Understanding Unit Labour Cost

Unit Labour Cost (**ULC**) measures the average cost of labour per unit of output. It is computed as **Total Labour Cost** (**TLC**) per unit of **real Gross Value Added** (**GVA**).

TLC comprises

Compensation of Employees (CoE)

CoE measures the income employers pay to employees for their services rendered.

Examples:

- Wages and Salaries
- Employer's Central Provident Fund Contributions
- Bonuses
- Tips
- Commissions
- Allowances

Labour Income of Self-Employed

Other Labour-Related Costs Incurred by Employers

Examples:

- Foreign Worker Levy
- Skills Development Levy
- Net Training Costs

Wage Subsidies Provided to Employers

Wage subsidies reduce labour costs to the employers, and are thus netted off from TLC.

Examples:

- Wage Credit Scheme
- Special Employment Credit
- Government-Paid Maternity Leave

$$\text{ULC} = \frac{\text{TLC}}{\text{Real GVA}}$$

Refers to GVA valued at **basic prices** and compiled in **chained dollars**, i.e. GVA at basic prices, adjusted for price changes.

Basic Prices exclude taxes on products (e.g. GST) the producer receives from the purchaser and passes on to the government, but include subsidies on products received by the producer. It measures the amount retained by the producer.

View video to learn more

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For more information

Read the Information Paper on **Quarterly Unit Labour Cost Index by Industry**

Download data on ULC Index by Industry from **SingStat Table Builder**. The data series starts from the first quarter of 1980.