## **WAGE RATE INDEX (WRI)**

(*Base: fourth quarter 2016 = 100*)

## 4th Quarter and Year 2019

#### 1. Introduction

This issue of the Economic and Social Indicators (ESI) on wage rate index presents data for the fourth quarter and year 2019 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 0.2% or 0.2 point to reach 113.6 in fourth quarter 2019 from 113.4 in third quarter 2019 (Table 1 and 2).

Compared to fourth quarter 2018, the wage rate index which stood at 109.4, increased by 3.8% or 4.2 points (Table 3).

# 3. Movement of the sub-indices, $3^{rd}$ Quarter 2019 to $4^{th}$ quarter 2019

Increases were registered in all sectors except for 'Manufacturing', 'Public administration and defence; compulsory social security', 'Education' and 'Human health and social work activities'.

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

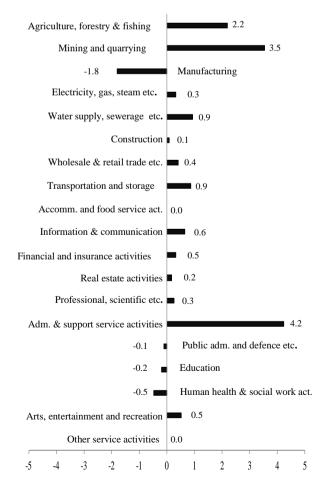
Admin. and support service activities	4.2%
Mining and quarrying	3.5%
Agriculture, forestry and fishing	2.2%

Decreases were noted in the following industry groups:

Manufacturing		-1.8%
Human health and social work as	ctivities	-0.5%
Education		-0.2%
Public administration and	defence;	-0.1%
compulsory social security		

The decrease in 'Manufacturing' was in the textile sector due to a fall in piece rate wages. Decreases in the indices for 'Public administration and defence; compulsory social security' and 'Human health and social work activities' are mainly explained by recruitment of new employees.

Chart 1: % Change in Wage Rate Index from 3<sup>rd</sup> Quarter 2019 to 4<sup>th</sup> Quarter 2019



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 105.5 in fourth quarter 2019, from 105.7 in third quarter 2019. This sector accounts for around 34% of the total weight of the wage rate index.

# 4. Movement of the sub-indices, $4^{th}$ Quarter 2018 to $4^{th}$ quarter 2019

Table 3 compares the indices for the four quarters of 2019 with the corresponding quarters of 2018. The wage rate index increased continuously from fourth quarter 2018 to fourth quarter 2019.

Main increases were registered in the following industry groups:

Admin. and support service activities	12.8%
Mining and quarrying	11.5%
Water supply; sewerage, waste	10.5%
management and remediation activities	
Electricity, gas, steam and air	7.0%
conditioning supply	
Manufacturing	5.9%
Financial and insurance activities	5.8%

### 5. Wage Rate Index, Year 2019

The wage rate index for the year 2019, worked out as the average of the quarterly indices, reached 112.8 compared to 108.4 for the year 2018. An increase of 4.1 % or 4.5 points was noted (Table 4). The wage rate index for the General Government sector, accounting for 34% of total weight, increased by 1.4% to reach 105.7 in 2019 from 104.2 in 2018. This sector contributed 0.5 point to the increase of 4.5 points on the overall index for 2019.

Main increases were registered in the following industry groups:

Admin. and support service	11.2%
activities Water supply; sewerage, waste	8.7%
management and remediation activities	
Mining and quarrying	7.7%
Manufacturing	7.4%
Electricity, gas, steam and air conditioning supply	7.1%
Financial and insurance	6.2%
Transportation and storage	6.2%

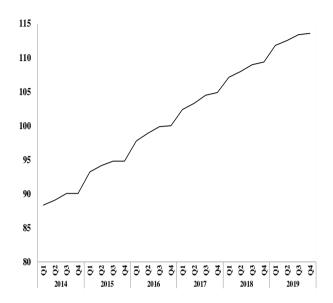
#### 6. Past trend

Table 5 presents the quarterly indices from first quarter 2007 to fourth quarter 2019 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 index from 2014 to 2019 using fourth quarter 2016 as base period. It shows a general upward movement in the index throughout the period.

Chart 2 - Wage rate index, 1st quarter 2014 - 4th quarter 2019



## 7. Indices for the Private and Public sectors, Q4 2019

The index for the private sector which accounts for around 54% of the total weight of the wage rate index increased by 0.3% or 0.3 point from 116.4 in third quarter 2019 to 116.7 in fourth quarter 2019 (Tables 7 & 8).

Compared to fourth quarter 2018, the index for the private sector, which stood at 111.6, increased by 4.6% or 5.1 points (Table 9).

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 109.9 in third quarter 2019 to 110.0 in fourth quarter 2019 (Tables 11 & 12).

Compared to fourth quarter 2018, the index for the public sector, which stood at 106.8, increased by 3.0% or 3.2 points (Table 13).

## 8. Indices for the Private and Public sectors, **Year 2019**

The index for the private sector for year 2019 which is an average of the four quarters, worked out to 115.4 compared to 109.8 for year 2018. This corresponds to an increase of 5.1% or 5.6 points in the index (Table 10).

The index for the public sector for year 2019, worked out to 109.8 compared to 106.7 for year 2018, representing an increase of 2.9% or 3.1 points (Table 14).

**Statistics Mauritius** Ministry of Finance, Economic Planning and **Development Port Louis** March 2020

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Table 1 - Quarterly Wage Rate Indices by industry group, 2019  $^{\mathrm{1}}$ 

Industry quare		2019 1						
Industry group	Weight	Q1	Q2	Q3	Q4	Year		
Agriculture, forestry and fishing	32	95.9	96.3	103.9	106.2	100.6		
Mining and quarrying	3	111.3	116.0	118.4	122.6	117.1		
Manufacturing	110	122.0	124.3	127.5	125.2	124.8		
of which sugar	4	105.8	110.7	119.4	127.8	115.9		
food (excluding sugar)	17	126.8	128.5	129.2	131.1	128.9		
textiles	46	127.7	131.0	136.9	128.4	131.0		
Electricity, gas, steam and air conditioning supply	16	113.4	115.2	119.1	119.5	116.8		
Water supply; sewerage, waste management and remediation activities	8	114.4	114.7	117.1	118.2	116.1		
Construction	38	108.3	109.4	109.9	110.0	109.4		
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	114.7	116.6	116.8	117.3	116.4		
Transportation and storage	69	114.0	114.9	115.4	116.4	115.2		
Accommodation and food service activities	65	107.4	107.7	108.1	108.1	107.8		
Information and communication	44	122.3	122.9	123.1	123.9	123.1		
Financial and insurance activities	75	119.7	119.9	120.0	120.4	120.0		
Real estate activities	4	109.0	109.5	110.2	110.4	109.8		
Professional, scientific and technical activities	48	109.9	111.1	111.4	111.7	111.0		
Administrative and support service activities	33	119.6	121.9	125.0	130.3	124.2		
Public administration and defence; compulsory social security	181	105.6	105.0	105.3	105.2	105.3		
Education	120	109.4	109.6	109.6	109.4	109.5		
Human health and social work activities	69	106.5	105.8	105.7	105.2	105.8		
Arts, entertainment and recreation	10	112.2	113.6	114.3	114.9	113.8		
Other service activities	4	110.1	110.5	115.2	115.2	112.8		
All sectors	1000	111.8	112.5	113.4	113.6	112.8		
of which General Government <sup>2</sup>	335	106.1	105.6	105.7	105.5	105.7		

<sup>&</sup>lt;sup>1</sup> Provisional

<sup>&</sup>lt;sup>2</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 overall change in index, Q1 to Q4 2019

		2019 1							
Industry group	Weight	% change in index				Contribution to change in overall index point			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agriculture, forestry and fishing	32	-9.9	0.4	7.9	2.2	-0.3	0.0	0.2	0.1
Mining and quarrying	3	1.2	4.2	2.1	3.5	0.0	0.0	0.0	0.0
Manufacturing	110	3.2	1.9	2.6	-1.8	0.3	0.3	0.4	-0.3
of which sugar	4	-3.1	4.6	7.9	7.0	0.0	0.0	0.0	0.0
food (excluding sugar)	17	2.0	1.3	0.5	1.5	0.0	0.0	0.0	0.0
textiles	46	6.1	2.6	4.5	-6.2	0.3	0.2	0.3	-0.4
Electricity, gas, steam and air conditioning supply	16	1.5	1.6	3.4	0.3	0.0	0.0	0.1	0.0
Water supply; sewerage, waste management and remediation activities	8	6.9	0.3	2.1	0.9	0.1	0.0	0.0	0.0
Construction	38	2.4	1.0	0.5	0.1	0.1	0.0	0.0	0.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	2.2	1.7	0.2	0.4	0.2	0.2	0.0	0.0
Transportation and storage	69	2.2	0.8	0.4	0.9	0.2	0.1	0.0	0.1
Accommodation and food service activities	65	0.9	0.3	0.4	0.0	0.1	0.0	0.0	0.0
Information and communication	44	2.1	0.5	0.2	0.6	0.1	0.0	0.0	0.0
Financial and insurance activities	75	5.2	0.2	0.1	0.3	0.3	0.0	0.0	0.0
Real estate activities	4	2.9	0.5	0.6	0.2	0.0	0.0	0.0	0.0
Professional, scientific and technical activities	48	1.1	1.1	0.3	0.3	0.1	0.1	0.0	0.0
Administrative and support service activities	33	3.5	1.9	2.5	4.2	0.1	0.1	0.1	0.3
Public administration and defence; compulsory social security	181	2.6	-0.6	0.3	-0.1	0.5	-0.1	0.1	0.0
Education	120	2.9	0.2	0.0	-0.2	0.4	0.0	0.0	0.0
Human health and social work activities	69	2.3	-0.7	-0.1	-0.5	0.2	0.0	0.0	0.0
Arts, entertainment and recreation	10	1.4	1.2	0.6	0.5	0.0	0.0	0.0	0.0
Other service activities	4	0.2	0.4	4.3	0.0	0.0	0.0	0.0	0.0
All sectors	1000	2.2	0.6	0.8	0.2	2.4	0.7	0.9	0.2
of which General Government <sup>2</sup>	335	2.4	-0.5	0.1	-0.2	0.8	-0.2	0.0	-0.1

<sup>&</sup>lt;sup>1</sup> Provisional

<sup>&</sup>lt;sup>2</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 by industry group and contribution of industry groups to overall change in index - Q1 to Q4 2018 & 2019

		2019/2018								
Industry group	Weight	eight % change in index				Contribution to change in overall index point				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Agriculture, forestry and fishing	32	2.8	0.7	-5.2	-0.2	0.1	0.0	-0.2	0.0	
Mining and quarrying	3	4.5	6.3	8.2	11.5	0.0	0.0	0.0	0.0	
Manufacturing	110	8.3	6.8	8.7	5.9	1.0	0.9	1.0	0.8	
of which sugar	4	1.7	3.9	5.3	17.0	0.0	0.0	0.0	0.1	
food (excluding sugar)	17	4.2	4.3	4.4	5.5	0.1	0.1	0.1	0.1	
textiles	46	12.9	9.3	13.9	6.6	0.7	0.5	0.8	0.4	
Electricity, gas, steam and air conditioning supply	16	7.2	7.7	6.7	7.0	0.1	0.1	0.1	0.1	
Water supply; sewerage, waste management and remediation	8	7.4	7.5	9.4	10.5	0.1	0.1	0.1	0.1	
Construction	38	2.8	3.4	4.0	4.0	0.1	0.1	0.2	0.2	
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	6.1	7.1	5.7	4.5	0.5	0.6	0.5	0.4	
Transportation and storage	69	7.4	7.0	6.2	4.3	0.5	0.5	0.5	0.3	
Accommodation and food service activities	65	2.7	2.0	1.9	1.6	0.2	0.1	0.1	0.1	
Information and communication	44	3.9	4.2	4.0	3.4	0.2	0.2	0.2	0.2	
Financial and insurance activities	75	6.5	6.3	6.2	5.8	0.5	0.5	0.5	0.5	
Real estate activities	4	3.4	3.6	4.3	4.2	0.0	0.0	0.0	0.0	
Professional, scientific and technical activities	48	2.7	3.1	3.0	2.8	0.1	0.2	0.2	0.1	
Administrative and support service activities	33	9.8	10.5	11.4	12.8	0.4	0.5	0.4	0.5	
Public administration and defence; compulsory social security	181	0.9	0.8	1.4	2.2	0.2	0.1	0.3	0.4	
Education	120	3.7	3.2	2.8	2.9	0.5	0.4	0.4	0.4	
Human health and social work activities	69	1.9	1.0	0.8	1.1	0.1	0.1	0.1	0.1	
Arts, entertainment and recreation	10	5.6	5.3	3.9	3.8	0.1	0.1	0.0	0.0	
Other service activities	4	1.6	1.3	5.6	4.8	0.0	0.0	0.0	0.0	
All sectors	1000	4.4	4.2	4.0	3.8	4.7	4.5	4.4	4.2	
of which General Government <sup>1</sup>	335	1.3	1.1	1.4	1.8	0.5	0.4	0.5	0.6	

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

Table 4 - Wage Rate Indices, percentage change and contribution of industry group, years 2018 & 2019

Industry group	Weight	Year 2018 <sup>1</sup>	<b>Year 2019</b> <sup>2</sup>	% change	Change in overall index point
Agriculture, forestry and fishing	32	101.2	100.6	-0.6	0.0
Mining and quarrying	3	108.8	117.1	7.7	0.0
Manufacturing	110	116.1	124.8	7.4	0.9
of which sugar	4	108.3	115.9	7.1	0.0
food (excluding sugar)	17	123.3	128.9	4.6	0.1
textiles	46	118.4	131.0	10.6	0.6
Electricity, gas, steam and air conditioning supply	16	109.0	116.8	7.1	0.1
Water supply, sewerage, waste management and remediation activities	8	106.8	116.1	8.7	0.1
Construction	38	105.7	109.4	3.5	0.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	109.9	116.4	5.8	0.5
Transportation and storage	69	108.5	115.2	6.2	0.5
Accommodation and food service activities	65	105.7	107.8	2.0	0.1
Information and communication	44	118.5	123.1	3.9	0.2
Financial and insurance activities	75	113.0	120.0	6.2	0.5
Real estate activities	4	105.7	109.8	3.9	0.0
Professional, scientific and technical activities	48	107.9	111.0	2.9	0.1
Administrative and support service activities	33	111.7	124.2	11.2	0.4
Public administration and defence; compulsory social security	181	103.9	105.3	1.3	0.2
Education	120	106.2	109.5	3.2	0.4
Human health and social work activities	69	104.6	105.8	1.2	0.1
Arts, entertainment and recreation	10	108.7	113.8	4.6	0.1
Other service activities	4	109.1	112.8	3.3	0.0
All sectors	1000	108.4	112.8	4.1	4.5
of which General Government <sup>3</sup>	335	104.2	105.7	1.4	0.5

<sup>1</sup> Revised

<sup>2</sup> Provisional

Ministries, government departments and agencies operating under them; municipalities; district councils and Rodrigues Regional Assembly

Table 5 - Quarterly Wage Rate Indices, Q1 2007 - Q4 2019

<b>X</b> 7		Quarterl	y indices	
Year	Q1	Q2	Q3	Q4
	(Base	e: third quarter 20	06 = 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	: fourth quarter 20	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	: fourth quarter 20	016 = 100)	
2017	102.4	103.3	104.5	104.9
2018 1	107.1	108.0	109.0	109.4
2019 <sup>2</sup>	111.8	112.5	113.4	113.6

Table 6 - Quarterly and Yearly Wage Rate Indices, 2007 - 2019

Year		Quarter	Year		
1 cai	Q1	Q2	Q3	Q4	i eai
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	102.4	103.3	104.5	104.9	103.8
2018 1	107.1	108.0	109.0	109.4	108.4
2019 <sup>2</sup>	111.8	112.5	113.4	113.6	112.8

<sup>&</sup>lt;sup>1</sup>Revised <sup>2</sup>Provisional

Table 7 - Quarterly Wage Rate Indices by main industry group for the Private sector, 2019

		Private sector								
Industry group	Weight	2019 <sup>1</sup>								
		Weight         Q1         Q2         Q3           543         113.5         114.9         116.           23         91.1         92.8         103.           110         122.0         124.3         127.           30         108.3         109.9         110.           69         114.6         116.6         116.           20         118.7         120.6         121.           65         107.4         107.7         108.           27         109.4         110.3         110.           50         115.3         115.5         115.           44         110.2         111.4         111.           33         119.6         121.9         125.	Q3	Q4	Year					
All sectors	543	113.5	114.9	116.4	116.7	115.4				
of which										
Agriculture, forestry and fishing	23	91.1	92.8	103.7	106.5	98.5				
Manufacturing	110	122.0	124.3	127.5	125.2	124.8				
Construction	30	108.3	109.9	110.5	110.9	109.9				
Wholesale and retail trade; repair of motor vehicles and motorcycles	69	114.6	116.6	116.8	117.4	116.4				
Transportation and storage	20	118.7	120.6	121.6	121.9	120.7				
Accommodation and food service activities	65	107.4	107.7	108.1	108.1	107.8				
Information and communication	27	109.4	110.3	110.7	112.0	110.6				
Financial and insurance activities	50	115.3	115.5	115.5	115.9	115.6				
Professional, scientific and technical activities	44	110.2	111.4	111.7	111.9	111.3				
Administrative and support service activities	33	119.6	121.9	125.0	130.3	124.2				
Education	46	112.7	112.8	112.8	112.9	112.8				

Table 8 - Percentage change from previous quarter by main industry group and contribution of industry groups to overall change in index - Private Sector, Q1 to Q4 2019

		2019 1							
Industry group	Weight	% c	hang	e in in	dex	Cont chan	ributi ge in (		l
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All sectors	543	1.7	1.2	1.3	0.3	1.9	1.4	1.5	0.3
of which									
Agriculture, forestry and fishing	23	-15.1	1.9	11.7	2.7	-0.7	0.1	0.5	0.1
Manufacturing	110	3.2	1.9	2.6	-1.8	0.8	0.5	0.6	-0.5
Construction	30	2.4	1.5	0.5	0.4	0.1	0.1	0.0	0.0
Wholesale and retail trade; repair	60								
of motor vehicles and motorcycles	69	2.0	1.7	0.2	0.5	0.3	0.3	0.0	0.1
Transportation and storage	20	3.5	1.6	0.8	0.2	0.1	0.1	0.0	0.0
Accommodation and food service activities	65	0.9	0.3	0.4	0.0	0.1	0.0	0.0	0.0
Information and communication	27	2.1	0.8	0.4	1.2	0.1	0.0	0.0	0.1
Financial and insurance activities	50	2.2	0.2	0.0	0.3	0.2	0.0	0.0	0.0
Professional, scientific and technical activities	44	1.2	1.1	0.3	0.2	0.1	0.1	0.0	0.0
Administrative and support service activities	33	3.5	1.9	2.5	4.2	0.2	0.1	0.2	0.3
Education	46	4.5	0.1	0.0	0.1	0.4	0.0	0.0	0.0

<sup>&</sup>lt;sup>1</sup> Provisional

Table 9 - Percentage change from corresponding quarter of the previous year by industry group and contribution of industry groups to overall change in index - Private Sector, Q1 to Q4 2018 & 2019

		2019/2018									
Industry group	Weight	Q	% change	e in inde	X	Contribution to change in overall index point					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
All sectors	543	5.5	5.2	5.1	4.6	5.9	5.7	5.6	5.1		
of which											
Agriculture, forestry and fishing	23	3.5	1.2	-7.4	-0.7	0.1	0.0	-0.4	0.0		
Manufacturing	110	8.3	6.8	8.7	5.9	1.9	1.6	2.1	1.4		
Construction	30	3.5	4.7	4.6	4.8	0.2	0.3	0.3	0.3		
Wholesale and retail trade; repair of motor vehicles and motorcycles	69	6.1	7.2	5.7	4.5	0.8	1.0	0.8	0.6		
Transportation and storage	20	6.9	7.3	7.3	6.3	0.3	0.3	0.3	0.3		
Accommodation and food service activities	65	2.7	2.0	1.9	1.6	0.3	0.3	0.2	0.2		
Information and communication	27	5.2	5.9	5.6	4.6	0.3	0.3	0.3	0.2		
Financial and insurance activities	50	4.0	3.7	3.5	2.7	0.4	0.4	0.4	0.3		
Professional, scientific and technical activities	44	2.9	3.1	3.0	2.8	0.3	0.3	0.3	0.2		
Administrative and support service activities	33	9.8	10.5	11.4	12.8	0.7	0.7	0.8	0.9		
Education	46	5.5	4.0	3.8	4.7	0.5	0.4	0.3	0.4		

Table 10 - Wage Rate Indices, percentage change and contribution of industry group, Private sector, years 2018 & 2019

Industry group	Weight	Year 2018 <sup>1</sup>	Year 2019 <sup>1</sup>	% change	Change in overall index point
All sectors	543	109.8	115.4	5.1	5.6
of which					
Agriculture, forestry and fishing	23	99.8	98.5	-1.2	-0.1
Manufacturing	110	116.1	124.8	7.4	1.7
Construction	30	105.3	109.9	4.4	0.3
Wholesale and retail trade; repair of motor vehicles and motorcycles	69	109.9	116.4	5.9	0.8
Transportation and storage	20	112.9	120.7	7.0	0.3
Accommodation and food service activities	65	105.7	107.8	2.0	0.3
Information and communication	27	105.0	110.6	5.3	0.3
Financial and insurance activities	50	111.7	115.6	3.5	0.4
Professional, scientific and technical activities	44	108.1	111.3	3.0	0.3
Administrative and support service activities	33	111.7	124.2	11.2	0.8
Education	46	108.0	112.8	4.5	0.4

<sup>&</sup>lt;sup>1</sup> Revised <sup>2</sup> Provisional

Table 11 - Quarterly Wage Rate Indices by main industry group for the Public Sector, 2019

		Public Sector <sup>1</sup>									
Industry group	Weight	2019 2									
		Q1	Q2	Q3	Q4	Year					
All sectors	457	109.8	109.6	109.9	110.0	109.8					
of which											
Electricity, gas, steam and air conditioning supply	15	113.3	115.2	120.2	120.5	117.3					
Transportation and storage	49	112.0	112.6	112.8	114.1	112.9					
Information and communication	17	142.9	142.9	142.9	142.9	142.9					
Financial and insurance activities	25	128.4	128.5	128.8	129.2	128.7					
Public administration and defence; compulsory social security	181	105.6	105.0	105.3	105.2	105.3					
Education	73	107.4	107.6	107.5	107.2	107.4					
Human health and social work activities	60	105.6	104.7	104.5	103.9	104.7					

Table 12 - Percentage change from previous quarter by main industry group and contribution of industry groups to overall change in index - Public Sector<sup>1</sup>, Q1 to Q4 2019

		2019 <sup>2</sup>									
Industry group	Weight	%	chang	e in ind	OV	Contribution to change in overall index point					
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
All sectors	457	2.8	-0.2	0.3	0.1	3.0	-0.2	0.3	0.1		
of which											
Electricity, gas, steam and air conditioning supply	15	0.7	1.7	4.3	0.2	0.0	0.1	0.2	0.0		
Transportation and storage	49	1.5	0.5	0.2	1.2	0.2	0.1	0.0	0.1		
Information and communication	17	2.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0		
Financial and insurance activities	25	10.9	0.1	0.2	0.3	0.7	0.0	0.0	0.0		
Public administration and defence; compulsory social security	181	2.6	-0.6	0.3	-0.1	1.1	-0.2	0.1	0.0		
Education	73	2.0	0.2	-0.1	-0.3	0.3	0.0	0.0	0.0		
Human health and social work activities	60	2.5	-0.9	-0.2	-0.6	0.3	-0.1	0.0	-0.1		

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

<sup>&</sup>lt;sup>2</sup> Provisional

Table 13 - Percentage change from corresponding quarter of the previous year by industry group and contribution of industry groups to overall change in index - Public Sector<sup>1</sup>, Q1 to Q4 2018 & 2019

		2019/2018							
	Weight	% change in index				Contribution to change in overall index point			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
All sectors	457	3.0	2.8	2.9	3.0	3.2	3.0	3.1	3.2
of which									
Electricity, gas, steam and air conditioning supply	15	7.2	7.8	7.0	7.1	0.2	0.3	0.3	0.3
Transportation and storage	49	7.6	6.9	5.6	3.4	0.8	0.8	0.6	0.4
Information and communication	17	2.5	2.1	2.1	2.1	0.1	0.1	0.1	0.1
Financial and insurance activities	25	11.4	11.3	11.2	11.6	0.7	0.7	0.7	0.7
Public administration and defence; compulsory social security	181	0.9	0.8	1.4	2.2	0.4	0.3	0.6	0.9
Education	73	2.6	2.8	2.1	1.8	0.4	0.5	0.4	0.3
Human health and social work activities	60	1.7	0.8	0.6	0.9	0.2	0.1	0.1	0.1

Table 14 - Wage Rate Indices, percentage change and contribution of industry group, Public Sector  $^1,\,2018\,\,\&\,\,2019$ 

Industry group	Weight	<b>Year 2018</b> <sup>2</sup>	<b>Year 2019</b> <sup>3</sup>	% change	Change in overall index point
All sectors	457	106.7	109.8	2.9	3.1
of which					
Electricity, gas, steam and air conditioning supply	15	109.4	117.3	7.3	0.3
Transportation and storage	49	106.6	112.9	5.9	0.7
Information and communication	17	139.8	142.9	2.2	0.1
Financial and insurance activities	25	115.6	128.7	11.4	0.7
Public administration and defence; compulsory social security	181	103.9	105.3	1.3	0.5
Education	73	105.0	107.4	2.3	0.4
Human health and social work activities	60	103.7	104.7	1.0	0.1

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

<sup>&</sup>lt;sup>2</sup> Revised

<sup>&</sup>lt;sup>3</sup> Provisional

i Annex 1

#### **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 56% of total employment in year 2018. '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 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

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

$$\sum_{i} w_{i}$$

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

w<sub>i</sub> = N<sup>o</sup><sub>i</sub>R<sup>o</sup><sub>i</sub> which represents the total wages paid to all employees in the i <sup>th</sup> occupation base period, December 2016

R<sub>i</sub>° = 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 (i.e. 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. are, therefore, excluded.	Overtime payments