



REPUBLIC OF CYPRUS



STATISTICAL SERVICE
1444 NICOSIA

16 December, 2024

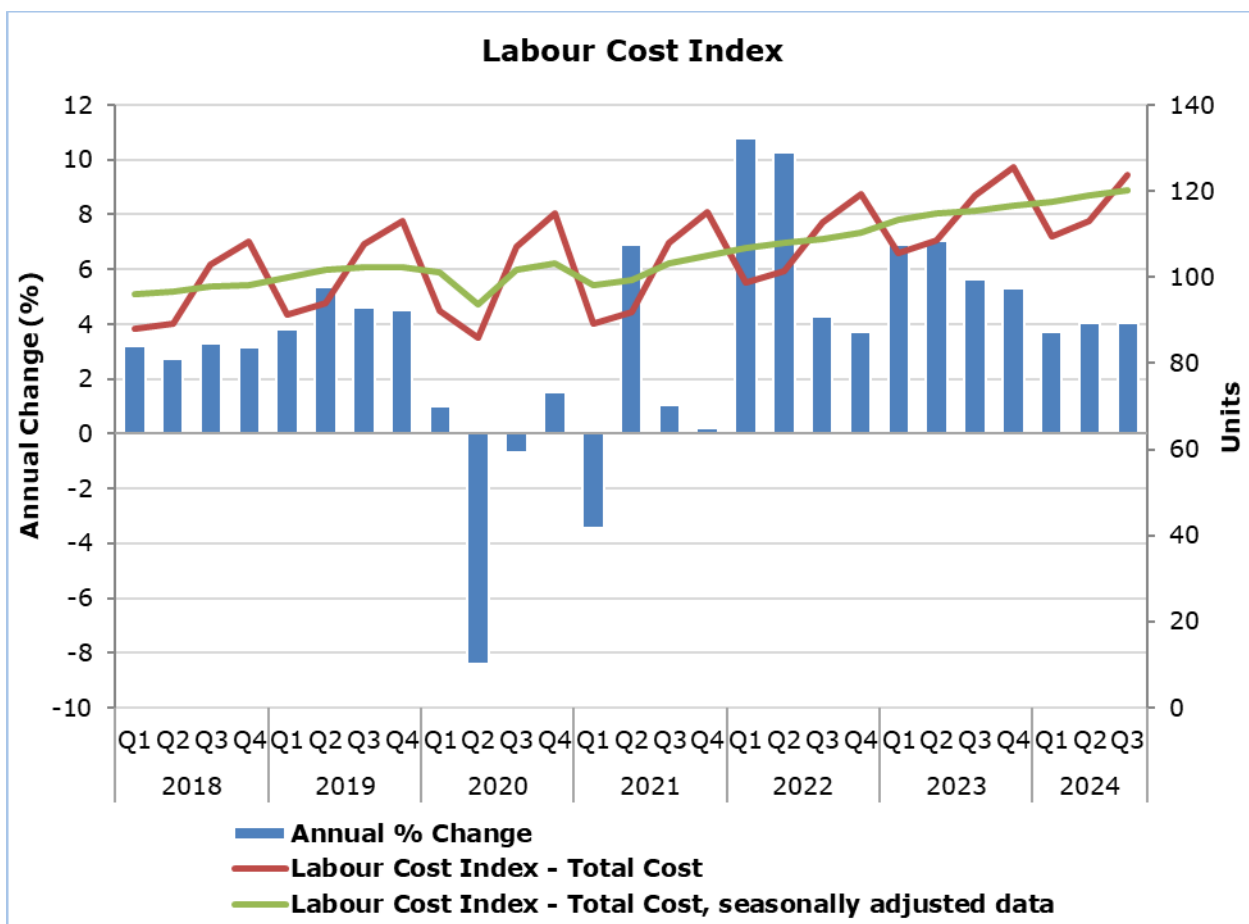
PRESS RELEASE

LABOUR COST INDEX: 3rd QUARTER 2024

Annual Change 4,0%

Based on provisional data, in the 3rd quarter of 2024, the hourly labour costs (total cost) increased by 4,0%, compared with the same quarter of the previous year.

The two main components of labour costs, wages and salaries per hour worked and non-wage costs per hour worked increased by 4,6% and 1,5% respectively, compared with the same quarter of the previous year.



Note: From the 1st quarter of 2024 onwards, data are provisional.

The hourly labour cost (total cost), seasonally adjusted, increased by 1,0% compared to the previous quarter. The hourly labour cost that refers to wages and salaries, seasonally adjusted, increased by 1,2% and the non-wage cost, seasonally adjusted, increased by 0,3%.

Table

	Index (2020=100)		Percentage Change (%)	
	Unadjusted	Seasonally adjusted	To the same quarter of the previous year	To the previous quarter (seasonally adjusted Index)
<u>Total Labour Cost</u>				
3 rd Quarter 2024	123,87	120,14	4,0	1,0
2 nd Quarter 2024	112,99	118,96	4,1	1,1
3 rd Quarter 2023	119,08	115,34	5,6	0,5
<u>Wages and Salaries</u>				
3 rd Quarter 2024	123,99	121,09	4,6	1,2
2 nd Quarter 2024	114,27	119,71	4,6	1,2
3 rd Quarter 2023	118,49	115,60	5,9	0,6
<u>Non-wage cost</u>				
3 rd Quarter 2024	123,39	116,16	1,5	0,3
2 nd Quarter 2024	107,59	115,85	1,6	1,0
3 rd Quarter 2023	121,60	114,23	4,8	0,3

Note: Due to rounding reasons, the calculation of the change may differ from the percentage change presented in the table.

METHODOLOGICAL INFORMATION

Index Identity

The Labour Cost Index is one of the principal European economic indicators produced by all the countries of the European Union on the basis of the Commission Regulation (EC) No 1216/2003 implementing Regulation (EC) No 430/2003 of the European Parliament and of the Council concerning the Labour Cost Index. The indicator is used as an indication of the inflationary pressure that may result from developments in the labour market.

Data Coverage

The Index covers all economic activities except Section A: Agriculture, forestry and fishing, Section T: Activities of households as employers and Section U: Activities of extraterritorial organisations and bodies.

All employees recorded at the Social Insurance Services' Records are covered. Excluded are those employees who report a gross salary that is less than 50% of the minimum salary as determined in the decree issued by the Ministry of Labour, Welfare and Social Insurance. Excluded also, are salaries in excess of €20,000 per month.

Definitions

The Labour Cost Index captures changes in the hourly labour costs borne by enterprises for employing labour.

The Labour Cost Index is compiled as a 'chain-linked Laspeyres cost-index' using a common index reference period (2020 = 100). The Index is presented both in non-seasonally adjusted and in seasonally adjusted form.

Besides the total labour cost, two additional indices are presented, breaking down each component of total labour cost:

- (a) 'Wages and Salaries', that refer to gross wages and salaries, and
- (b) 'Non-wage cost', that refers to employers' social contributions and taxes net of subsidies connected to employment.

Administrative sources and other available data are used to compile the Index. Specifically:

1. data from the Social Insurance Services
2. data from the Treasury of the Republic of Cyprus
3. hours worked as published by the Statistical Service (National Accounts data)
4. the latest available results of the Labour Cost Survey.

In addition to changes in «wages and salaries» and the «non-wage costs», the Labour Cost Index (total cost) reflects also the changes in hours worked. Please note that, weights (total labour costs) are used to calculate the change, which refer to the previous year.

Base Year

Data with base year 2020 are available quarterly from the first quarter of 2000.

Data with base year 2016 are available quarterly from the first quarter of 2000 to the fourth quarter of 2022.

Data Revision

The data are revised when new data used to calculate the index are available (labour cost, hours worked, assumptions).

Seasonally adjusted data may differ in each publication as when new observations are added, the parameters of the model change. The model is revised on an annual basis.

Data classification

Labour cost indices for NACE Rev. 2 section E "Water supply; sewerage, waste management and remediation activities" cannot be interpreted for the latest quarter (2024Q3) due to the transfer of Sewerage Boards and Water Boards to Local Government Organisations classified as NACE Rev. 2 section O: "Public Administration and Defence; Compulsory Social Security".

For more information:

CYSTAT Portal, subtheme [Labour Cost and Earnings](#)

[CYSTAT-DB](#) (Online Database)

[Methodological Information](#)

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