

EMPLOYMENT

In 1982, employment in government departments, semi-government institutions (public co-operations and statutory boards) and the organised private sector (private enterprises contributing to the Employees Provident Fund) increased about 34,000 or 2.1 per cent. This increase in employment excludes the unorganised sectors such as traditional agricultural, mining and quarrying, self employed and construction.

The annual survey of employment conducted by the Central Bank, revealed that employment in the government sector rose by 1 per cent or 4,337 as against an increase of 5,389 or 1.1 per cent in 1981. In the semi-government sector, the creation of new job opportunities amounted to 4,035 compared with 9,077 in 1981. This is only a 0.52 per cent increase compared to an 1.2 per cent increase in 1981.

Employment in the organised private sector increased by 25,625 this year when compared to 26,156 in 1981. (provisional Employees Provident Fund data). Enterprises coming under the Greater Colombo Economic Commission increased employment by 5,005 in 1982, bringing the total number presently employed in GCEC organisations to 24,926 persons. The employment level in the organised private sector reveals a significant increase compared to that of government and semi-government employment. Decisions taken to limit government expenditure within the budget allocation and limitations imposed on credit expansion in the semi-government sector may well be some of the reasons limiting increase in employment in these sectors.

The total number of new employment created over the last five years period from 1978 to 1982 outside the unorganised private sector amounted to 352,654 according to the available data.

PRICES

A feature of the price behaviour in 1982 was the significant deceleration in prices. Both the Colombo Consumers' Price Index computed by the Department of Census and Statistics and the Wholesale Price Index computed by the Central Bank, indicated that price increases were significantly less in 1982 than in previous years. The Colombo Consumers' Price Index increased by only 10.8 per cent compared to an 18 per cent increase in the previous year. In fact, the deceleration in 1982 consumer prices is better indicated by the fact that on a point to point basis, the December 1982 index was only 5.4 per cent higher than in December 1981. The Wholesale Price Index increased by only 5.5 per cent compared to a 17 per cent increase in 1981. These increases were the lowest in recent years as shown in Table 1.30.

TABLE 1.30

Annual Percentage Price Increases

Year	Colombo Consumers' Price Index	Wholesale Price Index
1978	12.0	16.0
1979	11.0	9.0
1980	26.0	34.0
1981	18.0	17.0
1982	10.8	5.5

The deceleration in prices has been the result of the lower prices of the major food items—rice and sugar—and a stable price for wheat flour. The continuation of the restrictive monetary policies introduced in 1981 and the small increase in prices of imported goods had a bearing on the moderate price rise.

The stability in major food prices is attributable to several factors. Despite a production short-fall in paddy in the first half of this year, the availability of imports of rice at relatively stable prices helped prevent rice prices from rising significantly. The price of sugar too, declined consequent on declining international prices and the Food Commissioner's release of excess stocks at lower prices. The import price of wheat grain remained relatively stable, thus enabling wheat flour to be marketed without an increase in price for the first ten months of the year. The wheat flour price was in fact reduced in October 1982 from Rs. 6.65 per kg. to Rs. 5.95 per kg. The stability in oil prices also had a role to play. The price of kerosene, which has a direct impact on the cost of living and diesel and petrol prices, which have an impact on the transport costs of domestic commodities, remained unchanged in 1982.

The commodity-wise classification of the Colombo Consumer's Price Index indicated that the increase in prices was essentially in the domestic group and the import group. While 72 per cent of the increase was due to higher prices of the domestic group, 27 per cent was due to increases in the import group.

The slower rate of the annual increase of the Wholesale Price Index at 5.5 per cent was due to a relatively moderate increase in prices in the domestic and export groups. On the other hand, the prices of the import group declined by 2 per cent.

A classification of commodities by end use indicated that consumer goods accounted for the major part of the increase in prices. While consumer goods accounted for 82 per cent of the increase, 13 per cent was accounted for by price increases of intermediate goods and 5 per cent by price increases of investment goods.

WHOLESALE PRICE INDEX

1974 = 100
MONTHLY

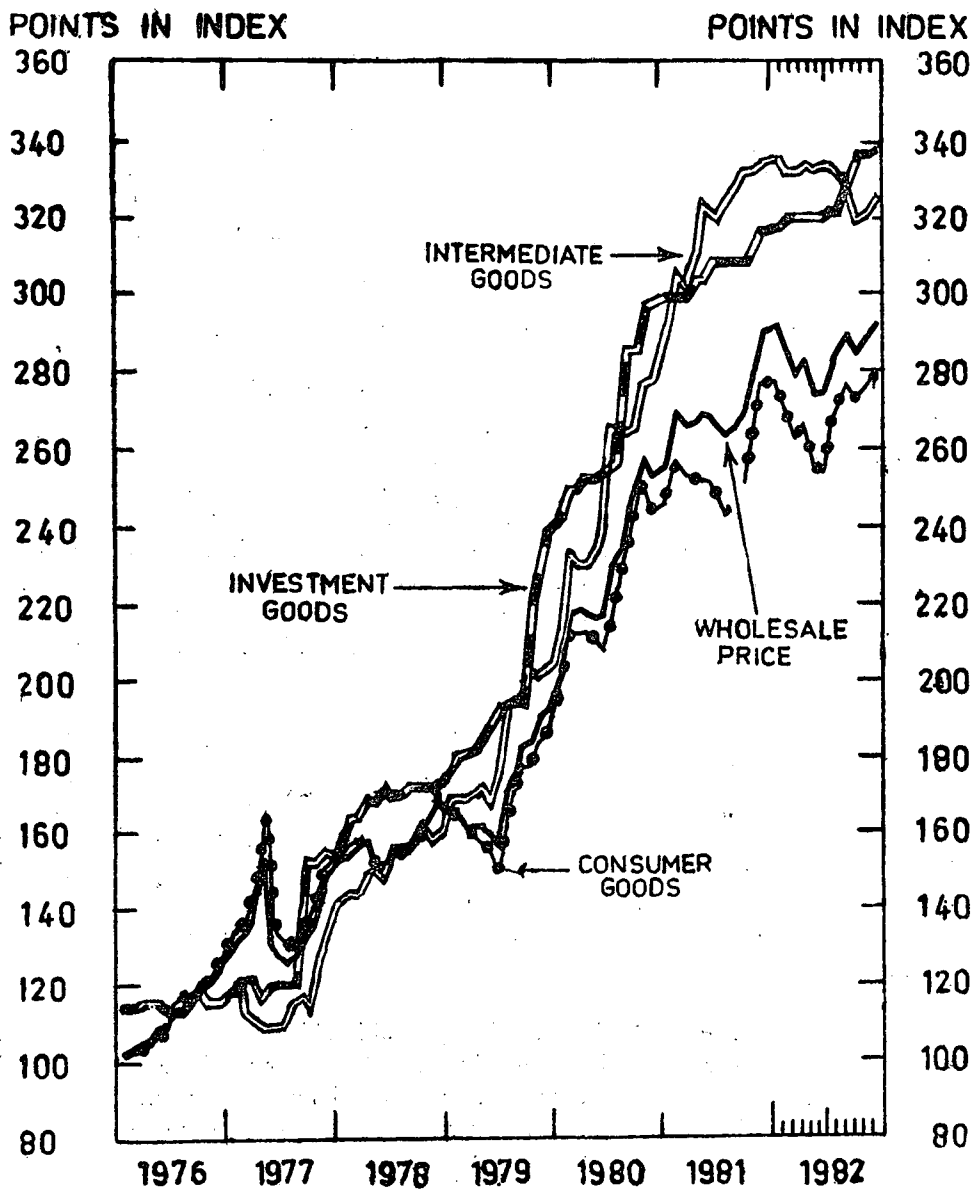


TABLE 1.31
Average Retail Prices of Selected Food Items, 1980—1982

Item	Unit	1980 Rs.	1981 Rs.	1982 Rs.	Change in Rs.		% Change	
					1980-1981	1981-1982	1980-1981	1981-1982
Rice ..	Per Kg.	4.71	6.25	6.56	1.54	0.31	33	5
Up Country Vegetables ..	..	4.42	5.17	6.01	0.75	0.84	17	16
Low Country Vegetables ..	..	3.48	3.80	4.48	0.32	0.68	9	18
Yams ..	..	4.09	5.27	5.60	1.18	0.33	29	6
Sea Fish ..	..	16.32	18.44	22.73	2.12	4.29	13	23
Meat (Beef, Mutton, Pork, Chicken) ..	..	19.67	22.92	26.54	3.25	3.62	17	16
Dried Chillies ..	..	28.07	27.93	30.02	-0.14	2.09	-0.5	7
Other Spices ..	..	45.61	48.09	56.91	2.48	8.82	5	18
Coconut ..	per nut	1.49	1.75	1.57	0.26	-0.18	17	-10

Source: Central Bank, Country-Wide Data Collection System.

The average retail prices of selected food items in 1980, 1981 and 1982 collected from representative areas in the country under the Central Bank's Country-wide Data Collection System indicate that retail prices of most consumer items increased in 1982. However, the price increases in 1982 were proportionately less than in 1981 for most items. The average retail price of rice increased by only 5 per cent from Rs. 6.25 in 1981 to Rs. 6.56 in 1982 as compared with an increase of 33 per cent in 1981. Price increases were higher in 1982 only for sea fish, dried chillies and spices. The notable exception was a 10 per cent decrease in the average retail price of coconut. This decrease is partly due to lower international prices for coconut products.

The prices of both low country and up-country vegetables increased, with the prices of the latter increasing more than the former. The highest increases in prices were in sea fish and meats. Although sea fish production increased substantially in 1982, prices rose by as much as 23 per cent owing to a more than commensurate increase in demand. The average retail price of sea fish reached a record Rs. 22.73 per kg. compared to Rs. 18.44 per kg. in 1981. The average retail price of meat (beef, mutton, pork and chicken) rose to Rs. 26.54 in 1982 an increase of about 16 per cent.

There was a reversal of the declining trend in chillie prices observed in 1981. The average retail prices of dried chillies increased by 7.5 per cent in 1982 to Rs. 30.00 per kg. The retail prices of spices increased substantially. The average retail price of spices rose by 18 per cent to Rs. 56.91 per kg. in 1982 due to increased export prices.

Textiles and footwear prices increased by only 5 per cent during 1982. Building material prices, represented mainly by bricks, metal and sand, increased by 16 per cent.