

15 June 2018

Quarterly Labour Cost Survey (QLCS)

First quarter of 2018

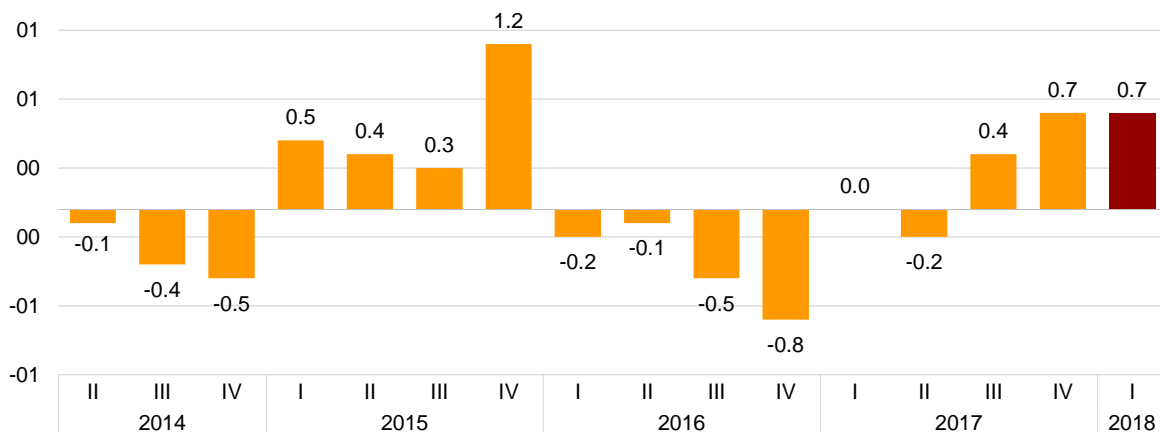
Main results

- The labour cost of companies stands at 2,497.91 euros per worker per month in the first quarter of 2018, with a variation rate of 0.7% as compared with the same period of 2017.
- The wage cost per worker per month increases by 0.8%, standing at an average of 1,844.24 euros. On the other hand, other costs increase by 0.2%, standing at 653.67 euros per worker per month.
- During the first quarter of 2018, the average agreed working week, considering full-time and part-time together, was 34.2 hours. Of these, 4.1 hours per week are lost, of which 2.4 are due to vacations and holidays.
- The annual rate of the labour cost per effective hour increased 3.8%, as a result of the lower number of hours worked. This was because Holy Week took place this year in the first quarter, whereas in 2017 it was held in the second quarter.
- In quarterly rate, and with data adjusted for seasonal and calendar effects, the labour cost per worker does not vary with respect to the previous quarter. The cost per effective hour increased by 0.2%.
- According to seasonal and calendar effects adjusted results, the labour cost per worker increased by 0.6% in the first quarter of 2018 as compared with the same period of 2017. The labour cost per effective hour increased by 0.8%.
- In the first quarter of 2018, the number of vacancies was 101,512. 87.8% were in the *Services* sector.

Labour cost by components

The labour cost per worker per month reached 2,497.91 euros in the first quarter of 2018, indicating an increase of 0.7% as compared with the same period of the previous year.

Total labour cost. Annual variation rate %



Of the total cost per worker and month, incurred by an employer for the use of the labour factor, 1,844.24 euros corresponded to wages and 594.13 euros to compulsory Social Security contributions. The rest corresponded to compensations, social benefits, etc.

The wage cost, which includes base salary, wage supplements, overtime payments, extraordinary payments and delayed payments, measured in gross terms, grew by 0.8% in the annual rate, going from 1,829.13 to 1,844.24 euros per worker per month. If the variable factor is excluded from wages (extraordinary and delayed payments), the ordinary wage cost is obtained, which increased by 0.7%.

Other costs (non-wage costs) increased by 0.2%. Their main component, compulsory Social Security contributions, increased by 0.7%. Within the variation in non-wage payments, noteworthy was the decrease in severance payments and other non-wage payments (end-of-contract indemnities, compensatory payments, small tools, work clothes, personnel selection, etc.).

The labour cost per hour increased by 3.8%. This increase, higher than the increase in the cost per worker, was due to a 3.0% decrease in the number of hours actually worked due to the effect of Holy Week. After adjusting this and the calendar effect, the estimated increase of the cost per hour is 0.8%.

Labour cost per worker and month

	Euros	Rate ¹
Total labour cost	2.668,84	0,7
Wage cost	2.020,14	0,5
Other costs	648,70	1,5

Wage cost per worker and month

	Euros	Rate ¹
Total wage cost	2.020,14	0,5
Ordinary wage cost	1.641,91	0,3

¹ As compared to the same quarter of the previous year

Other costs per worker and month

	Euros	Rate ¹
TOTAL	653,67	0,2
Compulsory contributions	594,13	0,7
Non-wage payments	70,09	-5,9
Subsidies and allowances ²	10,54	-11,1

Cost per hour

	Euros	Rate ¹
Cost per effective hour	19,01	3,8
Cost per paid hour	16,77	0,7

²Subsidies are taken out of the other costs

Labour cost by economic sector

The *Construction* sector recorded the largest increase in total labour costs and also the largest increases in the main cost components.

Industry showed the lowest increase in labour and wage costs this quarter.

In the *Services* sector, the total labour cost increased 0.7% in the annual rate. In this sector, worth noting was the fall in other costs, particularly severance payments and other non-wage payments.

Labour cost per worker and month. Cost components

	Total labour cost		Total wage cost		Ordinary wage cost		Other costs	
	Euros	Rate ¹	Euros	Rate ¹	Euros	Rate ¹	Euros	Rate ¹
TOTAL	2.497,91	0,7	1.844,24	0,8	1.647,46	0,7	653,67	0,2
Industry	2.976,84	0,3	2.182,76	0,2	1.916,34	0,8	794,08	0,6
Construction	2.490,72	1,4	1.723,44	1,3	1.611,48	0,7	767,28	1,9
Services	2.410,75	0,7	1.791,02	1,0	1.600,85	0,8	619,73	-0,1

¹ As compared to the same quarter of the previous year

By activity section, the annual growth in labour costs was greater in *Financial activities, Information and communications* and *Other services*.

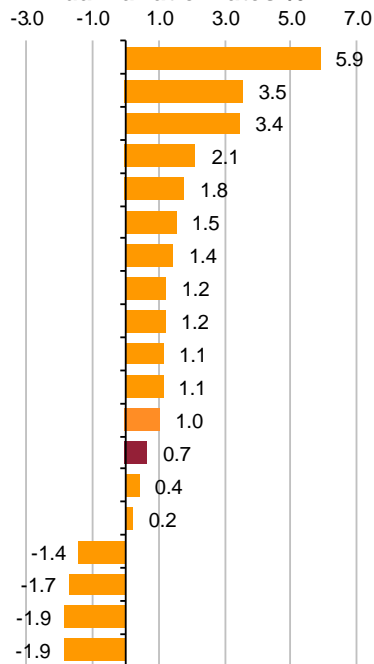
In turn, *Electricity, gas, steam and air conditioning supply, Arts, entertainment and recreation* and *Education* registered the highest decreases.

Labour cost by activity sector

Labour cost per worker and month

	Euros
K. Financial and insurance ...	5.809,73
D. Electricity, gas, steam ...	5.792,73
B. Mining and quarrying ...	4.306,78
J. Information and communication	3.731,87
M. Professional, scientific ...	3.147,67
C. Manufacturing industries	2.916,85
E. Water supply, waste management	2.778,93
O. Public Administration ...	2.778,19
H. Transport and storage	2.758,12
Q. Health and social services ...	2.541,32
Total activities	2.497,91
F. Construction	2.490,72
L. Real state activities	2.406,69
G. Wholesale and retail ...	2.207,78
P. Education	2.186,95
N. Administrative and support ...	1.770,17
S. Other services	1.704,93
R. Arts, entertainment and ...	1.640,54
I. Accommodation	1.480,39

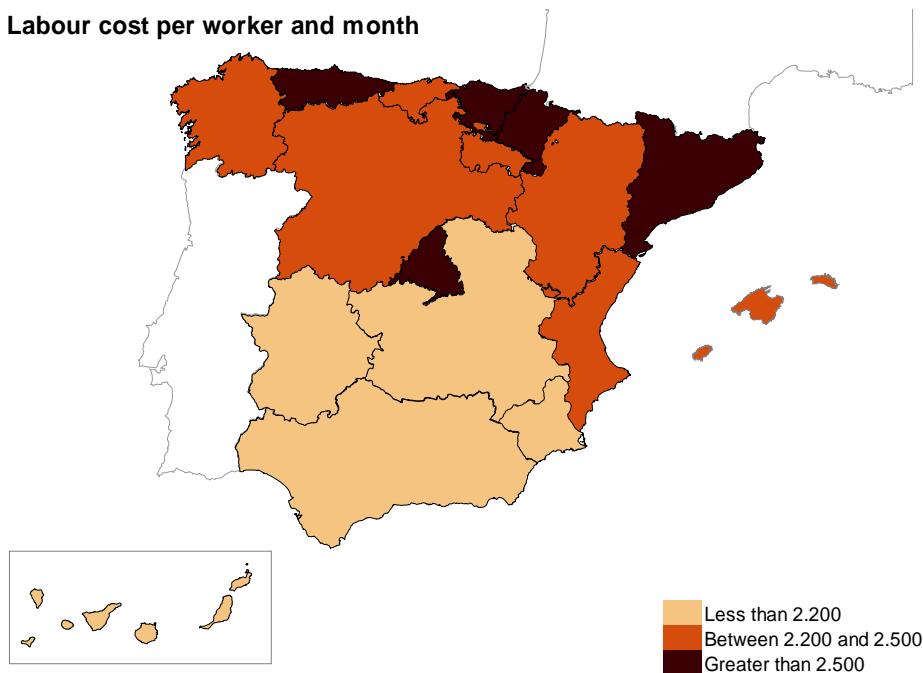
Annual variation rates %



Labour cost by Autonomous Community

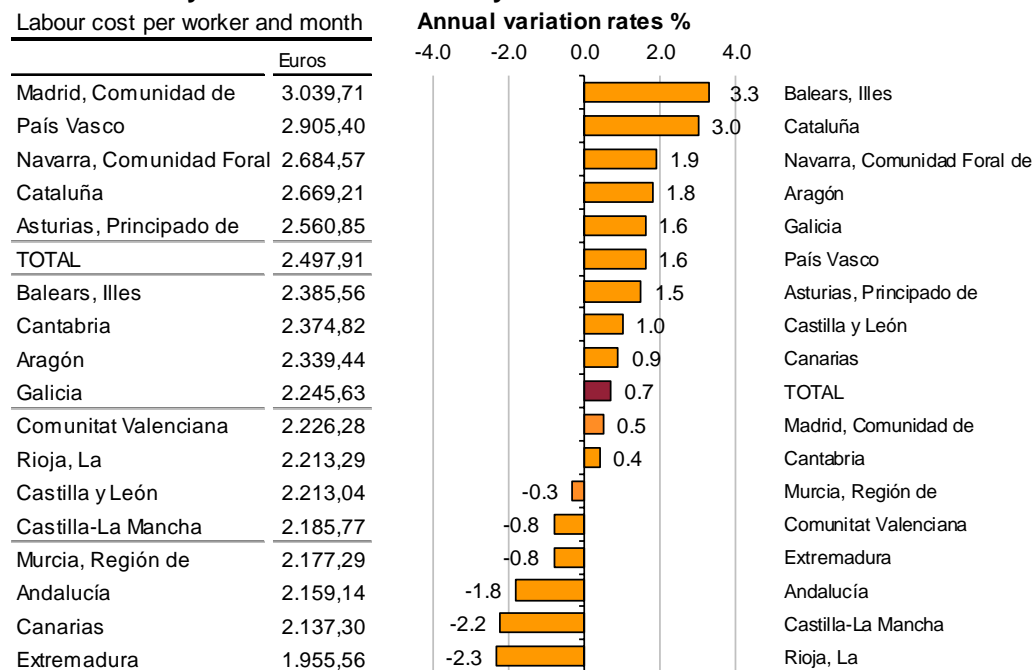
The labour cost in Comunidad de Madrid and País Vasco exceeded the national average by more than 350 euros. In Extremadura and Canarias this cost was lower than the average by the same amount.

Labour cost per worker and month



Looking at the annual cost growth, Illes Balears, Cataluña and Comunidad Foral de Navarra presented the highest rates. In turn, La Rioja, Castilla–La Mancha and Andalucía recorded the largest decreases.

Labour cost by Autonomous Community

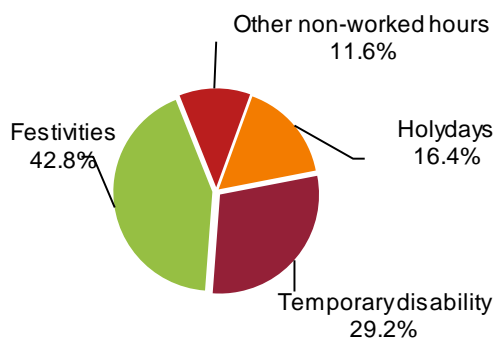


Working time

During the first quarter of 2018, the average agreed working week, considering full-time and part-time together, was 34.2 hours. Of these, an average of 4.1 hours were lost per week, most of which (2.4) were due to vacations and public holidays.

After adding overtime and subtracting lost hours, the working week is reduced to 30.2 effective working hours.

Non-worked hours by reason



Distribution of the other non-worked hours

	Porcentaje
Maternity	4,8%
Compensated absences	3,0%
Overtime compensation	1,5%
Labour conflicts	1,3%
Hours lost at work	0,5%
Other hours not worked and not paid	0,2%
Hours lost at work due economical or technical r	0,2%
Other hours not worked but paid	0,1%

By type of working day, the wage difference between full-time and part-time workers was 4.55 euros per hour (14.68 euros/hour for full-time versus 10.13 euros/hour for part-time).

Regarding work time, full-time workers practically doubled the effective working hours performed by part-time workers (34.2 weekly hours as compared with 17.6).

Weekly hours¹

	Effective hours	Hours lost
Total workers	29,2	5,3
Full time	32,9	6,1
Part time	17,3	2,8

Labour cost per hour

	Euros	Rate ²
Total workers	15,93	1,0
Full time	16,71	0,9
Part time	11,25	1,4

¹ For calculation purposes, a month is considered to have 4.35 weeks ² Same quarter than last year

Series adjusted for seasonal and calendar effects

In order to contribute to the analysis and interpretation of the data, the main QLCS series are provided for the whole economy, adjusted for seasonal and calendar effects¹.

Between the first quarter of 2018 and the fourth quarter of 2017, eliminating both the seasonal and calendar effects, the total labour cost per worker remained unchanged.

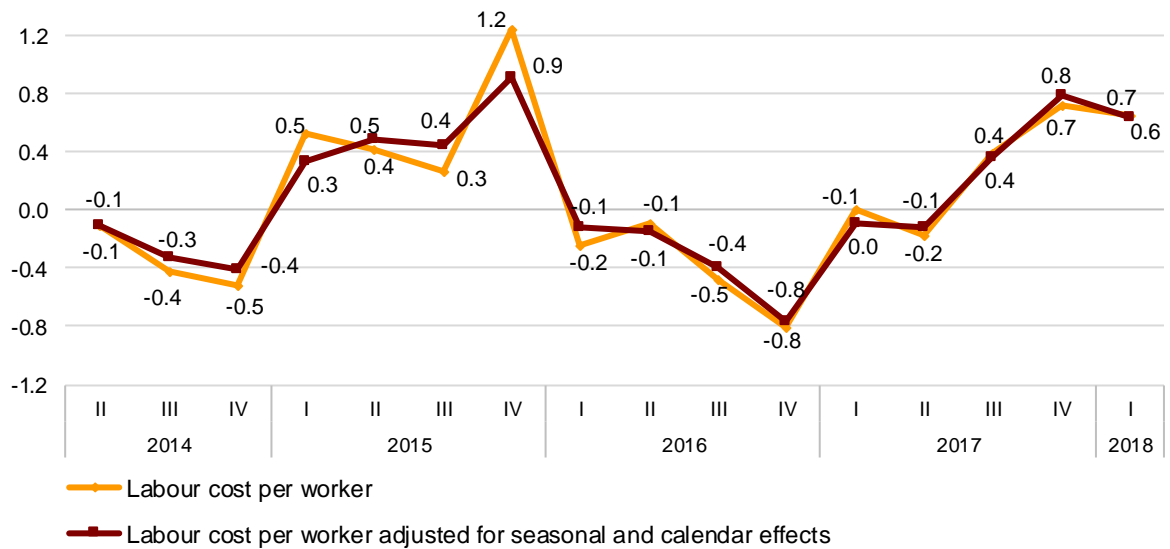
¹ As of this quarter, the JDemetra+ software is used to carry out the adjustment of seasonal and calendar effects.

Annual evolution of labour cost

The labour cost per worker adjusted for seasonal and calendar effects had an annual variation rate of 0.6%.

Evolution of the labour cost per worker

Annual variation rate %



Job vacancies

In the first quarter of 2018, the number of vacancies stood at 101,512. Of those, 87.8% were in the *Services* sector.

Most of the units interviewed answered that they don't have vacancies to be filled this quarter because they don't need additional workers.

Vacancies by sector

	Total vacancies	Percentage	Reasons why vacancies do not exist (percent distribution)			
			Total	No more workers	High hiring cost	Other
TOTAL	101.512	100,0	100,0	93,6	4,2	2,2
Industry	7.792	7,7	100,0	94,8	3,5	1,7
Construction	4.564	4,5	100,0	93,0	5,0	2,0
Services	89.156	87,8	100,0	93,5	4,2	2,3

Vacancies by Autonomous Community

The Autonomous Communities with the largest number of vacancies in the first quarter were Cataluña, Comunidad de Madrid and Andalucía. On the other hand, those with the least number were La Rioja, Cantabria and Principado de Asturias.

Looking at the percentage distribution, Cataluña, Comunidad de Madrid and Andalucía concentrated more than 60% of the total vacancies this quarter.

Vacancies by Autonomous Community Percent distribution

Autonomous Community	Vacancies	Percent distribution
TOTAL	101.512	
Cataluña	25.828	25.4
Madrid, Comunidad de	22.166	21.8
Andalucía	13.180	13.0
Comunitat Valenciana	8.321	8.2
País Vasco	6.337	6.2
Castilla y León	4.830	4.8
Castilla - La Mancha	3.261	3.2
Canarias	3.178	3.1
Navarra, Comunidad Foral de	2.793	2.8
Galicia	2.683	2.6
Aragón	2.192	2.2
Balears, Illes	2.158	2.1
Extremadura	1.809	1.8
Murcia, Región de	1.120	1.1
Asturias, Principado de	821	0.8
Cantabria	527	0.5
Rioja, La	308	0.3

Methodological note

The main objective of the Quarterly Labour Cost Survey (QLCS) is to ascertain the evolution of the average labour cost per worker per month, the average labour cost per hour actually worked, and by time worked and not worked. Since the third quarter of 2013, information on unmet labour demand is also obtained in the vacancies section. It is the main source of information for the development of the Harmonised Labour Cost Index (HLCI), which is one of the *euroindicators* of the Statistical Office of the European Union (Eurostat).

Type of operation: quarterly continuous survey.

Population scope: Social Security contribution accounts. General Scheme: Sections B to S of CNAE-09 and Special Scheme for Sea Workers: Sea Transport (Division 50 of CNAE-09).

Geographical scope: the entire national territory.

Reference period of the results: the calendar quarter.

Reference period of the information: the calendar month.

Sample size: 28,500 establishments, distributed in three monthly subsamples of 9,500 establishments

Type of sampling: stratified random sampling with optimal allocation. Comprehensive survey for establishments with more than 500 employees.

Collection method: questionnaire filled in directly by the establishment.

In addition to the original series, the series adjusted for calendar and seasonal effects are provided. The seasonal adjustment of these series is made according to the [INE Standard for adjusting seasonal and calendar effects in short-term series](#).

Definitions

Agreed hours: are those legally established by employer/employee agreement (including those agreed for vacations and holidays).

Non-worked hours: These are, of the total number of agreed hours, those not worked for any reason.

Effective hours: are the hours actually worked (hours worked minus hours not worked). They are obtained as the sum of the agreed hours plus overtime and/or complementary hours minus hours not worked, from which hours lost at the workplace are excluded.

Labour cost is the cost incurred by the employer for the use of the labour factor.

Wage cost: Includes base salary, salary complements, payments for overtime and/or additional hours, special bonuses, late payments and salary in kind.

Other Costs: include *Non-Wage Payments* and *Compulsory Social Security Contributions*.

All methodological details can be found in the link [QLCS complete 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 y 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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All press releases at: www.ine.es/en/prensa/prensa_en.htm

Press office: Telephone numbers: (+34) 91 583 93 63 /94 08 – gprensa@ine.es

Information Area: Telephone number: (+34) 91 583 91 00 – www.ine.es/infoine/?L=1
