

Standard documentation Meta information

(Definitions, comments, methods, quality)

on

Labour Cost Index

This documentation is valid from:

1. Quarter 2004

Status: **22 November 2022**



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Executive Summary

The Labour Cost Index (LCI) measures quarterly the development of the costs to be borne by employers per hour worked. This includes, on the one hand, the gross wages and salaries and, on the other hand, the employer's social contributions plus taxes minus subsidies.

The labour cost index is a labour market and monetary policy indicator and provides short-term information on economic development. The methodological requirements and the delivery obligation to Eurostat are based on Regulation (EC) No 450/2003. This allows harmonized compilation and thus comparability of labour cost indices between all participating countries.

The labor cost index is compiled for single business activities (sections B to S of the ÖNACE 2008) and for summaries of these sections (B-S, B-N, B-F, G-N and O-S). The summaries are calculated by using the Laspeyres chain index. The following index series are created:

- Total labour costs per hour worked
- Labour costs excluding bonuses per hour worked (only sections B to F)
- Wages and salaries per hour worked
- Labour costs other than wages and salaries per hour worked (employers' social contributions plus taxes minus subsidies)¹

These index series are available a) unadjusted, b) working days adjusted, and c) working days and seasonally adjusted.

With the gradual introduction of the current classification of economic activities, the LCI was also transferred from ÖNACE 2003 to ÖNACE 2008 with the first quarter of 2009. The index series according to ÖNACE 2008 have been backcasted by the recommended methods (micro- or macro-approach). At the same time, the coverage area has been extended to sections O to S of ÖNACE 2008 (sections L to O of ÖNACE 2003).

The labour cost index is based on existing surveys by Statistics Austria and on administrative data, which means that no additional responders are burdened. The data base for the calculation of the LCI differs between Industry and Construction (sections B to F of ÖNACE 2008) and the Services Sector (sections G to S of ÖNACE 2008). Data from the Short Term Statistics in Industry and Construction, the Labour Cost Survey and the Microcensus are used. Regarding administrative data the monthly and annual salary tax data and social insurance data (via the business register) are used.

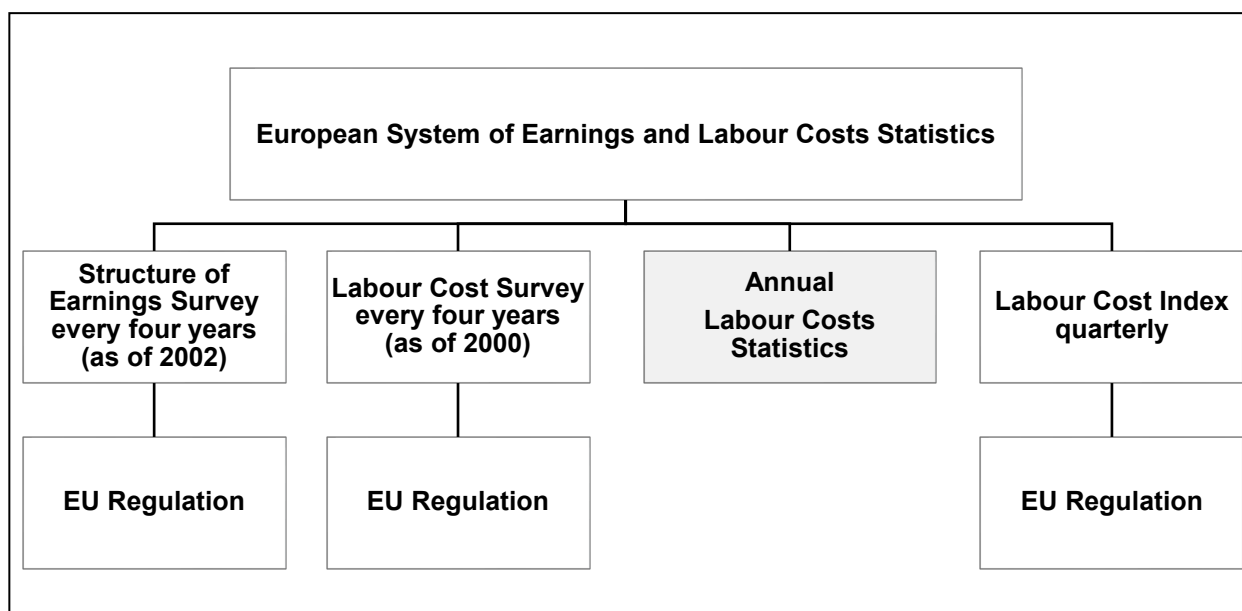
¹ The "costs of vocational education and training" (D.2) and "other expenses" (D.3) are included in the Labour Costs Survey and in the annual labour cost statistics but excluded in the LCI.

The series of indexes from sections B to N of the ÖNACE 2008 begin with the first quarter of 2000 and those of sections O to S of the ÖNACE 2008 with the first quarter of 2009. The year 2020² is the current base year (annual average = 100).

The index series will be sent to Eurostat no later than 70 days after the end of the quarter (t+70) and will be published on the website of Statistics Austria about 77 days after the end of the quarter. Eurostat publishes the index series of all EU countries and compiles a quarterly comparative press release on a quarterly basis approximately 77 days after the end of the concerning quarter.

The LCI, together with the every four years Labour Cost Survey, the also every four years Structure of Earnings Survey and the Annual Labour Cost Statistics, is an important component of the European system of labour cost and earnings statistics. The development of the LCI and the Labour Cost Surveys is coherent, taking into account the different definitions and the statistical type (quarterly secondary statistics versus every four year survey).

Overview European System of Earnings and Labour Costs Statistics



² Up to the fourth quarter of 2022 the base year was 2016. It corresponds to the survey year of the most recent Labour Cost Survey.

Labour Cost Index – Main Key Points	
Subject matter	The Labour Cost Index (LCI) measures quarterly the development of labour costs per hour worked borne by employers; broken down according to sections of ÖNACE 2008.
Population	All employers in sections B to S of ÖNACE 2008, which employ at least one employee in Austria.
Type of statistics	Index calculation using secondary statistics (administrative data, other surveys) and data of register.
Data sources/Survey techniques	<p>Administrative data sources:</p> <p>Austrian social insurance institutions, monthly salary tax data, annual salary tax data, Short-time work support data from the Austrian Public Employment Service</p> <p>Surveys:</p> <p>Short Term Statistics in Industry and Construction, Labour Cost Survey, Microcensus</p> <p>Register:</p> <p>Business register</p>
Reference period or due day	All quarters of the year and average of the year.
Periodicity	Quarterly
Survey participation (in case of a survey)	-
Main legal acts	<p>Regulation (EC) no 450/2003 of the European Parliament and of the Council of 27 February 2003 concerning the labour cost index</p> <p>Commission regulation (EC) no 1216/2003 of July 2003 implementing Regulation (EC) No 450/2003 of the European Parliament and of the Council concerning the labour cost index</p>
Most detailed regional breakdown	Austria
Availability of results	<p>Provisional data: Approximately 77 days after the end of the quarter</p> <p>Final data: with the following quarter</p>
Other	<p>Adjustment of the index series:</p> <ul style="list-style-type: none"> • working day adjustment • seasonal and working day adjustment