

# Informations *Rapides*

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## ■ Labor cost index in industry, construction and services– 2<sup>nd</sup> quarter of 2014

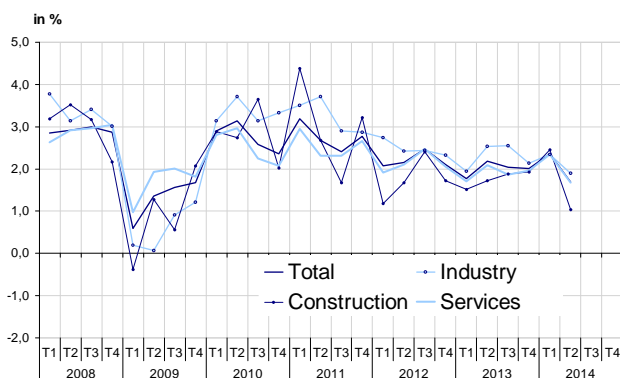
*Warning: Since the Q1 2013, the tax credit for encouraging competitiveness and jobs (CICE) was included in the calculation of the labor cost index as a subsidy received by the employer. The rate of the CICE has increased from 4 % to 6 % from the 1<sup>st</sup> January of 2014. In Q2 2014, for business economy (excluding agriculture), the year-on-year changes of the labor cost index – total labor cost (+1.0%) is 0.9 points lower than what it would have been without CICE (+1.9%). The CICE has no impact on Q2 2014 quarterly variation nor on LCI – wages & salaries.*

## In Q2 2014, the labor cost index - wages and salaries increased by 0.2% and the labor cost index - total labor cost increased by 0.3%

### • The labor cost index - wages & salaries increased by 0.2%

In the second quarter of 2014, the **labor cost index (LCI) - wages & salaries** for the business economy slowed down (+0.2% after +0.5%) in seasonally adjusted data. In year-on-year changes, the **LCI - wages & salaries** increased by 1.7% after +2.4%. Work hours are constants in year-on-year changes.

#### LCI - wages and salaries: Year-on-year changes



Sources : Acoess, Dares, Insee

### Wages increased by 0.6% in industrial activities

As in the 1<sup>st</sup> quarter, wages increased by 0.6% in industrial activities, driven by manufacturing industry. In electricity and gas, wages rised (+2.5% after 0.9%). On the contrary, wages decreased in mining and quarrying industry (-1.6% after +1.8%).

In year-on-year changes, wages in industrial activities slowed down slightly (+1.9% after +2.3%).

### Wages slowed down in services and decreased in construction

Wages increased by 0.2% in services after +0.5% in the first quarter of 2014. Wages decreased in administrative and support services (-0.3% after -0.1%) and slowed down in accommodation and food service activities (+0.7% after +1.1%). In year-on-year changes, wages raised by 1.7% in services (after 2.3%). In construction, wages decreased (-0.7% after +0.3%). In year-on-year changes, wages slowed down by 1.0% after 2.5%.

#### LCI - wages & salaries

SA - base 100 in 2008

	Quarterly changes (%)		Annual changes (%)	
	Q1-14	Q2-14	Q1-14	Q2-14
<b>Industrial activities</b>	<b>0.6</b>	<b>0.6</b>	<b>2.3</b>	<b>1.9</b>
Mining and quarrying	1.8	-1.6	2.8	1.2
Manufacturing	0.6	0.5	2.6	2.0
Electricity, gas, steam and air conditioning supply	0.9	2.5	0.0	1.0
Water supply; sewerage, waste management and remediation activities	0.3	0.2	1.0	0.6
<b>Services</b>	<b>0.5</b>	<b>0.2</b>	<b>2.3</b>	<b>1.7</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.5	0.5	2.1	1.7
Transportation and storage	0.0	0.4	1.3	1.4
Accommodation and food service activities	1.1	0.7	2.6	2.6
Information and communication	0.4	0.6	1.9	2.2
Financial and insurance activities	1.5	-0.6	4.0	1.7
Real estate activities	0.3	0.8	2.6	2.8
Professional, scientific and technical activities	0.8	0.1	2.5	1.8
Administrative and support service activities	-0.1	-0.3	2.6	0.7
<b>Construction</b>	<b>0.3</b>	<b>-0.7</b>	<b>2.5</b>	<b>1.0</b>
<b>TOTAL</b>	<b>0.5</b>	<b>0.2</b>	<b>2.4</b>	<b>1.7</b>

Sources: Acoess, Dares, Insee

### Small upward revision

The evolution of wages and salaries during the first quarter of 2014 is revised by +0.1 point in year-on-year changes.

## LCI - total labor cost

SA - base 100 in 2008

	Quarterly changes (%)		Annual changes (%)	
	Q1-14	Q2-14	Q1-14	Q2-14
<b>Industrial activities</b>	<b>-0.3</b>	<b>0.7</b>	<b>1.7</b>	<b>1.2</b>
Mining and quarrying	0.8	-1.6	1.9	0.5
Manufacturing	-0.4	0.5	1.9	1.3
Electricity, gas, steam and air conditioning supply	0.4	2.5	-0.4	0.6
Water supply; sewerage, waste management and remediation activities	-0.9	0.2	0.2	-0.2
<b>Services</b>	<b>-0.5</b>	<b>0.3</b>	<b>1.6</b>	<b>1.0</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	-0.9	0.6	1.3	0.9
Transportation and storage	-1.2	0.5	0.3	0.4
Accommodation and food service activities	-0.4	0.9	1.5	1.5
Information and communication	-0.2	0.6	1.5	1.8
Financial and insurance activities	1.1	-0.6	3.7	1.3
Real estate activities	-1.0	0.9	2.0	2.2
Professional, scientific and technical activities	0.1	0.1	2.0	1.4
Administrative and support service activities	-1.2	-0.3	1.7	-0.4
<b>Construction</b>	<b>-0.8</b>	<b>-0.6</b>	<b>1.6</b>	<b>0.3</b>
<b>TOTAL</b>	<b>-0.4</b>	<b>0.3</b>	<b>1.7</b>	<b>1.0</b>

Sources: Acoiss, Dares, Insee

## LCI - total labor cost (without CICE)

SA - base 100 in 2008

	Quarterly changes (%)		Annual changes (%)	
	Q1-14	Q2-14	Q1-14	Q2-14
<b>Industrial activities</b>	<b>0.6</b>	<b>0.7</b>	<b>2.6</b>	<b>2.1</b>
Mining and quarrying	1.8	-1.6	2.9	1.5
Manufacturing	0.5	0.5	2.8	2.2
Electricity, gas, steam and air conditioning supply	0.9	2.5	0.1	1.1
Water supply; sewerage, waste management and remediation activities	0.1	0.2	1.2	0.8
<b>Services</b>	<b>0.4</b>	<b>0.3</b>	<b>2.6</b>	<b>1.9</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.1	0.6	2.4	2.0
Transportation and storage	-0.1	0.5	1.4	1.5
Accommodation and food service activities	1.0	0.9	2.9	2.9
Information and communication	0.4	0.6	2.1	2.4
Financial and insurance activities	1.5	-0.6	4.1	1.8
Real estate activities	-0.1	0.9	2.9	3.1
Professional, scientific and technical activities	0.8	0.1	2.6	2.0
Administrative and support service activities	0.0	-0.3	2.9	0.8
<b>Construction</b>	<b>0.3</b>	<b>-0.6</b>	<b>2.8</b>	<b>1.4</b>
<b>TOTAL</b>	<b>0.5</b>	<b>0.3</b>	<b>2.6</b>	<b>1.9</b>

Sources: Acoiss, Dares, Insee

## The labor cost index - total labor cost increased by 0.3%

In the second quarter of 2014, the **labor cost index (LCI) - total labor cost** for the business economy increased by 0.3% in seasonally adjusted data, after a decrease of 0.4% in the first quarter.

In year-on-year changes, the LCI - total labor cost slowed down in the second quarter (+1.0% after +1.7%). Without the tax credit for encouraging competitiveness and jobs (CICE), the LCI - total labor cost would have also slowed down (+1.9% after +2.6% in year-on-year changes).

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



Sources : Acoiss, Dares, Insee

### Upward revision of Q1 2014 LCI – total labor cost

The change of **labor cost index (LCI) – total labor cost** in the first quarter of 2014 is revised upward by 0.1 point in quarterly variations. Year-on-year figures do not change.

### Learn more :

- Supplementary data (methodology, long run series, etc.) are available on the web page of the labor cost index: <http://www.insee.fr/fr/themes/indicateur.asp?id=101>
- The LCI – total labor cost was revised on the past between 2000 and 2008 after methodological changes. 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](mailto:bureau-de-presse@insee.fr)
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