

Significant increase in daily wages for plantation workers**Key highlights**

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President Ranil Wickremesinghe has announced a 70% increase in the daily wage for plantation workers to Rs. 1,700 during the Ceylon Workers' Congress rally. The increase was made through a gazette notification. Currently, plantation workers receive Rs. 1,000 basic wage plus EPF/ETF, with an additional Rs. 40 per kilo after reaching a set target of 20 kg. The daily wage now stands at Rs. 1,350, with an additional daily special allowance of Rs. 350 for a total of Rs. 1,700, plus Rs. 80 for each additional kilo. The increase is applicable to workers in the tea growing, manufacturing, rubber growing, and raw rubber processing industries.

Impact on listed counters

The 70% increase in wages are likely to increase the labor cost for listed plantation counters that are engaged in tea and rubber. AGPL.N, MASK.N, TPL.N are some counters that have a high exposure to tea while KGAL.N and AGAL.N have high exposure to rubber. Tea and rubber are both highly labor intensive compared to palm oil cultivations which are comparatively less labor intensive. Counters such as WATA.N, NAMU.N can expect a minimal impact due to the wage hike. While the immediate impact may be cost-related, in the long term, the wage hike could contribute to the sustainability of the plantation sector by improving the living standards of workers.

Snapshot of the listed plantation companies

No.	Company	Ticker	Total Area in Cultivation (Ha)		
			Tea	Rubber	Palm Oil
1	Agarapatana Plantation PLC	AGPL.N	6,416	N/A	N/A
2	Maskeliya Plantation PLC	MASK.N	5,348	N/A	N/A
3	Talawakelle Tea Estates PLC	TPL.N	3,930	211	N/A
4	Hapugastenne Plantations PLC	HAPU.N	3,574	1,558	N/A
5	Hatton Plantation PLC	HPL.N	3,473	N/A	N/A
6	Kelani Valley Plantations PLC	KVAL.N	3,293	3,683	N/A
7	Horana Plantations PLC	HOPL.N	3,237	3,282	250
8	Udapussellawa Plantation PLC	UDPL.N	3,152	56	N/A
9	Kotagala Plantation PLC	KOTA.N	2,537	2,558	526
10	Kegalle Plantations PLC	KGAL.N	2,278	6,979	57
11	Elpitiya Plantation PLC	ELPL.N	2,078	775	1,589
12	Namunukula Plantations PLC	NAMU.N	1,862	881	2,159
13	Agalawatte Plantations PLC	AGAL.N	1,243	4,145	1,324
14	Watawala Plantations PLC	WATA.N	65	140	3,393
15	Malwatte Valley Plantations PLC	MAL.N	N/A	N/A	N/A
16	Tea Smallholder Factories PLC	TSML.N	N/A	N/A	N/A
17	Aitken Spence Plantation Management PLC	ASPM.N	N/A	N/A	1,608
18	Bogawantalawa Tea Estates PLC	BOPL.N	N/A	N/A	N/A
19	Kahawatte Plantations PLC	KAHA.N	N/A	N/A	N/A
20	Balangoda Plantations PLC	BALA.N	N/A	N/A	N/A
21	Madulsima Plantation PLC	MADU.N	N/A	N/A	N/A
22	Kahawatte Plantations PLC	KAHA.N	N/A	N/A	N/A

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