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1 ⇨ Wage Rate Index - 1999

2 ⇨ Producer Price Index - Agriculture (PPI-A)
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Note: Readers are invited to make the distinction between official data which are published in the Economic Indicators and the analysis presented for the benefit of general readers. Differences of opinion may arise regarding the analytical part but these do not in any way, undermine the quality of the data. The Editors welcome constructive critical comments.

WAGE RATE INDEX - 1999

Introduction

This is the seventh issue of the wage rate index published annually by the Central Statistical Office as from 1993. This index, having the year 1992 as base, 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 regular allowances paid at the end of each pay period. Overtime payments are therefore excluded.

It is good to note that the current estimates are subject to revision in later issues, as additional information becomes available. Thus figures for 1998 in this issue are updates from previous issues, as indicated by relevant footnotes.

2. Changes in the index

Between September 1998 and September 1999, the wage index has risen by 13.5 points, from 177.5 to 191.0. The corresponding rise between September 1997 and September 1998 was 16.8 points. Table 1 gives the subindices for all major industry groups for years 1998 and 1999. A general upward movement of the index is noted for all industry groups, except for 'Agriculture and Fishing' where the subindex shows only a slight rise of 0.5 point as a result of an increase of 0.3% in the wage rate. This marginal increase is explained by low earnings due to prevailing drought in the year 1998-1999. The value of the subindices ranges between 161.7 in 'Wholesale, retail trade, restaurants and hotels' and 267.3 in 'Transport, storage & communication'. Subindices for 'Manufacturing' and 'Community, social and personal services', which have a strong effect on the overall index because of their important weights, were 175.3 and 195.5 respectively.

3. Contribution of the industry groups to the index

The contribution of each industry group to the overall index is shown in Table 2. Industry groups which contribute most to the increase of 13.5 points in the overall index were (i) 'Community, social and personal services', 3.4 points (ii) 'Manufacturing, mining & quarrying', 3.2 points and (iii) 'Transport, storage & communication', 3.1 points. 'Agriculture & fishing' brought negligible contributions to the change in the index, while the contributions of the remaining sectors range between 0.4 and 1.4 points.

4. Change in wage rates by industry

For the period September 1998 to September 1999, important increases in wage rates were observed in the sectors 'Transport, storage & communication' (20.6%) and 'Construction' (14.0%). 'Agriculture & fishing' showed the least change in the wage rate with an increase of 0.3%. The remaining sectors registered increases ranging between 6.0% for 'Community, social and personal services' and 9.4% for 'Electricity & water'. Table 3 displays the changes in the wage rates by industry group.

5. Limitations

Ideally to show genuine changes in the price of labour, it would be necessary for wages of specific individual workers at specific establishments to be measured over time. Because of this practically impossible task in this present exercise, 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. However, the following limitations have to be noted even with this approach:

- (i) 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 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.
- (ii) wage adjustments resulting from changes in the tasks associated with a particular occupation, which cannot be separated from pure price changes.
- (iii) it is difficult to separate the effects of productivity from the overall change.

Central Statistical Office
Ministry of Economic Development, Productivity and Regional Development
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Table 1 - Wage index by industry group, 1998-1999

(Base: September 1992 = 100)

| Industry group | Weights | Index 98 ¹ | Index 99 |
|---|--------------|-----------------------|--------------|
| Agriculture and fishing | 93 | 188.5 | 189.0 |
| Manufacturing, mining & quarrying | 313 | 165.0 | 175.3 |
| Electricity and water | 23 | 166.1 | 181.7 |
| Construction | 54 | 182.8 | 208.4 |
| Wholesale, retail trade, restaurants and hotels | 88 | 148.2 | 161.7 |
| Transport, storage & communication | 68 | 221.7 | 267.3 |
| Financing, insurance, real estate and business services | 48 | 182.8 | 198.5 |
| Community, social and personal services | 313 | 184.5 | 195.5 |
| <i>of which Government services</i> | (257) | (181.5) | (192.7) |
| <i>Other services</i> | (56) | (198.3) | (208.4) |
| All sectors | 1,000 | 177.5 | 191.0 |

Table 2 - Contribution of industry groups to change in index, 1997-98 and 1998-99

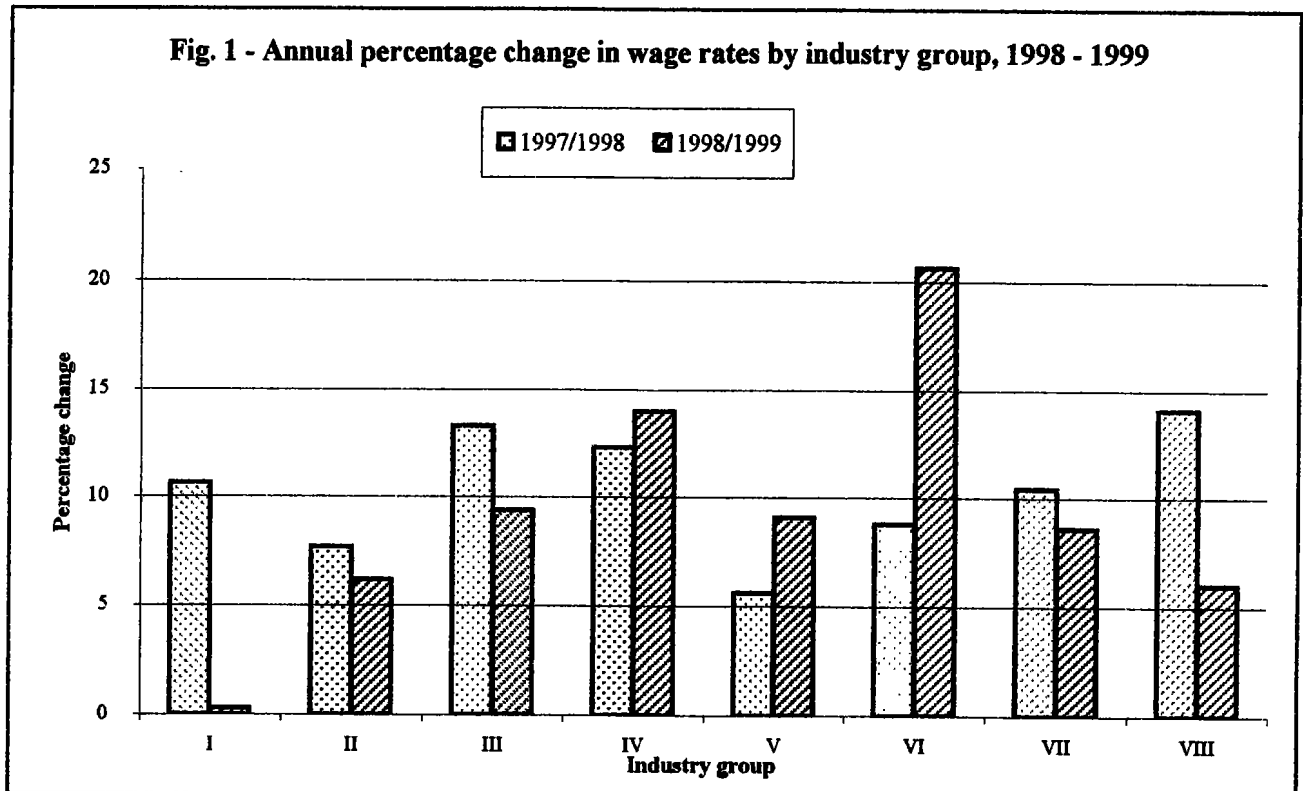
| Industry group | 1997-98 ¹ | 1998-99 |
|---|----------------------|-------------|
| Agriculture and fishing | 1.7 | 0.0 |
| Manufacturing, mining & quarrying | 3.7 | 3.2 |
| Electricity and water | 0.5 | 0.4 |
| Construction | 1.1 | 1.4 |
| Wholesale, retail trade, restaurants and hotels | 0.7 | 1.2 |
| Transport, storage & communication | 1.2 | 3.1 |
| Financing, insurance, real estate and business services | 0.8 | 0.8 |
| Community, social and personal services | 7.1 | 3.4 |
| <i>of which Government services</i> | (6.0) | (2.9) |
| <i>Other services</i> | (1.1) | (0.5) |
| Total absolute change (points) | 16.8 | 13.5 |

¹ Revised

Table 3 - Annual percentage change in wage rates by industry group, 1997-1998 and 1998-1999

| Industry group | Percentage change | |
|---|---------------------------|--------------|
| | 1997 to 1998 ¹ | 1998 to 1999 |
| I Agriculture and fishing | 10.6 | 0.3 |
| II Manufacturing, mining & quarrying | 7.7 | 6.2 |
| III Electricity and water | 13.3 | 9.4 |
| IV Construction | 12.3 | 14.0 |
| V Wholesale, retail trade, restaurants and hotels | 5.6 | 9.1 |
| VI Transport, storage & communication | 8.8 | 20.6 |
| VII Financing, insurance, real estate and business services | 10.4 | 8.6 |
| VIII Community, social and personal services | 14.1 | 6.0 |
| <i>of which Government services</i> | <i>(14.7)</i> | <i>(6.2)</i> |
| <i>Other services</i> | <i>(11.4)</i> | <i>(5.1)</i> |
| Overall percentage change | 10.5 | 7.6 |

¹ Revised



**Table 4 - Average wages per hour of selected occupations by industry group
(excluding government), September 1998 - September 1999**

| Industry group | Occupation | Average wages ¹ | | Change(%) 1998 to 1999 |
|---|---|----------------------------|-------|------------------------------|
| | | per hour (Rs) | | |
| | | 1998 | 1999 | |
| Agriculture | | | | |
| Sugarcane plantations | Overseer - Grade I | 42.69 | 46.79 | 9.6 |
| | Field worker(other than special category) | 34.94 ² | 35.20 | 0.7 |
| Tea plantations | Fieldworker | 19.16 | 21.35 | 11.4 |
| | Sirdar/Gangman | 29.75 | 31.02 | 4.3 |
| Manufacturing | | | | |
| Poultry breeding & processing | Farm worker | 25.44 | 26.33 | 3.5 |
| | Factory worker | 23.41 | 23.57 | 0.7 |
| Biscuits and confectionery | Machine operator | 22.17 | 24.11 | 8.8 |
| | Factory worker | 13.78 | 14.62 | 6.1 |
| Sugar factories | Fitter - Grade I | 32.50 | 34.29 | 5.5 |
| | Welder Grade I | 31.43 | 33.77 | 7.4 |
| | Driver (heavy mechanical unit) -Grade I | 37.71 | 36.43 | -3.4 |
| | Factory operator -Grade I | 27.27 | 30.02 | 10.1 |
| Tea factories | Factory worker | 19.84 | 20.80 | 4.8 |
| | Factory operator | 23.96 | 24.41 | 1.9 |
| Soft drinks | Beverage machine operator | 29.82 | 31.91 | 7.0 |
| | Driver/Salesman | 38.32 | 38.22 | -0.3 |
| | Lorry helper | 26.50 | 28.81 | 8.7 |
| Textiles (excluding wearing apparel) | Factory worker | 21.89 | 22.89 | 4.6 |
| | Unskilled worker | 16.94 | 16.84 | -0.6 |
| | Machine operator | 20.86 | 22.52 | 8.0 |
| Wearing apparel (except footwear) | Machine operator | 17.90 | 19.00 | 6.1 |
| | Weaver/Knitter | 17.43 | 19.51 | 11.9 |
| | Unskilled worker | 16.49 | 17.89 | 8.5 |

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 1998 - September 1999

| Industry group | Occupation | Average wages ¹ per hour (Rs) | | Change(%) 1998 to 1999 |
|--|----------------------------------|---|-------|------------------------------|
| | | 1998 | 1999 | |
| Manufacture of leather products (except footwear) | Factory worker | 14.94 | 16.05 | 7.4 |
| Footwear | Shoemaking machine operator | 22.50 | 23.85 | 6.0 |
| Furniture | Furniture upholsterer - Grade I | 30.83 | 33.11 | 7.4 |
| | Varnisher/Cabinet maker -Grade I | 28.48 | 30.17 | 5.9 |
| Manufacture of paper products | Machine operator | 26.96 | 27.07 | 0.4 |
| | Unskilled worker | 19.59 | 18.71 | -4.5 |
| Printing & publishing | Reporter/Journalist | 97.02 | 96.92 | -0.1 |
| | Typist/Stenographer | 51.17 | 56.11 | 9.7 |
| | Printing machine operator | 32.52 | 36.14 | 11.1 |
| | Binder/Cutter | 28.73 | 29.75 | 3.6 |
| Chemical products (excluding fertilisers) | Mixing/Blending machine operator | 26.03 ² | 29.25 | 12.4 |
| | Unskilled worker | 20.53 | 22.13 | 7.8 |
| Manufacture of rubber products | Machine operator | 23.50 | 23.30 | -0.9 |
| Plastic products | Factory operator | 22.60 | 25.18 | 11.4 |
| | Other factory worker | 22.94 | 24.41 | 6.4 |
| Iron & steel basic industries | Factory worker | 26.50 ² | 29.30 | 10.6 |
| Manufacture of metal products (except machinery) | Factory worker | 26.62 | 28.80 | 8.2 |
| Non-electrical machinery | Fitter | 34.71 | 33.82 | -2.6 |
| | Mechanic | 34.61 | 35.94 | 3.8 |
| Electrical machinery & appliances | Factory worker | 21.43 | 24.40 | 13.9 |

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 1998 - September 1999

| Industry group | Occupation | Average wages ¹ | | Change(%) 1998 to 1999 |
|--|-----------------------------------|----------------------------|-------|------------------------------|
| | | per hour (Rs) | | |
| | | 1998 | 1999 | |
| Jewellery & related articles | Diamond cutter/Polisher | 21.72 | 23.08 | 6.3 |
| Electricity | Lineman | 48.37 | 54.83 | 13.4 |
| | Power generating machine operator | 49.32 | 55.30 | 12.1 |
| Water | Meter reader | 54.11 | 54.96 | 1.6 |
| | Tradesmen | 41.02 | 43.52 | 6.1 |
| | Labourer/Unskilled worker | 29.45 | 32.63 | 10.8 |
| Construction | Mason -Grade 1 | 48.16 | 54.30 | 12.7 |
| | Carpenter - Grade 1 | 44.37 ² | 51.00 | 14.9 |
| | Labourer/Helper | 28.16 | 33.27 | 18.1 |
| Wholesale, retail trade, restaurants and hotels | | | | |
| Wholesale & retail trade | Salesperson | 30.41 | 33.87 | 11.4 |
| | Sales representative | 97.28 | 98.27 | 1.0 |
| Hotels | Receptionist | 30.14 | 31.52 | 4.6 |
| | Waiter | 21.28 | 22.93 | 7.8 |
| | Cook | 29.76 | 33.77 | 13.5 |
| | Cleaner | 20.92 | 21.59 | 3.2 |
| Transport, storage & communication | | | | |
| Bus transport | Bus driver | 29.66 | 33.60 | 13.3 |
| | Bus conductor | 26.30 | 30.35 | 15.4 |
| Docks & stevedoring | Dock worker | 71.91 ² | 93.39 | 29.9 |
| Communication | Telephone installer/Service | 47.54 | 55.80 | 17.4 |
| | Telephone operator | 65.18 | 80.04 | 22.8 |
| | Telecommunication technician | 72.01 | 88.48 | 22.9 |
| Financing, insurance, real estate and business services | | | | |
| Banks & other financial institutions | Bank teller | 61.48 | 66.59 | 8.3 |
| | Clerk/Senior clerk | 75.63 | 82.68 | 9.3 |

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 1998 - September 1999

| Industry group | Occupation | Average wages ¹ per hour (Rs) | | Change(%) 1998 to 1999 |
|--|--------------------------------|---|-----------------|------------------------------|
| | | 1998 | 1999 | |
| | | Insurance | Insurance clerk | 61.57 |
| | Clerk / Senior clerk - General | 64.44 | 68.41 | 6.2 |
| Engineering and architectural services | Draughtsman | 55.23 | 67.38 | 22.0 |
| | Engineer | 127.45 | 132.13 | 3.7 |
| Community, social and personal services | Office/Building cleaner | 15.87 ² | 18.16 | 14.4 |
| Sanitary services | Scavenger/Street sweeper | 17.18 | 18.17 | 5.8 |
| Private education services | Education Officer | 124.00 | 127.40 | 2.7 |
| | Lecturer (full-time) | 154.28 ² | 160.36 | 3.9 |
| Private health services | Professional Nurse | 45.91 | 48.49 | 5.6 |
| | Nursing Aid | 24.32 | 26.76 | 10.0 |
| Repair of motor vehicles | Garage mechanic - Grade I | 32.82 | 35.22 | 7.3 |
| | Panel beater - Grade I | 43.00 | 45.15 | 5.0 |
| Laundry services | Machine operator | 20.75 | 24.08 | 16.0 |
| | Driver | 24.08 ² | 28.19 | 17.1 |

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 1998 - September 1999

| Occupation | 1998 (Rs) | 1999 (Rs) | Change (%) 1998 to 1999 |
|--|--------------|--------------|----------------------------|
| Central government | | | |
| Medical and Health officer | 21,943 | 24,949 | 13.7 |
| Education officer | 16,698 | 17,312 | 3.7 |
| Nursing officer | 9,631 | 9,946 | 3.3 |
| Teacher/Senior teacher | 9,935 | 10,505 | 5.7 |
| Clerical officer/Higher clerical officer | 7,671 | 8,150 | 6.2 |
| Police constable | 8,836 | 9,385 | 6.2 |
| Mason | 7,195 | 7,266 | 1.0 |
| Carpenter | 7,230 | 7,606 | 5.2 |
| Driver | 6,605 | 6,954 | 5.3 |
| Hospital servant | 6,070 | 6,476 | 6.7 |
| Labourer | 5,290 | 5,765 | 9.0 |
| Local government | | | |
| Inspector of health | 10,583 | 10,740 | 1.5 |
| Clerical officer | 6,800 | 7,067 | 3.9 |
| Gardener | 5,522 | 5,689 | 3.0 |
| Mason | 6,809 | 7,093 | 4.2 |
| Carpenter | 6,802 | 7,080 | 4.1 |
| Driver | 6,413 | 6,523 | 1.7 |
| Refuse collector | 5,389 | 5,653 | 4.9 |
| Labourer | 5,112 | 5,113 | 0.0 |