

Informations

Rapides



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Conjoncture

■ Labour cost index in industry, construction and services – 4th quarter of 2017

Warnings

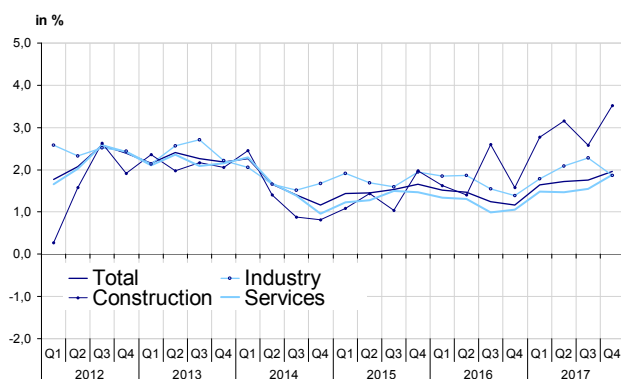
- Since 1st January 2017, the rate of the tax credit for encouraging competitiveness and jobs (CICE) in metropolitan France has increased from 6% to 7%. The rate remains at 9% in the overseas departments.
- Hirings after 1st July 2017 are no longer entitled to the hiring premium measure in SMEs.

In Q4 2017, the wages and salary costs increased by 0.5%, the total labour cost index increased by 0.6%

• The wages and salary costs increased by 0.5%

In the fourth quarter of 2017, the **labour cost index (LCI) - wages and salaries** in the non-farm business sector accelerated slightly (+0.5% quarter on quarter after +0.3% in Q3 2017—seasonally adjusted data). Year on year, it rose by 2.0%, a slightly larger increase than in the third quarter (+1.8%) and the strongest since 2014. The average working time slowed down compared to the third quarter (0.0% after +0.3% y-o-y).

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



Scope: non-farm business sector excluding services to households

Sources: ACOSS, DARES, INSEE

Wages slowed down in industrial activities but rose in services and construction activities

In Q4 2017, wages in industrial activities slowed slightly down quarter on quarter (+0.2% after +0.3% in Q3 2017). Year on year, they were less dynamic: +1.9% after +2.3% in the third quarter.

Wages in services activities grew faster over the quarter (+0.6% after +0.2%) and over the year (+1.9 % after +1.5 %). In comparison to the previous quarter, wages rose again in transportation and storage and

accelerated sharply in Information and communication and in finance and insurance activities.

In construction activities, wages increased at a slightly faster pace on the quarter (+1.0% after +0.8%) and more strongly over the year (+3.5% after +2.6%), reaching the strongest annual growth in seven years.

LCI - wages & salaries

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q3-2017	Q4-2017	Q3-2017	Q4-2017
Industry	0.3	0.2	2.3	1.9
Mining and quarrying	-0.5	0.5	1.4	1.6
Manufacturing	0.3	0.2	2.3	1.9
Electricity, gas, steam and air conditioning supply	0.7	0.1	3.3	2.7
Water supply; sewerage, waste management and remediation activities	0.2	0.4	2.1	2.0
Services	0.2	0.6	1.5	1.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.3	0.5	2.1	1.8
Transportation and storage	-0.5	0.2	0.7	0.9
Accommodation and food service activities	0.5	0.7	1.3	1.4
Information and communication	0.4	1.1	1.8	3.5
Financial and insurance activities	0.2	1.0	2.4	2.8
Real estate activities	1.0	0.8	4.0	3.6
Professional, scientific and technical activities	0.5	0.6	2.5	2.7
Administrative and support service activities	0.3	0.7	0.8	1.5
Construction	0.8	1.0	2.6	3.5
TOTAL	0.3	0.5	1.8	2.0

Scope: non-farm business sector excluding services to households

Sources: ACOSS, DARES, INSEE

Slight downward revision of LCI – wages and salary in Q3 2017

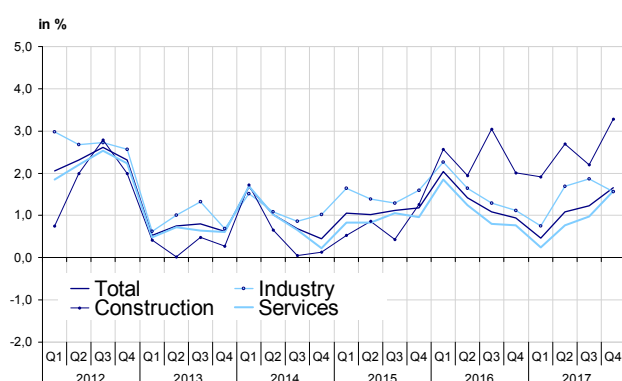
The Q3 2017 quarterly variation in LCI - wages and salary in the non-farm business sector has been revised downward by 0.1 percentage point as well as the year-over-year variation.

• The total labour cost index increased by 0.6%

In the fourth quarter of 2017, **total labour cost index** in the non-farm business sector accelerated over the quarter: +0.6%, after +0.3% –seasonally adjusted data– as well as over the year (+1.7 % after +1.2 %).

Without tax credit for encouraging competitiveness and jobs (CICE), the rise would have been stronger (+2.1%). The rate of CICE has indeed been raised by 1 percentage point in metropolitan France since 1st January 2017.

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



Scope: non-farm business sector excluding services to households

Sources: ACOSS, DARES, INSEE

Downward revision of LCI – total labour cost in Q3 2017

The Q3 quarter-on-quarter and year-on-year variation in total labour cost index in the non-farm business sector have been revised downward by 0.1 percentage point.

LCI - total labor cost

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q3-2017	Q4-2017	Q3-2017	Q4-2017
Industry	0.3	0.2	1.9	1.6
Mining and quarrying	-0.5	0.6	1.3	1.4
Manufacturing	0.3	0.2	1.9	1.6
Electricity, gas, steam and air conditioning supply	0.6	0.2	3.1	2.5
Water supply; sewerage, waste management and remediation activities	0.3	0.6	1.6	1.7
Services	0.2	0.7	1.0	1.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.4	0.7	1.4	1.4
Transportation and storage	-0.6	0.3	0.0	0.4
Accommodation and food service activities	0.6	1.0	0.6	1.2
Information and communication	0.4	1.2	1.5	3.3
Financial and insurance activities	0.1	1.1	2.2	2.6
Real estate activities	1.0	1.0	3.9	3.6
Professional, scientific and technical activities	0.5	0.6	2.1	2.5
Administrative and support service activities	0.4	0.9	-0.2	1.2
Construction	0.8	1.1	2.2	3.3
TOTAL	0.3	0.6	1.2	1.7

Scope: non-farm business sector excluding services to households

Sources: ACOSS, DARES, INSEE

LCI - total labor cost (without CICE)

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q3-2017	Q4-2017	Q3-2017	Q4-2017
Industry	0.3	0.3	2.3	2.0
Mining and quarrying	-0.5	0.7	1.8	1.9
Manufacturing	0.3	0.3	2.3	2.0
Electricity, gas, steam and air conditioning supply	0.4	0.3	3.3	2.7
Water supply; sewerage, waste management and remediation activities	0.2	0.6	2.1	2.1
Services	0.2	0.8	1.4	2.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.4	0.7	1.9	2.0
Transportation and storage	-0.6	0.4	0.5	1.0
Accommodation and food service activities	0.6	1.0	1.2	1.8
Information and communication	0.4	1.2	1.8	3.6
Financial and insurance activities	0.1	1.1	2.4	2.8
Real estate activities	1.0	1.1	4.2	3.9
Professional, scientific and technical activities	0.5	0.7	2.4	2.8
Administrative and support service activities	0.4	0.9	0.4	1.8
Construction	0.8	1.2	2.8	3.8
TOTAL	0.3	0.7	1.7	2.1

Scope: non-farm business sector excluding services to households

Sources: ACOSS, DARES, INSEE

For more information

- Extra 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>
- Historical data are available on the BDM : <https://www.insee.fr/en/statistiques/series/102726584>
- Press contact: bureau-de-presse@insee.fr
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