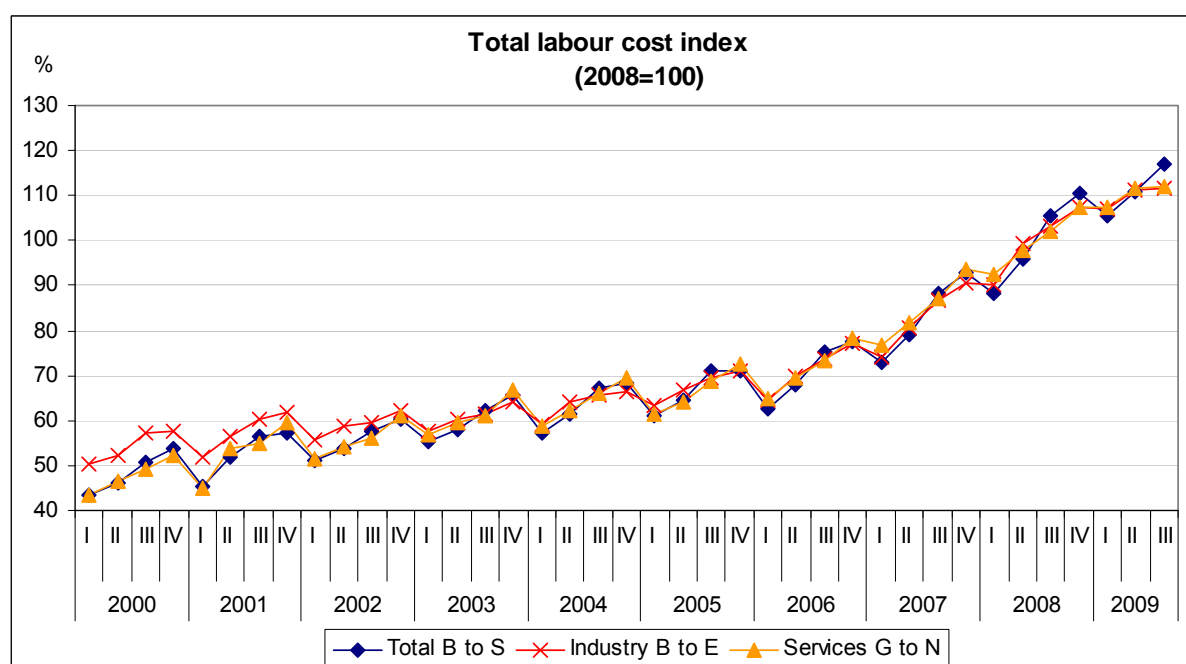


QUARTERLY LABOUR COST INDEX¹

Preliminary data of the National Statistical Institute for the third quarter of 2009 indicated that the total hourly labour cost rose by 11.0% compared to the third quarter of 2008. The total hourly labour cost grew by 8.2% in industry, by 9.6% in services and by 29.3% in construction (Table 1).

The breakdown by economic activities showed that the highest annual growths were recorded in “Construction” - 29.3%, ‘Arts, entertainment and recreation’ - 20.5% and ‘Wholesale and retail trade; repair of motor vehicles and motorcycles’ - 18.0%, while the lowest were in ‘Mining and quarrying’ and ‘Financial and insurance activities’ - 2.4% for each sector respectively. In ‘Professional, scientific and technical activities’ a decrease by 4.0% in total labour costs was observed.

In the structure of the total labour costs, the wages and salaries costs per hour worked grew by 13.0% in comparison with a year earlier, while the other (non-wage) costs rose by 2.6%. Among the economic activities in third quarter of 2009 compared to the third quarter of 2008 the growth rate of wages and salaries component ranged from (-3.1%) in ‘Professional, scientific and technical activities’ to 31.3% in ‘Construction’.



¹ Since first quarter of 2009 the data are published according to the new classification of economic activities NACE rev. 2. Reclassified data for the period 2000-2008 are available on the NSI official web page (http://www.nsi.bg/Labour_e/Labour_e.htm)



Table 1

Hourly labour cost index for the period third quarter of 2007 third quarter of 2009

Percentage change compared to corresponding period of the previous year

Not seasonally adjusted

(%)

Code NCEA 2008 ¹⁾	Economic activities	q3 / 2007 ²⁾			q4 / 2007 ²⁾			q1 / 2008 ²⁾			q2 / 2008 ²⁾			q3 / 2008 ²⁾			q4 / 2008 ²⁾			q1 / 2009 ²⁾			q2 / 2009 ²⁾			q3 / 2009 ²⁾		
		TOT	WAG	OTH	TOT	WAG	OTH	TOT	WAG	OTH	TOT	WAG	OTH	TOT	WAG	OTH	TOT	WAG	OTH	TOT	WAG	OTH	TOT	WAG	OTH	TOT	WAG	OTH
B to S	All NACE branches except agriculture, fishing, private households with employed persons	17,1	18,6	11,9	19,8	23,0	8,3	21,2	24,5	8,6	21,5	24,3	10,9	19,5	21,6	11,4	18,9	19,8	15,2	19,2	21,0	11,7	15,6	17,7	6,8	11,0	13,0	2,6
B to E	Industry (except construction)	17,2	18,6	12,5	17,0	21,3	2,4	21,9	25,6	8,8	23,1	25,3	15,4	19,0	21,8	9,1	18,7	18,7	18,6	18,5	20,1	12,1	12,0	14,5	2,3	8,2	10,0	0,9
G to N	Services (excluding public administration)	18,6	20,1	12,8	19,3	22,4	7,5	20,3	23,4	7,3	19,7	23,0	6,3	17,1	18,9	9,2	14,7	15,7	10,5	16,3	17,7	9,6	14,1	15,6	7,4	9,6	11,5	1,1
B	Mining and quarrying	21,4	22,6	17,8	13,0	18,5	-2,6	27,2	31,2	15,4	24,5	26,9	17,6	12,1	13,4	8,3	8,7	6,7	15,4	11,3	11,0	12,4	3,8	4,8	0,6	2,4	3,6	-1,7
C	Manufacturing	17,4	18,4	13,8	18,3	21,9	5,8	21,3	25,2	7,1	22,6	24,7	15,0	19,0	22,0	7,7	18,2	18,7	16,3	18,7	20,3	12,0	11,6	13,9	2,2	8,1	10,0	0,1
D	Electricity, gas, steam and air conditioning supply	15,5	19,2	4,8	12,8	21,3	-10,6	23,5	26,2	14,9	25,1	26,8	19,1	23,6	25,1	18,8	27,2	24,9	35,9	26,8	29,6	17,2	23,0	27,8	4,9	13,1	14,8	7,1
E	Water supply, sewerage, waste management and remediation activities	12,6	14,8	4,3	14,4	18,5	0,2	20,5	23,9	7,1	24,0	28,2	7,5	20,2	23,0	8,8	21,4	22,7	16,0	8,9	11,0	-0,3	3,6	4,5	-0,9	6,9	8,4	0,4
F	Construction	20,2	22,2	13,0	18,4	21,7	6,5	25,8	29,1	13,1	22,4	26,3	7,9	18,5	22,0	5,0	25,0	27,4	15,4	32,2	35,1	19,7	30,2	33,1	17,7	29,3	31,3	20,5
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	22,1	22,7	19,7	25,5	27,8	16,1	15,0	17,9	2,9	14,2	17,5	1,3	12,1	14,5	2,0	8,6	9,8	3,3	23,6	25,5	14,7	20,3	22,5	10,3	18,0	20,2	7,8
H	Transportation and storage	15,9	18,5	6,9	19,3	22,6	8,6	19,3	21,2	12,0	18,3	19,6	13,2	15,2	15,3	14,4	14,6	15,9	9,7	18,7	20,4	11,7	14,1	16,0	6,3	6,6	8,3	-0,1
I	Accommodation and food service	26,1	27,1	22,3	26,3	29,1	16,4	16,2	18,7	6,4	14,4	17,7	1,6	11,4	14,1	0,8	12,4	14,9	2,6	20,6	22,9	10,5	18,5	20,5	9,4	15,3	17,1	7,1
J	Information and communication	20,8	24,3	5,9	8,3	13,7	-13,8	15,9	18,9	2,1	7,0	10,9	-8,8	10,9	10,7	11,8	3,2	1,4	12,6	6,4	7,2	2,0	7,2	6,4	10,9	2,5	4,4	-6,5
K	Financial and insurance activities	14,5	15,9	8,4	15,0	18,5	-0,3	22,6	26,1	6,3	28,0	31,9	9,6	14,5	15,7	8,8	14,8	14,6	15,6	5,1	5,2	4,5	6,7	7,1	4,5	2,4	4,2	-6,5
L	Real estate activities	20,6	21,8	16,2	31,9	34,8	20,9	17,9	21,5	3,6	23,2	27,8	5,4	19,3	21,7	9,3	23,0	24,4	16,9	27,1	28,4	21,2	22,1	25,0	8,3	16,9	20,5	0,3
M	Professional, scientific and technical activities	10,2	11,1	6,7	11,8	14,3	2,3	37,3	43,2	13,9	40,5	45,5	19,8	45,4	50,8	23,1	41,9	45,7	25,3	9,9	11,7	1,0	4,9	5,8	0,9	-4,0	-3,1	-8,8
N	Administrative and support service activities	15,1	15,6	12,8	17,8	19,7	10,2	42,1	47,1	21,5	43,7	47,8	26,8	41,0	45,2	23,5	41,8	44,1	31,4	8,9	10,2	2,3	13,5	15,8	2,5	12,4	14,4	2,7
O	Public administration and defence; compulsory social security	18,6	20,7	12,2	23,7	24,8	20,0	17,1	19,4	9,6	21,9	24,0	14,9	12,2	13,2	9,1	18,9	21,0	11,8	19,3	21,8	10,5	15,9	18,1	7,9	9,5	10,4	6,3
P	Education	10,2	11,2	6,8	32,6	35,0	24,5	24,6	28,5	10,9	22,5	25,3	12,5	34,3	35,4	30,4	26,5	27,8	21,7	19,6	21,4	12,2	22,0	24,0	13,9	10,9	14,0	-0,4
Q	Human health and social work activities	13,7	14,5	10,6	17,4	20,4	6,3	19,6	22,9	6,6	21,2	24,5	7,9	22,3	25,4	9,6	28,8	30,4	22,3	26,3	29,1	13,9	18,0	20,2	7,8	12,5	14,6	3,0
R	Arts, entertainment and recreation	15,9	17,1	10,9	10,7	14,0	-1,4	22,3	25,6	8,9	33,7	33,0	36,6	29,6	29,3	31,1	31,7	33,6	23,3	26,2	29,2	12,2	20,3	27,1	-7,5	20,5	27,3	-7,2
S	Other service activities	26,4	27,2	23,1	22,8	25,8	11,3	14,1	17,4	0,6	15,9	18,9	3,6	11,8	14,7	-0,1	15,3	16,0	11,9	13,2	14,5	7,2	15,2	17,2	5,3	16,2	17,3	10,9

1) NCEA 2008 - National Classification of economic activities comparable with NACE Rev.2

2) Preliminary data

TOT- Total labour costs

WAG - Wages and salaries costs

OTH - Other (non-wage) costs

Labour Cost Index - Total labour costs for the period 2005- 2009

Index, 2008=100
Not seasonally adjusted

Table 2 (%)

Code NCEA 2008 ¹⁾	Economic activities	2005 ²⁾				2006 ²⁾				2007 ²⁾				2008 ²⁾				2009 ²⁾		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
B to S	All NACE branches except agriculture, fishing, private households with employed persons	61.0	64.7	71.1	71.2	62.7	67.8	75.3	77.5	72.9	78.9	88.2	92.8	88.3	95.8	105.5	110.4	105.3	110.8	117.0
B to E	Industry (except construction)	63.3	66.9	69.6	71.2	64.7	70.0	73.8	77.3	74.0	80.7	86.6	90.4	90.3	99.3	103.1	107.3	107.0	111.3	111.6
G to N	Services (excluding public administration)	61.3	64.3	68.9	72.5	64.9	69.4	73.5	78.4	76.9	81.9	87.2	93.6	92.5	98.0	102.1	107.4	107.5	111.8	112.0
B	Mining and quarrying	67.7	64.0	65.2	75.1	65.0	71.0	72.8	87.3	73.0	81.0	88.3	98.6	92.9	100.9	99.1	107.2	103.4	104.7	101.4
C	Manufacturing	63.8	66.7	70.2	71.2	65.2	69.1	74.4	75.9	75.4	80.3	87.3	89.8	91.4	98.5	103.9	106.2	108.5	109.9	112.3
D	Electricity,gas,steam and air conditioning supply	58.4	70.0	69.0	68.5	61.6	75.8	70.5	78.7	66.4	83.4	81.5	88.7	82.0	104.4	100.7	112.9	104.0	128.3	113.9
E	Water supply,sewerage,waste management and remediation activities	61.4	66.1	68.8	71.4	64.0	68.8	75.6	80.0	73.8	78.8	85.1	91.5	89.0	97.6	102.2	111.2	96.9	101.1	109.3
F	Construction	64.1	64.5	67.7	72.5	64.7	64.5	68.8	74.4	75.6	79.2	82.7	88.1	95.0	96.9	98.0	110.1	125.6	126.2	126.7
G	Wholesale and retail trade;repair of motor vehicles and motorcycles	62.9	65.0	69.5	70.2	66.5	69.5	74.5	77.1	82.2	86.2	91.0	96.7	94.6	98.5	101.9	105.0	116.9	118.5	120.3
H	Transportation and storage	65.0	69.5	75.0	76.2	67.0	71.9	77.1	79.9	76.4	81.8	89.4	95.3	91.1	96.8	102.9	109.2	108.2	110.4	109.7
I	Accommodation and food service activities	66.1	66.4	69.2	72.5	66.9	67.9	70.9	75.2	82.0	85.9	89.4	95.1	95.3	98.3	99.5	106.8	115.0	116.5	114.7
J	Information and communication	61.0	64.9	73.2	88.2	67.1	75.8	77.1	98.8	78.8	88.8	93.1	107.0	91.3	95.0	103.2	110.4	97.2	101.8	105.9
K	Financial and insurance activities	61.3	66.6	70.5	79.8	64.4	73.9	76.0	81.2	73.5	80.6	87.0	93.4	90.2	103.1	99.6	107.1	94.7	110.0	102.0
L	Real estate activities	64.5	69.1	68.9	72.3	61.3	66.1	71.0	69.3	74.6	79.2	85.6	91.3	88.0	97.6	102.1	112.4	111.8	119.1	119.3
M	Professional,scientific and technical activities	51.2	52.5	57.4	57.7	56.1	58.6	66.8	69.2	64.2	67.6	73.6	77.4	88.2	95.0	107.1	109.8	96.9	99.7	102.8
N	Administrative and support service activities	51.9	53.7	55.0	55.9	59.4	61.6	61.7	63.4	67.7	68.1	71.0	74.7	96.2	97.9	100.0	105.9	104.7	111.1	112.5
O	Public administration and defence;compulsory social security	57.4	61.4	68.5	76.4	57.4	63.7	74.3	91.6	65.9	73.1	88.2	113.3	77.1	89.2	99.0	134.7	92.0	103.3	108.4
P	Education	51.1	57.3	86.7	57.5	51.7	60.7	94.6	64.7	57.5	65.3	104.2	85.8	71.6	80.0	140.0	108.4	85.6	97.6	155.2
Q	Human health and social work activities	61.7	69.3	74.7	71.7	59.5	67.9	75.8	75.9	70.6	78.7	86.2	89.1	84.4	95.4	105.4	114.8	106.6	112.5	118.5
R	Arts,entertainment and recreation	62.5	67.0	78.5	74.7	59.2	59.1	73.0	76.9	68.5	70.7	84.5	85.2	83.8	94.5	109.6	112.2	105.8	113.6	132.1
S	Other service activities	72.4	77.0	84.2	81.6	64.2	65.2	73.7	75.5	80.5	83.8	93.1	92.7	91.9	97.2	104.1	106.9	104.0	111.9	121.0

1) NCEA 2008 - National Classification of economic activities comparable with NACE Rev.2

2) Preliminary data

Methodological notes

Labour Cost Index is a short-term indicator measuring the quarterly development of hourly labour costs incurred by the employers as a result of engaging the labour work force. The Quarterly Survey on employees, hours worked, wages and salaries and other expenditures paid by the employer is the main source used for the labour cost index data calculation.

Labour cost index (LCI) is defined as a Laspeyres index of labour costs per hour worked. Since first quarter of 2009 it is calculated broken down by economic activities at section level according to the new NACE Rev.2 classification and with a reference year 2008=100. Indices are based on Regulation (EC) 450/2003 of the European Parliament and of the Council according to which requirements Labour costs indices shall be provided separately for the following three labour costs categories:

Total labour costs (TOT), which includes wages and salaries paid by the employer in cash or in kind, employers' actual and imputed social contribution plus taxes regarded as labour costs;

Wage and salary costs (WAG) covers wages and salaries paid in cash or in kind;

Labour costs other than wages and salaries (OTH – non-wage costs) include the employers' actual and imputed social contribution plus taxes regarded as labour costs;

Economic activity coverage (NACE Rev.2)

- **Total (sections B to S)** - Mining and quarrying (B), Manufacturing (C), Electricity, gas, steam and air conditioning supply (D), 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);

- **Industry (section B to E)** - Mining and quarrying (B), Manufacturing (C), Electricity, gas, steam and air conditioning supply (D), Water supply, sewerage, waste management and remediation activities (E);

- **Services (sections G to N)** - 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).

More methodological information on the labour cost index and data could be found on NSI official web page – http://www.nsi.bg/Labour_e/Labour_e.htm.