities and the lowest in accommodation and food service activities.

Labour Cost Survey: 2012

This news release presents the findings of the Labour Cost Survey 2012, an enterprise-based survey carried out every four years (refer to methodological note 2). An estimated 129,124 employees within the target population covered by the survey accounted for a total labour cost of €2.75 billion in 2012.

The overall labour costs per hour were €11.78. These include outlay on wages and salaries, social contributions, vocational training and other labour-related expenditure, such as the cost of uniforms or protective clothing. At the NACE section level the highest hourly labour costs per employee - €18.99 - were recorded in financial and insurance activities (NACE K). The lowest - €7.69 - were recorded in accommodation and food service activities (NACE I) (Table 1).

The findings indicate that mean hourly labour costs are directly proportional to the size of the enterprise. The lowest costs were noted among enterprises with an employment size of 10-49, while the highest were in 1,000+ enterprises (Table 2).

Regarding proportions of labour costs, the highest component was wages and salaries, at over 90.0 per cent and social security payments by employers, at 7.8 per cent (Table 3).

The Labour Cost Survey also collects information on hours actually worked and hours paid. In 2012, hours actually worked by employees made up 88.9 per cent of total hours paid. The remaining hours were paid but not worked. Reasons for non-worked hours include vacation leave, public holidays and sick leave. The highest share of hours paid but not worked was recorded in education (NACE P) and the lowest in accommodation and food service activities (Table 4).

On average, in 2012, full-time employees worked 1,961 hours and part-time employees 1,020. For the former group, annual hours worked ranged from less than 1,500 hours in education (NACE P) to nearly 2,200 hours in mining and quarrying (NACE B). For the latter group the highest number of hours worked in the year was in financial and insurance activities (NACE K) and the lowest in arts, entertainment and recreation (NACE R) (Charts 1 and 2).

Compiled by:

**Unit C2: Labour Market
Statistics**

**Directorate C: Social
Statistics**

Further information on data:

**Ms Joslyn MAGRO
CUSCHIERI**
T. +356 2599 7662
E. joslyn.magro@gov.mt

Basic wages accounted for 84.9 per cent of the total wage bill borne by 10+ enterprises. Bonuses and allowances took up nearly 10.0 per cent of labour costs, and overtime 4.2 per cent. At 92.4 per cent, basic wages as a proportion of the total wage bill was observed to be highest in education (NACE P) ■

Kindly indicate source when quoting from this release.
The advance release calendar may be consulted at www.nso.gov.mt

Issued by: **External Cooperation and Communication Unit, National Statistics Office, Lascaris, Valletta VLT 2000, Malta.**
T. +356 2599 7219 F. +356 2599 7205 E. nso@gov.mt

Table 1. Labour costs per hour and per year classified by economic activity: 2012

NACE section	Economic activity	Hourly labour costs	Annual labour costs
		Mean (€)	
B	Mining and quarrying	12.91	27,238
C	Manufacturing	11.30	22,408
D	Electricity, gas, steam and air conditioning supply	12.50	26,675
E	Water supply, sewerage, waste management and remediation activities	12.94	24,039
F	Construction	9.39	18,459
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	9.55	18,058
H	Transport and storage	15.24	30,322
I	Accommodation and food service activities	7.69	12,386
J	Information and communication	15.77	28,980
K	Financial and insurance activities	18.99	35,678
L	Real estate activities	16.65	31,919 ^a
M	Professional, scientific and technical activities	11.89	23,083
N	Administrative and support service activities	9.14	16,621
P	Education	14.54	19,931
Q	Human health and social work activities	11.43	21,317
R	Arts, entertainment and recreation	14.99	25,685
S	Other service activities	7.85	13,068
Total economy		11.78	21,290

^a Figures to be used with caution; figures with relative margin of error of between 30 and 39 per cent

Table 2. Labour costs per hour and per year classified by size of enterprise: 2012

Size class	Hourly labour costs	Annual labour costs
	Mean (€)	
10-49	10.33	18,995
50-249	10.74	19,184
250-499	10.92	20,264
500-999	12.57	23,566
1000+	15.38	26,675
Total	11.78	21,290

Table 3. Percentage distribution of labour costs by economic activity: 2012

NACE section	Economic activity	Wages and salaries	Employers social security contributions	Vocational training costs	Other labour expenditure
		%			
B	Mining and quarrying	92.93	6.80	0.23	0.04
C	Manufacturing	91.02	7.93	0.71	0.34
D	Electricity, gas, steam and air conditioning supply	c	c	c	c
E	Water supply, sewerage, waste management and remediation activities	:	:	:	:
F	Construction	90.75	8.92	0.13	0.21
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	91.76	7.28	0.44	0.52
H	Transport and storage	91.87	6.23	1.56	0.34
I	Accommodation and food service activities	91.19	7.92	0.18	0.70
J	Information and communication	90.39	7.49	1.43	0.69
K	Financial and insurance activities	90.96	7.99	0.73	0.31
L	Real estate activities	:	:	:	:
M	Professional, scientific and technical activities	91.87	7.01	0.72	0.40
N	Administrative and support service activities	91.33	7.83	0.44	0.40
P	Education	91.30	8.53	0.14	0.02
Q	Human health and social work activities	91.87	7.90	0.12	0.12
R	Arts, entertainment and recreation	91.58	7.21	0.12	1.08
S	Other service activities	90.75 ^a	8.47 ^a	0.33 ^a	0.45 ^a
Total economy		91.32	7.79	0.54	0.35

: Data not available due to unreliable survey estimates, as a result of relative margin of error of 40 per cent or more

^a Figures to be used with caution; figures with relative margin of error of between 30 and 39 per cent

^c Confidential

Table 4. Percentage distribution of hours paid by economic activity: 2012

NACE section	Economic activity	Hours actually worked as a percentage of total	Hours paid but not worked as a percentage of total	Total hours paid percentage
B	Mining and quarrying	90.87	9.13	100.00
C	Manufacturing	89.43	10.57	100.00
D	Electricity, gas, steam and air conditioning supply	c	c	c
E	Water supply, sewerage, waste management and remediation activities	:	:	:
F	Construction	88.94	11.06	100.00
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	90.64	9.36	100.00
H	Transport and storage	89.77	10.23	100.00
I	Accommodation and food service activities	92.04	7.96	100.00
J	Information and communication	90.11	9.89	100.00
K	Financial and insurance activities	88.48	11.52	100.00
L	Real estate activities	:	:	:
M	Professional, scientific and technical activities	91.17	8.83	100.00
N	Administrative and support service activities	90.22	9.78	100.00
P	Education	81.48	18.52	100.00
Q	Human health and social work activities	87.91	12.09	100.00
R	Arts, entertainment and recreation	89.67	10.33	100.00
S	Other service activities	91.95 ^a	8.05 ^a	100.00 ^a
Total economy		88.89	11.11	100.00

: Data not available due to unreliable survey estimates, as a result of relative margin of error of 40 per cent or more

^a Figures to be used with caution; figures with relative margin of error of between 30 and 39 per cent

^c Confidential

Note: The columns 'Vocational training costs' and 'Other labour expenditure' constitute comparatively small proportions of labour costs. They are provided in order to show the distribution of labour costs, but should only be used as an indication.

Chart 1. Average actual hours worked per full-time employee in a year: 2012

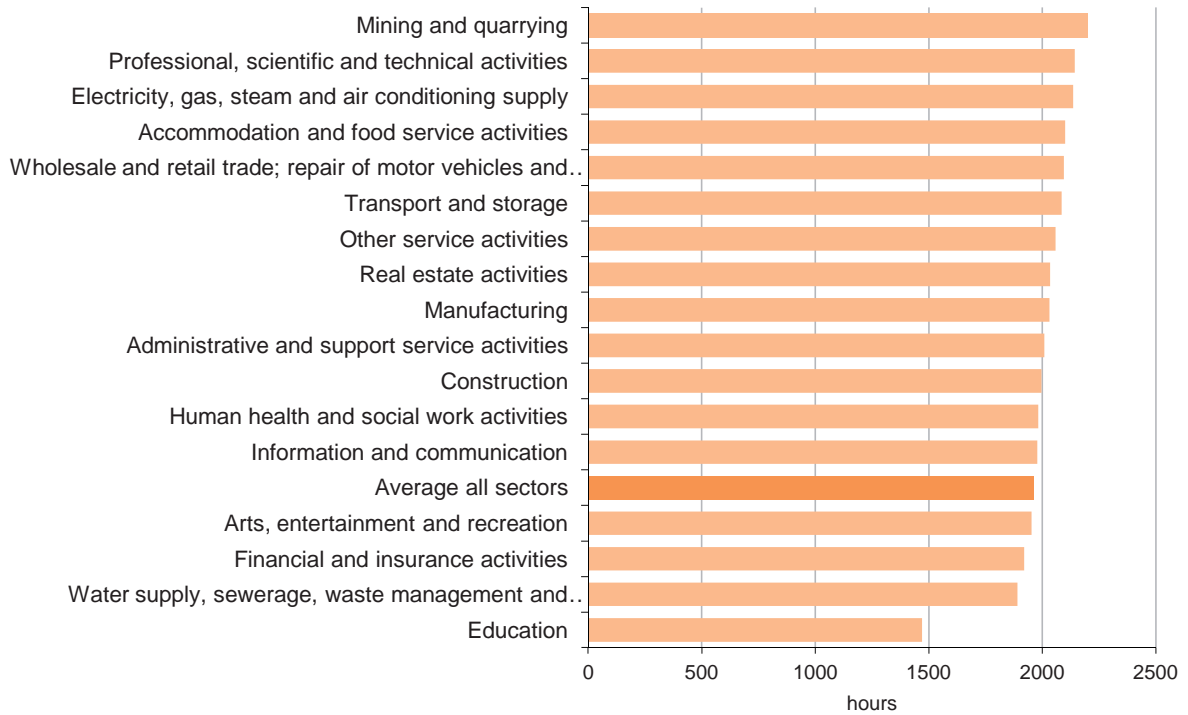
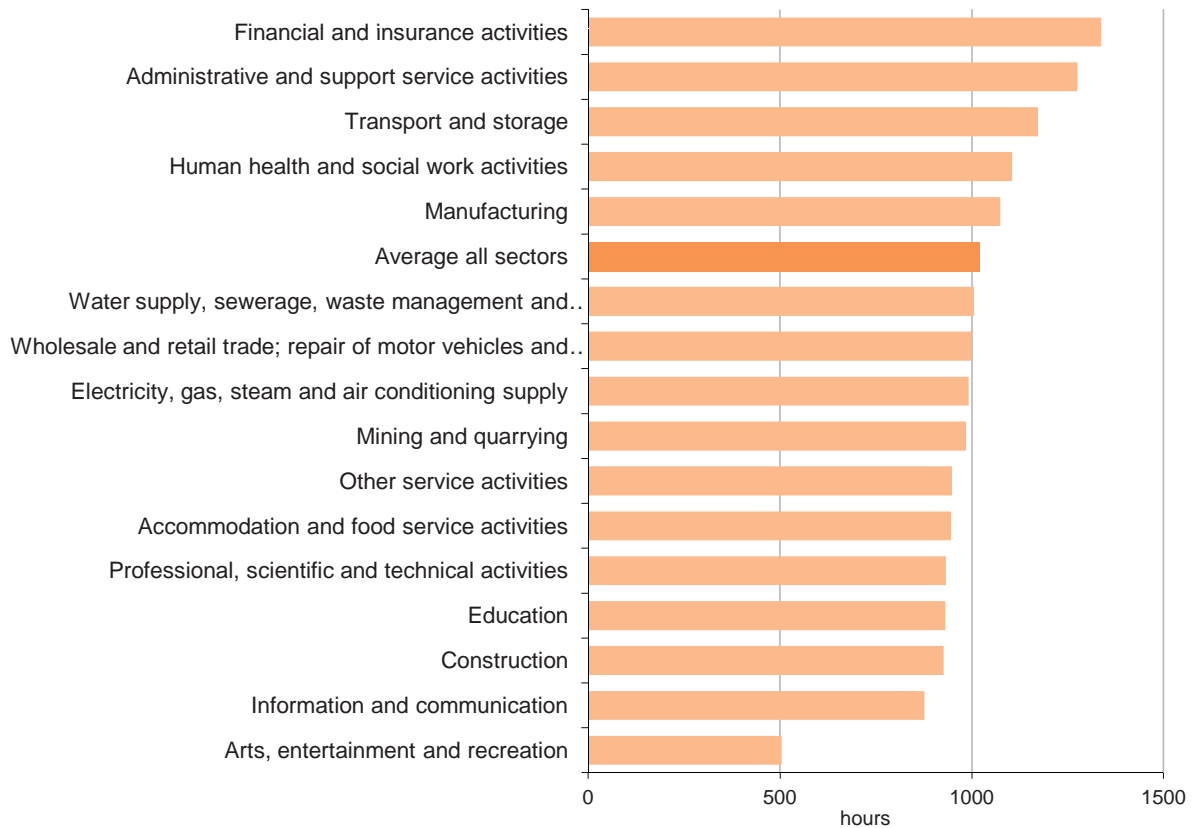


Chart 2. Average actual hours worked per part-time employee in a year: 2012



Note: Data for 'Real estate activities' (NACE L) are not available due to unreliable survey estimates as a result of relative margin of error of 40 per cent and more.

Table 5. Percentage distribution of wages and salaries: 2012

NACE section	Economic activity	Basic wages	Overtime	Bonuses and allowances	Fringe benefits
		%			
B	Mining and quarrying	87.79	6.10	5.74	0.37
C	Manufacturing	84.32	7.45	7.57	0.66
D	Electricity, gas, steam and air conditioning supply	c	c	c	c
E	Water supply, sewerage, waste management and remediation activities	:	:	:	:
F	Construction	86.94	6.23	6.02	0.81
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	84.48	4.64	9.59	1.29
H	Transport and storage	86.31	7.47	5.67	0.56
I	Accommodation and food service activities	88.36	3.31	7.31	1.03
J	Information and communication	89.29	2.70	6.77	1.25
K	Financial and insurance activities	85.50	1.77	10.85	1.88
L	Real estate activities	:	:	:	:
M	Professional, scientific and technical activities	80.92	1.93	15.24	1.91
N	Administrative and support service activities	84.74	3.43	10.20	1.62
P	Education	92.44	0.57	6.83	0.16
Q	Human health and social work activities	73.90	3.86	21.76	0.48
R	Arts, entertainment and recreation	88.90	2.27	8.32	0.51
S	Other service activities	85.88 ^a	6.19 ^a	7.74 ^a	0.20 ^a
		84.92	4.16	9.99	0.93

: Data not available due to unreliable survey estimates, as a result of relative margin of error of 40 per cent or more

^a Figures to be used with caution; figures with relative margin of error of between 30 and 39 per cent

^c Confidential

Table 6. Distribution of employees by type of employment and size of enterprise: 2012

Size class	Full-time	Part-time	Total
10-49	27,505	5,953	33,458
50-249	32,479	8,240	40,719
250-499	11,136	2,261	13,397
500-999	13,104	2,157	15,262
1,000+	23,804	2,484	26,288
Total	108,028	21,096	129,124

Methodological Notes

1. The Labour Cost Survey is an enterprise-based survey carried out once every four years under EC Regulation No. 1737/2005 and implementing Council Regulation No. 530/1999. The aim of the Survey is to obtain information on the costs borne by employers in order to employ staff.
2. The Survey covers all economic activities employing 10 or more persons, except agriculture, forestry and fishing (NACE A) and public administration and defence; compulsory social security (NACE O).
3. **Definitions:**
 - **Labour costs** refer to the total expenditure borne by employers in order to employ staff. They cover wage and non-wage costs less subsidies and include vocational training costs or other expenditures, such as recruitment costs, expenditure for protective clothing, etc.
 - **Wages and salaries** include direct remuneration, bonuses, and allowances paid by an employer in cash or in kind to an employee in return for work done. In addition, the definition covers payments for days not worked and remuneration in kind such as food, drink, fuel, company cars, etc.
 - **Social contributions** include expenses related to statutory social contributions which are incurred by employers in order to secure the entitlement to social benefits for employees. In addition, such contributions include imputed social contributions incurred by employers, such as non-obligatory social contributions, payments to private health insurance schemes, payments associated with sick leave (if incurred by employers), etc.
 - **Vocational training costs** refer to expenditure on services and facilities relating to vocational-training. Such costs may involve expenditure for the participation of employees in courses, fees paid to instructors providing training to employees, expenses on teaching aids and tools and small repairs or maintenance of buildings and installations which are used for training purposes.
 - **Other labour costs** include payments for uniforms and protective clothing provided to employees and recruitment costs, such as expenditure on job advertisements in different media.
 - **Hours actually worked** are defined as the time spent by employees at the actual place of work. These include the normal working periods as well as paid and unpaid overtime. Actual hours exclude vacation leave, public holidays, sick leave and any other type of absence from work for which the employees are paid for.
 - **Hours paid but not worked** refer to hours which are not actually worked by employees but for which remuneration is still provided. Examples include annual holidays/vacation, sick leave hours, public holidays and other paid hours such as hours associated with maternity leave or marriage leave.
4. More information relating to this news release may be accessed at: <http://nso.gov.mt/metadata/reports.aspx?id=32>