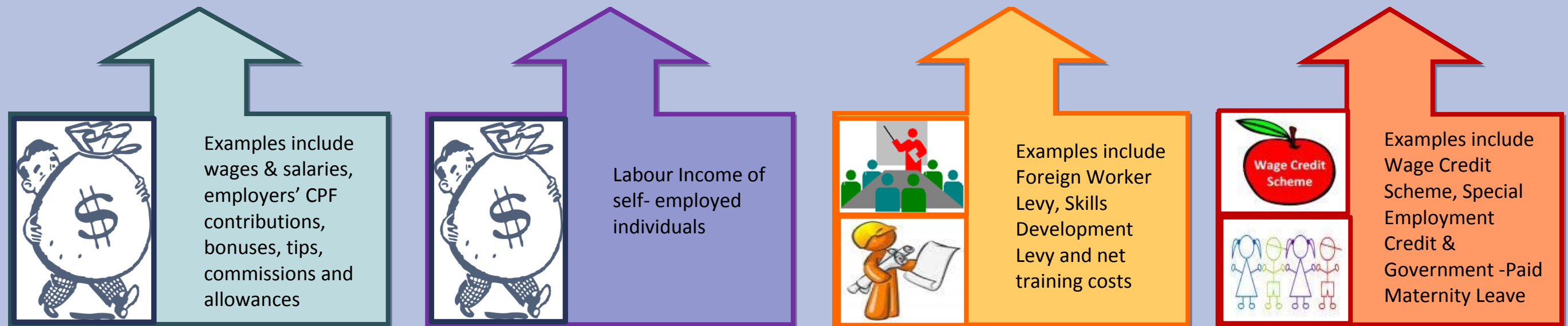


CONCEPTUAL FRAMEWORK OF UNIT LABOUR COST (ULC)

- ULC measures the average labour cost per unit of real output.

Compensation of Employees + Labour Income of Self-Employed + Other Labour Related Costs - Wage Subsidies



$$\text{ULC by Industry} = \frac{\text{TOTAL LABOUR COST}}{\text{REAL GVA AT BASIC PRICES}}$$



Basic prices refer to the revenue per unit of product sold that 'remains in the hands' of the producer. Taxes on products (e.g. GST) are excluded as these amounts are collected on behalf of the government. On a similar basis, subsidies received on products are included in basic prices.

Real Gross Value Added (GVA) at Basic Prices refers to gross product at basic prices which have been adjusted to exclude the effects of price changes from period to period (i.e. constant prices as at base year).