

# Labour market statistics: labour cost index

2001/0166(COD) - 23/09/2002 - Council position

The common position follows the Commission proposal, approved by the European Parliament. Moreover, the Council considers that the modifications introduced in its common position are fully in line with the objectives of the proposed Regulation and provide the necessary flexibility of approach to enable full implementation of the Regulation, and the production of a timely, comprehensive and comparable indicator of short term labour costs as soon as possible. Four key provisions have been incorporated into the Council's common position and are fully supported by the Commission: 1) Feasibility studies for NACE Rev.1 sections L-O : The introduction of feasibility studies by the Council, to replace the transitional period of five years, recognises the difficulties which a number of Member States face in covering these sectors of the economy on a quarterly basis. The feasibility studies will enable these Member States to study the methods already in use in other Member States, so that a cost-effective solution can be proposed for approval through the comitology procedure, with implementation due no later than 2007. 2) Fixing the economic activity at the NACE section level The Commission agrees that at this stage, an economic structure fixed at NACE subsection level is too detailed for many Member States to implement and is not an urgent priority for users, particularly as it focuses disproportionately on the manufacturing sector. The common position allows the possibility of changing the fixed structure to the more detailed NACE 2-digit level (which relates to all economic sectors) through comitology in the future. 3) Reduction in the detail required for labour costs that exclude bonuses In order to calculate the index of total labour costs excluding bonuses, data on bonus payments have to be produced on a quarterly basis. This presents serious difficulties for several Member States. The common position addresses these difficulties by removing the requirement for a breakdown by economic activity and by emphasising that quarterly estimates are acceptable. The Commission accepts this approach, because the common position also allows the possibility of further economic breakdowns by comitology in the future, the reduction in the detail is acceptable to users and there is the provision for feasibility studies to help any Member State unable to provide the index. 4) Separate quality criteria for current data and back data The Commission also accepts the Council's amendment in the common position indicating that back data can be subject to less stringent quality criteria compared with current data. This reflects practical difficulties in Member States where no historic information is available on which to make estimates for back data of the same quality as current data. The quality criteria for current data will be more demanding, however, in order to ensure that current results are of as high a quality as possible. The Council has also reworded certain parts of the text to make it easier to understand and amended dates to be consistent with the expected entry into force of the Regulation. These changes do not affect the substance of the proposed Regulation. Comitology procedure issues raised during the adoption of the common position (and of the Commission position). In its common position, the Council has replaced the management procedure proposed by the Commission with a regulatory procedure. The Commission considers this change acceptable for all the implementing measures that are subject to comitology procedures.