



# Economic and Social Indicators

Issue No 1725

Wage Rate Index

1<sup>st</sup> Quarter 2023

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## WAGE RATE INDEX (WRI)

(*Base: fourth quarter 2021 = 100*)

### First Quarter 2023

### 1. Introduction

This issue of the Economic and Social Indicators (ESI) on wage rate index presents data for the first quarter of 2023 using as base the fourth quarter of 2021 ( $Q_4$  2021=100).

The Wage Rate Index (WRI) measures changes in the price of labour, i.e., changes in the average rates actually paid by employers to their employees for work during normal working hours.

The methodology used for computing the index is given in the technical note at Annex 1.

Indices, presented here, are based on wage rates applicable during the month of March 2023.

### 2. Movement of the overall wage rate index

The Wage Rate Index increased by 4.1% or 4.4 points to reach 110.5 in first quarter 2023 from 106.1 in fourth quarter 2022 (Tables 1 and 2).

Compared to first quarter 2022, the wage rate index, which stood at 102.2, increased by 8.1% or 8.3 points (Table 3).

### 3. Movement of the sub-indices, 4th Quarter 2022 to 1st Quarter 2023

Main increases were registered in the following (Chart 1 & Table 2):

Transport, storage and communications	7.0%
Construction	5.8%
Administrative and support service activities	5.6%
Public administration and defence;	4.7%
compulsory social security	
Human health and social work activities	4.2%
Education	4.1%
Wholesale and retail trade; repair of motor	3.3%
vehicles and motorcycles	

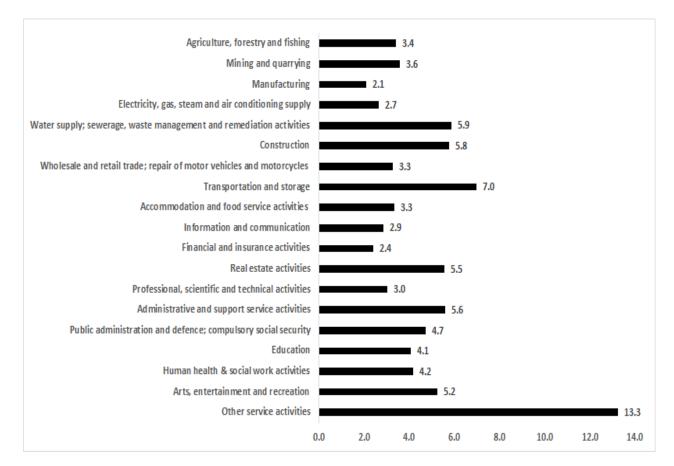


Chart 1: % Change in Wage Rate Index from 4<sup>th</sup> Quarter 2022 to 1<sup>st</sup> Quarter 2023

The Wage Rate Index for the General Government sector, comprising Ministries, Government departments and agencies operating under them, municipalities, district councils and Rodrigues Regional Assembly increased by 4.6% or 4.7 points to reach 107.7 in first quarter 2023, from 103.0 in fourth quarter 2022.

Compared to first quarter 2022, the index, which stood at 103.2, increased by 4.4% or 4.5 points. This sector accounts for around 34% of the total weight of the wage rate index.

### 4. Movement of the sub-indices, 1st Quarter 2022 to 1st Quarter 2023

Table 3 compares the indices for the first quarter of 2023 with those of the corresponding quarter of 2022.

Main increases were registered in the following industry groups:

Construction	16.0%
Information and communication	14.2%
Transport, storage and communication	13.7%
Manufacturing	10.1%
Wholesale and retail trade; repair of motor vehicles and	9.7%
motorcycles	
Financial and insurance activities	9.2%
Public administration and defence; compulsory social security	4.4%

### 5. Indices for the Private and Public sectors

The index for the private sector which accounts for around 54% of the total weight of the wage rate index increased by 3.8% or 4.1 points from 108.1 in fourth quarter 2022 to 112.2 in first quarter 2023 (Tables 6 & 7).

Compared to first quarter 2022, the index for the private sector, which stood at 101.7, increased by 10.3% or 10.5 points (Table 8).

The index for the public sector which comprises General Government and public enterprises and accounting for around 46% of the wage rate index, increased by 4.8% or 5.0 points from 103.9 in fourth quarter 2022 to 108.9 in first quarter 2023 (Tables 9 & 10).

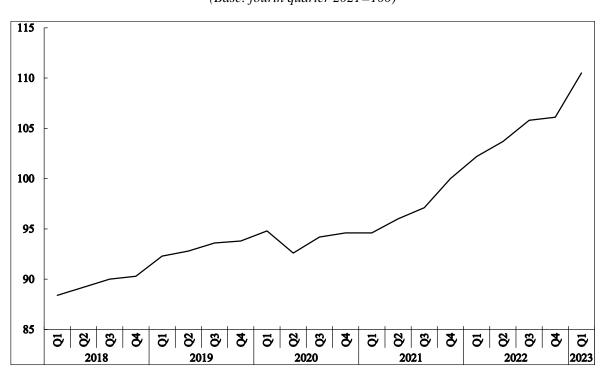
Compared to first quarter 2022, the index for the public sector, which stood at 102.5, increased by 6.2% or 6.4 points (Table 11).

### 6. Past trend

Table 4 presents the quarterly indices from first quarter 2012 to first quarter 2023 with different base periods. As from 2022, the base period is fourth quarter 2021.

To enable comparison between the two series, chain link series, with fourth quarter 2021 as base, have been worked out and are provided in Table 5.

Chart 2 depicts the trend of the quarterly wage rate index from 2018 to 2023 using fourth quarter 2021 as base period. It shows a general upward movement in the index throughout the period up to fourth quarter 2022 except for a decline in second quarter 2020.



#### **Chart 2 - Wage Rate Index,** 1<sup>st</sup> quarter 2018 – 1<sup>st</sup> quarter 2023 (Base: fourth quarter 2021=100)

### Statistics Mauritius Ministry of Finance, Economic Planning and Development Port Louis 26 June 2023

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(Base. Journ quarter 2021			202	2 <sup>1</sup>		2023 <sup>2</sup>
Industry (section)	Weight	Q1	Q2	Q3	Q4	Q1
Agriculture, forestry and fishing	23	96.4	97.4	106.8	102.7	106.2
Mining and quarrying	3	102.6	103.1	103.5	103.4	107.1
Manufacturing	85	101.5	105.8	107.8	109.5	111.8
of which Sugar	4	97.1	103.7	107.3	108.4	106.9
Food (excluding sugar)	23	104.0	106.6	110.0	110.7	115.6
Textiles	29	101.3	106.2	108.8	109.4	110.5
Electricity, gas, steam and air conditioning supply	17	101.9	104.6	105.3	105.3	108.1
Water supply; sewerage, waste management and remediation activities	8	103.2	106.7	106.9	109.1	115.5
Construction	35	99.8	105.1	107.9	109.5	115.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	79	101.1	103.8	106.9	107.4	110.9
Transportation and storage	68	100.0	103.6	105.5	106.3	113.7
Accommodation and food service activities	63	101.1	103.0	105.0	104.7	108.2
Information and communication	48	100.6	102.9	109.7	111.7	114.9
Financial and insurance activities	83	100.9	102.5	106.1	107.6	110.2
Real estate activities	6	104.9	104.8	106.4	106.4	112.3
Professional, scientific and technical activities	57	104.6	105.8	107.9	109.3	112.6
Administrative and support service activities	43	104.8	106.4	109.1	109.3	115.4
Public administration and defence; compulsory social security	185	103.7	103.6	103.4	103.4	108.3
Education	111	103.5	103.4	104.0	103.4	107.6
Human health and social work activities	73	103.0	102.4	103.5	103.0	107.3
Arts, entertainment and recreation	11	106.5	106.2	110.2	110.6	116.4
Other service activities	4	102.7	104.2	103.1	99.6	112.8
All sectors	1000	102.2	103.7	105.8	106.1	110.5
of which General Government <sup>3</sup>	336	103.2	103.1	103.2	103.0	107.7

Table 1 - Quarterly Wage Rate Indices by industry, Q1 - Q4 2022 and Q1 2023

(Base: fourth quarter 2021 = 100)

<sup>1</sup> Revised

<sup>2</sup> Provisional

<sup>3</sup> Ministries, government departments and agencies operating under them; municipalities; district councils and Rodrigues Regional Assembly

# Table 2 - Percentage change from previous quarter and contribution to overall change in index by industry,Q1 - Q4 2022 & Q1 2023

(Base: fourth quarter 2021 = 100)

		_	% ch	ange in	ı index		Co	Contribution to change in overall index point				
Industry (section)	Weight	Weight         2022 1         2023 2					2022 <sup>1</sup>				2023 <sup>2</sup>	
		Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	
Agriculture, forestry and fishing	23	-3.6	1.0	9.7	-3.8	3.4	-0.08	0.02	0.22	-0.10	0.08	
Mining and quarrying	3	2.6	0.5	0.4	-0.1	3.6	0.01	0.00	0.00	0.00	0.01	
Manufacturing	85	1.5	4.2	1.9	1.6	2.1	0.13	0.35	0.18	0.13	0.19	
of which Sugar	4	-2.9	6.8	3.5	1.0	-1.4	-0.01	0.03	0.01	0.00	-0.01	
Food (excluding sugar)	23	4.0	2.5	3.2	0.6	4.4	0.09	0.06	0.07	0.02	0.11	
Textiles	29	1.3	4.8	2.4	0.6	1.0	0.04	0.14	0.08	0.02	0.03	
Electricity, gas, steam and air conditioning supply	17	1.9	2.6	0.7	0.0	2.7	0.03	0.04	0.01	0.00	0.05	
Water supply; sewerage, waste management and remediation activities	8	3.2	3.4	0.2	2.1	5.9	0.03	0.03	0.00	0.01	0.05	
Construction	35	-0.2	5.3	2.7	1.5	5.8	-0.01	0.18	0.11	0.05	0.23	
Wholesale and retail trade; repair of motor vehicles and motorcycles	79	1.1	2.7	3.0	0.5	3.3	0.09	0.20	0.25	0.03	0.29	
Transportation and storage	68	0.0	3.6	1.8	0.8	7.0	0.00	0.24	0.14	0.04	0.53	
Accommodation and food service activities	63	1.1	1.9	1.9	-0.3	3.3	0.07	0.12	0.14	-0.02	0.23	
Information and communication	48	0.6	2.3	6.6	1.8	2.9	0.03	0.11	0.33	0.09	0.15	
Financial and insurance activities	83	0.9	1.6	3.5	1.4	2.4	0.07	0.13	0.31	0.11	0.23	
Real estate activities	6	4.9	-0.1	1.5	0.0	5.5	0.03	0.00	0.01	0.00	0.04	
Professional, scientific and technical activities	57	4.6	1.1	2.0	1.3	3.0	0.26	0.07	0.12	0.07	0.19	
Administrative and support service activities	43	4.8	1.5	2.5	0.2	5.6	0.20	0.07	0.11	0.01	0.27	
Public administration and defence; compulsory social security	185	3.7	-0.1	-0.2	0.0	4.7	0.67	-0.02	-0.04	0.00	0.94	
Education	111	3.5	-0.1	0.6	-0.6	4.1	0.38	-0.01	0.08	-0.07	0.48	
Human health and social work activities	73	3.0	-0.6	1.1	-0.5	4.2	0.21	-0.04	0.09	-0.04	0.32	
Arts, entertainment and recreation	11	6.5	-0.3	3.8	0.4	5.2	0.07	0.00	0.04	0.00	0.06	
Other service activities	4	2.7	1.5	-1.1	-3.4	13.3	0.01	0.01	0.00	-0.01	0.06	
All sectors	1000	2.2	1.5	2.0	0.3	4.1	2.20	1.50	2.10	0.30	4.40	
of which General Government <sup>3</sup>	336	3.2	-0.1	0.1	-0.2	4.6	1.08	-0.03	0.03	-0.07	1.58	

<sup>1</sup> Revised

<sup>2</sup> Provisional

<sup>3</sup> Ministries, government departments and agencies operating under them; municipalities; district councils and Rodrigues Regional Assembly

# Table 3 - Percentage change from corresponding quarter of the previous year andcontribution to overall change in index by industry, Q1 2022 & Q1 2023

(Base: jourin q		,	023/ Q1 2022
Industry (section)	Weight	% change in index	Contribution to change in overall index point
Agriculture, forestry and fishing	23	10.2	0.22
Mining and quarrying	3	4.4	0.01
Manufacturing	85	10.1	0.90
of which Sugar	4	10.1	0.04
Food (excluding sugar)	23	11.2	0.26
Textiles	29	9.1	0.26
Electricity, gas, steam and air conditioning supply	17	6.1	0.10
Water supply; sewerage, waste management and remediation activities	8	11.9	0.10
Construction	35	16.0	0.56
Wholesale and retail trade; repair of motor vehicles and motorcycles	79	9.7	0.78
Transportation and storage	68	13.7	0.96
Accommodation and food service activities	63	7.0	0.45
Information and communication	48	14.2	0.69
Financial and insurance activities	83	9.2	0.78
Real estate activities	6	7.1	0.05
Professional, scientific and technical activities	57	7.6	0.46
Administrative and support service activities	43	10.1	0.45
Public administration and defence; compulsory social security	185	4.4	0.87
Education	111	4.0	0.46
Human health and social work activities	73	4.2	0.31
Arts, entertainment and recreation	11	9.3	0.11
Other service activities	4	9.8	0.04
All sectors	1000	8.1	8.30
of which General Government <sup>1</sup>	336	4.4	1.51

(Base: fourth quarter 2021 = 100)

<sup>1</sup> Ministries, government departments and agencies operating under them; municipalities; district councils and Rodrigues Regional Assembly

<b>X</b> 7		Quarterly	y indices	
Year	Q1	Q2	Q3	Q4
	(Base	e: fourth quarter 20		
2012	102.9	103.4	104.4	104.5
2013	112.0	113.2	116.9	117.3
2014	119.7	120.7	122.0	122.0
2015	126.3	127.6	128.5	128.5
2016	132.5	134.0	135.3	135.5
	(Base	e: fourth quarter 20	916 = 100)	
2017	102.4	103.3	104.5	104.9
2018	107.1	108.0	109.0	109.4
2019	111.8	112.4	113.4	113.6
2020	114.8	112.1	114.1	114.5
2021	114.6	116.2	117.6	121.1
	(Base	e: fourth quarter 20	021 = 100)	
2022 1	102.2	103.7	105.8	106.1
2023 2	110.5			

 Table 4 - Quarterly Wage Rate Indices, Q1 2012 - Q1 2023

Table 5 - Quarterly and Yearly Wage Rate Indices, 2012 - 2023(Base: fourth quarter 2021 = 100)

	( <i>Base. Jourin quarter 2021 – 100</i> )											
Year		Quarte	rly indices		Year							
I cai	Q1	Q2	Q3	Q4	I cai							
2012	62.7	63.0	63.6	63.7	63.3							
2013	68.3	69.0	71.3	71.5	70.0							
2014	72.9	73.6	74.3	74.3	73.8							
2015	77.0	77.8	78.3	78.3	77.9							
2016	80.8	81.7	82.5	82.6	81.9							
2017	84.6	84.6 85.3		86.6	85.7							
2018	88.4	89.2	90.0	90.3	89.5							
2019	92.3	92.8	93.6	93.8	93.1							
2020	94.8	92.6	94.2	94.6	94.1							
2021	94.6	96.0	97.1	100.0	96.9							
2022 1	102.2	103.7	105.8	106.1	104.5							
2023 2	110.5											

<sup>1</sup>Revised

<sup>2</sup> Provisional

### Table 6 - Quarterly Wage Rate Indices by main industry for the Private Sector, Q1 - Q4 2022 and Q1 2023

				Private secto	or	
Industry (section)	Weight		2023 <sup>2</sup>			
	Weight	Q1	Q2	Q3	Q4	Q1
All sectors	543	101.7	104.2	107.3	108.1	112.2
of which						
Agriculture, forestry and fishing	17	94.7	95.6	108.1	103.7	106.6
Manufacturing	83	101.5	105.9	107.8	109.6	111.8
Construction	30	99.2	105.1	108.6	110.5	116.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	75	101.4	104.0	107.4	107.9	111.4
Transportation and storage	20	102.9	105.3	107.6	107.4	113.3
Accommodation and food service activities	63	101.1	103.0	105.0	104.7	108.2
Information and communication	29	98.2	101.1	112.3	115.8	118.7
Financial and insurance activities	60	100.8	100.7	105.0	106.2	108.1
Professional, scientific and technical activities	52	105.1	106.4	108.6	110.1	113.4
Administrative and support service activities	43	104.8	106.4	109.1	109.3	115.4
Education	45	104.5	103.9	104.4	103.8	108.2

(Base: fourth quarter 2021 = 100)

# Table 7 - Percentage change from previous quarter and contribution to overall change in index by mainindustry for the Private Sector, Q1 - Q4 2022 & Q1 2023

(Base: fourth quarter 2021 = 100)

Industry (section)			% cł	nange i	n index	<u>K</u>	Conti		n to ch ndex p	0	n overall
industry (section)	Weight		20	22 <sup>1</sup>		2023 <sup>2</sup>		202	22 <sup>1</sup>		2023 <sup>2</sup>
		Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1
All sectors	543	1.7	2.5	3.0	0.7	3.8	0.92	1.36	1.68	0.43	2.23
of which											
Agriculture, forestry and fishing	17	-5.3	1.0	13.1	-4.1	2.8	-0.09	0.02	0.22	-0.08	0.05
Manufacturing	83	1.5	4.3	1.8	1.7	2.0	0.12	0.36	0.16	0.15	0.18
Construction	30	-0.8	5.9	3.3	1.7	5.8	-0.02	0.17	0.10	0.06	0.19
Wholesale and retail trade; repair of motor vehicles and motorcycles	75	1.4	2.6	3.3	0.5	3.2	0.11	0.20	0.26	0.04	0.26
Transportation and storage	20	2.9	2.3	2.2	-0.2	5.5	0.06	0.05	0.05	0.00	0.12
Accommodation and food service activities	63	1.1	1.9	1.9	-0.3	3.3	0.07	0.12	0.13	-0.02	0.22
Information and communication	29	-1.8	3.0	11.1	3.1	2.5	-0.05	0.08	0.32	0.10	0.08
Financial and insurance activities	60	0.8	-0.1	4.3	1.1	1.8	0.05	-0.01	0.26	0.07	0.11
Professional, scientific and technical activities	52	5.1	1.2	2.1	1.4	3.0	0.26	0.07	0.11	0.08	0.17
Administrative and support service activities	43	4.8	1.5	2.5	0.2	5.6	0.20	0.07	0.11	0.01	0.26
Education	45	4.5	-0.6	0.5	-0.6	4.2	0.20	-0.03	0.02	-0.03	0.20

<sup>1</sup> Revised

<sup>2</sup> Provisional

# Table 8 - Percentage change from corresponding quarter of the previous year and<br/>contribution to overall change in index by main industry - Private Sector,<br/>Q1 2022 & Q1 2023

		Q1 2023 / Q1 2022					
Industry (section)	Weight	% change in index	Contribution to change in overall index point				
All sectors	543	10.3	5.70				
of which							
Agriculture, forestry and fishing	17	12.6	0.20				
Manufacturing	83	10.1	0.85				
Construction	30	17.8	0.52				
Wholesale and retail trade; repair of motor vehicles and motorcycles	75	9.9	0.75				
Transportation and storage	20	10.1	0.20				
Accommodation and food service activities	63	7.0	0.45				
Information and communication	29	20.9	0.59				
Financial and insurance activities	60	7.2	0.44				
Professional, scientific and technical activities	52	7.9	0.43				
Administrative and support service activities	43	10.1	0.45				
Education	45	3.5	0.17				

(*Base: fourth quarter 2021 = 100*)

	(Base: for	urth quarter 2	2021 = 100)							
		Public Sector <sup>1</sup>								
Industry (section)	Weight		2023 <sup>3</sup>							
		Q1	Q2	Q3	Q4	Q1				
All sectors	457	102.5	103.5	103.8	103.9	108.9				
of which										

101.9

98.9

104.4

101.0

103.7

102.8

102.5

104.3

102.9

105.8

107.2

103.6

103.1

101.9

105.1

104.7

105.6

108.9

103.4

103.7

102.4

105.2

105.8

105.2

111.1

103.4

103.2

102.0

107.4

113.9

108.9 115.8

108.3

107.2

106.6

15

49

19

23

185

66

67

Table 9 - Quarterly Wage Rate Indices by main industry for the Public Sector <sup>1</sup>, Q1 - Q4 2022 and Q1 2023

### Table 10 - Percentage change from previous quarter and contribution to overall change in index by main industry for the Public Sector<sup>1</sup>, Q1 - Q4 2022 & Q1 2023

(Base: fourth quarter 2021 = 100)

Industry (section)	Weight	% change in index Weight							Contribution to change in overall index point				
		2022 <sup>2</sup> 2023 <sup>3</sup>						20	22 <sup>2</sup>		2023 <sup>3</sup>		
		Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1		
All sectors	457	2.5	1.0	0.3	0.1	4.8	1.14	0.46	0.14	0.05	2.29		
of which													
Electricity, gas, steam and air conditioning supply	15	1.9	2.4	0.8	0.1	2.1	0.03	0.04	0.01	0.00	0.03		
Transportation and storage	49	-1.1	4.0	1.7	1.1	7.7	-0.05	0.19	0.09	0.05	0.39		
Information and communication	19	4.4	1.3	-0.2	-0.4	3.5	0.08	0.03	0.00	-0.01	0.07		
Financial and insurance activities	23	1.0	6.1	1.6	2.0	4.2	0.02	0.14	0.04	0.05	0.11		
Public administration and defence; compulsory social security	185	3.7	-0.1	-0.2	0.0	4.7	0.68	-0.02	-0.04	0.00	0.91		
Education	66	2.8	0.3	0.6	-0.5	3.9	0.19	0.02	0.04	-0.03	0.27		
Human health and social work activities	67	2.5	-0.6	0.5	-0.4	4.5	0.17	-0.04	0.03	-0.03	0.31		

<sup>1</sup> Ministries, government departments and agencies operating under them; municipalities; district councils,

Rodrigues Regional Assembly and Public enterprises

Electricity, gas, steam and air

Information and communication

Financial and insurance activities

Public administration and defence;

Human health and social work activities

Transportation and storage

compulsory social security

Education

conditioning supply

<sup>2</sup>Revised

<sup>3</sup> Provisional

# Table 11 - Percentage change from corresponding quarter of the previous year and<br/>contribution to overall change in index by main industry - Public Sector <sup>1</sup>,<br/>Q1 2022 & Q1 2023

Industry (section)	Weight	Q1 2023 / Q1 2022	
		% change in index	Contribution to change in overall index point
All sectors	457	6.2	2.92
of which			
Electricity, gas, steam and air conditioning supply	15	5.4	0.08
Transportation and storage	49	15.2	0.73
Information and communication	19	4.3	0.08
Financial and insurance activities	23	14.7	0.34
Public administration and defence; compulsory social security	185	4.4	0.85
Education	66	4.3	0.29
Human health and social work activities	67	4.0	0.27

(Base: fourth quarter 2021 = 100)

<sup>1</sup> Ministries, government departments and agencies operating under them; municipalities; district councils,Rodrigues Regional Assembly and Public enterprises

## **Technical Note**

## Methodology used for the compilation of the Wage Rate Index

### 1. Definition

The Wage Rate Index (WRI) measures changes in the price of labour, i.e., changes in the average rates actually paid by employers to their employees for work during normal working hours.

### 2. Adopted approach

To show genuine changes in the price of labour, it would have been necessary for wages of specific workers at specific establishments to be measured over time. Since this is not possible, the next best approach has been adopted, that is, to follow changes in the wages of groups of employees performing the same jobs. This gives a measure of changes in wage rates of specific occupations but has the following limitations:

- any changes in the mix of employees within the selected occupations is bound to affect the calculated rates and hence the corresponding sectoral indices. Such changes occur, for example, with a new intake of employees in a specific group - when the wages of the new recruits pull down the average wages for the whole group from one period to the next.
- (ii) wage adjustments resulting from changes in the tasks associated with a particular occupation, which cannot be separated from pure price changes of labour.
- (iii) it is difficult to separate the effects of productivity from the overall change.

### 3. Coverage

The wage rate index is based on wage rates applicable in 'large' establishments only. Employment in these establishments accounted for around 59% of total employment in year 2021. 'Large' establishments comprise sugar cane plantations of 10 hectares or more; tea plantations of 2 hectares or more; other agricultural and non-agricultural establishments having 10 or more employees as well as General Government Services, i.e. ministries, government departments and agencies operating under them; municipalities; district councils and Rodrigues Regional Assembly.

The frame consists of a list of around 2500 'large' establishments as at March 2021. Establishments were stratified according to industry and arranged in order of size, i.e., the number of employees, within the industrial group. Within the strata, selection was proportional to size of establishment. A sample of about 12% was surveyed, representing some 300 establishments. Time-rated as well as piece-rated wage earners and salaried employees are covered. Apprentices, workers on probation, part-time workers and employees working on a temporary basis are excluded.

### 4. Sectors covered

Indices are disseminated by the Public and Private sectors.

The **Public sector** comprises Ministries, Government departments and agencies operating under them; municipalities; district councils, the Rodrigues Regional Assembly and Public enterprises.

## 5. Calculating the Wage Rate Index

A Laspeyres formula is used. The occupational structure is held constant with reference to the base period of the index, i.e. December 2021. The relative changes in average wage rates are measured at the occupational level and these changes are then weighted to give a combined measure of the change. The following formula is used

$$I_{t} = \Sigma W_{i} (R_{i}^{t} / R_{i}^{o}) \qquad X \quad 100$$

 $\Sigma \; w \; _i$ 

where  $I_t$  = index for quarter t compared to base period o

 $w_i = N^o_i R^o_i$  which represents the total wages paid to all employees in the i <sup>th</sup> occupation base period, December 2021

 $R_i^{o}$  = wage rate of occupation i in base period, December 2021

 $\mathbf{R}_{i}^{t}$  = wage rate of occupation i in quarter t

The index is, first, calculated for each industry group and the overall index (covering all industry groups) is computed as a weighted average of the individual industry group indices.

# 6. Reference period

The base period for the index is quarter 4 2021 (i.e. Quarter 4, 2021=100) as from the first quarter of 2022. The wage rate indices, for the first to fourth quarter, are based on wage rates applicable during the months of March, June, September and December respectively.

# 7. Weights

Two sets of weights are used:

(i) *Weight for the industry groups* derived from the 'Survey of Employment & Earnings, March 2020' and

(ii) *Weight for occupations* within each activity (NSIC) sectorwise. Questionnaires were sent to around 2,500 large establishments at the end of March 2021 to cater for number employed in each category of occupation.

# 8. Wage rates used

The wage/salary rates of specific occupations, used in the calculation of the index, are the rates paid for normal time work, comprising basic wages and salaries, cost of living allowances and other guaranteed and regular allowances paid at the end of each pay period. Overtime payments are, therefore, excluded.

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