

TABLE 1.31
Estimates of Employment in Public and Private Sectors

Year	Public		Private		Total
	Govt.	Semi Govt.	G.C.E.C.	Others ¹	
1977	422,647	617,033	—	283,427	1,323,107
1978	446,085	681,034	261	321,690	1,449,070
1979	470,188	749,034	5,876	310,096	1,535,194
1980	476,086	769,122	10,538	348,597	1,604,343
1981	481,475	778,199	19,729	348,365	1,627,768
1982	484,802	784,370	24,926	320,753	1,614,851
1983	489,472	785,717	28,705	n.a.	n.a.

Source : Greater Colombo Economic Commission
Central Bank of Ceylon.

¹ Based on Employees Provident Fund Data.

An indicator of the emerging employment situation, derived from the Consumer Finances & Socio Economic Surveys, is that the unemployment rate has declined from 14.8 per cent in 1978/79 to 11.7 per cent in 1981/82. This rate of unemployment is the lowest recorded in recent decades.

PRICES

The main feature of price behaviour in 1983 was the reversal of the downward trend in prices experienced during the last two years. There was a rise in the rate of increase of prices at the retail level, as well as the primary market level.

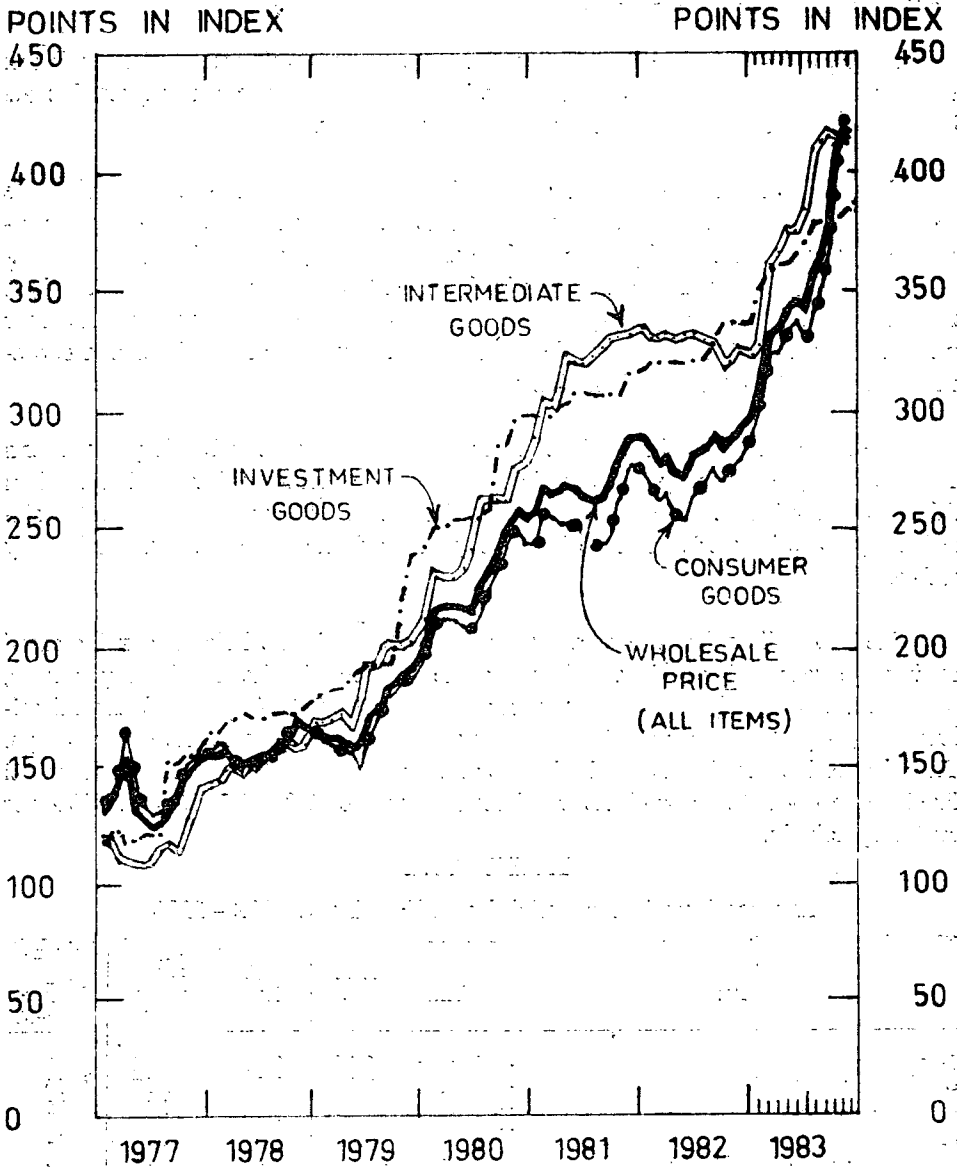
This reversal of the declining trend observed during the preceding two years was discernible in the Colombo Consumers' Price Index as well as in the Wholesale Price Index. The increase in the annual average of the Colombo Consumers' Price Index in 1983, over the preceding year was 14 per cent compared to a 10.8 per cent increase in 1982. The corresponding increase in the Wholesale Price Index of the Central Bank was 25 per cent in 1983, compared to a 5.5 per cent increase in 1982. However, the rate of increase of the Colombo Consumers' Price Index in 1983 was lower than those of 1980 and 1981.

The higher rate of increase in price levels in 1983 was a combined result of several factors. The sharp increase in the prices of export commodities brought about increases in the domestic market prices of these commodities. Some of the other major factors that contributed to an accentuation of price levels were the upward revision of the Turn Over and Tobacco Taxes, increased transport fares and the upward price revisions of essential consumer items especially kerosene.

Almost all the sub indices of the Colombo Consumer's Price Index increased. A 12.4 per cent increase in the sub index for the Food group which has the highest weight (61.9 per cent) in the index, made a greater impact on the overall index.

WHOLESALE PRICE INDEX

1974 = 100
MONTHLY



An upward revision of the prices of flour and bread during the early part of the year and continuous increases in prices of Coconut and Coconut oil, especially during the latter part of the year, resulted in increases in the index.

The increase in price of kerosene oil on two occasions during the year not only had an impact on the sub index for Fuel and Light, which rose by 33.2 per cent, but also made a notable impact in the overall Index. The sub index for the Miscellaneous Group increased by 15 per cent.

The sub index for the Export Sector in the Colombo Consumers' Price Index rose by as much as 44 per cent, while the indices for Domestic and Import Sectors increased by 12.8 per cent and 9.5 per cent, respectively.

The sharp increase in the Wholesale Price Index during the year is attributable to a significant increase in export prices. The sub index for the export sector increased by as much as 67.6 per cent. The annual average price of all (three elevational) categories of teas increased by 84.6 per cent over the previous year's prices. Similar increases in the prices of coconut and coconut oil, especially during the latter part of the year and higher prices for other export items, such as rubber and cardamoms also contributed to this increase.

The indices for the Domestic and Import Sectors increased by 5.9 per cent and 10.2 per cent, respectively. Domestic prices rose less sharply than in 1982, when this sub-index increased by 10.4 per cent. Increased paddy prices contributed significantly to this year's increase but many other domestic prices were relatively stable.

The sub indices for almost all groups in the Wholesale Price Index increased during the year under review. However, the increases in the food (30 per cent), petroleum products (28.6 per cent), transport equipment (25.1 per cent) and miscellaneous groups (22.4 per cent) were higher than the increases in the other groups. The rates of increase in the sub indices for Paper Products, Chemical and Chemical Products, non-metallic products and Machinery were 17.8, 16.5, 16.3 and 10.2 per cent, respectively.

TABLE 1.32
Average Retail Prices of Selected Food Items 1982 - 1983

Item	Unit	1982 Rs.	1983 Rs.	Change 1982-83 Rs.	Percentage Change 1982-83
Rice	.. Per Kg.	6.56	6.92	0.36	5
Up Country Vegetables	6.01	6.98	0.97	16
Low Country Vegetable	4.48	5.62	1.14	25
Yams	5.60	6.58	0.98	18
Sea Fish	22.73	27.02	4.29	19
Meat, (Beef, Mutton, Pork, Chicken)	26.54	30.29	3.75	14
Dried Chillies	30.02	32.44	2.42	8
Coconut	.. Per Nut	1.57	2.23	0.66	42

Source: Central Bank, Country wide Data Collection System.

Increases in the sub indices for Consumer and Intermediate Sectors were 28.9 per cent and 15.8 per cent, while that of investment goods rose by 12.9 per cent.

Data on average retail prices of selected food items collected under the Central Bank Country-Wide Data Collection System indicate that the retail prices of most items increased between 1982 and 1983. The prices of a few selected items given in Table 1.32 illustrate this. Price increases were modest in rice and chillies but sharp in coconut, low country vegetables, fish and meat.

The price increase in rice was low when compared with that of the other items. There has been a deceleration in the rate of increase of rice prices since 1982. In 1983, as in the previous year, the retail price of rice increased by only 5 per cent.

The prices of both Low Country and Up Country vegetables increased significantly. While in the case of Up Country vegetables the rate of increase of 16 per cent was the same as in 1982, Low Country vegetables displayed a sharp price increase of 25 per cent compared with 18 per cent in 1982 and 9 per cent in the previous year. This indicates a trend of accelerating price increases for Low Country vegetables.

Although the prices of sea fish and meat increased sharply, the rates of increase in these prices were lower than that in 1982. Sea-fish prices rose by 19 per cent compared to the 23 per cent increase in the previous year. The average retail price of meat rose by 14 per cent compared to a 16 per cent increase in the previous year. The price of dried chillies rose moderately by 8 per cent.

The sharpest price increase was in coconut where a record 42 per cent increase was observed between 1982 and 1983. This is in contrast to a 10 per cent decline in prices, in the previous year. A short-fall in production, particularly during the last two months, and higher export prices for coconut products were responsible for this escalation in prices.

WAGES

In 1983, nominal wages increased both in the organised and unorganised sectors. In the unorganised sector, nominal wage increases in 1983 were greater than in 1982 in some sub sectors, notably paddy and rubber. In the organised sector, the increases in money wages were of a lesser magnitude than in 1982 and were inadequate to compensate for price increases as reflected in the Colombo Consumers' Price Index.*

In the organised sector money wages increased for Government employees and private sector employees covered by Wages Boards Trades. The increase in money wages in the Government sector was higher than in the private sector, as

* Money wages in the unorganised sector have not been deflated by the Colombo Consumers' Price Index to estimate the development in real wages as it is highly unrealistic to apply the cost of Living Index of the Colombo working classes to the wages earned in the rural and estate sectors of the country.