

5 April 2024

Clarification on Labour Cost Statistics

With reference to the news article entitled “Hourly labour costs ranged from €9 to €54 in the EU” published by Eurostat on 27 March 2024, the NSO observes that labour costs and wages are being used interchangeably by users writing on the topic. This is not correct. The EU definition of labour costs covers the total expenditure borne by employers for the purpose of employing staff. They include employee compensation, which is mainly comprised of gross wages and salaries in cash and in kind and employers' social security contributions, vocational training costs and other expenditure, such as recruitment costs and spending on working clothes, and employment taxes regarded as labour costs, minus subsidies received. Although wages and salaries form a large part of labour costs, there are elements which impact considerably when undertaking an analysis of how wages and salaries evolved over time in the different countries.

The NSO is noting different versions of labour cost statistics on the Eurostat website as regards Malta and, in conjunction with its European counterpart, will be actively looking at methodological aspects which may have led to these differences. It apologises for any inconvenience caused.

Do not hesitate to contact us should you require further explanation.