

■ Labour cost index in industry, construction and services – 2nd quarter of 2018

Warnings

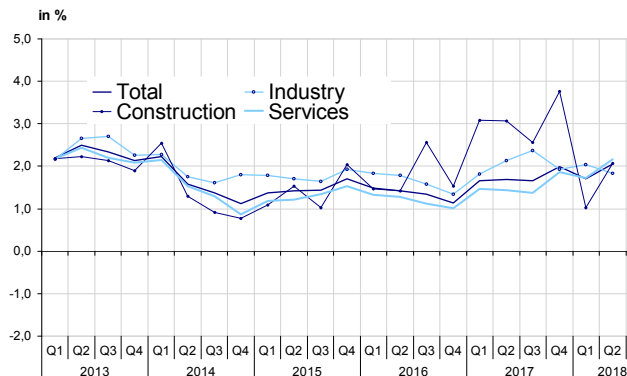
- Since 1st January 2018, the rate of the tax credit for encouraging competitiveness and jobs (CICE) in metropolitan France has decreased from 7% to 6%. The rate remains at 9% in the overseas departments.
- Hirings after 1st July 2017 are no longer entitled to the hiring premium measure in SMEs.

In Q2 2018, the labour cost index - wages and salaries increased by 0.6%, the total labour cost index increased by 0.8%

• The wages and salary costs increased by 0.6%

In the second quarter of 2018, the **labour cost index (LCI) - wages and salaries** in the non-farm business sector rose on the same pace as the previous quarter (+0.6% quarter on quarter – seasonally adjusted data). Year on year, it rose by 2.1%, a quicker increase than in the first quarter (+1.7%). The average working time remained stable in the first quarter (0.0% y-o-y).

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



Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

Wages slowed down in industry, rose steadily in services and increased again in construction

In Q2 2018, wages in industry slowed down sharply quarter on quarter (+0.3% after +0.9% in Q1 2018). Year on year, they were a bit less dynamic: +1.8% after +2.0%.

In comparison to the previous quarter, wages grew faster in mining and quarrying and in water supply, sewerage, etc. They slowed down in manufacturing and even dropped in electricity, gas, etc. after a strong increase in the first quarter.

In Q2 2018, wages in services rose on the same pace

as in the first quarter (+0.6% quarter on quarter) but accelerated over the year (+2.2% after +1.7%)

Wages in construction rebounded after a decrease in the first quarter (+1.2% after -0.9%).

LCI - wages & salaries

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q1-2018	Q2-2018	Q1-2018	Q2-2018
Industry	0.9	0.3	2.0	1.8
Mining and quarrying	1.5	2.8	3.4	6.0
Manufacturing	0.8	0.6	1.9	2.0
Electricity, gas, steam and air conditioning supply	2.7	-3.4	4.4	0.1
Water supply; sewerage, waste management and remediation activities	0.2	1.3	1.7	2.5
Services	0.6	0.6	1.7	2.2
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.4	0.5	1.8	1.9
Transportation and storage	0.9	0.6	1.9	1.6
Accommodation and food service activities	0.4	0.1	2.1	1.8
Information and communication	0.9	0.1	2.6	2.5
Financial and insurance activities	0.6	0.7	2.2	2.7
Real estate activities	0.9	0.6	2.9	3.5
Professional, scientific and technical activities	0.8	0.9	1.4	2.8
Administrative and support service activities	0.7	1.0	1.6	2.3
Construction	-0.9	1.2	1.0	2.1
TOTAL	0.6	0.6	1.7	2.1

Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

Slight upward revision of LCI – wages and salary in Q1 2018

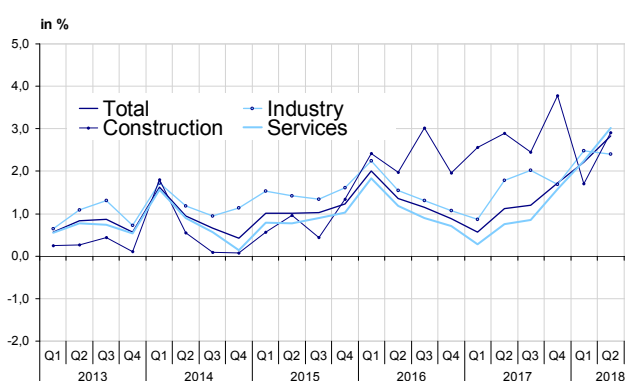
The Q1 2018 quarterly variation in LCI - wages and salaries in the non-farm business sector has been revised upward by 0.1 percentage points. The year-on-year variation remained unchanged.

• The total labour cost index increased by 0.8%

In the second quarter of 2018, the **total labour cost index** in the non-farm business sector slowed down slightly over the quarter (+0.8%, after +1.0% – seasonally adjusted data) but accelerated over the year (+2.8 % after +2.2 %).

Without tax credit for encouraging competitiveness and jobs (CICE), the rise would have been smaller (+2.4%). The rate of CICE has indeed been lowered by 1 percentage point (from 7% to 6%) in metropolitan France since 1st January 2018.

LCI - total labour 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 in Q1 2018

The Q1 2018 year-on-year variation in total labour cost index in the non-farm business sector has been revised downward by 0.1 percentage points. The quarter-on-quarter variation remained unchanged.

LCI - total labour cost

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q1-2018	Q2-2018	Q1-2018	Q2-2018
Industry	1.3	0.4	2.5	2.4
Mining and quarrying	2.0	3.0	3.9	6.8
Manufacturing	1.2	0.7	2.4	2.6
Electricity, gas, steam and air conditioning supply	3.0	-3.4	4.7	0.4
Water supply; sewerage, waste management and remediation activities	0.6	1.5	2.1	3.2
Services	1.1	0.8	2.2	3.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.9	0.8	2.5	3.0
Transportation and storage	1.4	0.9	2.4	2.4
Accommodation and food service activities	1.1	0.6	3.1	3.5
Information and communication	1.2	0.2	2.9	2.9
Financial and insurance activities	0.9	0.7	2.5	3.0
Real estate activities	1.3	0.6	3.4	4.0
Professional, scientific and technical activities	1.2	1.0	1.8	3.3
Administrative and support service activities	1.3	1.5	2.3	3.8
Construction	-0.3	1.2	1.7	2.9
TOTAL	1.0	0.8	2.2	2.8

Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

LCI - total labour cost (without CICE)

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q1-2018	Q2-2018	Q1-2018	Q2-2018
Industry	0.9	0.4	2.1	2.0
Mining and quarrying	1.6	2.9	3.5	6.3
Manufacturing	0.8	0.7	2.0	2.1
Electricity, gas, steam and air conditioning supply	2.8	-3.4	4.5	0.2
Water supply; sewerage, waste management and remediation activities	0.2	1.5	1.7	2.8
Services	0.7	0.8	1.8	2.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.4	0.8	2.0	2.5
Transportation and storage	0.9	0.8	1.9	1.8
Accommodation and food service activities	0.5	0.6	2.5	2.8
Information and communication	0.9	0.2	2.7	2.7
Financial and insurance activities	0.7	0.7	2.3	2.8
Real estate activities	1.0	0.6	3.1	3.7
Professional, scientific and technical activities	0.9	1.0	1.6	3.0
Administrative and support service activities	0.8	1.4	1.8	3.2
Construction	-0.8	1.2	1.2	2.4
TOTAL	0.6	0.8	1.8	2.4

Scope: non-agricultural market 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
-  Follow us on Twitter @InseeFr_News: https://twitter.com/InseeFr_News

Next publication: Mid-December 2018