

18 September 2018

Quarterly Labour Cost Survey (QLCS)
Second quarter of 2018

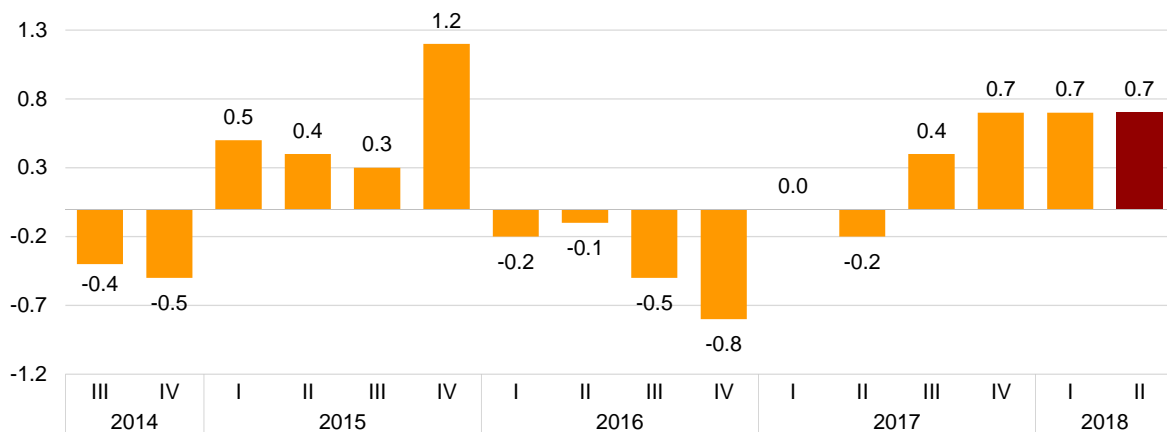
Main results

- The labour cost of companies stands at 2,602.01 euros per worker per month in the second 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 0.5%, standing at an average of 1,951.81 euros. On the other hand, other costs increase by 1.2%, standing at 650.20 euros per worker per month.
- During the second quarter of 2018, the average agreed working week, considering full-time and part-time together, is 34.3 hours. Of these, 3.4 hours per week are lost, of which 1.8 are due to vacations and holidays.
- The annual rate of the labour cost per hour actually worked decreased 1.9%, as a result of the higher number of hours worked. This is due to the fact that Easter took place this year in the first quarter, whereas in 2017 it was held in the second quarter.
- In a quarterly rate, and with data adjusted for seasonal and calendar effects, both the labour cost per worker and the cost per hour actually worked increased 0.2% as compared with the previous quarter.
- With calendar-adjusted results, the cost per hour actually worked increased by 0.9% and the labour cost per worker by 0.6%. With seasonally adjusted results, the labour cost per hour actually worked increased by 0.9%, while per worker increased by 0.7%.
- In the second quarter of 2018, the number of vacancies is 98,493. 87.2% were in the *Services* sector.

Labour cost by components

The labour cost increased by 0.7% in the annual rate in the second quarter of 2018 and stood at 2,602.01 euros per worker per month.

Total labour cost. Annual variation rate %



Of the total cost per worker per month incurred by an employer for the use of the labour factor, 1,951.81 euros corresponded to wages and 595.78 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 0.5% in the annual rate, going from 1,942.01 to 1,951.81 euros per worker per month. If the variable factor is excluded from wages (extraordinary and delayed payments), the ordinary wage cost is obtained, which varies by 1.1%.

Other costs (non-wage costs) increased by 1.2%. Their main component, compulsory Social Security contributions, increased by 0.9%. Within the variation in non-wage payments, it is worth noting the increase in direct social benefits and the decrease in other non-wage payments (end of contract payouts, compensatory payments, small tools, work clothes, personnel selection, etc.).

The labour cost per hour decreased 1.9%. This decrease, which contrasts with the increase in the cost per worker, was due to the 2.6% increase in the number of hours actually worked due to the effect of the Easter holidays. If this and the calendar effect are removed, the estimated hourly cost growth is 0.9%.

Labour cost per worker and month

	Euros	Tasa 1
Total labour cost	2,602.01	0.7
Wage cost	1,951.81	0.5
Other costs	650.20	1.2

Wage cost per worker and month

	Euros	Tasa 1
Total wage cost	1,951.81	0.5
Ordinary wage cost	1,646.51	1.1

¹ As compared to the same quarter of the previous year

Other costs per worker and month

	Euros	Tasa 1
TOTAL	650.20	1.2
Compulsory contributions	595.78	0.9
Non-wage payments	66.97	3.3
Subsidies and allowances ²	12.54	-1.5

Cost per hour

	Euros	Tasa 1
Cost per effective hour	19.29	-1.9
Cost per paid hour	17.41	0.8

²Subsidies are taken out of the other costs

Labour cost by economic sector

Industry registered the greatest increase in total labour cost. It also showed the largest increases in the main cost components.

Construction had the lowest increase in labour cost due to the decrease in other costs this quarter.

In *Services*, the total labour cost increased 0.7% in the annual rate. This sector recorded the lowest growth in total wage cost and the highest increase in ordinary wage cost.

Labour cost per worker and month in the second quarter 2018

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	2,602.01	0.7	1,951.81	0.5	1,646.51	1.1	650.20	1.2
Industry	3,134.89	0.9	2,341.44	1.0	1,925.72	1.1	793.45	0.9
Construction	2,720.81	0.3	1,958.95	0.8	1,613.23	0.2	761.86	-0.8
Services	2,496.92	0.7	1,880.83	0.4	1,598.47	1.2	616.09	1.4

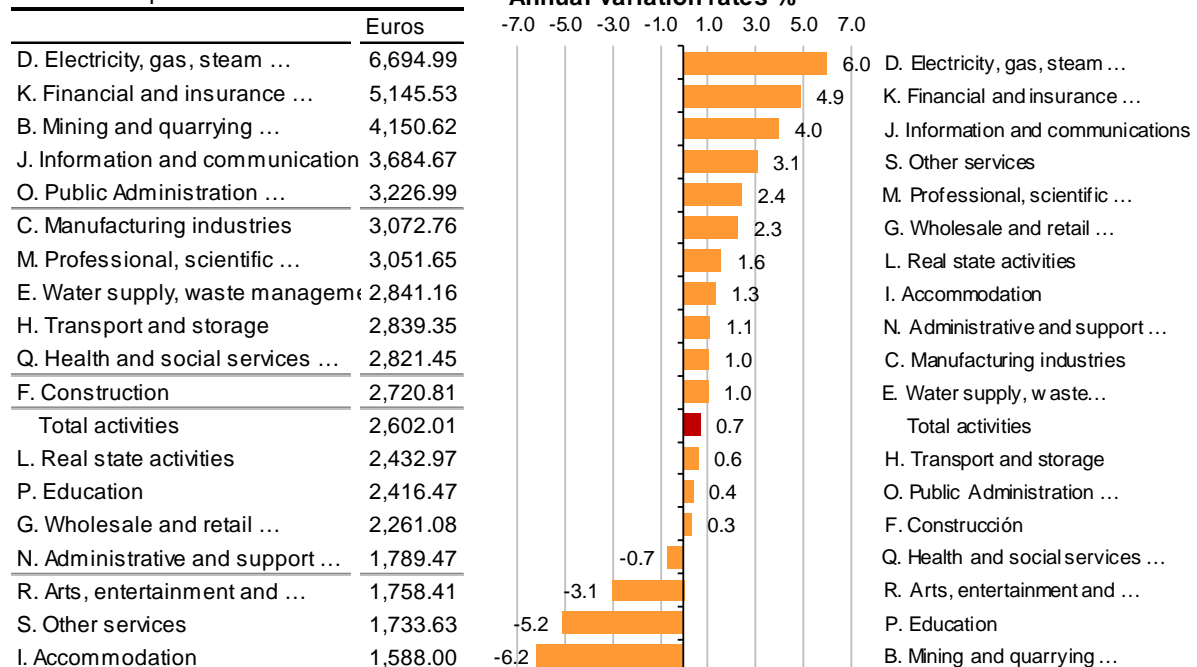
¹ As compared to the same quarter of the previous year

By activity section, labour cost growth was higher in *Electricity, gas, steam and air conditioning supply*, *Financial activities* and *Information and communications*.

On the other hand, *Mining and quarrying*, *Education* and *Artistic, recreational and entertainment activities* recorded the largest decreases.

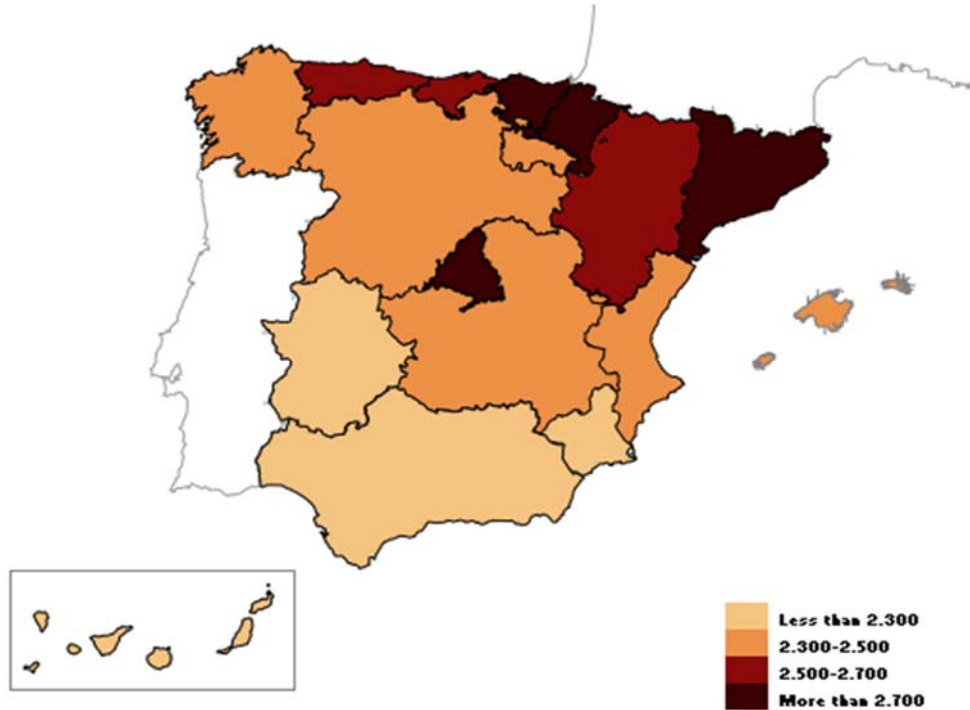
Labour cost by activity sector

Labour cost per worker and month



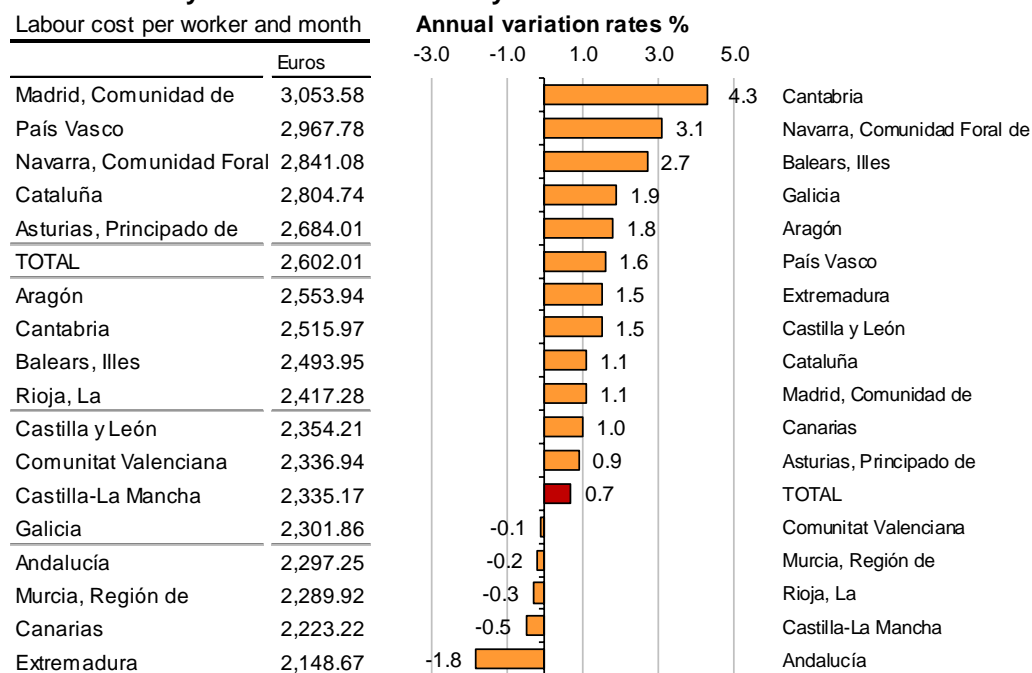
Labour cost by Autonomous Community

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.



With regard to the annual growth in costs, Cantabria, Comunidad Foral de Navarra and Illes Balears showed the highest variation rates. In turn, Andalucía, Castilla-La Mancha and La Rioja recorded the largest decreases.

Labour cost by Autonomous Community

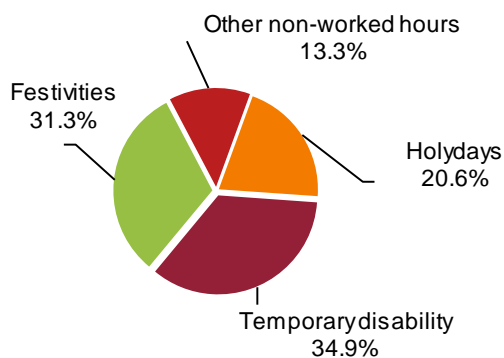


Working time

During the second quarter of 2018, the average agreed working week, considering full-time and part-time together, was 34.3 hours. Of these, an average of 3.4 hours were lost per week, most of which (1.8) were due to vacations and public holidays.

If we add overtime and subtract lost hours, the working week is reduced to 31.0 effective working hours.

Non-worked hours by reason



Distribution of the other non-worked hours

	Porcentaje
Maternity	5.8%
Compensated absences	3.0%
Overtime compensation	1.8%
Labour conflicts	1.7%
Hours lost at work	0.4%
Other hours not worked and not paid	0.3%
Hours lost at work due economical or technical r	0.1%
Other hours not worked but paid	0.1%

By type of working day, the wage difference between full-time and part-time workers was 4.89 euros per hour (15.19 euros/hour for full-time versus 10.30 euros/hour for part-time).

Regarding work time, full-time workers practically doubled the hours actually worked by part-time workers (35.0 weekly hours as compared with 18.6).

Weekly hours¹

	Effective hours	Hours lost
Total workers	31.0	3.4
Full time	35.0	4.0
Part time	18.6	1.8

Labour cost per hour

	Euros	Rate ²
Total workers	14.47	-2.1
Full time	15.19	-2.1
Part time	10.30	-1.0

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

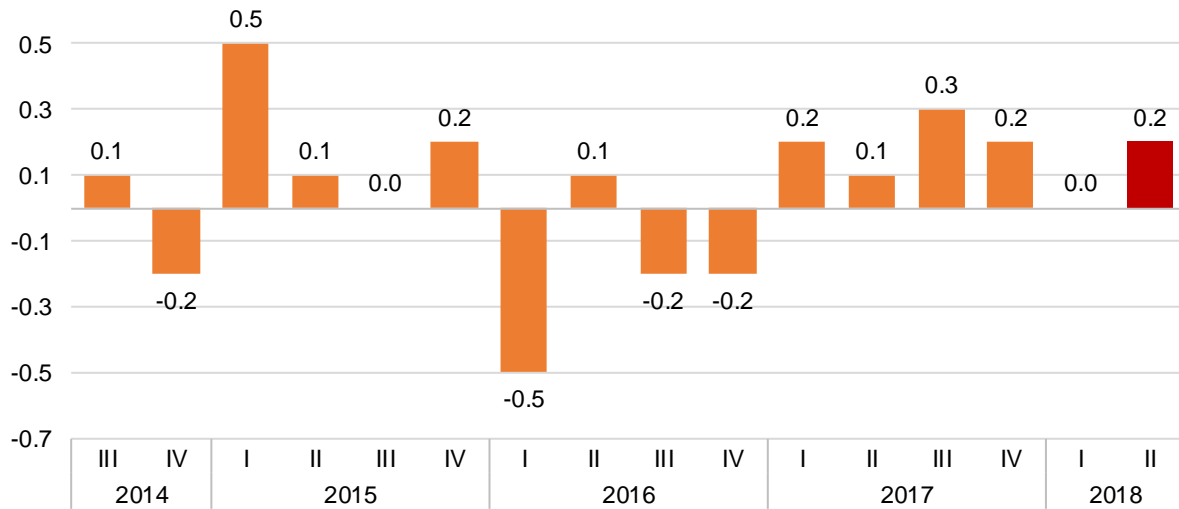
In order to contribute to the analysis and interpretation of the data, the main QLCS series are provided for the whole economy, adjusted for seasonal and calendar effects¹.

Between the second and the first quarter of 2018, the variation of the total labour cost per worker was 0.2%, after adjusting for seasonal and calendar effects.

¹ As of the first quarter of 2018 the JDemetra+ software is used to carry out the adjustment of seasonal and calendar effects.

Labour cost per worker. Adjusted for seasonal and calendar effects

Quarterly variation rate %

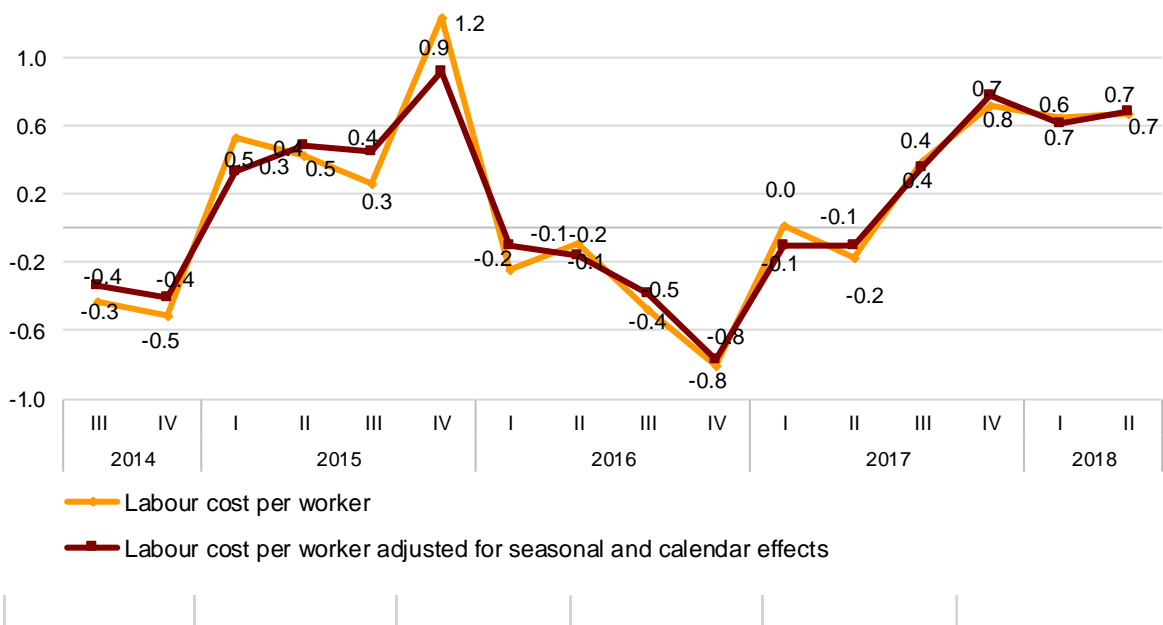


Annual evolution of labour cost

The labour cost per worker adjusted for seasonal and calendar effects showed an annual variation rate of 0.7%.

Evolution of the labour cost per worker

Annual variation rate %



Job vacancies

In the second quarter of 2018, the number of vacancies stands at 98,493. Of those, 87.2% 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 in the second quarter 2018

	Total vacancies	Percentage	Reasons why vacancies do not exist (percent distribution)			
			Total	No more workers	High hiring cost	Other
TOTAL	98,493	100.0	100.0	94.2	3.7	2.1
Industry	7,879	8.0	100.0	93.6	4.0	2.3
Construction	4,690	4.8	100.0	94.0	3.9	2.1
Services	85,924	87.2	100.0	94.3	3.6	2.1

Vacancies by Autonomous Community

The Autonomous Communities with the largest number of vacancies in the first quarter were Cataluña, Comunidad de Madrid and Andalucía. In turn, those with the least vacancies were La Rioja, Cantabria and Extremadura.

Considering the percentage distribution, Cataluña, Comunidad de Madrid and Andalucía concentrated more than 57% of the total vacancies this quarter.

Vacancies by Autonomous Community Percent distribution

Vacancies	Percent distribution
TOTAL	98,493
Cataluña	24,022
Madrid, Comunidad de	21,391
Andalucía	11,657
Comunitat Valenciana	10,288
País Vasco	5,099
Castilla y León	4,034
Galicia	3,538
Canarias	3,511
Navarra, Comunidad Foral de	3,279
Aragón	3,177
Castilla - La Mancha	2,850
Balears, Illes	1,682
Murcia, Región de	1,301
Asturias, Principado de	1,007
Extremadura	609
Cantabria	527
Rioja, La	524

Methodological note

The Quarterly Labour Cost Survey (QLCS) is a quarterly continuous statistical operation whose main objective is to know the evolution of the average labour cost per worker per month, the average labour cost per hour actually worked, and the time worked and not worked. As of the third quarter of 2013, information on unmet labour demand is also obtained in the vacancies section.

In addition, the QLCS It is the main source of information for the preparation of the Harmonised Labour Cost Index (HLCI), which is one of the *euroindicators* of the Statistical Office of the European Union (Eurostat).

The statistical unit of the QLCS is the Social Security Contribution Account. The population framework is the Directory of Social Security Contribution Accounts, updated as at 30 September of the year preceding the reference year.

The population scope comprises all Contribution Accounts included in the General Social Security Regime and whose economic activity is included in Sections B to S of the 2009 National Classification of Economic Activities (CNAE-09), and in the Special Regime for Seafarers and whose economic activity is maritime transport (division 50 of CNAE-09). Within each account, all salaried employees associated with the account are investigated on an aggregate basis.

The geographical scope covers the entire national territory, providing results by Autonomous Community.

The reference period of the results is the calendar quarter and the reference period of the information requested in the questionnaire is the calendar month.

The type of sampling used is a stratified random sample based on three variables: the Autonomous Community, the economic activity (division CNAE-09) and the size of the units (8 strata), which is defined by the number of workers. The sample is made up of some 28,000 units that are interviewed each quarter, distributed in three monthly subsamples.

In the results of the main cost components for the total economy, we provide, in addition to the original series, the series adjusted for seasonal and calendar effects. 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](#).

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. The cost has to be measured in net terms for the employer, that is, by deducting the different subsidies received. It is analysed from two perspectives:

- Labour cost per worker per month. It measures the cost incurred by the employer in employing a worker for one month.
- Labour cost per hour actually worked. It measures the cost incurred by the employer for one hour of effective work.

Wage cost: this comprises all economic payments made to workers, in cash or in kind, for the professional provision of labour services for others. 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*.

Ordinary wage cost: these are monthly wage payments. It is obtained as wage costs minus special bonuses and late payments.

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](#).

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