

Expert Group unveils report on base revision of Wage Rate Index (WRI) to 2016=100 from base 1963-65=100.

Expert Group also releases Wage Rate Index (WRI) from July 2016 to July 2020 based on new series 2016=100

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Prof. S.P.Mukherjee, Chairman of Expert Group on Minimum Wages & National Floor Wages, Dr G.C.Manna, Chairman of Technical Advisory Committee of Wage Rate Index, Shri DPS Negi, Principal Advisor, Ministry of Labour & Employment, Ms. Sibani Swain, Additional Secretary, Ministry of Labour & Employment, Ms. Vibha Bhalla, Joint Secretary, Ministry of Labour & Employment and Shri I.S. Negi, DGLB & other members of Expert Group released the new series of Wage Rate Index (WRI) with base year 2016=100, being compiled and maintained by Labour Bureau, an attached office of Ministry of Labour & Employment. The new series of WRI with base 2016=100 will replace the old series with base 1963-65=100.



Shri DPS Negi, Principal Advisor, Ministry of Labour & Employment lauded the efforts of Labour Bureau for their steadfastness and exemplary role which have finally culminated in the release of updated series of WRI. While admiring the efforts, he also stressed upon the need for data on all aspects of labour as it will be crucial to serve as inputs in policy making and this justifies the existence of an organization like Labour Bureau. With the ever increasing importance of data in the times to come coupled with the fact that India is a labour abundant nation, a dedicated organization for labour and price statistics like the Labour Bureau merits strengthening.

The Report on “New Series of Wage Rate Index (Base 2016=100)” is an important publication meant to give insights into the concepts, definitions and methodology related to the new series of WRI with 2016 as base year. This will serve as a useful reference book for researchers, academicians, scholars and all other stakeholders of WRI.



The Government of India periodically revises the base year for major economic indicators to reflect the changes in the economy and to capture the wage pattern of workers.

Thus, as per the recommendations of International Labour Organization (ILO), National Statistical Commission (NSC) etc. the base year of Wage Rate Index numbers has been revised from 1963-65=100 to 2016=100 by the Labour Bureau, Ministry of Labour & Employment to enhance the coverage and to make index more representative.

The new series of Wage Rate Index i.e. 2016=100 replaces the old series (1963-65=100) which is almost six decades old, has increased the scope and coverage in terms of number of industries, sample size, occupations under selected industries, weightage of industries etc. Technical Advisory Committee (TAC) on WRI constituted by MoL&E under the chairmanship of Dr. G.C. Manna, former DG, CSO, provided all technical inputs for construction of New WRI Series.

Prof. S.P.Mukherjee and other Members of the Expert Group on Minimum Wages & National Floor Wages were of the opinion that this base revision of the Wage Rate Index 2016=100 will play a very critical role in coming out with the Minimum Wages & National Floor Wages along with other parameters which will be decided in due course of time by the Expert Group.

Key Highlights

The New WRI Series with base 2016=100 would be compiled twice a year on point-to-point half yearly basis, as on 1st January and 1st July of every year. Some of the major improvements made under the new series of WRI (2016=100) vis-à-vis old series (1963-65=100) are as under:

- The weighting diagram in the new WRI series has been prepared from the results of the Occupational Wage Survey (Seventh) round.
- A total of 37 industries have been covered in the new WRI basket (2016=100) as against 21 industries in the 1963-65=100 series.
- The selected 37 industries in the new series are categorized as 30 industries from Manufacturing sector, 4 industries from Mining Sector and 3 industries from Plantation Sector as compared to 14 industries from Manufacturing sector, 4 industries from Mining Sector and 3 industries from Plantation Sector in the old series.
- In the new WRI basket, the current wage data has been collected from 2881 units under 37 selected industries as against to 1256 units under 21 industries in the old series of WRI.
- About 700 occupations have been covered under 37 selected industries in new series of WRI (2016=100).

Weighting Pattern

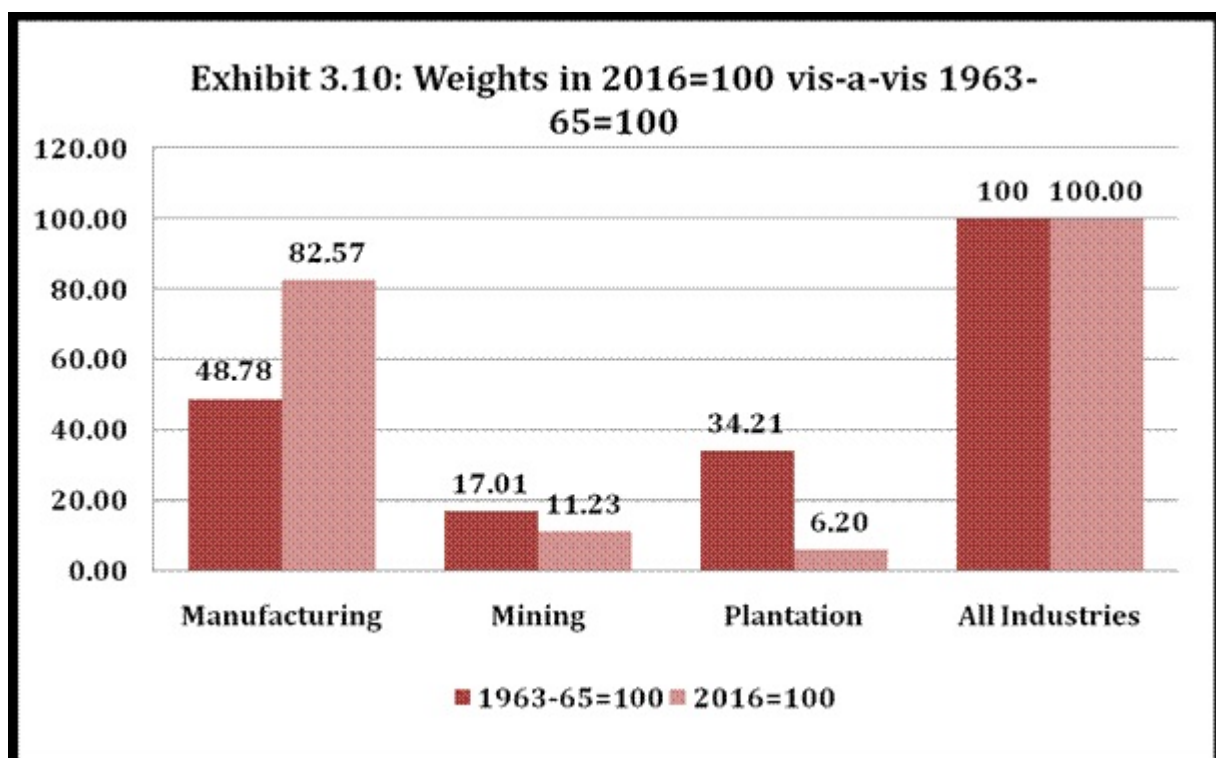
- The weights used in WRI Series with base 1963-65=100 were the base year estimated employment figures in respective occupations in each selected industry.
- The weights adopted for the construction of WRI numbers under New WRI Series (Base:

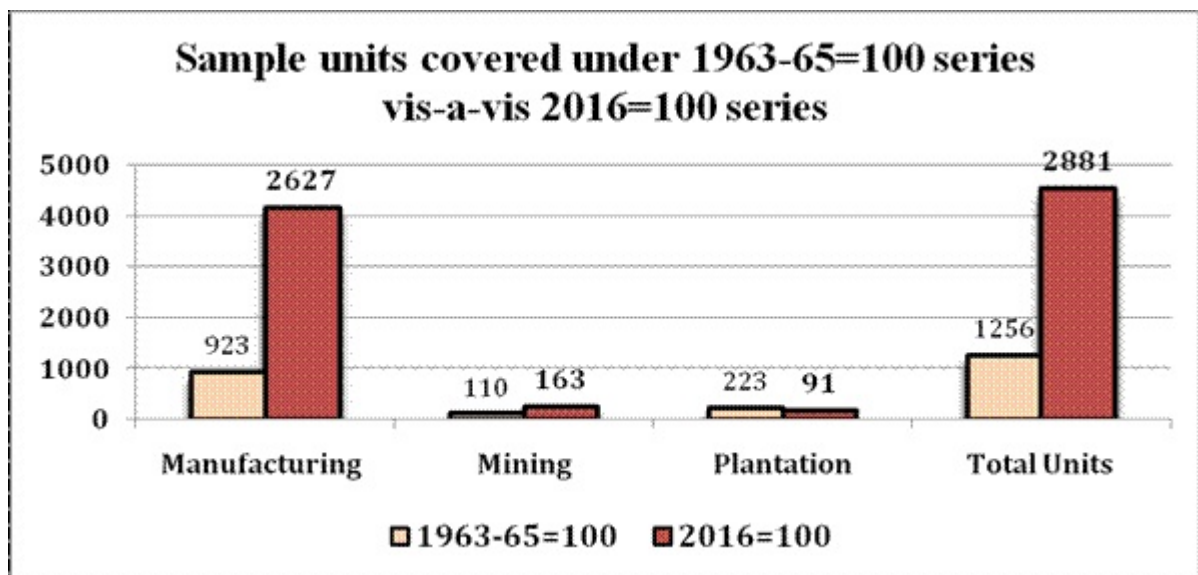
2016=100) are the base year estimated employment figures in the respective occupations in each selected industry. The weighted average of the occupation level indices in an industry, weights being the base year estimated total employment bill in each occupation, gives WRI at the industry level. Similarly, the weighted average of the industry/Sector level indices, weights being the base year estimated total employment bill in each industry/sector, gives Sectoral/All-India Index.

- Sector wise major changes in weights, number of industries and sample units between 1963-65=100 series and 2016=100 series are as under:

Sector	No. of Industries		Weights		Sample Units	
	1963-65	2016	1963-65	2016	1963-65	2016
Manufacturing	14	30	48.78	82.57	923	2627
Mining	4	4	17.01	11.23	110	163
Plantation	3	3	34.21	6.20	223	91
All	21	37	100.0	100.0	1256	2881

The sector level weights under new series has changed in comparison to old series (1963-65=100). The weight of Manufacturing sector has increased substantially over time whereas the weight of Plantation sector and Mining sector has declined under 2016=100 series vis-à-vis 1963-65=100 series.





Manufacturing Sector

- Sixteen new Manufacturing Industries have been added in the new series of WRI basket, viz. Synthetic Textiles, Textile Garments, Printing and Publishing, Footwear, Petroleum, Chemical & Gases, fertilizers, Drugs & Medicines, Iron & Steel, Electrical Apparatus, Motor Vehicles, Motor Cycles, Tea Processing, Tyres & Tubes, Milk Products and Plastic Articles.

Mining Sector

- In the new series, Oil Mining Industry has been newly introduced in the basket in place of Mica Mines Industry, to make mining sector more representative of the three different kinds of Mining viz. Coal, Metal and Oil.

Plantation Sector

- Three plantation industries namely Tea, Coffee and Rubber have been retained in the new WRI basket with enhanced coverage.

WRI Index

- The All India Wage Rate Index Number for all the 37 industries stood at **119.7** in 2020 (half yearly 2) which shows an increment of 1.6 per cent over the index in 2020 (half yearly 1).
- At sector level, the highest Wage Rate Index in 2020 (half yearly 2) was reported in Plantation Sector (126.5) followed by Manufacturing Sector (119.6) and Mining Sector (116.7).
- Among 37 Industries covered, the highest Wage Rate Index was recorded in Drugs & Medicines (131.4), followed by Sugar (129.8), Motor Cycles (128.1), Jute Textiles (127.9) and Tea Plantation (127.7). On the other hand, the lowest Wage Rate Index was recorded in Rubber Plantation (106.7), followed by Paper (110.7), Castings & Forgings (111.3), Woollen Textiles (111.9) and Synthetic Textiles (112.0).

Intra-Sector Variations

- Among Thirty Manufacturing Industries, the highest Wage Rate Index during 2020 (half yearly 2) was recorded in Drugs & Medicines (131.4), followed by Sugar (129.8), Motor Cycles (128.1), Jute Textiles (127.9) and Tea Processing (127.6). On the contrary, the lowest Index in Manufacturing Sector was recorded in Paper (110.7), followed by Castings & Forgings (111.3), Woollen Textiles (111.9), Synthetic Textiles (112.0) and Textile Garments (112.4).
- Among Four Mining Industries, the maximum Wage Rate Index was recorded in Iron Ore Mines (122.9), followed by Oil Mining (117.4) and Coal Mines (116.3). The minimum Wage Rate Index in this sector was recorded in Manganese Mines (114.5).

- In Plantation Sector, the maximum Wage Rate Index was reported in Tea Plantation (127.7), whereas the minimum Index was recorded in Rubber Plantation (106.7).
- Out of total thirty seven industries covered for compilation of indices, the Wage Rate Index of twelve Manufacturing industries, two industries in Mining industries and one Plantation industry had lower Wage Rate Index than all industries combined Wage Rate Index of 119.7.

Average Daily Absolute Wage Rates

- The All India Average Daily Absolute Wage Rate stood at Rs. 588.5 in 2020 (half yearly 2) as compared to Rs. 576.1 in 2020(half yearly 1), registering a growth rate of 1.6 per cent.
- Among three sectors covered during 2020 (half yearly 2), the highest Average Daily Absolute Wage Rate was recorded in Mining Sector (Rs. 1604.3), followed by Manufacturing Sector (Rs. 475.0) and lowest (Rs. 212.3) in Plantation Sector.
- Among Manufacturing industries, the highest Average Daily Absolute Wage Rate was recorded in Tyres & Tubes (Rs. 731.7), followed by Petroleum (Rs. 705.3), Jute Textiles (Rs. 698.5), Sugar (Rs. 694.9) and Milk Products (Rs. 634.6). The lowest Average Daily Absolute Wage Rate in the sector was reported at Rs. 196.2 in Match industry.
- Among Mining industries, the highest and lowest Average Daily Absolute Wage Rate was reported in Coal Mines (Rs. 1730.4) and Iron Ore Mines (Rs. 679.4), respectively.
- In Plantation Sector, the highest and lowest Average Daily Absolute Wage Rate varied between Rs. 425.2 in Rubber Plantation and Rs. 193.7 in Tea Plantation.

Average Daily Real Wage Rates at 2001 Prices

- The All India Real Wages at 2001 prices stood at Rs. 174.3 in 2020(half yearly 2) as compared to Rs. 174.6 in 2020 (half yearly 1).
- Among three sectors covered, the highest Average Daily Real Wage Rate at 2001 prices was reported in Mining sector (Rs. 477.5) followed by Manufacturing sector (Rs. 141.4) and in Plantation Sector, the Average Daily Real Wages was reported as low as Rs. 63.2.

The Technical Advisory Committee on WRI has approved the new series of Wage Rate Index with base 2016=100.

The same will also be available on the official website at <https://labour.gov.in> & www.labourbureaunew.gov.in.

VRRK/AK

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