

10 March 2020

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

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

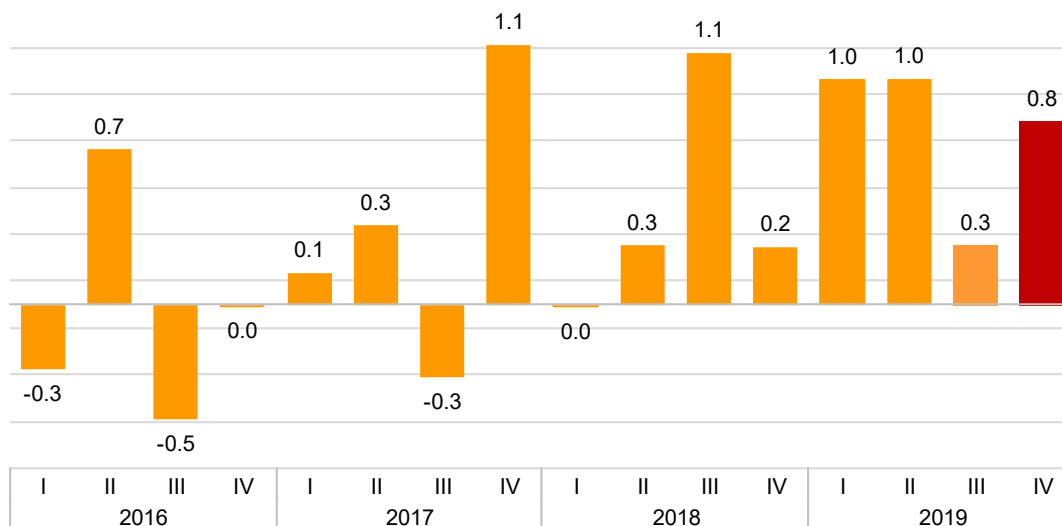
The cost per hour worked decreased 2.4% in the annual rate in the series adjusted for calendar and seasonal effects, and remained unchanged in the original series

Quarterly variation of the Index

The quarterly variation of the HLCI, which measures the labour cost per hour worked while maintaining the structure by activity branch constant, was 0.8% between the fourth and third quarters of 2019, after adjusting for seasonal and calendar effects.

Labour Cost Index adjusted for seasonal and calendar effects

Quarterly rate. Percentage



Excluding seasonal and calendar adjustment, the quarterly rate is 1.3%, mainly due to the higher weight of extraordinary payments in the fourth quarter of 2019 compared to the previous quarter.

By cost component, in seasonally and calendar adjusted data, wage costs showed a positive variation of 0.7%, while other costs rose 1.0%.

Harmonised Labour Cost Index in the fourth 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	109.9	1.3	105.9	0.8
Wages	111.0	3.9	105.3	0.7
Other costs	106.6	-5.9	107.6	1.0
Labour costs excluding extraordinary and late payment:	106.2	-5.4	106.2	0.7

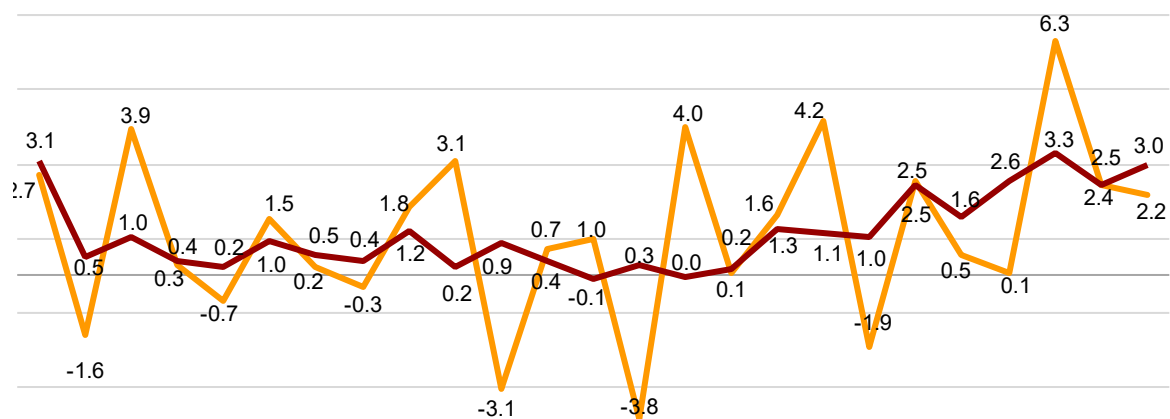
Annual variation of the Index

The cost per hour worked increased by 2.2% in the fourth quarter of 2019, as compared with the same period of the previous year.

The annual variation of the cost per hour was 3.0%, after adjusting for seasonal and calendar effects.

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

Annual rate. Percentage



Year	Quarter	General Index (%)	Index adjusted for seasonal and calendar effects (%)
2013	IV	2.7	3.1
2014	I	-1.6	0.5
2014	II	3.9	1.0
2014	III	0.3	0.4
2014	IV	-0.7	0.2
2015	I	1.5	1.0
2015	II	0.2	0.5
2015	III	-0.3	0.4
2015	IV	1.8	1.2
2016	I	3.1	0.2
2016	II	-3.1	0.9
2016	III	0.7	0.4
2016	IV	1.0	-0.1
2017	I	-3.8	0.3
2017	II	4.0	0.0
2017	III	0.2	0.1
2017	IV	1.6	0.2
2018	I	4.2	1.3
2018	II	1.1	1.0
2018	III	-1.9	2.5
2018	IV	0.5	1.6
2019	I	0.1	2.6
2019	II	6.3	3.3
2019	III	2.4	2.5
2019	IV	2.2	3.0

— General Index — Index adjusted for seasonal and calendar effects

By cost component, wage costs recorded an annual variation of 2.5% in adjusted data and other costs increased by 4.4%.

Harmonised Labour Cost Index in the fourth 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	109.9	2.2	105.9	3.0
Wages	111.0	1.6	105.3	2.5
Other costs	106.6	3.8	107.6	4.4
Labour costs excluding extraordinary and late payment:	106.2	2.3	106.2	3.0

Results by activity sections

The sections with the highest annual increases in the fourth quarter of 2019 were *Real estate activities* (5.9%), *Water supply, sanitation activities, waste management and decontamination* (4.8%) and *Other services* (4.3%).

In turn, those registering the lowest variations were *Electricity, gas, steam and air conditioning supply* (-0.2%) *Extractive industries* (0.2%), and the *Manufacturing industry* (0.8%).

Harmonised Labour Cost Index in the fourth 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	109.9	2.2	110.4	2.9	105.9	3.0
B. Mining and quarrying industries	96.0	0.2	96.9	1.9	99.0	2.5
C. Manufacturing industries	108.8	0.8	109.4	1.6	104.3	1.9
D. Electricity, gas, steam and air conditioning supply	105.2	-0.2	105.5	0.2	107.0	0.8
E. Water supply, waste management and remediation activities	113.5	4.8	114.3	5.7	107.3	5.5
F. Construction	110.6	1.7	111.1	2.5	103.1	2.2
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	110.6	1.0	111.1	1.7	107.1	2.0
H. Transport and storage	109.6	2.9	110.1	3.4	106.2	3.3
I. Accommodation	111.8	2.2	111.9	2.7	106.0	2.9
J. Information and communications	110.9	2.1	111.2	2.8	107.7	2.8
K. Financial and insurance activities	104.2	1.8	104.5	2.3	107.5	2.2
L. Real state activities	112.7	5.9	113.1	6.4	112.1	6.6
M. Professional, scientific and technical activities	108.5	2.8	108.6	3.2	105.5	3.5
N. Administrative and support services activities	108.7	2.4	109.1	3.0	106.0	3.2
O. Public Administration and defence, compulsory Social Security	116.6	2.7	116.2	3.0	106.5	3.5
P. Education	99.7	2.6	101.2	3.6	102.8	3.6
Q. Health and social services activities	109.2	3.3	110.5	4.9	106.2	5.0
R. Arts, entertainment and recreation	117.3	1.0	117.7	1.5	110.0	1.6
S. Other services	111.3	4.3	111.7	4.7	107.7	4.4

¹ As compared to the same quarter of the previous year

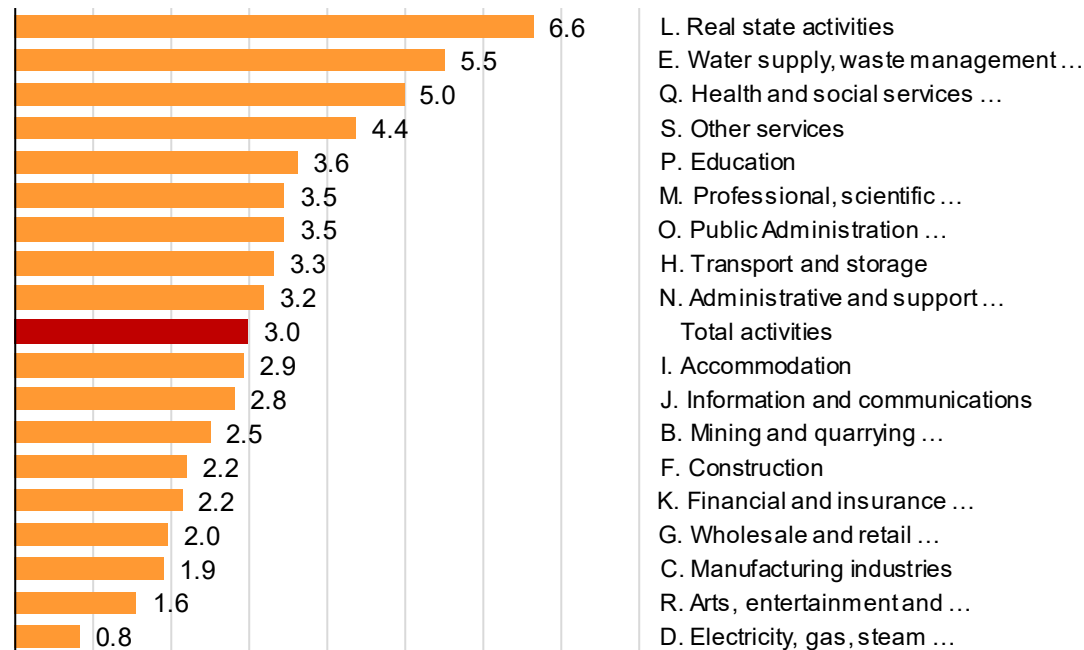
² Base year 2016

If seasonal and calendar effects are eliminated, the activities with the highest annual rates were *Real estate activities* (6.6%) , *Water supply, sanitation activities, waste management and decontamination* (5.5%) and *Health and social work activities* (5.0%).

In contrast, *Electricity, gas, steam and air conditioning supply* (0.8%), *Arts, entertainment and recreation* (1.6%), and the *Manufacturing industry* (1.9%) registered the lowest adjusted annual rates .

Index adjusted for seasonal and calendar effects. Activity sections

Fourth quarter 2019. Annual rate. Percentage



Results by activity sections and cost components. Original series

The sections with the highest annual increases of *wage costs* in the fourth quarter of 2019 were *Real estate activities* (8.9%), *Water supply, sanitation activities, waste management and decontamination* (5.0%) and *Other services* (3.9%).

Conversely, the lowest variations were found in *Financial and insurance activities* (-1.0%), the *Manufacturing industry* (0.2%) and *Extractive industries* (0.3%).

In regard to *other costs*, the sections with the highest increases were *Financial and insurance activities* (11.5%), *Education* (6.6%) and *Health and social work activities* (5.5%) .

On the other hand, *Artistic, recreational and entertainment activities* (-5.4%), *Electricity, gas, steam and air conditioning supply* (-4.7%) and *Real estate activities* (-3.0%) had the lowest rates.

Harmonised Labour Cost Index in the fourth 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	111.0	1.6	106.6	3.8	106.2	2.3
B. Mining and quarrying industries	96.5	0.3	94.7	0.1	95.0	-0.8
C. Manufacturing industries	109.6	0.2	106.6	2.8	104.6	1.5
D. Electricity, gas, steam and air conditioning supply	104.8	1.2	106.3	-4.7	105.7	-0.7
E. Water supply, waste management and remediation activities	115.0	5.0	109.7	4.2	107.8	3.0
F. Construction	113.7	1.6	103.0	1.9	103.6	1.2
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	112.1	0.7	106.0	1.8	106.9	0.9
H. Transport and storage	109.4	2.4	110.3	3.9	106.1	3.1
I. Accommodation	113.0	1.6	108.6	4.1	108.2	3.0
J. Information and communications	112.6	1.2	105.5	5.0	108.2	2.0
K. Financial and insurance activities	103.2	-1.0	107.1	11.5	105.2	2.3
L. Real state activities	115.7	8.9	103.8	-3.0	109.6	3.9
M. Professional, scientific and technical activities	110.2	2.6	103.0	3.6	105.8	2.9
N. Administrative and support services activities	110.0	2.6	105.3	1.9	105.8	2.3
O. Public Administration and defence, compulsory Social Security	117.8	2.0	112.5	5.0	114.5	2.8
P. Education	101.0	1.4	95.9	6.6	96.5	3.7
Q. Health and social services activities	109.4	2.7	108.5	5.5	102.4	3.1
R. Arts, entertainment and recreation	117.8	3.1	116.0	-5.4	113.6	2.8
S. Other services	113.3	3.9	105.9	5.4	106.2	3.6

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 of the third quarter of 2019 have been updated. The final index stands at 108.5 points.

The quarterly variation of the original series for that quarter stood at 4.1%, while that of the adjusted index was 0.3%. On the other hand, the annual rate of the original series was 2.4% and that for the index adjusted for seasonal and calendar effects, 2.5%. The results are available at INEBase.

Methodological note

The Harmonised Labour Cost Index (HLCI) is a quarterly continuous statistical operation whose objective is 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 costs net 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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