

29 July 2008

Annual Labour Cost Survey (ALCS) 2007

Main results

–The **total cost per worker**, in gross terms, was **27,673.00 euros** during the year 2007, for a **4.0%** increase over the previous year.

–The **net cost** was **27,406.09 euros per worker**, after deducting **266.91 euros** for **subsidies and deductions** received by the Public Administrations in order to promote employment and professional training.

–**72.84%** of the total cost was for **wages (20,157.89 euros/worker)** and **22.78%** for **obligatory contributions to Social Security (6,304.98 euros/worker)**.

–Of the remaining items comprising the cost, **495.82** annual euros per worker were for **social benefits**, **372.53** for **expenses from work**, **246.15** euros corresponded to **compensation for dismissal** and **95.63** to **professional training**.

Annual labour cost per worker

The labour cost per worker in gross terms was 27,673.00 euros in 2007, an increase of 4.0% over the year 2006, according to the results of the Annual Labour Cost Survey (ALCS), which completes those conducted quarterly from the Quarterly Labour Cost Survey (QLCS). After subtracting the subsidies and deductions received by the Public Administrations from this figure, a net cost of 27,406.09 euros was obtained, for an interannual growth also reaching 4%.

Salaries and wages plus contributions to Social Security, together, constituted 95.6% of the gross cost.

In addition to wages and contributions, 495.82 euros per annum per worker were for social benefits (voluntary contributions to insurance and pension plans, complementary benefits from Social Security and expenses of a social nature), 372.53 for other expenses from work (end of contract payouts, small tools and workwear, transport to the workplace, selection of personnel...), 246.15 euros corresponded to compensation for dismissal and 95.63 to professional training.

Components of the annual cost

	Euros
GROSS COST¹	27,673.00
Wages and salaries	20,157.89
Obligatory contributions	6,304.98
Social benefits	495.82
-Voluntary contributions	188.14
-Direct corporate contributions	267.91
-Social expenditure	39.77
Compensation for dismissal	246.15
Expenditure on professional training	95.63
Expenditure from work	372.53
-Expenditure on transport	22.07
-Remainder of costs ²	350.46
Subsidies and deductions (-)	266.91
NET COST³	27,406.09

1 Excludes allowances and travel expenses

2 End of contract payouts, payments of compensation, small tools, workwear, selection of personnel...

3 After subtracting subsidies and deductions

Labour cost by economic activity

Industry, with a total net cost per worker of 31,510.65 euros during the year 2007, was the economic sector with the highest labour costs and the smallest interannual increase (3.2%) of those costs.

The construction sector experienced the greatest growth in net cost (5.3% as compared with the previous year), with the increase in non-wage cost worth noting (6.7%) as compared with that of wage costs (4.8%). In this sector, compensation for dismissal and payments of compensation caused the *other costs from work* to rise; in contrast, this was the sector presenting the least costs due to dismissals.

The services sector, with an increase of 4.1% in net cost, was the sector that registered the most homogeneous evolution in wage costs (4.2%) and non-wage costs (3.9%).

Economic sectors	Net cost		Wages and salaries		Non-wage cost	
	Euros	Rate ¹	Euros	Rate ¹	Euros	Rate ¹
Industry	31,510.65	3.2	22,939.93	3.0	8,570.72	3.6
Construction	26,599.42	5.3	18,788.55	4.8	7,810.87	6.7
Services	26,489.52	4.1	19,703.49	4.2	6,786.03	3.9

¹Compared with the previous year

The differences between the **labour cost** per worker, according to the different activities within the sectors of the Spanish economy, were worth noting, with a broad register fluctuating between 18,041.23 gross annual euros per worker in accommodation (H) and 50,000 euros per employee in the energy (E) and financial (J) sections.

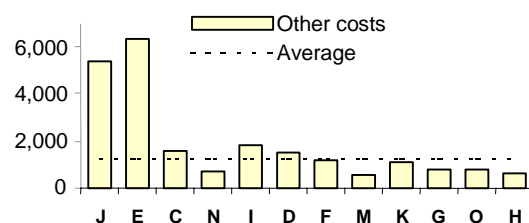
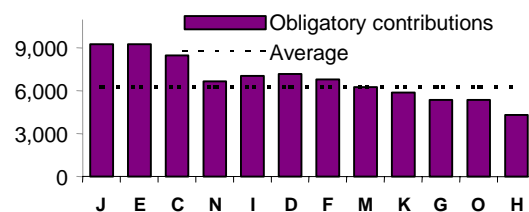
Total gross cost per worker during the year 2007

	Euros
J.- Financial intermediation	55,498.29
E.- Electrical energy, gas and water	51,386.01
C.- Extractive industries	35,133.94
N.- Health, veterinary and social services	31,653.07
I.- Transport, storage and communications	31,450.93
D.- Manufacturing industry	31,102.05
Total activities	27,673.00
F.- Construction	26,820.82
M.- Education	26,465.12
K.- Real estate, rental, business services	26,113.94
G.- Trade and repair	23,321.67
O.- Social activities, community services	23,080.14
H.- Accommodation	18,041.23

Industry: Comprised of sections C, D, E

Construction: Comprised of section F

Services: Comprised of sections G, H, I, J, K, M, N, O



The financial (J) and energy (E) sections were of particular note because they paid the highest salaries and wages to their workers and took on the highest cost in social benefits. They were also the sections that invested the most in the professional training of their workers.

Construction (F) and transport (I) were the activities with the most expenses from work (workwear, small tools, transport, end of contract payouts, payments of compensation...). The construction sector was also worth noting because it presented the greatest weight in obligatory contributions to Social Security, over the total cost, as compared with the remaining activities.

Compensation for dismissal accounted for the greatest labour cost in the manufacturing (D) industry. At the other end of the spectrum were health (N) and education (M) with dismissal costs way below the average.

Subsidies and tax deductions due to the creation of employment and the promotion of professional training presented fewer inequalities than the costs in their distribution by economic activity, and less dispersion as compared with the average values.

Highest and lowest cost by economic section

Wages and salaries		Social benefits	
J.- Financial intermediation	40,823.62	E.- Electrical energy, gas and water	5,053.92
E.- Electrical energy, gas and water	35,720.92	J.- Financial intermediation	4,000.95
Total activities	20,157.89	Total activities	495.82
O.- Social activities, community services	16,899.33	G.- Trade and repair	249.29
H.- Accommodation	13,098.34	H.- Accommodation	129.53

Expenses from work		Compensation for dismissal	
F.- Construction	773.39	D.- Manufacturing industry	576.54
I.- Transport, storage and communications	655.25	E.- Electrical energy, gas and water	551.64
Total activities	372.53	Total activities	246.15
N.- Health, veterinary and social services	111.03	M.- Education	43.26
E.- Electrical energy, gas and water	89.00	N.- Health, veterinary and social services	23.04

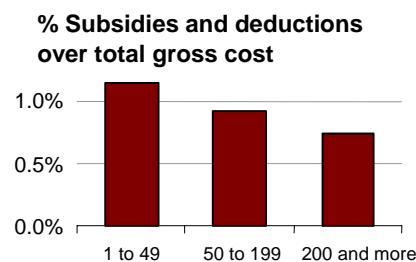
Professional training		Subsidies and deductions	
E.- Electrical energy, gas and water	656.40	E.- Electrical energy, gas and water	377.24
J.- Financial intermediation	530.02	D.- Manufacturing industry	344.25
Total activities	95.63	Total activities	266.91
F.- Construction	36.25	M.- Education	195.07
H.- Accommodation	14.23	H.- Accommodation	192.05

Labour cost by company size

The largest companies paid the largest salaries per worker as compared with the medium-sized and small companies. As a result, contributions to Social Security were also the largest for the largest companies.

Company size ¹	Total gross cost	Wages and salaries	Obligatory contributions	Subsidies and deductions
1 to 49	23,116.74	16,723.95	5,580.57	264.53
50 to 199	30,209.75	21,956.92	6,876.60	278.51
200 and more	35,257.26	25,956.17	7,395.36	263.50

¹ Number of workers



The behaviour of subsidies and tax deductions was similar for all companies, irrespective of their size.

Social benefits and expenditure on professional training were significantly higher in the largest centres, while costs from work, with the exception of expenses on transport, were highest in the small and medium-sized centres.

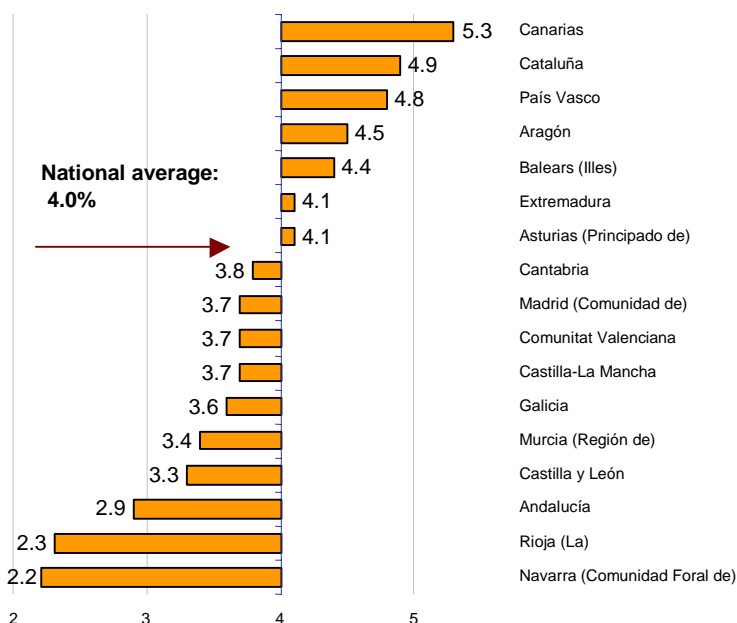
Company size ¹	Social benefits	Expenses from work	Compensation for dismissal	Professional training
1 to 49	199.04	395.09	181.26	36.83
50 to 199	526.97	389.44	354.06	105.76
200 and more	1,078.68	314.18	305.04	207.83

¹ Number of workers

Labour cost by Autonomous Community

By Community, the highest labour cost was in Comunidad de Madrid and País Vasco, and the lowest, in Extremadura, Región de Murcia and Canarias.

Variation rate of net labour cost 2007/2006



Total net cost per worker and year

	Euros
Madrid (Comunidad de)	32,576.00
País Vasco	31,745.78
Navarra (Comunidad Foral de)	29,985.36
Cataluña	29,404.22
Aragón	27,560.32
Total nacional	27,406.09
Asturias (Principado de)	27,050.14
Balears (Illes)	25,809.58
Cantabria	25,438.19
Castilla y León	25,436.07
Rioja (La)	25,096.84
Andalucía	24,705.63
Comunitat Valenciana	24,444.23
Castilla-La Mancha	24,249.75
Galicia	23,598.53
Canarias	23,191.49
Murcia (Región de)	23,153.27
Extremadura	22,297.37

The companies in the Communities of Madrid and País Vasco paid the highest wages and had the highest expenses on social benefits and on the professional training of their workers.

Expenses from work (end of contract payouts, small tools, workwear...) were highest in Andalucía and Madrid.

Navarra and Asturias registered compensations for dismissal that were way below the national average.

Companies in Navarra and País Vasco received the highest subsidies and tax deductions linked to employment and professional training.

Autonomous Communities with the highest and lowest costs per worker

Wages and salaries		Social benefits		Expenses from work	
Madrid (Comunidad)	24,177.92	Madrid (Comunidad)	778.34	Andalucía	521.76
País Vasco	23,425.49	País Vasco	696.14	Madrid (Comunidad)	445.10
National total	20,157.89	National total	495.82	National total	372.53
Canarias	16,807.60	Castilla-La	346.15	Cantabria	207.83
Extremadura	16,352.48	Andalucía	329.65	Rioja (La)	133.43
Compensation for dismissal		Professional training		Subsidies and deductions	
Madrid (Comunidad)	433.65	Madrid (Comunidad)	157.07	Navarra (Comunidad Foral)	362.05
Castilla y León	357.30	País Vasco	112.43	País Vasco	360.54
National total	246.15	National total	95.63	National total	266.91
Asturias (Principado de)	69.39	Canarias	57.49	Castilla-La	194.56
Navarra (Comunidad Foral)	64.11	Castilla-La	49.41	Canarias	177.30

For further information see INEbase-www.ine.es

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Annual Labour Cost 2007

Results by activity sector

1.- Labour cost by worker and year

	Total	Industry	Construction	Services
	Euros	Euros	Euros	Euros
GROSS COST	27.673,00	31.854,47	26.820,82	26.745,55
Wages and salaries	20.157,89	22.939,93	18.788,55	19.703,49
Obligatory contributions	6.304,98	7.260,12	6.866,82	5.935,80
Voluntary contributions	188,14	299,17	116,89	174,79
Direct corporate contributions	267,91	345,17	121,66	278,00
Compensation for dismissal	39,77	68,06	10,91	38,64
Expenditure on vocational training	246,15	567,57	106,35	189,42
Expenditure on transport	95,63	118,20	36,25	102,43
Corporate expenditure	22,07	48,05	33,87	12,91
Others (1)	350,46	208,20	739,52	310,07
Subsidies and deductions	266,91	343,82	221,40	256,03
NET COST	27.406,09	31.510,65	26.599,42	26.489,52

(1) Others: Includes end of contract and payment compensations, tools, work clothing and other expenses.
Excludes allowances and travel expenses.

2.- Percentage structure over gross cost

	Total	Industry	Construction	Services
	%	%	%	%
GROSS COST	100,00	100,00	100,00	100,00
Wages and salaries	72,84	72,01	70,05	73,67
Obligatory contributions	22,78	22,79	25,60	22,19
Voluntary contributions	0,68	0,94	0,44	0,65
Direct corporate contributions	0,97	1,08	0,45	1,04
Compensation for dismissal	0,14	0,21	0,04	0,14
Expenditure on vocational training	0,89	1,78	0,40	0,71
Expenditure on transport	0,35	0,37	0,14	0,38
Corporate expenditure	0,08	0,15	0,13	0,05
Others (1)	1,27	0,65	2,76	1,16

(1) Others: Includes end of contract and payment compensations, tools, work clothing and other expenses.
Excludes allowances and travel expenses.

Annual Labour Cost 2007

Results by Autonomous Community

1.- Labour Cost by worker and year

	GROSS COST	Wages and salaries	Obligatory contributions	Voluntary contributions	Direct corporate contributions	Others (2)	Subsidies and deductions
	Euros	Euros	Euros	Euros	Euros	Euros	Euros
TOTAL	27.673,00	20.157,89	6.304,98	188,14	267,91	754,08	266,91
Andalucía	24.931,25	17.996,75	5.868,09	130,53	184,29	751,59	225,62
Aragón	27.852,09	20.237,77	6.520,56	166,15	301,05	626,56	291,77
Asturias (Principado de)	27.385,09	19.975,56	6.501,21	275,30	247,76	385,26	334,95
Balears (Illes)	26.050,23	19.077,25	5.962,32	140,77	277,13	592,76	240,65
Canarias	23.368,79	16.807,60	5.493,63	150,18	233,73	683,65	177,30
Cantabria	25.700,93	18.601,28	6.254,91	152,73	330,98	361,03	262,74
Castilla y León	25.672,86	18.518,47	5.960,31	184,64	261,37	748,07	236,79
Castilla-La Mancha	24.444,31	17.718,41	5.833,89	138,33	184,37	569,31	194,56
Cataluña	29.701,77	21.752,22	6.739,14	159,16	263,90	787,35	297,55
Comunitat Valenciana	24.702,46	17.855,17	5.806,50	141,77	194,07	704,95	258,23
Extremadura	22.590,96	16.352,48	5.361,60	133,25	244,37	499,26	293,59
Galicia	23.898,77	17.254,78	5.643,42	182,78	211,88	605,91	300,24
Madrid (Comunidad de)	32.838,83	24.177,92	6.846,75	299,36	388,92	1.125,88	262,83
Murcia (Región de)	23.406,11	16.964,33	5.584,05	143,45	225,58	488,70	252,84
Navarra (Comunidad Foral de)	30.347,41	22.093,60	7.211,73	213,83	383,41	444,84	362,05
País Vasco	32.106,32	23.425,49	7.441,77	296,24	370,91	571,91	360,54
Rioja (La)	25.361,71	18.559,60	6.089,07	178,43	203,01	331,60	264,87

(2) Others: Includes compensation for dismissal, expenditure on vocational training and transport, corporate expenditure, end of contract and payment compensations, tools - work clothing and other expenses. Excludes allowances and travel expenses.

2.- Percentage structure over gross cost

	GROSS COST	Wages and salaries	Obligatory contributions	Voluntary contributions	Direct corporate contributions	Others (2)
	%	%	%	%	%	%
TOTAL	100,00	72,84	22,78	0,68	0,97	2,72
Andalucía	100,00	72,19	23,54	0,52	0,74	3,01
Aragón	100,00	72,66	23,41	0,60	1,08	2,25
Asturias (Principado de)	100,00	72,94	23,74	1,01	0,90	1,41
Balears (Illes)	100,00	73,23	22,89	0,54	1,06	2,28
Canarias	100,00	71,92	23,51	0,64	1,00	2,93
Cantabria	100,00	72,38	24,34	0,59	1,29	1,40
Castilla y León	100,00	72,13	23,22	0,72	1,02	2,91
Castilla-La Mancha	100,00	72,48	23,87	0,57	0,75	2,33
Cataluña	100,00	73,24	22,69	0,54	0,89	2,65
Comunitat Valenciana	100,00	72,28	23,51	0,57	0,79	2,85
Extremadura	100,00	72,39	23,73	0,59	1,08	2,21
Galicia	100,00	72,20	23,61	0,76	0,89	2,54
Madrid (Comunidad de)	100,00	73,63	20,85	0,91	1,18	3,43
Murcia (Región de)	100,00	72,48	23,86	0,61	0,96	2,09
Navarra (Comunidad Foral de)	100,00	72,80	23,76	0,70	1,26	1,47
País Vasco	100,00	72,96	23,18	0,92	1,16	1,78
Rioja (La)	100,00	73,18	24,01	0,70	0,80	1,31

(2) Others: Includes compensation for dismissal, expenditure on vocational training and transport, corporate expenditure, end of contract and payment compensations, tools - work clothing and other expenses. Excludes allowances and travel expenses.

NET COST

Euros

27.406,09

24.705,63

27.560,32

27.050,14

25.809,58

23.191,49

25.438,19

25.436,07

24.249,75

29.404,22

24.444,23

22.297,37

23.598,53

32.576,00

23.153,27

29.985,36

31.745,78

25.096,84

Annual Labour Cost 2007

Variation as compared with the previous year

1.- National results

	Net cost		Wages and salaries		Other costs (2)	
	Euros	Rates (1)	Euros	Rates (1)	Euros	Rates (1)
TOTAL	27.406,09	4,0	20.157,89	3,9	7.248,20	4,1
INDUSTRY	31.510,65	3,2	22.939,93	3,0	8.570,72	3,6
CONSTRUCTION	26.599,42	5,3	18.788,55	4,8	7.810,87	6,7
SERVICES	26.489,52	4,1	19.703,49	4,2	6.786,03	3,9

(1) Compared with the previous year

(2) Other costs: Excludes allowances and travel expenses

2. - Results by Autonomous Community

	Net cost		Wages and salaries		Other costs (2)	
	Euros	Rates (1)	Euros	Rates (1)	Euros	Rates (1)
TOTAL	27.406,09	4,0	20.157,89	3,9	7.248,20	4,1
Andalucía	24.705,63	2,9	17.996,75	3,7	6.708,88	1,0
Aragón	27.560,32	4,5	20.237,77	5,2	7.322,55	2,8
Asturias (Principado de)	27.050,14	4,1	19.975,56	5,0	7.074,58	1,4
Balears (Illes)	25.809,58	4,4	19.077,25	4,7	6.732,33	3,5
Canarias	23.191,49	5,3	16.807,60	5,4	6.383,89	5,2
Cantabria	25.438,19	3,8	18.601,28	4,0	6.836,91	3,3
Castilla y León	25.436,07	3,3	18.518,47	3,0	6.917,60	4,1
Castilla-La Mancha	24.249,75	3,7	17.718,41	4,1	6.531,34	2,7
Cataluña	29.404,22	4,9	21.752,22	4,3	7.652,00	6,6
Comunitat Valenciana	24.444,23	3,7	17.855,17	3,3	6.589,06	4,9
Extremadura	22.297,37	4,1	16.352,48	4,8	5.944,89	2,4
Galicia	23.598,53	3,6	17.254,78	4,3	6.343,75	1,9
Madrid (Comunidad de)	32.576,00	3,7	24.177,92	3,3	8.398,08	5,0
Murcia (Región de)	23.153,27	3,4	16.964,33	3,5	6.188,94	3,2
Navarra (Comunidad Foral de)	29.985,36	2,2	22.093,60	2,8	7.891,76	0,7
País Vasco	31.745,78	4,8	23.425,49	4,8	8.320,29	4,9
Rioja (La)	25.096,84	2,3	18.559,60	3,2	6.537,24	-0,2

(1) Compared with the previous year

(2) Other costs: Excludes allowances and travel expenses