

STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (LKR)
Legal Minimum Wage	<ul style="list-style-type: none"> The decisions of the Wages Board for the Garments Manufacturing on legal minimum wages were approved by the Hon. Minister of Labour & Labour Relations in January 2013, and were applicable to 2015. Below are the minimum wage for first-year workers (the least senior group) by classes of workers: <ul style="list-style-type: none"> Grade I (a) (Desingers, Tailors): 10,530 Sri Lankan rupees (LKR) Grade I (b) (Leaders, Section Supervisors): 10,140 Grade II (Cutters, Machine Minders, Final Checkers): 9,125 Grade III (Checkers and Sorters, Ironing Operators (Male), Odd Job Operators (Female), Stamping Operators (Female), Ironing Operators (Female), Sewing Machine Operators, Electric Iron Operators, Issuing Operators (Female), Embroidery Machine/Hand Operators): 9,075. Grade IV (Laying-out workers, Packers, Cellphane Bag and Cardboard Box Makers, Unskilled Workers): 8,625 Grade V (Learners and Apprentices): 5,700 For Export Processing Zones (EPZs), a separate set of legal minimum wages applies: <ul style="list-style-type: none"> Machine Operator: 10075 Checker: 10075 Ironer: 10075 Cutter: 9725 Packer and Helper: 9625 Training Machine Operator, Training Quality Checker: 6700 	Sri Lanka Wages Board For the Garment Manufacturing Trade	5,700 – 10,530 EPZ: 6700-10,075
Industry/ Sector Wage Comparator Median salary of manufacturing workers	<ul style="list-style-type: none"> Figure comes from Sri Lanka Labor Force Survey 2014 Report, published by the Department of Census and Statistics, Ministry of Policy Planning Economic Affairs, Child Youth and Cultural Affairs. The survey uses a nationally representative sample of 25,000 households. 15,500 LKR is the median monthly salary for daily paid workers in the industry (see Table 4.8 in page 19 of the report). Adjusted for inflation rate using IMF WEO CPI (to 2015 value): 15763 	Sri Lanka Labor Force Survey 2014, Ministry of Policy Planning Economic Affairs, Child Youth and Cultural Affairs	15,763

SRI LANKA

INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (LKR)
National Poverty Lines (2 adults, 1 earner)	<ul style="list-style-type: none"> 3967 is defined as the minimum expenditure per person to fulfill basic needs by the Department of Census and Statistics, which updates the value monthly. Value given is for Dec. 2015. Assume two adult consumption units: $3967 * 2 = 7,934$ 	<u>Department of Census and Statistics</u>	7,934
World Bank 'international poverty line' (2011 PPP\$ 3.10/ day)	<ul style="list-style-type: none"> Poverty is measured by the World Bank at PPP\$3.10/day. The 2011 PPP\$ conversion factor for Sri Lanka in 2014 is 45.03; which means that LKR 45.03 could buy the same value of goods in Sri Lanka as \$1 could in the USA in 2014. The \$3.10 equivalent is $(LKR 45.03 * 3.1) = LKR 139.59$ Monthly, this is $(LKR 139.59 * (365/12)) = LKR 4,245.95$. Adjusted for inflation, this amount is $[182.90 (CPI 2015)/179.84 (CPI 2014) * LKR 4,245.95] = LKR 4,318.10$ / person/month The household equivalent of LKR 4,318.10, assuming two consumption units and one earner is LKR 8,636.21/ month. 	<u>WB 2011 ICP</u>	8,636.21
	<ul style="list-style-type: none"> The household equivalent of LKR 4,318.10, assuming two consumption units and one earner is LKR 8,636.21/ month. 		12,954.3
Living Wage Estimate Asia Floor Wage (3 adults, 1 earner)	<ul style="list-style-type: none"> Cost of basic needs value for workers in free trade zones and outside free trade zones. Includes food (1900 calories per capita) plus non-food goods and services. Value is per capita: 16702 (free trade zones) and 14906 (outside free trade zones). Multiplied by 2 for the household equivalent based on FLA assumptions (2 consumption units and 1 earner): 33,404 (free trade zones) and 29812 (outside free trade zones). Adjusted for inflation rate using IMF WEO CPI: 35082 (free trade zones) and 31309 (outside free trade zones) 	<u>Asia Floor Wage Alliance</u>	48,608
Living Wage Estimate Prasanna and Karuppuge (2 adults, 1 earner)	<ul style="list-style-type: none"> The cost of basic needs value for workers in free trade zones and outside free trade zones includes food (1900 calories per capita) plus non-food goods and services. Value is per capita: 16702 (free trade zones) and 14906 (outside free trade zones). Multiplied by two for the household equivalent based on two consumption units and one earner: 33,404 (free trade zones) and 29812 (outside free trade zones). Adjusted for inflation rate using IMF WEO CPI: 35082 (free trade zones) and 31309 (outside free trade zones) 	<u>Prasanna and Karuppuge</u>	35,082 (free trade zones) 31309 (outside free trade zones)

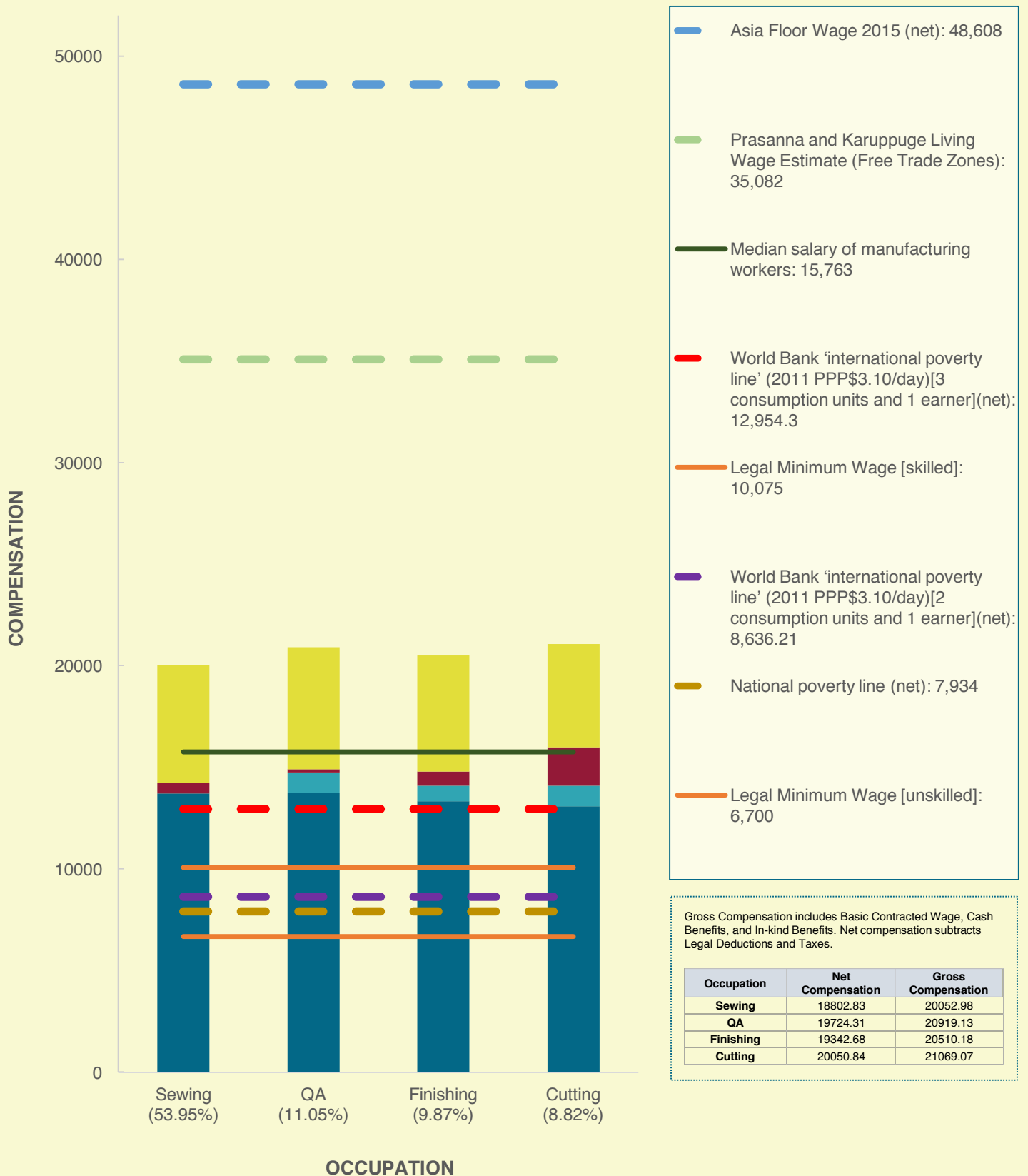
MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

SRI LANKA (1) *Currency: Sri Lanka Rupee (LKR)*



MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

SRI LANKA (2) *Currency: Sri Lanka Rupee (LKR)*



Basic Contracted Wage

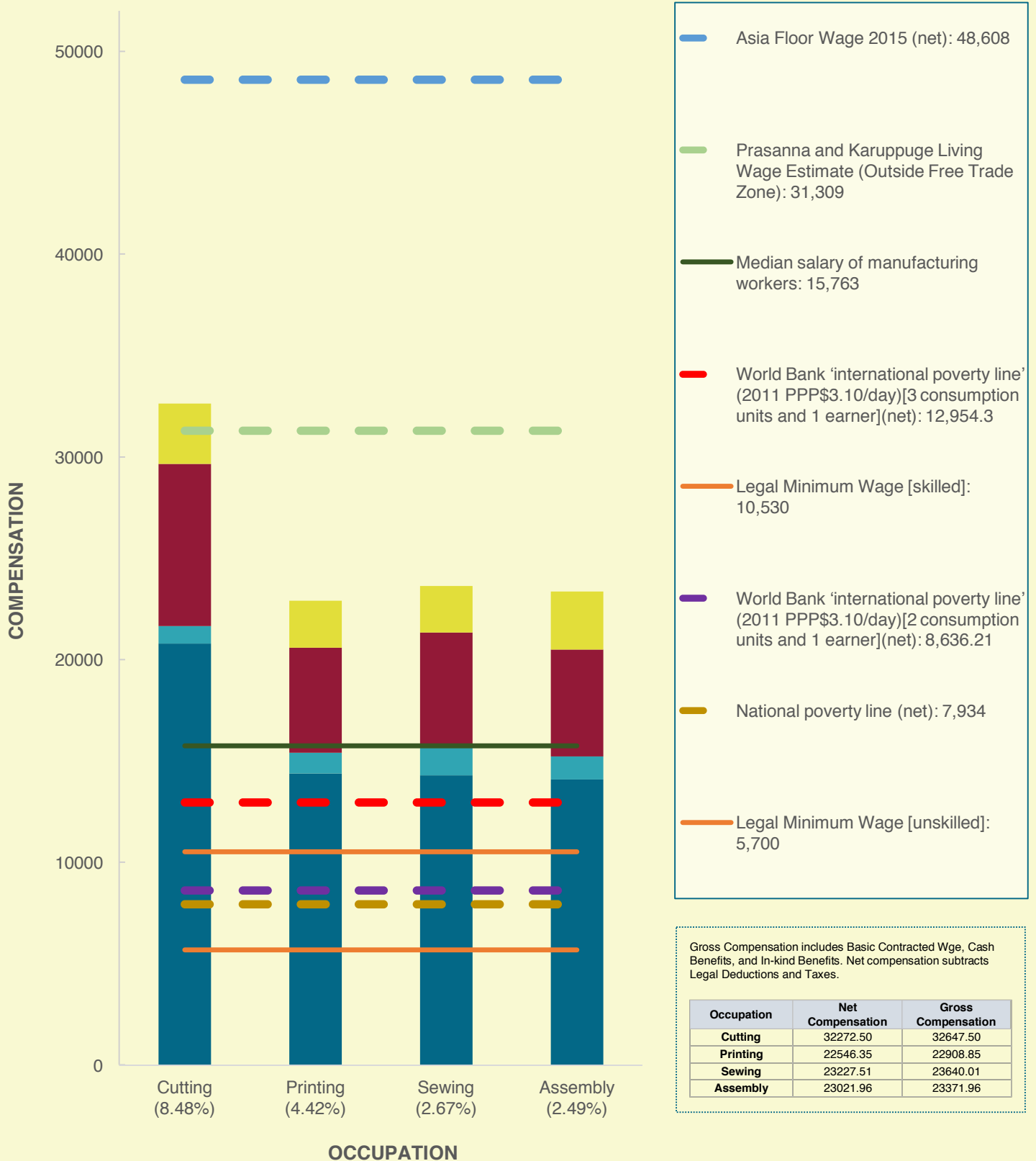
Cash Benefit

In-Kind Benefit

Incentives

MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

SRI LANKA (3) *Currency: Sri Lanka Rupee (LKR)*



Basic Contracted Wage

Cash Benefit

In-Kind Benefit

Incentives