

**Harmonised Labour Cost Index (HLCI)
Third quarter 2008.**

The cost per hour worked increases 6.0% in the third quarter of 2008 as compared with the same period of 2007

The increase stands at 5.7% after adjusting for calendar and seasonal effects

The cost per hour worked increased 6.0% in the third quarter of 2008 as compared with the same period of 2007, according to provisional data from the Harmonised Labour Cost Index (HLCI).

After adjusting for calendar and seasonal effects, the interannual rate registered a 5.7% increase.

National index

Total and by activity sections

	General index		Index adjusted for calendar and seasonal effects	
	Index	Rate ⁽¹⁾	Index	Rate ⁽¹⁾
TOTAL	149.4	6.0	144.4	5.7
C. Extractive industries	140.3	8.1	135.1	9.7
D. Manufacturing industry	154.7	5.9	144.5	5.6
E. Production and distribution of electrical energy, gas and water supply	138.2	2.9	141.0	3.8
F. Construction	154.6	7.2	152.5	7.0
G. Commerce and repairs	142.7	5.4	139.5	4.7
H. Accommodation	139.1	4.4	139.4	4.4
I. Transport, storage and communications	139.3	7.1	136.9	6.9
J. Financial intermediation	135.1	4.8	137.3	4.6
K. Real estate and rental activities; business services	159.9	6.8	154.0	6.4
M. Education	161.0	6.4	144.6	6.8
N. Health and veterinary activities, social services	152.8	4.9	147.7	4.8
O. Other social activities and services provided to the community; personal services	141.7	5.0	136.9	5.2

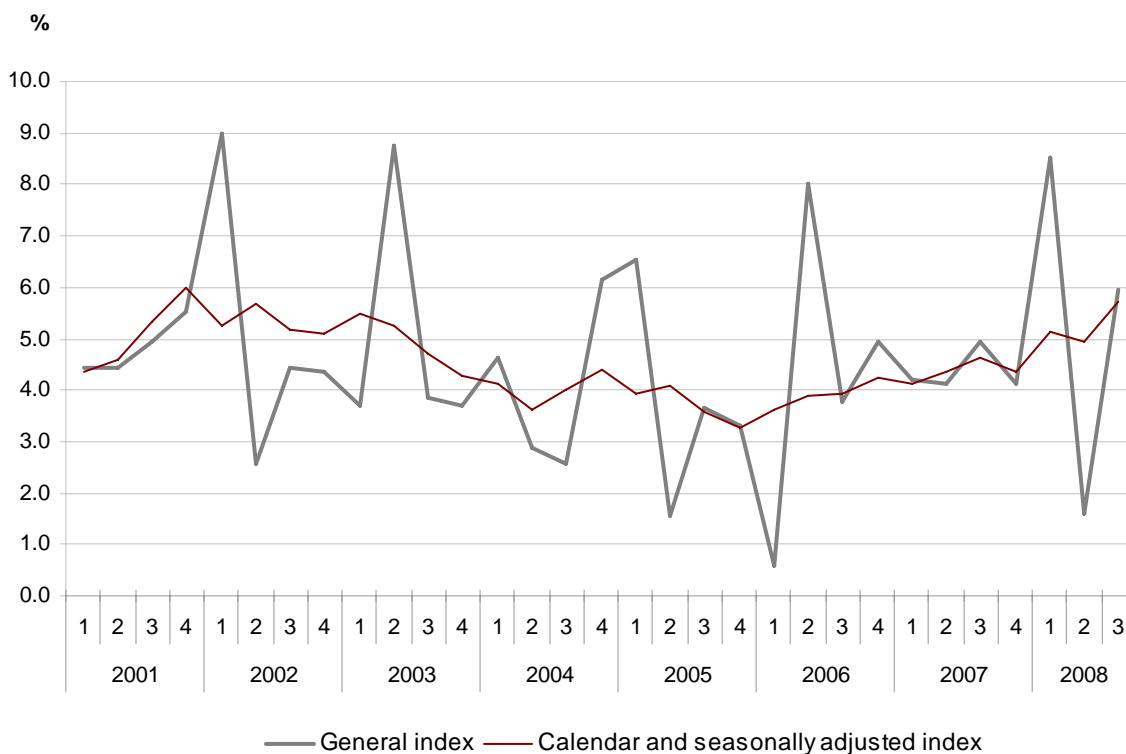
(1) Same quarter from the previous year

On the other hand, the provisional data from the Harmonised Labour Cost Index corresponding to the second quarter of 2008 were reviewed. The general index stood at 135.3, indicating a definitive interannual increase of 1.6% as compared with the same period from the previous year. Once adjusted for calendar and seasonal effects, the growth rate stood at 4.9%.

Data from the Harmonised Labour Cost Index (HLCI) is sent every quarter to the Statistical Office of the European Communities (Eurostat) for subsequent publication by this body, thus complying with the statistical requirement established in the action plan of the European Monetary Union.

Annual variations

General index, calendar and seasonally adjusted index



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Methodology Annex

The main objective of the Harmonised Labour Cost Index is to provide a common, comparable and timely measurement of the labour costs for all Member States of the European Union, which allows for a follow-up of the evolution of said labour costs.

The legal basis for the process of the harmonisation of the Labour Cost Index (HLCI) is European Parliament and Council Regulation 450/2003 of 27 February 2003, establishing a common framework for the compilation, transmission and assessment of comparable labour cost indices.

The Harmonised Labour Cost Index is a Laspeyres Index of the labour cost per hour worked, linked annually and based on a fixed structure of economic activity broken down by sections of the NCEA-93.

The source of information used to compile the HLCI are the provisional results drawn from the Quarterly Labour Cost Survey (QLCS). Said survey is used to obtain the cost per hour worked in the different sections of the NCEA-93 (NACE-Rev.1), and the yearly weightings required to calculate the Laspeyres Index. Calculations consider the year 2000 as the base period.

The publication is delayed 70 days after the reference quarter. The data for said reference period has a provisional nature until the following quarter, when it is revised and considered definite.

The formula employed to calculate the HLCI is:

$$HLCI_{tj} = \frac{\sum_i w_i^t h_i^j}{\sum_i w_i^j h_i^j} = \frac{\sum_i (w_i^t / w_i^j) w_i^j h_i^j}{\sum_i w_i^j h_i^j} = \frac{\sum_i (w_i^t / w_i^j) W_i^j}{\sum_i W_i^j}$$

in which,

w_i^t = labour costs per hour worked by the employees in economic activity i during period t

h_i^t = hours worked by the employees in economic activity i in period t

$W_i^j = w_i^j h_i^j$ = labour costs per hour worked by the employees in economic activity i during annual period j

With annual weightings being, $\frac{W_i^j}{\sum_i W_i^j}$

New classification of activities in the HLCI

Starting in the first quarter of 2009, the HLCI will be compiled according to the new classification on economic activities (NACE-2009).