WIFO ■ REPORTS ON AUSTRIA
17/2025

Marked Increase in Relative Unit Labour Costs in 2024

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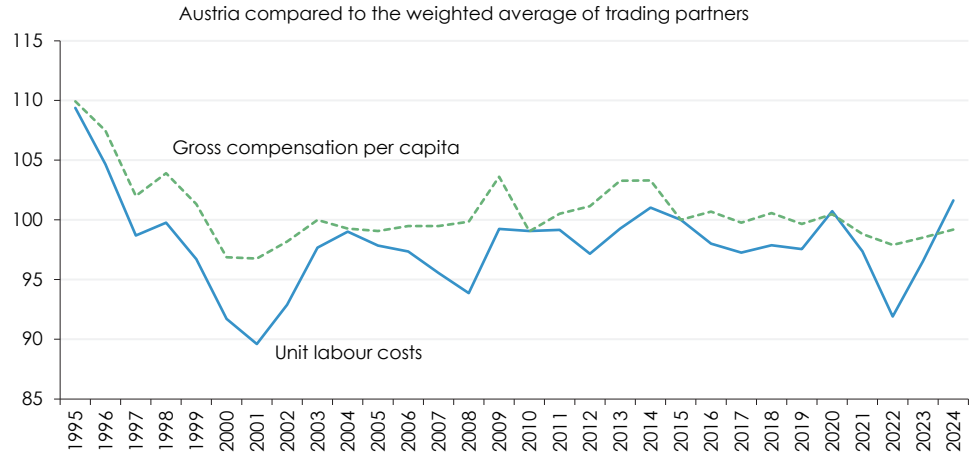
- This article examines the development of wage-related competitiveness based on the development of unit labour costs in Austria relative to its main trading partners.
- Relative unit labour cost development is a composite measure of changes in labour costs, productivity and the exchange rate.
- Austria's nominal effective exchange rate with its main trading partners increased by 0.2 percent in 2024.
- Unit labour costs in Austrian manufacturing increased sharply again in 2024, by 11.8 percent. Relative unit labour costs thus deteriorated both compared to the weighted average of all trading partners (+5.3 percentage points) and compared to EU trading partners (+4.3 percentage points).
- Over the last five years, unit labour costs in domestic manufacturing have grown 0.8 percentage points p.a. faster than the average for all trading partners and 1.5 and 1.7 percentage points faster than in Germany and Western Europe respectively.

Development of relative labour costs and unit labour costs in manufacturing

In €, 2015 = 100



"Compared to its trading partners, Austria has seen a significantly less favourable development in unit labour costs over the past two years."

Relative to its trading partners, unit labour costs in Austrian manufacturing increased significantly again in 2024 (source: Statistics Austria, Eurostat, AMECO, national statistical offices, WIFO calculations. Trading partner: EU trading partners (excluding Malta), Norway, UK, USA, Canada and Japan).

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December 2025

Marked Increase in Relative Unit Labour Costs in 2024

In 2024, unit labour costs in Austrian manufacturing increased by 11.8 per cent year on year. This implies a marked deterioration in relative unit labour costs, both versus the trade-weighted average of all trading partners (+5.3 percentage points) and versus EU trading partners (+4.3 percentage points). Compared with Germany, Austria's main trading partner, relative unit labour costs also worsened (+3.2 percentage points). The development relative to the trade-weighted partner average is driven mainly by weaker productivity performance combined with unfavourable exchange rate movements. Relative to Germany and Western Europe, the deterioration is primarily due to more dynamic growth in compensation of employees. Over the past five years, unit labour costs in domestic manufacturing grew by 0.8 percentage points per year faster than the average of all trading partners, and by 1.5 and 1.7 percentage points faster than in Germany and Western Europe, respectively. Due to government support measures during the COVID-19 pandemic and to cushion high inflation, the results for the past five years should still be interpreted with caution.

JEL-Codes: F16, F31, J3, L6 • **Keywords:** Unit labour costs, Price competitiveness, Production of goods

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Imprint: Publisher: Gabriel Felbermayr • Editor-in-Chief: Hans Pitlik (hans.pitlik@wifo.ac.at) • Editorial team: Tamara Fellinger, Christoph Lorenz, Tatjana Weber • Media owner (publisher), producer: Austrian Institute of Economic Research • 1030 Vienna, Arsenal, Objekt 20 • Tel. (+43 1) 798 26 01-0, https://reportsonaustria.wifo.ac.at/ • Place of publishing and production: Vienna • 2025/RoA/7496

1. Relative unit labour costs reflect the development of Austria's price competitiveness in trade in goods

The interplay between production costs, productivity and exchange rates plays an important role in the international competitiveness of national economies. The development of the price competitiveness of Austrian goods can be illustrated by the change in relative unit labour costs over time. Relative unit labour costs are an index that combines changes in labour costs, productivity and exchange rates into a single indicator and compares them with the exchange rate-adjusted unit labour costs (i.e. labour costs per unit produced) of Austria's main trading partners.

However, unit labour costs are only a partial measure of the international competitiveness of a sector or even an entire economy, as they only reflect the price-related or, more precisely, the wage-related dimension of competitiveness. As some econometric studies (e.g. Carlin et al., 2001; Köhler-Töglhofer et al., 2017) show, changes in relative unit labour costs contribute significantly to explaining trade flows and shifts in market shares between trading partners in the medium term. Other studies though stress the importance of other factors, such as technology and organisational structures, for the development of exports and market shares, while attributing only limited explanatory power to changes in unit labour costs (Dosi et al., 2015).

This article is the annual update of the analysis of unit labour cost developments. It examines the period from 1995 to 2024. It thus covers both the effects of the COVID-19 pandemic and those of the energy and inflation crisis on the development of unit labour costs in Austria relative to its main trading partners. However, the results for the crisis years 2020 to 2023 should be interpreted with caution, both in a time comparison and in comparison with the main partner countries, as they may be distorted by country-specific differences in the design, implementation, and time based accounting of government crisis measures.

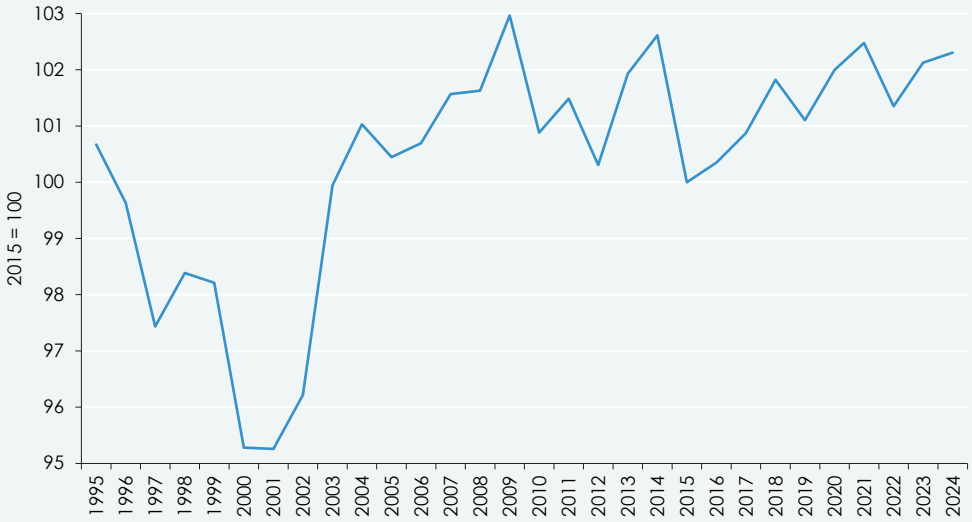
The selection of countries for comparison is limited by the availability of longer time series on unit labour costs and their individual components. The comparison is therefore restricted to the EU member countries (with the exception of Malta) as well as Norway, USA, UK, Japan and Canada. These 30 countries account for around two-thirds of Austrian imports and exports. China is considered separately.

With the publication of the National Accounts for the year 2024 at the end of September 2025, the data for the years 2021 to 2023 were also revised. Additionally, the calculation of the weights for the relative unit labour costs was updated in order to reflect trade links as accurately and currently as possible. The revision and adjustment of the weight calculation resulted in a correction of individual values, but the development in unit labour costs remained unchanged. Compared to the previous year's analysis (Bittschi & Meyer, 2024), the revised data show a less favourable development of relative unit labour costs in Austrian industry in 2023.

2. The nominal effective exchange rate increased by 0.2 percent in 2024

The starting point for assessing price competitiveness and thus the relative unit labour cost is the nominal effective exchange rate. This compares the value of the national currency with a basket of currencies that reflects the importance of the individual trading partners on the basis of a weighting scheme[1]. By deflating the nominal effective exchange rate with unit labour costs, the unit labour cost of domestic manufacturing can be determined. The unit labour cost thus reflects the real external value of the national currency in international competition and corresponds to a real effective exchange rate for that currency (see box "Calculation method and data basis for the unit labour cost comparison").

Figure 1: **Development of the nominal effective exchange rate index for industrial goods**



Source: WIFO calculations. Weighted average of the country group according to the calculation of unit labour costs.

From an Austrian perspective, the slight appreciation of the nominal effective exchange rate for industrial goods observed in the previous year continued in 2024 (+0.2 percent)[2]. This was the result of a combination of appreciations and depreciations of the euro against the national currencies of various trading partners (Figure 1). The euro appreciated against the Japanese yen (+7.82 percent), the Canadian dollar (+1.53 percent), the Norwegian krone (+1.77 percent), the Romanian leu (+0.56 percent), the Danish krone (+0.11 percent), the Hungarian forint (+3.58 percent) and the dollar (+0.04 percent), which made Austrian exports to these countries more expensive. These upward developments were contrasted by depreciation against the Polish zloty (–5.20 percent), the British pound

Despite a slight appreciation in 2024, the nominal effective exchange rate has remained largely stable in the recent past.

[1] Since euro area countries account for slightly more than 70 percent of the currency basket weighting scheme used, exchange rate fluctuations play only a minor role in the calculation of the nominal effective exchange rate for the Austrian export economy.

[2] A decline in the nominal effective exchange rate corresponds to a devaluation of the reference currency (euro or, prior to 1999, the schilling), while an increase corresponds to an appreciation.

(–2.68 percent) and the Swedish krona (–0.37 percent).

Over the long term, the nominal effective exchange rate index remained largely stable since 2004, exhibiting only minor fluctuations[3]. Since 2015 there has been a slight upward trend (2024 +2.3 percent compared to 2015), although this slowed somewhat in 2019 and 2022.

Calculation method and data basis for the unit labour cost comparison

Unit labour costs in national currency (ULC) for an industry, sector or the overall economy are defined as the ratio of nominal wage total (NWT), measured on the basis of employee compensation, to real gross value added at basic prices (GVA):

$$ULC = \frac{NWT}{GVA} .$$

Dividing both the wage total and gross value added at basic prices by a measure of labour input yields the two components of unit labour costs: labour costs per unit of labour and labour productivity.

A change in the proportion of self-employed persons in the labour force can be taken into account by presenting unit labour costs as the ratio of labour costs per employee (EM) to gross value added at basic prices measured in terms of the persons employed (PE):

$$ULC = \frac{\frac{NWT}{EM}}{\frac{GVA}{PE}} .$$

WIFO calculates unit labour costs using these formulas and data determined in accordance with the survey concept of National Accounts. For the determination of unit labour costs in Austrian manufacturing, the number of employment relationships or jobs is used instead of the concept of persons (employees and persons employed).

For international comparisons, unit labour costs must be expressed in a common currency, because exchange rate movements can change a country's cost position just as much as unit labour cost developments. A country's **relative unit labour cost** is thus calculated as the quotient of the unit labour costs of both trading partners, measured in a uniform currency. For a comparison with several countries, a weighting scheme must be used, as the individual markets usually have different significance in foreign trade. Regardless of the methodological approach, such a weighting scheme is based on foreign trade statistics and thus reflects the foreign trade interdependence of an economy.

WIFO uses a harmonised method, which is also used by central banks of the euro area to measure international competitiveness. The weighting scheme consists of simple (bilateral) import weights and double (multilateral) export weights for industrial goods (SITC 5 to 8; for details on the method, see Turner & Van 't dack, 1993). The double export weighting takes into account not only competition with trading partners on the respective domestic markets, but also competition on all other export markets. Since 2022, the double export weights have been determined and applied separately for each year based on the OECD's "Trade in Value Added" information. For the years 2023 to 2024, the average for the years 2020 to 2022 was carried forward due to a lack of data. The change to an annual, variable weighting scheme makes it possible to take into account shifts in market share as well as changes in competition with third countries in foreign markets. The recalculation of the weights thus ensures that the country-specific trade links are represented as accurately and up to date as possible.

The international data on gross compensation, productivity and unit labour costs in manufacturing and in the overall economy are mainly taken from the Eurostat database. Only when this did not contain current values, figures from the AMECO database and national statistics from the respective countries were used (this applies to the USA, Canada, Japan and the UK).

Country selection

The aggregate "EU trading partner" comprises all of Austria's EU trading partners except Malta, while the aggregate "all trading partners" also includes the UK, Norway, USA, Canada and Japan. In order to take account of the heterogeneous dynamics within the EU, two further country groups were distinguished: "EU member countries before 2004" and "new EU member countries (accession from 2004)". Malta and the UK are not included in these either.

3. Inflation and recession dampened the dynamic development of labour costs and productivity in Austria

The development of labour costs in manufacturing is assessed on the basis of compensation (remuneration) per dependent worker in national currency (Table 1). This figure from the National Accounts records the total wages and salaries, including employers' social security contributions, per capita. As a result of the COVID-19 aid and support measures in the context of the energy crisis, the financing of compensation of employees shifted in part from companies to the public sector from 2020 onwards. As these circumstances are not always reflected in the National Accounts, the data on labour costs for the years from 2020 onwards provide only limited information about the actual expenditure of companies. They should therefore be interpreted with caution as a

[3] The fluctuation range would be greater if more non-euro countries could be included in the analysis than is possible here due to data availability.

determinant of price competitiveness. As in previous years, this also applies in a similar way to the comparison countries. In addition, different support measures were taken in the reference countries, which makes it difficult to compare labour costs both between countries and within individual countries over time.

In nominal terms, gross compensation per capita in Austrian manufacturing increased by 6.4 percent in 2024 compared to the previous year. This means that labour costs in Austria increased more slowly than in 2023 (+6.8 percent). Due to a revision of the National Accounts data, the growth in labour costs per capita for 2023 shown in Table 1 is slightly higher than calculated in the previous year's report (+6.5 percent according to Bittschi & Meyer, 2024). In 2024, labour costs per capita increased slightly less strongly among Austria's main trading partners than in Austria. The weighted average increase in labour costs per capita in manufacturing among all trading partners was 5.9 percent (EU trading partners +6.1 percent). In Germany, labour costs increased by 1.5 percentage points less than in Austria.

Over the longer term, labour costs per capita in Austria developed somewhat less dynamically than in the weighted average of trading partners. Over the past ten years, they increased by 3.3 percent p.a. in Austria, by 3.7 percent p.a. in the weighted average of all trading partners and by 4.0 percent p.a. in the weighted average of EU trading partners. This comparison (Table 1) is based on figures in national currency and does not yet take exchange rate fluctuations into account.

In a common currency, i.e. taking exchange rate fluctuations into account, labour costs in Austria increased relative to the comparison countries, particularly in the crisis year 2009 and then again between 2011 and 2014 (Figure 2). From 2015 onwards, relative labour costs in Austria declined again and fluctuated only slightly in the following years. In the crisis years from 2020 onwards (COVID-19 pandemic, inflation crisis), labour costs in Austria also declined relative to the weighted average of all trading partners. Since 2022, however, compensation of employees has been rising again, especially in comparison to the "old" EU member countries.

The weighted average of all trading partners is based on labour cost developments in individual countries or groups of countries, some of which vary considerably. For example, as a result of the depreciation of the euro against the Polish zloty and the British pound, labour costs in euros increased significantly more sharply in Poland (+13.2 percent) and in the UK (+9.3 percent) than in Austria, while the appreciation of the euro against the Japanese yen and the Canadian dollar slowed labour cost dynamics in Japan (–4.7 percent) and Canada (+1.9 percent).

In 2024, labour costs per capita in Austrian manufacturing grew 0.5 percentage points faster in national currency terms than the weighted average of all trading partners. Taking exchange rate dynamics into account, the gap was even slightly wider (+0.7 percentage points).

As Austria's most important trading partner, Germany plays a special role in the international comparison of labour costs per capita. In the 2000s and until the financial market and economic crisis of 2009, labour costs per capita in German manufacturing increased very moderately and much more slowly than in Austria (Figure 2). This pattern changed after the outbreak of the crisis in 2009. Between 2010 and 2019, there was no clear shift in the cost ratio between the two countries. Since 2019, however, accelerated by the COVID-19 crisis, the energy crisis and the inflation crisis, a stronger increase in per capita employee compensation than in Germany has been observed in Austria, accompanied by stronger labour cost dynamics. This points to a cost disadvantage for Austria.

A similar picture emerges when looking at the weighted average of trading partners that were already members of the EU before 2004. In 2024, labour costs per capita increased by 4.4 percent on a weighted average basis in these 13 countries. Labour cost dynamics in these countries were thus 1.9 percentage points lower than in Austria. Over the last ten years (2014-2024), labour costs per capita in Austria also increased by an average of 0.6 percentage points per year faster than in comparable western EU countries.

Per capita labour costs increased more sharply in Austria than in the "old" EU member countries between 2014 and 2024, but significantly less than in the countries that joined the EU in 2004.

Influenced by inflation developments, most EU countries have seen an acceleration in labour cost dynamics over the last five years (2019-2024). This was particularly evident in Eastern Europe, where labour costs have been catching up with the high-wage countries of Western Europe since the 1990s. After the outbreak of the financial market and economic crisis, this process stalled in some countries, such as Poland and Hungary. In the following years, however, and especially recently, growth rates well above the EU average were recorded again, indicating a continuation of the catching-up process. For 2024, there will be a sharp increase in labour costs per capita (in national currency), particularly in Bulgaria (+23.7 percent), Estonia (+13.3 percent), Romania (+13.1 percent) and Croatia (+12.8 percent), where dynamic wage growth with high inflation compensation as well as an increase in the minimum wage led to a strong rise in gross

compensation per capita. In the weighted aggregate of the 'new' EU trading partners (accession from 2004), labour costs per capita increased by 10.0 percent in 2024 compared to the previous year.

Table 1: **Development of labour costs per capita (employees) in manufacturing**

In national currency

	Ø 2014-2019	Ø 2019-2024	Ø 2014-2024	2022	2023	2024
	Percentage changes p.a.			Percentage changes from previous year		
Austria	+ 2.3	+ 4.3	+ 3.3	+ 5.3	+ 6.8	+ 6.4
Belgium	+ 1.6	+ 3.8	+ 2.7	+ 5.9	+ 7.7	+ 3.0
Denmark	+ 1.9	+ 3.8	+ 2.9	+ 3.1	+ 4.8	+ 5.7
Germany	+ 2.6	+ 3.2	+ 2.9	+ 3.7	+ 6.3	+ 4.8
Ireland	+ 4.4	+ 4.0	+ 4.2	+ 5.6	+ 9.0	+ 6.3
Greece	+ 0.0	+ 2.2	+ 1.1	+ 3.7	+ 2.2	+ 6.6
Spain	+ 0.3	+ 3.8	+ 2.1	+ 3.9	+ 4.4	+ 3.6
France	+ 1.0	+ 2.5	+ 1.7	+ 3.7	+ 5.0	+ 3.7
Italy	+ 1.7	+ 2.6	+ 2.2	+ 3.3	+ 2.8	+ 3.5
Luxembourg	+ 2.1	+ 3.4	+ 2.8	+ 3.2	+ 6.7	+ 3.1
Netherlands	+ 1.6	+ 4.2	+ 2.9	+ 3.0	+ 5.5	+ 6.0
Portugal	+ 3.1	+ 6.6	+ 4.8	+ 7.4	+ 10.4	+ 7.9
Finland	+ 0.9	+ 3.0	+ 2.0	+ 3.4	+ 4.9	+ 1.0
Sweden	+ 2.7	+ 3.0	+ 2.8	– 1.7	+ 4.7	+ 4.2
Bulgaria	+ 9.2	+ 13.7	+ 11.4	+ 12.9	+ 16.5	+ 23.7
Czech Republic	+ 6.2	+ 6.3	+ 6.3	+ 8.1	+ 8.3	+ 7.5
Estonia	+ 5.1	+ 7.9	+ 6.5	+ 5.6	+ 8.2	+ 13.3
Croatia	+ 1.3	+ 9.0	+ 5.1	+ 13.7	+ 16.3	+ 12.8
Cyprus	+ 2.7	+ 3.6	+ 3.1	+ 5.9	+ 2.9	+ 6.2
Latvia	+ 9.1	+ 9.4	+ 9.3	+ 14.4	+ 14.5	+ 7.9
Lithuania	+ 7.8	+ 7.9	+ 7.9	+ 15.7	+ 4.6	+ 8.6
Hungary	+ 6.8	+ 11.0	+ 8.9	+ 11.9	+ 17.7	+ 11.6
Poland	+ 5.3	+ 9.6	+ 7.4	+ 11.2	+ 12.8	+ 7.3
Romania	+ 10.6	+ 10.9	+ 10.8	+ 13.2	+ 18.7	+ 13.1
Slovenia	+ 3.3	+ 6.8	+ 5.0	+ 7.1	+ 9.2	+ 7.4
Slovakia	+ 5.6	+ 6.6	+ 6.1	+ 6.7	+ 9.5	+ 8.3
UK	+ 1.8	+ 4.4	+ 3.1	+ 2.7	+ 7.9	+ 6.4
Norway	+ 2.3	+ 4.2	+ 3.2	+ 3.9	+ 6.9	+ 5.1
USA	+ 2.0	+ 3.9	+ 2.9	+ 2.9	+ 3.4	+ 4.9
Japan	+ 1.4	+ 1.7	+ 1.5	+ 2.3	+ 2.9	+ 2.8
Canada	+ 1.3	+ 4.6	+ 2.9	+ 5.5	+ 6.5	+ 3.5
All trading partners[1,5]	+ 2.8	+ 4.7	+ 3.7	+ 5.2	+ 6.9	+ 5.9
EU trading partner[2,5]	+ 3.0	+ 4.9	+ 4.0	+ 5.8	+ 7.5	+ 6.1
EU member countries before 2004[3,5]	+ 2.1	+ 3.2	+ 2.6	+ 3.6	+ 5.5	+ 4.4
"New" EU member countries (accession from 2004)[4,5]	+ 6.3	+ 9.2	+ 7.7	+ 10.9	+ 13.2	+ 10.0
	Growth difference in percentage points p.a.			Growth difference in percentage points		
Austria in relation to . . .						
All trading partners[1,5]	– 0.4	– 0.4	– 0.4	+ 0.1	– 0.1	+ 0.5
EU trading partner[2,5]	– 0.7	– 0.6	– 0.6	– 0.5	– 0.7	+ 0.2
EU member countries before 2004[3,5]	+ 0.3	+ 1.0	+ 0.6	+ 1.7	+ 1.2	+ 1.9
"New" EU member countries (accession from 2004)[4,5]	– 3.7	– 4.5	– 4.1	– 5.0	– 5.7	– 3.3
Germany	– 0.2	+ 1.0	+ 0.4	+ 1.5	+ 0.4	+ 1.5

Source: Statistics Austria, Eurostat, AMECO, national statistical offices, WIFO calculations. Japan: due to a lack of data, the rate of change of the overall economy was used for 2024. – [1] EU trading partners (excluding Malta), Norway, the UK, USA, Canada and Japan. – [2] Excluding Malta and the UK. – [3] Excluding the UK. – [4] Bulgaria, Czech Republic, Estonia, Croatia, Cyprus, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia, Slovakia. – [5] Weighted average of trading partners according to WIFO calculations of simple import weighting and double export weighting for industrial goods.

Besides labour costs per employee, labour productivity is the second important component in the calculation of relative unit labour costs. It is measured as real gross value added at basic prices per capita (employed persons). Table 2 shows the development of productivity per employed person in manufacturing in an international comparison in national currency.

The productivity development in Austrian manufacturing reveals a deterioration in competitiveness. From 2019 to 2024, labour productivity in domestic manufacturing declined by an average of 0.3 percent per year, after growing moderately from 2014 to 2019 (+1.4 percent per year). The strong decline in productivity per capita of 6.8 percent in the COVID-19 crisis year of 2020 was more than offset in 2021 and 2022 (+9.9 percent and +5.9 percent). However, as a result of the energy and inflation crisis, productivity per capita decreased again by 4.7 percent in 2023. In 2024, persistent high inflation and recession in Austria led to a further decrease of 4.8 percent.

Persistent economic weakness and high inflation slowed down the recovery from multiple crises not only in Austria but also in other western EU member countries. However, productivity per capita decreased less strongly in the comparison countries than in Austria, as the recession in manufacturing was also somewhat milder in many of these countries (Schiman-Vukan & Ederer, 2025). In Germany, productivity per capita increased strongly by 10.8 percent in 2021. This development was followed by only tentative productivity growth of 1.8 percent in 2022 and declines in the following two years (–1.6 percent and –3.3 percent respectively). Productivity also contracted in 2024 for another consecutive year in Hungary (2024 –2.5 percent, after –4.2 percent in 2023), Canada (–1.9 percent after –2.6 percent), Ireland (–1.8 percent after –20.0 percent), the Netherlands (–1.3 percent after –3.8 percent), Latvia (–1.3 percent after –2.7 percent), Italy (–1.3 percent after –1.9 percent) and Belgium (–0.1 percent after –1.3 percent). These patterns point to a combination of cyclical and structural factors. In 2022, many countries benefitted from a strong catching-up effect after overcoming the COVID-19 crisis. In 2023 and 2024, however, the energy price shock, high inflation and weak foreign demand, especially in export- and energy-intensive value chains (e.g. in Germany, Austria and Italy), weighed on productivity. At the same time, many companies kept employment and the number of skilled workers stable despite declining production, which dampened per capita productivity in the short term.

In contrast, productivity gains in manufacturing are proving particularly robust for Denmark and USA. The USA recorded productivity growth of 3.9 percent in 2024, boosted by high domestic demand, investment and lower energy prices than in Europe. The exceptional productivity gains in Danish manufacturing (2019-2024 Ø +8.1 percent per year, 2024 +14.4 percent) are primarily driven by the rapidly expanding pharmaceutical and biotech industries. As these highly productive sectors contribute increasingly to value added with only moderate employment growth, average gross value added at basic prices per person employed is rising significantly. The less energy-intensive industrial structure and high investment in capital- and R&D-intensive production also contribute to robust productivity growth in the Nordic countries.

In 2024, high inflation and recession pushed productivity per capita in Austria significantly into negative territory.

A comparison of productivity developments with Austria's trading partners paints a negative picture for Austria in the medium term: in 2024, productivity per capita in Austria increased at a rate that was 4.3 percentage points slower than the weighted average of all trading partners. The EU-wide productivity slump observed since 2023 is affecting Austria more severely than the EU average, while parts of Central and Eastern Europe continue to catch up. Compared with the "new" EU member countries (which joined in 2004 or later), productivity per capita in Austria grew by an average of 1.4 percentage points per year slower in 2019-2024; in 2023 and 2024, the gap widened to –7.3 and –4.6 percentage points, respectively.

Over the period from 2014 to 2024, Austria achieved an average of +0.5 percent p.a., only half the productivity growth per capita of the weighted average of all trading partners and EU trading partners (+1.0 percent per year in each case). This means that productivity in Austria developed much less dynamically in the medium to long term than in its main trading partners.

Austria's productivity grew more slowly on a ten-year average than the weighted average of all trading partners, EU member countries and, in particular, EU accession countries from 2004 onwards.

Table 2: **Development of productivity per capita (persons employed) in manufacturing**
In national currency

	Ø 2014-2019	Ø 2019-2024	Ø 2014-2024	2022	2023	2024
	Percentage changes p.a.			Percentage changes from previous year		
Austria	+ 1.4	– 0.3	+ 0.5	+ 5.9	– 4.7	– 4.8
Belgium	+ 1.3	– 0.5	+ 0.4	+ 10.9	– 1.3	– 0.1
Denmark	+ 3.3	+ 8.1	+ 5.7	+ 9.1	+ 11.1	+ 14.4
Germany	+ 0.8	+ 0.2	+ 0.5	+ 1.8	– 1.6	– 3.3
Ireland	+ 13.0	+ 4.1	+ 8.5	+ 13.2	– 20.0	– 1.8
Greece	+ 1.0	+ 2.6	+ 1.8	+ 1.3	+ 3.0	+ 3.6
Spain	– 0.3	+ 1.1	+ 0.4	+ 3.9	– 1.1	+ 0.2
France	+ 1.3	– 0.7	+ 0.3	– 5.3	+ 1.7	+ 1.6
Italy	+ 1.4	– 0.1	+ 0.7	+ 1.2	– 1.9	– 1.3
Luxembourg	+ 2.8	+ 3.9	+ 3.4	– 10.2	+ 21.5	+ 8.4
Netherlands	+ 1.6	+ 1.2	+ 1.4	+ 2.9	– 3.8	– 1.3
Portugal	+ 1.3	+ 0.8	+ 1.0	+ 3.0	– 0.3	+ 0.9
Finland	+ 2.5	– 1.8	+ 0.4	– 8.7	– 1.5	+ 3.7
Sweden	+ 2.6	+ 0.2	+ 1.4	+ 4.4	– 10.1	+ 0.0
Bulgaria	+ 3.2	+ 6.3	+ 4.7	+ 27.5	+ 8.3	+ 5.5
Czech Republic	+ 4.2	+ 1.2	+ 2.7	+ 8.3	+ 5.3	– 2.0
Estonia	+ 2.5	– 2.3	+ 0.1	– 13.5	– 5.2	+ 3.6
Croatia	+ 1.3	+ 1.8	+ 1.5	+ 5.4	+ 0.4	– 2.7
Cyprus	+ 8.3	– 3.4	+ 2.3	– 14.2	+ 0.7	+ 1.0
Latvia	+ 4.9	+ 0.0	+ 2.4	– 5.4	– 2.7	– 1.3
Lithuania	+ 2.2	+ 1.9	+ 2.0	+ 5.8	– 5.8	+ 2.2
Hungary	+ 1.1	– 0.5	+ 0.3	+ 2.6	– 4.2	– 2.5
Poland	+ 2.4	+ 2.9	+ 2.6	+ 10.3	+ 8.6	– 1.3
Romania	+ 3.5	– 1.0	+ 1.2	– 10.1	– 0.6	+ 2.6
Slovenia	+ 2.3	+ 2.0	+ 2.2	– 4.4	+ 0.9	+ 5.5
Slovakia	+ 3.5	– 2.0	+ 0.7	+ 2.3	– 2.9	+ 2.7
UK	+ 0.5	+ 0.7	+ 0.6	– 8.5	+ 1.4	– 0.2
Norway	+ 0.2	+ 0.1	+ 0.2	– 1.0	– 1.3	+ 0.8
USA	+ 0.7	+ 1.1	+ 0.9	– 4.8	– 0.3	+ 3.9
Japan	+ 1.0	+ 1.0	+ 1.0	+ 1.1	+ 0.0	– 2.4
Canada	– 0.1	– 0.5	– 0.3	+ 0.4	– 2.6	– 1.9
All trading partners[1,5]	+ 1.3	+ 0.6	+ 1.0	+ 0.9	– 0.7	– 0.5
EU trading partner[2,5]	+ 1.5	+ 0.5	+ 1.0	+ 2.3	– 0.9	– 1.1
EU member countries before 2004[3,5]	+ 1.2	+ 0.4	+ 0.8	+ 1.7	– 1.9	– 1.4
"New" EU member countries (accession from 2004)[4,5]	+ 2.8	+ 1.1	+ 1.9	+ 4.3	+ 2.8	– 0.2
	Growth difference in percentage points p.a.			Growth difference in percentage points		
Austria in relation to . . .						
All trading partners[1,5]	+ 0.0	– 0.9	– 0.4	+ 5.0	– 4.0	– 4.3
EU trading partner[2,5]	– 0.1	– 0.8	– 0.5	+ 3.5	– 3.8	– 3.7
EU member countries before 2004[3,5]	+ 0.2	– 0.7	– 0.2	+ 4.1	– 2.8	– 3.4
"New" EU member countries (accession from 2004)[4,5]	– 1.4	– 1.4	– 1.4	+ 1.6	– 7.3	– 4.6
Germany	+ 0.6	– 0.5	+ 0.0	+ 4.1	– 3.1	– 1.6

Source: Statistics Austria, Eurostat, AMECO, national statistical offices, WIFO calculations. Japan: due to a lack of data, the rate of change of the overall economy was used for 2024. – [1] EU trading partners (excluding Malta), Norway, UK, USA, Canada and Japan. – [2] Excluding Malta and the UK. – [3] Excluding the UK. – [4] Bulgaria, Czech Republic, Estonia, Croatia, Cyprus, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia, Slovakia. – [5] Weighted average of trading partners according to WIFO calculations of simple import weighting and double export weighting for industrial goods.

4. Another significant deterioration in relative unit labour costs in manufacturing

The change in labour costs per capita (gross compensation per capita) and productivity (gross value added per capita) reflects the development of unit labour costs (labour costs per unit of production), which have risen significantly in the past two years. In 2022, labour costs per unit of production in manufacturing were still slightly down (–0.6 percent). However, the energy price shock resulting from Russia's war of aggression against Ukraine led to significant increases in unit labour costs from 2023 onwards. In 2023, they increased by 12 percent (Table 3); compared to Bittschi and Meyer (2024), this figure implies an upward revision of 2.3 percentage points. In 2024, the increase continued at a similar rate, amounting to 11.8 percent. The medium-term average for the years 2019-2024 is an annual increase of 4.6 percent, while the longer-term average for 2014-2024 is 2.7 percent.

The analysis of unit labour costs as an indicator of price competitiveness is only meaningful when compared with developments in other countries. Table 3 provides a detailed overview of the dynamics of unit labour costs among individual trading partners and of the development of Austria's unit labour cost position, i.e. the real effective exchange rate deflated by unit labour costs in relation to trading partners. In 2024, Austria's unit labour cost position deteriorated by 5.3 percentage points in comparison to the weighted average of all trading partners. Of particular note is the unfavourable development vis-à-vis important trading partners such as the USA and Italy, which recorded increases in unit labour costs of only 0.9 percent and 4.9 percent respectively in 2024. Overall, the increase in unit labour costs in Austria in 2024 was almost twice as high as in the "old" EU member countries (which joined before 2004), which recorded an average increase of +6.1 percent. The growth difference compared to Austria is therefore 5.3 percentage points. The relative development of unit labour costs was somewhat more favourable compared to the Eastern European EU member countries (which joined in 2004 or later). There, unit labour costs also increased significantly by a weighted average of +9.8 percent, resulting in a growth difference of only 1.8 percentage points.

The noticeable deterioration in Austria's relative unit labour cost position is mainly due to weaker productivity growth, as the growth differential in compensation per employee was relatively small.

The significant increases in 2023 and 2024 also influence the long-term development. While in the previous year (Bittschi & Meyer, 2024), the ten-year average of unit labour cost growth still showed advantages compared to the weighted average of all or the EU trading partners (–0.4 and –0.2 percentage points, respectively), based on the revised National Account data and including 2024, the values are disadvantageous (+0.1 percentage points p.a. in each case). Over a ten-year period, the increases are even more pronounced compared to Germany (+0.3 percentage points) and Western Europe ("old" EU member countries, +0.9 percentage points).

The figure clearly shows trend reversals and long-term changes (Figure 2). According to this, the price competitiveness of Austrian manufacturing improved significantly in the second half of the 1990s compared to the average of all trading partners. After a countervailing development in the early 2000s, there was another improvement from an Austrian perspective until the outbreak of the financial market and economic crisis. The economic crisis triggered another trend reversal and led to a deterioration in relative unit labour costs of Austrian manufacturing sector in 2009-10. From 2010 to 2020, the trend was fluctuating but largely stable compared to the weighted average of trading partners. The years 2021 and 2022 brought significant improvements in domestic unit labour costs. However, another trend reversal followed in 2023. Relative unit labour costs returned to their longer-term average, although index values remained below the 2010s average for all trading partners. In 2024, the index increased above the average of trading partners for the first time since 2014. The increase is particularly striking when compared to Germany and Western Europe.

A comparison of relative unit labour costs and relative labour costs (gross compensation per capita, Figure 2) implicitly shows how productivity in Austria developed in comparison with its trading partner. If unit labour costs declined more strongly than relative gross wages, productivity in Austria developed more favourably than in other countries. A parallel development in the time series indicates steady productivity growth, while a stronger decline in gross compensation than in relative unit labour costs indicates a deterioration in productivity in Austria relative to its trading partner. As the stable development of compensation of employees amid rising unit labour costs shows, weaker productivity growth (see Chapter 3) was responsible for the increase in unit labour costs compared to the weighted average of all trading partners.

Compared with trading partners, unit labour costs in Austrian manufacturing increased significantly in 2024 for the second year in a row.

In contrast to Germany and the other "old" EU countries, however, the increasing unit labour costs of recent years are primarily attributable to the stronger increase in compensation per employee.

Table 3: **Development of unit labour costs per capita (employees or persons employed) in manufacturing and in the economy as a whole**

In €

	Ø 2014-2019	Ø 2019-2024	Ø 2014-2024	2022	2023	2024
	Percentage changes p.a.			Percentage changes from previous year		
Manufacturing						
Austria	+ 0.9	+ 4.6	+ 2.7	– 0.6	+12.0	+11.8
Belgium	+ 0.3	+ 4.4	+ 2.3	– 4.5	+ 9.1	+ 3.1
Denmark	– 1.4	– 4.0	– 2.7	– 5.6	– 5.8	– 7.7
Germany	+ 1.7	+ 3.0	+ 2.4	+ 1.9	+ 8.1	+ 8.4
Ireland	– 7.6	– 0.1	– 3.9	– 6.7	+36.3	+ 8.3
Greece	– 1.0	– 0.4	– 0.7	+ 2.4	– 0.9	+ 2.9
Spain	+ 0.6	+ 2.7	+ 1.7	+ 0.0	+ 5.5	+ 3.4
France	– 0.4	+ 3.1	+ 1.4	+ 9.5	+ 3.2	+ 2.2
Italy	+ 0.3	+ 2.7	+ 1.5	+ 2.1	+ 4.8	+ 4.9
Luxembourg	– 0.6	– 0.5	– 0.6	+14.9	–12.2	– 4.8
Netherlands	+ 0.0	+ 2.9	+ 1.5	+ 0.1	+ 9.7	+ 7.4
Portugal	+ 1.8	+ 5.7	+ 3.7	+ 4.3	+10.8	+ 6.9
Finland	– 1.5	+ 4.9	+ 1.6	+13.2	+ 6.6	– 2.5
Sweden	– 2.8	+ 1.2	– 0.8	–10.1	+ 7.8	+ 4.6
Bulgaria	+ 5.8	+ 7.0	+ 6.4	–11.5	+ 7.6	+17.2
Czech Republic	+ 3.4	+ 5.6	+ 4.5	+ 4.2	+ 5.3	+ 4.8
Estonia	+ 2.6	+10.5	+ 6.5	+22.1	+14.1	+ 9.3
Croatia	+ 0.6	+ 6.8	+ 3.7	+ 7.8	+15.8	+15.9
Cyprus	– 5.3	+ 7.3	+ 0.8	+23.4	+ 2.2	+ 5.2
Latvia	+ 4.0	+ 9.3	+ 6.7	+21.0	+17.7	+ 9.3
Lithuania	+ 5.5	+ 6.0	+ 5.7	+ 9.3	+11.1	+ 6.3
Hungary	+ 4.5	+ 7.2	+ 5.9	– 0.1	+25.9	+10.5
Poland	+ 2.3	+ 6.4	+ 4.3	– 1.8	+ 7.2	+14.7
Romania	+ 5.4	+11.1	+ 8.2	+25.7	+19.1	+ 9.7
Slovenia	+ 1.0	+ 4.7	+ 2.8	+12.1	+ 8.2	+ 1.9
Slovakia	+ 2.0	+ 8.8	+ 5.4	+ 4.2	+12.7	+ 5.4
UK	– 0.4	+ 4.4	+ 2.0	+13.2	+ 4.3	+ 9.5
Norway	– 1.3	+ 0.7	– 0.3	+ 5.5	– 4.2	+ 2.4
USA	+ 4.8	+ 3.4	+ 4.1	+21.4	+ 1.0	+ 0.9
Japan	+ 3.2	– 5.1	– 1.0	– 4.9	– 6.6	– 2.3
Canada	+ 1.1	+ 5.1	+ 3.1	+13.8	+ 2.6	+ 3.9
All trading partners[1,5]	+ 1.7	+ 3.7	+ 2.7	+ 5.3	+ 6.7	+ 6.2
EU trading partner[2,5]	+ 1.3	+ 4.0	+ 2.7	+ 2.9	+ 8.4	+ 7.2
EU member countries before 2004[3,5]	+ 0.8	+ 2.9	+ 1.8	+ 1.9	+ 7.1	+ 6.1
"New" EU member countries (accession from 2004)[4,5]	+ 3.3	+ 7.3	+ 5.3	+ 4.8	+12.7	+ 9.8
	Growth difference in percentage points p.a.			Growth difference in percentage points		
Austria in relation to . . .						
All trading partners[1,5]	– 0.7	+ 0.8	+ 0.1	– 5.6	+ 5.0	+ 5.3
EU trading partner[2,5]	– 0.4	+ 0.5	+ 0.1	– 3.4	+ 3.3	+ 4.3
EU member countries before 2004[3,5]	+ 0.2	+ 1.7	+ 0.9	– 2.5	+ 4.6	+ 5.3
"New" EU member countries (accession from 2004)[4,5]	– 2.2	– 2.5	– 2.4	– 5.1	– 0.6	+ 1.8
Germany	– 0.8	+ 1.5	+ 0.3	– 2.4	+ 3.6	+ 3.2

Source: Statistics Austria, Eurostat, AMECO, national statistical offices, WIFO calculations. Unit labour costs: ratio of gross wages per capita (employees) to real gross value added at basic prices or real GDP per capita (persons employed). Japan: due to a lack of data, the rate of change of the overall economy was used for 2024. – [1] EU trading partner (excluding Malta), Norway, UK, USA, Canada and Japan. – [2] Excluding Malta and the UK. – [3] Excluding the UK. – [4] Bulgaria, Czech Republic, Estonia, Croatia, Cyprus, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia, Slovakia. – [5] Weighted average of trading partners according to WIFO calculations of simple import weighting and double export weighting for industrial goods and for the overall economy.

Figure 2: **Development of relative wages and unit labour costs in manufacturing**

In €, 2015 = 100

Source: Statistics Austria, Eurostat, AMECO, national statistical offices, WIFO calculations. – [1] EU trading partners (excluding Malta), Norway, UK, USA, Canada and Japan. – [2] Excluding Malta and the UK. – [3] Excluding the UK. – [4] Bulgaria, Czech Republic, Estonia, Croatia, Cyprus, Latvia, Lithuania, Hungary, Poland, Romania, Slovenia, Slovakia.

On average over the last five years, Austria has seen a significantly less favourable development in unit labour costs than most of its trading partners.

In the individual countries compared, unit labour costs developed in a heterogeneous manner and the development is also characterised by institutional peculiarities[4]. This applies above all to developments over the last five years, which were marked by extensive government intervention in connection with the COVID-19 pandemic and high inflation rates as a result of Russia's war of aggression. When comparing Austria with economies that are similar in terms of population and GDP per capita, only Finland (+4.9 percent p.a.) has seen a less favourable development in unit labour costs over the last five years (2019-2024). In other Scandinavian countries such as Denmark (–4.0 percent p.a.) or Sweden (+1.2 percent p.a.) and in the Benelux countries (e.g. Netherlands +2.9 percent), the development was more favourable than in Austria (+4.6 percent p.a.). In the Eastern European countries, on the other hand, unit labour cost dynamics accelerated noticeably over the last five years ("new" EU countries +7.3 percent p.a.) and were significantly stronger than in Austria, as productivity did not keep pace with labour costs despite comparatively robust growth rates.

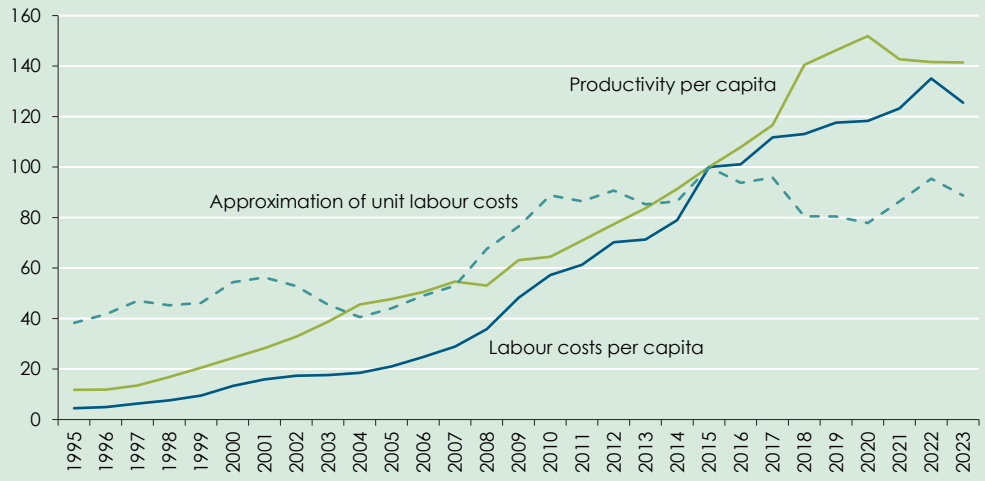
Change in unit labour costs in China – estimate based on available data

China's importance for international trade and Austria's competitiveness has steadily increased in recent decades. However, due to limited data availability, unit labour costs in China can only be determined approximately. The approximation is based on data from the United Nations Industrial Development Organisation (UNIDO), specifically on incomes in manufacturing ("Incomes and incomes"; estimates for the years from 2017 onwards, as well as for 1995 to 2002 and 2011 to 2012; in dollars, converted into euros), the number of employees in the manufacturing sector ("Employees, Total manufacturing", estimates from 2019 onwards, as well as for 2011 and 2012) and the volume gross value added of manufacturing ("Manufacturing Gross Value Added"; at constant 2015 prices in dollars). The UNIDO data differ from the standardised data of other countries in that they only approximate compensation per employee, do not provide information on the labour force, only indirectly take exchange rate fluctuations into account and contain estimates. The Chinese unit labour costs estimated on this basis are therefore not directly comparable with the standardised unit labour costs of other countries. Nevertheless, it is possible to gain some insight into the development of unit labour costs in Chinese manufacturing.

Figure 3 shows the approximate development of unit labour costs, labour costs and per capita productivity in China's manufacturing sector.

Figure 3: **Development of unit labour costs, labour costs per capita and productivity per capita in China's manufacturing sector**

In €, 2015 = 100



Source: United Nations Industrial Development Organisation (UNIDO), WIFO calculations. Per capita: employees.

[4] In Ireland, for example, a correction of the national accounts in 2015 led to an oversized increase in productivity. The new National Accounts regulations stipulate that income from intellectual property rights held in Ireland should be attributed to Irish GDP (OECD, 2016). This mainly affects manufacturing, thereby reflecting economic activity in Ireland more accurately, but distorting the assessment of unit labour costs. The presentation of unit labour cost developments in manufacturing can only take full account of intellectual property rights if the production and allocation of these rights take place in the same country. However, this is not necessarily the case in global value chains.

Productivity, measured as real gross value added at basic prices per capita, increased sharply over the entire observation period from 1995 to 2023, growing by more than 60 percent in the five years prior to the COVID-19 pandemic.

Labour costs per capita have risen significantly, particularly since the mid-2000s. The different growth rates of productivity and labour costs caused unit labour costs in China to rise in waves. Until around the mid-2000s, productivity grew faster than wages; unit labour costs decreased temporarily or remained at low levels, a typical indication of rapid efficiency gains in an industrialising economy. With the strengthening of Chinese foreign trade after joining the WTO, labour costs increased significantly between 2005 and 2015, while production grew less dynamically. Labour costs were driven by strong wage increases during the catching-up and urbanisation phase, revaluation effects and cyclical dampening of value added during the global financial market and economic crisis. As a result, unit labour costs in China increased by an average of 8.5 percent per year between 2005 and 2015. From 2016 onwards, the unit labour cost position improved again thanks to steady productivity gains, partly as a result of increasing automation. This pushed unit labour costs below 2015 levels until 2020.

The COVID-19 pandemic caused a counter-movement in 2021-22: supply chain disruptions, together with the "zero-COVID policy", dampened per capita productivity (2021 -6.1 percent, 2022 -0.8 percent), while rising wage bills (+4.2 percent and +9.6 percent respectively) caused unit labour costs to rise sharply by an estimated 10.9 percent and 10.5 percent respectively.

5. Another strong increase in overall economic unit labour costs, also in international comparison

The competitiveness of the export economy is determined not only by the unit labour costs in manufacturing, but also in part by those of the overall economy: insofar as services and non-tradable goods are required as intermediate inputs, their cost development has an impact on the competitiveness of the sectors involved in foreign trade (Deutsche Bundesbank, 1998). However, unit labour costs across all sectors are also significantly influenced by sectors in which productivity growth is conceptually difficult to measure, such as the public sector. Accordingly, unit labour costs in the overall economy should be interpreted with caution. This also applies because the most recent data are still subject to revision and government measures to combat inflation vary internationally. This also results in considerable heterogeneity in the pass-through of inflation into labour costs.

In Austria, unit labour costs in the overall economy increased by 8.0 percent in 2024, 2.1 percentage points more than in Germany, while the difference from the weighted average of EU trading partners and all trading partners was +1.8 and +2.4 percentage points respectively.

In the long term (2014-2024), labour costs in the Austrian economy grew 0.2 percentage points p.a. faster than the average of EU trading partners and at roughly the same rate as in Germany.

In the longer term, both in Austria and among its trading partners, unit labour cost dynamics in the overall economy are significantly stronger than in manufacturing. This is in line with expectations, as the greatest potential for increasing labour productivity through mechanisation and automation lies in manufacturing.

In 2024, total economy labour costs increased significantly faster in Austria than in most trading partners.

6. Summary

The available data show a significant increase in relative unit labour costs in Austria after 2023 and also for 2024. Compared to the weighted average of all trading partners. This unfavourable development is mainly due to weaker productivity growth compared to Western Europe and also to higher increase in labour costs.

Specifically, compensation per employee in Austrian manufacturing increased by 0.5 percentage points more than the weighted average of trading partners in 2024. In contrast, gross value added per capita at basic prices in manufacturing grew 4.3 percentage points slower than the average of all trading partners and 1.6 percentage points slower than in Austria's main trading partner, Germany.

Overall, unit labour costs in Austrian manufacturing increased by +11.8 percent, which was 5.3 percentage points higher than the weighted average of trading partners. The gap with Germany is 3.2 percentage points.

In a long-term comparison, unit labour costs in 2024 were above the weighted average of all trading partners for the first time since 2014. This was mainly due to a stronger increase in compensation of employees in Austria than in Germany and the other "old" EU member countries.

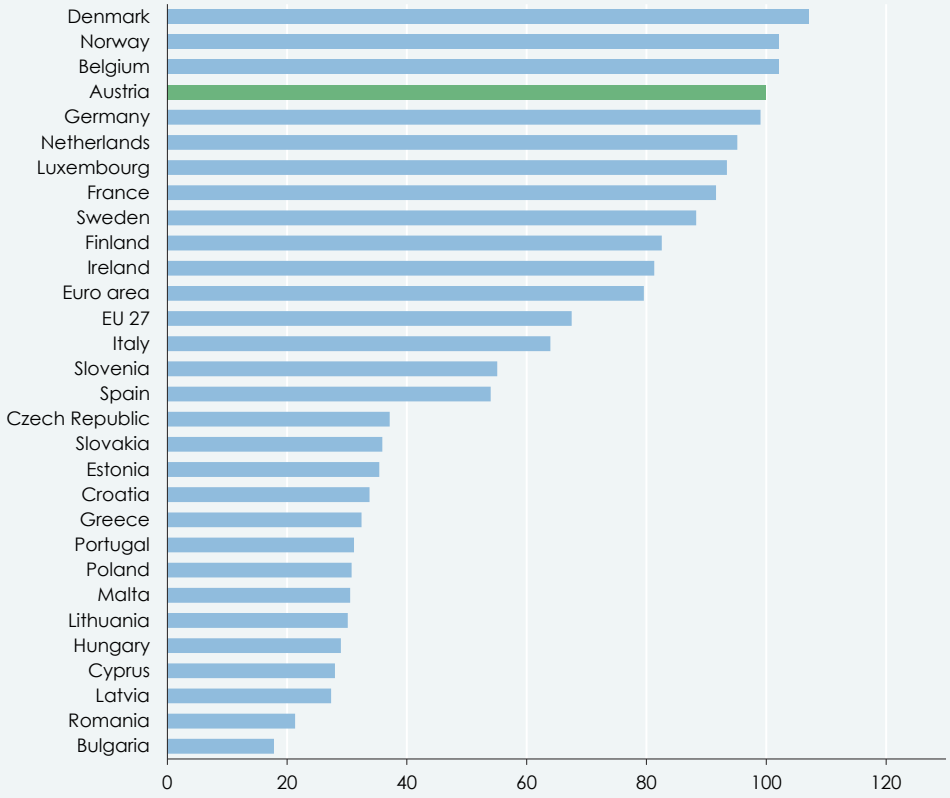
In 2024, labour costs in the overall economy grew 2.4 percentage points faster than the average of all trading partners and 1.8 percentage points faster than EU trading partners. There was also a deterioration compared to Germany (+2.1 percentage points).

The deterioration in relative unit labour costs was also due to unfavourable exchange rate developments. The nominal effective exchange rate increased by 0.2 percent in 2024 as the euro appreciated against the dollar and the Japanese yen, among others.

When interpreting the results, possible distortions must still be taken into account. These arise both from revisions to the National Accounts and from country-specific interventions to mitigate the COVID-19 crisis and inflation.

Figure 4: **Labour costs in manufacturing compared internationally**

Labour costs per hour in €, 2024, Austria = 100



Source: Eurostat, Labour Cost Survey 2020, Labour Cost Index, WIFO, WIFO calculations. Excluding trainees.

7. Annex: Hourly labour costs in manufacturing

While only data on labour costs per worker are available for calculating current, internationally comparable unit labour costs in manufacturing, labour costs per hour worked can also be considered for European countries. These are based on the Labour Cost Survey conducted every four years in EU countries. The annual development between two surveys is updated using a labour cost index. The results published here are based on Eurostat's Labour Cost Index and the Labour Cost Survey of 2020.

Unlike the Labour Cost Survey, the Labour Cost Index is not calculated using the same statistical concept in all countries. This limits international comparability. The values of the Labour Cost Index should therefore be interpreted with caution. For Austria, the index is based not only on the Labour Cost Survey but also on economic statistics for the manufacturing sector and income tax and social security data, among other things. Some of these data may deviate noticeably from the National Accounts values on the development of compensation per employee, which form the basis for unit labour cost calculations. This may also be because labour costs, unlike the national accounts gross compensation, include wage-related taxes paid by employers in addition to social security contributions. It should also be noted that labour costs are a measure of the burden on the labour factor, but do not allow conclusions to be drawn about who ultimately bears these costs. For the years since 2020, possible distortions due to government aid measures in the context of the COVID-19 pandemic and the inflation crisis, which affect the labour factor, must also be taken into account.

Table 4 shows the labour costs per hour for the period 2019-2024, calculated on the basis of the Labour Cost Index. In 2024, the average hourly labour cost in Austria's manufacturing sector was 50.44 €. This puts Austria in fourth place in a European comparison. Since 2019, hourly labour costs in Austria have been growing by an average of 4.9 percent p.a., which is 1.2 percentage points faster than the EU 27 average (+3.7 percent p.a.), 1.7 percentage points faster than in the euro area (+3.2 percent p.a.) and 1.8 percentage points faster than in Germany. Compared to 2023, the increase in Austria was 6.6 percent, the EU average was 5.1 percent and in Germany it was 4.5 percent.

Table 4: **Labour costs per hour in manufacturing**

	2019	2020	2021	2022	2023	2024	Ø 2019-2024
				In €			Percentage change
Bulgaria	5.15	5.41	5.79	6.85	7.99	8.99	+11.8
Romania	6.60	7.0	7.30	8.29	9.64	10.77	+10.3
Latvia	9.51	10.12	10.31	11.27	12.43	13.80	+ 7.7
Cyprus	12.42	12.24	12.31	12.68	13.34	14.12	+ 2.6
Hungary	10.46	10.32	10.78	11.13	13.58	14.62	+ 6.9
Lithuania	9.31	9.79	11.03	12.50	13.86	15.20	+10.3
Malta	11.93	11.15	11.36	13.12	14.34	15.40	+ 5.2
Poland	9.86	10.07	10.60	11.48	13.18	15.53	+ 9.5
Portugal	11.83	12.75	13.12	13.78	14.60	15.72	+ 5.8
Greece	14.37	14.28	13.94	14.77	15.21	16.36	+ 2.6
Estonia	12.59	12.98	13.58	15.51	16.47	17.86	+ 7.2
Slovakia	12.92	13.37	14.20	15.66	17.02	18.12	+ 7.0
Czech Republic	13.75	14.32	15.19	16.66	18.41	18.73	+ 6.4
Spain	23.29	24.23	24.01	24.57	25.97	27.23	+ 3.2
Slovenia	20.09	20.42	21.77	23.59	26.04	27.79	+ 6.7
Italy	28.70	29.41	28.82	29.70	31.00	32.26	+ 2.4
EU 27	28.38	28.96	29.19	30.67	32.41	34.06	+ 3.7
Euro area	34.21	34.84	34.87	36.48	38.36	40.14	+ 3.2
Ireland	33.58	33.12	34.81	36.70	38.62	41.00	+ 4.1
Finland	37.13	36.98	38.46	39.72	41.08	41.64	+ 2.3
Sweden	41.98	42.03	45.54	44.72	42.92	44.54	+ 1.2
France	41.06	41.94	41.61	42.90	44.54	46.21	+ 2.4
Luxembourg	40.73	40.98	41.18	43.19	46.02	47.13	+ 3.0
Netherlands	38.48	40.13	40.61	42.66	45.55	48.00	+ 4.5
Germany	42.83	43.22	43.31	45.60	47.80	49.96	+ 3.1
Austria	**39.78**	**40.84**	**41.45**	**43.86**	**47.33**	**50.44**	**+ 4.9**
Belgium	42.01	42.74	43.30	46.29	49.75	51.46	+ 4.1
Norway	50.21	47.10	51.10	52.21	49.44	51.53	+ 0.5
Denmark	46.63	47.37	49.38	50.84	52.23	54.06	+ 3.0

Source: Eurostat, Labour Cost Survey 2020, Labour Cost Index, WIFO, WIFO calculations. Excluding trainees. Countries ranked in ascending order according to labour costs in 2024.

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