

August, 16th 2007

Labour Cost Index

2nd quarter 2007

LABOUR COST INDEX ROSE BY 3.7% COMPARED TO THE SECOND QUARTER 2006

In the 2nd quarter of 2007 the Labour Cost Index (LCI), excluding public administration and working day adjusted, rose by 3.7%, compared to the same period of the previous year (2.7 percentage points upper than the change recorded in the 2nd quarter 2006).

The LCI, excluding public administration and working day adjusted, reached 112.9 in the 2nd quarter of 2007, corresponding to a variation of 3.7% compared to the 2nd quarter of 2006, up from 1.0% in the previous year.

Negative variations were registered in "electricity, gas and water supply" (-0.1%), "education" (-0.3%) and "other community, social and personal service activities" (-2.0%).

1. ECONOMIC ACTIVITY

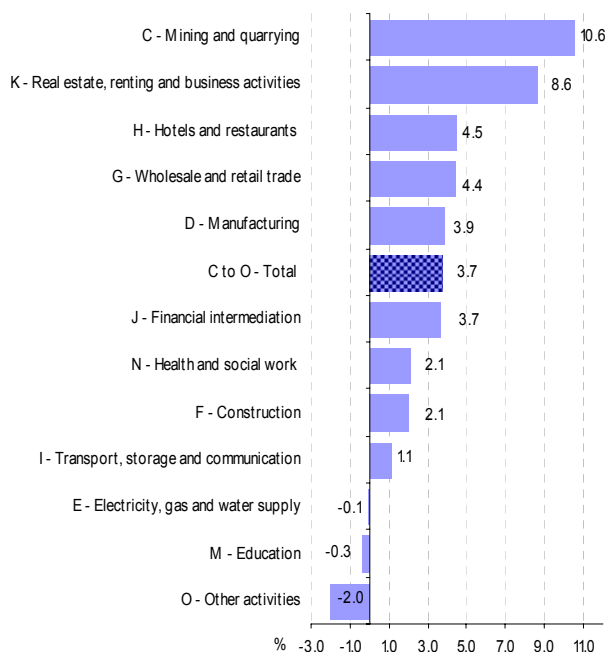
In the 2nd quarter of 2007 the hourly labour costs grew in the majority of the economic activities. The highest increases were observed in "mining and quarrying" (+10.6%), "real estate, renting and business activities" (+8.6%), "hotels and restaurants" (+4.5%), "wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods" (+4.4%) and "manufacturing" (+3.9%), which changes were largest than the LCI (+3.7%).

"Financial intermediation" (+3.7%) presented the same variation as the LCI.

Compared with the same quarter of the previous year, the smallest increases were observed in "health and social work" (+2.1%), "construction" (+2.1%) and "transport, storage and communication" (+1.1%).

Chart 1 – LCI by economic activity (Nace Rev .1.1) in 2nd Q 2007

(excluding public administration and working day adjusted, % change compared to the same quarter of the previous year)



The changes in “mining and quarrying”, “manufacturing”, “wholesale and retail trade”, “hotels and restaurants”, “transport, storage and communication”, “financial intermediation” and “real estate, renting and business activities” were the result from the combined effect of a year-on-year increase in average labour costs and a year-on-year decrease in hours actually worked, which led to an increase in the hourly labour costs.

Table 1 – Quarterly average labour cost and hours actually worked, by worker, and LCI by economic activity (Nace Rev.1.1) in 2nd Q 2007

(excluding public administration and working day adjusted, % change compared to the same quarter of the previous year)

Economic activity (Nace Rev.1.1)	Average labour cost by worker	Hours actually worked by worker	Labour Cost Index
	% change compared with same quarter of the previous year		
Total (C-O)	2.3	-1.4	3.7
C - Mining and quarrying	5.3	-5.0	10.6
D - Manufacturing	1.8	-2.1	3.9
E - Electricity, gas and water supply	4.3	4.4	-0.1
F - Construction	3.8	1.7	2.1
G - Wholesale and retail trade	3.5	-0.9	4.4
H - Hotels and restaurants	3.5	-0.9	4.5
I - Transport, storage and communication	0.1	-1.0	1.1
J - Financial intermediation	2.5	-1.2	3.7
K - Real estate, renting and business activities	1.7	-6.6	8.6
M - Education	1.3	1.7	-0.3
N - Health and social work	3.8	1.7	2.1
O - Others activities	-3.2	-1.2	-2.0

The rise in the hourly labour costs in “construction” and “health and social work” were due to a year-on-year increase in average labour costs higher than a year-on-year increase on hours actually worked.

Inversely, the decrease in the hourly labour costs in “electricity, gas and water supply” and “education” were due to a year-on-year change in hours actually worked higher than a year-on-year increase in average labour costs.

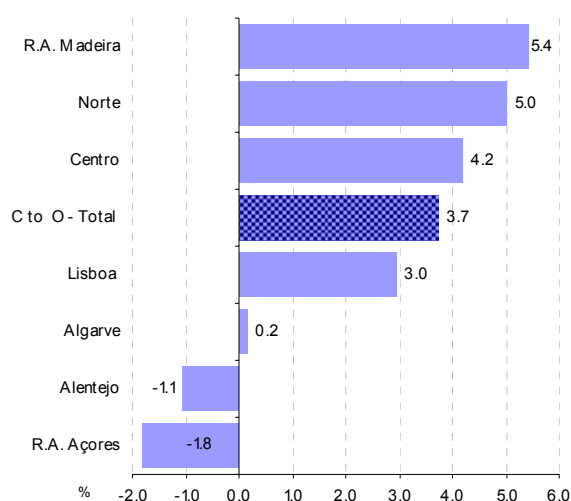
Negative variations in “other community, social and personal service activities” was due to a year-on-year decrease in average labour costs higher than a year-on-year decrease in hours actually worked, which corresponds to a decrease in the hourly labour costs.

2. REGIONS NUTS II

Comparing with the same quarter of the previous year, the increase of the hourly labour costs was higher than the LCI variation (+3.7%) in Madeira (+5.4%), Norte (+5.0%) and Centro (+4.2%).

Chart 2 – LCI by regions NUTSII in 2nd Q 2007

(excluding public administration and working day adjusted, % change compared to the same quarter of the previous year)



Lisboa (+3.0%) and Algarve (+0.2%) recorded the smallest rise in the hourly labour costs.

Açores (-1.8%) and Alentejo (-1.1%) presented negative variations compared to the same period of the previous year.

The increase in Madeira was merely the result from the year-on-year increase in average labour costs since the

hours actually worked remained unchanged from the same quarter of the previous year.

Table 2 - Quarterly average labour cost and hours actually worked, by worker, and LCI by regions NUTS II in 2nd Q 2007

(excluding public administration and working day adjusted, % change compared to the same quarter of the previous year)

NUTS II (2002)	Average labour cost by worker	Hours actually worked by worker	Labour Cost Index
	% change compared with same quarter of the previous year		
Total (CQ)	2.3	-1.4	3.7
Norte	1.8	-3.1	5.0
Centro	2.2	-1.9	4.2
Lisboa	3.3	0.2	3.0
Alentejo	-0.4	0.7	-1.1
Algarve	3.0	2.9	0.2
RA Açores	-0.5	1.3	-1.8
RA Madeira	5.1	0.0	5.4

The rise in the hourly labour costs in Norte and Centro were due to a year-on-year increase in average labour costs and a year-on-year decrease in hours actually worked.

The change in Lisboa and Algarve was due to a year-on-year increase in the average labour costs greater than a year-on-year rise in hours actually worked, which corresponded to an increase of the hourly labour costs.

The negative year-on-year change observed in both Açores and Alentejo was due to the combined effect of a year-on-year decrease in average labour costs and a year-on-year increase in hours actually worked.

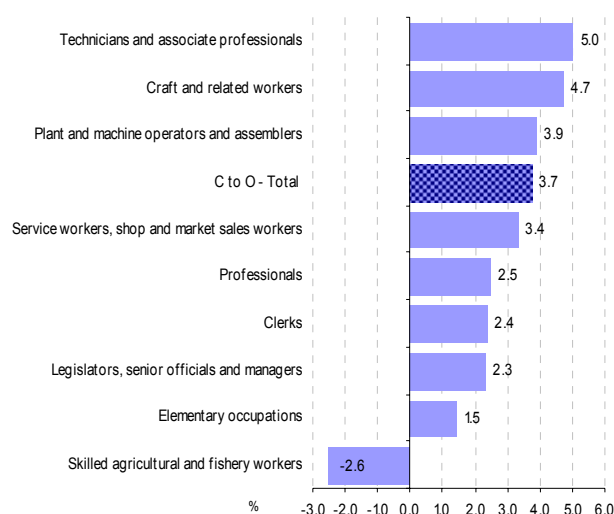
3. OCCUPATIONAL GROUPS

In the 2nd quarter of 2007, compared to the 2nd quarter of 2006, among the occupational groups where the LCI rose, the highest increases were in “technicians and associate

professionals” (+5.0%), “craft and related workers” (+4.7%) and “plant and machine operators and assemblers” (+3.9%).

Chart 3 – LCI by occupational groups in 2nd Q 2007

(excluding public administration and working day adjusted, % change compared to the same quarter of the previous year)



Increases were smallest to the ones of the LCI (+3.7%) in “service workers, shop and market sales workers” (+3.4%), “professionals” (+2.5%), “clerks” (+2.4%), “legislators, senior officials and managers” (+2.3%) and “elementary occupations” (+1.5%).

“Skilled agricultural and fishery workers” registered negative variations when compared to the same period of the previous year.

The rate of change for the occupational groups “technicians and associate professionals”, “craft and related workers”, “plant and machine operators and assemblers”, “service workers, shop and market sales workers”, “professionals”, “clerks” and “elementary occupations” was due to the combined effect of a year-on-year growth in average labour costs and a year-on-year decrease in hours actually worked.

Table 3 – Quarterly average labour cost and hours actually worked, by worker, and LCI by occupational groups in 2nd Q 2007

(excluding public administration and working day adjusted, % change compared to the same quarter of the previous year)

Occupational groups (ISCO 88)	Average labour cost by worker	Hours actually worked by worker	Labour Cost Index
	% change compared with same quarter of the previous year		
Total (C-O)	2.3	-1.4	3.7
Legislators, senior officials and managers	5.9	3.9	2.3
Professionals	1.9	-0.3	2.5
Technicians and associate professionals	2.0	-2.7	5.0
Clerks	1.4	-0.7	2.4
Service workers, shop and market sales workers	2.9	-0.5	3.4
Skilled agricultural and fishery workers	-0.1	2.7	-2.6
Craft and related workers	2.2	-2.3	4.7
Plant and machine operators and assemblers	1.4	-2.3	3.9
Elementary occupations	0.5	-0.7	1.5

The rise of the hourly labour costs in “legislators, senior officials and managers” was the result of a year-on-year rise in the average labour costs higher than the increase in hours actually worked.

The decrease in average hourly labour costs in “skilled agricultural and fishery workers” was justified by a year-on-year decrease in average labour costs and a year-on-year grew in hours actually worked.

4. INTERNATIONAL COMPARISON

The chart below presents the year-on-year changes in the hourly labour costs, incurred by employers as a result of engaging the labour work force, relating to the last quarter available (1st quarter of 2007^(a)) for activities as a whole (C to K) published by Eurostat under the title “LCI – Labour Cost Index”, on 14th June 2007.

In the 1st quarter of 2007, labour costs published by Eurostat for the EU27 grew by 3.7% compared to the

same quarter of the previous year. In Portugal, hourly labour costs rose by 5.8%.

Latvia (+32.6%), Romania (+25.0%), Lithuania (+22.2%), Estonia (+21.1%) and Bulgaria (+15.9%) recorded the highest increases in the hourly labour costs that largely exceeded the year-on-year developments in the EU27 (+3.7%).

Increases were smallest to the ones of the EU 27 (+3.7%) in Sweden (+2.8%), Austria (+2.3%), Belgium (+2.0%), Malta (+1.4%) and Germany (+0.1%).

(a) Provisional data for Portugal

Chart 4 – LCI (C-K) in European Union (27) in the 1st Q 2007

(excluding public administration and working day adjusted, % change compared to the same quarter of the previous year)

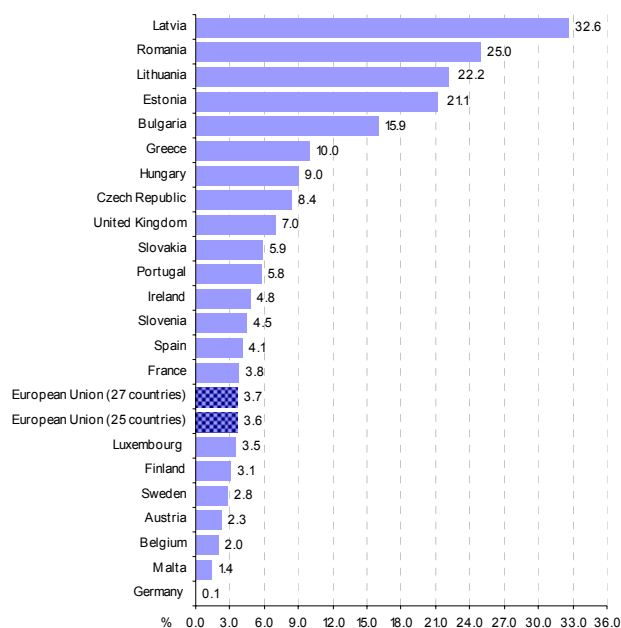




Table 4: Labour Cost Index (LCI) by economic activity, regions NUTS II and occupational groups (working day adjusted)

	(2000=100)																	
	2004 Q1	2004 Q2	2004 Q3	2004 Q4	2004	2005 Q1	2005 Q2	2005 Q3	2005 Q4	2005	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2006	2007 Q1	2007 Q2	
By economic activities (Nace Rev.1.1)																		
Labour Cost Index (C-O)(excluding public administration)	101.0	105.0	132.8	132.0	117.7	103.0	107.8	136.4	132.7	120.0	106.8	108.9	135.4	136.7	122.0	110.5	112.9	
Labour Cost Index (C_K)	101.1	105.0	132.3	132.0	117.6	103.2	107.8	136.1	132.7	119.9	107.1	108.7	135.0	136.9	121.9	110.8	113.0	
C - Mining and quarrying	101.7	104.0	134.9	131.7	118.1	105.1	104.2	129.9	137.8	119.3	105.1	106.6	132.6	135.2	119.9	111.8	117.9	
D - Manufacturing	97.1	101.5	137.1	133.1	117.2	97.3	106.9	141.9	134.2	120.1	103.1	105.3	140.4	134.4	120.8	103.8	109.4	
E - Electricity, gas and water supply	102.3	131.3	125.4	133.8	123.2	111.1	142.1	132.2	138.0	130.8	112.7	144.3	125.0	150.8	133.2	115.3	144.2	
F - Construction	104.1	106.6	132.0	135.8	119.6	100.8	105.0	130.5	133.9	117.5	102.9	110.8	136.2	139.3	122.3	109.4	113.1	
G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	99.7	105.5	124.8	128.1	114.5	102.5	105.6	135.3	133.0	119.1	108.6	109.3	134.8	135.7	122.1	113.4	114.1	
H - Hotels and restaurants	102.3	108.4	140.3	140.9	123.0	111.8	110.0	143.5	143.3	127.1	113.6	113.9	146.8	145.6	130.0	120.4	119.0	
I - Transport, storage and communication	99.4	104.3	138.6	126.2	117.1	99.3	105.7	138.2	128.0	117.8	101.4	106.5	131.9	130.2	117.5	101.8	107.7	
J - Financial intermediation	121.8	105.1	116.4	132.5	119.0	126.2	111.5	118.1	128.1	120.9	128.5	112.8	119.2	142.6	125.8	139.2	116.9	
K - Real estate, renting and business activities	98.3	107.0	137.6	133.9	119.2	105.9	109.2	134.2	128.0	119.3	104.7	105.5	128.2	140.8	119.8	109.7	114.5	
M - Education	89.1	97.3	161.8	124.3	118.1	90.3	95.6	157.9	124.6	117.1	92.0	103.0	165.6	123.6	121.1	93.2	102.7	
N - Health and social work	97.6	111.2	144.5	137.1	122.6	97.4	112.9	140.9	135.1	121.6	100.1	115.5	142.5	140.2	124.6	105.0	117.9	
O - Other community, social and personal service activities	107.6	110.2	134.8	136.4	122.3	105.6	110.8	135.5	136.7	122.2	106.2	115.7	136.6	133.7	123.1	107.5	113.4	
By region (C to Q, excluding public administration)																		
101 - Norte	101.2	104.7	137.5	133.8	119.3	105.7	106.7	141.9	133.4	121.9	107.7	108.1	141.1	139.2	124.0	113.4	113.5	
106 - Centro	103.5	110.4	133.1	132.8	119.9	101.1	106.4	137.6	137.3	120.6	106.6	110.6	139.8	137.0	123.5	108.6	115.2	
107 - Lisboa	102.5	106.7	133.5	132.2	118.7	106.2	120.5	143.4	134.7	126.2	110.7	110.5	132.8	134.4	122.1	111.4	113.8	
108 - Alentejo	99.7	102.3	123.8	127.7	113.4	98.2	105.4	123.7	132.1	114.9	105.3	112.2	129.4	139.9	121.7	104.1	111.1	
109 - Algarve	102.9	110.0	124.8	137.9	118.9	103.9	110.1	127.4	138.5	120.0	106.9	113.2	130.4	139.2	122.4	108.6	113.4	
201 - Região Autónoma dos Açores	98.6	102.0	125.0	130.8	114.1	98.6	104.4	133.3	137.0	118.3	108.0	115.7	135.7	135.6	123.8	108.2	113.6	
301 - Região Autónoma da Madeira	105.2	108.0	131.3	136.3	120.2	105.5	106.4	130.3	137.5	119.9	108.3	112.2	130.9	139.9	122.8	111.2	118.3	
By occupational groups (ISCO 88) (C to O, excluding public administration)																		
1 - Legislators, senior officials and managers	106.0	99.3	129.6	124.5	114.8	110.0	98.3	151.0	143.8	125.8	121.2	103.2	132.6	135.1	123.0	116.0	105.6	
2 - Professionals	103.4	109.5	135.4	132.9	120.3	105.7	106.3	136.3	130.9	119.8	107.1	109.5	139.5	136.4	123.1	105.5	112.3	
3 - Technicians and associate professionals	102.9	106.3	132.6	133.0	118.7	104.2	110.2	138.2	135.7	122.1	108.0	111.3	134.1	135.8	122.3	113.2	116.9	
4 - Clerks	101.7	107.1	134.3	133.7	119.2	103.4	108.6	139.3	134.9	121.6	107.4	113.9	139.1	140.2	125.1	111.6	116.6	
5 - Service workers, shop and market sales workers	98.3	111.2	132.8	128.9	117.8	105.0	111.6	131.7	123.1	117.9	104.3	110.9	132.2	130.9	119.6	108.0	114.7	
6 - Skilled agricultural and fishery workers	97.3	95.0	111.6	115.8	104.9	95.5	98.8	114.5	118.7	106.9	98.0	103.5	115.4	119.3	109.1	97.5	100.9	
7 - Craft and related workers	96.7	105.7	131.5	129.2	115.8	101.4	107.7	132.4	128.5	117.5	102.5	108.0	136.6	133.7	120.2	106.5	113.1	
8 - Plant and machine operators and assemblers	101.7	103.3	127.2	128.4	115.1	98.9	114.2	131.5	132.1	119.2	106.0	107.6	133.3	141.0	122.0	108.2	111.8	
9 - Elementary occupations	100.8	105.7	131.8	136.1	118.6	97.7	108.5	134.1	135.1	118.9	103.4	108.4	133.5	138.3	120.9	105.1	110.0	

Table 5: Labour Cost Index - % change compared to the same quarter of the previous year by economic activity, region NUTS II and occupational groups (working day adjusted)

	2004 Q1	2004 Q2	2004 Q3	2004 Q4	2004	2005 Q1	2005 Q2	2005 Q3	2005 Q4	2005	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2006	2007 Q1	2007 Q2
By economic activities (Nace Rev.1.1)																	
Labour Cost Index (C-O)(excluding public administration)	2.7	4.5	4.0	2.4	3.4	1.9	2.6	2.7	0.5	1.9	3.7	1.0	-0.7	3.0	1.7	3.4	3.7
Labour Cost Index (C_K)	2.6	4.5	4.0	2.4	3.3	2.0	2.7	2.9	0.6	2.0	3.8	0.9	-0.8	3.1	1.7	3.5	3.9
C - Mining and quarrying	3.0	4.9	-0.1	-2.1	1.0	3.4	0.1	-3.7	4.7	1.0	-0.1	2.3	2.1	-1.9	0.5	6.4	10.6
D - Manufacturing	2.2	3.4	0.8	2.8	2.2	0.2	5.3	3.5	0.8	2.4	6.0	-1.5	-1.0	0.2	0.6	0.7	3.9
E - Electricity, gas and water supply	7.5	1.1	9.3	6.7	5.9	8.6	8.2	5.4	3.2	6.2	1.5	1.6	-5.5	9.3	1.8	2.3	-0.1
F - Construction	2.6	6.9	5.1	2.4	4.2	-3.2	-1.5	-1.1	-1.4	-1.7	2.1	5.5	4.4	4.0	4.0	6.3	2.1
G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	1.3	5.3	1.7	0.5	2.1	2.9	0.1	8.4	3.8	4.0	6.0	3.4	-0.3	2.0	2.5	4.4	4.4
H - Hotels and restaurants	0.6	13.0	13.1	7.6	8.7	9.3	1.5	2.2	1.7	3.4	1.7	3.6	2.3	1.6	2.2	5.9	4.5
I - Transport, storage and communication	7.8	6.6	11.0	-1.1	5.9	-0.2	1.3	-0.2	1.4	0.6	2.2	0.8	-4.6	1.7	-0.2	0.4	1.1
J - Financial intermediation	1.8	-1.4	-2.5	3.2	0.4	3.6	6.1	1.4	-3.3	1.7	1.8	1.1	1.0	11.4	4.0	8.4	3.7
K - Real estate, renting and business activities	1.9	3.5	13.0	5.7	6.4	7.7	2.0	-2.5	-4.4	0.1	-1.2	-3.4	-4.5	10.0	0.4	4.8	8.6
M - Education	3.3	4.7	8.9	4.1	5.7	1.3	-1.8	-2.4	0.2	-0.9	1.8	7.8	4.9	-0.7	3.4	1.3	-0.3
N - Health and social work	4.8	3.9	6.9	2.1	4.4	-0.2	1.5	-2.5	-1.5	-0.8	2.8	2.3	1.1	3.7	2.4	5.0	2.1
O - Other community, social and personal service activities	7.3	5.5	1.0	1.4	3.4	-1.9	0.5	0.5	0.2	-0.1	0.6	4.4	0.8	-2.2	0.7	1.2	-2.0
By region (C to O, excluding public administration)																	
101 - Norte	1.6	5.9	3.9	2.6	3.5	4.5	1.9	3.2	-0.3	2.2	1.8	1.3	-0.6	4.3	1.7	5.4	5.0
106 - Centro	4.0	6.5	1.1	0.5	2.7	-2.3	-3.6	3.4	3.4	0.6	5.4	3.9	1.6	-0.2	2.4	1.8	4.2
107 - Lisboa	2.3	1.7	3.9	1.8	2.5	3.6	12.9	7.4	1.9	6.3	4.2	-8.3	-7.4	-0.2	-3.2	0.7	3.0
108 - Alentejo	3.7	4.0	4.3	0.6	3.0	-1.5	3.0	-0.1	3.4	1.3	7.2	6.5	4.6	5.9	6.0	-1.1	-1.1
109 - Algarve	0.6	4.5	-0.5	2.2	1.7	1.0	0.1	2.0	0.4	0.9	2.9	2.9	2.4	0.6	2.1	1.7	0.2
201 - Região Autónoma dos Açores	2.8	5.0	0.5	4.1	3.0	0.0	2.3	6.7	4.7	3.7	9.6	10.9	1.8	-1.0	4.6	0.2	-1.8
301 - Região Autónoma da Madeira	6.1	8.2	5.0	-0.5	4.3	0.3	-1.4	-0.7	0.9	-0.2	2.6	5.4	0.4	1.8	2.4	2.7	5.4
By occupational groups (ISCO 88) (C to O, excluding public administration)																	
1 - Legislators, senior officials and managers	-4.1	1.9	5.7	-0.5	0.8	3.8	-1.0	16.5	15.5	9.5	10.1	4.9	-12.2	-6.1	-2.2	-4.2	2.3
2 - Professionals	-3.5	1.4	6.1	-4.3	-0.1	2.2	-2.9	0.7	-1.5	-0.4	1.4	3.0	2.3	4.2	2.8	-1.5	2.5
3 - Technicians and associate professionals	5.8	5.2	4.4	4.6	4.9	1.3	3.7	4.2	2.1	2.9	3.6	1.1	-3.0	0.1	0.2	4.8	5.0
4 - Clerks	3.6	2.5	2.8	3.5	3.1	1.6	1.5	3.7	0.9	2.0	3.9	4.8	-0.1	3.9	2.9	3.9	2.4
5 - Service workers, shop and market sales workers	-1.0	10.0	12.3	0.0	5.3	6.8	0.4	-0.8	-4.5	0.0	-0.7	-0.6	0.4	6.4	1.5	3.6	3.4
6 - Skilled agricultural and fishery workers	6.8	0.6	-3.2	-0.5	0.6	-1.8	3.9	2.6	2.5	1.8	2.6	4.8	0.7	0.6	2.1	-0.5	-2.6
7 - Craft and related workers	-0.2	5.5	1.0	1.1	1.8	4.9	1.8	0.7	-0.5	1.5	1.1	0.3	3.2	4.0	2.3	3.9	4.7
8 - Plant and machine operators and assemblers	2.1	4.0	-0.3	-1.7	0.8	-2.7	10.6	3.4	2.9	3.5	7.1	-5.8	1.4	6.7	2.3	2.1	3.9
9 - Elementary occupations	6.4	8.0	2.9	6.6	5.8	-3.1	2.6	1.8	-0.7	0.2	5.8	0.0	-0.5	2.3	1.7	1.6	1.5

Table 6: Labour Cost Index (LCI) by economic activity, regions NUTS II and occupational groups (not seasonal adjusted)

	(2000=100)																
	2004 Q1	2004 Q2	2004 Q3	2004 Q4	2004	2005 Q1	2005 Q2	2005 Q3	2005 Q4	2005	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2006	2007 Q1	2007Q 2
By economic activities (Nace Rev.1.1)																	
Labour Cost Index (C-O)(excluding public administration)	102.6	101.7	128.8	127.8	115.2	106.3	107.8	134.3	130.6	119.7	106.8	108.9	135.4	136.7	122.0	112.2	114.8
Labour Cost Index (C-K)	102.7	101.6	128.2	127.7	115.1	106.5	107.8	134.0	130.5	119.7	107.1	108.7	135.0	136.9	121.9	112.6	114.9
C - Mining and quarrying	103.3	100.7	130.8	127.4	115.6	108.5	104.2	127.9	135.6	119.0	105.1	106.6	132.6	135.2	119.9	113.6	119.8
D - Manufacturing	98.6	98.3	132.9	128.8	114.7	100.4	106.9	139.7	132.0	119.7	103.1	105.3	140.4	134.4	120.8	105.5	111.2
E - Electricity, gas and water supply	104.0	127.1	121.6	129.4	120.5	114.7	142.1	130.2	135.8	130.7	112.7	144.3	125.0	150.8	133.2	117.1	146.6
F - Construction	105.8	103.2	128.0	131.4	117.1	104.0	105.0	128.5	131.7	117.3	102.9	110.8	136.2	139.3	122.3	111.1	114.9
G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	101.2	102.2	121.0	124.0	112.1	105.8	105.6	133.2	130.8	118.9	108.6	109.3	134.8	135.7	122.1	115.2	116.0
H - Hotels and restaurants	103.9	104.9	136.1	136.3	120.3	115.4	110.0	141.3	140.9	126.9	113.6	113.9	146.8	145.6	130.0	122.3	121.0
I - Transport, storage and communication	101.0	101.0	134.4	122.1	114.6	102.5	105.7	136.1	125.9	117.5	101.4	106.5	131.9	130.2	117.5	103.4	109.5
J - Financial intermediation	123.7	101.8	112.9	128.2	116.6	130.2	111.5	116.2	126.0	121.0	128.5	112.8	119.2	142.6	125.8	141.4	118.9
K - Real estate, renting and business activities	99.9	103.6	133.4	129.6	116.6	109.3	109.2	132.1	125.9	119.1	104.7	105.5	128.2	140.8	119.8	111.4	116.4
M - Education	90.6	94.2	156.9	120.3	115.5	93.3	95.6	155.4	122.5	116.7	92.0	103.0	165.6	123.6	121.1	94.7	104.4
N - Health and social work	99.1	107.7	140.1	132.7	119.9	100.5	112.9	138.8	132.9	121.3	100.1	115.5	142.5	140.2	124.6	106.7	119.9
O - Other community, social and personal service activities	109.3	106.7	130.7	132.0	119.7	109.0	110.8	133.4	134.5	121.9	106.2	115.7	136.6	133.7	123.1	109.2	115.3
By region (C to Q, excluding public administration)																	
101 - Norte	102.8	101.4	133.4	129.5	116.8	109.1	106.7	139.7	131.2	121.7	107.7	108.1	141.5	139.2	124.1	115.2	115.4
106 - Centro	106.0	111.0	130.3	129.6	119.2	105.2	114.8	136.8	136.3	123.3	107.5	114.4	141.0	138.2	125.3	111.2	118.1
107 - Lisboa	104.2	103.3	129.5	127.9	116.2	109.7	120.5	141.2	132.5	126.0	110.7	110.5	132.8	134.4	122.1	113.2	115.7
108 - Alentejo	101.3	99.0	120.1	123.6	111.0	101.4	105.4	121.8	129.9	114.6	105.3	112.2	129.4	139.9	121.7	105.8	112.9
109 - Algarve	104.6	106.5	121.1	133.5	116.4	107.3	110.1	125.4	136.2	119.7	106.9	113.2	130.4	139.2	122.4	110.4	115.3
201 - Região Autónoma dos Açores	100.2	98.8	121.2	126.5	111.7	101.8	104.4	131.2	134.7	118.0	108.0	115.7	135.7	135.6	123.8	109.9	115.5
301 - Região Autónoma da Madeira	106.9	104.5	127.3	131.9	117.6	108.9	106.4	128.3	135.2	119.7	108.3	112.2	130.9	139.9	122.8	112.9	120.3
By occupational groups (ISCO 88) (C to Q, excluding public administration)																	
1 - Legislators, senior officials and managers	107.7	96.1	126.1	120.5	112.6	113.6	98.3	148.7	141.5	125.5	121.2	103.2	132.6	135.1	123.0	117.9	107.4
2 - Professionals	105.1	106.0	131.3	128.6	117.8	109.1	106.3	134.2	128.8	119.6	107.1	109.5	139.5	136.4	123.1	107.2	114.1
3 - Technicians and associate professionals	104.5	102.9	128.6	128.7	116.2	107.6	110.2	136.1	133.5	121.8	108.0	111.3	134.1	135.8	122.3	115.0	118.8
4 - Clerks	103.4	103.7	130.2	129.4	116.7	106.7	108.6	137.1	132.7	121.3	107.4	113.9	138.8	140.2	125.1	113.4	118.5
5 - Service workers, shop and market sales workers	99.7	108.0	129.1	125.1	115.5	108.1	111.6	129.8	121.3	117.7	104.3	110.9	132.2	130.9	119.6	109.6	116.4
6 - Skilled agricultural and fishery workers	98.5	92.6	108.8	112.6	103.1	98.0	98.8	113.0	117.0	106.7	98.0	103.5	115.4	119.3	109.1	98.8	102.3
7 - Craft and related workers	98.1	102.6	127.7	125.2	113.4	104.4	107.7	130.4	126.5	117.3	102.5	108.0	136.6	133.7	120.2	108.1	114.9
8 - Plant and machine operators and assemblers	103.2	100.2	123.6	124.5	112.9	101.9	114.2	129.6	130.1	119.0	106.0	107.6	133.3	141.0	122.0	109.8	113.6
9 - Elementary occupations	102.4	102.4	127.8	131.7	116.1	100.9	108.5	132.1	132.9	118.6	103.4	108.4	133.5	138.3	120.9	106.7	111.8

Table 7: Labour Cost Index - % change compared to the same quarter of the previous year by economic activity, region NUTS II and occupational groups (not seasonal adjusted)

	2004 Q1	2004 Q2	2004 Q3	2004 Q4	2004	2005 Q1	2005 Q2	2005 Q3	2005 Q4	2005	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2006	2007 Q1	2007Q 2
By economic activities (Nace Rev.1.1)																	
Labour Cost Index (C-O)(excluding public administration)	1.1	-2.2	2.5	4.1	1.5	3.6	5.9	4.3	2.2	3.9	0.5	1.0	0.9	4.7	1.9	5.1	5.5
Labour Cost Index (C_K)	0.9	-2.2	2.4	4.1	1.5	3.7	6.0	4.5	2.2	4.0	0.5	0.9	0.7	4.9	1.9	5.1	5.6
C - Mining and quarrying	1.4	-1.8	-1.6	-0.5	-0.7	5.1	3.4	-2.2	6.4	3.0	-3.2	2.3	3.6	-0.3	0.7	8.1	12.4
D - Manufacturing	0.6	-3.2	-0.7	4.5	0.4	1.8	8.8	5.1	2.4	4.4	2.7	-1.5	0.5	1.9	0.9	2.3	5.6
E - Electricity, gas and water supply	5.8	-5.3	7.6	8.4	3.7	10.3	11.7	7.1	4.9	8.4	-1.7	1.6	-4.0	11.1	2.0	3.9	1.6
F - Construction	1.0	0.1	3.5	4.1	2.3	-1.6	1.7	0.4	0.3	0.2	-1.1	5.5	6.0	5.7	4.3	8.0	3.8
G - Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	-0.3	-1.4	0.2	2.2	0.3	4.5	3.4	10.1	5.5	6.0	2.6	3.4	1.2	3.7	2.7	6.1	6.2
H - Hotels and restaurants	-1.0	5.8	11.4	9.3	6.7	11.1	4.8	3.8	3.4	5.5	-1.5	3.6	3.9	3.3	2.4	7.6	6.2
I - Transport, storage and communication	6.1	-0.1	9.4	0.5	4.0	1.5	4.7	1.3	3.1	2.6	-1.0	0.8	-3.1	3.4	0.0	2.0	2.8
J - Financial intermediation	0.2	-7.6	-3.9	4.8	-1.4	5.3	9.5	3.0	-1.7	3.7	-1.4	1.1	2.6	13.2	3.9	10.1	5.4
K - Real estate, renting and business activities	0.3	-3.0	11.3	7.4	4.4	9.4	5.4	-1.0	-2.9	2.1	-4.3	-3.4	-3.0	11.9	0.6	6.4	10.4
M - Education	1.7	-2.0	7.2	5.8	3.8	3.0	1.4	-0.9	1.8	1.0	-1.3	7.8	6.6	0.9	3.8	3.0	1.3
N - Health and social work	3.1	-2.7	5.2	3.8	2.5	1.4	4.8	-1.0	0.1	1.1	-0.4	2.3	2.7	5.5	2.7	6.6	3.8
O - Other community, social and personal service activities	5.6	-1.2	-0.6	3.0	1.6	-0.3	3.8	2.1	1.9	1.9	-2.6	4.4	2.4	-0.6	0.9	2.8	-0.4
By region (C to O, excluding public administration)																	
101 - Norte	0.0	-0.8	2.3	4.3	1.6	6.2	5.2	4.7	1.3	4.2	-1.4	1.3	1.3	6.0	2.0	7.0	6.8
106 - Centro	2.3	1.4	-0.4	2.1	1.3	-0.7	3.4	5.0	5.1	3.4	2.2	-0.3	3.1	1.4	1.6	3.4	3.2
107 - Lisboa	0.7	-4.8	2.3	3.4	0.6	5.3	16.6	9.1	3.6	8.4	0.9	-8.3	-5.9	1.5	-3.1	2.3	4.7
108 - Alentejo	2.0	-2.6	2.7	2.2	1.2	0.1	6.4	1.5	5.1	3.3	3.9	6.5	6.2	7.7	6.2	0.5	0.6
109 - Algarve	-1.0	-2.1	-2.0	3.9	-0.2	2.6	3.3	3.6	2.0	2.9	-0.4	2.9	4.0	2.2	2.3	3.3	1.8
201 - Região Autónoma dos Açores	1.1	-1.7	-1.0	5.8	1.2	1.6	5.6	8.3	6.5	5.7	6.1	10.9	3.4	0.7	4.9	1.8	-0.2
301 - Região Autónoma da Madeira	4.4	1.3	3.4	1.1	2.5	1.9	1.8	0.8	2.5	1.8	-0.6	5.4	2.0	3.5	2.6	4.3	7.2
By occupational groups (ISCO 88) (C to O, excluding public administration)																	
1 - Legislators, senior officials and managers	-5.6	-4.5	4.4	1.1	-1.0	5.5	2.3	17.9	17.4	11.5	6.7	4.9	-10.8	-4.5	-2.0	-2.7	4.1
2 - Professionals	-5.0	-5.0	4.5	-2.7	-1.9	3.8	0.3	2.2	0.1	1.6	-1.8	3.0	3.9	5.9	3.0	0.0	4.2
3 - Technicians and associate professionals	4.1	-1.5	2.8	6.3	3.0	3.0	7.1	5.8	3.7	4.9	0.4	1.1	-1.5	1.8	0.4	6.5	6.7
4 - Clerks	1.9	-4.0	1.2	5.1	1.2	3.3	4.8	5.3	2.6	4.0	0.7	4.8	1.2	5.6	3.1	5.5	4.1
5 - Service workers, shop and market sales workers	-2.4	3.7	10.7	1.5	3.5	8.4	3.3	0.6	-3.1	1.9	-3.5	-0.6	1.8	8.0	1.6	5.0	4.9
6 - Skilled agricultural and fishery workers	5.5	-4.6	-4.5	0.9	-0.8	-0.5	6.7	3.9	3.9	3.5	0.0	4.8	2.1	2.0	2.2	0.8	-1.2
7 - Craft and related workers	-1.7	-0.7	-0.5	2.6	0.0	6.4	4.9	2.1	1.0	3.4	-1.8	0.3	4.8	5.6	2.5	5.5	6.3
8 - Plant and machine operators and assemblers	0.6	-2.1	-1.7	-0.2	-0.9	-1.3	14.0	4.9	4.5	5.4	4.0	-5.8	2.9	8.4	2.5	3.6	5.5
9 - Elementary occupations	4.7	1.1	1.4	8.4	3.9	-1.5	5.9	3.4	1.0	2.2	2.5	0.0	1.1	4.0	1.9	3.2	3.1

TECHNICAL NOTE

The series based on the year 2000 was developed in compliance with EU statistical requirements, pursuant to Regulation No 450/2003 of the European Parliament and of the Council. For reasons related to the implementation of a different methodology, this new series is not comparable with the previous one (1995 series).

Published/released series are adjusted series (for working day) (WDA, Working Day Adjusted), as released by Eurostat, and unadjusted series (NSA, Not Seasonal Adjusted), by economic activity, by NUTS II region and by occupational group (International Standard Classification of Occupations 1994). Both series (WDA and NSA) are not seasonally adjusted.

NUTS II regions are based on the new region nomenclature (NUTS 2002).

The LCI is an indicator that measures the development of the average labour cost per worked hour (hourly labour costs). The changes in the employment, hours actually worked and prices levels affect the indices obtained during the observed periods.

Formula for the calculation of the LCI

$$LCI_{tj}(k) = \frac{\sum_{i=C}^O w_i^{tj} h_i^{tk}}{\sum_{i=C}^O w_i^{tk} h_i^{tk}}$$

$LCI_{tj}(k)$ = Labour Cost Index, quarter t , year j (related to the base period quarter t , year k)

$i = \{C, O\}$ = Sector of economic activity

tj = quarter t of year j under observation

tk = quarter t of year k , base period (2000)

w_i^{tj} = Labour cost of employees by hour worked, sector i quarter t year j

h_i^{tk} = Hours actually worked in sector i in quarter t in year k

$w_i^{tj} * h_i^{tk}$ = Total labour cost in sector i in quarter t in year j ; the hours were evaluated in quarter t in year k

$w_i^{tk} * h_i^{tk}$ = Total labour cost in sector i in quarter t in year k (base)

The actual labour cost adopts the perspective of the employer, corresponding to the total cost incurred by the employer and including the following items:

- ✓ Basic wage and salaries
- ✓ Regular bonuses and allowances (paid in each pay period)
- ✓ Irregular bonuses and allowances (not paid in each pay period)
- ✓ Overtime payment
- ✓ Payments and benefits in kind
- ✓ Payment for hours not worked
- ✓ Employer's social contributions
- ✓ Collectively agreed, contractual and voluntary social security contributions
- ✓ Other (including payments to employees leaving the enterprise)

* Excluding the following activities: "Public administration and defence services, compulsory social security services" (L); and the public part of the following activities: "Education" (M) and "Human health and social work services" (N).

Date scheduled for the next press release: November, 15th 2007