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MINISTRY OF FINANCE



STATISTICAL SERVICE
OF CYPRUS
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CENSUS OF POPULATION 2021

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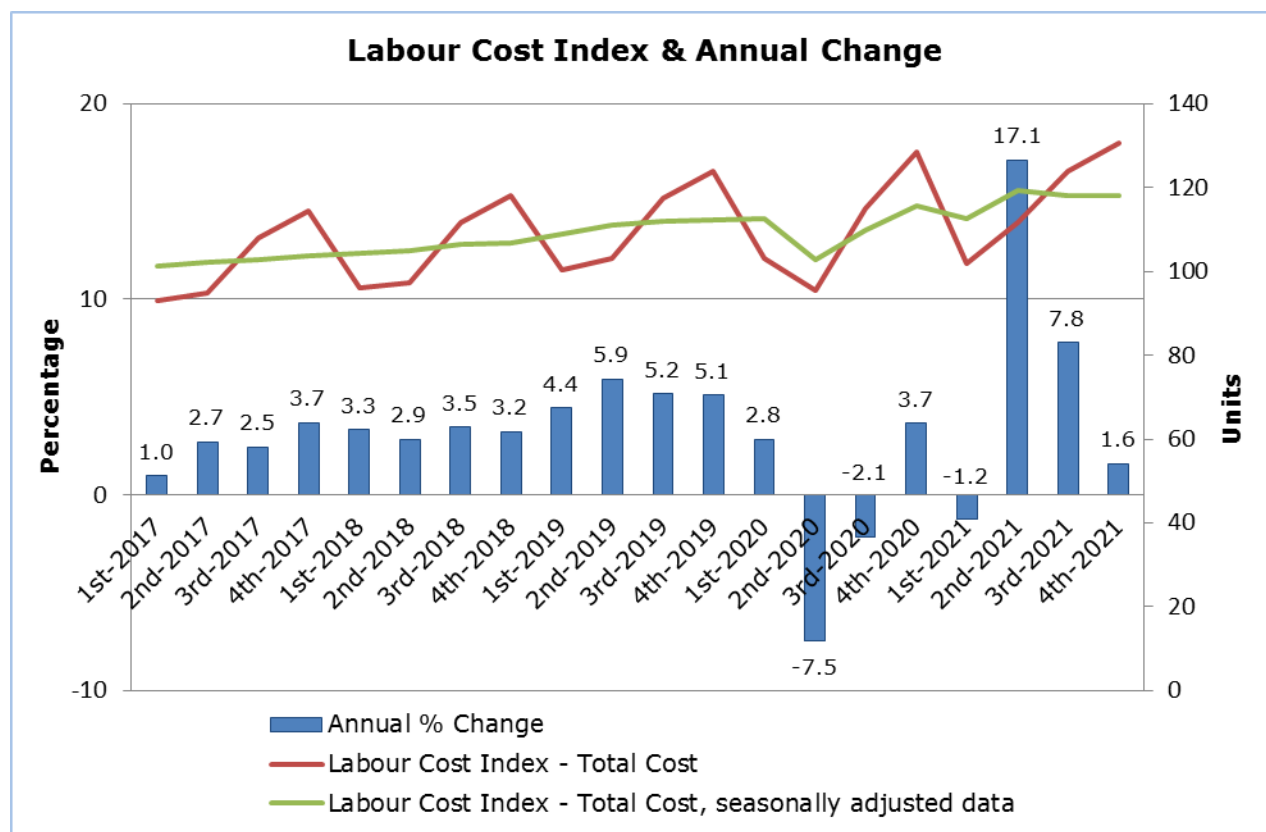
PRESS RELEASE

LABOUR COST: 4th QUARTER 2021

Annual Change 1,6%

Based on provisional data, in the 4th quarter of 2021, the hourly labour costs (total cost) increased by 1,6%, compared with the same quarter of the previous year. In the 3rd quarter of 2021, the hourly labour cost increased by 7,8%.

The two main components of labour costs, wages and salaries per hour worked and non-wage costs per hour worked increased by 1,7% and 0,9% respectively, compared with the same quarter of the previous year. In the 3rd quarter of 2021, the annual changes were 4,3% for the wages and salaries per hour worked and 26,0% for the non-wage cost per hour worked.



Note: From the 1st quarter of 2021 onwards, data are provisional.

The hourly labour cost (total cost), seasonally adjusted, decreased by 0,1% compared to the previous quarter. The hourly labour cost that refers to wages and salaries, seasonally adjusted, increased by 1,0%, while the non-wage cost decreased by 4,7%.

Table

	Index		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>				
4 th Quarter 2021	130,63	118,07	1,6	-0,1
3 rd Quarter 2021	124,04	118,18	7,8	-1,0
4 th Quarter 2020	128,57	115,62	3,7	5,3
<u>Wages and Salaries</u>				
4 th Quarter 2021	126,83	115,41	1,7	1,0
3 rd Quarter 2021	119,99	114,29	4,3	-2,9
4 th Quarter 2020	124,67	112,57	2,7	2,2
<u>Non-wage cost</u>				
4 th Quarter 2021	150,75	132,20	0,9	-4,7
3 rd Quarter 2021	145,44	138,75	26,0	8,3
4 th Quarter 2020	149,36	131,87	8,1	22,5

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

Labour Cost Index shows the short-term development of the total cost, on an hourly basis, for employers of employing the labour force.

The Labour Cost Index is compiled as a 'chain-linked Laspeyres cost-index' using a common index reference period (2016 = 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.

Data Availability

The Index is published on CYSTAT's online database CYSTAT-DB. Data is available from the first quarter of 2000, with base year 2016.

For more information:

CYSTAT Portal, subtheme [Labour Cost and Earnings](#)
[CYSTAT-DB](#) (Online Database)

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