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LABOUR COSTS IN THE IRON AND STEEL INDUSTRY 1978

(Results of Community survey)

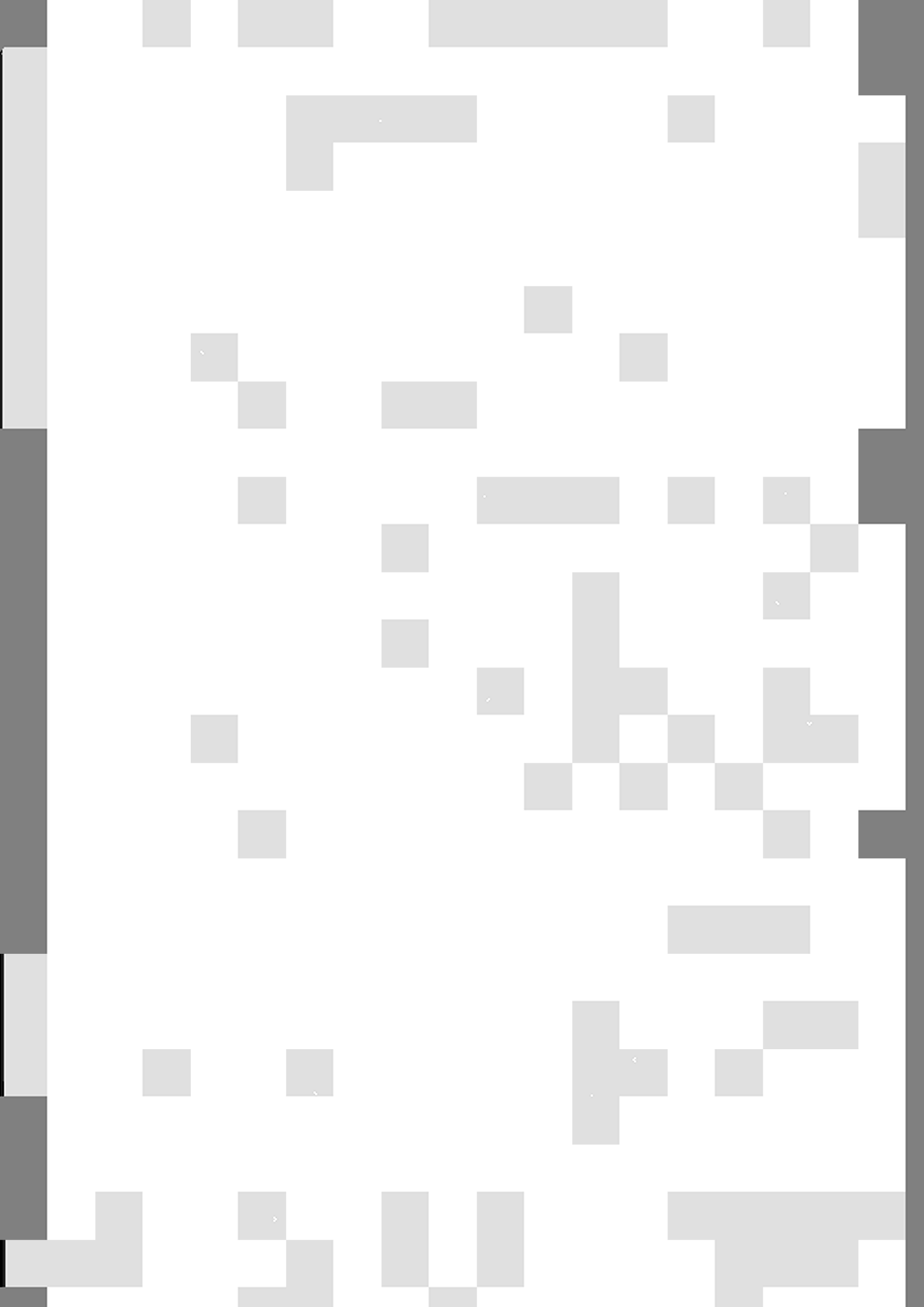
Levels of hourly labour costs for manual and non-manual workers expressed in European units of account (ECU) ranged from 5 ECU in the United Kingdom to 11 ECU in Belgium, with countries bearing the same hierarchical relationship to each other as in other industries, i.e. costs were highest in the Benelux countries and the Federal Republic of Germany; next came Denmark, France and Italy with costs some 30 to 40% lower, while costs were lowest of all in the United Kingdom. (Ireland was not covered by the survey). Fluctuations in exchange rates also determined this hierarchical relationship: thus in 1978, Denmark moved away from the high-cost countries and aligned itself more closely on the intermediate group, particularly France.

A comparison of the cost structure for manual and for non-manual workers shows that the proportion of direct wages in total costs was higher for non-manual workers than for manual workers in all countries, with the exception of Belgium and Luxembourg. On the other hand, the proportion of compulsory social security contributions was generally higher for manual workers than for non-manual workers, whereas the reverse was true of contractual and voluntary contributions.

Trends in labour costs between 1975-1978 have been charted for manual workers only in all countries, with the exception of the Netherlands and Ireland.

Expressed in national currencies, the average annual increase in hourly manual labour costs varied for this period between 5% (Federal Republic of Germany) and 17% (Italy). The rate of increase was lower in 1978 than in the previous year in all countries with the exception of the United Kingdom, where it was slightly higher.

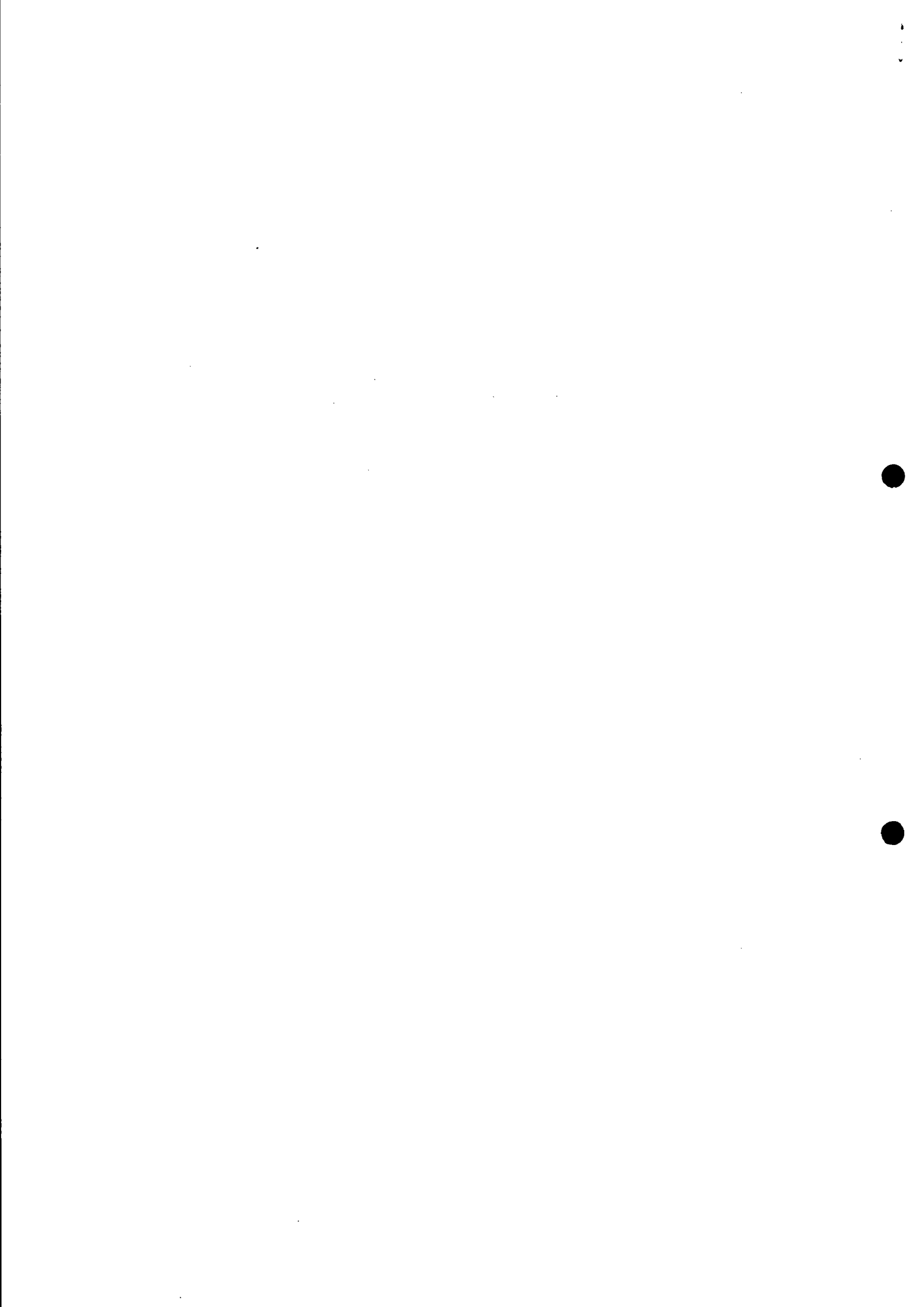
If labour costs expressed in European units of account are taken as the basis of comparison, the rates of increase present a different picture, being higher in the Benelux countries, the Federal Republic of Germany, and lower in France, Italy, and the United Kingdom.



	BR Deutsch- land	France	Italia	Neder- land	Belgique België	Luxem- bourg	United Kingdom	Danmark
a) manual + non manual workers								
Hourly labour costs	DM	FF	LIT	HFL	BFR	LFR	UKL	DKR
- in national currency	25,36	46,64	6585	29,32	449	405	3,34	58,68
- in ECU	9,92	8,13	6,10	10,65	11,21	10,11	5,03	8,36
- highest costs = 100	88	73	54	95	100	90	45	75
Structure in % of total costs								
1 Direct remuneration	55,01	51,18	50,84	54,51	56,25	68,34 b)	72,76	93,24 a)
2 Payments for days not worked	9,82	7,91	10,83	7,49	13,00	10,44	7,71	:
3 Bonuses and gratuities	8,48	7,05	8,90	8,09	6,50	0,69	0,07	0,27
4 Payments in kind	0,43	2,20	0,28	0,75	0,38	1,12	0,72	-
Direct costs (1+2+3+4)	73,74	68,34	70,85	70,84	76,13	80,59	81,26	93,51
5 Statutory social welfare costs	16,85	19,12	25,66	15,92	19,52	14,55	8,06	3,53
of which:								
- Sickness, matern., invalid. + old age, unempl.	15,03	11,86	16,78	14,22	10,79	9,45	7,15	:
- Injuries and occupational diseases	1,78	2,39	3,32	-	3,02	3,33	0,90	:
- Family allowances	-	4,87	4,43	1,70	5,36	1,66	-	-
- Other	0,03	-	1,12	-	0,35	0,10	-	:
6 Customary, contractual or voluntary costs	6,45	7,50	1,80	9,39	1,68	0,84	8,35	1,32
Total employers social security costs	23,30	26,62	27,46	25,32	21,20	15,40	16,41	4,85
7 Other costs	2,96	5,04	1,69	3,84	2,67	4,00	2,32	1,64
TOTAL COSTS	100	100	100	100	100	100	100	100
b) manual workers								
Hourly labour costs, in national currency	DM	FF	LIT	HFL	BFR	LFR	UKL	DKR
	23,03	41,74	6231	:	416	355	3,07	55,83
Structure in % of total costs								
1 Direct remuneration	54,02	49,90	49,24	:	56,56	69,78 b)	71,01	83,18
2 Payments for days not worked	10,03	7,59	10,67	:	13,02	10,48	10,42	10,86
3 Bonuses and gratuities	8,64	6,85	8,97	:	5,35	:	0,00	-
4 Payments in kind	0,43	1,92	0,31	:	0,42	0,15	0,65	-
Direct costs (1+2+3+4)	73,12	66,26	69,19	:	75,35	80,41	82,08	94,04
5 Statutory social welfare costs	18,63	21,25	26,69	:	20,92	16,22	8,47	4,41
of which:								
- Sickness, matern., invalid. + old age, unempl.	16,54	13,10	17,06	:	11,65	10,57	7,17	3,55
- Injuries and occupational diseases	2,04	2,73	3,88	:	3,51	3,54	1,30	0,73
- Family allowances	-	5,42	4,38	:	5,38	1,98	-	-
- Other	0,04	-	1,37	:	0,38	0,13	-	0,13
6 Customary, contractual or voluntary costs	4,91	7,02	2,38	:	0,69	0,58	7,17	0,03
Total employers social security costs	23,54	28,27	29,07	:	21,61	16,80	15,64	4,44
7 Other costs	3,34	5,47	1,74	:	3,04	2,79	2,28	1,52
TOTAL COSTS	100	100	100	:	100	100	100	100
c) non manual workers								
Monthly labour costs, in national currency	DM	FF	1000 LIT	HFL	BFR	LFR	UKL	DKR
	4843	8207	1180	:	89216	85851	570	10802
Structure in % of total costs								
1 Direct remuneration	57,14	52,73	55,39	:	55,32	65,19	76,60	90,66 a)
2 Payments for days not worked	9,36	8,30	11,29	:	12,93	10,37	2,18	:
3 Bonuses and gratuities	8,15	7,27	8,69	:	10,02	2,21	0,02	1,14
4 Payments in kind	0,38	2,55	0,21	:	0,26	3,25	0,79	-
Direct costs (1+2+3+4)	75,03	70,85	75,58	:	78,53	81,02	79,59	91,80
5 Statutory social welfare costs	13,05	16,51	22,73	:	15,25	10,88	7,08	0,65
of which:								
- Sickness, matern., invalid. + old age, unempl.	11,77	10,33	16,01	:	8,17	7,00	6,94	:
- Injuries and occupational diseases	1,25	1,98	1,70	:	1,51	2,87	0,14	:
- Family allowances	-	4,20	4,57	:	5,30	0,97	-	-
- Other	0,03	-	0,44	:	0,26	0,04	-	:
6 Customary, contractual or voluntary costs	9,75	8,10	0,19	:	4,69	1,42	10,63	5,55
Total employers social security costs	22,81	24,61	22,92	:	19,94	12,30	17,71	6,20
7 Other costs	2,16	4,54	1,50	:	1,53	6,68	2,70	2,01
TOTAL COSTS	100	100	100	:	100	100	100	100

a) Including payments for days not worked

b) Including bonuses and guaranteed gratuities



## Hourly labour costs in the iron and steel industry 1975-1978

## Manual workers

	BR Deutsch- land	France	Italia	Belgique België	Luxem- bourg	United Kingdom	Danmark
	In national currency						
	DM	FF	LIT	BFR	LFR	UKL	DKR
1975	19,68	28,43	3 881	322	277	2,00	43,44
1976	21,13	32,56	4 697	349	305	2,32	45,81
1977	22,33	37,49	5 585	386	341	2,65	52,20
1978	23,03	41,74	6 231	416	355	3,07	55,83
± 1978/75	+ 3,35	+ 13,31	+2 350	+ 94	+ 78	+ 1,07	+ 12,39
	Increase %						
1976/75	7,4	14,5	21,0	8,3	9,8	16,0	5,5
1977/76	5,7	15,1	18,9	10,7	12,0	14,2	13,9
1978/77	3,1	11,3	11,6	7,8	4,1	15,8	7,0
± 1978/75	+ 17,0	+ 46,8	+ 60,6	+ 29,2	+ 28,2	+ 53,5	+ 28,5
	ECU a)						
1975	6,45	5,34	4,79	7,06	6,09	3,57	6,10
1976	7,50	6,09	5,05	8,07	7,06	3,73	6,78
1977	8,43	6,69	5,55	9,44	8,35	4,06	7,61
1978	9,01	7,27	5,77	10,39	8,85	4,63	7,95
± 1978/75	+ 2,56	+ 1,93	+ 0,98	+ 3,33	+ 2,76	+ 1,06	+ 1,85
	Increase %						
1976/75	16,3	14,0	5,4	14,3	15,9	4,5	11,1
1977/76	12,4	9,9	9,9	17,0	18,3	8,8	12,2
1978/77	6,9	8,7	4,0	10,1	6,0	14,0	4,5
± 1978/75	+ 39,7	+ 36,1	+ 20,5	+ 47,2	+ 45,3	+ 29,7	+ 30,3
	Indices: Country with highest costs = 100						
1975	91	76	68	100	86	51	86
1976	93	75	63	100	87	46	84
1977	89	71	59	100	88	43	81
1978	87	70	56	100	85	45	77

a) The labour costs, expressed in national currencies, have been converted into European units of account solely to facilitate comparison in terms of international competitiveness. A more general comparison of the relative labour costs in different countries, based on purchasing power parities, is not undertaken here.

For the rates used for conversion see "EUROSTATISTIQUES", table 151.



## Structure of labour costs - as % of the total costs 1975-1978

## Manual workers

	BR Deutsch- land	France	Italia	Belgique België	Luxem- bourg	United Kingdom	Danmark
1. Direct remuneration							
	a)						
1975	56,85	49,79	48,03	57,56	64,69	75,62	82,79
1976	55,56	49,97	47,52	58,76	64,82	74,57	81,36
1977	55,38	48,47	48,44	57,06	64,73	72,63	81,79
1978	54,02	49,90	49,24	56,56	69,78a)	71,01	83,18
± 1978/75	- 2,83	+ 0,11	+ 1,21	- 1,00	+ 5,09	- 4,61	+ 0,39
2. Payments for days not worked							
1975	11,39	9,09	10,81	13,30	7,49	8,43	13,00
1976	10,27	8,85	11,28	12,80	7,87	8,19	13,40
1977	11,15	10,06	11,92	13,53	10,29	8,63	12,68
1978	10,03	7,59	10,67	13,02	10,48	10,42	10,86
± 1978/75	- 1,36	- 1,50	- 0,14	- 0,28	+ 2,99	+ 1,99	- 2,14
3. Bonuses and gratuities							
	a)						
1975	6,85	6,21	8,86	5,26	6,97	0,09	:
1976	6,34	5,62	8,54	4,29	4,94	0,00	:
1977	6,43	5,68	8,49	4,81	3,08	0,05	:
1978	8,64	6,85	8,97	5,35	. a)	0,00	:
± 1978/75	+ 1,79	+ 0,64	+ 0,11	+ 0,09	- 6,97	- 0,09	:
4. Direct costs (1+2+3+ payments in kind)							
1975	75,87	67,23	68,16	76,53	79,82	84,76	95,79
1976	73,07	66,50	67,83	76,24	78,12	83,19	94,76
1977	73,78	66,17	69,21	75,80	78,62	82,06	94,47
1978	73,12	66,26	69,19	75,35	80,41	82,08	94,04
± 1978/75	- 2,75	- 0,97	+ 1,03	- 1,18	+ 0,59	- 2,68	- 1,75
5. Total employers social security costs							
1975	20,54	27,01	29,87	21,32	15,40	13,53	3,17
1976	21,68	27,76	30,19	21,74	17,40	14,66	4,21
1977	21,18	28,43	28,61	21,87	17,26	16,00	3,87
1978	23,54	28,27	29,07	21,61	16,80	15,64	4,44
± 1978/75	+ 3,00	+ 1,26	- 0,80	+ 0,29	+ 1,40	+ 2,11	+ 1,27
6. Other costs							
1975	3,59	5,76	1,98	2,15	4,79	1,71	1,04
1976	5,26	5,74	1,98	2,02	4,48	2,15	1,03
1977	5,04	5,40	2,18	2,33	4,12	1,94	1,66
1978	3,34	5,47	1,74	3,04	2,79	2,28	1,52
± 1978/75	- 0,25	- 0,29	- 0,24	+ 0,89	- 2,00	+ 0,57	+ 0,48

a) Bonuses and gratuities included in direct remuneration

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