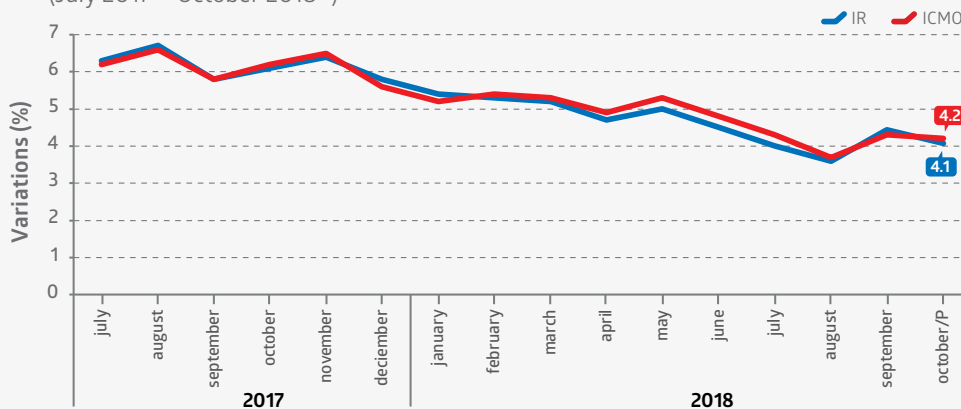


- In October 2018, the twelve-month variations of the Nominal Earning Index (IR) and the Nominal Labour Costs Index (ICMO) were **4.1%** and **4.2%**, respectively.
- Commerce, followed by construction and manufacturing, had the greatest positive year-on-year impact on both indicators.

Development of the Nominal Earning Index and Nominal Labour Costs Index Base year: 2016=100

Twelve-month variations*
(July 2017 – October 2018^{/P})



In October 2018, the twelve-month variations of the Nominal Earnings Index (IR) and the Nominal Labour Costs Index (ICMO) were 4.1% and 4.2%, respectively. By economic sector, commerce, construction, and manufacturing had the greatest positive impacts on both indicators.

The real IR increased 1.1% year on year. The cumulative variation of the indicator was 0.1%.

According to the size of the company¹, the greatest variations in the IR and ICMO were in medium-size companies (5.7% in the IR and 5.8% in the ICMO). Following in influence were large companies (3.8% in the IR and 3.9% in the ICMO) and small companies (3.2% in the IR and 3.6% in the ICMO).

A twelve-month decrease of 0.8% was observed in both total working hours and normal working hours. In contrast, overtime increased 1.2%.

The normal average remuneration per normal hour stood at \$4,752. For women, this figure was \$4,430, and for men, it was \$5,030.

The gap according to gender in average remuneration for normal working hour was -11.9%, and the gap in labour costs per total hour was -12.3%.

Development of the seasonally adjusted spliced series

The seasonally adjusted spliced series² of the IR and ICMO increased 0.3% and 0.2%, respectively, compared to the previous month. In the same period, the seasonally adjusted real IR showed no variation.

(1) Size of company according to the number of workers: small (5 to 49 workers), medium-size (50 to 199 workers), and large (200 or more workers).

(2) See the supplement, "Desestacionalización de las series IR-ICMO nominal e IR real, base promedio año 2016=100" [Seasonal adjustment of the nominal IR-ICMO and real IR series, base: annual average 2016=100], November 2018.

/P: Provisional figure

October 2018

Indices^{/P} Base year 2016=100

IR

Index	111.49
Monthly variation*	-0.1
Monthly variation SA**	0.3
12-month variation	4.1

ICMO

Index	111.66
Monthly variation*	0.0
Monthly variation SA**	0.2
12-month variation	4.2

IR real

Index	93.24
Monthly variation*	-0.4
Monthly variation SA**	0.0
12-month variation	1.1

Average normal remuneration per normal hour^{/P}

Normal Hourly Earnings

Value	\$4,752
Monthly variation*	-0.3
Cumulative variation***	3.4
12-month variation	4.5

Women

Value	\$4,430
Monthly variation*	0.0
Cumulative variation***	3.8
12-month variation	5.1

Men

Value	\$5,030
Monthly variation*	-0.5
Cumulative variation***	3.0
12-month variation	4.0

(*) The monthly variation is not seasonally adjusted.

(**) Seasonally adjusted monthly variation

(***) Cumulative variation from December of the previous year

/P: Provisional figures

Main Indicators

Commerce had the greatest positive year-on-year impact on the IR and ICMO. The impact of commerce was driven by the growth of large, small, and medium-size companies in descending order of influence. In both indices, officials and managers, professionals, clerical support workers, and sales workers were the most influential occupational groups in the rise of the sector.

Construction had the second greatest positive twelve-month impact on the IR and the third greatest positive twelve-month impact on the ICMO. The impacts were driven by medium-size, large, and small companies, in descending order of influence. The most influential occupational groups in both indices were craft and related trades workers, professionals, elementary occupations, and officials and managers.

Manufacturing had the third greatest positive year-on-year impact on the IR and the second greatest positive twelve-month impact on the ICMO. The impact of manufacturing was a result of the growth in large, small, and medium-size companies, in descending order of influence. The most important occupational groups in the results were craft and related trades workers, professionals, and technical workers.

Administrative and support services had the fourth greatest positive year-on-year impact on both the IR and the ICMO. The increase can be attributed to large, small, and medium-size companies, in descending order of influence. In both indices, the occupational groups that drove the growth in the sector were elementary occupations, sales workers, professionals, and technical workers.

Index of Nominal Earnings and the Index of Nominal Labour Costs, according to economic activity base year 2016=100

October 2018^{/P}

Economic Activity (*)	IR			ICMO		
	Monthly index	12-month variation (%)	12-month impact**	Monthly index	12-month variation (%)	12-month impact**
Mining	106,68	1,8	0,104	107,71	1,5	0,088
Manufacturing	111,12	4,7	0,593	112,94	5,7	0,736
Electricity and gas supply	112,56	8,2	0,076	110,09	5,5	0,053
Water supply; sewerage, waste management and remediation	111,98	4,1	0,020	114,73	4,9	0,025
Construction	116,24	6,9	0,742	115,40	6,4	0,700
Commerce	115,02	5,0	0,754	114,25	5,0	0,747
Transport and storage	111,00	5,7	0,329	110,43	5,5	0,334
Accommodation and food service activities	112,04	4,1	0,087	112,89	4,3	0,093
Information and communication	106,56	0,4	0,015	106,41	1,0	0,035
Financial and insurance activities	106,94	0,8	0,071	107,30	1,2	0,101
Real Estate activities	114,81	7,1	0,066	115,05	7,4	0,066
Professional, scientific, and technical activities	109,89	2,8	0,178	110,51	3,1	0,188
Administrative and support service activities	108,79	5,4	0,358	109,07	5,5	0,381
Public administration	110,90	2,3	0,146	110,25	2,3	0,137
Education	113,45	3,3	0,300	113,45	3,6	0,303
Human health and social work activities	112,81	5,3	0,231	113,74	4,8	0,210
Arts, entertainment, and recreation	105,77	2,2	0,013	106,59	2,5	0,015

(*) CIIU4.CL 2012, Chilean Classification for Economic Activities

(**) The total impacts are equal to the monthly variation in the IR and the ICMO and may vary if a larger number of decimals are used in the calculation.

/P: Provisional figures

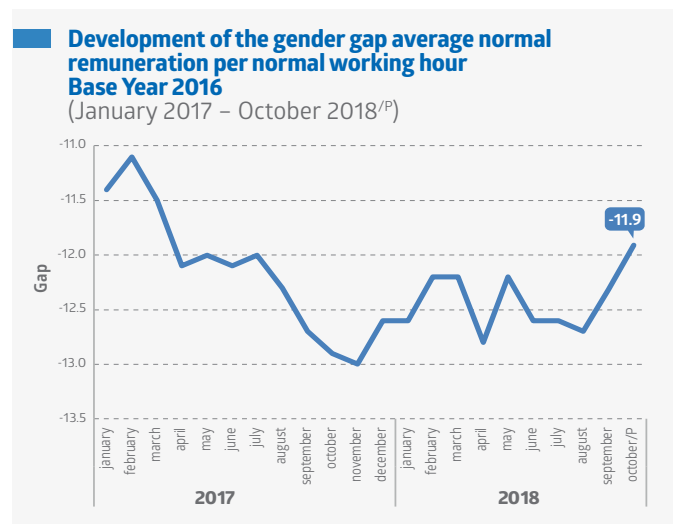
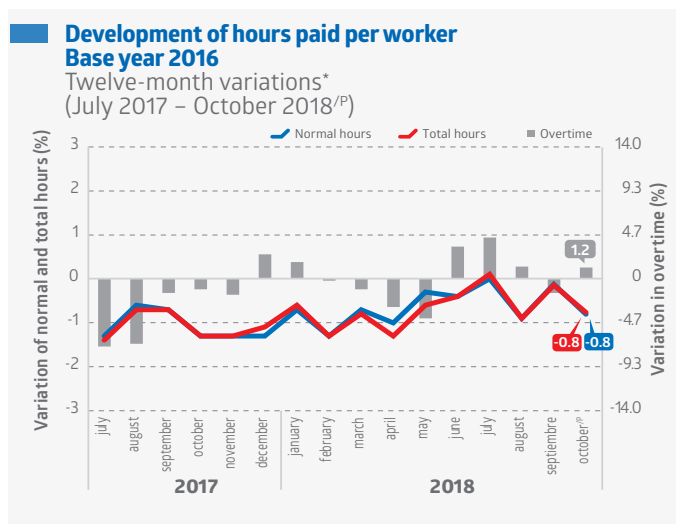
Analytical Indicators³

By occupational group, professionals had the greatest positive year-on-year impact on the IR and the ICMO (1.046 percentage points (pp) and 1.027 pp, respectively). Following in impact were the groups craft and related trades workers (0.572 pp on the IR and 0.561 on the ICMO) and clerical support workers (0.504 pp on the IR and 0.546 pp on the ICMO). Normal working hours per worker decreased 0.8% year on year as a result of the lower impacts of the sectors of commerce, manufacturing, and construction. The decrease can also be attributed to the groups craft and related trades workers, elementary occupations, and personal and protective service workers. In contrast, overtime per worker rose 1.2%. The rise was mainly a result of the positive impacts of the sectors commerce and manufacturing and the occupa-

tional groups elementary occupations, technical workers, and craft and related trades workers.

The normal remuneration per average normal hour was \$4,752, increasing 4.5% in twelve months. This figure for women was \$4,430, which represents a twelve-month increase of 5.1%. For men, the figure was \$5,030, a twelve-month increase of 4.0%. The gap according to gender of the normal remunerations per normal hour was -11.9%.

The labour cost per average total hour was \$5,443, a year-on-year increase of 5.0%. This figure for women was \$5,065, a year-on-year increase of 5.5%. For men, the figure was \$5,773, an increase of 4.7% in the same period. The gender gap of average labour costs per total hour was -12.3%.



Main ractifications of the period³

September 2018

Month	NOMINAL EARNINGS INDEX				NOMINAL LABOUR COSTS INDEX			
	Index	Monthly Variation	Cumulative Variation	12-month Variation	Index	Monthly Variation	Cumulative Variation	12-month Variation
September ^{/P}	111.59	1.0	2.8	4.5	111.75	1.0	2.4	4.4
September ^{/R}	111.55	1.0	2.8	4.4	111.70	1.0	2.4	4.3

^{/P}: Provisional figure
^{/R}: Revised figure

(3) For more information on the rest of analytical indicators, see www.ine.cl/estadisticas/laborales/ir-icmo.

Glossary

- **Gap compared to the general average, according to gender:** is the percentage difference between men and women in comparison with the general average of the estimates of normal remunerations per normal working hour and costs per total working hour.
- **Gap according to gender:** is the percentage difference between women and men in the estimates of normal remunerations per normal working hour and costs per total working hour.
- **Labour cost:** is the sum of the remunerations and the costs of the employer for extraordinary remunerations, reimbursement of worker expenses, employer contributions, welfare services for personnel, training, and other costs of labour. Severance payments and non-monthly payments are excluded.
- **Nominal Earning Index (IR):** measures the monthly change of normal remunerations, per normal working hour, paid to workers contracted by companies and institutions.
- **Nominal Labour Costs Index (ICMO):** measures the monthly change in the cost of the labour per total working hour paid (i.e., the expenses incurred by companies to maintain their workers).
- **Normal working hour:** is the normal working time paid by the company to the workers during the month for services rendered in accord with the contract.
- **Real IR:** measures the monthly change in remuneration per normal working hour paid to workers contracted by companies and institutions. The index is deflated by the Consumer Price Index (CPI).
- **Remuneration:** is a set of considerations in cash and in cash-valued species that workers receive from their employer through a contract of employment for their work or function. It excludes payments of the employer that are reimbursements of expenses incurred by workers in carrying out their jobs, such as expenses for transport or meals.
- **Total working hours:** is the sum of the normal working hours and overtime paid by the company to workers during the month for rendering services in accord with the contract.