

Export Processing Zone - 1st Quarter 1985  
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1. Introduction

This issue presents the preliminary results of the Quarterly Survey of Employment in the EPZ sector carried out by this office. It also contains provisional figures relating to EPZ exports and imports during the first quarter of 1985.

2. Employment

As at end of March 1985, there were 215 enterprises operating in the Export Processing Zone and employment stood at 42,772 of which 33,016 were females and 9,756 males.

During the first quarter of this year, 18 new enterprises have started operation. A total of 5,818 new jobs were created, of which 5,046 through the expansion of existing enterprises and 772 through the setting up of new ones. However, as there were 619 jobs lost through the contraction of existing companies, the net change in employment between March 1985 and December 1984 was 5,199. Of these, 3,396 were female workers and 1,803, male workers. The wearing apparel product group which constitutes mainly of the manufacture of knitted pullovers and other ready made garments has been the main employment creation sector. Almost all the additional jobs (99%) were created in this sector.

The EPZ sector is making a significant contribution towards the expansion of employment opportunities in the country. Compared with March 1983, employment in this sector has risen by 19,429 (14,037 of which are female workers and 5,392 male workers) which represents an increase of more than 60% over the last two years.

During the last 12 months, 13,818 additional workers were recruited. Based on the records of the Ministry of Industry relating to the issue of Export Enterprise Certificates, it is estimated that the work force of the EPZ sector will probably reach 50,000 by the end of this year.

### 3. Exports and Imports

#### 3.1 Exports

During the first quarter of this year, Rs 507.6 million worth of goods have been exported by the EPZ enterprises. The main products exported were articles of wearing apparel and clothing which amounted to Rs 369.5 million, representing 73% of the total EPZ exports.

Data on exports by quarter show that EPZ exports usually follow a markedly increasing trend throughout the year. The first quarter of the year registers the lowest export figure and the peak is reached during the last quarter.

Assuming that a similar trend is followed during 1985, it is estimated that, during the next quarters, exports will, by far, exceed Rs 507.6 million and total EPZ exports for the year 1985 could well be around Rs 3,000 million.

#### 3.2 Imports

Imports during the first quarter of 1985 amounted to Rs 507 million, the highest EPZ import bill registered so far for a single quarter.

Of the Rs 507 million, Rs 330 million were paid for imports of raw materials required by the 'textile' and 'wearing apparel' industries. An amount of Rs 60.2 million was paid in respect of imports of machinery and equipment.

#### 3.3 Net Exports

The net exports for the first quarter 1985 have therefore been only around Rs 0.6 million, an almost negligible amount. As shown in table 10, on page 11, net exports during the first quarter of the year are usually low and it is expected that with the increase in exports during the coming months, the net exports may improve considerably.

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Table 1 -- Employment in the EPZ sector (as at 31st March 1985) by category of enterprise and by sex

Category of enterprise	As at 31st March 1985			
	No. of enterprises	Employment		
		Male	Female	Total
1. Large	183	9,623	31,310	40,933
2. Small	31	110	62	172
3. Outworkers	-	23	1,644	1,667
TOTAL	215	9,756	33,016	42,772

Category of enterprises:

1. Large : Enterprises employing 10 or more persons
2. Small : Enterprises employing less than 10 persons
3. Outworkers : Persons working at their home, on materials provided by establishments.

Table 2 -- Employment evolution in the EPZ sector during 1st quarter 1985

Description	No. of enterprises	Employment
1. Employment as at 31st December 1984	<u>197</u>	<u>37,573</u>
2. Total employment created	50	5,818
of which :		
Employment created through expansion of existing enterprises	(32)	(5,046)
Employment created through new enterprises	(18)	(772)
3. Total employment lost	25	619
of which :		
Employment lost through contraction of existing enterprises	(25)	(619)
Employment lost through closing down of enterprises	(-)	(-)
4. Net change in employment		<u>+ 5,199</u>
5. Employment as at 31st March 1985	<u>215</u>	<u>42,772</u>

Table 3 - Net change in employment in the EPZ sector during 1st quarter 1985, by category of enterprise and by sex

Category of enterprise <sup>1/</sup>	No. of enterprises as at end of period			Employment as at end of period								
	December 1984	March 1985	Net change	December 1984			March 1985			Net change		
				Male	Female	Total	Male	Female	Total	Male	Female	Total
Large	170	183	+ 13	7,833	27,860	35,693	9,623	31,310	40,933	+ 1,790	+ 3,450	+ 5,240
Small	26	31	+ 5	93	58	151	110	62	172	+ 17	+ 4	+ 21
Outworkers	*	*	-	27	1,702	1,729	23	1,644	1,667	- 4	- 58	- 62
TOTAL	197	215	+ 18	7,953	29,620	37,573	9,756	33,016	42,772	+ 1,803	+ 3,396	+ 5,199

<sup>1/</sup> See footnote to table 1

\* Include one enterprise which employs exclusively outworkers

Table 4 - Employment in the EPZ sector by product group, Quarterly Series, (1984 - 1st Qr. 1985)

Product group	No. of enterprises as at end of period					Employment as at end of period				
	1984					1985				
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.
1. Flowers	15	15	16	16	17	150	150	172	172	182
2. Textile yarn and fabrics	7	8	8	8	9	1,423	1,419	1,440	1,447	1,491
3. Wearing apparels	69	76	89	1102	112	23,078	26,540	29,287	31,065	36,210
of which (a) pullovers	(27)	(32)	(36)	(37)	(38)	(16,320)	(17,667)	(19,002)	(19,022)	(22,194)
(b) gloves	(3)	(3)	(4)	(5)	(5)	(897)	(1,050)	(1,190)	(1,236)	(1,335)
(c) other garments	(39)	(41)	(49)	(60)	(69)	(5,861)	(7,823)	(9,095)	(10,807)	(12,681)
4. Leather products and footwear	6	6	6	7	7	333	414	439	412	416
5. Wood, furniture and paper products	5	6	7	7	8	870	952	1,046	974	911
6. Optical goods	2	2	2	2	2	204	194	202	219	217
7. Matches and clocks	6	7	7	6	7	448	413	440	454	476
8. Jewellery & related articles	10	10	11	11	11	763	781	783	778	793
9. Fishing tackles and flies	4	4	4	4	4	480	496	463	485	457
10. Toys & carnival articles	6	6	6	6	6	412	581	646	635	654
11. Other	22	21	27	28	32	793	746	830	932	965
TOTAL	153	161	183	197	215	28,954	32,686	35,748	37,573	42,772

Table 5 - Employment evolution by product group and by sex (March 1983 - March 1985)

Product group	March 1983			March 1984			March 1985		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	1. Flowers	55	67	122	74	76	150	89	93
2. Textile yarn and fabrics	722	838	1,560	695	728	1,423	766	725	1,491
3. Wearing apparels	2,418	15,787	18,205	2,941	20,137	23,078	7,079	29,131	36,210
of which (a) pullovers	(1,413)	(10,860)	(12,273)	(1,692)	(14,628)	(16,320)	(2,801)	(19,393)	(22,194)
(b) gloves	(88)	(846)	(934)	(72)	(825)	(897)	(140)	(1,195)	(1,335)
(c) other garments	(917)	(4,081)	(4,998)	(1,177)	(4,684)	(5,861)	(4,138)	(8,543)	(12,681)
4. Leather products & footwear	58	233	291	88	245	333	133	283	416
5. Wood, furniture and paper products	136	195	331	257	613	870	339	572	911
6. Optical goods	90	102	192	104	100	204	120	97	217
7. Matches and clocks	126	334	460	133	315	448	143	333	476
8. Jewellery and related articles	491	199	690	536	227	763	555	238	793
9. Fishing tackles and flies	9	318	327	21	459	480	21	436	457
10. Toys and carnival articles	36	462	498	21	391	412	54	600	654
11. Other	223	444	667	274	519	793	457	508	965
TOTAL	4,364	18,979	23,343	5,144	23,810	28,954	9,756	33,016	42,772

Table 6 - EPZ:--Analysis of net change in employment during 1st quarter 1985 by product group

Product group	Employment as at end of .....		Net change in employment
	December 1984	March 1985	
1. Flowers	172	182	+ 10
2. Textile yarn and fabrics	1,447	1,491	+ 44
3. Wearing apparels	31,065	36,210	+ 5,145
of which (a) pullovers	(19,022)	(22,194)	(+ 3,172)
(b) gloves	(1,236)	(1,335)	(+ 99)
(c) other garments	(10,807)	(12,681)	(+ 1,874)
4. Leather products and footwear	412	416	+ 4
5. Wood, furniture and paper products	974	911	- 63
6. Optical goods	219	217	- 2
7. Watches and clocks	454	476	+ 22
8. Jewellery and related articles	778	793	+ 15
9. Fishing tackles and flies	485	457	- 28
10. Toys and carnival articles	635	654	+ 19
11. Other	932	965	+ 33
TOTAL	37,573	42,772	+ 5,199

Table 7 - EPZ : Analysis of net change in employment during last 12 months ending March 1985 by product group

Product group	Employment as at end of .....		Net change in employment
	March 1984	March 1985	
1. Flowers	150	182	+ 32
2. Textile yarn and fabrics	1,423	1,491	+ 68
3. Wearing apparels	23,078	36,210	+ 13,132
of which (a) pullovers	(16,320)	(22,194)	(+ 5,874)
(b) gloves	(897)	(1,335)	(+ 438)
(c) other garments	(5,861)	(12,681)	(+ 6,820)
4. Leather products and footwear	333	416	+ 83
5. Wood, furniture and paper products	870	911	+ 41
6. Optical goods	204	217	+ 13
7. Watches and clocks	448	476	+ 28
8. Jewellery and related articles	763	793	+ 30
9. Fishing tackles and flies	480	457	- 23
10. Toys and carnival articles	412	654	+ 242
11. Other	793	965	+ 172
TOTAL	28,954	42,772	+ 13,818



Table 8 - EPZ exports by main commodities, (1983 - 1st Qr. 1985)

F.O.B. value (Rs Million)

Description of items	1983	1984	1985				
			1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	
Fish and fish preparations	67.5	98.6	24.3	22.2	22.4	29.7	22.2
Textile yarn, fabrics, made-up articles	65.5	78.4	22.2	14.0	20.5	21.7	16.2
Pearls, precious and semi-precious stones	48.6	89.1	16.4	22.6	25.3	24.8	17.9
Articles of apparel and clothing accessories	921.4	1,584.5	235.6	411.8	472.5	464.6	369.5
Optical goods, n.e.s.	33.2	59.5	16.1	14.2	9.5	19.7	19.4
Watches and clocks	64.8	84.4	14.9	22.6	16.5	30.4	23.8
Toys, games and sporting goods	34.2	50.1	9.4	12.8	15.0	12.9	8.8
Jewellery goldsmiths' and silversmiths' wares	31.4	47.8	9.2	14.2	7.3	16.6	9.4
Other	40.2	58.3	13.1	12.6	13.6	19.2	20.4
Total exports	1,306.8	2,150.7	361.2	547.0	603.1	639.6	507.6

Table 9 - EPZ imports of main commodities, (1983 - 1st Qr. 1985)

Description of items	1983	1984				1985
		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	
Synthetic fibres suitable for spinning	26.5	44.3	10.3	5.3	16.0	11.1
Wool and other animal hair	93.5	154.3	44.7	19.1	63.7	48.1
Chemicals	23.6	40.0	9.4	10.7	8.7	9.9
Leather	17.8	24.5	7.3	6.2	5.9	5.4
Textile yarn and fabrics	396.8	872.0	215.8	251.1	223.8	270.7
Pearls, precious and semi-precious stones	31.3	65.4	24.2	13.9	16.0	14.9
Machinery	77.2	190.6	60.6	38.4	58.1	60.2
Optical goods, watches and clocks, etc.	66.8	100.8	21.6	22.4	33.2	35.8
Jewellery	24.1	34.0	10.6	7.4	9.5	14.2
Other	88.9	124.3	38.2	30.9	31.1	36.7
Total imports	846.5	1,650.4	442.7	405.4	466.0	507.0

Table 10 - EPZ : Net exports (1983 - 1st Qr. 1985)

(Rs Million)

	1983	1984	1 9 8 4				1985
			1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	
Total exports (f.o.b. value)	1,306.8	2,150.7	361.2	547.0	603.1	639.6	507.6
Total imports (c.i.f. value)	846.5	1,650.4	336.3	442.7	405.4	466.0	507.0
Net exports	460.3	500.3	24.9	104.3	197.7	173.6	0.6
Net exports as % of total exports	35.2%	23.3%	6.9%	19.1%	32.8%	27.1%	0.1%