

WAGE RATE INDEX - 1996

Introduction

This is the fourth issue of the wage rate index, which is published by the Central Statistical Office, as from 1993. This index, having as base 1992, is computed from wage data collected through the Survey of Employment, Earnings and Hours of work, carried out among a sample of large establishments (i.e. in general, those having 10 or more employees) in September of each year.

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

It must be pointed out that the current figures are subject to revision in later issues, as more and better information becomes available. Thus figures for 1995 in this issue have been updated, as indicated by relevant footnotes.

2. Changes in the index

Between 1995 and 1996, wages have gone up by 5.3 % compared to 7.1 % between 1994 and 1995. These increases have caused the overall wage index to rise by 7.3 points, i.e. from 136.6 in September 1995 to 143.9 in September 1996. The corresponding rise of the preceding twelve months, i.e. September 1994 to September 1995, was 9.0 points. Subindices for all major industry groups for 1995 and 1996 are given in table 1, where a general upward movement is obvious. It can be seen that subindices range between 132.5 in 'Electricity and Water' and 154.4 in 'Financing, insurance, real estate and business services'. Subindices for 'Manufacturing' and 'Community, social and personal services', which most affect the overall index because of their important weights, were 142.9 and 142.8 respectively.

3. Contribution of the industry groups to the index

'Manufacturing' contributed most (2.2 points) to the increase of 7.3 points in the overall index between 1995 and 1996. Other important contributions were 1.8 points, from 'Community, social and personal services', and 1.3 points from 'Agriculture and fishing'. The contribution of each of the industry groups to the overall index is shown in table 2.

4. Change in wage rates by industry

The highest increases in wage rates between 1995 and 1996 were noted in 'Agriculture and fishing' and 'Transport, storage and communication', with increases of 10.5% and 10.1% respectively. 'Financing, insurance, real estate and business services' showed a 7.8% increase in wages during the same period while in the remaining sectors, increases of less than 5% were noted as shown in table 3.

5. Limitations

To show genuine changes in the price of labour, it would be necessary to proceed in the same way as for pricing of commodities for the Consumer Price Index. In other words, wages of specific individual workers at specific establishments, would have to be measured over time. This exercise is practically impossible in any country. The next best approach is to follow changes in the wages of groups of employees performing the same jobs, i.e. changes in wage rates of specific occupations. However, the following limitations have to be faced even in this approach.

For example, any changes in the mix of employees within the selected occupations is bound to affect the calculated rates and hence the corresponding sectorial indices. Such changes can 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.

Other limitations may arise because of:-

- (i) wage adjustments resulting from changes in the tasks associated with a particular occupation, cannot be separated from pure price changes.
- (ii) the difficulty of separating the effects of productivity from the overall change.

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Table 1 - Wage index by industry group , 1995-1996**(Base:September 1992 = 100)**

Industry group	Weights	Index 95 ¹	Index 96
Agriculture and fishing	93	134.5	148.6
Manufacturing, mining & quarrying	313	136.3	142.9
Electricity and water	23	128.0	132.5
Construction	54	146.2	150.4
Wholesale, retail trade, restaurants and hotels	88	132.7	136.2
Transport, storage & communication	68	135.1	148.8
Financing, insurance, real estate and business services	48	143.2	154.4
Community, social and personal services	313	136.9	142.8
of which Government services	(257)	(133.8)	(139.4)
Other services	(56)	(151.2)	(158.0)
All sectors	1,000	136.6	143.9

Table 2 - Contribution of industry groups to change in index , 1994-95 and 1995-96

Industry group	1994-95 ¹	1995-96
Agriculture and fishing	0.7	1.3
Manufacturing, mining & quarrying	3.0	2.2
Electricity and water	0.2	0.1
Construction	0.5	0.2
Wholesale, retail trade, restaurants and hotels	0.8	0.3
Transport, storage & communication	0.6	0.9
Financing, insurance, real estate and business services	0.9	0.5
Community, social and personal services	2.3	1.8
of which Government services	(1.3)	(1.4)
Other services	(1.0)	(0.4)
Total absolute change (points)	9.0	7.3

¹ Revised

Table 3 - Annual percentage change in wage rates by industry group, 1994-95 and 1995-96

Industry group	Percentage change	
	1994 to 1995 ¹	1995 to 1996
I Agriculture and fishing	6.2	10.5
II Manufacturing, mining & quarrying	7.6	4.8
III Electricity and water	6.8	3.5
IV Construction	6.0	2.9
V Wholesale, retail trade, restaurants and hotels	7.8	2.6
VI Transport, storage & communication	7.1	10.1
VII Financing, insurance, real estate and business services	14.2	7.8
VIII Community, social and personal services	5.6	4.3
of which Government services	(3.8)	(4.2)
Other services	(13.6)	(4.5)
Overall percentage change	7.1	5.3

¹ Revised

Fig 1 - Annual percentage change in wage rates by industry group, 1995 - 1996

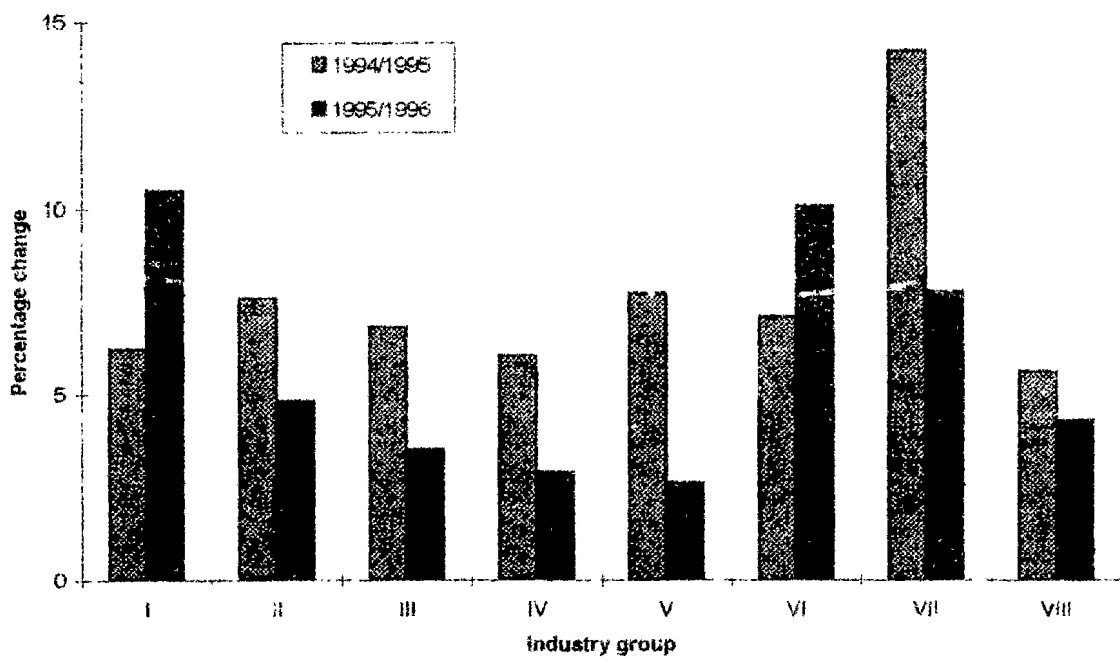


Table 4 - Average wages per hour of selected occupations by industry group (excluding government), September 1995 - September 1996

Industry group	Occupation	Average wages ¹		Change(%) 1995 to 1996
		per hour (Rs)		
		1995	1996	
Agriculture				
Sugarcane plantations	Overseer - Grade I	31.50	33.81	7.3
	Field worker(other than special category)	25.07	28.01	11.7
Tea plantations	Fieldworker	16.25 ²	17.08	5.1
	Sirdar/Gangman	23.76	26.05	9.6
Manufacturing				
Poultry breeding & processing	Farm worker	18.23	20.40	11.9
	Factory worker	18.44	19.19	4.1
Biscuits and confectionery	Machine operator	18.94	19.92	5.2
	Factory worker	11.45	11.61	1.4
Sugar factories	Fitter - Grade I	28.62	29.26	2.2
	Welder Grade I	27.25	28.33	4.0
	Driver (heavy mechanical unit) -Grade I	29.38	33.48	14.0
	Factory operator -Grade I	23.38	23.42	0.2
Tea factories	Factory worker	16.42	17.42	6.1
	Factory operator	19.66	21.74	10.6
Soft drinks	Beverage machine operator	25.59	25.78	0.7
	Driver/Salesman	30.33	33.03	8.9
	Lorry helper	21.54	22.81	5.9
Textiles (excluding wearing apparel)	Machine operator	16.99	18.40	8.3
	Factory worker	17.57	19.64	11.8
	Unskilled worker	12.33	15.34	24.4
Wearing apparel (except footwear)	Machine operator	14.74	15.13	2.6
	Weaver/Knitter	13.67	15.55	13.8
	Unskilled worker	13.86	14.50	4.6

¹ Wages include remuneration for normal time work inclusive of cost of living allowances and other guaranteed and regularly paid allowances

² Revised

Table 4 (cont'd) - Average wage per hour of selected occupations by industry group (excluding government), September 1995 - September 1996

Industry group	Occupation	Average wages ¹		Change(%) 1995 to 1996
		per hour (Rs)		
		1995	1996	
Manufacture of leather products (except footwear)	Factory worker	13.10	13.21	0.8
	Footwear			
	Shoemaking machine operator	16.26	19.29	18.6
Furniture	Furniture upholsterer - Grade I	22.98	23.89	4.0
	Varnisher/Cabinet maker -Grade I	23.28	23.56	1.2
Manufacture of paper products	Machine operator	21.52	23.60	9.7
	Unskilled worker	16.67	17.15	2.9
Printing & publishing	Reporter/Journalist	82.27	94.24	14.5
	Typist/Stenographer	41.56	45.59	9.7
	Printing machine operator	27.01	30.70	13.7
	Binder/Cutter	20.68	23.28	12.6
Chemical products (excluding fertilisers)	Mixing/Blending machine operator	18.54	20.05	8.1
	Unskilled worker	16.70	18.49	10.7
Manufacture of rubber products				
	Machine operator	20.07	21.48	7.0
Plastic products	Factory operator	19.76	20.45	3.5
	Other fact.worker	22.83	24.50	7.3
Iron & steel basic Industries	Factory worker	23.73	23.34	-1.6 ²
Manufacture of metal products (except machinery)				
	Factory worker	21.66	22.34	3.1
Non-electrical machinery	Fitter	24.81	26.06	5.0
	Mechanic	23.95	26.86	12.2
Electrical machinery & appliances	Factory worker	18.52	19.22	3.8

¹ Wages include remuneration for normal time work inclusive of cost of living allowances and other guaranteed and regularly paid allowances

² Revised

³ Average wage rates have decreased due to intake of new employees with lower salaries (see paragraph 5)

Table 4 (cont'd) - Average wage per hour of selected occupations by industry group (excluding government), September 1995 - September 1996

Industry group	Occupation	Average wages ¹		Change(%) 1995 to 1996
		per hour (Rs)		
		1995	1996	
Jewellery & related articles	Diamond cutter/Polisher	23.25	20.07	-13.7 ³
Electricity	Lineman	36.65	38.20	4.2
	Power generating machine operator	36.73	38.48	4.8
Water	Meter reader	39.57	40.56	2.5
	Tradesmen	33.29	34.19	2.7
	Labourer/Unskilled worker	22.30	22.85	2.5
Construction	Mason - Grade 1	39.08	40.07	2.5
	Carpenter - Grade 1	32.72	35.08	7.2
	Labourer/Helper	19.60	20.04	2.2
Wholesale, retail trade, restaurants and hotels				
Wholesale & retail trade	Salesperson	27.79	28.29	1.8
	Sales representative	71.09	83.94	18.1
Hotels	Receptionist	28.50	29.10	2.1
	Waiter	20.40 ²	20.80	2.0
	Cook	26.31	27.33	3.9
	Cleaner	17.11	17.69	3.4
Transport, storage & communication				
Bus transport	Bus driver	25.79	27.98	8.5
	Bus conductor	22.82	24.05	5.4
Docks & stevedoring	Dock worker	27.60	32.53	17.9
Communication	Telephone installer/Service	39.87	42.91	7.6
	Telephone operator	52.71	58.60	11.2
	Telecommunication technician	68.07	76.23	12.0
Financing, insurance, real estate and business services				
Banks & other financial institutions	Bank teller	47.53	52.77	11.0
	Clerk/Senior clerk	59.70	64.38	7.8

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**Table 4 (cont'd) - Average wage per hour of selected occupations by industry group
(excluding government), September 1995 - September 1996**

Industry group	Occupation	Average wages ¹ per hour (Rs)		Change(%) 1995 to 1996
		1995	1996	
Insurance	Insurance clerk	39.25	45.97	17.1
	Clerk / Senior clerk - General	48.09	50.86	5.8
Engineering and architectural services	Draughtsman	39.92	43.51	9.0
	Engineer	106.59	107.80	1.1
Community, social and personal services Sanitary services	Office/Building cleaner	13.17	15.80	20.0
	Scavenger/Street sweeper	12.63	13.89	10.0
Private education services	Education Officer	93.49	96.25	3.0
	Lecturer (full-time)	107.77	119.05	10.5
Private health services	Professional Nurse	38.27	45.16	18.0
	Nursing Aid	21.95	22.25	1.4
Repair of motor vehicles	Garage mechanic - Grade I	26.26	27.45	4.5
	Panel beater - Grade I	34.19	39.12	14.4
Laundry services	Machine operator	18.20	18.55	1.9
	Driver	20.14 ²	21.84	8.4

¹ Wages include remuneration for normal time work inclusive of cost of living allowances and other guaranteed and regularly paid allowances

² Revised

**Table 5 - Average wages/salaries per month of selected occupations in government services,
September 1995 - September 1996**

Occupation	1995 (Rs)	1996 (Rs)	Change (%) 1995 to 1996
Central government			
Education officer	13,721	13,873	1.1
Nursing officer	6,772	7,096	4.8
Teacher/Senior teacher	6,835	7,092	3.8
Clerical officer/higher clerical officer	5,624	5,952	5.8
Police constable	6,278	6,596	5.1
Mason	5,609	5,716	1.9
Carpenter	5,541	5,795	4.6
Driver	4,981	5,148	3.4
Hospital servant	4,615	4,808	4.2
Labourer	4,062	4,183	3.0
Local government			
Inspector of health	7,612	8,040	5.6
Clerical officer	5,702	5,497	-3.6
Gardener	4,316	4,472	3.6
Mason	5,450	5,475	0.5
Carpenter	5,169	5,373	3.9
Driver	4,948	5,131	3.7
Refuse collector	4,020	4,270	6.2
Labourer	3,718	4,060	9.2