

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

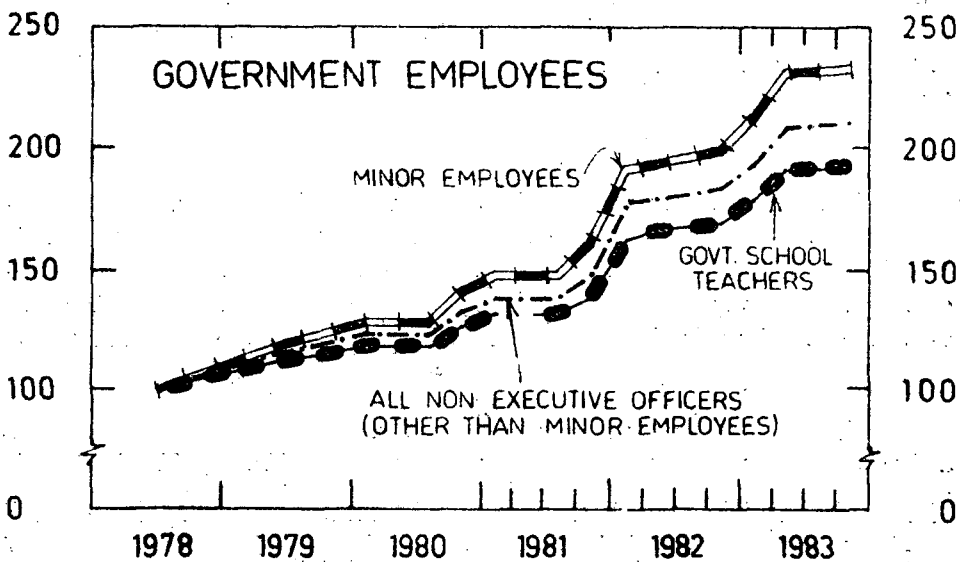
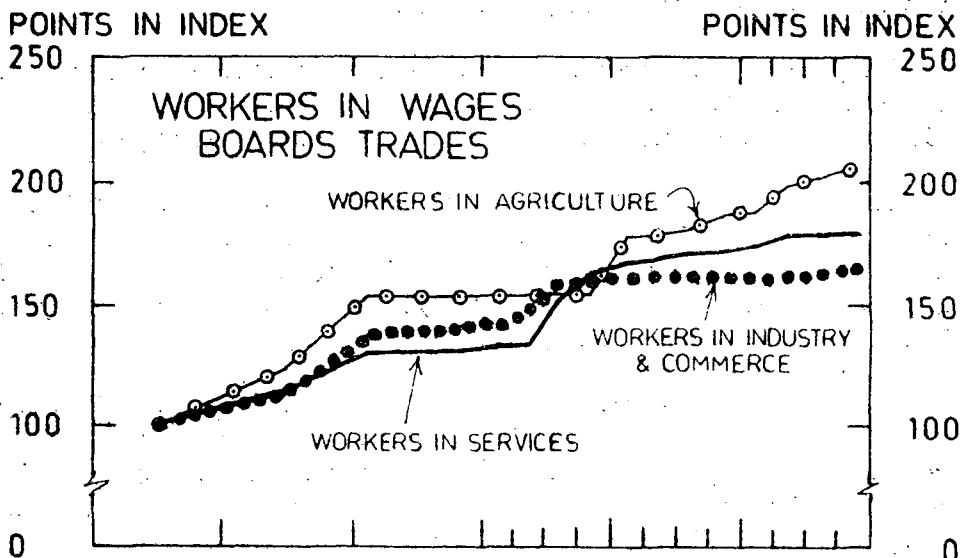
In 1983, nominal wages increased both in the organised and unorganised sectors. In the unorganised sector, nominal wage increases in 1983 were greater than in 1982 in some sub sectors, notably paddy and rubber. In the organised sector, the increases in money wages were of a lesser magnitude than in 1982 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.

WAGE RATE INDEX NUMBERS

1978 DECEMBER = 100
MONTHLY



in the last two years and reflected the same pattern of increases since 1980, except in a few categories. The rates of increase in nominal wages for the different categories of employees in the organised sector are given in Table 1.33.

TABLE 1.33
Wage Rate Index Numbers in the Organised Sector:
1978 December = 100

Organised Sector	Wage Rate Index		Point Change	Percentage Change
	1982	1983		
1. Workers in Wages Boards Trades ..	175.8	188.8	13.0	7.4
i Workers in Agriculture ..	181.2	198.7	17.5	9.7
ii Workers in Industry & Commerce ..	161.0	163.1	2.1	1.3
iii Workers in Services ..	169.7	177.8	8.1	4.8
2. All Government Employees ..	187.8	215.7	27.9	14.9
i All Non-executive officers ..	180.6	204.6	24.0	13.3
ii All Minor Employees ..	194.7	226.2	31.5	16.2
3. Government School Teachers ..	166.4	188.1	21.7	13.1

Sources : Department of Labour and Central Bank of Ceylon.

With respect to the Government sector, including school teachers, the compensation linked to the Cost of Living Index at the rate of Rs. 2 per point increase in the Colombo Consumers' Price Index was frozen at the February 1983 level of Rs. 140 per month. In addition, since March 1983, a further allowance of Rs. 100 per month was paid to all persons including pensioners drawing less than Rs. 1,000 per month. From September this was raised to Rs. 106 per month and broad based so as include all Government employees. Thus, as from September 1983, the total cost of living compensation added upto Rs. 246 per month and was paid to all employees in Government Service.

Although the average money wage of Government sector employees increased by 15 per cent in 1983, this was at a lower rate than in 1982. The wages of non-executive officers, minor employees and Government school teachers increased by 13, 16 and 13 per cent respectively. These increases were however lower than the rates of increase in 1982. The average real wages of Government sector employees as a whole increased marginally by 0.9 per cent in 1983. This is in contrast to a 16 per cent increase in real wages in 1982.* Real wages of non-executive officers and Government school teachers marginally decreased by 0.4 per cent and 0.6 per cent respectively for 1983 while that of minor employees increased by 2 per cent. During 1982 however, real wages of all three categories increased.

In the organised private sector, which is covered by Wages Boards Trades average money wages increased by 7 per cent compared to a 16 per cent increase in 1982. The real wages decreased by 6 per cent in 1983, in contrast with a 4 per cent increase in 1982.

* The Annual Report for 1982 indicated that the increases was 19 per cent. This is estimated with 1952 serving as the base year. (1952—100). During 1983 the Index was comprehensively reviewed and 1978 was used as the base year. (1978—100).

In the organised private sector, the money wages for workers in industry and Commerce, Agriculture and Services increased by 1.3, 10 and 5 per cent respectively in 1983. These increases were lower than those in 1982. In 1983, the real wages declined by 11 per cent in Industry and Commerce and 8 and 4 per cent respectively in Agriculture and Services sectors. This contrast with an increase in real wages in 1982 in the Agriculture and Services sectors.

TABLE 1.34
Average Daily Wage Rates in the Unorganised Sector

Unorganised Sector	Type of Labour	Daily Wage Rates		Change Rs.	Percentage Change
		1982	1983		
Paddy	Male	30.66	36.61	5.95	19
	Female	22.26	26.94	8.42	21
Coconut	Male	32.39	37.78	2.26	17
	Female	18.26	21.52	3.26	18
Rubber	Male	26.22	31.08	6.63	18
	Female	18.88	22.30	3.42	18
Tea	Male	22.17	23.81	1.64	7
	Female	15.86	16.78	0.92	6
Carpenter	Male	53.86	59.94	6.08	11
Mason	Male	52.44	58.31	5.66	11

Source : Country wide Data Collection System, Central Bank of Ceylon.

The behaviour of wages in the unorganised sector is monitored by data collected under the Countrywide Data Collection System of the Central Bank. This scheme collects on a regular basis information on daily wages of workers in paddy, coconut, rubber and tea cultivation in small holdings and in the construction sector.

While, nominal wages increased in all sub sectors in 1983, the sharpest increases were in the paddy and rubber sub-sectors. The daily rate of female labour in paddy increased by 21 percent, while male wages increased by 19 per cent. In rubber cultivation, male and female wages increased by 18 per cent. In the coconut and tea subsectors, female wage rates, unlike male wages, increased by a higher proportion than in 1982. In the construction sector, carpentry and masonry wages increased by a lesser rate than in 1982. Table 1.34 indicates the average daily wage rates and the changes between 1982 and 1983.

TRADE

The gradual recovery of developed countries from the recession of the last few years and an unprecedented increase in tea and rubber prices, resulted in Sri Lanka's external trade performance showing a marked improvement in 1983.