### WAGE RATE INDEX (WRI) (Base: fourth quarter 2016 = 100)

### 3<sup>rd</sup> Quarter 2018

### 1. Introduction

This issue of the Economic and Social Indicators (ESI) on wage rate index presents data for the third quarter of 2018 using as base the fourth quarter of 2016 ( $Q_4$  2016=100).

The wage rate index 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.

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

The wage rate index (Base = fourth quarter 2016) increased by 0.8% or 0.9 point to reach 108.8 in the third quarter 2018 from 107.9 in the second quarter 2018. (Table 1 and 2)

Compared to the  $3^{rd}$  quarter 2017, the wage rate index which stood at 104.5, increased by 4.1% or 4.3 points. (Table 3)

### 3. Movement of the sub-indices, 2<sup>nd</sup> Quarter 2018 to 3<sup>rd</sup> quarter 2018

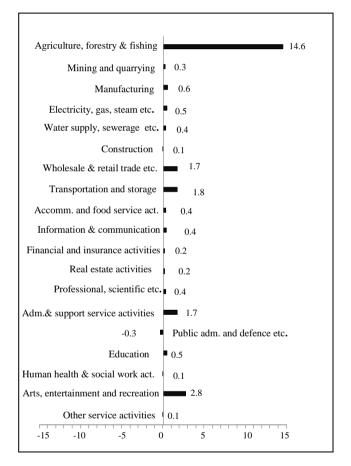
Increases were registered in almost all sectors except for 'Public administration and defence; compulsory social security'.

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

Agriculture, forestry and fishing	14.6%
Arts, entertainment and recreation	2.8%
Transportation and storage	1.8%
Wholesale and retail trade	1.7%
Admin. and support service activities	1.7%

A decrease of 0.3% was noted in the index of 'Public administration and defence; compulsory social security' mainly explained by recruitment of new employees.

### Chart 1: % Change in Wage Rate Index from 2<sup>nd</sup> Quarter 2018 to 3<sup>rd</sup> Quarter 2018



The wage rate index for the General Government sector which comprises Ministries, Government departments and agencies operating under them, municipalities, district councils and Rodrigues Regional Assembly decreased by 0.2% to reach 104.4 in the third quarter 2018, from 104.6 in the second quarter 2018. This sector accounts for around 34% of the total weight of the wage rate index.

#### 4. Past trend

Table 4 presents the quarterly indices from first quarter 2007 to third quarter 2018 with different base periods. As from 2017, the base period used is fourth quarter 2016.

To enable comparison between the two series, chain link series with fourth quarter 2016 as base has been worked out and is provided in Table 5. The series are not strictly comparable because of weighting patterns.

Chart 2 depicts the trend of the quarterly wage rate indices from 2012 to 2018. It shows a general upward movement in the index throughout the period. The increases in 1<sup>st</sup> quarter 2013 and 1<sup>st</sup> quarter 2016 are mainly explained by salary revision in the Government Sector.

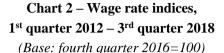
#### 5. Indices for the Private and Public sectors

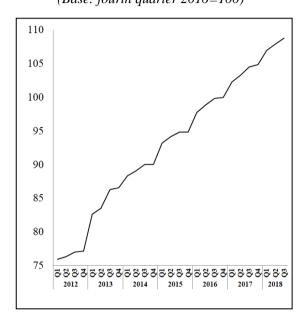
The index for the private sector which accounts for around 54% of the total weight of the wage rate index increased by 1.6% or 1.7 points from 108.8 in  $2^{nd}$  quarter 2018 to 110.5 in  $3^{rd}$  quarter 2018. (Tables 6 & 7)

Compared to  $3^{rd}$  quarter 2017, the index for the private sector which stood at 105.1, increased by 5.1% or 5.4 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 0.1% or 0.1 point from 106.7 in  $2^{nd}$  quarter 2018 to 106.8 in  $3^{rd}$  quarter 2018. (Tables 9 & 10)

Compared to  $3^{rd}$  quarter 2017, the index for the public sector which stood at 103.8, increased by 2.9% or 3.0 points. (Table 11)





Statistics Mauritius Ministry of Finance and Economic Development Port Louis December 2018

Contact persons: (1) Ms. S. Nunhuck (Statistician) (2) Ms. S. D. Venkatasami (Senior Statistical Officer) Labour Unit Statistics Mauritius LIC Centre Port-Louis Tel: 208 1800 Fax: 213 0234

### Table 1 - Quarterly Wage Rate Indices by industry group, Q1 2017 to Q3 2018

			201	l7 <sup>1</sup>			2018 <sup>2</sup>	
Industry group	Weight	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agriculture, forestry and fishing	32	91.3	97.3	110.1	106.4	93.5	95.8	109.8
Mining and quarrying	3	101.6	103.2	105.3	105.6	106.5	109.1	109.4
Manufacturing	110	101.7	103.2	105.1	105.6	112.2	115.0	115.7
Of which Sugar	4	98.9	102.6	115.9	109.2	104.0	106.5	113.4
Food (excluding sugar)	17	101.7	102.4	104.6	105.1	119.0	120.4	120.9
Textiles	46	101.8	103.1	104.8	105.8	112.8	117.2	117.5
Electricity, gas, steam and air conditioning supply	16	101.6	101.9	102.8	103.7	105.8	106.7	107.2
Water supply; sewerage, waste management and remediation activities	8	103.3	103.4	103.8	104.1	106.5	106.7	107.1
Construction	38	102.3	103.6	103.9	104.3	105.3	105.8	105.9
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	102.3	103.6	104.5	105.4	108.0	108.8	110.7
Transportation and storage	69	102.3	103.2	104.3	104.5	106.0	107.4	109.3
Accommodation and food service activities	65	102.0	102.4	103.0	103.3	104.7	105.2	105.6
Information and communication	44	108.6	109.1	110.4	114.9	117.7	118.0	118.5
Financial and insurance activities	75	101.6	103.4	105.9	108.2	112.4	112.8	113.0
Real estate activities	4	100.6	103.4	103.9	104.4	104.9	105.4	105.6
Professional, scientific and technical activities	48	101.4	101.9	102.3	103.1	106.2	107.0	107.4
Administrative and support service activities	33	105.6	106.6	107.4	108.1	108.9	110.3	112.2
Public administration and defence; compulsory social security	181	102.7	102.7	103.0	102.5	104.7	104.3	104.0
Education	120	103.9	104.0	104.3	104.0	105.6	106.4	106.9
Human health and social work activities	69	101.4	102.4	102.3	102.7	104.4	104.7	104.8
Arts, entertainment and recreation	10	101.1	101.8	102.4	104.3	106.3	107.9	110.9
Other service activities	4	101.2	103.1	103.5	103.8	108.4	109.1	109.2
	1000							

1000

335

102.5

102.3 103.3 104.5 104.9

102.9

102.7

104.7

102.7

107.0 107.9 108.8

104.6

104.4

(Base: fourth quarter 2016=100)

1 Revised

2 Provisional

All sectors

of which General Government<sup>3</sup>

<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 by industry group and contribution of industry groups to<br/>overall change in index, Q1 2017 to Q3 2018

Inductry group				% cha	inge i	n inde	X		Cont	tribu		to ch lex p	ange : oint	in ov	erall	
Industry group	Weight		20	17 <sup>1</sup>		2	2018 <sup>2</sup>	2		201	17 <sup>1</sup>			<b>2018</b> <sup>2</sup>		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Agriculture, forestry and fishing	32	-8.7	6.6	13.2	-3.4	-12.1	2.5	14.6	-0.3	0.3	0.4	-0.1	-0.4	0.2	0.5	
Mining and quarrying	3	1.6	1.6	2.0	0.3	0.9	2.4	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Manufacturing	110	1.7	1.5	1.8	0.5	6.3	2.5	0.6	0.2	0.2	0.2	0.1	0.8	0.4	0.1	
Of which Sugar	4	-1.1	3.7	13.0	-5.8	-4.8	2.4	6.5	0.0	0.0	0.1	0.0	0.0	0.0	0.0	
Food (excluding sugar)	17	1.7	0.7	2.1	0.5	13.2	1.2	0.4	0.0	0.0	0.0	0.0	0.2	0.0	0.0	
Textiles	46	1.8	1.3	1.6	1.0	6.6	3.9	0.3	0.1	0.1	0.1	0.0	0.3	0.2	0.0	
Electricity, gas, steam and air conditioning supply Water supply; sewerage, waste	16	1.6	0.3	0.9	0.9	2.0	0.9	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
management and remediation activities	8	3.3	0.1	0.4	0.3	2.3	0.2	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Construction	38	2.3	1.3	0.3	0.4	1.0	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	2.3	1.3	0.9	0.9	2.5	0.7	1.7	0.2	0.1	0.1	0.1	0.2	0.1	0.1	
Transportation and storage	69	2.3	0.9	1.1	0.2	1.4	1.3	1.8	0.2	0.1	0.1	0.0	0.1	0.1	0.1	
Accommodation and food service activities	65	2.0	0.4	0.6	0.3	1.4	0.5	0.4	0.1	0.0	0.0	0.0	0.1	0.0	0.0	
Information and communication	44	8.6	0.5	1.2	4.1	2.4	0.3	0.4	0.4	0.0	0.1	0.2	0.1	0.0	0.0	
Financial and insurance activities	75	1.6	1.8	2.4	2.2	3.9	0.4	0.2	0.1	0.2	0.2	0.2	0.4	0.0	0.0	
Real estate activities	4	0.6	2.8	0.5	0.5	0.5	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Professional, scientific and technical activities	48	1.4	0.5	0.4	0.8	3.0	0.8	0.4	0.1	0.0	0.0	0.0	0.1	0.0	0.0	
Administrative and support service activities	33	5.6	0.9	0.8	0.7	0.7	1.3	1.7	0.2	0.0	0.0	0.0	0.0	0.0	0.1	
Public administration and defence; compulsory social security	181	2.7	0.0	0.3	-0.5	2.1	-0.4	-0.3	0.5	0.0	0.1	-0.1	0.4	-0.1	-0.1	
Education	120	3.9	0.1	0.3	-0.3	1.5	0.8	0.5	0.4	0.0	0.0	0.0	0.2	0.2	0.1	
Human health and social work activities	69	1.4	1.0	-0.1	0.4	1.7	0.3	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	
Arts, entertainment and recreation	10	1.1	0.7	0.6	1.9	1.9	1.5	2.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other service activities	4	1.2	1.9	0.4	0.3	4.4	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
All sectors	1000	2.3	1.0	1.2	0.4	2.0	0.8	0.8	2.3	1.0	1.2	0.4	2.1	0.9	0.9	
of which General Government <sup>3</sup>	335	2.5	0.2	0.2	-0.2	1.9	-0.1	-0.2	0.8	0.1	0.1	-0.1	0.7	0.0	-0.1	

(Base: fourth quarter 2016=100)

1 Revised

2 Provisional

Ministries, government departments and agencies operating under them; municipalities; district

councils and Rodrigues Regional Assembly

		Q3 2017	7 / Q3 2018
Industrial group	Weight	% change	Change in overall index point
Agriculture, forestry and fishing	32	-0.3	0.0
Mining and quarrying	3	3.9	0.0
Manufacturing	110	10.1	1.1
Of which Sugar	4	-2.2	0.0
Food (excluding sugar)	17	15.6	0.3
Textiles	46	12.1	0.6
Electricity, gas, steam and air conditioning supply	16	4.3	0.1
Water supply, sewerage, waste management and remediation activities	8	3.2	0.0
Construction	38	1.9	0.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	5.9	0.5
Transportation and storage	69	4.8	0.3
Accommodation and food service activities	65	2.5	0.2
Information and communication	44	7.3	0.4
Financial and insurance activities	75	6.7	0.4
Real estate activities	4	1.6	0.0
Professional, scientific and technical activities	48	5.0	0.2
Administrative and support service activities	33	4.5	0.2
Public administration and defence; compulsory social security	181	1.0	0.2
Education	120	2.5	0.3
Human health and social work activities	69	2.4	0.2
Arts, entertainment and recreation	10	8.3	0.1
Other services	4	5.5	0.0
All sectors	1000	4.1	4.3
of which General Government <sup>1</sup>	335	1.5	0.5

(Base: fourth quarter 2016=100)

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

• 7		Quarter	ly index	
Year	Q1	Q2	Q3	Q4
	(Bas	e: third quarter 20	006=100)	
2007	101.1	102.2	107.6	108.0
2008	109.2	109.7	128.8	128.1
2009	128.0	128.8	135.0	135.9
2010	137.2	138.6	142.2	142.4
2011	143.3	143.5	145.6	145.6
	(Base	e: fourth quarter 2	011=100)	
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 2	016=100)	
2017 1	102.3	103.3	104.5	104.9
2018 2	107.0	107.9	108.8	

 Table 4 - Quarterly Wage Rate Index, Q1 2007 - Q3 2018

### Table 5 - Quarterly and Yearly Wage Rate Index, 2007 - 2018

	l	Journi quarter 201	,						
Veen		Quarterly index							
Year	Q1	Q2	Q3	Q4	Year				
2007	51.2	51.8	54.5	54.8	53.1				
2008	55.4	55.6	65.3	64.9	60.3				
2009	64.9	65.3	68.4	68.9	66.9				
2010	69.5	70.3	72.1	72.2	71.0				
2011	72.6	72.8	73.8	73.8	73.3				
2012	75.9	76.3	77.0	77.1	76.6				
2013	82.7	83.5	86.3	86.6	84.8				
2014	88.3	89.1	90.0	90.0	89.4				
2015	93.2	94.2	94.8	94.8	94.3				
2016	97.8	98.9	99.9	100.0	99.2				
2017 1	102.3	103.3	104.5	104.9	103.8				
2018 2	107.0	107.9	108.8						

(Base: fourth quarter 2016=100)

<sup>1</sup>Revised <sup>2</sup>Provisional

				Pri	vate Se	ctor			
Industry group	Weight		202	17 <sup>1</sup>		2018 <sup>2</sup>			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	
All sectors	543	101.8	103.2	105.1	105.6	107.4	108.8	110.5	
Of which:									
Agriculture, forestry and fishing	23	86.8	95.3	113.4	107.8	88.3	92.0	112.3	
Manufacturing	110	101.7	103.2	105.1	105.6	112.2	115.0	115.7	
Construction	30	101.6	103.3	103.7	104.1	104.6	105.0	105.8	
Wholesale and retail trade; repair of motor vehicles and motorcycles	69	102.1	103.5	104.4	105.3	107.9	108.7	110.7	
Transportation and storage	20	103.7	105.8	107.9	108.2	111.0	112.8	115.5	
Accommodation and food service activities	65	102.0	102.4	103.0	103.3	104.7	105.2	105.6	
Information and communication	27	101.5	101.6	102.7	103.0	104.0	104.2	105.0	
Financial and insurance activities	50	102.1	103.5	106.4	109.8	110.9	111.4	111.6	
Professional, scientific and technical activities	44	101.4	101.9	102.3	103.1	106.2	107.1	107.4	
Administrative and support service activities	33	105.6	106.6	107.4	108.1	108.9	110.3	112.2	
Education	46	105.3	105.5	106.2	105.5	106.8	108.5	108.7	

(Base: fourth quarter 2016=100)

1 Revised

<sup>2</sup> Provisional

## Table 7 - Percentage change from previous quarter by main industry group and contribution of industry groups to<br/>overall change in index - Private Sector, Q1 2017 to Q3 2018

Industry group		% change in index					Con	tribu	in ov	erall					
Industry group	Weight		20	17 <sup>1</sup>		2	018 <sup>2</sup>	2		201	7 <sup>1</sup>	2018 <sup>2</sup>			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All sectors	543	1.8	1.4	1.8	0.5	1.7	1.3	1.6	1.8	1.4	1.9	0.5	1.8	1.4	1.7
Of which:															
Agriculture, forestry and fishing	23	-13.2	9.8	19.0	-4.9	-18.1	4.2	22.1	-0.6	0.4	0.8	-0.2	-0.8	0.2	0.9
Manufacturing	110	1.7	1.5	1.8	0.5	6.3	2.5	0.6	0.3	0.3	0.4	0.1	1.3	0.6	0.1
Construction	30	1.6	1.7	0.4	0.4	0.5	0.4	0.8	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	69	2.1	1.4	0.9	0.9	2.5	0.7	1.8	0.3	0.2	0.1	0.1	0.3	0.1	0.3
Transportation and storage	20	3.7	2.0	2.0	0.3	2.6	1.6	2.4	0.1	0.1	0.1	0.0	0.1	0.1	0.1
Accommodation and food service activities	65	2.0	0.4	0.6	0.3	1.4	0.5	0.4	0.2	0.0	0.1	0.0	0.2	0.1	0.0
Information and communication	27	1.5	0.1	1.1	0.3	1.0	0.2	0.8	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Financial and insurance activities	50	2.1	1.4	2.8	3.2	1.0	0.5	0.2	0.2	0.1	0.3	0.3	0.1	0.0	0.0
Professional, scientific and technical activities	44	1.4	0.5	0.4	0.8	3.0	0.8	0.3	0.1	0.0	0.0	0.1	0.3	0.1	0.0
Administrative and support service activities	33	5.6	0.9	0.8	0.7	0.7	1.3	1.7	0.3	0.1	0.0	0.0	0.0	0.1	0.1
Education	46	5.3	0.2	0.7	-0.7	1.2	1.6	0.2	0.4	0.0	0.1	-0.1	0.1	0.1	0.0

(Base: fourth quarter 2016=100)

1 Revised

2 Provisional

## Table 8 - Percentage change from corresponding quarter of the previous year by industry group<br/>and contribution of industry groups to overall change in index - Private Sector,<br/>Q3 2017& Q3 2018

		Q3 201	7/ Q3 2018
Industrial group	Weight	% change	Change in overall Index point
All sectors	543	5.1	5.4
Of which:			
Agriculture, forestry and fishing	23	-1.0	0.0
Manufacturing	110	10.1	2.1
Construction	30	2.0	0.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	69	6.0	0.8
Transportation and storage	20	7.0	0.3
Accommodation and food service activities	65	2.5	0.3
Information and communication	27	2.2	0.1
Financial and insurance activities	50	4.9	0.5
Professional, scientific and technical activities	44	5.0	0.4
Administrative and support service activities	33	4.5	0.3
Education	46	2.4	0.2

(Base: fourth quarter 2016=100)

				Pub	lic Sect	tor <sup>1</sup>			
Industry group	Weight		202	17 <sup>2</sup>		<b>2018</b> <sup>3</sup>			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	
All sectors	457	103.0	103.3	103.8	104.1	106.6	106.7	106.8	
Of which:									
Electricity, gas, steam and air conditioning supply	15	101.5	101.6	102.5	103.7	105.7	106.6	107.1	
Transportation and storage	49	101.7	102.1	102.8	103.0	104.0	105.2	106.8	
Information and communication	17	120.0	121.1	122.7	133.8	139.4	139.9	139.9	
Financial and insurance activities	25	100.6	103.2	105.0	105.1	115.3	115.5	115.8	
Public administration and defence; compulsory social security	181	102.7	102.7	103.0	102.5	104.7	104.3	104.0	
Education	73	103.0	103.1	103.2	103.1	104.8	105.0	105.7	
Human health and social work activities	60	101.1	102.0	101.9	102.3	103.8	103.9	103.9	

(Base: fourth quarter 2016=100)

Ministries, government departments and agencies operating under them;

<sup>1</sup> municipalities; district councils, Rodrigues Regional Assembly and Public enterprises.

2 Revised

3 Provisional

Table 10 - Percentage change from previous quarter by main industry group and contribution of industrygroups to overall change in index - Public Sector<sup>1</sup>, Q1 2017 to Q3 2018

		% change in index							Contribution to change in overall index point						erall
Industry group	Weight		202	17 <sup>2</sup>			2018 <sup>3</sup>	3		201	17 <sup>2</sup>			2018 <sup>3</sup>	3
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3
All sectors	457	3.0	0.3	0.5	0.3	2.4	0.1	0.1	3.0	0.3	0.5	0.3	2.5	0.1	0.1
Of which:															
Electricity, gas, steam and air conditioning supply	15	1.5	0.1	0.9	1.2	1.9	0.9	0.5	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Transportation and storage	49	1.7	0.4	0.7	0.2	1.0	1.2	1.5	0.2	0.0	0.1	0.0	0.1	0.1	0.2
Information and communication	17	20.0	0.9	1.3	9.0	4.2	0.4	0.0	0.7	0.0	0.1	0.4	0.2	0.0	0.0
Financial and insurance activities	25	0.6	2.6	1.7	0.1	9.7	0.2	0.3	0.0	0.1	0.1	0.0	0.6	0.0	0.0
Public administration and defence; compulsory social security	181	2.7	0.0	0.3	-0.5	2.1	-0.4	-0.3	1.1	0.0	0.1	-0.2	0.9	-0.2	-0.1
Education	73	3.0	0.1	0.1	-0.1	1.6	0.2	0.7	0.5	0.0	0.0	0.0	0.3	0.0	0.1
Human health and social work activities	60	1.1	0.9	-0.1	0.4	1.5	0.1	0.0	0.1	0.1	0.0	0.1	0.2	0.0	0.0

(Base: fourth quarter 2016=100)

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

2 Revised

3 Provisional

# Table 11 - Percentage change from corresponding quarter of the previous year by industry group and<br/>contribution of industry groups to overall change in index - Public Sector <sup>1</sup>,<br/>Q3 2017 & Q3 2018

		201	17/2018
Industrial group	Weight	% change	Change in overall Index point
All sectors	457	2.9	3.0
Of which:			
Electricity, gas, steam and air conditioning supply	15	4.5	0.2
Transportation and storage	49	3.9	0.4
Information and communication	17	14.0	0.6
Financial and insurance activities	25	10.3	0.6
Public administration and defence; compulsory social security	181	1.0	0.4
Education	73	2.4	0.4
Human health and social work activities	60	2.0	0.3

(Base: fourth quarter 2016=100)

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

### **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. Approach adopted

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:

- (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 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 55% of total employment in year 2017. '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.

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 henceforth 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 2016. 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

$$\mathbf{I}_{t} = \Sigma \mathbf{W}_{i} \left( \mathbf{R}_{i}^{t} / \mathbf{R}_{i}^{o} \right) \qquad \mathbf{X} \quad 100$$

$$\Sigma w_i$$

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 2016
- $R_i^{o}$  = wage rate of occupation i in base period, December 2016
- $R_i^{t}$  = 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 2016=100 as from the first quarter of 2017. The wage rate indices for the first, second, third and fourth quarters of 2007 and 2008 are based on wage rates applicable during the months of February, May, August and November respectively. As from 2009, 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 2015' and

(ii) *Weight for occupations* within each activity (NSIC) sectorwise. Questionnaires were sent to around 1,200 large establishments at the end of March 2016 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.