Industry, trade and services

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Statistics in focus
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Short-term labour input indicators 2011

The recent crisis accelerated the downward trend in industrial employment and interrupted the upward trend in services

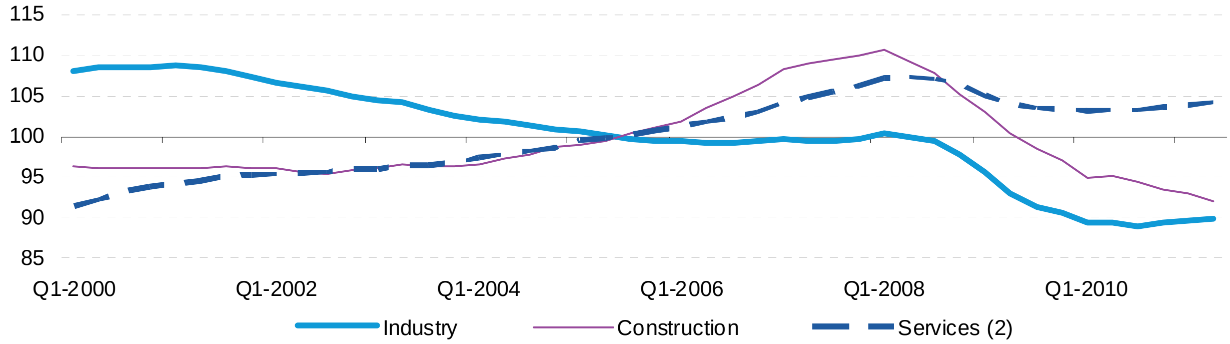
Employment in the EU's business economy (industry, construction and services) was affected in different ways by the recent financial and economic crisis: The established growth in services employment was reversed by the crisis but several service activities have already recorded a rebound. The upward trend in construction employment was also reversed and at the time of writing construction employment continues to fall. The existing downward trend for industry was reinforced during the crisis.

This publication focuses on labour input indicators from short-term statistics (STS). Quarterly time series are provided back to the beginning of 2000 but focus mainly on more recent developments influenced by the crisis.

Employment in the European Union's (EU's) industrial economy has been on a downward trend since at least 1996 (start of available series), although during this period it has experienced some short periods of stability or even growth, such as during 2000 and between the third quarter of 2006 and the first quarter of 2008. Nevertheless, this long-term reduction in the industrial workforce intensified during the recent financial and economic crisis: between the first quarter of 2008 and the third quarter of 2010 industrial employment fell by 11.4 % before stabilising again.

In contrast, employment in construction and services were on an upward trend prior to the financial and economic crisis. Construction employment grew each quarter from the beginning of 2004 to the first quarter of 2008, expanding in total by 15.0 %. After this date the reduction in the construction workforce was particularly sharp, falling 16.9 % from its pre-crisis peak to the second quarter of 2011. Prior to the crisis, services employment had been on an upward path since at least 1998 (start of available series). Services employment fell 3.9 % from its peak in the second quarter of 2008 to a low in the first quarter of 2010 before returning to its upward path: by the second quarter of 2011 it had grown by 1.1 % from this low but remained 2.8 % below the pre-crisis peak.

Figure 1: Employment (seasonally adjusted), EU-27, 2000-2011 ([1])
(2005=100)



([1]) Estimates. ([2]) As covered by the short-term statistics (STS) Regulation.
Source: Eurostat (online data codes: sts_inlb_q, sts_colb_q and sts_trlb_q)

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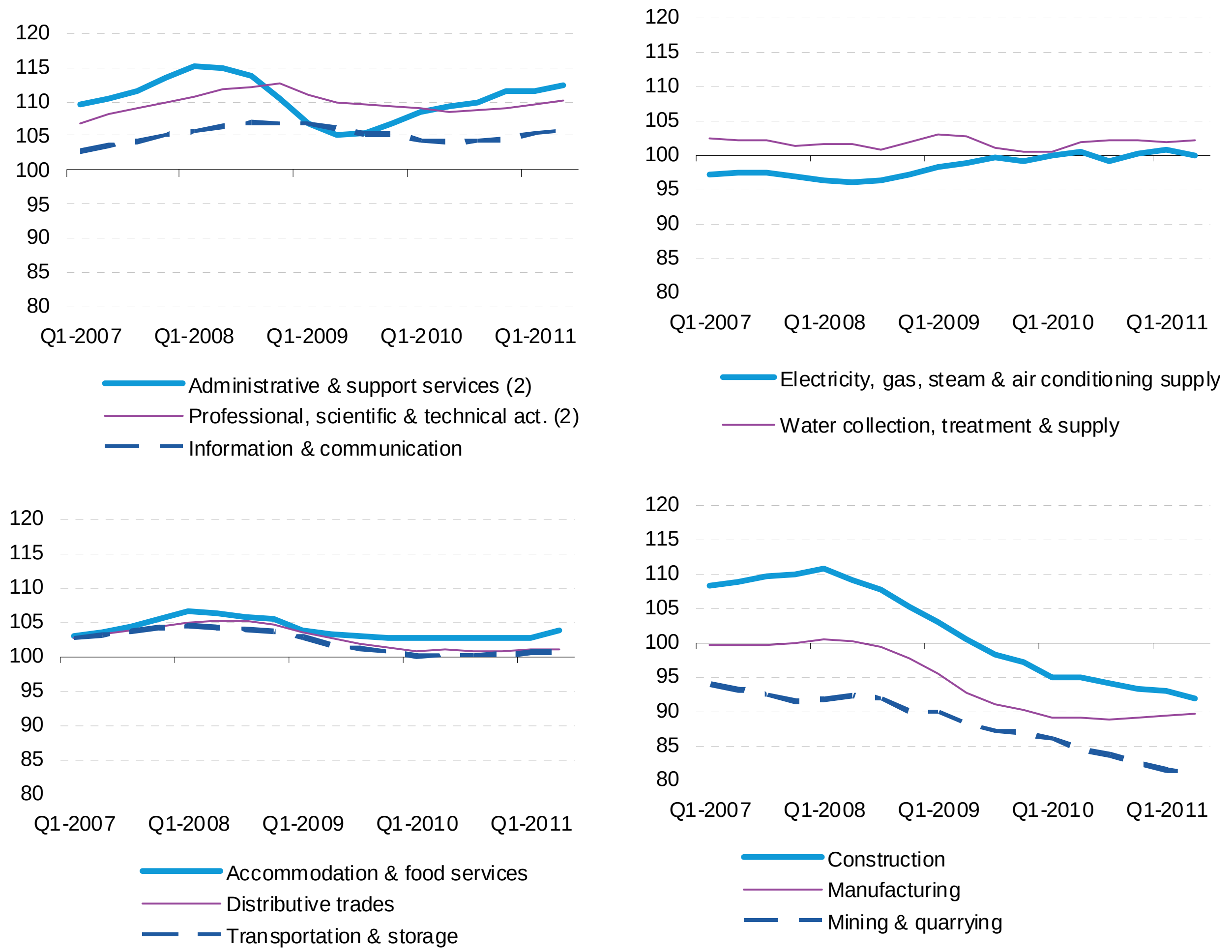
Rebounding employment in business services, information and communication

Figure 2 displays the development of employment in the non-financial business economy from before the crisis. The top left graph includes service activities where employment declined during the crisis and then rebounded: this was most notable for administrative and support services which had the largest changes in employment of these activities and was first into the downturn and first out of it. The bottom left graph shows three other services activities that also experienced a decline in employment during the crisis but had not (by the second quarter of 2011) showed a sustained rebound, although accommodation and food services recorded growth in the latest period.

The top right graph includes two network activities in which employment levels were relatively unaffected by the crisis: the energy supply activity recorded employment growth in the first half of 2009 when almost every other activity was recording a fall in employment. The bottom right graph shows three activities that recorded substantial falls in employment levels during the crisis; of these only manufacturing has recorded any stability since the crisis while employment has continued to decline in the other activities.

Table 1 overleaf provides for each activity an indication (to the nearest half year) when the downturn in employment started and when it reached a low point: for activities with declining employment before the crisis the first half of 2007 is indicated as the pre-crisis high. The percentage employment fall during the crisis is shown and the extent to which employment increased since the low point: 'none' indicates that the index was still falling in the latest quarter. The final column shows the relation between the latest index level and the pre-crisis high: four values are positive, indicating that employment is above the pre-crisis high.

Figure 2: Employment index (seasonally adjusted), EU-27, 2007-2011 ([1])
(2005=100)



([1]) Estimates. ([2]) As covered by the STS Regulation.

Source: Eurostat (online data codes: sts_inlb_q, sts_colb_q, sts_trlb_q and sts_selb_q)

Within manufacturing the largest falls in employment were for the manufacture of tobacco, textiles and wearing apparel which have been on a downward path for many years.

The strongest post-crisis rebound was recorded for postal and courier activities while employment in information services was relatively unaffected by the crisis and displayed no clear highs and lows.

Table 1: Broad changes in the employment index (seasonally adjusted), EU-27
(%)

	Time of pre-crisis high	Time of crisis low	Fall in crisis (%)	Recent growth (%)	Current index (Q2-2011) compared with high (%)
Mining of coal and lignite	2007 1st half	2011 1st half	**>15**	None	-15.2
Extraction petroleum & gas	2007 1st half	2011 1st half	**>15**	None	-19.5
Mining of metal ores	2008 1st half	2009 2nd half	>5	**5 to 10**	-1.4
Other mining & quarrying	2007 1st half	2011 1st half	**>15**	None	-16.3
Mining support services	2008 2nd half	2009 1st half	0 to 5	**5 to 10**	**2.6**
Food products	2008 1st half	2010 2nd half	0 to 5	<1	-2.8
Beverages	2008 1st half	2011 1st half	**>10**	None	-11.2
Tobacco products	2007 1st half	2011 1st half	***>20***	None	-24.2
Textiles	2007 1st half	2011 1st half	***>25***	<1	-26.1
Wearing apparel	2007 1st half	2011 1st half	***>25***	None	-29.4
Leather & related products	2007 1st half	2010 2nd half	***>20***	1 to 5	-18.3
Wood & wood products	2007 1st half	2011 1st half	**>15**	<1	-17.8
Paper & paper products	2007 1st half	2011 1st half	**>10**	None	-11.4
Printing & reproduction of recorded media	2007 1st half	2011 1st half	**>15**	None	-16.6
Coke & refined petroleum	2007 2nd half	2011 1st half	**>10**	None	-11.9
Chemicals & chemical products	2007 1st half	2010 2nd half	>5	<1	-9.7
Pharmaceuticals	2008 1st half	2011 1st half	>5	<1	-7.5
Rubber & plastic products	2008 1st half	2010 1st half	>5	1 to 5	-7.6
Other non-metallic mineral products	2007 2nd half	2011 1st half	**>15**	<1	-17.6
Basic metals	2008 1st half	2010 2nd half	**>15**	1 to 5	-13.7
Fabricated metal products	2008 1st half	2010 1st half	**>10**	1 to 5	-11.5
Computer, electronic & optical products	2007 2nd half	2010 1st half	**>10**	1 to 5	-13.9
Electrical equipment	2008 1st half	2010 1st half	**>10**	1 to 5	-9.0
Machinery & equipment n.e.c.	2008 2nd half	2010 2nd half	**>10**	1 to 5	-9.6
Motor vehicles, trailers & semi-trailers	2008 1st half	2010 2nd half	**>10**	1 to 5	-9.6
Other transport equipment	2008 2nd half	2011 1st half	**>10**	1 to 5	-8.9
Furniture	2008 1st half	2010 2nd half	**>15**	<1	-16.9
Other manufacturing	2008 2nd half	2011 1st half	0 to 5	<1	-4.8
Repair & installation of machinery & equip.	2008 2nd half	2011 1st half	>5	<1	-8.5
Elec., gas, steam & air con. supply	2007 2nd half	2008 1st half	0 to 5	1 to 5	**2.5**
Water collection, treatment & supply	2009 1st half	2010 1st half	0 to 5	1 to 5	-0.7
Construction	2008 1st half	2011 1st half	**>15**	None	-16.9
Motor trades	2007 2nd half	2011 1st half	>5	None	-6.6
Wholesale trade	2008 2nd half	2010 2nd half	>5	<1	-5.6
Retail trade	2008 2nd half	2010 1st half	0 to 5	<1	-2.4
Land transport & transport via pipelines	2008 1st half	2010 2nd half	>5	<1	-6.2
Water transport (2 pre-crisis highs shown because of double dip)	2007 2nd half 2009 1st half	2010 2nd half	0 to 5	1 to 5	-0.9
Air transport	2007 2nd half	2010 2nd half	>5	1 to 5	-7.7
Warehousing & transp. support activities	2008 2nd half	2009 2nd half	0 to 5	1 to 5	-0.4
Postal & courier activities	2007 1st half	2009 1st half	0 to 5	***10 to 15***	**11.7**
Accommodation & food services	2008 1st half	2010 1st half	0 to 5	1 to 5	-2.6
Publishing activities	2009 1st half	2010 2nd half	>5	<1	-5.9
Audiovisual production & music publishing	2008 1st half	2011 1st half	**>15**	None	-17.4
Programming & broadcasting activities	2008 2nd half	2010 2nd half	>5	<1	-5.4
Telecommunications	2007 1st half	2010 2nd half	>5	1 to 5	-4.4
Computer & related activities	2008 2nd half	2010 1st half	0 to 5	1 to 5	-0.4
Information services	2009 1st half	2009 2nd half	0 to 5	**5 to 10**	**4.4**
Prof., scientific & technical activities ([1])	2008 2nd half	2010 1st half	0 to 5	1 to 5	-2.4
Administrative & support services ([1])	2008 1st half	2009 1st half	>5	**5 to 10**	-2.4

([1]) As covered by the STS Regulation.

Source: Eurostat (online data codes: sts_inlbgr_q, sts_colbgr_q, sts_trlbgr_q, sts_selbgr_q, sts_inlb_q, sts_colb_q, sts_trlb_q and sts_selb_q)

The impact of the financial and economic crisis and the extent of any subsequent recovery varied greatly between countries and broad economic activities. An analysis of annual rates of change for the last four full calendar years is shown in Table 2.

In 2009 and 2010 every EU Member State (no information available for Italy) recorded a fall in industrial employment. In general the biggest losses were recorded in 2009, exceeding 10 % in the Baltic Member States, Spain, Slovakia, Sweden, Romania, Hungary and the Czech Republic; the smallest decline in industrial employment in 2009 was recorded in Cyprus (-1.4 %). In most Member States the fall in industrial employment was less in 2010 than in 2009, with Greece and Cyprus the only exceptions.

Construction employment also declined in most Member States in both 2009 and 2010, the exceptions being Germany and Poland where increases were recorded in both years, while in Austria, Slovakia and Sweden there was growth in 2009, and in Belgium and Hungary there was growth in 2010. The most volatile employment indices in construction were seen in the Baltic Member States, Bulgaria and Romania as double digit growth in 2007 turned into double digit falls in both 2009 and 2010.

Services employment fell in all Member States except Malta and Sweden in 2009. Once again some of the biggest reductions were recorded in the Baltic Member States, and to a lesser extent in Slovakia and Spain. By 2010 there were nine Member States with employment growth in services, reaching 3.0 % in Luxembourg. In contrast, the fall in services employment accelerated between 2009 and 2010 in Bulgaria, Greece, Romania and Slovenia, while in Malta the growth recorded in 2009 was reversed by a decline in 2010.

Table 2: Annual change in employment index (gross), 2007-2010
(%)

	Industry				Construction				Services ([1])			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
EU-27	0.3	-0.2	-6.8	-3.5	4.9	-0.9	-7.9	-5.3	3.0	1.7	-2.9	-0.6
Euro area (EA-17)	0.4	0.4	-5.8	-3.6	5.0	-1.9	-8.9	-5.3	2.8	1.5	-2.5	0.1
Belgium	0.2	0.3	-4.5	-2.8	5.3	3.1	-0.1	1.4	3.2	2.9	-0.9	1.7
Bulgaria	0.1	-2.0	-9.4	-6.4	10.8	6.5	-10.4	-20.7	7.8	9.2	-2.0	-6.4
Czech Republic	2.2	0.9	-10.6	-3.2	1.1	1.0	-2.2	-2.3	3.0	1.7	-2.0	-1.2
Denmark	2.4	0.6	-9.3	-6.8	6.7	-3.9	-13.6	-7.4	3.7	2.1	-3.5	-2.5
Germany	1.5	2.2	-2.8	-2.4	1.6	0.7	1.3	2.1	1.6	1.4	-1.8	1.7
Estonia	-0.8	-3.6	-16.4	-6.0	16.5	0.5	-16.0	-18.2	8.6	2.2	-10.6	-4.7
Ireland	-0.1	-5.0	-7.8	-5.7	3.8	-8.6	-30.7	-26.3	5.0	2.5	-3.0	-2.0
Greece	0.8	-1.3	-4.4	-7.3	2.6	4.0	-1.3	-9.8	-1.2	0.1	-0.2	-3.1
Spain	-1.0	1.1	-15.4	-6.3	6.1	-9.1	-23.0	-12.6	2.3	-0.5	-5.8	-1.3
France	-1.5	-1.9	-4.4	-3.3	4.2	2.3	-2.2	-1.6	2.0	0.1	-2.6	1.0
Italy	:	:	:	:	:	:	:	:	:	:	:	:
Cyprus	1.5	1.6	-1.4	-2.4	5.7	2.7	-4.9	-5.8	3.4	2.1	-3.1	-0.5
Latvia	-1.9	-7.2	-23.8	-4.3	28.1	0.7	-37.7	-18.7	10.8	-1.8	-17.8	-8.2
Lithuania	-2.8	-5.0	-16.9	-7.6	19.0	8.1	-21.5	-17.7	7.9	6.3	-9.3	-6.9
Luxembourg	-1.8	0.0	-3.5	-2.7	0.2	0.9	-1.6	-0.6	6.0	5.9	-0.1	3.0
Hungary	-1.5	-0.5	-11.3	-1.2	-7.0	-5.3	-8.1	0.3	2.2	4.8	-3.7	2.3
Malta	-4.5	-5.9	-9.5	-2.9	5.3	-1.6	-7.0	-7.5	0.5	-0.9	0.5	-0.8
Netherlands	0.5	1.1	-2.9	-2.4	1.3	0.6	-2.4	-3.0	3.3	2.0	-1.0	-0.6
Austria	2.1	0.8	-4.0	-2.1	1.9	-1.0	3.0	-1.0	2.4	2.0	-1.8	1.6
Poland	3.3	2.3	-5.8	-0.4	7.3	4.4	3.9	1.3	5.1	4.1	-0.1	1.1
Portugal	-1.9	-1.1	-5.7	-2.9	-4.0	-2.0	-7.7	-8.0	-0.2	1.0	-2.4	-0.7
Romania	-4.2	-3.9	-14.1	-9.8	12.7	7.3	-15.5	-14.8	7.7	4.9	-2.8	-7.7
Slovenia	0.7	-0.5	-9.5	-5.4	12.9	12.2	-1.4	-9.5	4.8	4.3	-0.1	-1.1
Slovakia	2.4	0.7	-15.2	-3.7	6.0	9.1	2.0	-2.6	5.5	2.0	-7.1	-4.3
Finland	0.6	-2.4	-7.6	-4.5	6.6	5.2	-5.7	-1.8	2.1	3.4	-4.1	1.3
Sweden	0.6	-0.1	-14.5	-3.5	7.5	4.9	1.0	-0.6	5.2	2.6	0.5	1.4
United Kingdom	-1.1	-4.6	-4.6	-3.0	0.4	-0.2	-3.4	-5.9	1.7	0.4	-4.7	-2.4
Norway	3.5	2.2	-2.9	-2.4	9.3	3.7	-4.0	-0.1	:	:	:	:
Switzerland	3.5	2.5	-2.7	-1.0	3.5	1.0	0.2	2.0	:	:	:	:
Croatia	2.9	0.5	-6.2	-5.2	6.7	7.4	-3.0	-13.3	:	:	:	:
FYR of Macedonia	-1.0	-1.1	-6.6	-0.7	:	:	:	:	:	:	:	:
Turkey	3.8	-0.3	-9.5	4.5	0.3	-5.4	-19.4	2.6	:	:	:	:

([1]) As covered by the STS Regulation.

Source: Eurostat (online data codes: sts_inlbgr_a, sts_colbgr_a, sts_trlbgr_a)

Other sources: similar employment developments recorded in the LFS

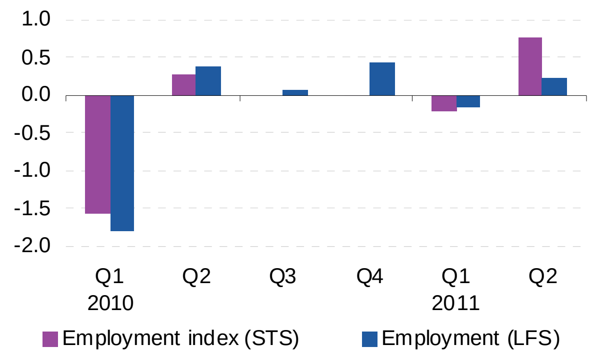
Quarterly employment data are also available from other sources. The labour force survey (LFS) is a sample survey among private households and provides data on employment, unemployment and economic inactivity. The data therefore reflect a full coverage in terms of economic activity and enterprise size; however, the activity classification normally relies on a declaration by individuals rather than the business register's classification of statistical units.

Quarterly national accounts employment data are available for six broad economic activities within the whole economy. Producing this data may involve integrating data from various sources to produce a data set that can be combined, for example, with data on consumption or output.

In contrast to the LFS data, STS data focus on a time series analysis of the labour input factor for business economy activities. STS data offer greater NACE detail than quarterly national accounts and may be available within a shorter time period, and less subject to long-term revisions.

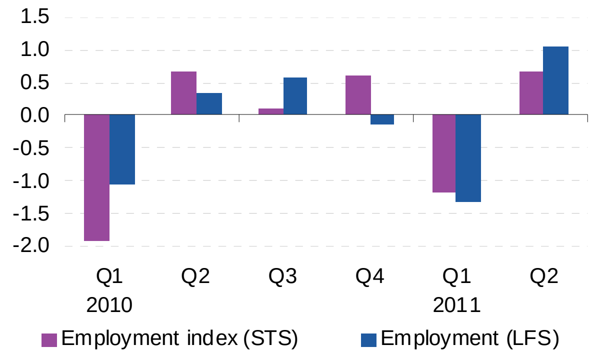
Figures 3 and 4 compare recent rates of change for employment in industry and distributive trades using STS and LFS data. The rates shown are based on unadjusted (gross) data in order to have a comparable form for the analysis of the two data sources: the rates reflect therefore seasonal factors. Equally, a selection of activities was made from LFS data in order to match the STS coverage.

Figure 3: Industry, quarterly change (gross), EU-27, 2010 and 2011



Source: Eurostat (online data codes: sts_inlb_q, lfsq_egan2 and lfsq_egan22d)

Figure 4: Distributive trades, quarterly change (gross), EU-27, 2010 and 2011



Source: Eurostat (online data codes: sts_trlb_q and lfsq_egan2)

Comparatively dynamic development of wages and salaries

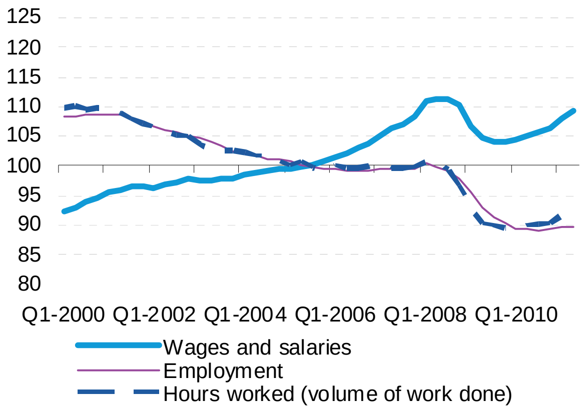
While this publication has mainly focused on employment indicators, STS offer two other labour input indicators for industry and construction: hours worked and wages and salaries. The coverage of these indices will be extended to services with the next base year change (2013).

The hours worked index gives an idea of the volume of work done: assuming stable productivity the hours worked index can be expected to follow a similar development to the index of the volume of production. The index of wages and salaries reflects the level of payments to the labour factor and is therefore affected (among other things) by changes in wage levels. Note that these indices are based on the total number of hours and the level of expenditure – they are not calculated 'per employee' and so do not show average hours worked or average wages and salaries.

Generally, increases in average labour costs drive the index of wages and salaries upwards faster than quantity measures such as employment or hours worked. This can be seen in Figures 5 and 6 (overleaf): industrial employment was stable in 2006 and 2007 while the wages and salaries index continued to rise and even accelerated just before the crisis gripped the industrial labour market.

Difference between employment and hours worked indices may reflect structural or cyclical changes. An increase or decrease in overtime at various stages of an economic cycle can cause the indices to move apart for a short-period of time, and in a severe downturn this can be exacerbated by short-time working, which reduces the hours worked with less impact on the employment index.

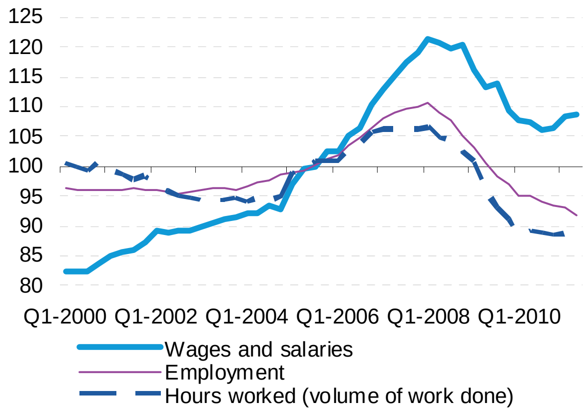
Figure 5: Industry, labour input indicators (seasonally adjusted), EU-27, 2000-2011 ([1])
(2005=100)



([1]) Estimates.

Source: Eurostat (online data code : sts_inlb_q)

Figure 6: Construction, labour input indicators (seasonally adjusted), EU-27, 2000-2011 ([1])
(2005=100)



([1]) Estimates.

Source: Eurostat (online data code : sts_colb_q)

Table 3: Quarterly change in labour input indicators (seasonaly adjusted), EU-27, 2010 and 2011
(%)

	Hours worked						Wages and salaries					
	2010				2011		2010				2011	
	Q1	Q2	Q3	Q4	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2
Mining of coal and lignite	-2.4	-2.9	-1.0	-6.0	0.2	0.6	-0.5	-1.7	-0.3	-1.5	-1.4	2.5
Extraction petroleum & gas	-1.2	-2.8	-3.6	-2.4	-1.9	-0.3	-0.5	-4.6	0.4	1.0	6.2	-0.7
Mining of metal ores	4.7	-0.9	6.3	-0.7	0.8	-4.4	1.9	7.4	0.0	2.0	1.7	2.6
Other mining & quarrying	-0.7	1.6	-0.7	-0.1	-2.9	-0.4	1.3	0.3	0.2	3.3	-7.7	2.6
Mining support services	13.1	1.9	6.8	1.2	-3.3	3.3	11.3	-0.9	13.2	-4.1	-0.3	0.4
Food products	0.4	0.2	-0.4	0.5	0.1	0.1	0.7	0.6	0.0	0.7	0.3	0.6
Beverages	-0.6	-1.3	-1.4	0.3	2.8	-1.4	-0.9	-1.4	0.5	1.1	0.3	1.1
Tobacco products	3.3	-1.6	-3.0	0.7	-1.6	-0.4	8.5	-15.7	-5.7	5.6	-16.0	7.9
Textiles	-0.6	1.8	-0.6	0.5	2.1	-2.0	0.0	0.0	-0.7	0.5	0.5	-0.2
Wearing apparel	-3.6	-1.4	0.0	0.6	1.3	-0.5	-0.9	-1.8	0.9	-0.3	0.1	0.2
Leather & related products	1.7	0.3	-0.4	1.7	1.8	1.0	-0.2	1.9	1.1	1.5	2.1	2.0
Wood & wood products	-0.3	1.2	-0.7	0.9	0.4	0.0	-0.7	0.8	0.2	0.0	1.7	0.2
Paper & paper products	1.1	-0.4	1.2	-1.2	1.6	-0.9	0.8	0.3	-0.1	0.3	0.7	0.1
Printing & reproduction of recorded media	-1.0	-1.0	0.3	-0.2	0.5	-1.2	-1.3	-1.1	1.4	-0.8	-1.3	-0.3
Coke & refined petroleum	-2.5	0.9	-1.5	-8.0	4.9	-1.2	2.3	-0.1	-0.2	-0.1	-1.4	1.1
Chemicals & chemical products	0.0	-0.7	0.3	0.1	1.3	0.3	0.4	-1.0	2.0	1.4	2.1	2.1
Pharmaceuticals	-0.8	0.3	-1.0	-0.8	1.6	-1.0	0.4	-0.5	-0.1	-0.4	1.4	-1.0
Rubber & plastic products	0.8	1.5	0.0	0.0	2.7	-0.6	-0.3	1.5	-0.3	1.3	2.0	1.3
Other non-metallic mineral products	-0.2	1.8	0.4	-0.7	0.9	0.1	-0.4	0.6	0.2	-0.2	0.5	0.9
Basic metals	1.0	1.7	-0.6	1.9	2.0	-0.3	1.1	1.2	0.6	1.4	1.7	1.4
Fabricated metal products	-0.2	2.2	1.2	-0.5	1.9	-0.7	-0.6	1.5	0.7	1.1	1.3	1.8
Computer, electronic & optical products	0.4	0.5	-0.5	0.2	-0.2	-1.3	0.2	0.3	0.9	0.8	0.7	0.5
Electrical equipment	2.7	0.7	0.8	0.0	3.3	-0.6	1.7	1.6	0.1	1.4	2.9	1.5
Machinery & equipment n.e.c.	-0.5	1.7	1.4	-0.7	2.9	0.3	-0.2	2.1	0.7	1.8	2.9	2.3
Motor vehicles, trailers & semi-trailers	2.5	0.7	0.2	1.4	3.4	-0.9	0.6	1.0	0.9	1.9	3.7	4.1
Other transport equipment	-1.3	-1.7	-0.2	-0.7	1.4	-0.6	0.6	0.6	-0.8	0.6	1.4	1.3
Furniture	-2.5	1.1	0.2	-1.8	2.1	-0.9	-1.1	-0.6	-0.7	-0.1	-0.2	-0.1
Other manufacturing	-0.1	-0.1	-0.2	1.1	1.7	0.1	0.1	2.1	1.8	1.3	0.8	0.7
Repair & installation of machinery & equip.	-2.1	-0.9	0.4	-0.2	-0.7	0.1	-1.3	-0.1	0.0	-0.2	-1.1	0.6
Elec., gas, steam & air con. supply	-0.5	0.4	-0.2	1.3	0.5	-0.9	0.2	1.3	0.0	0.8	0.4	-0.2
Water collection, treatment & supply	2.7	-0.4	-0.5	0.3	1.0	0.1	0.0	0.9	-0.5	0.0	1.9	0.2
Construction	-3.0	0.9	-0.4	-0.5	0.3	-0.2	-1.6	-0.3	-1.3	0.5	1.7	0.4

Source: Eurostat (online data codes: sts_inlbgr_q and sts_colbgr_q)

METHODOLOGICAL NOTES

Short-term statistics

The source for the majority of the data in this publication is Eurostat's short-term business statistics (STS). Its legal basis is Council Regulation No 1165/98 of 19 May 1998 ([1]) concerning short-term statistics and its subsequent amendments. STS provide information on a wide range of economic activities within the business economy. STS indicators concern measures of output, labour input and prices, as well as indicators related to expectations of activity in the future.

The EU-27 and euro area (EA-17) aggregates are based on a consistent composition of the 27 and 17 countries that (at the time of writing) participate in these respective areas.

The labour input indicators are generally published by Eurostat with a quarterly frequency; data are available for some Member States on a monthly basis. The European aggregates are normally published two and a half months after the end of the reference quarter.

Indices of employment and wages and salaries are available in a gross form, while the basic form for the hours worked index is working day adjusted. All indicators are also available seasonally adjusted.

Definitions

It is the objective of the index of **number of persons employed** to show the development of employment in industry, construction and services. The number of persons employed is defined as the total number of persons who work in the observation unit (inclusive of working proprietors, partners working regularly in the unit and unpaid family workers), as well as persons who work outside the unit who belong to it and are paid by it. Among the exclusions are agency workers (except for the activity in which such employment agencies are classified) and persons on indefinite leave.

It is the objective of the **hours worked** index to show the development in the volume of work done. The total number of hours worked represents the aggregate number of hours actually worked for the output of the observation unit during the reference period. This variable excludes hours paid but not actually worked such as for annual leave, holidays, sickness, meal breaks and travel between home and work. Normal and additional working hours are included as well as short periods of rest.

It is the objective of the **wages and salaries** index to approximate the development of the wage and salaries bill. Wages and salaries are defined as the total remuneration, in cash or in kind, payable to all persons counted on the payroll (excluding payments for agency workers), regardless of whether it is paid on the basis of working time, output or piecework and whether it is paid regularly. Included are social contributions, income taxes, etc. payable by the employee even if they are actually withheld by the employer and paid on behalf of the employee. Wages and salaries do not include social contributions payable by the employer, nor reimbursed expenses, training and other labour-related costs.

([1]) *Official Journal No L 162, of 5 June 1998.*

Labour force survey (LFS)

The main statistical objective of the Labour Force Survey (LFS) is to divide the population of working age (15 years and above) into three mutually exclusive and exhaustive groups - persons in employment, unemployed persons and inactive persons – and to provide descriptive and explanatory data on each of these categories. LFS uses the employment definition of the International Labour Organisation. Employed persons are persons i) aged 15 years and over (16 and over or 15-74 in some Member States) who during the reference week (of the survey) performed some work, even for just one hour a week, for pay, profit or family gain or who were not at work but had a job or business from which they were temporarily absent (for example because of illness, holidays, industrial dispute or education and training).

Activity coverage and detail

The aggregates used in this publication are defined in terms of NACE Rev. 2 as follows.

Industry: Sections C to D and Division 36.
Construction: Section F.
Services: Sections G to J, M and N excluding headings 70.1, 72, 75, 77, 81.1 and 81.3.
Distributive trades: Section G (therefore part of services).

STS employment indices are available for all of these activities, whereas hours worked and wages and salaries indices are currently only available for industry and construction. The labour input indices are published by Eurostat at a 1-letter (section) level for all activities, with a more detailed analysis at the 2-digit (division) level available for most sections.
The LFS classifies economic activity at the 2-digit level of NACE Rev. 2.

Abbreviations and symbols

EA-17	euro area of 17 Member States
EU-27	European Union of 27 Member States
LFS	labour force survey
NACE	statistical classification of economic activities in the European Community
STS	short-term statistics
:	not available

For more information:

The labour input indicators are presented, along with the other short-term business statistics, in the Quarterly panorama of European business.

Contact: Thomas Jaegers

Further information

Eurostat website: http://ec.europa.eu/eurostat

Data on short-term business statistics:
http://epp.eurostat.ec.europa.eu/portal/page/portal/short_term_business_statistics/data/database

Further information about short-term business statistics:
http://epp.eurostat.ec.europa.eu/portal/page/portal/short_term_business_statistics/introduction

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European Statistical Data Support:

With the members of the 'European statistical system', Eurostat has set up a network of support centres in nearly every Member State and in some EFTA countries.

Their role is to provide help and guidance to Internet users of European statistics.

Contact details for this support network can be found on the Eurostat website at: http://ec.europa.eu/eurostat/.

All Eurostat publications can be ordered via the 'EU Bookshop': http://bookshop.europa.eu/.

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