

Labour market statistics: labour cost index

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This report from the Commission assesses the implementation of Regulation (EC) No 450/2003 of 27 February 2003 concerning the labour cost index (LCI). It highlights progress made since the last report in 2006.

The report recalls that labour costs are an important factor in the analysis of short- and medium-term economic development. The timely production of a labour cost index for the European Union as well as the Euro zone is therefore considered by the Commission and the European Central Bank to be of the utmost importance for assessing the inflationary pressure that may arise from developments in the labour market. Moreover, it notes that the labour cost index is important for the social partners in wage negotiations and for the Commission itself in monitoring short-term developments in labour costs.

Overall, the report notes that the degree of compliance with the Regulation has increased since the previous report in 2006. All Member States have continued to channel resources into implementing actions to achieve more comparable and timely index series. This has clearly raised the overall quality and thus increased the usefulness of the data.

In the meantime, all missing back data series as well as missing working-day and seasonally adjusted series have been delivered. The timeliness of data delivery has improved, and the number of Member States with accuracy problems has decreased. However, nine Member States still have shortcomings concerning one or more quality aspects of the LCI. For three Member States these shortcomings are due to the incidental late delivery of data only, and therefore of a transitory nature. Six Member States have more serious problems with the accuracy aspect of quality. This compares favourably to the situation in 2006, when 10 Member States reported accuracy problems.

The Commission (Eurostat) has urged Member States to step up their improvement efforts. The Commission will be monitoring the remaining non-compliance and quality issues regularly through the data delivered and other national documentation. Where the desired or planned improvements have not advanced appropriately, the corresponding national authorities will be contacted, and the Commission will take the necessary actions to enforce compliance.