

Informations *Rapides*

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■ Labour cost index in industry, construction and services – 1st quarter of 2017

Warnings:

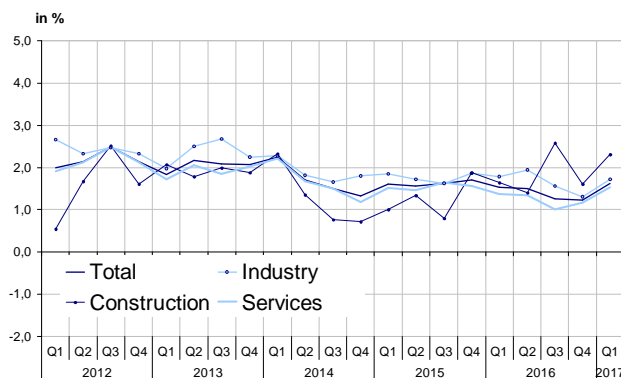
- Since 1st January 2017, the rate of the tax credit for encouraging competitiveness and jobs (CICE) in metropolitan France has increased from 6% to 7%. The rate remains at 9% in the overseas departments.
- The hiring premium measure has been extended to hirings until 30th June 2017.

In Q1 2017, the labour cost index - wages and salaries increased by 0.7% and the labour cost index - total labour cost increased by 0.4%

• The labour cost index - wages and salaries increased by 0.7%

In the first quarter of 2017, the **labour cost index (LCI) - wages and salaries** in the non-agricultural market sector accelerated: +0.7% quarter on quarter after +0.4% in Q4 2016, in seasonally adjusted data. Year on year, it rose by +1.6%, a larger increase than in the fourth quarter (+1.2%). The average working time increased slightly (+0.1% y-o-y) as in the fourth quarter.

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



Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

Wages accelerated in industrial activities and in services

In Q1 2017, wages in industrial activities picked up in comparison to the previous quarter (+0.8% after +0.4% in Q4 2016). Year on year, the rise was stronger too: +1.7% after 1.3% in the fourth quarter.

In services, wages accelerated, over a quarter (+0.7% after +0.4%) as over a year (+1.5% after +1.2%). In comparison to the previous quarter, wages increased particularly faster in Information-communication and in administrative and support service activities. However,

they slowed down in accommodation and food services and in trade.

Wages accelerated even more sharply in construction

In construction, wages returned to a faster growth quarter on quarter (+1.0% after +0.3%) as year on year (+2.3% after +1.6%).

LCI - wages & salaries

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q4-2016	Q1-2017	Q4-2016	Q1-2017
Industry	0.4	0.8	1.3	1.7
Mining and quarrying	0.6	0.5	2.0	2.3
Manufacturing	0.4	0.7	1.1	1.5
Electricity, gas, steam and air conditioning supply	0.8	1.9	3.1	4.8
Water supply; sewerage, waste management and remediation activities	0.3	0.4	1.5	1.8
Services	0.4	0.7	1.2	1.5
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.6	0.4	1.5	1.6
Transportation and storage	0.0	0.1	1.0	0.7
Accommodation and food service activities	0.8	0.3	1.0	0.6
Information and communication	-0.1	1.9	1.4	3.0
Financial and insurance activities	0.9	0.9	1.8	1.9
Real estate activities	1.3	1.8	3.3	4.4
Professional, scientific and technical activities	0.3	1.4	1.2	2.2
Administrative and support service activities	0.3	0.2	0.7	1.0
Construction	0.3	1.0	1.6	2.3
TOTAL	0.4	0.7	1.2	1.6

Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

Slight downward revision of LCI - wages and salaries for Q4 2016

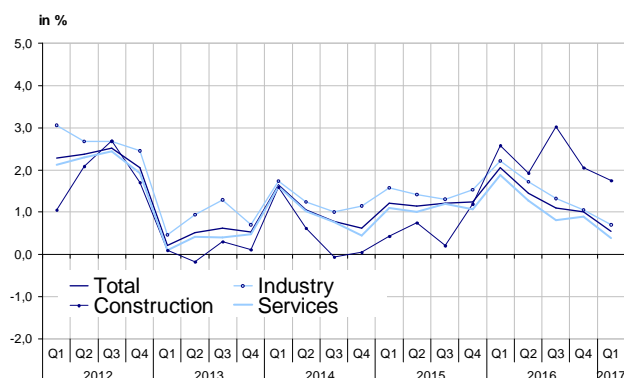
The variation in LCI - wages and salaries in the fourth quarter of 2016 in the non-agricultural market sector excluding services to households has been revised downwards by 0.1 percentage points year on year. It had not been revised quarter on quarter.

• The labour cost index - total labour cost increased by 0.4%

In the first quarter of 2017, the **labour cost index (LCI) - total labour cost** in the non-agricultural market sector rose at a slightly faster pace in comparison to the previous quarter: +0.4%, after +0.3% (seasonally adjusted data).

However, year on year, the **LCI - total labour cost** slowed (+0.5% after +1.0%). Indeed, the rate of the tax credit for encouraging competitiveness and jobs (CICE) has increased in metropolitan France to 7% of the wage bill less than 2.5 minimum wage, instead of 6% in 2016. Moreover, other measures aimed at reducing labour costs, have been extended, like the hiring premium measure, and also contributed to slow the LCI-total labour cost. Without the 1-point increase in the CICE rate for metropolitan France, the growth would have been virtually twice as important, year on year as quarter on quarter, in the non-agricultural market sector.

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



Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

Slight downward revision of LCI – total labour cost for Q4 2016

The variation in LCI – total labour cost in the fourth quarter of 2016 in the non-agricultural market sector has been revised downwards by 0.1 percentage points year on year. It had not been revised quarter on quarter.

LCI - total labor cost

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q4-2016	Q1-2017	Q4-2016	Q1-2017
Industry	0.4	0.4	1.0	0.7
Mining and quarrying	0.9	0.1	2.7	1.7
Manufacturing	0.3	0.3	0.9	0.4
Electricity, gas, steam and air conditioning supply	0.8	1.7	2.9	4.0
Water supply; sewerage, waste management and remediation activities	0.3	0.1	1.0	0.7
Services	0.3	0.4	0.9	0.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.5	-0.1	1.4	0.2
Transportation and storage	-0.1	-0.4	0.6	-0.4
Accommodation and food service activities	0.7	0.0	0.9	-0.6
Information and communication	-0.1	1.7	1.1	2.0
Financial and insurance activities	0.8	0.8	1.5	1.1
Real estate activities	1.4	1.6	3.3	3.8
Professional, scientific and technical activities	0.3	1.2	0.9	1.3
Administrative and support service activities	0.0	-0.2	0.4	-0.6
Construction	0.4	0.7	2.1	1.8
TOTAL	0.3	0.4	1.0	0.5

Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

LCI - total labor cost (without CICE)

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q4-2016	Q1-2017	Q4-2016	Q1-2017
Industry	0.4	0.8	1.1	1.1
Mining and quarrying	0.9	0.6	2.8	2.2
Manufacturing	0.3	0.8	0.9	0.9
Electricity, gas, steam and air conditioning supply	0.8	1.9	2.8	4.3
Water supply; sewerage, waste management and remediation activities	0.3	0.5	1.1	1.2
Services	0.3	0.8	0.9	0.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.5	0.4	1.4	0.7
Transportation and storage	-0.1	0.1	0.8	0.2
Accommodation and food service activities	0.7	0.6	0.8	0.0
Information and communication	-0.1	2.0	1.1	2.3
Financial and insurance activities	0.8	1.0	1.5	1.3
Real estate activities	1.4	1.9	3.2	4.1
Professional, scientific and technical activities	0.3	1.5	0.9	1.5
Administrative and support service activities	0.0	0.3	0.4	0.0
Construction	0.3	1.3	2.2	2.3
TOTAL	0.3	0.8	1.0	1.0

Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

For more information:

- Supplementary data (methodology, long run series, etc.) are available on the web page of the labour cost index: <https://www.insee.fr/en/statistiques?debut=0&theme=30&conjoncture=38>
- Besides the change in social contribution rates, new measures have been influencing the labour cost since Q1 2016: https://www.insee.fr/fr/metadonnees/source/fichier/MET_ICTICT_EFFETS2_2016_EN.pdf
- Historical data are available on the BDM : http://www.bdm.insee.fr/bdm2/choixTheme?request_locale=en&code=110#arbo:montrerbranches=theme120
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