

08 June 2018

**Harmonised Labour Cost Index (HLCI). Base 2012**  
 First quarter of 2018. *Provisional data*

**The quarterly variation of the cost per hour worked is 0.0%, after adjusting for calendar and seasonal effects**

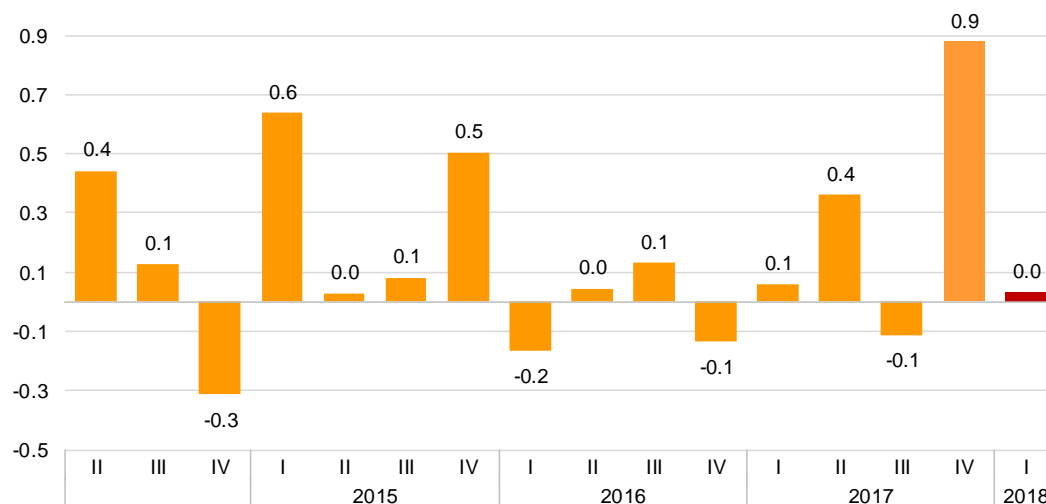
**The cost per hour worked increases 1.2% in the annual rate in the series adjusted for calendar and seasonal effects, and 4.2% in the original series**

**Quarterly variation of the Index**

The quarterly variation of the HLCI—which measures the labour cost per hour worked while maintaining the structure by branch of activity constant—stood at 0.0% between the first quarter of 2018 and the fourth quarter of 2017, after adjusting for seasonal and calendar effects<sup>1</sup>.

**Labour Cost Index adjusted for seasonal and calendar effects**

Quarterly rate %



By cost component, in seasonally and calendar adjusted data, *wage costs* showed a positive variation of 0.2%, while *other costs* fell 0.3%.

<sup>1</sup> As of this month, the JDemetra+ software is used to carry out the adjustment of seasonal and calendar effects.

Excluding the seasonal and calendar adjustment, the quarterly rate was -10.6%, mainly due to the higher weight of the extraordinary payments and delays in the fourth quarter of 2017 as compared to the first quarter of 2018.

## Harmonised Labour Cost Index. Cost components

Index and annual rates

	General Index		Index adjusted for seasonal and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	98.0	-10.6	103.5	0.0
Wages	97.5	-12.9	104.2	0.2
Other costs	99.4	-3.3	101.5	-0.3
Labour costs excluding extraordinary and late payments	99.6	-4.9	103.1	0.1

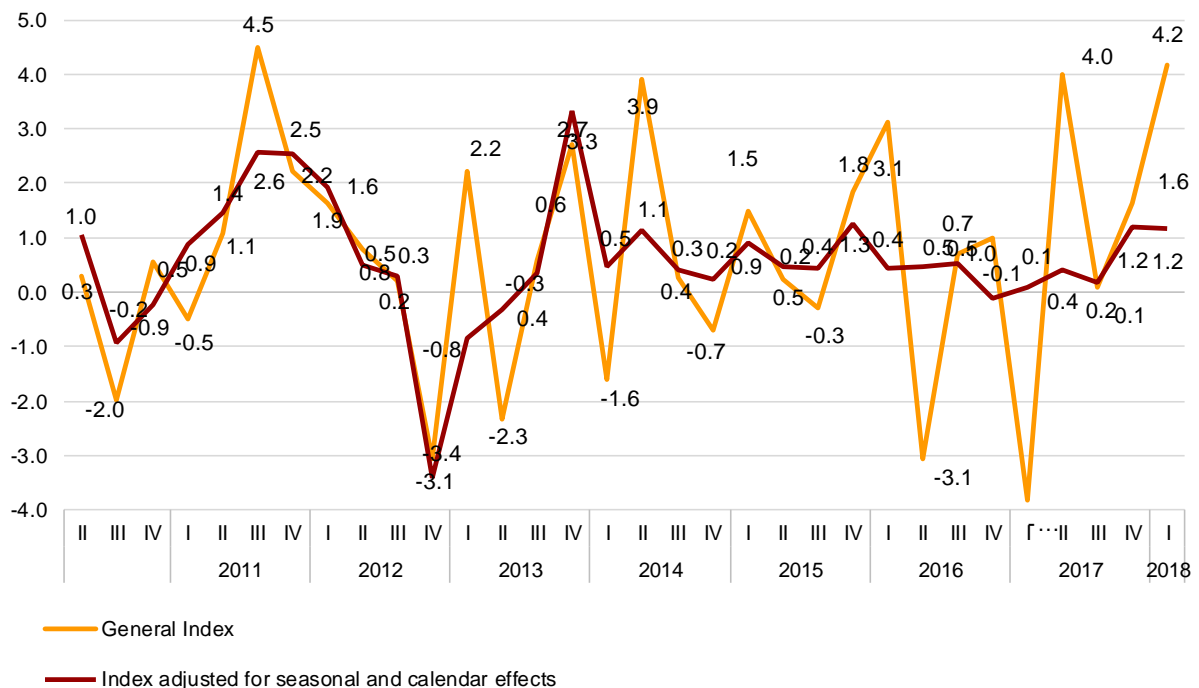
## Annual variation of the Index

The cost per hour worked increased by 4.2% in the first quarter of 2018, as compared with the same period of the previous year. This increase was due to the lower number of hours worked, because Holy Week took place this year in the first quarter, while in 2017 it was held in the second quarter.

The annual variation of the cost per hour was 1.2%, after adjusting for seasonal and calendar effects.

## Variation of the general index and index adjusted for seasonal and calendar effects

Annual rate %



By cost component, *wage costs* recorded an annual variation of 1.2% in adjusted data and other costs increased by 1.0%.

## Harmonised Labour Cost Index. Cost components

Index and annual rates

	General Index		Index adjusted for seasonal and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	98.0	4.2	103.5	1.2
Wages	97.5	4.3	104.2	1.2
Other costs	99.4	3.7	101.5	1.0
Labour costs excluding extraordinary and late payments	99.6	4.0	103.1	1.2

## Results by activity sections

The sections with the highest annual increases in the first quarter of 2018 were *Financial and insurance activities* (9.8%), *Mining and quarrying* (7.9%) and *Information and communications* (6.3%).

On the other hand, the lowest variations were observed in *Human health and social work activities* (2.1%), *Electricity, gas, steam and air conditioning supply* (2.2%) and *Education* (3.0%).

## Harmonised Labour Cost Index in the first quarter 2018 by activity sections

General index and index adjusted for seasonal and calendar effects

	General		Adjusted for calendar effects		Adjusted for seasonal and calendar effects	
	Index <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>
TOTAL	98.0	4.2	96.8	1.4	103.5	1.2
B. Mining and quarrying industries	110.6	7.9	109.4	5.4	107.7	4.3
C. Manufacturing industries	95.1	3.2	94.1	0.3	102.5	0.4
D. Electricity, gas, steam and air conditioning supply	96.6	2.2	94.9	-0.5	98.3	-0.5
E. Water supply, waste management and remediation activities	102.2	5.0	100.7	1.8	106.6	1.6
F. Construction	89.6	4.2	88.6	1.6	96.1	1.1
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	97.7	3.5	96.4	0.5	100.4	0.7
H. Transport and storage	99.6	5.0	98.8	2.5	102.4	2.5
I. Accommodation	101.5	3.9	101.1	2.8	105.1	2.6
J. Information and communications	98.7	6.3	97.8	4.1	102.1	3.9
K. Financial and insurance activities	116.5	9.8	114.3	6.6	107.0	4.4
L. Real state activities	103.5	3.3	102.5	1.2	106.4	1.1
M. Professional, scientific and technical activities	105.9	5.5	105.0	3.3	108.1	2.4
N. Administrative and support services activities	101.6	4.4	100.7	2.3	103.7	1.6
O. Public Administration and defence, compulsory Social Security	96.2	3.6	95.0	0.9	109.9	1.2
P. Education	89.8	3.0	87.9	-1.3	100.0	-1.2
Q. Health and social services activities	94.0	2.1	92.6	-1.1	103.3	-1.1
R. Arts, entertainment and recreation	98.3	5.5	97.5	3.4	102.9	3.2
S. Other services	93.9	5.3	92.9	2.9	97.8	2.3

<sup>1</sup> As compared to the same quarter of the previous year

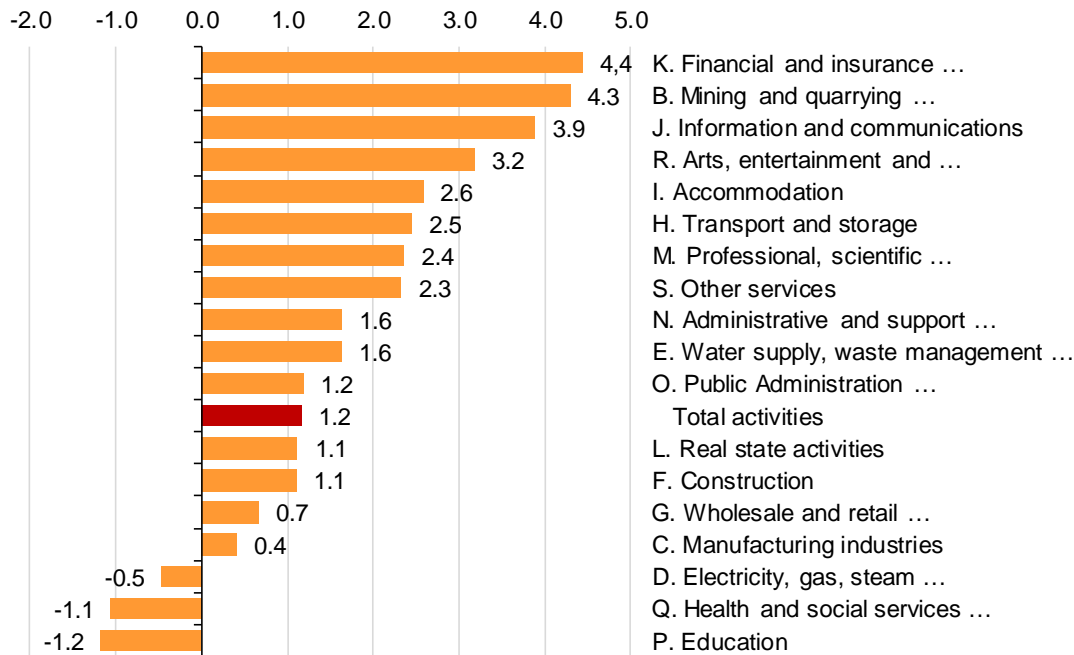
<sup>2</sup> Base year 2012

If seasonal and calendar effects are eliminated, the activities with the highest annual rates were also *Financial and insurance activities* (4.4%), *Mining and quarrying* (4.3%) and *Information and communications* (3.9%).

In turn, *Education* (-1.2%), *Human health and social work activities* (-1.1%) and *Electricity, gas, steam and air conditioning supply* (-0.5%) recorded the most negative adjusted annual rates.

**Index adjusted for seasonal and calendar effects. Activity sections NACE-09**

First quarter 2018. Annual rate %



**Results by activity sections and cost components. Original series**

The sections that recorded the highest annual increases in the **wage cost** during the first quarter of 2018 were *Financial and insurance activities* (10.9%), *Mining and quarrying* (8.9%) and *Information and communications* (8.6%).

On the other hand, the lowest variations were observed in *Human health and social work activities* (1.5%), *Electricity, gas, steam and air conditioning supply* (2.4%) and *Public administration and defence; compulsory social security* (2.8%).

With regard to **other costs**, the sections with the greatest annual increases were *Water supply; sewerage, waste management and remediation activities* (7.1%), *Arts, entertainment and recreation* (6.0%) and *Financial and insurance activities* and *Public administration and defence; Compulsory social security* (both with 5.7%).

The lowest rates were recorded in *Professional, scientific and technical activities* (-1.2%), *Information and communications* (-0.7%) and *Electricity, gas, steam and air conditioning supply* (1.6%).

## Harmonised Labour Cost Index in the first quarter 2018 by activity sections

### Index by cost components

	Wages		Other costs		Labour costs excluding extraordinary and late payments	
	Index <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>
TOTAL	97.5	4.3	99.4	3.7	99.6	4.0
B. Mining and quarrying industries	113.7	8.9	101.4	4.8	100.2	1.9
C. Manufacturing industries	94.8	3.1	95.8	3.5	98.2	3.7
D. Electricity, gas, steam and air conditioning supply	97.0	2.4	95.2	1.6	96.1	3.7
E. Water supply, waste management and remediation activities	100.7	4.2	105.9	7.1	103.7	5.5
F. Construction	89.0	4.1	91.0	4.6	95.0	3.8
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	97.4	3.8	98.7	2.7	100.6	4.0
H. Transport and storage	96.9	4.9	106.4	5.4	100.3	4.6
I. Accommodation	101.1	4.1	102.5	3.2	104.6	3.0
J. Information and communications	100.0	8.6	94.5	-0.7	99.0	4.6
K. Financial and insurance activities	118.4	10.9	109.8	5.7	109.3	9.1
L. Real state activities	103.8	3.2	102.6	3.8	102.6	3.7
M. Professional, scientific and technical activities	109.6	7.6	94.9	-1.2	102.1	3.2
N. Administrative and support services activities	102.0	4.1	100.6	5.1	103.6	4.4
O. Public Administration and defence, compulsory Social Security	94.1	2.8	102.7	5.7	97.9	3.6
P. Education	88.1	3.3	95.0	2.5	94.4	3.5
Q. Health and social services activities	91.3	1.5	103.4	3.9	95.3	2.4
R. Arts, entertainment and recreation	99.6	5.3	94.7	6.0	102.2	5.6
S. Other services	93.3	5.5	95.3	4.6	97.1	3.9

<sup>1</sup> As compared to the same quarter of the previous year

<sup>2</sup> Base year 2012

## Updating of the provisional index for the previous quarter

Coinciding with today's publication, the provisional data for the Harmonised Labour Cost Index for the fourth quarter of 2017 have been updated, with the final index standing at 109.6 points.

The quarterly variation of the original series for that quarter stood at 3.6%, while for the corrected index it was 0.9%.

On the other hand, the annual rate of the original series of the HLCI for that quarter was 1.6% and that for the index adjusted for seasonal and calendar effects, 1.2%.

All the final results of the update are available in [INEBase](#).

## Methodological note

The Harmonised Labour Cost Index is a quarterly continuous statistical operation whose main objective is to provide a common, comparable and timely measure of labour costs for the whole of the European Union, enabling the monitoring of the evolution of these costs.

The [Regulation \(EC\) No. 450/2003 of the European Parliament and of the Council](#) of 27 February 2003 establishing a common framework for the compilation, transmission and evaluation of comparable labour cost indices is the legal basis for the HLCI.

The population scope is made up of all the local units, regardless of their size, whose economic activity is included in Sections B to S of the National Classification of Economic Activities for 2009 (CNAE-09). Agricultural, livestock and fisheries activities, domestic workers and extraterritorial organisations are excluded.

The geographical scope covers the entire national territory.

As regards the time scope, the reference period is the calendar quarter.

The Harmonised Labour Cost Index is the Laspeyres index of labour cost per hour worked, linked annually and based on a fixed structure of the economic activity, broken down by sections of the CNAE-09.

The source of information for the preparation of the HLCI are the provisional results of the Quarterly Labour Cost Survey (QLCS). From this survey we obtain the cost per hour worked in the different sections of the CNAE-09, as well as the annual weightings required to calculate the Laspeyres index. For its calculation, the base period is 2012.

For section O (Public Administration, Defence and Social Security) the QLCS is also used, but only for workers who contribute to the General Social Security System. For workers who contribute to the Civil Service and State Mutual Funds system, the following sources are used: the DARETRI system for state public sector compensations and the Economically Active Population Survey for obtaining effective hours of work.

The HLCI is published 70 days after the reference quarter. The data is provisional until the following quarter, when it is reviewed and published as final.

The seasonal adjustment of these indicators is performed in accordance with the [INE Standard for adjusting seasonal and calendar effects in short-term series](#), which is available in the Methods and standards section of the INE website; and which follows the recommendations of the European Union contained in the [ESS Guidelines on Seasonal Adjustment](#).

All methodological details can be found in the link to the [complete HLCI methodology](#), as well as the [standardised methodological report](#), and all the results published in [INEBase](#).

### **New software for calendar and seasonal adjustment: JDemetra+**

The series adjusted for calendar effects and the series adjusted for seasonal and calendar effects are obtained with the [JDemetra+](#) software (version 2.2.0), from the publication of data referring to 2018. JDemetra+ is [officially recommended by Eurostat](#), for performing seasonal and calendar adjustments in the official statistics of the European Union. This is a new seasonal adjustment tool, developed by the National Bank of Belgium in cooperation with the Deutsche Bundesbank and Eurostat.

JDemetra+ includes the two leading seasonal adjustment methods, TRAMO/SEATS and X-12-ARIMA/X-13 ARIMA-SEATS. The tool is built on the basis of the concepts and algorithms used in these two reference methods.

### **The method of seasonal adjustment remains unchanged**

The change of software from TRAMO/SEATS to JDemetra+ does not affect the seasonal adjustment methodology in the INE series, since it is still performed according to the method based on ARIMA Models (TRAMO/SEATS method) as reflected in the [\*INE Standard for adjusting seasonal and calendar effects in short-term series\*](#).

This change coincides with the re-identification of models that takes place once a year.

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For further information see **INEbase**: [www.ine.es/en/](http://www.ine.es/en/) Twitter: [@es\\_ine](https://twitter.com/es_ine)

All press releases at: [www.ine.es/en/prensa/prensa\\_en.htm](http://www.ine.es/en/prensa/prensa_en.htm)

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