

16 March 2017

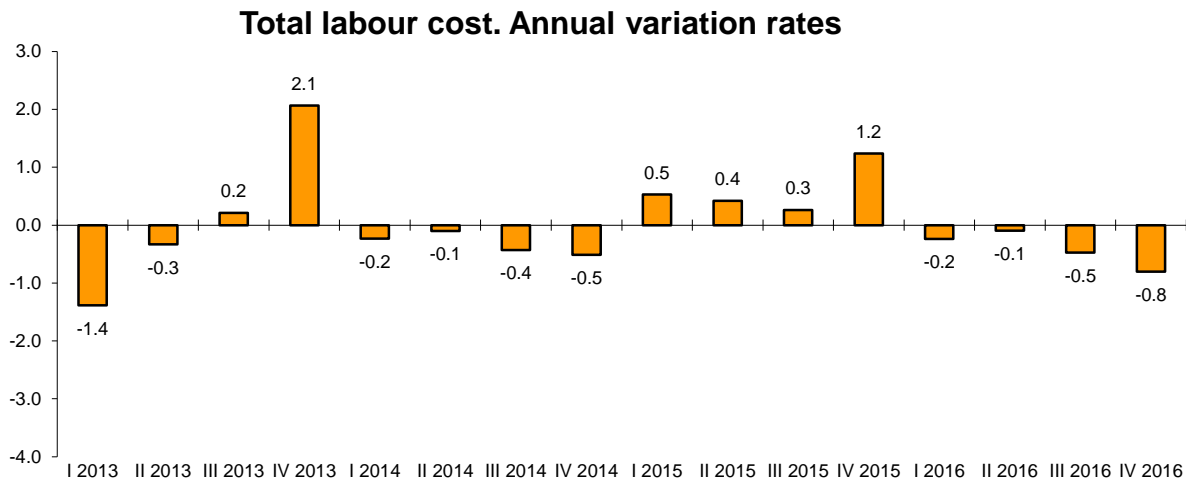
Quarterly Labour Cost Survey (QLCS)
Fourth quarter 2016

Main results

- The labour cost of companies decreases 0.8% in the fourth quarter of 2016 with respect to the same period in 2015 and stands in 2,649.97 euros per worker and month.
- Wage cost by worker and month decreases 0.8% and reaches 2,010.73 euros on average. On the other hand, other costs decrease 0.9%, standing at 639.24 euros.
- During the fourth quarter of 2016, the average agreed working week, considering full-time and part-time together, was 34.2 hours. Of these, 5.1 hours per week are lost, of which 3.5 are due to vacations and holidays.
- The annual rate of the labour cost per effective hour increased 0.6%, as a result of the decrease of 1,4% in the number of hours worked.
- On a quarterly rate base and according to seasonal and calendar effects adjusted figures, the labour cost by worker decreased 0.2%, while the cost by effective hour decreased 0.1%.
- According to seasonal and calendar effects adjusted results, the labour cost per worker decreased 0.8% in the fourth quarter of 2016 compared with the same period in 2015. The labour cost per effective hour decreased 0.6%.
- In the fourth quarter of 2016, the number of vacancies was 67,464. 90.3% were in the *Services* sector.

Labour cost by components

The labour cost per worker and month reached 2,649.97 euros for the fourth quarter of 2016, indicating a decrease of 0.8% as compared with the same period the previous year.



Of the cost per worker and month, incurred by an employer for the use of the work factor, 2,010.73 euros corresponded to wages and 588.70 euros to compulsory Social Security contributions. The remainder corresponded to compensation for dismissal, social benefits...

The yearly rate of the wage cost –which is comprised of base salary, salary supplements, overtime payments, extraordinary payments, and delayed payments– measured in gross terms, decreased 0.8%, from 2,026.14 to 2,010.73 euros per worker and month. If the variable factor is excluded from wages (extraordinary and delayed payments), the ordinary wage cost is obtained, with a decrease of 0.3%.

Other costs (non-wage costs) decreased 0.9%. Their main component, obligatory contributions to social security, decreased 0.4%. Within the descent in non-wage payments, a decline in severance payments and other non-wage payments stands out (end of contract payouts, compensatory payments, small tools, work clothes, personnel selection, etc.).

The labour cost per hour increased 0.6%. This increase, considering the decrease in the cost by worker, is due to the decrease of 1.4% in the number of hours effectively worked. After removing this and the calendar effect, the estimated decline of the hourly cost is around 6.3%.

Labour cost per worker

	Euros	Rate ¹
Total labour cost	2,649.97	-0.8
Wage cost	2,010.73	-0.8
Other costs	639.24	-0.9

Other costs (non-labour costs)

	Euros	Rate ¹
Total (other costs)	639.24	-0.9
Compulsory contributions	588.70	-0.4
Non-wage payments	69.25	-6.1
Subsidies and allowances ²	18.71	-3.7

Wage cost

	Euros	Rate ¹
Total wage cost	2,010.73	-0.8
Ordinary wage cost	1,636.20	-0.3

Cost per hour

	Euros	Rate ¹
Cost per effective hour	20.79	0.6
Cost per paid hour	17.74	-0.5

¹ As compared to the same quarter of the previous year

² Subsidies are taken out of the other costs

Labour cost by economic sector

Within the *Industry* sector there is an important growth of all labour cost components, except the other non-wage payments (end of contract payouts, compensatory payments, small tools, work clothes, personnel selection, etc.).

Construction presented the largest decline of the total labour cost, especially the regular salary.

Within *Services*, the annual rate of the total labour cost decreased 1.0%. In this sector the decline in other costs, especially, end of contract payouts stand out.

Labour cost by economic sector

	Total labour cost		Total wage cost		Ordinary wage cost		Other costs	
	Euros	Rate ¹	Euros	Rate ¹	Euros	Rate ¹	Euros	Rate ¹
TOTAL	2,649.97	-0.8	2,010.73	-0.8	1,636.20	-0.3	639.24	-0.9
Industry	3,209.81	0.6	2,428.02	0.5	1,899.63	0.3	781.79	0.9
Construction	2,751.20	-1.4	1,987.12	-1.6	1,598.27	-1.7	764.08	-0.9
Services	2,538.94	-1.0	1,934.69	-0.9	1,589.77	-0.3	604.25	-1.3

¹ As compared to the same quarter of the previous year

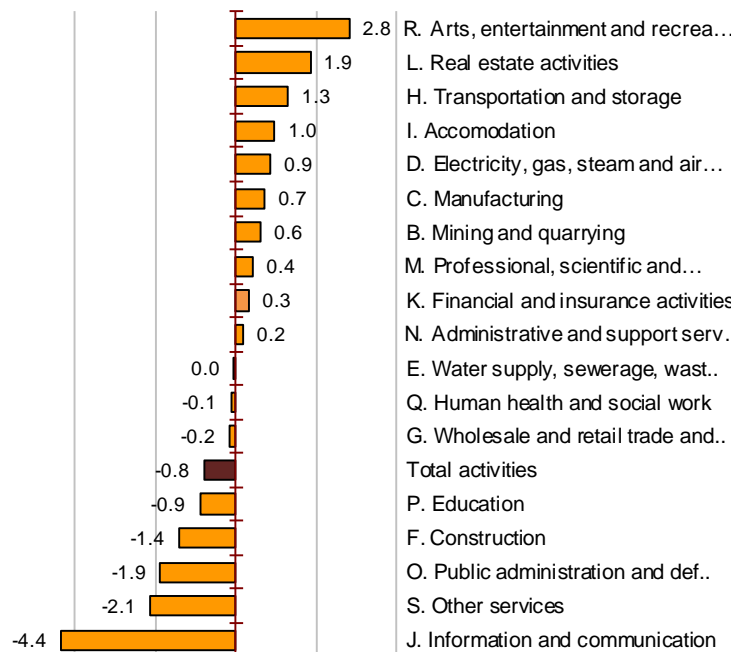
By activity sections, the increase of labour cost was higher in the *Arts, Recreation and Entertainment Activities, Real Estate Activities, and Transport and Storage*.

By contrast, *Information and communications, Public Administration and Defence, and Compulsory Social Security* registered the largest decreases.

Labour cost per worker and month

	Euros
D. Electricity, gas, steam and air...	5,867.93
K. Financial and insurance activities	4,820.68
B. Mining and quarrying	4,096.39
J. Information and communication	3,651.97
O. Public administration and def..	3,305.29
C. Manufacturing	3,161.60
M. Professional, scientific and...	3,147.88
E. Water supply, sewerage, w ast..	2,924.98
H. Transportation and storage	2,861.80
Q. Human health and social work	2,840.61
F. Construction	2,751.20
Total activities	2,649.97
P. Education	2,476.62
L. Real estate activities	2,379.56
G. Wholesale and retail trade and..	2,260.45
R. Arts, entertainment and recrea...	1,862.85
N. Administrative and support serv...	1,797.46
S. Other services	1,762.98
I. Accommodation	1,615.33

Annual changes



Labour cost by Autonomous Community

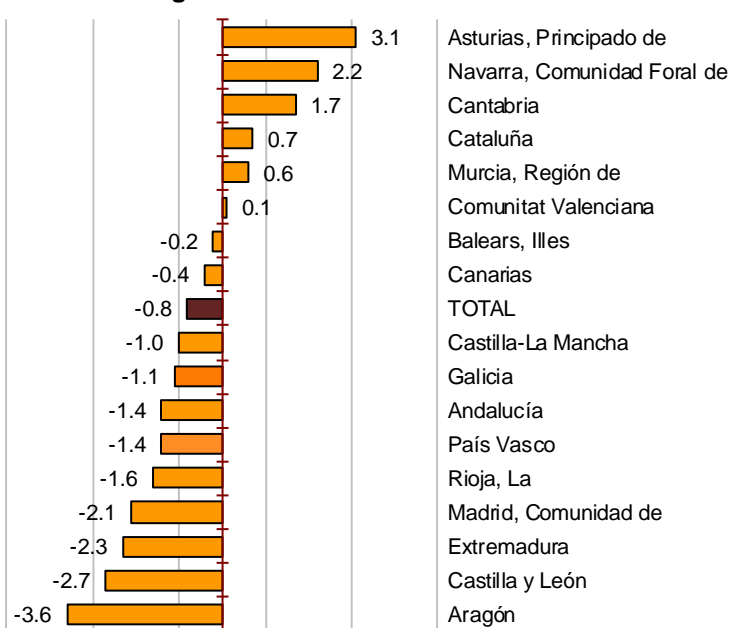
The labour cost in País Vasco and Comunidad de Madrid surpassed the national average by more than 400 euros. In Extremadura and Canarias, said cost was more than 350 euros lower than the average.

Looking at the annual cost growth, Principado de Asturias, Comunidad Foral de Navarra, and Cantabria showed the highest rates. On the contrary, Aragón, Castilla y León and Extremadura recorded the largest decreases.

Labour cost per worker and month

	Euros
Madrid, Comunidad de	3,095.72
País Vasco	3,078.07
Navarra, Comunidad Foral de	2,834.56
Cataluña	2,821.18
Asturias, Principado de	2,772.28
TOTAL	2,649.97
Balears, Illes	2,593.25
Cantabria	2,560.91
Aragón	2,522.24
Rioja, La	2,497.62
Murcia, Región de	2,440.85
Castilla y León	2,410.74
Andalucía	2,376.76
Castilla-La Mancha	2,366.90
Galicia	2,343.66
Comunitat Valenciana	2,341.71
Canarias	2,267.83
Extremadura	2,185.16

Annual changes

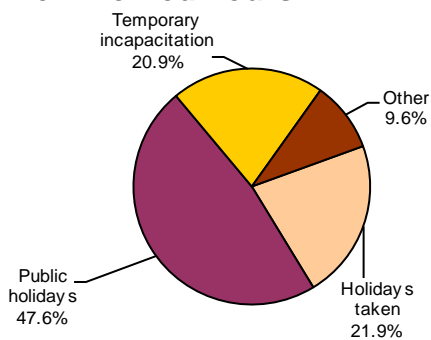


Working time

During the fourth quarter of 2016, the average agreed working week, considering full-time and part-time together, was 34.2 hours. Of these, an average of 5.1 hours were lost per week, most of which were due to vacations and public holidays (3.5).

After adding overtime and subtracting hours lost, the working week was reduced to 29.3 effective working hours.

Non-worked hours



Other non-worked hours (various reasons)

	Percentage
Maternity	4.1%
Compensated absences	2.3%
Overtime compensation	1.3%
Labour conflicts	1.2%
Hours lost at work	0.4%
Other hours not worked and not paid	0.2%
Hours lost at work due economical or technical reas	0.1%
Other hours not worked but paid	0.0%

By type of **working day**, the wage difference between full-time and part-time workers was 5.47 euros per hour (16.56 euros/hour for full time as compared with 11.09 euros/hour for part time).

Regarding work time, full-time workers practically doubled the effective working hours performed by part-time workers (33.0 weekly hours as compared with 17.4).

Weekly hours¹

	Effective hours	Hours lost
Total workers	29.3	5.1
Full time	33.0	5.9
Part time	17.4	2.7

¹ For calculation purposes, a month is considered to have 4.35 weeks

Labour cost per hour

	Euros	Rate ²
Total workers	15.78	0.7
Full time	16.56	0.5
Part time	11.09	2.7

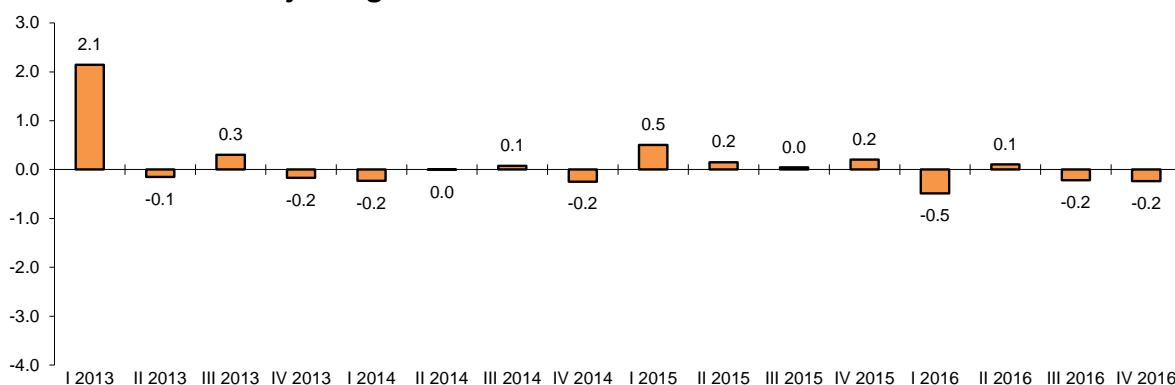
² Same quarter than last year

Series adjusted for seasonal and calendar effects

To contribute to the analysis and interpretation of the data, the main total series of the QLCS are provided adjusted for seasonal and calendar effects¹.

Between the third and the fourth quarter of 2016, removing the seasonal and calendar effects, the total labour cost decreased 0.2%.

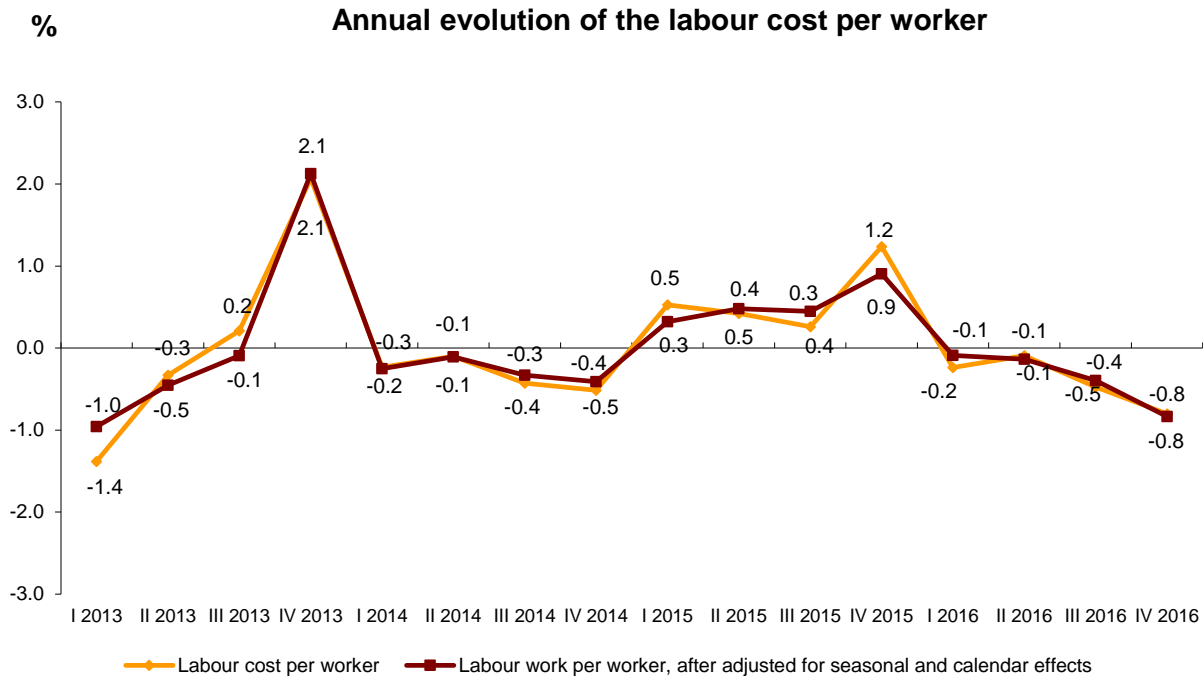
Total labour cost per worker. Quarterly variation rates after adjusting for seasonal and calendar effects



¹ These indicators have been seasonally adjusted in accordance with the INE Standard for adjusting seasonal effects and calendar effects in short-term series. This is available in the Methods and Standards section of the INE website.

Annual Labour Cost Evolution

The labour cost per worker adjusted for seasonal and calendar effects had an average annual growth rate of -0.8%.



Job vacancies

In the fourth quarter of 2016, the number of vacancies stood at 67,464. Of those, 90.3% were in the *Services* sector.

The majority of questioned units responded that they don't have vacancies to be filled because they don't need additional workers.

Vacancies by sector

Vacancies	% of the total vacancies in each sector		Reasons why vacancies do not exist (percent distribution)			
	Total	%	Total	No more workers needed	High hiring cost	Other
TOTAL	67,464	100.0	100.0	93.9	4.4	1.7
Industry	4,747	7.0	100.0	94.1	4.6	1.2
Construction	1,808	2.7	100.0	94.0	4.0	1.9
Services	60,909	90.3	100.0	93.9	4.4	1.7

Vacancies by Autonomous Community

The communities with the largest number of vacancies in the fourth quarter of 2016 were Comunidad de Madrid, Cataluña and Andalucía. On the other hand, those with the least vacancies were La Rioja, Extremadura and Cantabria.

Looking at the percentage distribution, Comunidad de Madrid, Cataluña and Andalucía concentrated over half of total vacancies this quarter.

Vacancies by Autonomous Community

	Vacantes
TOTAL	67,464
Madrid, Comunidad de	18,405
Cataluña	15,598
Andalucía	8,131
Comunitat Valenciana	4,594
País Vasco	3,926
Canarias	3,301
Castilla y León	2,733
Aragón	2,369
Galicia	2,308
Castilla - La Mancha	1,448
Navarra, Comunidad Foral de	1,274
Balears, Illes	789
Asturias, Principado de	770
Murcia, Región de	665
Cantabria	483
Extremadura	383
Rioja, La	287

Percent distribution

