

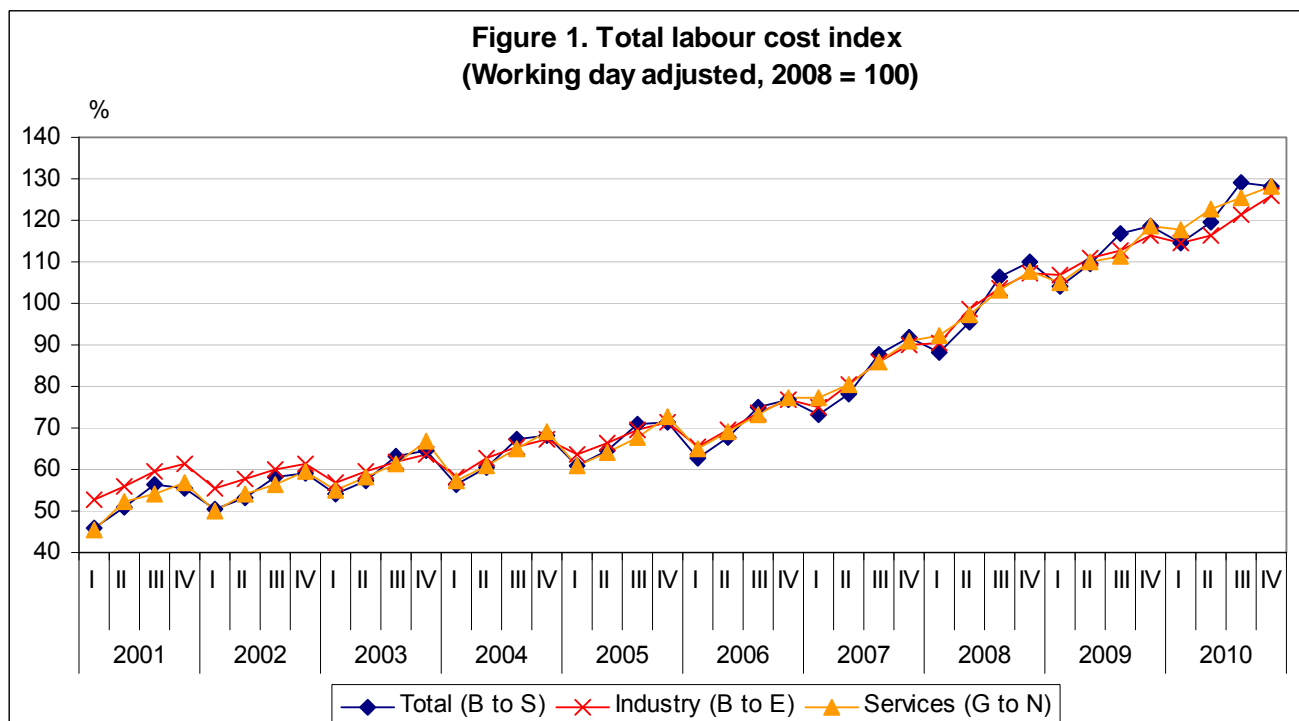


QUARTERLY LABOUR COST INDEX FOURTH QUARTER OF 2010

Preliminary data for the fourth quarter of 2010 indicated that the total hourly labour cost rose by 8.0% compared to the fourth quarter of 2009. The total hourly labour cost grew by 7.9% in industry, by 8.0% in services and by 3.3% in construction.

The breakdown by economic activities showed that the highest annual growths in total labour costs were recorded in 'Professional, scientific and technical activities' - 26.0%, 'Information and communication' - 24.8% and 'Other service activities' - 17.5%, while the lowest were in 'Wholesale and retail trade; repair of motor vehicles and motorcycles' and 'Construction' respectively 2.4% and 3.3%. Decrease in total labour costs was observed in 'Arts, entertainment and recreation' by 9.0% and in 'Administrative and support service activities' by 7.5%.

In the structure of the total labour costs, the wages and salaries costs per hour worked grew by 9.4% in comparison with a year earlier, while the other (non-wage) costs rose by 1.8%. Among the economic activities in fourth quarter of 2010 compared to the fourth quarter of 2009 the growth rate of wages and salaries component ranged from (- 8.9%) in 'Arts, entertainment and recreation' to 30.6% in 'Professional, scientific and technical activities'.





Hourly labour cost index for the period fourth quarter of 2008 fourth quarter of 2010
(Working day adjusted)

Table 1.

(Percentage change compared to corresponding period of the previous year)

Code NCEA - 2008 ¹	Economic activities	q4 2008 ²			q1 2009 ²			q2 2009 ²			q3 2009 ²			q4 2009 ²			q1 2010 ²			q2 2010 ²			q3 2010 ²			q4 2010 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	20.0	21.0	15.4	17.9	19.5	10.7	14.7	16.2	7.8	9.8	11.8	2.3	7.8	9.3	1.5	10.0	10.4	7.7	9.2	10.6	2.2	10.6	11.6	5.2	8.0	9.4	1.8
B to E	Industry (except construction)	19.1	19.6	18.0	18.1	19.2	11.9	12.3	13.9	5.5	8.6	10.3	2.3	8.6	10.2	2.2	7.2	8.1	3.6	5.0	6.9	-4.1	7.6	8.7	1.7	7.9	9.7	0.2
G to N	Services (excluding public administration)	18.2	18.8	12.5	14.3	15.6	8.0	13.2	14.0	8.4	8.0	10.0	0.5	10.2	12.0	1.7	12.0	12.1	9.1	11.4	13.2	2.6	12.7	14.2	4.6	8.0	9.6	0.9
B	Mining and quarrying	11.1	9.8	15.6	11.2	10.2	12.7	4.5	3.4	7.2	3.1	3.4	1.2	8.5	9.9	3.7	14.0	17.2	3.8	9.9	13.0	0.8	11.6	13.5	5.9	14.4	16.5	6.6
C	Manufacturing	18.0	19.0	15.3	18.0	19.5	10.9	12.0	14.1	4.9	8.8	10.3	1.1	9.3	11.1	2.0	6.5	7.8	2.7	5.1	7.3	-5.6	7.1	8.4	2.0	5.5	7.0	-1.2
D	Electricity,gas,steam and air conditioning supply	30.1	28.0	36.3	27.1	27.6	21.5	21.7	23.0	9.9	11.7	15.5	10.1	6.2	6.7	3.2	6.0	3.8	5.6	-1.1	-1.1	-3.3	9.5	9.3	-2.9	15.4	20.2	0.1
E	Water supply,sewerage,waste management and remediation activities	22.5	23.7	16.9	9.1	9.2	1.6	3.8	4.8	-1.0	7.0	8.4	0.4	5.1	5.9	0.5	12.9	13.0	12.8	13.2	13.6	10.3	6.0	6.8	3.3	10.1	10.8	5.6
F	Construction	25.0	27.4	15.4	35.3	38.9	22.2	30.2	33.1	17.7	29.3	31.3	20.5	26.0	28.2	17.4	14.7	15.2	12.6	7.9	8.8	3.4	6.7	7.1	3.8	3.3	4.1	0.5
G	Wholesale and retail trade;repair of motor vehicles and motorcycles	17.2	19.0	9.5	19.3	20.9	11.4	17.0	18.3	10.0	15.2	17.0	6.7	16.9	18.1	10.3	9.6	10.1	6.6	8.7	10.5	1.1	7.4	8.4	2.6	2.4	3.3	-2.3
H	Transportation and storage	15.0	16.3	10.1	18.0	19.3	12.2	14.8	16.6	6.7	6.6	8.3	-0.1	7.0	9.4	-3.0	4.9	4.8	5.6	7.1	7.2	6.4	11.5	14.2	0.4	8.5	10.0	0.9
I	Accommodation and food service	14.6	16.7	5.6	13.9	15.9	6.3	16.9	18.1	10.4	13.8	15.6	6.4	15.8	16.7	11.2	15.6	16.0	12.4	11.2	12.1	7.1	10.5	11.2	7.0	9.1	10.3	3.8
J	Information and communication	7.9	6.3	12.5	5.3	6.1	-0.2	5.4	4.5	9.2	1.0	2.7	-6.2	-3.0	-0.3	-14.7	32.5	33.1	27.3	33.7	40.0	3.5	36.1	39.4	15.7	24.8	28.0	7.0
K	Financial and insurance activities	13.0	12.7	13.9	4.5	4.5	3.0	9.7	8.5	12.6	3.8	6.0	-5.9	9.3	11.6	-2.3	10.4	11.2	3.1	1.3	3.8	-11.4	6.8	7.5	0.5	6.6	7.6	0.4
L	Real estate activities	19.4	21.0	13.0	24.8	26.6	16.9	23.4	25.2	14.3	17.0	20.0	2.9	18.1	21.1	4.8	16.8	19.0	5.5	15.5	18.1	2.6	17.6	19.3	8.8	15.5	17.7	4.5
M	Professional,scientific and technical activities	48.1	43.6	31.0	11.3	13.4	1.1	1.9	2.9	-1.4	-8.6	-6.6	-12.6	-6.4	-4.2	-7.7	18.6	15.6	20.3	26.8	27.7	16.2	26.4	28.0	18.3	26.0	30.6	13.9
N	Administrative and support service activities	34.0	36.1	23.6	10.9	13.9	3.2	13.1	14.7	3.8	11.6	15.3	4.5	26.4	26.5	11.6	4.6	3.5	2.2	5.1	5.9	-0.5	3.1	3.2	-0.4	-7.5	-7.3	-8.7
O	Public administration and defence;compulsory social security	19.6	21.9	12.7	12.9	14.9	5.6	9.0	10.7	3.4	6.4	6.9	3.4	-13.3	-15.0	-4.8	9.9	9.2	14.0	13.7	13.8	13.2	15.5	16.9	9.7	12.3	14.9	3.8
P	Education	25.6	26.9	20.4	16.7	18.3	10.1	16.2	18.4	6.9	8.8	11.6	-1.4	3.5	5.6	-5.0	8.3	8.5	6.6	12.4	13.1	10.2	10.3	10.8	8.1	7.7	8.1	5.8
Q	Human health and social work activities	25.2	27.1	17.7	24.9	27.2	14.0	21.8	23.4	15.0	11.9	13.7	3.7	5.3	6.8	-1.8	8.2	8.0	9.5	6.6	7.3	2.2	8.8	8.8	9.1	9.5	9.9	7.4
R	Arts,entertainment and recreation	32.1	34.2	22.9	26.9	30.6	10.3	20.7	27.8	-7.3	20.6	27.4	-7.2	19.0	21.4	7.2	4.2	4.2	3.9	1.4	1.2	2.2	-4.8	-6.0	2.7	-9.0	-8.9	-10.0
S	Other service activities	13.0	12.0	8.0	7.3	9.4	0.2	19.1	21.5	13.1	12.3	14.4	5.2	16.9	18.8	9.6	26.8	27.2	21.9	16.9	17.3	11.1	23.5	24.4	21.2	17.5	19.5	9.1

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 2006 - 2010
(Working day adjusted, 2008=100)

Table 2.

(Per cent)

Code NCEA - 2008 ¹	Economic activities	2006 ²				2007 ²				2008 ²				2009 ²				2010 ²			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
B to S	All NACE branches except agriculture, fishing, private households with employed persons	62.7	67.5	75.0	76.7	73.4	78.1	87.6	91.6	88.2	95.5	106.3	110.0	104.0	109.5	116.7	118.5	114.5	119.5	129.1	128.0
B to E	Industry (except construction)	65.5	69.4	73.7	76.7	75.1	80.4	86.1	90.1	90.4	98.6	103.8	107.3	106.7	110.7	112.7	116.5	114.4	116.2	121.4	125.7
G to N	Services (excluding public administration)	65.0	69.0	73.0	77.5	77.3	80.5	85.9	91.1	92.1	97.3	103.0	107.7	105.2	110.1	111.2	118.6	117.9	122.7	125.3	128.2
B	Mining and quarrying	63.9	65.5	70.9	80.0	74.3	76.2	82.6	93.6	89.1	93.1	97.2	103.9	99.1	97.3	100.2	112.8	113.0	107.0	111.8	129.0
C	Manufacturing	65.7	68.6	74.0	75.7	75.8	80.1	86.8	89.6	91.5	98.0	103.9	105.7	108.0	109.7	113.1	115.5	115.1	115.3	121.1	121.8
D	Electricity, gas, steam and air conditioning supply	61.8	74.6	69.8	76.4	67.4	82.4	80.8	86.6	80.6	102.6	101.4	112.7	102.5	124.9	113.3	119.6	108.7	123.5	124.1	138.0
E	Water supply, sewerage, waste management and remediation activities	63.7	62.5	71.3	75.7	73.5	74.1	82.4	87.3	85.7	91.4	101.2	106.9	93.4	94.8	108.2	112.4	105.5	107.3	114.8	123.8
F	Construction	65.0	62.6	67.5	73.0	75.9	77.5	81.7	86.4	91.9	94.1	97.5	107.9	124.3	122.6	126.1	136.0	142.7	132.2	134.5	140.5
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	67.9	72.0	75.0	77.6	83.0	86.3	90.2	92.4	95.4	101.6	103.9	108.3	113.8	118.9	119.7	126.6	124.7	129.3	128.6	129.6
H	Transportation and storage	66.6	67.7	74.3	77.1	76.0	78.7	87.6	92.5	89.5	92.6	102.3	106.4	105.6	106.3	109.0	113.9	110.9	113.8	121.6	123.5
I	Accommodation and food service activities	66.5	69.2	70.4	75.2	82.3	85.7	88.2	93.3	98.6	99.4	100.7	106.8	112.4	116.2	114.6	123.7	129.9	129.2	126.7	135.0
J	Information and communication	65.8	75.9	78.2	97.4	78.9	87.1	90.1	104.3	91.3	95.7	103.2	112.5	96.2	100.9	104.2	109.1	127.5	134.9	141.9	136.1
K	Financial and insurance activities	65.3	72.9	75.5	80.0	73.8	79.4	86.1	93.0	89.2	99.8	99.0	105.2	93.2	109.4	102.8	114.9	102.9	110.8	109.9	122.5
L	Real estate activities	62.0	68.2	71.4	71.1	75.2	79.6	85.3	93.1	89.3	98.2	102.7	111.2	111.5	121.3	120.2	131.4	130.2	140.0	141.4	151.8
M	Professional, scientific and technical activities	54.2	55.4	65.2	63.0	65.7	64.1	70.2	73.0	83.8	89.8	107.5	108.1	93.3	91.6	98.3	101.2	110.6	116.1	124.2	127.5
N	Administrative and support service activities	59.1	60.3	59.7	62.2	69.3	68.2	71.7	75.6	94.0	95.7	101.1	101.3	104.3	108.2	112.8	128.1	109.0	113.8	116.3	118.5
O	Public administration and defence; compulsory social security	55.7	62.5	71.0	88.9	68.1	72.6	85.3	108.8	78.2	90.1	101.2	130.2	88.3	98.2	107.7	112.9	97.1	111.7	124.3	126.9
P	Education	54.0	66.2	99.8	68.6	59.7	70.3	110.8	91.2	77.3	89.5	148.6	114.6	90.2	104.1	161.8	118.6	97.6	116.9	178.4	127.6
Q	Human health and social work activities	60.1	67.6	75.6	74.3	71.1	77.4	86.1	90.1	84.0	92.1	105.8	112.7	105.0	112.2	118.4	118.7	113.6	119.5	128.9	129.9
R	Arts, entertainment and recreation	59.4	57.4	72.0	76.0	68.8	69.5	84.0	84.2	82.9	92.9	109.7	111.3	105.3	112.2	132.3	132.5	109.7	113.7	125.9	120.6
S	Other service activities	66.3	70.6	75.6	76.5	80.2	83.9	96.0	94.6	94.6	96.4	106.8	106.9	101.4	114.8	120.0	124.9	128.6	134.2	148.2	146.8

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) includes 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>