

10 December 2020

## Harmonised Labour Cost Index (HLCI). Base 2016

Third quarter 2020. *Provisional data*

**The quarterly variation of the cost per hour worked is -4.3%, after adjusting for seasonal and calendar effects**

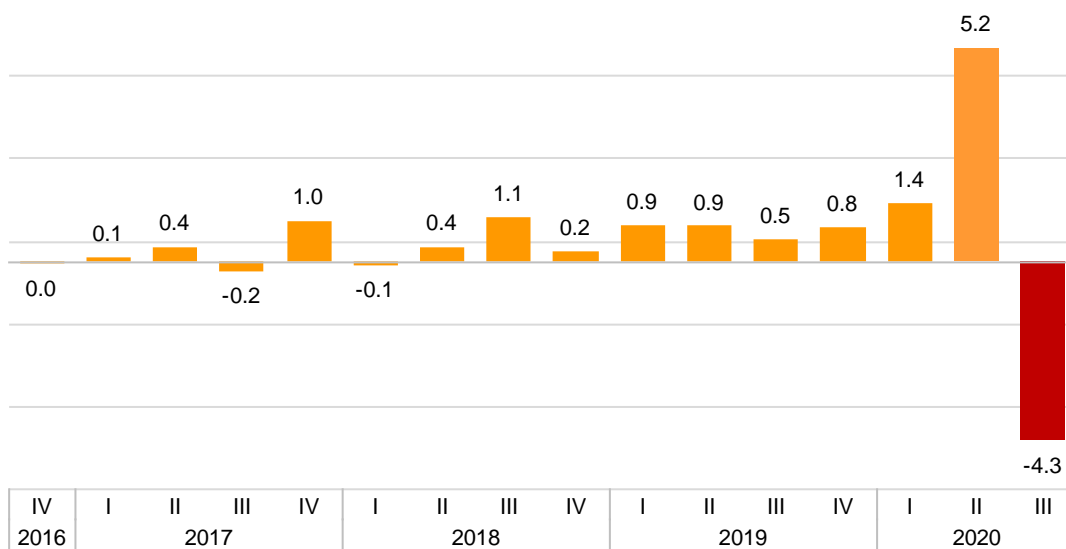
**The cost per hour worked increases 2.9% in the annual rate in the series adjusted for calendar and seasonal effects, and 2.5% in the original series**

### Quarterly variation of the Index

The quarterly variation of the HLCI—which measures the labour cost per hour worked maintaining the structure by branches of activity—between the third quarter and the second quarter of 2020, after adjusting for seasonal and calendar effects, was -4.3%.

#### Labour Cost Index adjusted for seasonal and calendar effects

Quarterly rate. Percentage



By cost components, after adjusting for seasonal and calendar effects, the cost of wages fell by 2.5% and other costs decreased by 9.2%.

## Harmonised Labour Cost Index in the third quarter 2020

Index and quarterly rates by cost components

	General Index		Index adjusted for seasonal and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	111.1	-1.4	108.3	-4.3
Wages	109.3	-1.4	107.7	-2.5
Other costs	116.5	-1.3	110.1	-9.2
Labour costs excluding extraordinary and late payment:	115.1	4.2	108.5	-4.2

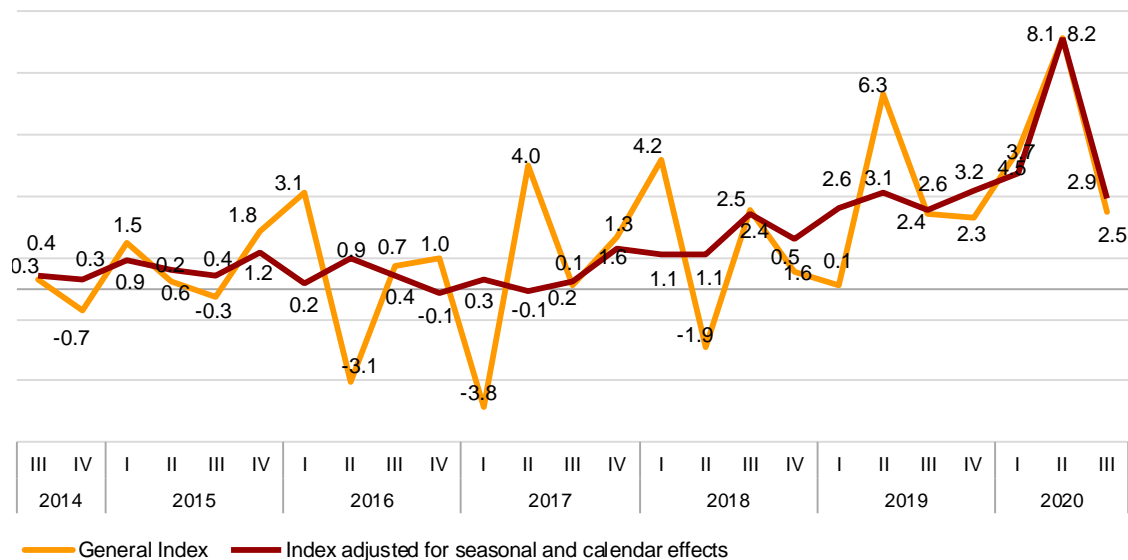
## Annual variation of the Index

The cost per hour worked increased by 2.5% in the third quarter of 2020, as compared with the same period of the previous year. This growth was lower than last quarter due to a lesser decrease in the hours worked as a result of the end of the state of alarm on June 21 according to Royal Decree 555/2020. In fact, the number of hours worked grew compared to the previous quarter despite being a typical holiday period. For more information, see the section 'Influence of COVID-19 on ICLA results' on page 5 of this press release.

The annual variation of the cost per hour was 2.9%, after adjusting for seasonal and calendar effects.

## Variation of the general index and index adjusted for seasonal and calendar effect:

Annual rate. Percentage



By cost component, wage costs recorded an annual variation of 2.8% in adjusted data and other costs increased by 3.2%.

## Harmonised Labour Cost Index in the third quarter 2020

Index and annual rates by cost components

	General Index		Index adjusted for season and calendar effects	
	Index	Rate	Index	Rate
Total labour cost	111.1	2.5	108.3	2.9
Wages	109.3	2.3	107.7	2.8
Other costs	116.5	2.8	110.1	3.2
Labour costs excluding extraordinary and late payment:	115.1	2.5	108.5	2.9

## Results by activity sections

The sections that registered the highest annual increases in the third quarter of 2020 were Artistic, recreational and entertainment activities (11.6%), Other services (10.8%) and Real estate activities (9.7%).

In turn, Hospitality (–4.0%), Financial and insurance activities (–1.7%) and *Construction* (–0.4%) had the greatest decreases.

## Harmonised Labour Cost Index in the third quarter 2020 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 <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>
TOTAL	111.1	2.5	111.5	2.7	108.3	2.9
B. Mining and quarrying industries	105.3	8.7	105.3	8.8	107.6	8.3
C. Manufacturing industries	111.4	0.8	111.8	1.3	105.5	1.3
D. Electricity, gas, steam and air conditioning supply	102.9	3.0	103.1	3.0	109.4	3.0
E. Water supply, waste management and remediation activities	110.1	3.8	110.3	4.2	109.4	4.3
F. Construction	101.9	-0.4	102.1	-0.1	102.7	0.2
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	109.8	1.5	110.0	1.8	109.4	1.9
H. Transport and storage	106.6	3.6	107.3	4.1	106.4	4.1
I. Accommodation	102.0	-4.0	102.3	-3.7	102.5	-3.8
J. Information and communications	114.1	1.1	114.5	1.3	109.1	1.9
K. Financial and insurance activities	110.5	-1.7	111.0	-1.2	106.5	-0.1
L. Real state activities	124.2	9.7	124.6	10.0	123.1	10.8
M. Professional, scientific and technical activities	117.7	4.3	118.0	4.5	110.8	5.2
N. Administrative and support services activities	110.9	3.2	111.3	3.3	109.1	3.5
O. Public Administration and defence, compulsory Social Security	112.3	6.6	112.5	7.0	112.8	6.7
P. Education	117.7	3.1	119.5	3.3	106.5	3.9
Q. Health and social services activities	111.6	2.7	112.0	2.7	107.6	3.0
R. Arts, entertainment and recreation	118.8	11.6	118.9	11.7	122.9	12.3
S. Other services	123.4	10.8	123.8	11.1	118.7	11.4

<sup>1</sup> As compared to the same quarter of the previous year

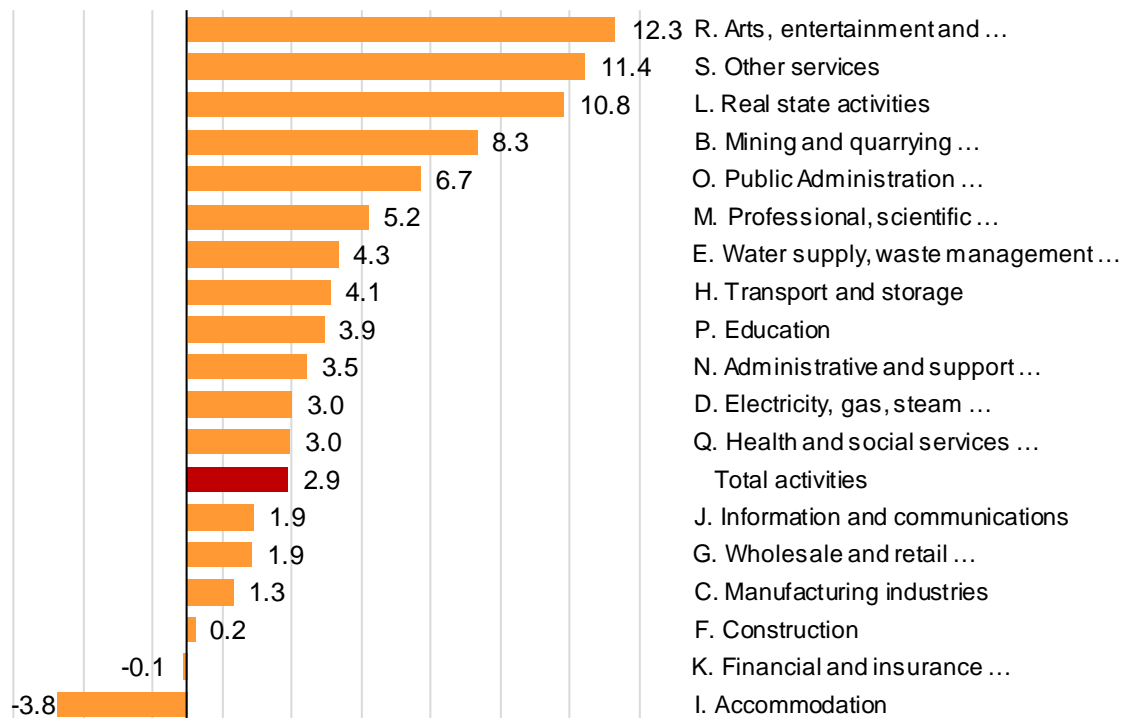
<sup>2</sup> Base year 2016

After adjusting for seasonal and calendar effects, the activities that presented the highest annual rates were *Artistic, recreational and entertainment activities* (12.3%), *Other services activities* (11.4%) and *Real estate activities* (10.8%).

In turn, *Hospitality* (−3.8%), *Financial and insurance activities* (−0.1) and *Construction* (0.2%) registered the lowest corrected annual rates.

## Index adjusted for seasonal and calendar effects. Activity sections

Third quarter 2020. Annual rate. Percentaje



## Results by activity sections and cost components. Original series

The sections that registered the largest annual increases in *salary cost* in the third quarter of 2020 were *Artistic, recreational and entertainment activities* (14.1%), *Other services* (8.3%) and *Real estate activities* (8.3%).

Meanwhile, the lowest variations occurred in *Hospitality* (−3.9%), *Financial and insurance activities* (−0.6%) and *Construction* (0.1%).

With regard to *other costs*, the sections registering the highest annual increases in the third quarter of 2020 were *Mining and quarrying* (25.6%), *Other services* (17.9%) and *Real estate activities* (13.8%).

The greatest decreases were in *Financial and insurance activities* (−4.6%), *Hospitality* (−4.5%) and *Construction* (−1.4%).

## Harmonised Labour Cost Index in the third quarter 2020 by activity sections

Index by cost components

	Wages		Other costs		Labour costs excluding extraordinary and late payments	
	Index <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>	Index <sup>2</sup>	Rate <sup>1</sup>
TOTAL	109.3	2.3	116.5	2.8	115.1	2.5
B. Mining and quarrying industries	97.9	2.4	126.1	25.6	113.0	12.1
C. Manufacturing industries	109.0	0.2	118.3	2.7	115.3	0.9
D. Electricity, gas, steam and air conditioning supply	99.5	2.4	115.0	4.7	112.9	2.2
E. Water supply, waste management and remediation activities	107.9	4.0	115.8	3.4	114.2	2.3
F. Construction	100.9	0.1	104.4	-1.4	106.9	0.2
G. Wholesale and retail trade, repair of motor vehicles and motorcycles	109.1	1.9	111.8	0.4	113.0	1.4
H. Transport and storage	103.1	2.2	115.6	6.8	111.4	4.6
I. Accommodation	102.0	-3.9	101.8	-4.5	104.0	-3.5
J. Information and communications	114.6	1.9	112.5	-1.1	116.7	1.1
K. Financial and insurance activities	107.6	-0.6	119.7	-4.6	121.6	-1.2
L. Real state activities	121.6	8.3	132.0	13.8	129.0	8.6
M. Professional, scientific and technical activities	116.8	3.4	120.7	7.4	120.3	4.3
N. Administrative and support services activities	110.1	2.8	112.9	4.3	113.0	3.6
O. Public Administration and defence, compulsory Social Security	108.8	6.7	123.7	6.1	116.5	6.5
P. Education	116.8	3.4	120.5	2.1	123.0	2.8
Q. Health and social services activities	108.2	2.1	123.2	4.4	115.3	2.3
R. Arts, entertainment and recreation	118.5	14.1	119.8	4.5	117.7	5.8
S. Other services	120.7	8.3	131.0	17.9	126.1	11.8

<sup>1</sup> As compared to the same quarter of the previous year

<sup>2</sup> Base year 2016

## Influence of COVID-19 on HLCI results

The evolution of the different activity sections reflects the impact of the unusual situation resulting from the pandemic and the measures put in place to contain it. Royal Decree-Law 24/2020, of June 26, on social measures to reactivate employment and protection of self-employment and competitiveness in the industrial sector, extends the Temporary Workforce Reduction Scheme (ERTE) until September 30.

The Hotel and Catering Industry continues to be the activity section most affected by the situation, despite the de-escalation that began this quarter. The decrease in labour costs was higher than the number of hours worked this quarter, resulting in a 3.9% wage decrease compared to the third quarter of the previous year.

The sections that for the most part include activities considered essential, such as Electricity, gas, steam and air conditioning supply, Water supply, sewerage, waste management and remediation activities, Information and communications, Financial and insurance activities, Public Administration, Education, and Health have not been overly affected by the current situation.

The rest of the sections include combinations of economic activities that show differing levels of impact. Artistic, recreational and entertainment activities and *Other services* are among the most affected, while *Manufacturing*, *Construction*, *professional, scientific and technical activities* and *Artistic, recreational and entertainment activities* had greater dynamism during this quarter, recovering a certain normality of work.

### **Revision and updating of data**

Coinciding with today's publication, HLCI provisional data for the second quarter of 2020 have been updated. The final index stands at 112.7 points.

The quarterly variation of the original series for that quarter stood at 12.6%, while that of the adjusted index was 5.2%. On the other hand, the annual rate of the original series was 8.1% and that for the index adjusted for seasonal and calendar effects, 8.2%. 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](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>

INE statistics are produced in accordance with the Code of Good Practice for European Statistics, which is the basis for the institution's quality policy and strategy. For more information, see the section on [Quality in the INE and Code of Good Practices](#) on the INE's website.

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