

Glossary:Labour cost index (LCI)

Statistics Explained

The **labour cost index** , abbreviated as **LCI** , is a short-term indicator showing the short-term development of **hourly labour costs** incurred by employers, the total cost on an hourly basis of employing labour. In other words, the LCI measures the cost pressure arising from the production factor “labour”.

It is calculated dividing the labour costs by the number of **hours worked** . Labour costs are made up of costs for wages and salaries, plus non-wage costs such as employer’s **social contributions** . These do not include **vocational training** costs or other expenditures such as recruitment costs, spending on working clothes, etc.

The LCI covers all business **units** irrespective of the number of **employees** and all **economic activities** except agriculture, forestry and fishing, private households and extra-territorial organisations.

Further information

- [Labour cost index](#) (ESMS metadata file — lci_esms)

Related concepts

- [Labour cost](#)
- [Labour cost survey \(LCS\)](#)
- [Minimum wage](#)

Statistical data

- [Labour cost index - recent trends](#)