



LABOUR COST SURVEY

2020

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Preface

The report's aim is to publish the results of the Labour Cost Survey with reference year 2020, which measured the level and structure of labour costs in the reference year.

The report provides data on labour cost, hours of work and labour cost per hour, analysed by economic activity and enterprise size. The data refer to both the private and public sectors.

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Sincere thanks are expressed to all persons who provided assistance for the collection of the information necessary for the preparation of this report.

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Director
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October, 2022.

Labour Cost Survey 2020

1. Description

Structural information on labour costs is collected through the four-yearly Labour Cost Surveys, which provide detailed data on structure and level of labour costs, hours worked and hours paid. Data is broken down by economic activity and enterprise size.

2. Method

A sample survey is conducted in order to collect the requested data. The data are collected mainly by means of computer assisted personal interviews (CAPI). The sampling frame was the Business Register. The sample selection procedure for the private sector, including semi-governmental organizations and municipalities, took place separately from the Central Government. Concerning the private sector (including semi-governmental organizations and municipalities) the enterprises were first stratified by NACE.Rev.2 two digits divisions and within each NACE division, by employment size class i.e. 10-49, 50-249, 250-499, 500-999 and 1000+. The sample sizes in strata were specified using proportionate stratification, i.e., the sample size of each stratum is proportionate to the population size of the stratum. The sample in each of the strata was selected using simple random sampling. Enterprises with size class 250-499, 500-999 and 1000+, and the central government were fully covered.

3. Data Coverage

The survey covers enterprises in all economic activities, excluding Agriculture, Fishing, Activities of Private Households and Extra-territorial Organisations (Sections B-S of the Nace Rev.2 classification system). All enterprises covered have ten or more employees.

4. Frequency

Every 4 years (2000, 2004, 2008, 2012, 2016, 2020)

5. Data Availability

Data become available approximately 2 years after the end of the reference period. The results of the survey are announced with a relevant Press Release. Data for the survey are available on CYPSTAT's website in the form of predefined tables for 2000 and 2016 as well as in the database for 2016 and 2020. A report (publication) is available for 2016 and 2020. Data are also available on EUROSTAT's website for the years 2000, 2004, 2008, 2012, 2016 and 2020.

6. Comparability Over Time

The data are comparable over time.

7. Principal Variables

The main variables collected for each enterprise are:

1. Number of employees

2. Hours actually worked
3. Paid hours
4. Labour costs

8. Classification Systems

Economic activity: Industrial classification of economic activities within the European Communities (NACE Rev. 2) - Results disseminated at the 2 digit level.

9. Legal Framework

The LCS is based on the Council Regulation (EC) No 530/1999 concerning structural statistics on earnings and on labour costs and the Commission Regulation 1737/2005 of 21 October 2005 amending Regulation (EC) No 1726/1999 as regards the definition and transmission of information on labour costs.

Main results

1. Labour cost

Labour costs are the aggregate of Compensation of Employees (Wages and salaries and Employers' social contributions), Vocational training, Other expenditures paid by the employer and Taxes paid by the employer, less Subsidies received by the employer.

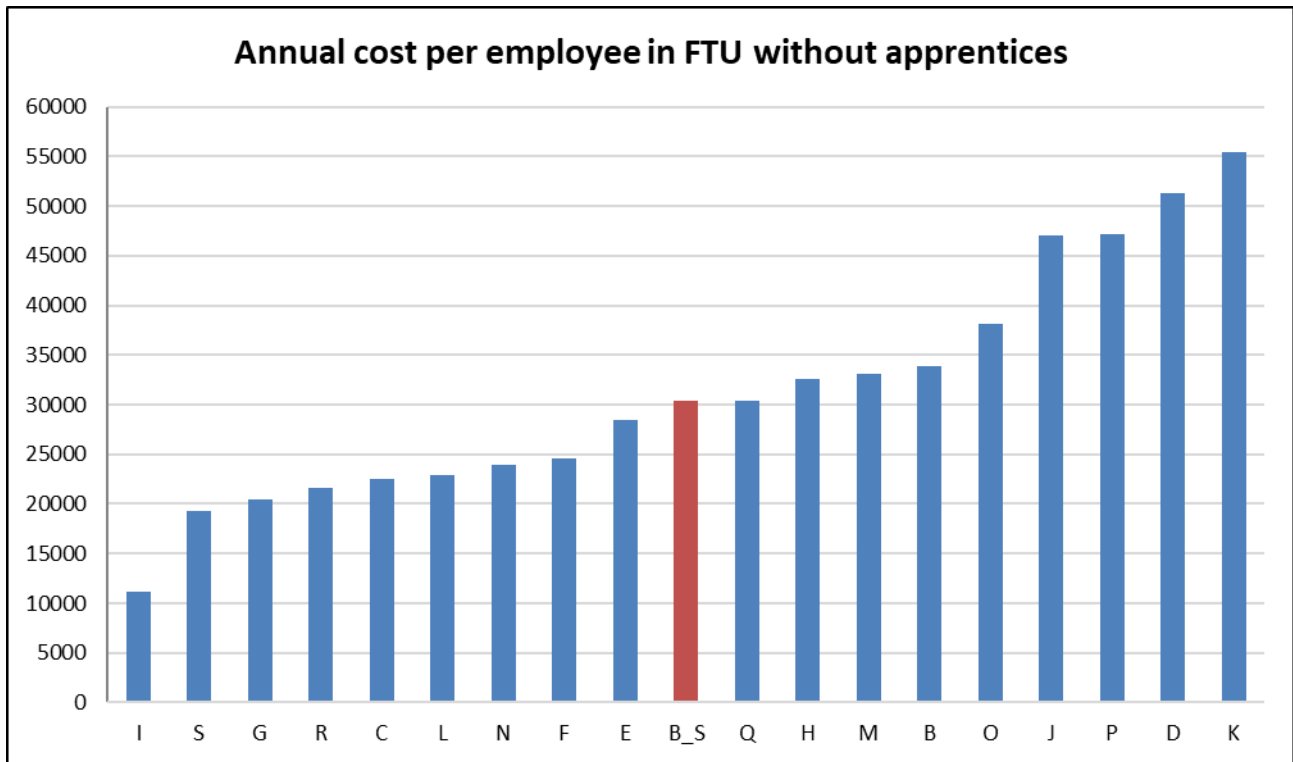
The results of the survey reflect the special circumstances of the reference year, since the government's measures to deal with the pandemic affected both labour costs and working hours. Moreover, this situation has led to further difficulty in collecting the data. It is clarified that, regarding the employees who participated in the Special Schemes under the Employees' Support Schemes to deal with the pandemic of the Ministry of Labour and Social Insurance, the amount taken into account is the earnings paid by the employer and does not include any amount paid as an allowance by the Ministry of Labour and Social Insurance.

The annual labour cost per employee in full-time units (FTU) without apprentices and the monthly labour cost without apprentices by economic activity (NACE Rev.2) are shown in Table 1. Graph 1 shows the annual cost per employee by economic activity in ascending order. Accommodation and food service activities have the lowest annual cost per employee and Financial and insurance activities have the highest annual cost per employee among the economic activities. For the whole economy (B-S) the annual cost per employee in 2020 is €30.335.

Table 1: Annual labour cost per employee in full-time units (FTU) without apprentices and monthly labour cost without apprentices by economic activity

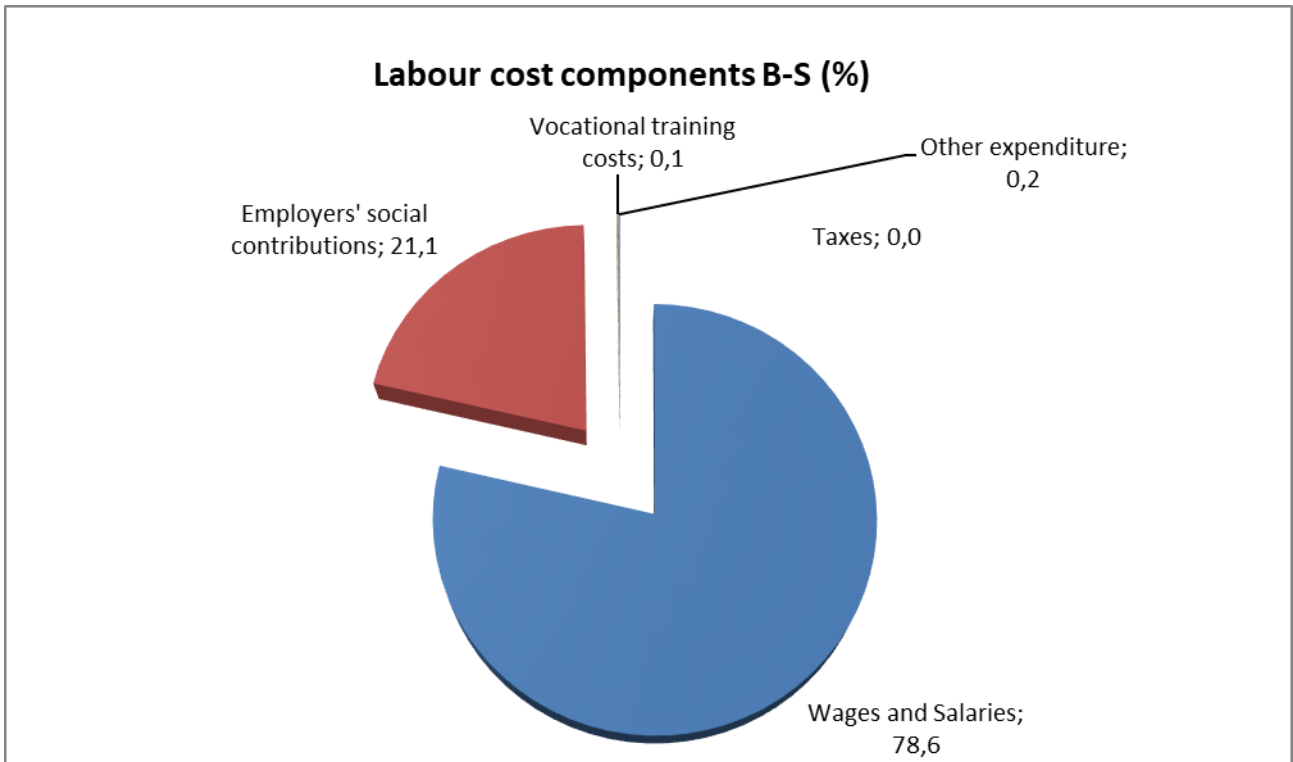
NACE Rev.2	Economic Activity	Annual cost per employee in FTU without apprentices	Monthly cost without apprentices
B-S	Total - Industry, construction and services	30.335	2.528
B	Mining and quarrying	33.886	2.824
C	Manufacturing	22.534	1.878
D	Electricity, gas, steam and air conditioning supply	51.296	4.275
E	Water supply; sewerage, waste management and remediation activities	28.404	2.367
F	Construction	24.633	2.053
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	20.454	1.704
H	Transportation and storage	32.557	2.713
I	Accommodation and food service activities	11.201	933
J	Information and communication	47.061	3.922
K	Financial and insurance activities	55.467	4.622
L	Real estate activities	22.906	1.909
M	Professional, scientific and technical activities	33.149	2.762
N	Administrative and support service activities	23.938	1.995
O	Public administration and defence; compulsory social security	38.191	3.183
P	Education	47.139	3.928
Q	Human health and social work activities	30.427	2.536
R	Arts, entertainment and recreation	21.656	1.805
S	Other service activities	19.316	1.610

Graph 1



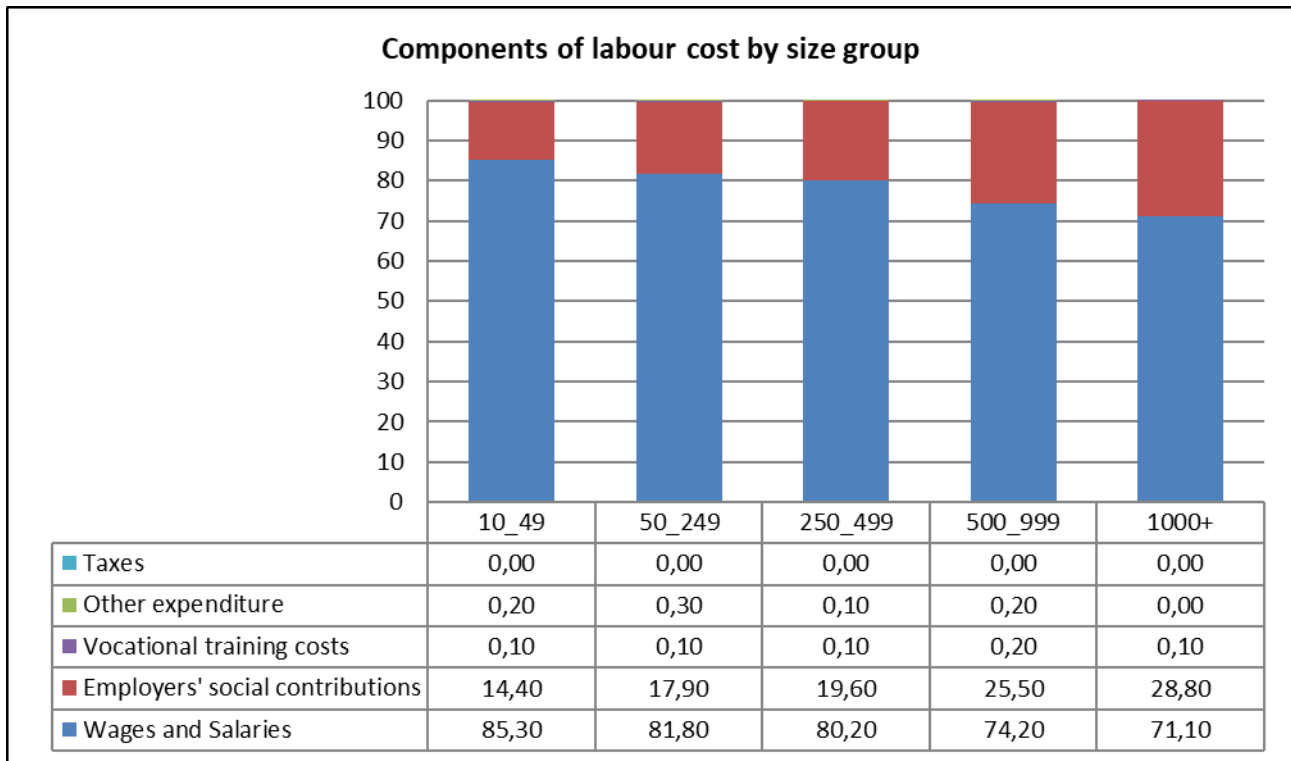
Graph 2 shows the components of labour costs as a percentage of total costs for the whole economy (Section B-S Industry, construction and services). The total labour cost is composed mainly of Wages and salaries (78,6%) and Employers' social contributions (21,1%). Other costs comprise a minor part of total costs.

Graph 2



Graph 3 shows the components of labour cost by size group. The graph shows a decrease of Wages and salaries as a percentage of Total Labour costs for larger size groups.

Graph 3



2. Hours of work

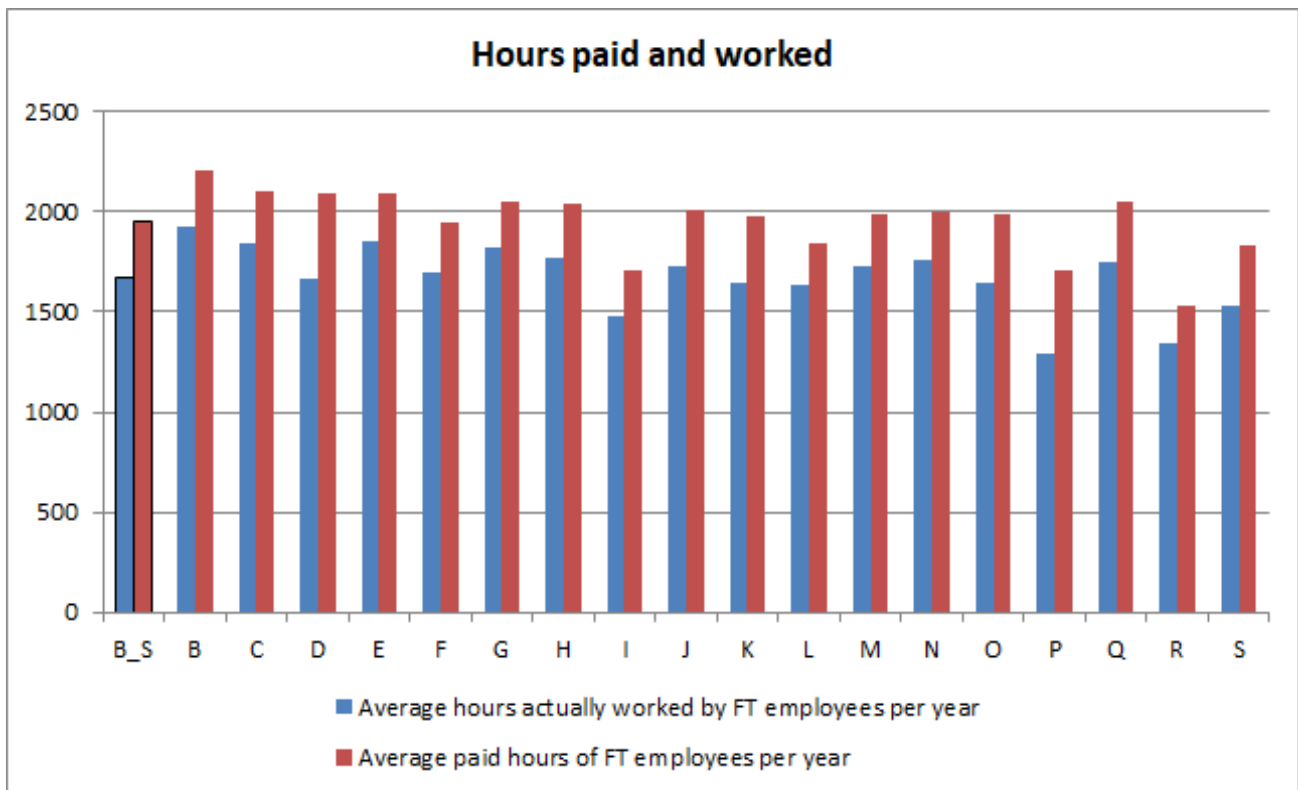
Table 2 and the corresponding Graphs, 4 and 5, show the average paid hours of full-time (FT) employees per year, the average hours actually worked by FT employees per year and the ratio of hours paid vs. hours worked by economic activity. The difference between hours worked and hours paid is that hours paid also include paid absences such as holidays and paid sick leave.

The average hours actually worked by FT employees per year range from 1.296 (Education) to 1.926 (Mining and quarrying) and the average paid hours of FT employees per year range from 1.527 (Arts, entertainment and recreation) to 2.207 (Mining and quarrying). Wholesale and retail trade, has the lowest ratio of hours paid vs. hours worked (1,12) and Education, has the highest ratio (1,32).

Table 2: Average paid hours of full-time (FT) employees per year, average hours actually worked by FT employees per year and ratio of hours paid vs. hours worked

NACE Rev.2	Economic Activity	Average hours actually worked by FT employees per year	Average paid hours of FT employees per year	Ratio hours paid vs. hours worked
B-S	Total - Industry, construction and services	1.666	1.950	1,17
B	Mining and quarrying	1.926	2.207	1,15
C	Manufacturing	1.841	2.096	1,14
D	Electricity, gas, steam and air conditioning supply	1.664	2.095	1,26
E	Water supply; sewerage, waste management and remediation activities	1.853	2.094	1,13
F	Construction	1.695	1.944	1,15
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	1.822	2.047	1,12
H	Transportation and storage	1.770	2.039	1,15
I	Accommodation and food service activities	1.475	1.711	1,16
J	Information and communication	1.730	2.004	1,16
K	Financial and insurance activities	1.646	1.979	1,20
L	Real estate activities	1.631	1.838	1,13
M	Professional, scientific and technical activities	1.729	1.991	1,15
N	Administrative and support service activities	1.761	2.002	1,14
O	Public administration and defence; compulsory social security	1.645	1.987	1,21
P	Education	1.296	1.710	1,32
Q	Human health and social work activities	1.748	2.046	1,17
R	Arts, entertainment and recreation	1.344	1.527	1,14
S	Other service activities	1.527	1.827	1,20

Graph 4



Graph 5

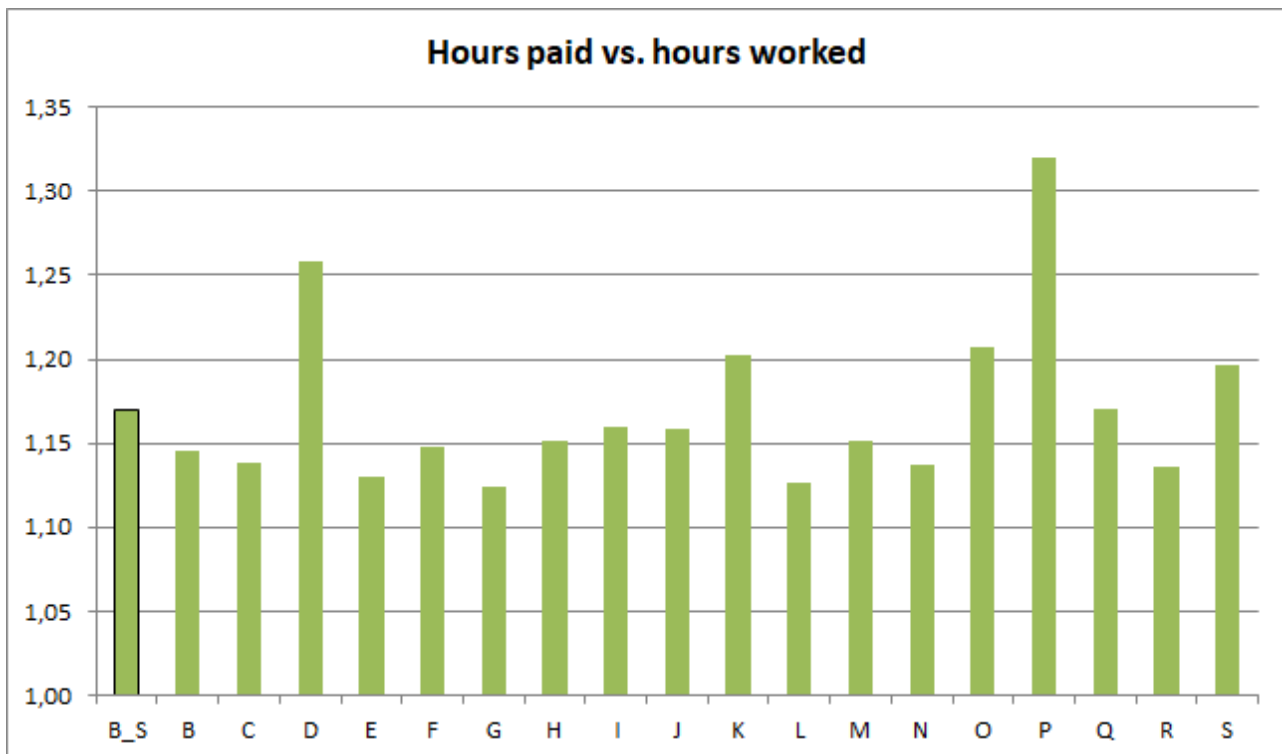
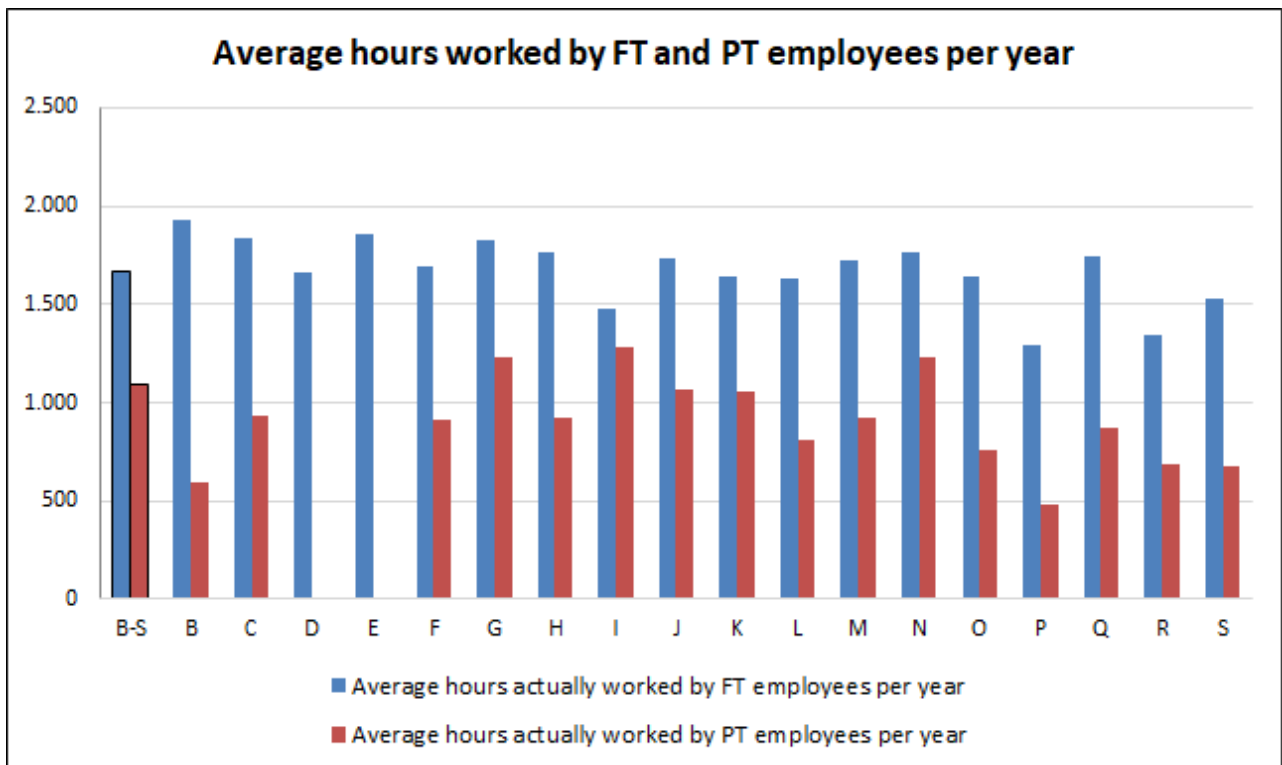


Table 3 and the corresponding Graph 6, show the average hours actually worked by full-time (FT) and part-time (PT) employees per year by economic activity.

Table 3: Average hours actually worked by full-time (FT) and part-time (PT) employees per year

NACE Rev.2	Economic Activity	Average hours actually worked by FT employees per year	Average hours actually worked by PT employees per year
B-S	Total - Industry, construction and services	1.666	1.095
B	Mining and quarrying	1.926	589
C	Manufacturing	1.841	934
D	Electricity, gas, steam and air conditioning supply	1.664	
E	Water supply; sewerage, waste management and remediation activities	1.853	
F	Construction	1.695	913
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	1.822	1.229
H	Transportation and storage	1.770	920
I	Accommodation and food service activities	1.475	1.281
J	Information and communication	1.730	1.065
K	Financial and insurance activities	1.646	1.054
L	Real estate activities	1.631	807
M	Professional, scientific and technical activities	1.729	919
N	Administrative and support service activities	1.761	1.231
O	Public administration and defence; compulsory social security	1.645	759
P	Education	1.296	485
Q	Human health and social work activities	1.748	871
R	Arts, entertainment and recreation	1.344	685
S	Other service activities	1.527	677

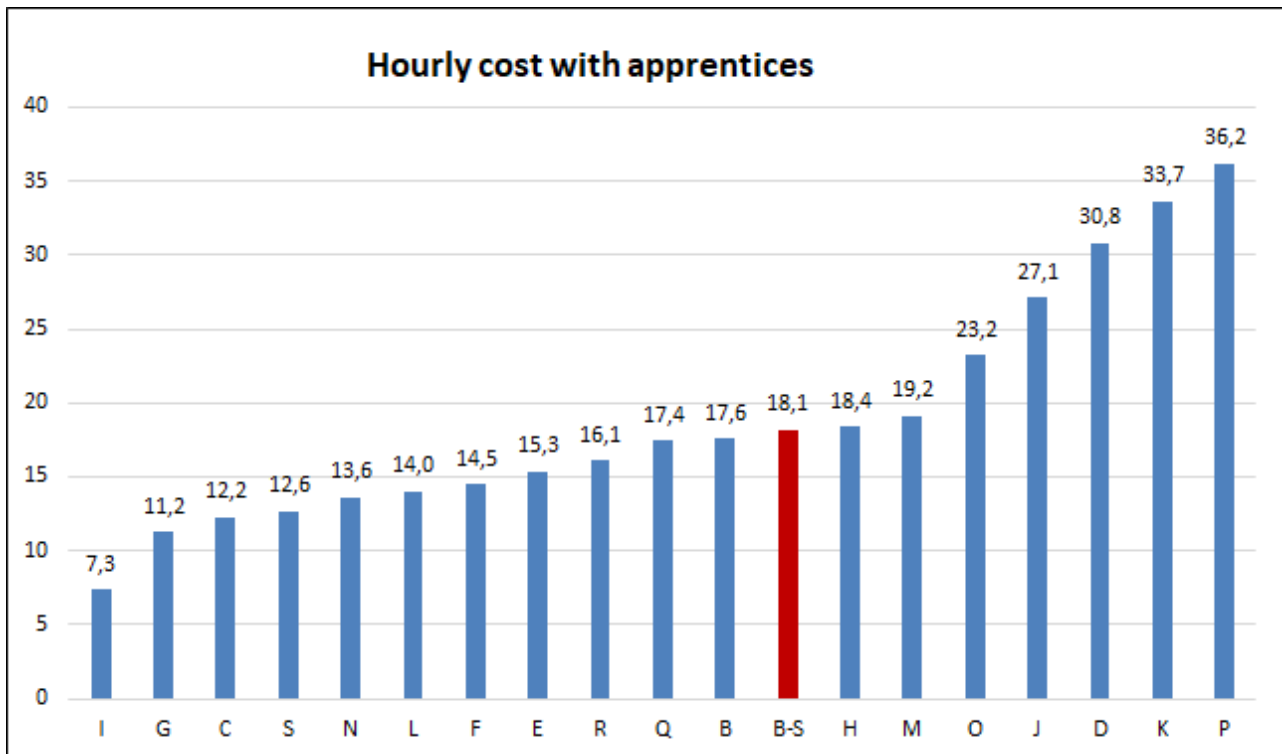
Graph 6



3. Labour cost per hour

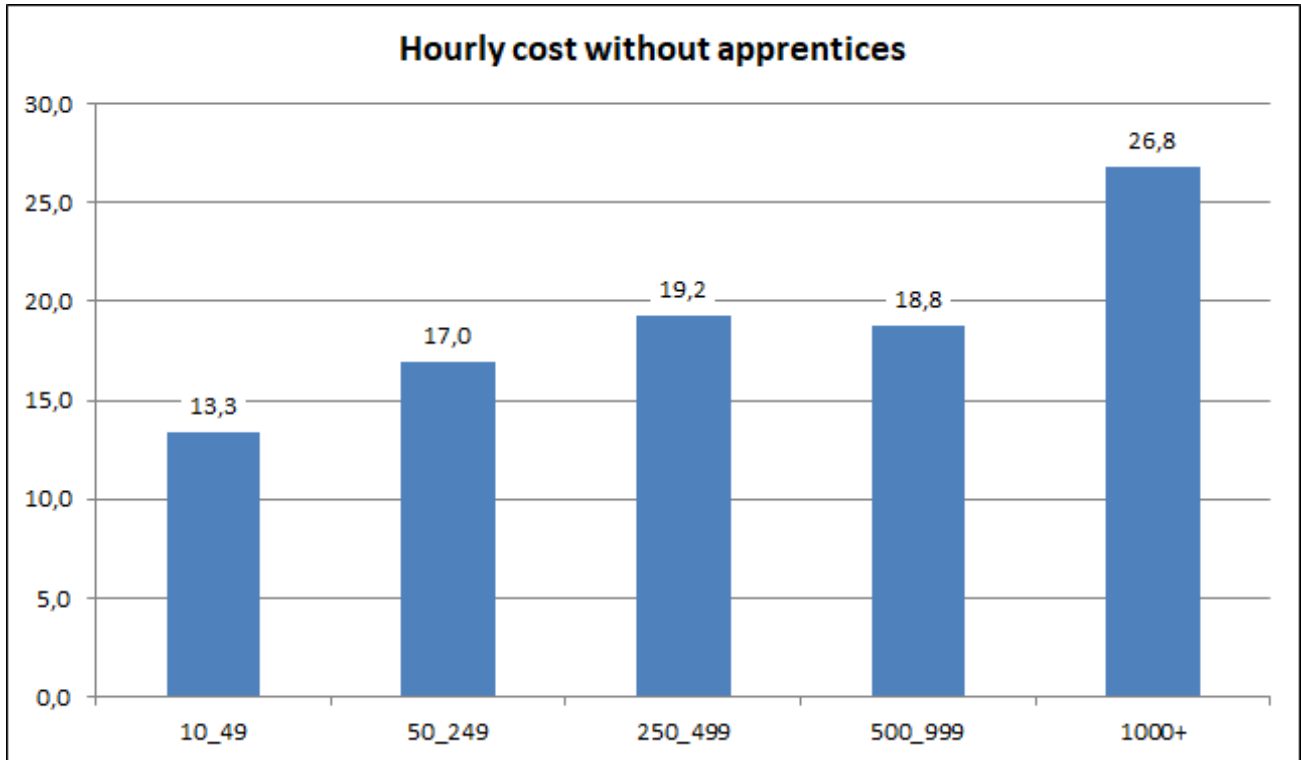
Graph 7 shows the hourly cost (labour cost per hour worked) by economic activity in ascending order and for the whole economy (B-S). For the whole economy (B-S) the labour cost per hour in 2020 is €18,10. Labour cost per hour though, ranges from €7,30 for Accommodation and food service activities to €36,20 for Education.

Graph 7



Graph 8 shows the hourly cost by size class. Hourly costs are higher the higher the size group, besides size group 500_999 for which the hourly cost is slightly lower than for size group 250_499. They range from €13,3 for size group 10_49 to €26,8 for size group 1000+.

Graph 8



Comparison of results of Labour Cost Survey 2020 and 2016

1. Labour Cost

Table 4 shows the annual cost per employee for the whole economy (B-S) in 2020 and 2016. The change calculated on an annual basis is 0,8%.

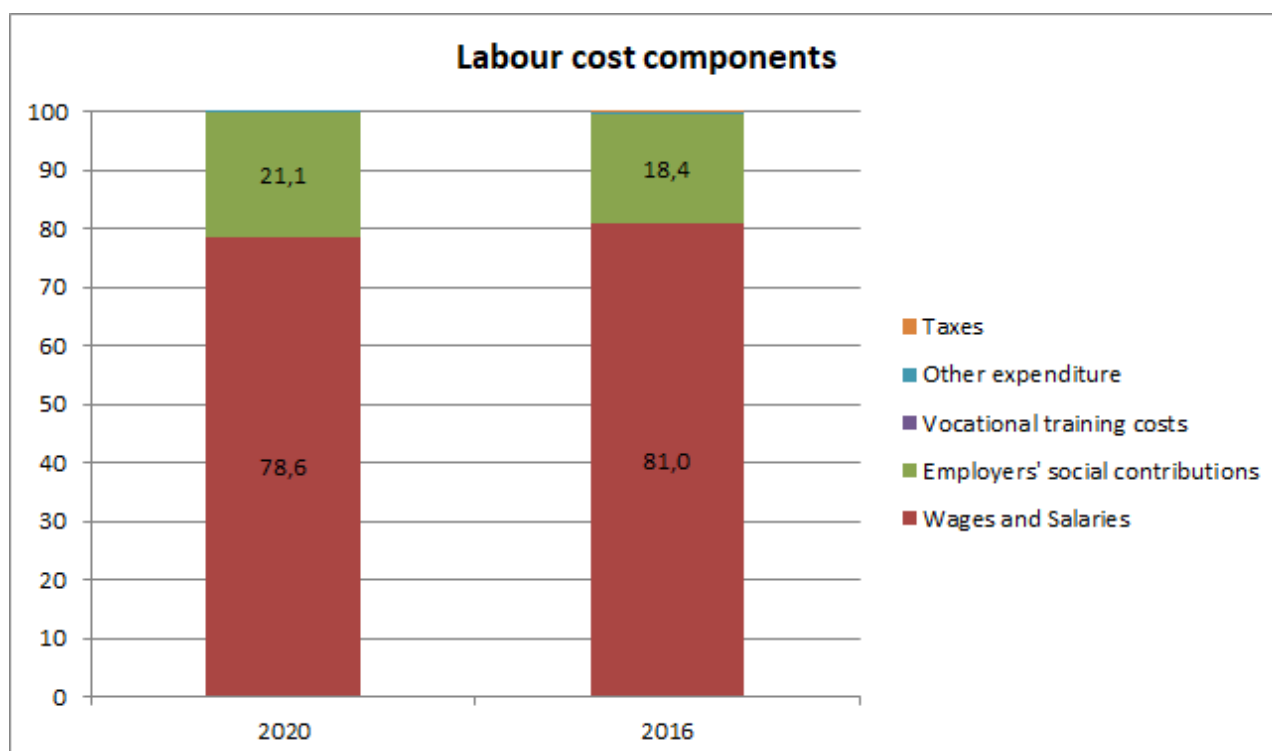
Table 4: Annual cost per employee

NACE Rev.2	Economic Activity	Annual Labour Cost 2020	Annual Labour Cost 2016	Annual Change
B-S	Total - Industry, construction and services	30.335	29.373	0,8%

2. Components of labour cost

Graph 9, shows the components of labour cost as a percentage of total labour cost for the whole economy (B-S) in 2020 and 2016. The total labour cost for years 2020 and 2016, is composed mainly of Wages and salaries and Employers' social contributions, and their distribution remained at the same levels.

Graph 9



3. Hours of work

Table 5 shows the average paid hours of FT employees per year, the average hours actually worked by FT employees per year and the ratio of hours paid vs. hours worked for the whole economy (B-S) in 2020 and 2016.

In 2020, both the average hours actually worked and the average paid hours, are less compared to 2016.

Table 5: Average paid hours of FT employees per year, average hours actually worked by FT employees per year and ratio of hours paid vs. hours worked

NACE Rev.2	Economic Activity	Year	Average hours actually worked by FT employees per year	Average paid hours of FT employees per year	Ratio hours paid vs. hours worked
B-S	Total - Industry, construction and services	2020	1.666	1.950	1,17
B-S	Total - Industry, construction and services	2016	1.793	2.070	1,15

4. Labour cost per hour

Table 6 shows the hourly cost (labour cost per hour worked) for 2020 and 2016 for the whole economy (B-S). The change calculated on an annual basis is 2,65%. Hourly labour cost combines a change in labour costs (numerator) and working hours (denominator). Although labour costs have increased, working hours have decreased to a greater extent, resulting in a bigger increase of the change in labour cost per hour worked (2,65%) compared to the change in labour cost (0,8%).

Table 6: Hourly cost for 2020 and 2016

NACE Rev.2	Economic Activity	Labour Cost per hour 2020	Labour Cost per hour 2016	Annual Change %
B-S	Total - Industry, construction and services	18,10	16,30	2,65

Definitions

1. Labour costs

Labour costs mean the total expenditure borne by employers in order to employ staff. Labour costs include compensation of employees with wages and salaries in cash or in kind and employers' social contributions, vocational-training costs, other expenditures, taxes relating to employment regarded as labour costs, less any subsidies received.

2. Wages and salaries

Wages and salaries include also bonuses, pay for piecework and shift work, allowances, fees, tips and gratuities, commission and remuneration in kind.

It is clarified that, as regards the employees who participated in the Special Schemes under the Employees' Support Schemes to deal with the pandemic of the Ministry of Labour and Social Insurance, the amount taken into account is the earnings paid by the employer and does not include any amount paid as an allowance by the Ministry of Labour and Social Insurance.

3. Employers' social contributions

The variable **employers' social contributions** refers to an amount equal to the value of the social contributions incurred by employers in order to secure for their employees the entitlement to social benefits (e.g. Social Insurance Fund, Redundancy and Industrial Training Funds, Social Cohesion Fund, Employer's Reliability Fund, Provident /Pension Fund, Medical Fund, Welfare Fund, Other insurance plans for the employees). Employers' social contributions may be either actual or imputed.

4. Vocational training costs paid by the employer

Vocational training costs paid by the employer include expenditure on vocational-training services and facilities (also those for apprentices but not their wages and salaries), small repairs and maintenance of buildings and installations, excluding staff costs; expenditure on participation in courses; the fees of instructors from outside the enterprise; expenditure on teaching aids and tools used for training; sums paid by the enterprise to vocational-training organisations, etc. Subsidies linked to vocational training should be deducted.

5. Other expenditure paid by the employer

Other expenditure paid by the employer include in particular:

- recruitment costs (these are the sums paid to recruitment agencies, expenditure on job advertisements in the press, travel expenses paid to candidates called for interview, installation allowances paid to newly recruited staff, etc. This does not include administrative running costs (office expenses, staff wages, etc.),
- working clothes provided by the employer.

6. Taxes paid by the employer

The variable taxes paid by the employer covers all taxes based on the wage and salary bill or on employment. These taxes are regarded as labour costs.

7. Subsidies received by the employer

Subsidies received by the employer are all amounts received in the form of subsidies of a general nature intended to refund part or all of the cost of direct remuneration but not intended to cover social-security or vocational-training costs. They do not include refunds paid to the employer by social-security institutions or supplementary insurance funds.

8. Hours actually worked

Hours actually worked are defined as the sum of all periods spent on direct and ancillary activities to produce goods and services. Hours actually worked include hours worked during normal periods of work, overtime, short rest periods and hours spent in training. Hours worked don't include hours paid but not worked (vacations, public holidays, paid sickness and maternity leave) and hours not worked and not paid, for example during periods of unpaid sickness and maternity leave.

"Hours worked" should be "actual hours worked" rather than "contracted hours". However, these may not always be easy to obtain and it may be necessary to make use of contractual hours instead. This usually occurs for some professional groups – as in the case of teachers who generally work more overtime on an unpaid basis.

9. Paid hours

Paid hours cover the total number of hours paid during the year. The total number of paid hours is recorded separately for full-time, part-time employees and apprentices.

The annual number of paid hours is defined as:

- normal and overtime hours remunerated during the year,
- any hours for which the employee was paid at a reduced rate, even if the difference was made up by payments from social-security funds,
- hours not worked during the reference period but nevertheless paid (annual holidays/vacation, absence due to sickness, public holidays).

10. Full-time employees (excluding apprentices)

The variable full-time employees (excluding apprentices) covers employees (except apprentices) whose regular working hours are the same as the collectively agreed or customary hours worked in the enterprise or local unit, even if their contract is for less than one year. It is the average monthly number of full-time employees employed in the reporting unit during the reference year.

11. Part-time employees (excluding apprentices)

The variable part-time employees (excluding apprentices) covers employees (except apprentices) whose regular working hours are less than the collectively agreed or customary hours worked in the enterprise or local unit, whether daily, weekly or monthly (half-day, three quarter time, four-fifths time, etc.) It is the average monthly number of part time employees employed in the reporting unit during the reference year.

12. Part-time employees converted into full-time units (excluding apprentices)

This conversion is to be carried out on the basis of the normal working hours of full-time workers in this enterprise/local unit. It is the average monthly number of part-time

employees (converted into full-time units) employed in the reporting unit during the reference year.

13. Apprentices

The variable apprentices covers all employees, full-time or part-time, who do not yet fully participate in the production process and who work either under an apprenticeship contract or in a situation in which vocational training predominates over productivity. It is the average monthly number employed in the reporting unit during the reference year.

14. Annual cost per employee in FTU without apprentices

Annual labour cost, without the cost of employing apprentices, per employee in full-time units.

15. Monthly cost without apprentices

Annual cost per employee in FTU without apprentices divided by 12.

16. Average hours actually worked by FT employees per year

Hours actually worked (by full-time employees) per full-time employee (excluding apprentices).

17. Average hours actually worked by PT employees per year

Hours actually worked (by part-time employees) per part-time employee (excluding apprentices).

18. Average hours actually worked in FTU per year

Hours actually worked per employee in full-time units.

19. Average hours paid in FTU per year

Hours paid per employee in full-time units.

20. Hourly labour cost

Labour cost per actual hour worked.

Appendix

Statistical Classification of Economic Activities NACE, Rev. 2, of the European Union.

NACE Rev.2	Description
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply; sewerage, waste management and remediation activities
F	Construction
G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transportation and storage
I	Accommodation and food service activities
J	Information and communication
K	Financial and insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities
O	Public administration and defence; compulsory social security
P	Education
Q	Human health and social work activities
R	Arts, entertainment and recreation
S	Other service activities