



Sri Lanka Labour Force Survey was designed to measure the levels and trends of employment, unemployment and Labour force in Sri Lanka. This Survey is being conducted quarterly, since the first quarter of 1990.

The field work of the survey for the third quarter 2006 was done in July, August and September 2006. However, in 2006, even though we planed to conduct the labour force survey in Northern and Eastern provinces, the survey was not started in January as scheduled. But, we were able to start the survey work there in February. However, due to the prevailing situation in the country, there were some delays of completing survey work in Northern & Eastern provinces on scheduled time. Therefore, the national level estimates based on the data collected in the third quarter does not cover the Northern & Eastern provinces. However, 2005 Labour force survey covered all 25 districts in the island, and therefore, for the comparison purposes, data presented in this report for previous years is based on the domain which exclude Northern and Eastern provinces. Further, some selected labour force key indicators are provided for the same domains which excludes Northern and Eastern provinces.

Labour force participation rate

Labour Force: Number of persons who were employed or unemployed during the reference week

Labour force participation rate: Labour force expressed as a percentage of population age 10 yr. & over

Table 1: Economically active population by sex and sector- Third Quarter 2006

Sector	Household population (10 years & over)	Economically active population					
		Total	%	Male	%	Female	%
Total	14988913	7601845	100.0	4849763	63.8	2752082	36.2
Urban	1902425	857821	100.0	581042	67.7	276779	32.3
Rural	13086488	6744024	100.0	4268721	63.3	2475303	36.7

The survey results revealed that, the estimated total working age population was about 14.9 million persons in 2006 third quarter, of which nearly 7.6 million (51.0 percent) were economically active. Of the total estimated economically active population, 64 percent were males and 36 percent were females while of the economically inactive population, 31 percent were males and 69 percent were females.

Table 2: Inactive population by sex and sector- Third Quarter 2006

Sector	Household population (10 years & over)	Not in labour force					
		Total	%	Male	%	Female	%
Total	14988913	7387068	100.0	2282427	30.9	5104641	69.1
Urban	1902425	1044604	100.0	303991	29.1	740614	70.9
Rural	13086488	6342464	100.0	1978437	31.2	4364027	68.8

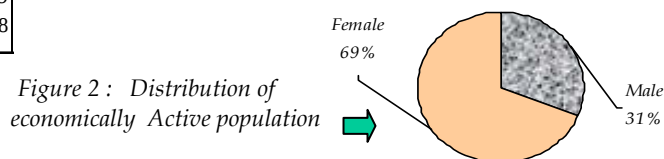
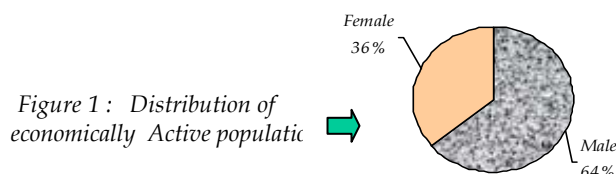


Table 3: Labour Force Participation Rate by sex

Year	Labour force participation rate		
	Total	Male	Female
2000	50.3	67.2	33.9
2001	48.8	66.2	31.9
2002	50.3	67.9	33.6
2003	49.7	67.5	32.6
2004	49.6	67.2	33.0
2005	49.3	67.3	32.6
2006Q1	51.7	69.3	35.5
2006Q2	51.1	68.4	35.4
2006 Q3	50.7	68.0	35.0

Table 3 provides the information on labour force participation rates since year 2000. As can be seen from this table, male participation rate is now fluctuating around 68 percent. The female participation rate fluctuates around 35 percent.

Table 4: Labour Force Participation Rate by sex- Third Quarter 2006

Age group	Sex		
	Total	Male	Female
Total	50.7	68.0	35.0
15 - 19	23.1	27.8	18.3
20 - 24	64.4	81.2	49.3
25 - 29	69.4	95.2	46.3
30 - 39	70.2	96.5	48.1
40+	55.2	76.7	36.1

Table 4 provides the labour force participation rates by sex and age groups. Males in age group of (30 - 39) yrs shows the highest labour force participation rate (96.5%), while females in the age group of (20 - 24) yrs shows the highest participation rate (49.3 %) among females.

Employment

Employed: Persons who are engaged in some kind of work for pay or profit or family gain during the reference week.

The total number of employed persons in Sri Lanka is estimated as about 7 million in the third quarter 2006. Of this, 65 percent were males and 35 percent were females.

Table 5: Distribution of Employed population by main industry, 2006 Jan - Sep.

Year 2006	Major industry group			
	Total	Agriculture	Industry	Services
Jan-Feb-March	7136267 (100.0)	2347886 (32.9)	1853595 (26.0)	2934786 (41.1)
Feb-March-April	7147014 (100.0)	2343842 (32.8)	1795646 (25.1)	3007526 (42.1)
March-April-May	7131207 (100.0)	2399029 (33.6)	1805815 (25.3)	2926363 (41.0)
April-May-June	7022019 (100.0)	2319676 (33.0)	1795515 (25.6)	2906828 (41.4)
May-June-July	7060476 (100.0)	2266637 (32.1)	1899272 (26.9)	2894568 (41.0)
June-July-Aug	7019675 (100.0)	2127823 (30.3)	1905125 (27.1)	2986727 (42.5)
July-Aug-Sept.	7111982 (100.0)	2122239 (29.8)	2017518 (28.4)	2972225 (41.8)

Figure 3: Distribution of Employed population by main industry - Third quarter 2006.

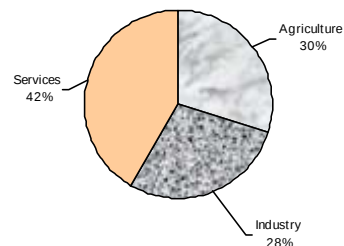


Table 5 shows the percentage distribution of employed population by main industry for the period of January to September. Of the total estimated employed population, 42 percent was report as services sector employment, where this share is 30 percent for agriculture sector and 28 percent for industry sector, when 2006 third quarter is considered.

However, it should be noted that, there is no statistically significant difference between these employment figures reported in 2006 (in different time periods), when *sampling error** is considered (as in table 5).

Note: The tabulation groups based on ISIC (Rev.3) are indicated as A,B,C.....Q..

Agriculture

1. Agriculture (A)
2. Forestry and Fishery (B)

Industries

1. Manufacturing (D)
2. Construction
3. Mining & Quarrying
4. Electricity, Gas and Water supply

Services

1. Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles and Personal and Household Goods
2. Hotels and Restaurants
3. Transport, Storage and Communication
4. Financial Intermediation and Real Estate, Renting and Business Activities
5. Public Administration and Defence, Compulsory Social Security

6. Education
7. Health and Social work
8. Other Community, Social and Personal Service Activities
9. Private Households with Employed Persons
10. Miscellaneous Labour work
11. Extra Territorial Organizations & bodies
12. Industries not adequately described

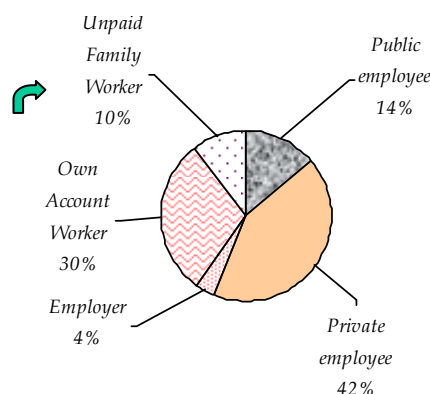
Table 6: Percentage distribution of employment status and sex - Third quarter 2006.

Employment status	Total		Sex			
	No	%	Male No	%	Female No.	%
Total	7111982	100.0	4628710	100.0	2483272	100.0
Employee	3991606	56.1	2588034	55.9	1403572	56.5
Public	997702	14.0	601617	13.0	396085	16.0
Private	2993905	42.1	1986417	42.9	1007488	40.6
Employer	257158	3.6	233768	5.1	23390	0.9
Own account worker	2138274	30.1	1597245	34.5	541029	21.8
Unpaid family worker	724943	10.2	209663	4.5	515280	20.8

This also reveals that nearly 20 percent of employed females are unpaid family workers, while this percentage for males is 4.5 percent. On the other hand, 35 percent of employed males are own account workers, and same percentage for female is about 22 percent. This also confirms that, the percentage share of unpaid family workers is higher among females, and this is different for own account workers. It is also clear that, percentage of female employees those who are engaged in the public sector activities are higher than that of males.

As can be seen from the distribution of employed population by employment status, table 6 indicates that out of the total employed persons, nearly 56 percent belongs to the "employee" category.

Figure 4: Percentage distribution of employment status and sex - Third quarter 2006.

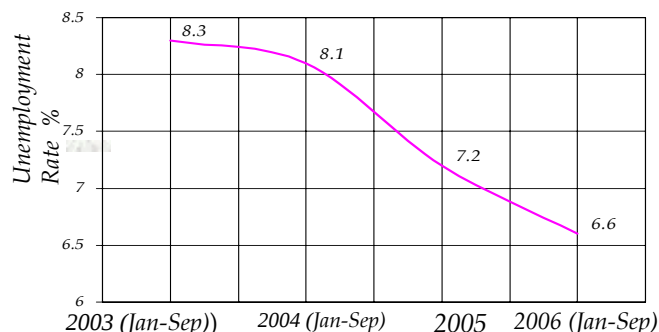


Unemployment

Unemployment Rate : The number of unemployed persons as a percentage of the labour force

Unemployed : Persons who are seeking and available for work, but had no employment during the reference period

Figure 5 : Unemployment Rates (2003-2006) (Jan-Sep)



The number of unemployed persons is estimated as about 500,000 during the third quarter 2006. The unemployment rate for the third quarter 2006 is reported as 6.4 percent and it is clear that, the declining trend of unemployment has continued in the 2006 third quarter as well.

It is very important to notice that, there is no statistically significant difference between the unemployment rates reported during 2006 (in different time periods), when *sampling error** is considered.

However, the declining trend of unemployment has continued, and there is a significant decrease of unemployment rates in 2006 when compared with the unemployment rates for 2003, 2004, and 2005. This scenario is described in figure 5.

Table 7 : Unemployment rate by year & sex

Year	Unemployment rate		
	Total	Male	Female
2000	7.6	5.8	11.1
2001	7.9	6.2	11.5
2002	8.8	6.6	12.9
2003	8.1	6.0	12.3
2004	8.1	6.0	12.1
2005	7.2	5.3	10.7
2006			
Jan-Feb-March	6.8	4.9	10.3
Feb-March-April	6.6	4.7	9.8
March-Apr-May	6.3	4.5	9.4
April-May-June	6.4	5.1	8.8
May-June-July	6.3	4.8	9.0
June-July-August	6.6	4.8	9.7
July-Aug-Sept	6.4	4.6	9.8

Table 8 : Unemployment rate by age group and sex - Third quarter 2006

Age group	Sex		
	Total	Male	Female
Total	6.4	4.6	9.8
15 - 19	20.7	17.4	25.8
20 - 24	21.5	16.9	28.2
25 - 29	11.9	7.1	20.8
30 +	1.8	1.3	2.9

* Sampling error :

When a sample, rather than the entire population, is surveyed, estimates differ from the true population values they represent. This difference, or sampling error, occurs by chance, and its variability is measured by the standard error of the estimate. **For more detail, please refer the explanatory note on the labour force link in the DCS website.**

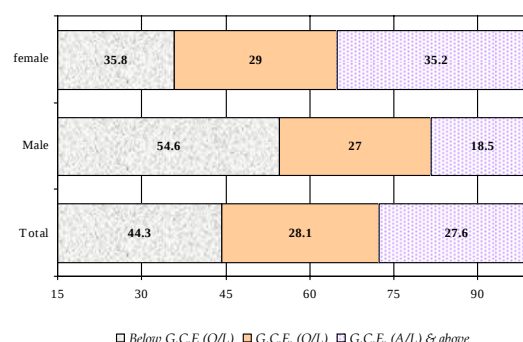
Table 9: Percentage distribution of unemployed population by level of education - Third Quarter 2006

Sex & sector	Level of education			
	Total	Below G.C.E. (O/L)	G.C.E. (O/L)	G.C.E. (A/L) & above
Total unemployed	100.0	44.3	28.1	27.6
Male	100.0	54.6	27.0	18.5
Female	100.0	35.8	29.0	35.2

As can be seen from table 8, the unemployment rate reported for females is 9.8 percent and 4.6 percent for males. However, the unemployment rate among the youth (age 20 – 24 yrs) is still high and it was reported as 21.5 percent.

It also reveals that, the unemployment among the educated youth females (G.C.E(A/L) and above) is higher than that of males .

Figure 6: Percentage distribution of unemployed population by level of education - Third Quarter 2006



Selected Labour Force indicators (Excluding Northern & Eastern provinces)
(1996 - 2006 Third quarter)

	Year										
	1996	1998	2000	2001	2002	2003	2004	2005	2006 Q1	2006 Q2	2006 Q3
Labour force participation rate											
<i>by sex</i>											
Both sexes	48.6	51.7	50.3	48.8	50.3	49.7	49.6	49.3	51.7	51.1	50.7
Male	65.9	67.5	67.2	66.2	67.9	67.5	67.2	67.3	69.3	68.4	68.0
Female	31.6	36.4	33.9	31.9	33.6	32.6	33.0	32.6	35.5	35.4	35.0
<i>by residential sector</i>											
Total	48.6	51.7	50.3	48.8	50.3	49.7	49.6	49.3	51.7	51.1	50.7
Urban	44.4	45.2	44.9	44.2	46.0	45.1	45.6	46.2	46.3	45.1	45.1
Rural	49.5	52.7	51.2	49.6	50.9	50.3	50.3	49.7	52.5	52.0	51.5
Unemployment rate											
<i>by sex</i>											
Both sexes	11.3	9.2	7.6	7.9	8.8	8.1	8.1	7.2	7.2	6.3	6.4
Male	8.2	6.5	5.8	6.2	6.6	6.0	6.0	5.3	5.5	4.9	4.6
Female	17.7	14.0	11.1	11.5	12.9	12.3	12.1	10.7	10.1	8.7	9.8
<i>by selected age groups(yr)</i>											
20 - 29	22.0	19.3	17.4	18.4	20.1	19.1	18.6	16.0	16.8	15.3	16.4
20 - 24	29.1	25.4	23.0	24.4	27.0	25.8	25.2	22.4	22.4	20.6	21.5
25 - 29	14.4	12.4	10.9	11.3	11.6	11.4	11.1	9.4	11.3	10.1	11.9
<i>by selected educational levels</i>											
G.C.E.(A/L) & above											
Both sexes	19.0	17.5	14.9	15.3	16.8	16.0	15.7	12.2	12.1	10.6	11.3
Male	10.1	9.4	8.8	10.1	10.8	10.1	9.6	7.9	6.8	6.8	6.5
Female	28.3	25.8	21.5	21.5	23.0	22.4	22.5	17.1	18.6	14.7	16.5
Employed population											
<i>by sex</i>											
Both sexes	5536216	6049388	6310247	6235588	6519415	6609466	6704006	6788119	7081435	7073844	7111982
Male	3856411	4004621	4241546	4248877	4395164	4496136	4512082	4546397	4634156	4572623	4628710
Female	1679805	2044767	2068701	1986711	2124250	2113330	2191924	2241722	2447279	2501221	2483272
<i>by industry (percentage)</i>											
Total	5536216	6049388	6310247	6235588	6519415	6609466	6704006	6788119	7081435	7073844	7111982
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Agriculture	2071764	2378572	2274153	2033343	2247602	2223691	2215282	2059293	2346321	2423036	2122239
%	(37.4)	(39.3)	(36.0)	(32.6)	(34.5)	(33.6)	(33.0)	(30.3)	(33.1)	(34.3)	(29.8)
Industry	1217977	1325735	1490795	1491408	1459194	1539035	1663383	1787274	1862896	1791226	2017518
%	(22.0)	(21.9)	(23.6)	(23.9)	(22.4)	(23.3)	(24.8)	(26.3)	(26.3)	(25.3)	(28.4)
Services	2246475	2345081	2545299	2710837	2812619	2846740	2825341	2941552	2872217	2859583	2972225
%	(40.6)	(38.8)	(40.3)	(43.5)	(43.1)	(43.1)	(42.1)	(43.3)	(40.6)	(40.4)	(41.8)
<i>by no. of hours worked per week (percentage)</i>											
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0 •	4.9	5.3	7.2	4.3	5.6	7.3	5.3	4.9	4.5	9.6	6.5
1 - 9	1.8	2.3	1.9	1.5	1.5	1.8	1.7	1.6	2.6	2.0	1.5
10 - 39	32.0	32.9	32.7	28.2	32.0	32.9	28.4	27.9	30.8	28.1	27.3
40+	61.3	59.6	58.2	66.1	60.9	58.0	64.7	65.7	62.1	60.3	64.8

• Has a job but not at work during the reference week

Selected Labour Force indicators
(1996 - 2006 Third quarter)

	Year										
	1996	1998	2000	2001	2002	2003*	2004**	2005***	# 2006 Q1	#2006 Q2	# 2006 Q3
Labour force participation rate											
<i>by sex</i>											
Both sexes	48.6	51.7	50.3	48.8	50.3	48.9	48.6	48.3	51.7	51.1	50.7
Male	65.9	67.5	67.2	66.2	67.9	67.2	66.7	67.1	69.3	68.4	68.0
Female	31.6	36.4	33.9	31.9	33.6	31.4	31.5	30.9	35.5	35.4	35.0
<i>by residential sector</i>											
Total	48.6	51.7	50.3	48.8	50.3	48.9	48.6	48.3	51.7	51.1	50.7
Urban	44.4	45.2	44.9	44.2	46.0	44.4	44.9	45.5	46.3	45.1	45.1
Rural	49.5	52.7	51.2	49.6	50.9	49.6	49.2	48.7	52.5	52.0	51.5
Unemployment rate											
<i>by sex</i>											
Both sexes	11.3	9.2	7.6	7.9	8.8	8.4	8.3	7.7	7.2	6.3	6.4
Male	8.2	6.5	5.8	6.2	6.6	6.0	6.0	5.5	5.5	4.9	4.6
Female	17.7	14.0	11.1	11.5	12.9	13.2	12.8	11.9	10.1	8.7	9.8
<i>by selected age groups(yr)</i>											
20 - 29	22.0	19.3	17.4	18.4	20.1	19.4	19.2	17.2	16.8	15.3	16.4
20 - 24	29.1	25.4	23.0	24.4	27.0	26.4	25.9	24.6	22.4	20.6	21.5
25 - 29	14.4	12.4	10.9	11.3	11.6	11.4	11.4	9.5	11.3	10.1	11.9
<i>by selected educational levels</i>											
G.C.E.(A/L) & above											
Both sexes	19.0	17.5	14.9	15.3	16.8	16.5	16.8	13.8	12.1	10.6	11.3
Male	10.1	9.4	8.8	10.1	10.8	10.4	10.5	8.9	6.8	6.8	6.5
Female	28.3	25.8	21.5	21.5	23.0	23.3	23.8	19.1	18.6	14.7	16.5
Employed population											
<i>by sex</i>											
Both sexes	5536216	6049388	6310247	6235588	6519415	7012755	7440226	7518007	7081435	7073844	7111982
Male	3856411	4004621	4241546	4248877	4395164	4833483	5087861	5134765	4634156	4572623	4628710
Female	1679805	2044767	2068701	1986711	2124250	2179272	2352365	2383241	2447279	2501221	2483272
<i>by industry (percentage)</i>											
Total	5536216	6049388	6310247	6235588	6519415	7012755	7394029	7518007	7081435	7073844	7111782
%	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)	(100.0)
Agriculture	2071764	2378572	2274153	2033343	2247602	2384397	2474725	2306039	2346321	2423036	2122239
%	(37.4)	(39.3)	(36.0)	(32.6)	(34.5)	(34.0)	(33.5)	(30.7)	(33.1)	(34.3)	(29.8)
Industry	1217977	1325735	1490795	1491408	1459194	1611493	1781447	1928014	1862896	1791226	2017518
%	(22.0)	(21.9)	(23.6)	(23.9)	(22.4)	(23.0)	(24.1)	(25.6)	(26.3)	(25.3)	(28.4)
Services	2246475	2345081	2545299	2710837	2812619	3016866	3137857	3283954	2872217	2859583	2972225
%	(40.6)	38.8)	(40.3)	(43.5)	(43.1)	(43.0)	(42.4)	(43.7)	(40.6)	(40.4)	(41.8)
<i>by no. of hours worked per week (percentage)</i>											
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
0 •	4.9	5.3	7.2	4.3	5.6	7.5	5.2	4.7	4.5	9.6	6.5
1 - 9	1.8	2.3	1.9	1.5	1.5	1.8	1.6	1.5	2.6	2.0	1.5
10 - 39	32.0	32.9	32.7	28.2	32.0	32.6	28.7	27.6	30.8	28.1	27.3
40+	61.3	59.6	58.2	66.1	60.9	58.1	64.5	66.2	62.1	60.3	64.8

• Has a job but not at work during the reference week

*Excluding Northern province

***All the districts are included

** Excluding Mullativu & Kilinochchi districts

Excluding Northern & Eastern provinces

(Before 2003, estimates excluded both Northern & Eastern provinces)