

Labour market statistics: labour cost index

2001/0166(COD) - 14/02/2017 - Follow-up document

In accordance with Regulation (EC) No 450/2003 on the labour cost index (LCI), the Commission presented a report on the quality of the labour cost index data for the reference quarters ranging from third quarter 2014 to second quarter 2016.

The report focused on **improvements in relevance, completeness, punctuality, accuracy and comparability**, and examines the consistency between the labour cost index and the national accounts. It also deals with the problem of data not being supplied by the Member States within the set deadlines, as well as the impact of this situation on the quality of published European aggregates.

General progress: the main findings of the report were as follows:

- the **use of the Statistical Data and Metadata eXchange (SDMX)** standard (worldwide reference for sharing statistical information) for nomenclatures and variables used in the labour cost index data has been extended **to all Member States**. The latest SDMX improvements are in the process of being implemented and deployment of the new version is expected to take place in the next reference quarter;
- the **quality reports** submitted by the Member States have been migrated to a new version of the metadata manager of the European Statistical System Metadata Handler and made available to all users;
- the **overall quality of statistics** on the labour cost index and some technical aspects were evaluated in a workshop on this topic organised by Eurostat and proposals for improvements were agreed.

At the October 2016 working group meeting on labor market statistics, countries not using the indirect method for seasonal adjustment (wages/non-wages and NACE aggregates) and whose data presented sizeable inconsistencies between components and total, agreed to implement the indirect method by mid-2017. The consistency of labour cost index data is expected to improve further.

Eurostat has also started publishing **annual estimates of the hourly labour cost levels** by NACE sections, starting from 2012 onwards, based on both labour cost survey levels and labour cost index trends.

The Commission received positive comments on the publication of these estimates.

Data quality assessment: the report found that overall the quality of the labour cost indices of the Member States and of the EU has **continued to improve** since the previous report, published in 2014. Eurostat received working-day adjusted data and seasonally and working-day adjusted data from all Member States.

Member States' punctuality remained good except for Greece whose labour cost index data were still behind the established deadlines.

Eurostat held a bilateral meeting with the Greek statistical office in May 2016, during which a roadmap for tackling these structural issues was agreed.

The Commission will **continue to monitor issues relating to non-compliance and data quality** on a regular basis. Where no or insufficient improvement is seen, the Commission will closely follow-up with the competent national statistical authorities.