

■ Labour cost index in industry, construction and services – 3rd quarter of 2018

Warnings

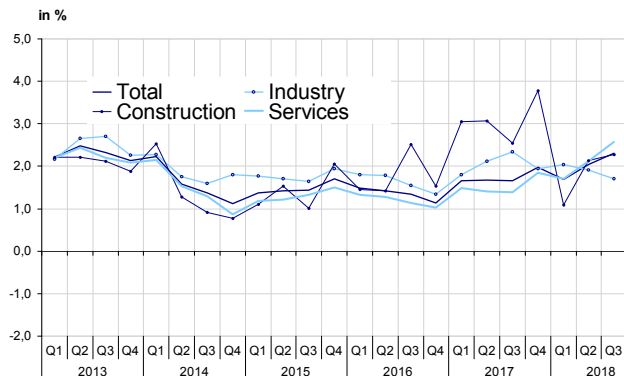
- Since 1st January 2018, the rate of the tax credit for encouraging competitiveness and jobs (CICE) in metropolitan France has decreased from 7% to 6%. The rate remains at 9% in the overseas departments.
- Hirings after 1st July 2017 are no longer entitled to the hiring premium measure in SMEs.

In Q3 2018, the labour cost index (wages and salaries and total labour cost) increased by 0.6%

• The wages and salary costs increased by 0.6%

In the third 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 2.3%, a quicker increase than in the second quarter (+2.0%). The average working time remained stable in the third 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 and construction and kept on rising in services

In Q3 2018, wages in industry were less dynamic quarter on quarter (+0.2% after +0.5% in Q2 2018). This slowdown affected all industrial sectors save the electricity, gas, etc. one in which they rebounded after a decrease on the previous quarter. Year on year, wages in industry were a bit less dynamic: +1.7% after +1.9%.

In Q3 2018, wages in services hardly accelerated over the quarter (+0.7% after +0.6%) but more sharply over the year (+2.6% after +2.1%). Evolutions were different

between sectors : quarter on quarter, wages accelerated sharply in accommodation and food service activities and administrative and support service activities, conversely they slowed down significantly in transportation and storage.

Wages in construction increased by 0.6% quarter on quarter after irregular evolutions in the previous two quarters (+1.2% in Q2 2018 after -0.9% in Q1 2018).

LCI - wages & salaries

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q2-2018	Q3-2018	Q2-2018	Q3-2018
Industry	0.5	0.2	1.9	1.7
Mining and quarrying	2.8	-1.1	5.9	4.3
Manufacturing	0.7	0.1	2.0	1.7
Electricity, gas, steam and air conditioning supply	-3.0	2.0	0.4	2.0
Water supply; sewerage, waste management and remediation activities	1.2	-0.1	2.4	1.7
Services	0.6	0.7	2.1	2.6
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.5	0.6	2.0	2.1
Transportation and storage	0.7	0.0	1.7	2.0
Accommodation and food service activities	0.5	1.0	2.2	3.2
Information and communication	0.2	0.3	2.9	2.5
Financial and insurance activities	0.5	0.6	2.6	2.5
Real estate activities	0.5	0.3	3.5	2.7
Professional, scientific and technical activities	0.9	0.5	2.8	2.7
Administrative and support service activities	0.4	1.1	1.5	3.2
Construction	1.2	0.6	2.1	2.3
TOTAL	0.6	0.6	2.0	2.3

Scope: non-agricultural market sector excluding services to households

Sources: ACOSS, DARES, INSEE

Slight downward revision of LCI – wages and salary in Q2 2018

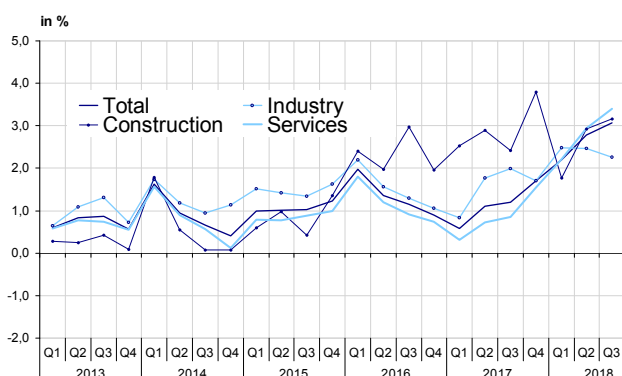
The Q2 2018 quarterly variation in LCI - wages and salaries in the non-farm business sector remained unchanged. The year-on-year variation has been revised downward by 0.1 percentage points.

• The total labour cost index increased by 0.6%

In the third quarter of 2018, the **total labour cost index** in the non-farm business sector kept on slowing down over the quarter (+0.6%, after +0.8% – seasonally adjusted data) but accelerated over the year (+3.1% after +2.8%).

Without tax credit for encouraging competitiveness and jobs (CICE), the rise would have been smaller (+2.6%). 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

No revision of LCI – total labour cost in Q2 2018

Both Q2 2018 year-on-year and quarter-on-quarter variations in total labour cost index in the non-farm business sector remained unchanged.

LCI - total labour cost

SA - base 100 in 2012

	Quarterly variations (%)		Annual variations (%)	
	Q2-2018	Q3-2018	Q2-2018	Q3-2018
Industry	0.6	0.2	2.5	2.3
Mining and quarrying	2.9	-1.2	6.6	5.0
Manufacturing	0.9	0.1	2.6	2.3
Electricity, gas, steam and air conditioning supply	-3.0	2.0	0.7	2.3
Water supply; sewerage, waste management and remediation activities	1.4	-0.1	3.2	2.4
Services	0.8	0.7	2.9	3.4
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.9	0.7	3.1	3.2
Transportation and storage	0.9	0.0	2.5	2.8
Accommodation and food service activities	1.0	1.0	3.9	4.6
Information and communication	0.3	0.3	3.3	2.9
Financial and insurance activities	0.6	0.6	2.9	2.8
Real estate activities	0.6	0.3	4.1	3.3
Professional, scientific and technical activities	1.0	0.5	3.3	3.3
Administrative and support service activities	0.8	1.0	2.9	4.5
Construction	1.3	0.7	2.9	3.2
TOTAL	0.8	0.6	2.8	3.1

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 (%)	
	Q2-2018	Q3-2018	Q2-2018	Q3-2018
Industry	0.6	0.2	2.1	1.9
Mining and quarrying	2.9	-1.2	6.2	4.5
Manufacturing	0.9	0.1	2.2	1.9
Electricity, gas, steam and air conditioning supply	-3.0	2.0	0.5	2.1
Water supply; sewerage, waste management and remediation activities	1.4	-0.1	2.7	2.0
Services	0.8	0.7	2.5	3.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	0.9	0.7	2.6	2.6
Transportation and storage	0.9	0.0	1.9	2.2
Accommodation and food service activities	1.0	1.0	3.2	3.9
Information and communication	0.3	0.3	3.0	2.6
Financial and insurance activities	0.6	0.6	2.7	2.6
Real estate activities	0.6	0.3	3.8	3.0
Professional, scientific and technical activities	1.0	0.5	3.1	3.0
Administrative and support service activities	0.8	1.0	2.3	3.9
Construction	1.3	0.7	2.4	2.6
TOTAL	0.7	0.6	2.4	2.6

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>
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