

28 June 2018

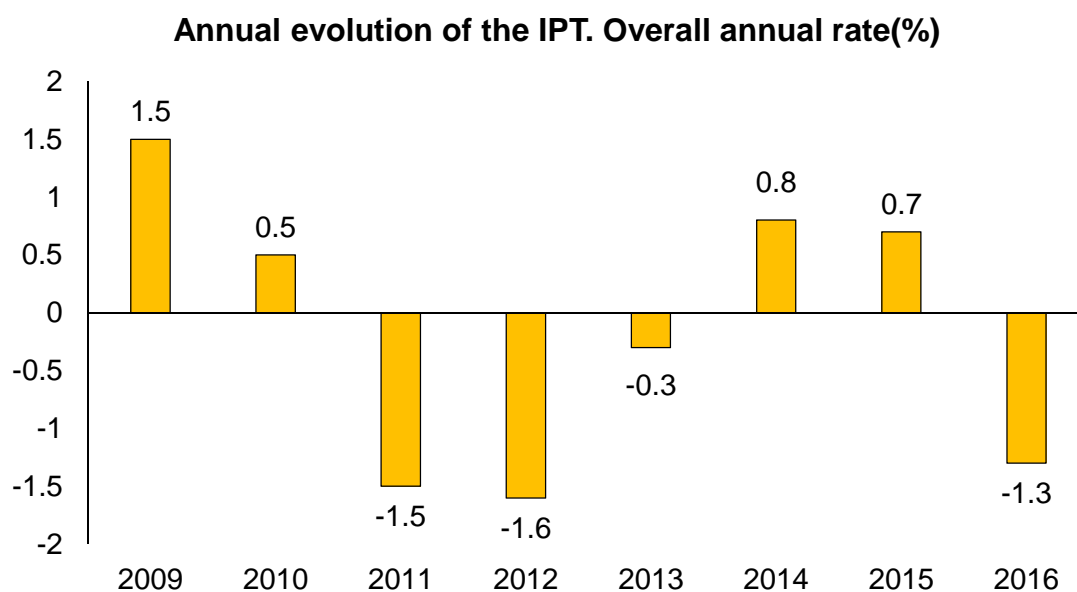
**Labour Price Index (LPI). Base 2008
Year 2016**

The Labour Price Index fell by 1.3% in 2016

Extremadura recorded the highest LPI increase (0.6%) and País Vasco the highest decrease (-2.4%)

Annual evolution of labour prices

The annual variation of the Labour Price Index (LPI) was -1.3% in 2016.

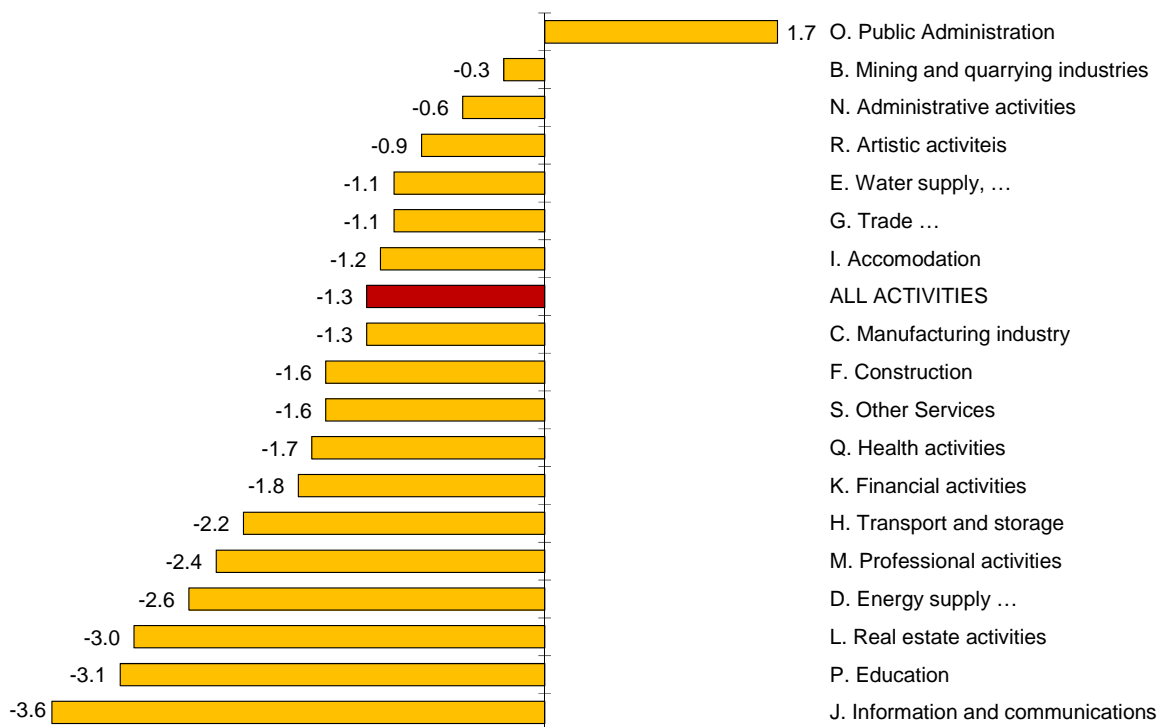


Results according to the characteristics of the job position

The **economic activity** that registered an increase in the price of labour in 2016 as compared with 2015 was *Public Administration and Defence; Compulsory Social Security* (1.7%). This evolution was influenced by the return of part of the extraordinary pay eliminated in December 2012.

In turn, the greatest decrease was in *Information and communications* (-3.6%).

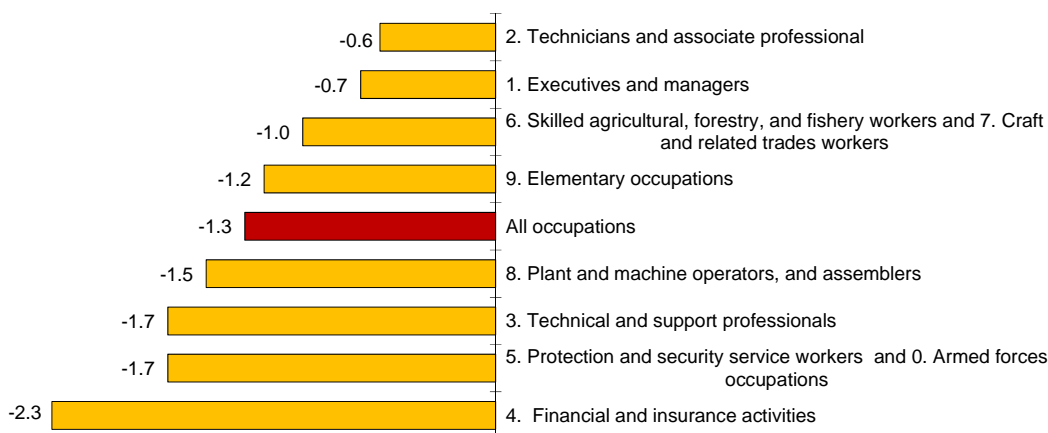
IPT by economic activity. Annual rate (%), year 2016



Occupation was one of the variables that most influenced the price of labour. In 2016 all occupation groups experienced decreases in the price of labour. The lowest were among *Scientific and intellectual technicians and professionals* and *Directors and managers*, with decreases of 0.6% and 0.7%, respectively.

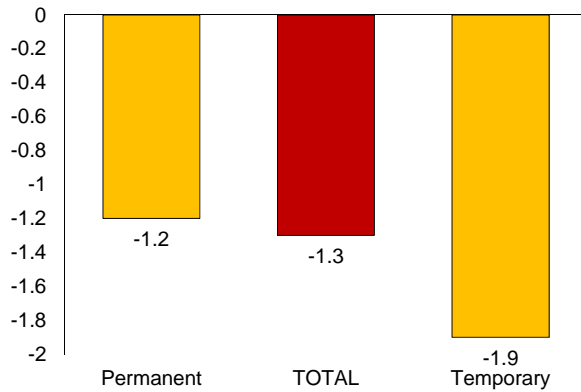
On the other hand, the greatest decreases were in *Accounting, administrative and other office employees* (-2.3%) and in *Catering, Personal, Protection and Sales Services Workers, and Militaries and Professional Support Technicians* (-1.7% in both groups).

IPT by occupation. Annual rate(%), year 2016



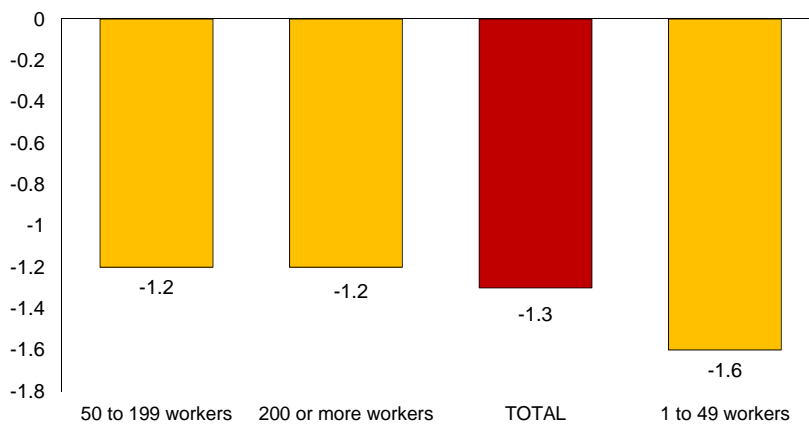
With regard to the **type of contract**, the annual variation in 2016 of permanent contracts was -1.2% and of temporary contracts -1.9%.

IPT by contract type. Annual rate (%), year 2016



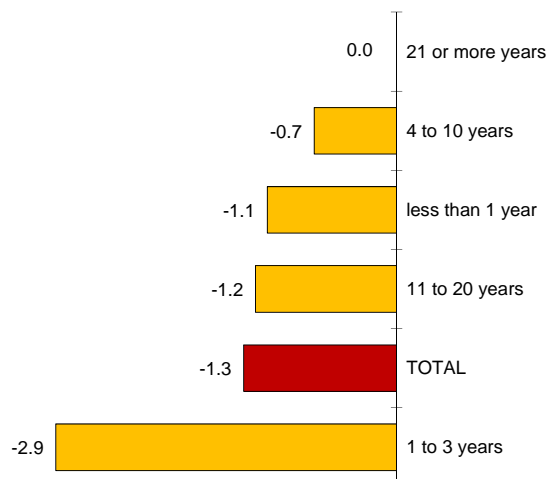
With respect to the **size of the workplace**, the LPI presented the greatest decrease in the centres from 1 to 49 workers (-1.6%).

IPT by size of workplace. Annual rate (%), year 2016



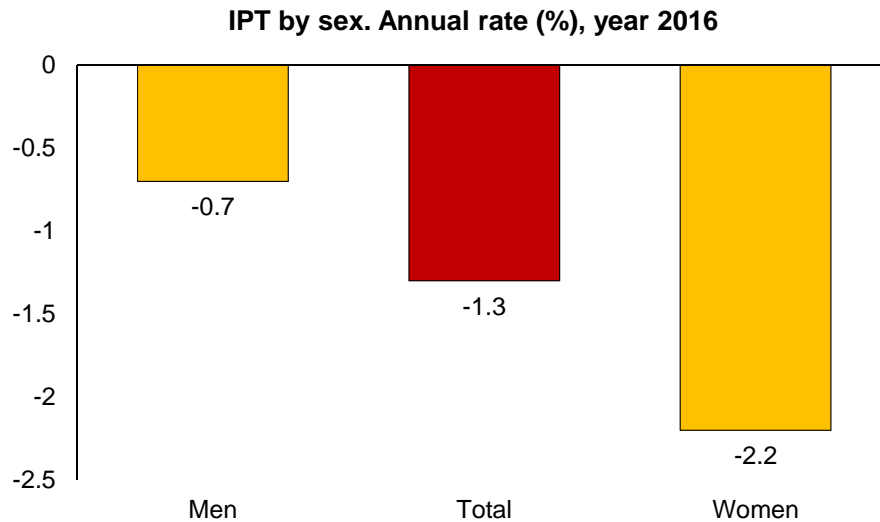
By **seniority in the workplace**, the greatest decrease was in the number of jobs occupied by workers with seniority between one and three years (-2.9%). In those of greater seniority the LPI did not change.

IPT by seniority. Annual rate (%), year 2016

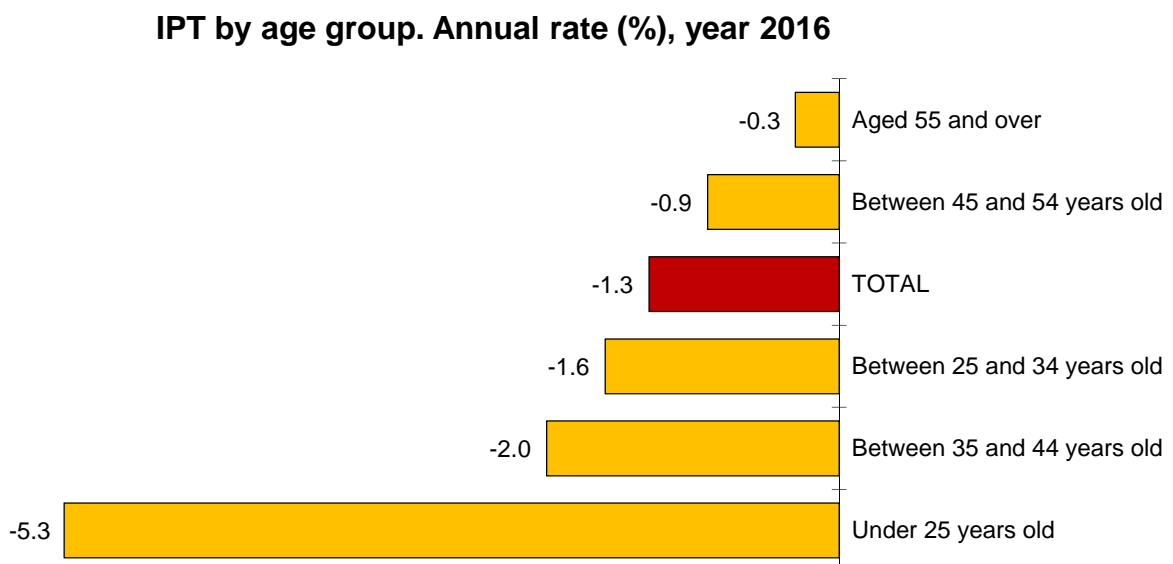


Results by worker characteristics

By **sex**, the annual variation of the LPI was more negative for women (-2.2%) than for men (-0.7%).

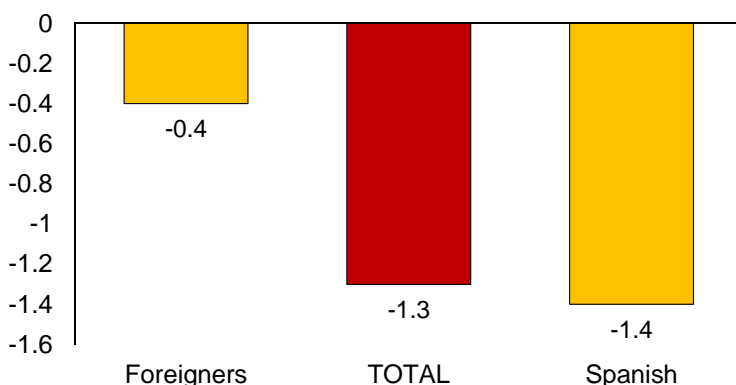


By **age group**, the greatest decrease in the price of labour was recorded among those under 25 years of age (-5.3%) and the lowest among those aged 55 and over (-0.3%). This data are in line with the evolution of the LPI for the seniority variable in the workplace.



With regard to **nationality**, the LPI recorded a decrease of 1.4% for Spanish workers and 0.4% for foreign workers.

IPT by nationality. Annual rate (%), year 2016

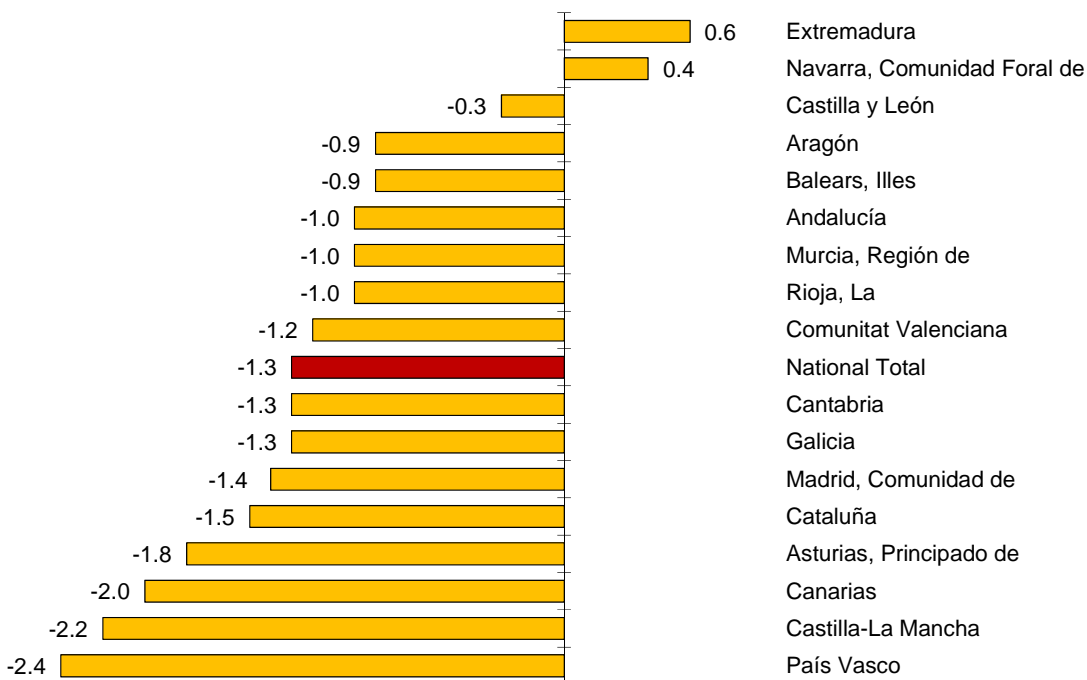


Results by Autonomous Communities

The annual variation rate of the LPI in 2016 was positive in two Autonomous Communities and negative in the rest.

The increases were in Extremadura (0.6%) and Comunidad Foral de Navarra (0.4%). In turn, the greatest decreases were observed in País Vasco (-2.4%) and Castilla-La Mancha (-2.2%).

IPT by Autonomous Community. Annual rate (%), year 2016



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Methodological note

The objective of the Labour Price Index (LPI) is to measure the change in the price of labour over time, without this measure being affected by changes in the quality and quantity of the labour performed (for example, changes in the labour force composition, number of hours worked, type of contract, characteristics of the employees, etc.) or, in other words, disregarding the composition effect.

The LPI completes the existing information in Spain that comes from the Quarterly Labour Cost Survey, the Annual Labour Cost Survey and the Wage Structure Survey of the INE, operations that provide series of average results of labour and wage costs per worker. These series include the cost variation and any changes in employment composition.

Type of operation: statistics presented in form of indices.

Base year: 2008.

Reference period of the results: the calendar year.

Reference period of the weightings: the year preceding the current year.

Population scope: salaried workers in local units.

Geographical scope: the entire national territory.

Calculation method: Chained Laspeyres.

The LPI is calculated as a weighted aggregation of simple indices, each of which represents a grouping of job positions. These groupings, made up of a set of job with common characteristics, constitute the basic elements for the calculation of the LPI. All these groups together constitute a representative sample of job positions in the economy.

For each grouping of job positions, their wage/hour in the reference year is measured. The weightings are measured based on the hourly earnings and hours worked by the workers associated with each job group in the previous year. The weightings structure establishes the importance of each job compared to the rest, based on wage costs incurred by the employer.

The Wage Structure Surveys are the source of information used for the preparation of the LPI, since they allow the allocation of earnings and working hours to the sample of jobs considered, based on individual employee data. In addition, the sample size of these surveys allows a very detailed study of the characteristics of the workers. On the other hand, the use of pre-existing sources does not increase the response burden on companies and minimises the cost of the statistical operation.

More exhaustive information on the preparation of the LPI can be found in the [Methodology](#) of this statistical operation.