

May, 15th 2012

Labour Cost Index
1st quarter of 2012

The Labour Cost Index increased by 1.4 per cent from to the same quarter of 2011

The Labour Cost Index (LCI) working day adjusted, excluding Public Administration, in the 1st quarter of 2012, increased by 1.4 per cent from the same quarter of 2011. It increased by 0.9 per cent in the 1st quarter of 2011.

The Labour Cost Index (LCI)¹, in the 1st quarter of 2011, increased by 1.4% from the same quarter of 2011. This rate of change resulted from an increase in the average labour cost (0.5%) and from a decrease in the number of hours actually worked (0.9%).

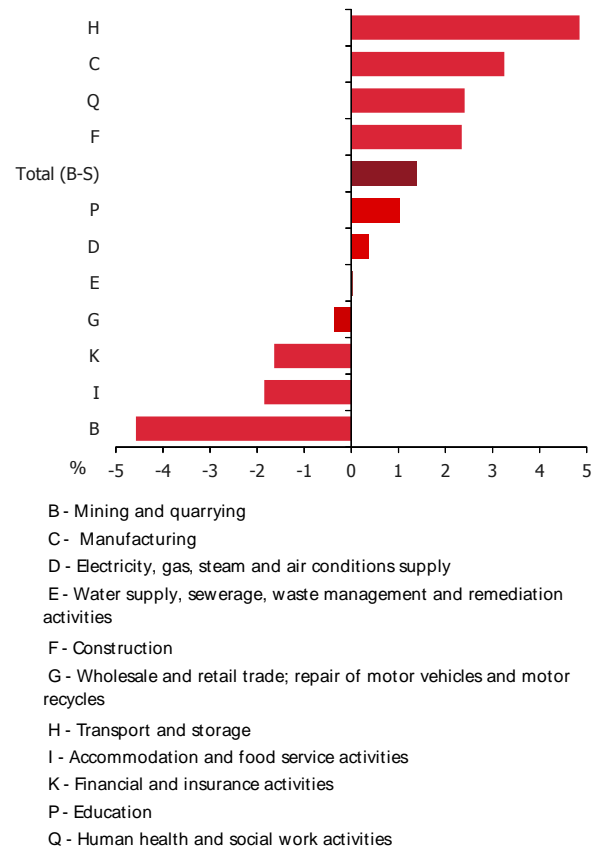
1. Economic activity

The LCI increased from the same quarter of 2011 in the majority of economic activities.

In the following activities, the LCI year-on-year rates of increase were larger than the global rate (1.4 per cent): "Transport and storage" (4.8 per cent), "Manufacturing" (3.2 per cent), "Human health and social work activities" (2.4 per cent), and "Construction" (2.3 per cent).

In the following activities, the LCI year-on-year rates of increase were smaller than the global rate (1.4 per cent): "Education" (1.0 per cent), "Electricity, gas, steam and air conditions supply" (0.4 per cent), and "Water supply, sewerage, waste management and remediation activities" (0.0 per cent).

Figure 1: LCI year-on-year rate of change by economic activity (Nace-Rev. 2), in the 1st quarter of 2012



In the following activities, the LCI registered year-on-year decreases: "Wholesale and retail trade; repair of motor vehicles and motor cycles" (0.4 per cent), "Financial and insurance activities" (1.6 per cent), "Accommodation and food service activities" (1.8 per cent), and "Mining and quarrying" (4.6 per cent).

¹ The indices report to the reference year of 2008. The data exclude Public Administration and are adjusted for working days.

Table 1: Year-on-year rate of change of average labour cost, hours actually worked by worker and LCI by economic activity (Nace-Rev.2), in the 1st quarter of 2012

Economic activity (Nace-Rev. 2)	Average labour cost by worker	Hours actually worked by worker	Labour Cost Index (LCI)
Total (B-S)	0.5	-0.9	1.4
Of which:			
B - Mining and quarrying	-3.6	1.0	-4.6
C - Manufacturing	1.6	-1.6	3.2
D - Electricity, gas, steam and air conditions supply	1.3	1.0	0.4
E - Water supply, sewerage, waste management and remediation activities	-1.5	-1.6	0.0
F - Construction	0.7	-1.6	2.3
G - Wholesale and retail trade; repair of motor vehicles and motor cycles	0.7	1.1	-0.4
H - Transport and storage	0.6	-4.0	4.8
I - Accommodation and food service activities	-0.8	1.0	-1.8
K - Financial and insurance activities	-3.2	-1.6	-1.6
P - Education	-0.6	-1.6	1.0
Q - Human health and social work activities	0.8	-1.6	2.4

Source: INE, Labour Cost Index and Employment Statistics - 1st quarter of 2012.

The LCI year-on-year rate of increase was explained by an increase in the average labour costs and by a decrease in the number of hours actually worked in the following activities: "Transport and storage", "Manufacturing", "Human health and social work activities", and "Construction".

The LCI year-on-year rate of increase in "Education" resulted from a decrease in the average labour costs and by a decrease, in a larger amount, in the number of hours actually worked.

The LCI year-on-year rate of increase in "Electricity, gas, steam and air conditions supply" was justified by an increase in the average labour costs larger than the increase in the number of hours actually worked.

The LCI year-on-year rate of decrease in "Wholesale and retail trade; repair of motor vehicles and motor cycles" was explained by an increase in the number

of hours actually worked larger than the increase in the average labour costs.

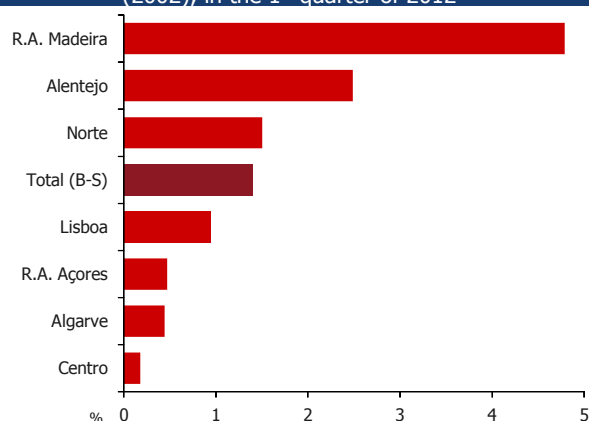
The LCI year-on-year rate of decrease in "Financial and insurance activities" was due to a decrease in both the average labour costs and in the number of hours actually worked, the former being larger than the latter.

The LCI year-on-year rate of decrease was justified by a decrease in the average labour costs and by an increase in the number of hours actually worked in the following activities: "Accommodation and food service activities", and "Mining and quarrying".

2. Regions NUTS II

In the following regions, the LCI year-on-year rates of increase were larger than the overall average (1.4 per cent): *Região Autónoma da Madeira* (4.8 per cent), *Alentejo* (2.5 per cent), and *Norte* (1.5 per cent).

Figure 2: LCI year-on-year rate of change by region NUTS II (2002), in the 1st quarter of 2012



In the following regions, the LCI year-on-year rates of increase were smaller than the global rate: *Lisboa* (0.9 per cent), *Região Autónoma dos Açores* (0.5 per cent), *Algarve* (0.4 per cent), and *Centro* (0.2 per cent).

The LCI year-on-year rate of increase in *Região Autónoma da Madeira* was due to a decrease in the number of hours actually worked, as the average labour costs remained unchanged from the same quarter of the previous year.

The LCI year-on-year rate of increase was explained by a decrease in the average labour costs and by a decrease, in a larger amount, in the number of hours actually worked, in the following regions: *Alentejo*, *Região Autónoma dos Açores*, *Algarve*, and *Centro*.

Table 2: Year-on-year rate of change of average labour cost, hours actually worked by worker and LCI by region NUTS II (2002), in the 1st quarter of 2012

NUTS II (2002)	Average labour cost by worker	Hours actually worked by worker	Labour Cost Index (LCI)
Total (B-S)	0.5	-0.9	1.4
Norte	0.4	-1.1	1.5
Centro	-1.2	-1.5	0.2
Lisboa	1.3	0.5	0.9
Alentejo	-0.8	-3.2	2.5
Algarve	-0.1	-0.4	0.4
R.A. Açores	-1.2	-1.4	0.5
R.A. Madeira	0.0	-4.6	4.8

Unit: %
Source: INE, Labour Cost Index and Employment Statistics - 1st quarter of 2012.

The LCI year-on-year rate of increase in *Norte* was justified by an increase in the average labour costs and by a decrease in the numbers of hours actually worked.

The LCI year-on-year rate of increase in *Lisboa* was due to an increase in the average labour costs larger than the increase in the number of hours actually worked.

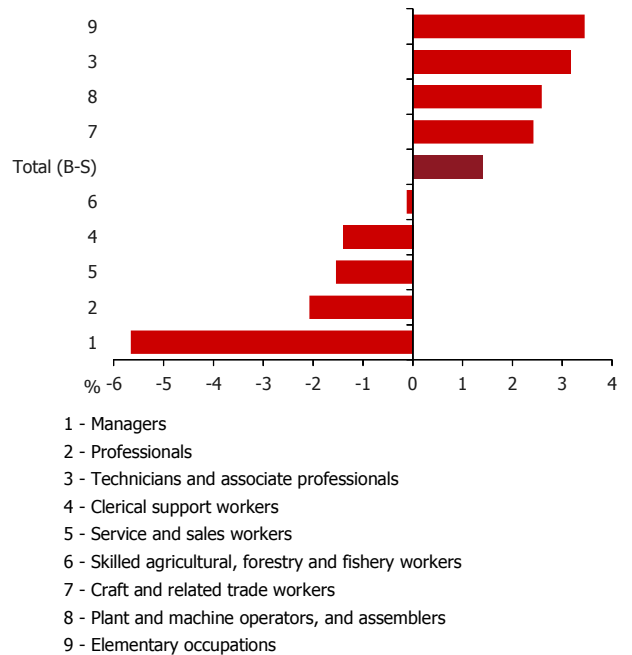
3. Occupational groups

In the following occupational groups, the LCI year-on-year rates of increase were larger than the overall rate (1.4 per cent): "Elementary occupations" (3.4 per cent), "Technicians and associate professionals" (3.2 per

cent), "Plant and machine operators, and assemblers" (2.6 per cent), and "Craft and related trade workers" (2.4 per cent).

In the following occupational groups, the LCI registered year-on-year decreases: "Skilled agricultural, forestry and fishery workers" (0.1 per cent), "Clerical support workers" (1.4 per cent), "Service and sales workers" (1.5 per cent), "Professionals" (2.1 per cent), and "Managers" (5.7 per cent).

Figure 3: LCI year-on-year rate of change by occupational group (ISCO-08), in the 1st quarter of 2012



The LCI year-on-year rate of increase was justified by an increase in the average labour costs and by a decrease in the number of hours actually worked in the following occupational groups: "Elementary occupations", "Technicians and associate professionals", "Plant and machine operators, and assemblers", and "Craft and related trade workers".

Table 3: Year-on-year rate of change of average labour cost, hours actually worked by worker and LCI by occupational group (ISCO-08), in the 1st quarter of 2012

Occupational groups (ISCO-88)	Average labour cost by worker	Hours actually worked by worker	Unit: %
			Labour Cost Index (LCI)
Total (B-S)	0.5	-0.9	1.4
Managers	-2.0	3.6	-5.7
Professionals	-1.6	0.5	-2.1
Technicians and associate professionals	0.9	-2.2	3.2
Clerical support workers	0.2	1.7	-1.4
Service and sales workers	-1.3	0.6	-1.5
Skilled agricultural, forestry and fishery workers	1.3	1.4	-0.1
Craft and related trade workers	0.2	-2.2	2.4
Plant and machine operators, and assemblers	0.1	-2.5	2.6
Elementary occupations	0.9	-2.5	3.4

Source: INE, Labour Cost Index and Employment Statistics - 1st quarter of 2012.

The LCI year-on-year rate of decrease was due to an increase in the average labour costs smaller than the increase in the number of hours actually worked in the following occupational groups: "Skilled agricultural, forestry and fishery workers", and "Clerical support workers".

The LCI year-on year rate of decrease was explained by a decrease in the average labour costs and by a increase in the number of hours actually worked in the following occupational groups: "Service and sales workers", "Professionals", and "Managers".

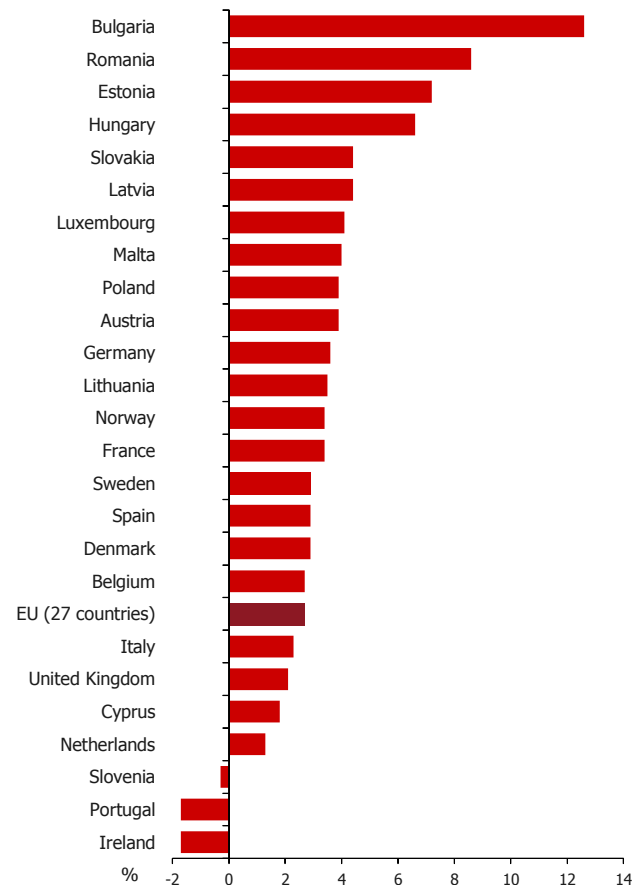
4. International comparison

Figure 4 shows the year-on-year rates of change of the LCI, by country, for the last quarter available (4th quarter of 2011)² for the whole economy (B to N), published by Eurostat under the title "LCI – Labour Cost Index", in the 15th of March of 2012.

² Provisional data for Austria, Belgium, Bulgaria, Cyprus, France, Hungary, Latvia, Malta, Netherlands, Norway, Portugal, Romania Slovakia, Slovenia, Spain, Sweden and United Kingdom.

The LCI year-on-year rate of change for the European Union (27 countries) was 2.7 per cent, In the 4th quarter of 2011.

Figure 4: LCI year-on-year rate of change (B-N) in European Union countries (27), in the 4th quarter of 2011



In eighteen countries, the rates of increase were larger than the European Union average. Bulgaria recorded a LCI rate of increase (12.6 per cent) that was larger, at least four times, than the registered for the European Union.

In four countries, the rates of increase were smaller than the European Union average, whose rates varied from 1.3 per cent (Netherlands) to 2.3per cent (Italy).

Slovenia, Portugal, and Ireland recorded decreases in the LCI, of 0.3 per cent, 1.3 per cent, and 1.3 per cent, respectively.

Table 4: Labour Cost Index (LCI) by economic activity, region NUTS II and occupational group (2008=100)

Unit:2008=100

	2008Q1	2008Q2	2008Q3	2008Q4	2008	2009Q1	2009Q2	2009Q3	2009Q4	2009	2010Q1	2010Q2	2010Q3	2010Q4	2010	2011Q1	2011Q2	2011Q3	2011Q4	2011	2012Q1
By economic activity (Nace-Rev. 2)																					
Total (B_S, excluding public administration)	86.6	87.5	112.4	113.5	100.0	88.8	91.7	117.9	114.7	103.3	88.7	92.9	117.4	119.4	104.6	89.5	92.3	118.6	117.4	104.4	90.7
Total (B_N)	86.7	87.5	112.2	113.6	100.0	89.0	91.8	117.7	114.8	103.3	88.8	93.0	117.6	119.6	104.7	89.6	92.3	118.5	117.6	104.5	90.9
B - Mining and quarrying	86.8	90.9	107.9	114.4	100.0	91.1	96.6	118.7	120.8	106.8	92.7	95.9	120.7	126.2	108.9	94.3	92.4	112.6	127.7	106.7	90.0
C - Manufacturing	83.0	85.5	118.7	112.8	100.0	85.8	91.3	123.3	113.1	103.4	85.2	92.4	126.1	119.2	105.7	86.3	91.2	123.8	119.5	105.2	89.1
D - Electricity, gas, steam and air conditions supply	78.7	116.5	97.5	107.3	100.0	85.5	125.7	101.1	112.4	106.2	92.2	120.9	98.5	125.5	109.3	90.1	125.8	106.0	123.7	111.4	90.4
E - Water supply, sewerage, waste management and remediation activities	85.3	88.2	104.9	121.6	100.0	92.0	99.3	111.7	120.3	105.8	88.5	87.4	103.8	115.7	98.9	78.6	91.9	99.0	116.7	96.6	78.6
F - Construction	84.7	88.1	109.9	117.3	100.0	86.3	92.3	114.6	123.1	104.0	88.6	96.4	117.6	130.5	108.3	92.3	100.1	124.4	125.4	110.6	94.5
G - Wholesale and retail trade; repair of motor vehicles and motor cycles	88.5	88.0	110.2	113.3	100.0	87.4	92.2	114.8	114.7	102.3	88.1	90.9	115.4	117.2	102.9	89.9	90.5	117.7	113.7	102.9	89.5
H - Transport and storage	83.8	89.0	115.7	111.6	100.0	89.0	95.0	126.1	114.0	106.0	87.3	96.0	123.8	119.1	106.6	89.3	93.4	123.0	115.8	105.4	93.6
I - Accommodation and food service activities	86.2	84.7	113.3	115.7	100.0	88.4	85.4	117.7	117.0	102.1	88.7	91.1	110.1	114.6	101.1	90.4	85.6	114.7	110.6	100.3	88.7
K - Financial and insurance activities	102.5	88.8	94.8	113.9	100.0	105.0	84.4	104.6	109.3	100.8	103.6	86.6	99.5	119.8	102.4	100.2	85.6	97.1	118.6	100.3	98.5
P - Education (excluding public administration)	80.7	81.6	132.4	105.2	100.0	77.9	88.0	138.2	106.7	102.7	77.4	86.1	130.8	112.9	101.8	80.8	86.8	141.1	112.2	105.2	81.6
Q - Human health and social work activities (excluding public administration)	81.5	92.9	110.8	114.8	100.0	82.7	95.8	117.3	115.5	102.8	84.4	99.3	112.5	116.8	103.3	87.0	99.7	118.9	120.0	106.4	89.1
By region NUTS II (2002) (B_S, excluding public administration)																					
101 - Norte	86.9	86.1	112.6	114.4	100.0	88.6	89.1	116.8	114.0	102.1	87.8	89.3	118.1	118.5	103.4	87.8	91.0	122.4	119.8	105.2	89.1
106 - Centro	87.3	89.0	111.0	112.8	100.0	89.0	91.7	114.2	114.3	102.3	89.2	94.1	116.5	116.5	104.1	87.8	89.9	114.5	114.1	101.6	87.9
107 - Lisboa	86.2	87.1	113.9	112.8	100.0	87.6	90.8	116.5	110.9	101.4	86.8	90.9	114.1	114.9	101.7	88.8	91.6	116.4	112.4	102.3	89.7
108 - Alentejo	86.1	89.1	108.5	116.3	100.0	90.0	94.3	115.5	116.9	104.2	90.1	95.3	116.1	122.2	105.9	87.5	93.6	109.0	113.1	100.8	89.6
109 - Algarve	85.2	90.3	108.6	116.0	100.0	88.5	96.0	116.9	119.7	105.3	89.0	96.5	113.7	116.2	103.9	93.7	96.4	112.0	117.3	104.9	94.1
201 - R.A. Açores	84.7	88.1	112.1	115.1	100.0	87.0	90.6	117.0	113.6	102.1	88.4	94.4	117.0	120.4	105.1	93.6	99.3	121.1	121.6	108.9	94.0
301 - R.A. Madeira	90.5	85.2	108.3	116.1	100.0	92.8	94.9	119.8	120.9	107.1	95.2	100.9	124.8	128.6	112.4	97.5	99.6	125.7	131.9	113.7	102.1
By occupational group (ISCO-08) (B_S, excluding public administration)																					
1 - Managers	92.2	87.1	108.6	112.1	100.0	97.5	91.0	115.7	114.5	104.7	95.2	89.5	111.5	117.0	103.3	91.4	83.9	104.7	112.2	98.1	86.2
2 - Professionals	84.8	90.8	112.6	111.7	100.0	85.4	92.9	121.3	115.0	103.7	85.7	94.3	116.1	117.3	103.3	86.5	89.1	112.9	112.3	100.2	84.7
3 - Technicians and associate professionals	87.8	87.3	111.8	113.1	100.0	88.2	90.9	114.6	114.5	102.1	87.1	90.8	116.4	118.3	103.1	87.7	88.6	114.2	116.1	101.7	90.5
4 - Clerical support workers	85.5	88.0	112.2	114.2	100.0	85.9	91.4	118.0	114.9	102.6	86.0	92.5	119.2	118.9	104.1	91.2	94.7	115.6	113.6	103.8	89.9
5 - Service and sales workers	82.5	88.0	111.1	118.4	100.0	88.3	90.6	115.5	119.3	103.4	89.2	96.3	117.4	122.0	106.2	92.4	96.8	117.1	114.6	105.2	90.9
6 - Skilled agricultural, forestry and fishery workers	85.4	93.0	110.0	111.6	100.0	82.4	92.0	115.9	119.5	102.5	86.4	92.0	117.5	125.8	105.4	91.4	93.9	119.1	121.8	106.5	91.3
7 - Craft and related trade workers	82.3	87.4	115.0	115.4	100.0	87.3	95.2	122.3	116.7	105.4	87.2	95.2	119.8	121.5	105.9	89.2	93.6	121.8	118.9	105.9	91.4
8 - Plant and machine operators, and assemblers	82.5	87.2	115.9	114.4	100.0	84.8	91.8	116.8	115.2	102.1	85.6	91.5	118.0	117.8	103.2	85.5	90.8	118.8	114.2	102.3	87.7
9 - Elementary occupations	84.1	88.5	110.8	116.5	100.0	85.6	93.2	115.6	117.6	103.0	87.3	97.1	118.7	121.9	106.2	90.8	94.9	120.9	122.6	107.3	93.9

Source: INE, Labour Cost Index and Employment Statistics - 1st quarter of 2012.

Note: The series are working day adjusted.

Table 5: Year-on-year rate of change by economic activity, region NUTS II and occupational group

	2008Q1	2008Q2	2008Q3	2008Q4	2008	2009Q1	2009Q2	2009Q3	2009Q4	2009	2010Q1	2010Q2	2010Q3	2010Q4	2010	2011Q1	2011Q2	2011Q3	2011Q4	2011	2012Q1
Unit: %																					
By economic activity (Nace-Rev. 2)																					
Total (B_S, excluding public administration)	3.8	3.1	5.3	4.5	4.3	2.5	4.8	4.8	1.1	3.3	-0.1	1.3	-0.4	4.1	1.3	0.9	-0.6	1.0	-1.7	-0.2	1.4
Total (B_N)	3.6	3.1	5.5	4.6	4.3	2.7	4.8	5.0	1.0	3.3	-0.2	1.3	-0.1	4.2	1.4	0.9	-0.8	0.8	-1.7	-0.3	1.5
B - Mining and quarrying	-0.9	-3.3	-1.8	-4.0	-2.6	5.0	6.2	9.9	5.6	6.8	1.8	-0.7	1.7	4.5	2.0	1.7	-3.7	-6.7	1.1	-2.0	-4.6
C - Manufacturing	3.1	0.5	5.2	0.9	2.5	3.4	6.9	3.9	0.2	3.4	-0.7	1.2	2.3	5.4	2.3	1.3	-1.3	-1.8	0.3	-0.5	3.2
D - Electricity, gas, steam and air conditions supply	-5.5	4.0	-1.4	5.8	1.1	8.6	8.0	3.7	4.7	6.2	7.8	-3.9	-2.6	11.7	2.9	-2.3	4.0	7.6	-1.5	1.9	0.4
E - Water supply, sewerage, waste management and remediation activities	0.0	0.0	0.0	0.0	0.0	7.8	12.6	6.5	-1.1	5.8	-3.8	-12.0	-7.1	-3.8	-6.6	-11.2	5.1	-4.6	0.9	-2.3	0.0
F - Construction	3.0	4.4	2.6	5.4	3.9	1.9	4.7	4.2	4.9	4.0	2.6	4.5	2.7	6.0	4.1	4.2	3.8	5.8	-3.9	2.1	2.3
G - Wholesale and retail trade; repair of motor vehicles and motor cycles	3.3	4.3	5.1	6.1	4.8	-1.2	4.7	4.2	1.3	2.3	0.8	-1.4	0.5	2.2	0.6	1.9	-0.4	2.0	-3.1	0.0	-0.4
H - Transport and storage	2.5	3.6	8.8	5.2	5.3	6.3	6.7	9.0	2.2	6.0	-2.0	1.1	-1.8	4.4	0.5	2.3	-2.7	-0.7	-2.7	-1.1	4.8
I - Accommodation and food service activities	-0.3	0.6	4.9	4.4	2.7	2.5	0.8	3.9	1.1	2.1	0.4	6.7	-6.5	-2.1	-1.0	1.9	-6.0	4.2	-3.5	-0.8	-1.8
K - Financial and insurance activities	4.6	7.7	16.7	15.0	10.9	2.4	-4.9	10.3	-4.0	0.8	-1.3	2.7	-4.8	9.6	1.6	-3.3	-1.2	-2.5	-1.0	-2.0	-1.6
P - Education (excluding public administration)	10.5	1.4	0.4	-0.1	2.4	-3.6	7.8	4.3	1.4	2.7	-0.5	-2.1	-5.4	5.8	-0.8	4.3	0.8	7.9	-0.7	3.3	1.0
Q - Human health and social work activities (excluding public administration)	4.0	3.1	1.8	-1.0	1.7	1.4	3.1	5.8	0.7	2.8	2.1	3.7	-4.1	1.1	0.4	3.1	0.4	5.7	2.7	3.1	2.4
By region NUTS II (2002) (B_S, excluding public administration)																					
101 - Norte	4.7	3.2	4.1	3.9	4.0	1.9	3.4	3.7	-0.3	2.1	-0.8	0.2	1.1	3.9	1.3	-0.1	1.9	3.6	1.1	1.7	1.5
106 - Centro	4.4	3.5	3.2	4.7	4.0	2.1	3.0	2.9	1.4	2.3	0.2	2.6	2.0	1.9	1.7	-1.6	-4.4	-1.8	-2.0	-2.4	0.2
107 - Lisboa	3.0	2.5	9.6	5.1	5.3	1.6	4.2	2.3	-1.7	1.4	-0.9	0.2	-2.1	3.6	0.2	2.3	0.8	2.0	-2.2	0.6	0.9
108 - Alentejo	-1.6	-3.0	3.1	-0.9	-0.5	4.5	5.8	6.5	0.5	4.2	0.1	1.1	0.5	4.6	1.7	-2.9	-1.7	-6.1	-7.5	-4.8	2.5
109 - Algarve	0.0	1.4	6.4	2.5	2.7	4.0	6.3	7.7	3.2	5.3	0.5	0.6	-2.7	-2.9	-1.3	5.3	-0.1	-1.5	1.0	1.0	0.4
201 - R.A. Açores	3.0	2.3	6.2	3.7	3.9	2.8	2.8	4.3	-1.3	2.1	1.6	4.2	0.0	6.0	2.9	5.8	5.2	3.5	1.1	3.7	0.5
301 - R.A. Madeira	11.0	-2.3	2.1	1.2	2.7	2.5	11.4	10.6	4.2	7.1	2.6	6.4	4.2	6.4	5.0	2.4	-1.3	0.7	2.5	1.1	4.8
By occupational group (ISCO-08) (B_S, excluding public administration)																					
1 - Managers	4.3	9.1	6.2	12.1	7.9	5.8	4.5	6.5	2.2	4.7	-2.4	-1.7	-3.6	2.2	-1.3	-4.0	-6.2	-6.1	-4.2	-5.1	-5.7
2 - Professionals	4.2	6.6	3.4	1.8	3.8	0.7	2.3	7.7	3.0	3.7	0.4	1.5	-4.3	2.0	-0.3	0.9	-5.5	-2.7	-4.3	-3.0	-2.1
3 - Technicians and associate professionals	3.9	3.2	9.6	5.0	5.6	0.5	4.2	2.5	1.3	2.1	-1.3	-0.1	1.5	3.3	1.1	0.7	-2.4	-1.9	-1.9	-1.4	3.2
4 - Clerical support workers	3.5	2.8	5.6	4.1	4.1	0.5	3.8	5.2	0.6	2.6	0.1	1.1	1.0	3.5	1.5	6.0	2.4	-3.0	-4.4	-0.4	-1.4
5 - Service and sales workers	4.2	3.2	10.4	4.9	5.8	7.0	2.9	4.0	0.8	3.4	1.0	6.3	1.6	2.3	2.7	3.6	0.5	-0.3	-6.1	-1.0	-1.5
6 - Skilled agricultural, forestry and fishery workers	3.1	10.6	-1.9	1.6	2.8	-3.5	-1.1	5.4	7.1	2.5	4.8	0.1	1.4	5.3	2.9	5.8	2.0	1.3	-3.2	1.1	-0.1
7 - Craft and related trade workers	1.0	1.5	3.5	3.5	2.5	6.2	9.0	6.4	1.1	5.4	-0.2	-0.1	-2.0	4.1	0.5	2.3	-1.6	1.6	-2.1	0.0	2.4
8 - Plant and machine operators, and assemblers	1.7	3.1	7.8	6.2	5.0	2.8	5.3	0.8	0.7	2.1	1.0	-0.3	1.0	2.3	1.1	-0.1	-0.8	0.7	-3.0	-0.9	2.6
9 - Elementary occupations	4.6	7.7	7.2	6.9	6.7	1.7	5.3	4.3	1.0	3.0	2.0	4.2	2.7	3.6	3.2	4.0	-2.3	1.9	0.6	1.0	3.4

Source: INE, Labour Cost Index and Employment Statistics - 1st quarter of 2012.

Note: The series are working day adjusted.

Table 6: Labour Cost Index (LCI) by economic activity, region NUTS II and occupational group (2008=100)

Unit:2008=100

	2008Q1	2008Q2	2008Q3	2008Q4	2008	2009Q1	2009Q2	2009Q3	2009Q4	2009	2010Q1	2010Q2	2010Q3	2010Q4	2010	2011Q1	2011Q2	2011Q3	2011Q4	2011	2011Q1
By economic activity (Nace-Rev. 2)																					
Total (B_S, excluding public administration)	90.0	89.6	111.5	108.8	100.0	92.3	92.4	115.1	111.8	102.9	92.2	92.0	114.7	116.4	103.8	91.6	94.5	117.6	116.3	105.0	91.4
Total (B_N)	90.2	89.6	111.2	109.0	100.0	92.5	92.4	115.0	111.9	103.0	92.4	92.1	114.8	116.6	104.0	91.7	94.5	117.5	116.5	105.0	91.6
B - Mining and quarrying	90.2	93.1	107.0	109.7	100.0	94.7	97.2	115.9	117.7	106.4	96.4	95.1	117.9	123.0	108.1	96.5	94.6	111.7	126.5	107.3	90.6
C - Manufacturing	86.4	87.6	117.8	108.3	100.0	89.3	92.1	120.5	110.3	103.0	88.7	91.6	123.2	116.3	105.0	88.4	93.5	122.8	118.5	105.8	89.8
D - Electricity, gas, steam and air conditions supply	81.7	119.0	96.5	102.8	100.0	88.7	126.4	98.5	109.3	105.8	95.7	119.6	96.0	122.1	108.3	92.0	128.6	104.9	122.3	111.9	90.9
E - Water supply, sewerage, waste management and remediation activities	88.8	90.4	104.1	116.7	100.0	95.7	100.1	109.2	117.3	105.6	92.1	86.7	101.5	112.9	98.3	80.5	94.2	98.3	115.7	97.2	79.3
F - Construction	88.1	90.3	109.1	112.6	100.0	89.8	93.0	111.9	120.0	103.7	92.1	95.6	114.9	127.3	107.5	94.5	102.6	123.4	124.3	111.2	95.2
G - Wholesale and retail trade; repair of motor vehicles and motor cycles	92.0	90.1	109.3	108.6	100.0	90.9	92.8	112.1	111.8	101.9	91.6	90.1	112.6	114.3	102.1	91.9	92.7	116.7	112.6	103.5	90.2
H - Transport and storage	87.1	91.1	114.8	107.0	100.0	92.6	95.7	123.2	111.1	105.6	90.8	95.2	121.0	116.1	105.7	91.3	95.7	122.0	114.8	106.0	94.3
I - Accommodation and food service activities	89.7	86.8	112.5	111.1	100.0	91.9	86.1	115.0	114.1	101.8	92.3	90.3	107.6	111.7	100.5	92.5	87.7	113.8	109.6	100.9	89.4
K - Financial and insurance activities	106.4	90.7	93.8	109.0	100.0	109.0	84.8	101.9	106.3	100.5	107.5	85.7	97.0	116.5	101.7	102.3	87.5	96.1	117.3	100.8	99.1
P - Education (excluding public administration)	84.0	83.6	131.4	101.0	100.0	81.0	88.6	135.0	104.0	102.2	80.6	85.4	127.8	110.1	101.0	82.7	88.9	140.0	111.2	105.7	82.2
Q - Human health and social work activities (excluding public administration)	84.8	95.1	110.0	110.1	100.0	86.0	96.5	114.6	112.7	102.4	87.8	98.4	109.9	113.9	102.5	89.1	102.2	118.0	118.9	107.0	89.8
By region NUTS II (2002) (B_S, excluding public administration)																					
101 - Norte	90.4	88.2	111.7	109.7	100.0	92.1	89.7	114.1	111.2	101.8	91.3	88.5	115.4	115.5	102.7	89.8	93.2	121.4	118.7	105.8	89.8
106 - Centro	90.7	91.1	110.0	108.1	100.0	92.6	92.4	111.5	111.4	102.0	92.8	93.2	113.8	113.5	103.3	89.8	92.0	113.5	113.0	102.1	88.5
107 - Lisboa	89.6	89.2	112.9	108.2	100.0	91.0	91.5	113.8	108.1	101.1	90.3	90.1	111.4	112.0	100.9	90.9	93.8	115.4	111.3	102.9	90.3
108 - Alentejo	89.6	91.3	107.6	111.5	100.0	93.6	95.0	112.9	113.9	103.8	93.7	94.4	113.4	119.2	105.2	89.5	95.9	108.2	112.0	101.4	90.3
109 - Algarve	88.6	92.5	107.7	111.3	100.0	92.1	96.7	114.2	116.7	104.9	92.6	95.7	111.1	113.3	103.2	95.9	98.7	111.1	116.3	105.5	94.8
201 - R.A. Açores	88.1	90.3	111.2	110.4	100.0	90.5	91.3	114.3	110.8	101.7	92.0	93.6	114.3	117.4	104.3	95.8	101.7	120.1	120.6	109.6	94.7
301 - R.A. Madeira	94.1	87.2	107.4	111.3	100.0	96.5	95.5	117.0	117.9	106.7	99.0	100.0	121.9	125.4	111.6	99.7	102.0	124.7	130.6	114.2	102.9
By occupational group (ISCO-08) (B_S, excluding public administration)																					
1 - Managers	95.8	89.1	107.7	107.4	100.0	101.3	91.6	112.9	111.6	104.3	98.9	88.6	108.8	114.0	102.6	93.5	85.9	103.8	111.1	98.5	86.8
2 - Professionals	88.2	93.0	111.7	107.2	100.0	88.8	93.6	118.5	112.1	103.2	89.1	93.4	113.3	114.3	102.6	88.5	91.2	112.0	111.2	100.7	85.3
3 - Technicians and associate professionals	91.3	89.4	110.9	108.5	100.0	91.7	91.6	111.9	111.6	101.7	90.5	90.0	113.6	115.3	102.4	89.8	90.8	113.2	115.0	102.2	91.1
4 - Clerical support workers	88.9	90.2	111.3	109.6	100.0	89.4	92.1	115.3	112.0	102.2	89.4	91.6	116.5	115.9	103.4	93.3	97.0	114.7	112.6	104.4	90.6
5 - Service and sales workers	85.9	90.2	110.3	113.6	100.0	91.9	91.3	112.9	116.3	103.1	92.8	95.5	114.7	119.0	105.5	94.6	99.2	116.2	113.6	105.9	91.7
6 - Skilled agricultural, forestry and fishery workers	88.7	95.2	109.0	107.0	100.0	85.7	92.6	113.1	116.5	102.0	89.8	91.2	114.7	122.6	104.6	93.5	96.1	118.0	120.7	107.1	91.9
7 - Craft and related trade workers	85.6	89.5	114.1	110.8	100.0	90.9	96.0	119.6	113.9	105.1	90.7	94.4	117.1	118.5	105.2	91.3	96.0	120.9	119.0	106.8	92.1
8 - Plant and machine operators, and assemblers	85.8	89.3	115.0	109.8	100.0	88.2	92.5	114.2	112.3	101.8	89.1	90.8	115.3	114.9	102.5	87.5	93.1	117.9	113.2	102.9	88.4
9 - Elementary occupations	87.5	90.7	110.0	111.8	100.0	89.0	93.9	112.9	114.7	102.6	90.8	96.3	115.9	118.9	105.5	93.0	97.2	120.0	121.5	107.9	94.7

Source: INE, Labour Cost Index and Employment Statistics - 1st quarter of 2012.

Note: The series are non-adjusted data.

Table 7: Year-on-year rate of change by economic activity, region NUTS II and occupational group

	2008Q1	2008Q2	2008Q3	2008Q4	2008	2009Q1	2009Q2	2009Q3	2009Q4	2009	2010Q1	2010Q2	2010Q3	2010Q4	2010	2011Q1	2011Q2	2011Q3	2011Q4	2011	2011Q1
Unit: %																					
By economic activity (Nace-Rev. 2)																					
Total (B_S, excluding public administration)	5.5	3.1	3.7	4.5	4.2	2.5	3.1	3.3	2.7	2.9	-0.1	-0.3	-0.4	4.1	0.9	-0.7	2.7	2.5	-0.1	1.1	-0.2
Total (B_N)	5.3	3.1	3.8	4.6	4.2	2.7	3.1	3.4	2.7	3.0	-0.2	-0.3	-0.1	4.2	1.0	-0.7	2.5	2.3	-0.1	1.0	-0.1
B - Mining and quarrying	0.7	-3.3	-3.3	-4.0	-2.6	5.0	4.5	8.3	7.3	6.4	1.8	-2.3	1.7	4.5	1.6	0.1	-0.5	-5.3	2.8	-0.7	-6.1
C - Manufacturing	4.8	0.5	3.6	0.9	2.4	3.4	5.1	2.3	1.8	3.0	-0.7	-0.4	2.3	5.4	1.9	-0.3	2.0	-0.3	1.9	0.8	1.6
D - Electricity, gas, steam and air conditions supply	-4.0	4.0	-2.9	5.8	1.0	8.6	6.2	2.1	6.4	5.8	7.8	-5.4	-2.6	11.7	2.4	-3.8	7.5	9.3	0.2	3.3	-1.2
E - Water supply, sewerage, waste management and remediation activities	0.0	0.0	0.0	0.0	0.0	7.8	10.8	4.9	0.5	5.6	-3.8	-13.4	-7.1	-3.8	-6.9	-12.6	8.6	-3.1	2.5	-1.1	-1.5
F - Construction	4.7	4.4	1.0	5.4	3.8	1.9	3.0	2.6	6.6	3.7	2.6	2.9	2.7	6.0	3.7	2.5	7.3	7.4	-2.3	3.5	0.7
G - Wholesale and retail trade; repair of motor vehicles and motor cycles	4.9	4.3	3.4	6.1	4.7	-1.2	3.0	2.6	2.9	1.9	0.8	-2.9	0.5	2.2	0.2	0.3	2.9	3.6	-1.5	1.3	-1.9
H - Transport and storage	4.1	3.6	7.2	5.2	5.1	6.3	5.0	7.4	3.8	5.6	-2.0	-0.5	-1.8	4.4	0.1	0.6	0.5	0.9	-1.1	0.2	3.2
I - Accommodation and food service activities	1.3	0.6	3.3	4.4	2.5	2.5	-0.8	2.3	2.8	1.8	0.4	5.0	-6.5	-2.1	-1.3	0.3	-2.9	5.8	-1.9	0.4	-3.4
K - Financial and insurance activities	6.2	7.7	14.9	15.0	10.8	2.4	-6.5	8.6	-2.5	0.5	-1.3	1.0	-4.8	9.6	1.2	-4.9	2.1	-1.0	0.6	-0.9	-3.2
P - Education (excluding public administration)	12.3	1.4	-1.2	-0.1	2.2	-3.6	6.0	2.8	3.0	2.2	-0.5	-3.6	-5.4	5.8	-1.2	2.6	4.1	9.5	0.9	4.7	-0.6
Q - Human health and social work activities (excluding public administration)	5.7	3.1	0.2	-1.0	1.6	1.4	1.4	4.2	2.3	2.4	2.1	2.0	-4.1	1.1	0.1	1.5	3.8	7.3	4.4	4.4	0.8
By region NUTS II (2002) (B_S, excluding public administration)																					
101 - Norte	6.4	3.2	2.5	3.9	3.9	1.9	1.7	2.2	1.3	1.8	-0.8	-1.4	1.1	3.9	0.9	-1.6	5.3	5.2	2.8	3.0	-0.1
106 - Centro	6.1	3.5	1.6	4.7	3.9	2.1	1.3	1.3	3.0	2.0	0.2	0.9	2.0	1.9	1.3	-3.2	-1.3	-0.3	-0.4	-1.2	-1.4
107 - Lisboa	4.6	2.5	7.9	5.1	5.2	1.6	2.5	0.7	-0.1	1.1	-0.9	-1.5	-2.1	3.6	-0.2	0.7	4.1	3.6	-0.6	1.9	-0.6
108 - Alentejo	-0.1	-3.0	1.5	-0.9	-0.6	4.5	4.0	4.9	2.2	3.8	0.1	-0.6	0.5	4.6	1.3	-4.5	1.6	-4.6	-6.0	-3.6	0.9
109 - Algarve	1.6	1.4	4.8	2.5	2.6	4.0	4.6	6.0	4.9	4.9	0.5	-1.0	-2.7	-2.9	-1.7	3.6	3.2	0.0	2.6	2.3	-1.1
201 - R.A. Açores	4.7	2.3	4.6	3.7	3.8	2.8	1.1	2.8	0.3	1.7	1.6	2.5	0.0	6.0	2.6	4.1	8.7	5.1	2.7	5.0	-1.1
301 - R.A. Madeira	12.8	-2.3	0.5	1.2	2.7	2.5	9.6	9.0	5.9	6.7	2.6	4.6	4.2	6.4	4.6	0.7	2.0	2.3	4.2	2.4	3.2
By occupational group (ISCO-08) (B_S, excluding public administration)																					
1 - Managers	6.0	9.1	4.5	12.1	7.8	5.8	2.8	4.8	3.9	4.3	-2.4	-3.3	-3.6	2.2	-1.7	-5.5	-3.1	-4.6	-2.6	-3.9	-7.1
2 - Professionals	5.9	6.6	1.9	1.8	3.8	0.7	0.7	6.1	4.6	3.2	0.4	-0.2	-4.3	2.0	-0.7	-0.7	-2.4	-1.2	-2.7	-1.8	-3.6
3 - Technicians and associate professionals	5.6	3.2	7.9	5.0	5.5	0.5	2.5	0.9	2.9	1.7	-1.3	-1.8	1.5	3.3	0.6	-0.9	0.9	-0.3	-0.3	-0.2	1.5
4 - Clerical support workers	5.2	2.8	3.9	4.1	4.0	0.5	2.1	3.6	2.2	2.2	0.1	-0.5	1.0	3.5	1.1	4.3	5.8	-1.5	-2.9	1.0	-2.9
5 - Service and sales workers	5.9	3.2	8.7	4.9	5.7	7.0	1.3	2.4	2.4	3.1	1.0	4.6	1.6	2.3	2.3	1.9	3.9	1.3	-4.5	0.4	-3.1
6 - Skilled agricultural, forestry and fishery workers	4.7	10.6	-3.4	1.6	2.8	-3.5	-2.8	3.8	8.8	2.0	4.8	-1.5	1.4	5.3	2.6	4.1	5.4	2.9	-1.6	2.4	-1.7
7 - Craft and related trade workers	2.6	1.5	1.9	3.5	2.4	6.2	7.2	4.8	2.8	5.1	-0.2	-1.7	-2.0	4.1	0.1	0.7	1.7	3.2	0.4	1.5	0.8
8 - Plant and machine operators, and assemblers	3.4	3.1	6.2	6.2	4.8	2.8	3.5	-0.7	2.3	1.8	1.0	-1.9	1.0	2.3	0.7	-1.7	2.5	2.2	-1.4	0.4	1.0
9 - Elementary occupations	6.3	7.7	5.5	6.9	6.6	1.7	3.5	2.7	2.6	2.6	2.0	2.6	2.7	3.6	2.8	2.4	0.9	3.5	2.2	2.3	1.8

Source: INE, Labour Cost Index and Employment Statistics - 1st quarter of 2012.

Note: The series are non-adjusted data.

TECHNICAL NOTE

In order to be in line with the series published by Eurostat, which has change the reference year of Labour Cost Index (LCI) from 2000 to 2008, the indices that became available, from the 2nd quarter 2009, consider the year 2008 as the reference year. Series were rebased for the reference year 2008, since the 1st quarter of 2000.

A new statistical classification for economic activities (NACE Rev. 2) was established by the Regulation N^o 1893/2006 of December 20th and states that it ought to be used by statistics related to economic activities performed from January 2008 onwards. The adoption and transposition for the Portuguese classifications led to "Classificação Portuguesa das Actividades Económicas Revisão 3" (CAE-Rev. 3). In the LCI case, the regulation entered into force in January 2009, covering data already published for the period 2000-2008 and for the first quarter 2009 onwards. To obtain data classified by CAE-Rev. 3, it was necessary to reclassify and recalculate data from several sources that allowed the computation of the LCI (such as Labour Cost Index, Lists of Personnel, Labour Cost Survey and Labour Force Survey). The LCI data between 2000 and 2008 were reprocessed and should be considered as preliminary.

Mention that from the first quarter of 2011, the information used in the LCI calculation, including the average of hours worked per week by employees, comes from the Labour Force Survey (LFS) – 2011 series.

Also in the 1st quarter of 2011, the ISCO-08 was adopted in LCI and LFS. In order to allow the calculation of variations, Statistics Portugal carried out an exercise of back series calculations for the LCI components according the ISCO-08, using, among other elements, the equivalence tables between the two classifications (ISCO-08 and ISCO-88).

In this press release, the series are working day adjusted (WDA), as released by Eurostat, and unadjusted series (NSA, Non-Adjusted Data), by economic activity (NACE-Rev. 2), by region NUTS II (2002) and by occupational group (ISCO-08). The data exclude the following activities: "Public administration and defence; compulsory social security" (O); and the public part of the following activities: "Education" (P) and "Human health and social work activities" (Q).

The LCI is an indicator that measures the development of the average labour cost per worked hour (hourly labour costs).

The changes in the employment, hours actually worked and prices levels affect the indices obtained during the observed periods.

Formula for the calculation of the LCI:

$$LCI_{tj}(k) = \frac{\sum_{i=1}^n w_i^{tj} h_i^{tj}}{\sum_{i=1}^n w_i^k h_i^k}$$

$LCI_{tj}(k)$: Labour Cost Index, quarter t , year j , related to the base year k

$i = \{B, S\}$: Sector of economic activity

tj : Quarter t of year j under observation

k : Base year (2000)

w_i^{tj} : Labour cost of employees by hour worked in sector i in quarter t in year j

h_i^k : Hours actually worked in sector i in year k

$w_i^{tj} \times h_i^{tj}$: Total labour cost in sector i in quarter t in year j ; the hours were evaluated in year k

$w_i^k \times h_i^k$: Total labour cost in sector i in year k (base)

The actual labour cost adopts the perspective of the employer, corresponding to the total cost incurred by the employer and including the following items:

- ✓ Basic wage and salaries
- ✓ Regular bonuses and allowances (paid in each pay period)
- ✓ Irregular bonuses and allowances (not paid in each pay period)
- ✓ Overtime payment
- ✓ Payments and benefits in kind
- ✓ Payment for hours not worked
- ✓ Employer's social contributions
- ✓ Collectively agreed, contractual and voluntary social security contributions
- ✓ Other (including payments to employees leaving the enterprise)