

11 September 2018

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

The quarterly variation of the cost per hour worked is 0.1%, after adjusting for seasonal and calendar effects

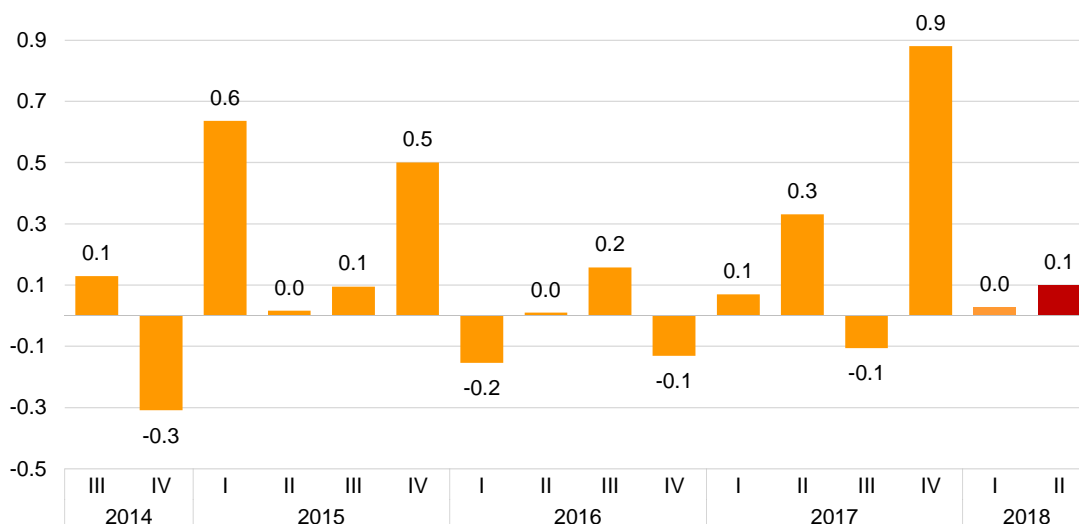
The cost per hour worked increases by 0.9% in the annual rate in the series adjusted for seasonal and calendar effects, and decreases by 2.0% in the original series

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 0.1% between the second quarter and first quarter of 2018, after adjusting for seasonal and calendar effects¹.

Labour Cost Index adjusted for seasonal and calendar effects

Quarterly rate %



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

Without taking into account the adjustment for seasonal and calendar effects, the quarterly rate was 2.5%, mainly due to the higher weight of the extraordinary payments and arrears in the second quarter of the year as compared to the first, as well as to the effect of Easter holidays.

By cost components, in data adjusted for seasonal and calendar effects, both *wage costs* as well as *other costs* showed variations of 0.1%.

Harmonised Labour Cost Index in the second quarter 2018.

Index and quarterly rates by cost components

	General Index		Index adjusted for seasonal and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	100.4	2.5	103.6	0.1
Wages	101.7	4.3	104.3	0.1
Other costs	96.7	-2.8	101.7	0.1
Labour costs excluding extraordinary and late payments	98.5	-1.2	103.3	0.2

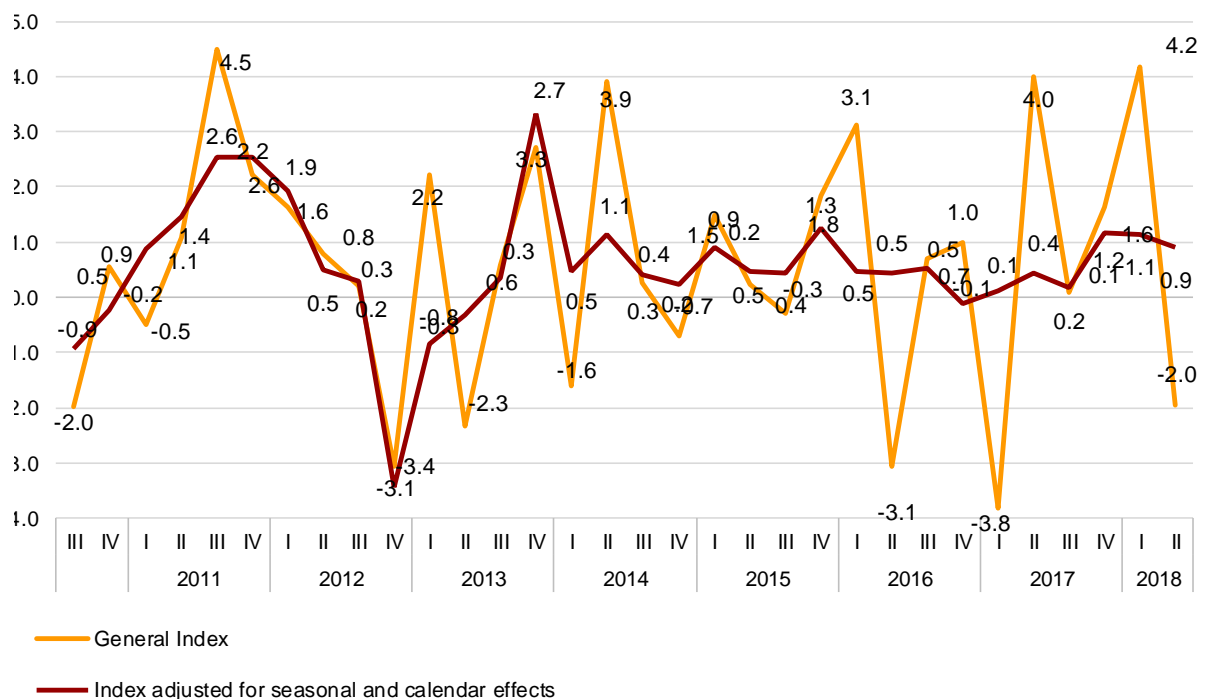
Annual variation of the Index

The cost per hour worked decreased by 2.0% in the second quarter of 2018, as compared to the same period of the previous year. This decrease was due to the higher number of hours worked, because Easter holidays took place this year for the most part in the first quarter, whereas in 2017 it was in the second quarter.

The annual variation of the cost per hour was 0.9%, 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 0.8% in adjusted data and other costs increased by 1.2%.

Harmonised Labour Cost Index in the second quarter 2018.

Index and annual rates by cost components

	General Index		Index adjusted for seasonal and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	100.4	-2.0	103.6	0.9
Wages	101.7	-2.1	104.3	0.8
Other costs	96.7	-1.5	101.7	1.2
Labour costs excluding extraordinary and late payments	98.5	-1.6	103.3	1.3

Results by activity sections

The activities with the greatest annual increases in the second quarter of 2018 were *Electricity, gas, steam and air conditioning supply* (3.3%), *Financial and insurance activities* (2.3%) and *Accommodation* (1.7%).

On the other hand, the greatest decreases were found in *Mining and quarrying* (-8.9%), *Education* (-7.6%) and *Human health and social work activities* (-3.9%).

Harmonised Labour Cost Index in the second 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 ²	Rate ¹	Index ²	Rate ¹	Index ²	Rate ¹
TOTAL	100.4	-2.0	102.2	0.7	103.6	0.9
B. Mining and quarrying industries	98.3	-8.9	100.6	-6.4	102.3	-5.3
C. Manufacturing industries	98.3	-2.4	100.2	0.6	102.9	0.5
D. Electricity, gas, steam and air conditioning supply	107.0	3.3	108.3	5.2	100.9	2.5
E. Water supply, waste management and remediation activities	102.5	-1.5	104.3	1.4	106.4	1.4
F. Construction	95.0	-2.6	96.5	0.0	95.6	0.2
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	98.9	-0.6	100.7	2.4	102.0	2.1
H. Transport and storage	100.2	-0.5	101.9	1.9	102.8	1.9
I. Accommodation	103.1	1.7	103.8	2.5	105.5	2.4
J. Information and communications	96.3	1.6	97.9	4.3	103.2	4.1
K. Financial and insurance activities	100.5	2.3	102.2	5.1	107.7	3.9
L. Real state activities	102.8	-1.4	104.4	0.7	106.6	1.7
M. Professional, scientific and technical activities	98.2	-1.8	99.8	0.5	105.9	0.8
N. Administrative and support services activities	100.1	-1.4	101.6	0.8	103.7	1.3
O. Public Administration and defence, compulsory Social Security	109.6	-3.5	111.1	-1.3	108.8	0.0
P. Education	94.8	-7.6	97.6	-3.3	98.9	-3.2
Q. Health and social services activities	102.0	-3.9	104.4	-0.6	103.7	-0.6
R. Arts, entertainment and recreation	100.2	-0.8	101.6	1.4	101.9	1.4
S. Other services	92.7	-1.3	94.2	1.1	97.0	1.2

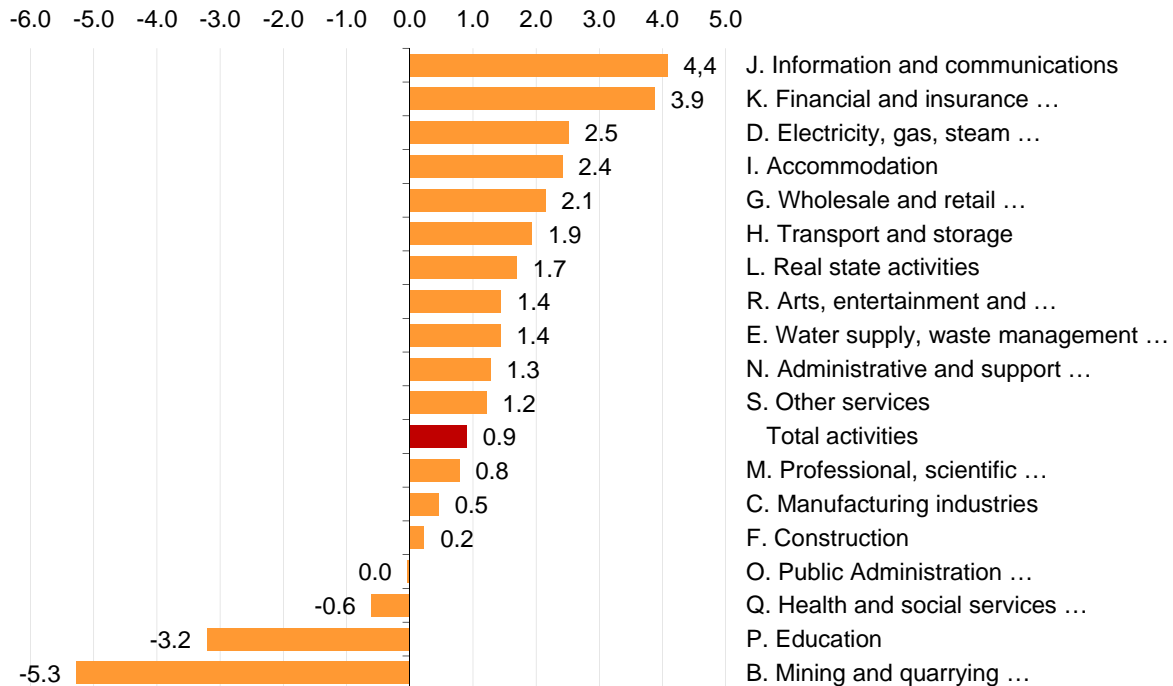
¹ As compared to the same quarter of the previous year

² Base year 2012

After adjusting for seasonal and calendar effects, the activities that presented the highest annual rates were *Information and communications* (4.1%), *Financial and insurance activities* (3.9%) and *Electricity, gas, steam and air conditioning supply* (2.5%).

In turn, *Mining and quarrying* (-5.3%), *Education* (-3.2) and *Human health and social work activities* (-0.6%) registered the lowest adjusted annual rates.

Index adjusted for seasonal and calendar effects. Activity sections NACE-09
Second quarter 2018. Annual rate %



Results by activity sections and cost components. Original series

The sections with the highest annual **wage cost** increases in the second quarter of 2018 were *Electricity, gas, steam and air conditioning supply* (4.6%), *Information and communications* (2.5%) and *Financial and insurance activities* (2.4%).

On the other hand, the greatest decreases were recorded in *Education* (-8.1%), *Mining and quarrying* (-5.4%) and *Real state activities* (-5.1%).

With regard to other costs, the sections with the greatest annual increases in the second quarter of 2018 were *Real estate activities* (11.5%), *Financial and insurance activities* (2.0%) and *Transport and storage* (1.9%).

The lowest rates were recorded in *Mining and quarrying* (-17.6%), *Education* (-5.6%) and *Construction* (-3.8%).

Harmonised Labour Cost Index in the second quarter 2018 by activity sections

Index by cost components

	Wages		Other costs		Labour costs excluding extraordinary and late payments	
	Index ²	Rate ¹	Index ²	Rate ¹	Index ²	Rate ¹
TOTAL	101.7	-2.1	96.7	-1.5	98.5	-1.6
B. Mining and quarrying industries	97.3	-5.4	101.4	-17.6	96.1	-9.4
C. Manufacturing industries	99.9	-2.5	93.8	-2.2	96.7	-2.2
D. Electricity, gas, steam and air conditioning supply	111.2	4.6	91.9	-2.0	95.0	0.6
E. Water supply, waste management and remediation activities	102.3	-2.2	103.0	0.2	101.4	-1.1
F. Construction	98.2	-2.1	87.7	-3.8	92.2	-2.8
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	99.8	-0.5	96.1	-0.7	98.7	-0.4
H. Transport and storage	99.1	-1.5	102.9	1.9	97.9	0.7
I. Accommodation	103.9	1.7	101.1	1.7	103.7	1.2
J. Information and communications	97.3	2.5	93.2	-1.0	98.7	1.1
K. Financial and insurance activities	99.7	2.4	103.3	2.0	103.2	1.9
L. Real state activities	100.9	-5.1	108.8	11.5	102.4	2.4
M. Professional, scientific and technical activities	100.2	-2.1	92.5	-0.8	99.6	-0.9
N. Administrative and support services activities	100.9	-1.3	97.9	-1.7	101.5	-1.4
O. Public Administration and defence, compulsory Social Security	112.7	-3.9	100.1	-2.3	105.4	-3.1
P. Education	96.1	-8.1	90.8	-5.6	89.7	-5.0
Q. Health and social services activities	102.3	-4.1	100.7	-3.0	93.2	-3.4
R. Arts, entertainment and recreation	104.2	-0.9	89.5	-0.5	99.1	0.7
S. Other services	93.3	-1.2	91.3	-1.7	93.8	-1.9

1 As compared to the same quarter of the previous year

2 Base year 2012

Update of the provisional index for the previous quarter

Coinciding with today's publication, the provisional data for the Harmonised Labour Cost Index for the first quarter of 2018 have been updated, with the final index standing at 98.0 points.

The quarterly variation of the original series for that quarter stood at -10.6%, while for the adjusted index it was 0.0%.

On the other hand, the annual rate of the original series of the HLCI for that quarter was 4.2% and that for the index adjusted for seasonal and calendar effects, 1.1%.

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

Methodological note

The Harmonised Labour Cost Index (HLCI) 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](#).

For further information see **INEbase**: www.ine.es/en/ Twitter: @es_ine

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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
