

10 September 2019

Harmonised Labour Cost Index (HLCI). Base 2016
Second quarter 2019. *Provisional data*

The quarterly variation of the cost per hour worked is 0.8%, after adjusting for seasonal and calendar effects

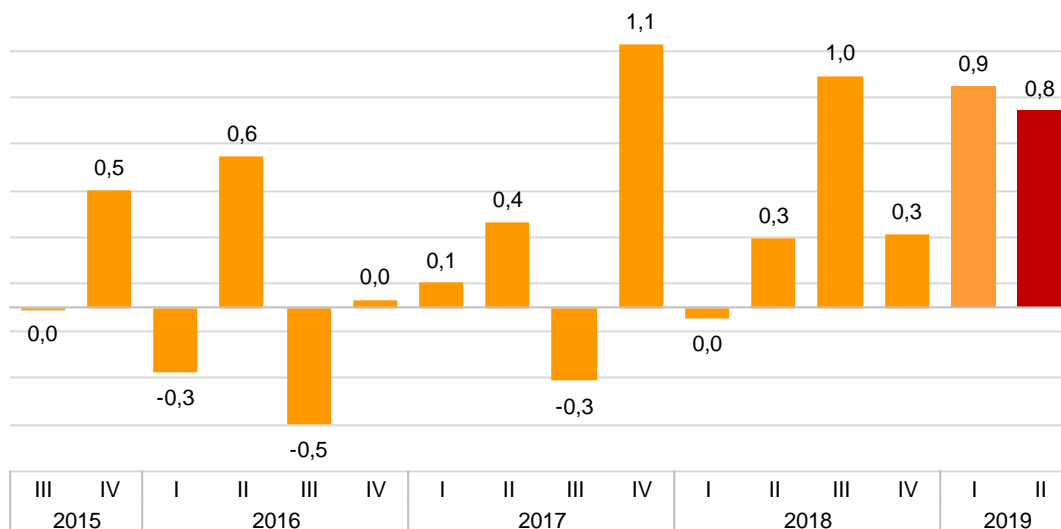
The cost per hour worked increased by 2.4% in the annual rate in the series adjusted for calendar and seasonal effects, and remains unchanged in the original series

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 0.8% between the second quarter and first quarter of 2019, after adjusting for seasonal and calendar effects.

Labour Cost Index adjusted for seasonal and calendar effects

Quarterly rate. Percentage



Without taking into account the adjustment for seasonal and calendar effects, the quarterly rate was 8.5%, 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, after adjusting for seasonal and calendar effects, the cost of wages rose by 0.7% and other costs by 1.3%.

Harmonised Labour Cost Index in the second quarter 2019

Index and quarterly rates by cost components

	General Index		Index adjusted for season and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	103,9	8,5	104,6	0,8
Wages	104,2	10,5	104,2	0,7
Other costs	103,1	2,9	105,9	1,3
Labour costs excluding extraordinary and late payment:	102,6	4,7	105,1	1,1

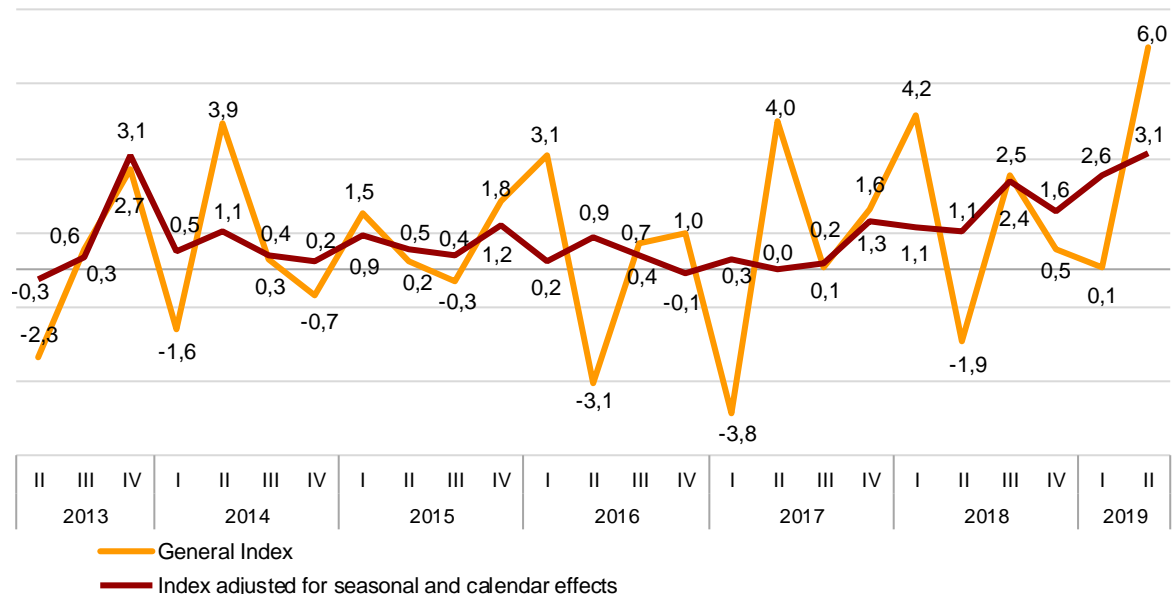
Annual variation of the Index

The cost per hour worked increased by 6.0% in the second quarter of 2019, as compared to the same period of the previous year. This was due to the lower number of hours worked, since this year Holy Week took place during the second quarter of the year, while in 2018 it took place in the first quarter.

The annual variation of the cost per hour was 3.1%, after adjusting for seasonal and calendar effects.

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

Annual rate. Percentage



By component, wage costs recorded an annual variation of 2.8% in adjusted data and other costs increased by 4.1%.

Harmonised Labour Cost Index in the second quarter 2019

Index and annual rates by cost components

	General Index		Index adjusted for season and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	103,9	6,0	104,6	3,1
Wages	104,2	5,7	104,2	2,8
Other costs	103,1	7,0	105,9	4,1
Labour costs excluding extraordinary and late payment	102,6	6,2	105,1	3,5

Results by activity sections

The sections that recorded the largest annual increases in the second quarter are *Arts, recreational and entertainment activities* (8.7%), *Real estate activities* (8.7%) and *Public administration and defence; compulsory social security* (8.6%).

Meanwhile, the smallest increases were registered in *Financial and insurance activities* (0.6%), *Hospitality* (2.4%) and *Supply of electricity, gas, steam and air conditioning* (3.4%).

Harmonised Labour Cost Index in the second quarter 2019 by activity sections

General index and index adjusted for seasonal and calendar effects

	General		Adjusted for calendar effects		Adjusted for season and calendar effects	
	Index ²	Rate ¹	Index ²	Rate ¹	Index ²	Rate ¹
TOTAL	103,9	6,0	103,2	3,2	104,6	3,1
B. Mining and quarrying industries	98,1	3,9	97,3	1,1	97,9	0,6
C. Manufacturing industries	101,8	5,2	100,9	2,2	103,6	2,1
D. Electricity, gas, steam and air conditioning supply	111,7	3,4	111,7	1,9	106,8	3,8
E. Water supply, waste management and remediation activities	102,9	5,4	101,8	2,5	103,8	2,4
F. Construction	102,9	4,3	101,8	1,3	100,7	1,1
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	106,6	6,3	105,8	3,5	107,4	3,5
H. Transport and storage	102,1	4,2	101,5	1,6	102,5	1,6
I. Accommodation	103,3	2,4	102,8	1,3	104,4	1,4
J. Information and communications	103,4	7,7	102,8	4,9	107,9	4,6
K. Financial and insurance activities	100,0	0,6	99,0	-2,6	105,2	-1,2
L. Real state activities	107,2	8,7	106,5	6,0	108,3	5,6
M. Professional, scientific and technical activities	99,5	6,0	99,0	3,6	104,2	3,2
N. Administrative and support services activities	102,7	4,7	102,5	2,7	104,1	2,2
O. Public Administration and defence, compulsory Social Security	108,6	8,6	107,3	5,3	105,9	5,5
P. Education	99,3	7,7	99,9	3,8	101,1	3,7
Q. Health and social services activities	106,0	8,2	105,4	5,1	104,6	5,0
R. Arts, entertainment and recreation	108,5	8,7	107,9	6,5	108,6	6,5
S. Other services	102,4	6,6	101,8	4,1	105,0	3,7

¹ As compared to the same quarter of the previous year

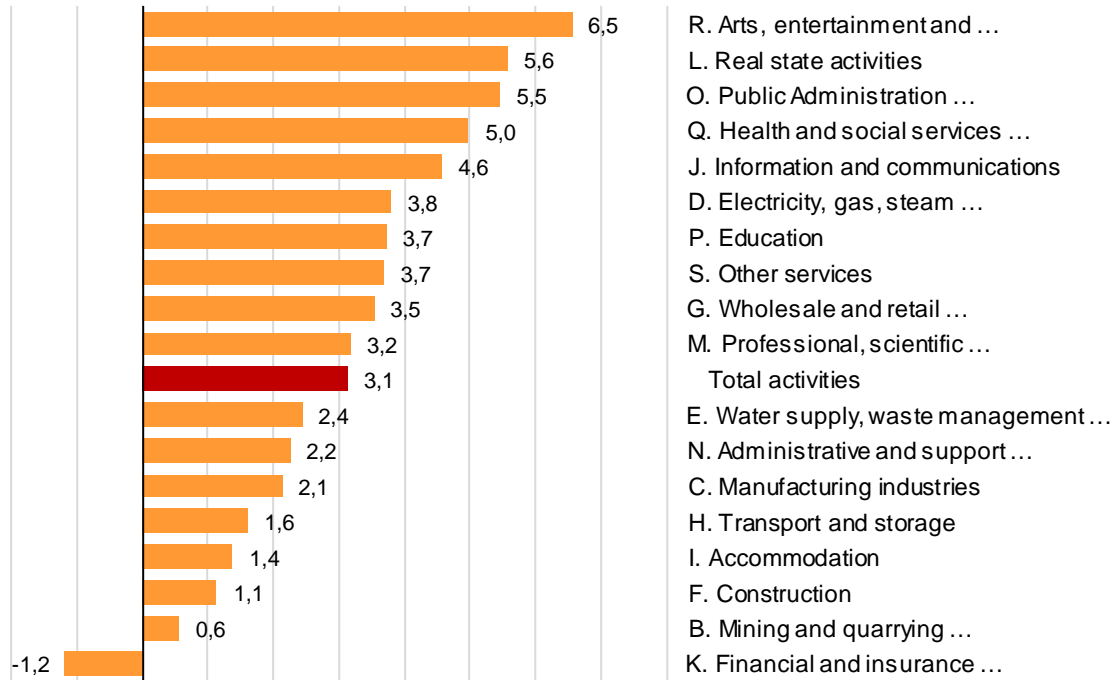
² Base year 2016

After adjusting for seasonal and calendar effects, the activities that presented the highest annual rates were *Arts, recreational and entertainment activities* (6.5%), *Real estate activities* (5.6%) and *Public administration and defence; compulsory social security* (5.5%).

On the other hand, *Financial and insurance activities* (-1.2%), *Extractive industries* (0.6) and *Construction* (1.1%) recorded the lowest corrected annual rates.

Index adjusted for seasonal and calendar effects. Activity sections

Second quarter 2019. Annual rate %



Results by activity sections and cost components. Original series

The sections that recorded the highest annual increases in *wage cost* during the second quarter of 2019 were *Real estate activities* (11.4%), *Arts, recreational and entertainment activities* (8.4%) and *Public administration and defence; compulsory social security* (8.1%).

Meanwhile, the lowest variations were recorded in *Financial and insurance activities* (1.3%), *Hospitality* (2.0%) and *Electricity, gas, steam and air conditioning supply* (3.0%).

Regarding *other costs*, the sections that present the greatest annual increases are *Information and communications* (11.1%), *Public administration and defence; compulsory social security* (10.3%) and *Education* (10.3%).

The lowest rates were recorded in *Financial and insurance activities* (-1.8%), *Extractive industries* (0.4%) and *Real estate activities* (0.7%).

Harmonised Labour Cost Index in the second quarter 2019 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	104,2	5,7	103,1	7,0	102,6	6,2
B. Mining and quarrying industries	99,8	5,1	93,3	0,4	93,2	4,1
C. Manufacturing industries	101,6	4,7	102,2	6,5	100,7	5,1
D. Electricity, gas, steam and air conditioning supply	114,6	2,5	100,9	7,4	102,7	7,2
E. Water supply, waste management and remediation activities	102,7	5,7	103,1	4,7	101,8	4,8
F. Construction	104,8	4,3	98,4	4,4	99,3	4,5
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	106,2	5,3	107,7	9,3	107,1	7,3
H. Transport and storage	101,6	4,7	103,6	2,9	101,0	3,7
I. Accommodation	103,3	2,0	103,3	3,7	104,5	4,0
J. Information and communications	102,3	6,6	107,0	11,1	104,7	6,8
K. Financial and insurance activities	102,1	1,3	93,4	-1,8	98,7	0,6
L. Real state activities	109,4	11,4	100,6	0,7	105,1	6,2
M. Professional, scientific and technical activities	99,3	6,1	100,2	5,8	102,5	5,6
N. Administrative and support services activities	102,7	5,1	102,8	3,7	103,3	5,1
O. Public Administration and defence, compulsory Social	109,4	8,1	106,0	10,3	106,6	8,6
P. Education	100,3	6,9	96,4	10,3	95,4	8,3
Q. Health and social services activities	106,3	7,6	105,0	10,2	99,7	8,5
R. Arts, entertainment and recreation	107,3	8,4	112,4	9,8	108,8	9,2
S. Other services	102,9	6,5	101,2	6,9	102,6	6,9

¹ As compared to the same quarter of the previous year

² Base year 2016

Revision and updating of data

Coinciding with today's publication, the HLCI provisional data for the first quarter of 2019 have been updated. The final index stands at 95.7 points.

The quarterly variation of the original series for that quarter was -11.0%, while that of the adjusted index was 0.9%. Meanwhile, the annual rate of the original series was 0.1% and that for the index adjusted for seasonal and calendar effects, 2.6%. The results are available at INEBase.

Methodological note

The Harmonised Labour Cost Index (HLCI) is a quarterly continuous statistical operation that aims to provide a common and comparable measure of labour cost per hour worked for the whole of the European Union, allowing the monitoring of the evolution of said labour costs.

Indices with base 2016 are provided for total labour costs, wages and salaries and other net costs of subsidies received for the use of labour factor (includes social contributions payable by employers and non-wage payments). The index for total labour cost is also provided excluding extraordinary payments and delayed payments.

Type of operation: Statistics presented mainly in the form of indices.

Base year: 2016.

Population scope: Employees in local units.

Sources of information: The Quarterly Labour Cost Survey which is conducted on the basis of the Social Security contribution accounts. General Scheme: Sections B to S of CNAE-09 and Special Scheme for Seafarers: Sea Transport (Division 50 of CNAE-09). In order to cover all employees of the general government, information from the DARETRI file is used.

Geographical scope: the entire national territory.

Reference period of the results: the calendar quarter.

Calculation method: Chained Laspeyres.

For more information you can access the methodology at:

https://www.ine.es/en/metodologia/t22/t2230211_en.htm

And the standardised methodological report at:

<https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30211>

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