

Informations *Rapides*

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■ Labor cost index in industry, construction and services– 1st quarter of 2014

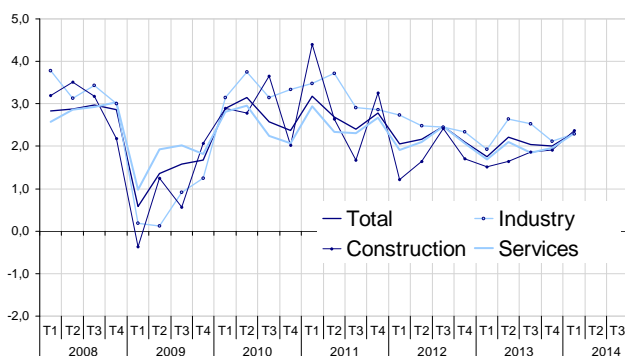
Warning: Since the Q1 2013, the tax credit for encouraging competitiveness and jobs (CICE) was included in the calculation of the labor cost index as a subsidy received by the employer. The rate of the CICE has increased from 4 % to 6 % from the 1st January of 2014. In Q4 2013, for business economy (excluding agriculture), the year-on-year changes of the labor cost index – total labor cost (+0.4%) is 1.8 points lower than what it would have been without CICE (+2.2%). The LCI – wages & salaries is not impacted.

In Q1 2014, the labor cost index-wages and salaries increased by 0.5% while the labor cost index-total labor cost decreased by 0.5%

• The labor cost index - wages & salaries increased by 0.5%

In the first quarter of 2014, the **labor cost index (LCI) - wages & salaries** for the business economy slowed down very slightly (+0.5% after +0.6%) in seasonally adjusted data. In year-on-year changes, the **LCI - wages & salaries** increased by 2.3% after +2.0% in the previous quarter. Work hours slightly decreased (-0.1% in year-on-year changes).

LCI - wages & salaries : Year-on-year changes



Sources : Acoess, Dares, Insee

Wages increased by 0.5% in industry

Wages increased by 0.5% in industry after +0.4%. In particular, they recovered in the water supply sector (+0.4% after -0.2%). As was the case in the previous quarter, they increased by 0.5 % in the manufacturing sector. In year-on-year changes, wages increased very slightly in industry (+2.3% after +2.1%).

Wages slowed down in services and construction

Wages increased by 0.4% in services after +0.6% in the fourth quarter. Particularly, they slowed down sharply in real estate (+0.3% after +1.7%). In year-on-year changes, wages increased by 2.3% in services. In construction, they slowed down in the first quarter of 2014 (+0.3% after +0.6%).

LCI - wages & salaries

SA - base 100 in 2008

	Quarterly changes (%)		Annual changes (%)	
	Q4-13	Q1-14	Q4-13	Q1-14
Industry	0.4	0.5	2.1	2.3
Mining and quarrying	0.2	1.5	1.7	2.7
Manufacturing	0.5	0.5	2.3	2.5
Electricity, gas, steam and air conditioning supply	0.3	0.6	0.4	-0.1
Water supply; sewerage, waste management and remediation activities	-0.2	0.4	0.9	1.2
Services	0.6	0.4	2.0	2.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.5	0.5	1.8	2.2
Transportation and storage	0.6	0.0	1.9	1.3
Accommodation and food service activities	-0.1	0.5	1.5	2.1
Information and communication	0.3	0.2	1.9	1.9
Financial and insurance activities	0.4	1.4	1.2	3.7
Real estate activities	1.7	0.3	2.6	2.5
Professional, scientific and technical activities	0.7	0.7	1.8	2.4
Administrative and support service activities	1.3	-0.2	3.2	2.6
Construction	0.6	0.3	1.9	2.4
TOTAL	0.6	0.5	2.0	2.3

Sources : Acoess, Dares, Insee

Small upward revision

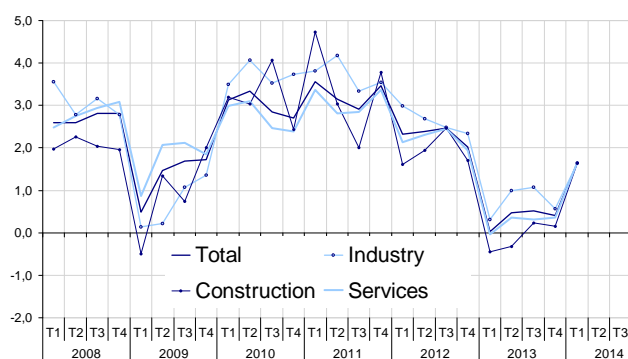
The evolution of wages during the fourth quarter of 2013 is revised upwards by 0.1 point in quarterly variation but remained unchanged in annual variation.

• The labor cost index - total labor cost decreased by 0.5%

Since the 1st January of 2014, the tax credit rate for encouraging competitiveness and jobs (CICE), included in the calculation of the LCI-total labor cost as a subsidy received by the employer, has been raised from 4% to 6%. In the first quarter of 2014, the **labor cost index (LCI) - total labor cost** for the business economy slowed down by 0.5% in seasonally adjusted date, after +0.6% in the fourth quarter.

In year-on-year changes, the **LCI - total labor cost** sharply sped up in the first quarter (+1.7%). It slowed down between the first quarter of 2012 and 2013 because of the implementation of the CICE (at 4%) on 1st January, 2013. This quarter, the year-on-year changes is calculated with the rise of the rate of the CICE at 6% on 1st January, 2014. Without this effect, the **LCI - total labor cost** would have increased by 2.6% in year-on-year changes.

LCI - total labor cost : Year-on-year changes



Sources : Acoess, Dares, Insee

No revision of the index of the fourth quarter 2013

The evolution of the **labor cost index (LCI) – total labor cost** in the fourth quarter of 2013 is not revised. Moreover, the **LCI - total labor cost** has been revised between 2000 and 2008 consecutively to an improvement in the methodology (for more information about this change see the frame “Learn more”).

LCI - total labor cost

SA - base 100 in 2008

	Quarterly changes (%)		Annual changes (%)	
	Q4-13	Q1-14	Q4-13	Q1-14
Industry	0.5	-0.4	0.6	1.6
Mining and quarrying	0.3	0.5	-0.5	1.8
Manufacturing	0.5	-0.5	0.6	1.8
Electricity, gas, steam and air conditioning supply	0.3	0.1	-0.6	-0.5
Water supply; sewerage, waste management and remediation activities	0.1	-0.8	-0.8	0.4
Services	0.7	-0.5	0.4	1.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.7	-0.8	0.0	1.5
Transportation and storage	0.8	-1.2	0.1	0.3
Accommodation and food service activities	-0.2	-0.9	-0.9	1.1
Information and communication	0.3	-0.4	0.9	1.4
Financial and insurance activities	0.5	0.9	0.3	3.4
Real estate activities	2.1	-0.9	1.1	2.0
Professional, scientific and technical activities	0.7	0.1	0.7	1.9
Administrative and support service activities	1.2	-1.3	0.9	1.7
Construction	0.7	-0.8	0.1	1.6
TOTAL	0.6	-0.5	0.4	1.7

Sources : Acoess, Dares, Insee


LCI - total labor cost without CICE

SA - base 100 in 2008

	Quarterly changes (%)		Annual changes (%)	
	Q4-13	Q1-14	Q4-13	Q1-14
Industry	0.5	0.5	2.3	2.5
Mining and quarrying	0.3	1.5	1.5	2.8
Manufacturing	0.5	0.4	2.4	2.7
Electricity, gas, steam and air conditioning supply	0.3	0.7	0.5	0.1
Water supply; sewerage, waste management and remediation activities	0.1	0.2	1.2	1.4
Services	0.7	0.4	2.1	2.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.7	0.3	2.1	2.5
Transportation and storage	0.8	-0.2	2.2	1.4
Accommodation and food service activities	-0.2	0.5	1.8	2.5
Information and communication	0.3	0.2	1.9	2.0
Financial and insurance activities	0.5	1.3	1.2	3.9
Real estate activities	2.1	0.0	2.9	2.9
Professional, scientific and technical activities	0.7	0.7	1.9	2.6
Administrative and support service activities	1.2	0.0	3.3	2.9
Construction	0.7	0.3	2.4	2.8
TOTAL	0.6	0.4	2.2	2.6

Sources : Acoess, Dares, Insee

Learn more :

- Supplementary data (methodology, long run series...) are available on the HTML web page of the labor cost index: <http://www.insee.fr/fr/themes/indicateur.asp?id=101>
- A file explaining the methodological changes made in the first quarter 2014 is available on the web page : <http://www.insee.fr/fr/indicateurs/ind101/20140616/note-modification-methodo.pdf>
- Historical data are available on the BDM : [G1161](#), [G1158](#)
- Press contact: bureau-de-presse@insee.fr
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