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EXPORT PROCESSING ZONE - 4TH QUARTER AND YEAR 1988

MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
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The Export Processing Zone - 4th Quarter and Year 1988

1. Introduction

This issue contains the latest available data on employment in the EPZ Sector as at December 1988. A few additional tables analysing, on a sectoral basis, new enterprises set up as well as those closed down and a geographical distribution of EPZ units of production are given for the first time. These data will no doubt serve as key indicators to gauge the performance of this vital sector of the economy.

2. Employment evolution during the 4th quarter 1988

During the 4th quarter, 24 firms started operation whilst 19 closed down bringing the total number of enterprises operating at December to 591. The level of employment in the EPZ Sector stood at 89,100 compared to 90,700 in September and 87,900 in December 1987. The last quarter therefore witnessed the loss of some 1,700 workers which compares with a reduction of 900 during the previous quarter and an increase of 2,200 during the corresponding quarter of 1987.

Closures of firms and a slow down in the rate of recruitment of additional workers by existing enterprises were the determinant factors that affected employment growth during the last quarter. Total employment created was 4,600: 1,500 by the 24 new enterprises and 3,100 by existing enterprises. But, total employment loss was around 6,300: 3,700 lost following the closures of 19 enterprises, 5 of which owned by a group laid off some 2,800 workers, and 2,600 reductions in personnel reported by existing firms. Net employment creation therefore turned out to be negative i.e. a loss of 1,700. Female employment fell by 2,200 whilst male employment increased by 500. The analysis of the net change in employment given in table 5, shows that the pullover sector suffered the loss of some 2,300 workers whilst the other sectors with the exception of 'other garments' (+ 500) and 'leather products' (+ 220) have registered modest increases. Also out of 24 new enterprises, 5 were engaged in the non-textile sector namely leather, electronic, chemicals and electric bulb production - an indication of diversification in the sector.

3. Employment as at December 1988

As at December 1988, there were 591 enterprises operating with a workforce of some 89,100 workers of whom nearly two thirds or 57,500, were female and 31,600 male. Included in this figure, are 550 expatriates and 2,200 outworkers. During the year 1988, only 1,200 additional jobs were created compared to 14,000 last year and 20,000 in 1986. This stagnation in the rate of employment creation is clearly indicated in the line graph on employment evolution given in Fig. A.

It is also noted that of the 1,200 additional jobs created, 1,000 were held by female workers. During the year, 95 new enterprises were set up which contributed to the creation of over 5,000 jobs. On the other hand, 35 enterprises closed down bringing about the loss of some 5,000 jobs. Existing enterprises which were expanding their activities recruited some 10,300 additional workers whilst others have reported reduction in personnel, to the tune of some 9,200, yielding a net employment creation of only 1,200.

The analysis of net change in employment between December 1987 and December 1988 given in table 4 clearly confirms the high mobility of workers among firms in the EPZ Sector.

It is recalled that the EPZ enterprises have contributed to the creation of around 60,000 jobs during the past 5 years and it is possible that it has now reached a point of stabilization with a workforce that will vary around the 90,000 mark.

4. Distribution of enterprises by product group

The textile industries comprised 435 enterprises and a workforce of some 81,000 workers representing slightly over 90% of total EPZ employment. The remaining 156 enterprises were engaged in the non-textile sector as follows: 28 in the flower sector, 12 in leather products and footwear, 15 in wood and paper, 14 in jewellery and precious stones and 10 in optical goods and watches.

5. Distribution of enterprises by size of employment

The distribution of enterprises by size of employment given in table 7 shows that among the 591 enterprises, 323 or 55% may be considered as small with each a personnel of less than 50 workers. This category employs only 7% of the EPZ workforce. On the other hand, there are 44 large enterprises each employing more than 500 workers but it must be pointed out that these employ nearly 55% of the total workforce.

6. Distribution of EPZ establishments by locality

Table 14 shows the distribution of the EPZ production units (establishments) by district and main locality. It is noted that the sector comprised 591 enterprises but the actual number of units of production was 679 i.e. it included 88 branches.

Plaines Wilhems had the greatest concentration with 272 establishments representing 40% of the total.

There were 100 establishments located in Port Louis so that the urban areas, with 372 establishments accounted for 55% of the total.

The other districts had each some 50 establishments with the exception of Savanne, 29 and Black River 20.

7. Exports and Imports

Provisional trade data shows that during the year 1988, the EPZ enterprises have exported around Rs 8,200 million worth of goods, compared to Rs 6,700 million last year. Imports of raw materials and equipment goods amounted to around Rs 5,900 million, resulting in net export earnings of Rs 2,300 millions.

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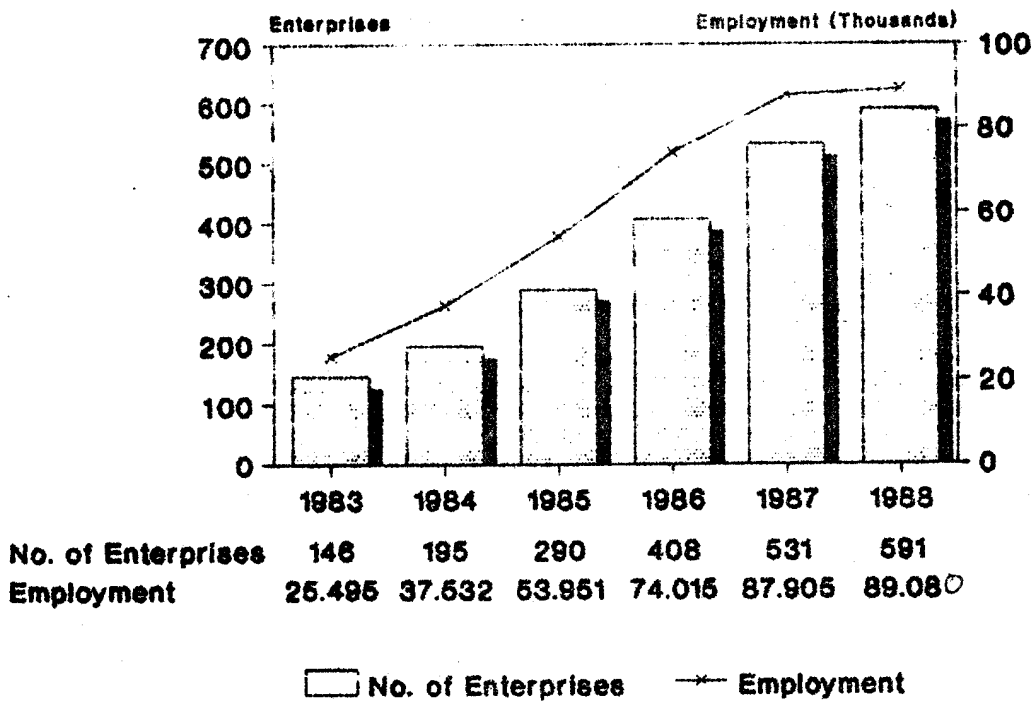
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The EPZ Sector - Main Economic Indicators (1983 - 1988)

Particulars	1983	1984	1985	1986	1987	1988*
1. No. of enterprises as at December	146	195	290	408	531	591
2. Employment (as at December)	25,495	37,532	53,951	74,015	87,905	89,080
of which (i) textile sector	21,865	32,574	48,351	67,721	80,716	81,043
(ii) non-textile sector	3,630	4,958	5,600	6,294	7,189	8,037
3. Exports (Rs Mn)	1,037	2,151	3,283	4,960	6,700	8,200
of which (i) textile sector	987	1,663	2,618	4,113	5,679	6,700
(ii) non-textile sector	320	488	665	838	1,021	1,600
4. Imports (Rs Mn)	847	1,650	2,530	3,837	4,800	5,900
5. Net foreign exchange earnings (Rs Mn)	+ 460	+ 501	+ 753	+ 1,123	+ 1,900	+ 2,300
6. Total investment (Rs Mn)	72	210	340	560	655	775
of which (i) plant and machinery	62	165	260	450	530	675
(ii) building	10	45	80	110	125	100

*Provisional estimates

A: NUMBER OF EPZ ENTERPRISES AND EMPLOYMENT LEVELS



B: EXPORTS AND IMPORTS OF EPZ ENTERPRISES

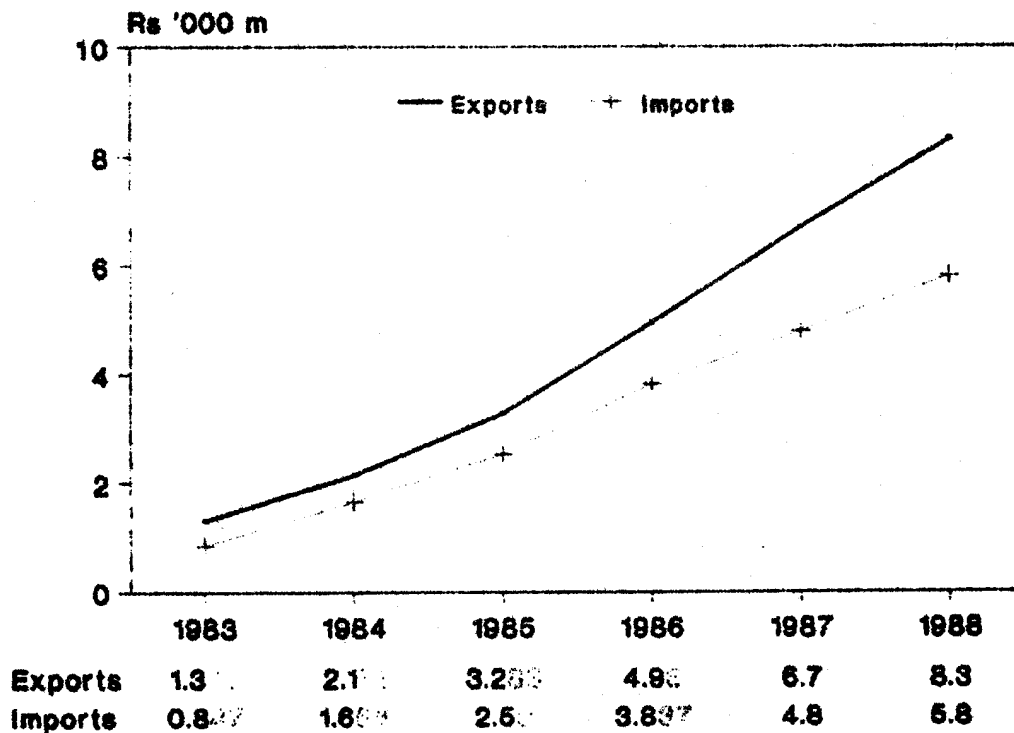


Table 1 - EPZ :- Employment as at September 1988 and December 1988 by category of enterprise and by sex

Category of Enterprise*	Number of enterprises as at end of		Employment as at end of						Net Change		
	September 1988	December 1988	September 1988			December 1988			Male	Female	Total
			Male	Female	Total	Male	Female	Total			
Large ^{1/}	509	515	30,675	57,413	88,088	31,289	55,231	86,520	+ 614	-2,182	-1,568
Small	75	74	267	158	425	224	146	370	- 43	- 12	- 55
Outworkers ^{2/}	(2)	(2)	51	2,174	2,225	34	2,156	2,190	- 17	- 18	- 35
TOTAL	586	591	30,993	59,745	90,738	31,547	57,533	89,080	+ 554	-2,212	-1,658

* Category of enterprise :

Large : Enterprise employing 10 or more persons

Small : Enterprise employing less than 10 persons

Outworkers : Persons working at their home, on materials provided by enterprise

^{1/} Employment data include around 550 expatriates as at 22nd December 1988

^{2/} Number of enterprises relate to enterprises employing exclusively outworkers, whilst employment refers to total number of persons employed as outworkers

Table 2 - EPZ :- Employment as at December 1988 and December 1988 by category of enterprise and by sex

Category of enterprise*	Employment as at end of										
	Number of enterprises as at end of		December 1987			December 1988			Net Change		
	December 1987	December 1988	Male	Female	Total	Male	Female	Total	Male	Female	Total
Large ^{1/}	454	515	31,081	53,889	84,970	31,289	55,231	86,520	+ 208	+ 1,342	+1,550
Small	73	74	246	183	429	224	146	370	- 22	- 37	- 59
Outworkers ^{2/}	4	(2)	45	2,461	2,506	34	2,156	2,190	- 9	- 305	- 314
TOTAL	531	591	31,372	56,533	87,905	31,547	57,533	89,080	+ 177	+ 1,000	+1,177

* Category of enterprise :

Large : Enterprise employing 10 or more persons

Small : Enterprise employing less than 10 persons

Outworkers : Persons working at their home, on materials provided by enterprise

^{1/} Employment data include around 550 expatriates as at 22nd December 1988

^{2/} Number of enterprises relate to enterprises employing exclusively outworkers, whilst employment refers to total number of persons employed as outworkers

Table 3 - Employment evolution in the EPZ sector during the 4th Quarter 1988

Description	Number of enterprises	Employment
1. SITUATION AS AT END OF SEPTEMBER 1988	586	90,738
2. Total employment creation of which through :	...	4,612
Expansion of existing enterprises	26 ^{1/}	3,062
New enterprises	24	1,550
3. Total loss of which through :	11.	6,270
Contraction of existing enterprises	18 ^{2/}	2,564
Closing down of enterprises	19	3,706
4. Net change	+ 5	- 1,658
5. SITUATION AS AT END OF DECEMBER 1988	<u>591</u>	<u>89,080</u>

1/ Relate to only enterprises which have increased their work force by 25 or more employees

2/ Relate to enterprises which have reduced their workforce by 25 or more employees

Table 4 :- Evolution in the EPZ Sector during the year 1988

Description	Number of enterprises	Employment
1. SITUATION AS AT END OF DECEMBER 1987	531	87,905
2. Total employment creation of which through :	...	15,263
Expansion ^{1/} of existing enterprises	80	10,222
New enterprises	95	5,041
3. Total loss of which through :-		14,088
Contraction ^{2/} of existing enterprises	71	9,169
closing down of enterprises	35	4,919
4. Net change	+ 60	+ 1,175
5. SITUATION AS AT END OF DECEMBER 1988	591	89,080

1/ No. of enterprises relates to those which have increased their workforce by 25 or more employees whilst employment relates to total expansion

2/ No. of enterprises relates to those which have reduced their workforce by 25 or more employees whilst employment relates to total contraction

Table 5 - EPZ : - Analysis of net change in employment during period September 1988 - December 1988 by product group

Product group	Employment		Net change in employment
	September 1988	^{December} September 1988	
1. 1. Food	766	749	- 17
2. Flowers	344	358	+ 14
3. Textile yarn and fabrics	3,670	3,810	+ 140
4. Wearing apparels	79,317	77,233	-2,084
of which (a) pullovers	(34,152)	(31,632)	(-2,520)
(b) gloves	(641)	(600)	(- 41)
(c) other garments	(44,524)	(45,001)	(+ 477)
5. Leather products and footwear	885	1,105	+ 220
6. Wood and paper products	517	520	+ 3
7. Optical goods	549	577	+ 28
8. Watches and clocks	858	872	+ 14
9. Jewellery and related articles	1,448	1,504	+ 56
10. Fishing tackles and flies	158	169	+ 11
11. Toys and carnival articles	785	774	- 11
12. Other	1,441	1,409	- 32
T O T A L	90,739	89,080	-1,658

Table 6 - EPZ:- Analysis of net change in employment during period December 1987 -
December 1988 by product group

Product group	Employment		Net change in employment
	December 1987	December 1988	
1. Food	703	749	+ 46
2. Flowers	327	358	+ 31
3. Textile yarn and fabrics	3,341	3,810	+ 469
4. Wearing apparels	77,375	77,233	- 142
of which (a) pullovers	(34,603)	(31,632)	(-2,971)
(b) gloves	(1,296)	(600)	(- 696)
(c) other garments	(41,476)	(45,001)	(+3,525)
5. Leather products and footwear	865	1,105	+ 240
6. Wood and paper products	481	520	+ 39
7. Optical goods	612	577	- 35
8. Watches and clocks	747	872	+ 125
9. Jewellery and related articles	1,192	1,504	+ 312
10. Fishing tackles and flies	163	169	+ 6
11. Toys and carnival articles	705	774	+ 69
12. Other	1,394	1,409	+ 15
T O T A L	87,905	89,080	+1,175

Table 7 - Distribution of EPZ enterprises by employment size as at ^{the end of} September 1988

Employment size	No. of enterprises		No. of persons employed	
	No.	%	No.	%
Under 10	75	12.7	375	0.4
10 - 50	247	41.8	6,215	7.4
51 - 100	86	14.6	5,866	14.0
101 - 300	104	17.6	17,775	34.0
301 - 500	35	5.9	13,558	49.2
501 - 1000	28	4.7	19,744	71.4
1000 and above	16	2.7	25,547	100
TOTAL	591	100	89,080	100

Table 8 - EPZ:- Employment and No. of Enterprises by Product Group, Quarterly Series - 1988

Product Group	1988				1988			
	No. of Enterprises				Employment			
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
1. Food	11	10	10	11	693	697	766	749
2. Flowers	28	28	28	28	340	333	344	358
3. Textile yarn and fabrics	23	23	26	27	3,526	3,539	3,670	3,810
4. Wearing apparels	382	404	407	408	79,110	80,295	79,317	77,233
of which (a) pullovers	(62)	(62)	(66)	(64)	(35,095)	(34,909)	(34,152)	(31,632)
(b) gloves	(5)	(5)	(5)	(5)	(1,196)	(1,019)	(641)	(600)
(c) other	(315)	(337)	(336)	(339)	42,839	(44,367)	(44,524)	(45,001)
5. Leather products and footwear	12	12	11	12	809	854	885	1,105
6. Wood and paper products	15	15	15	15	507	508	517	520
7. Optical goods	4	4	4	4	636	621	549	577
8. Watches and clocks	6	6	6	6	840	903	858	872
9. Jewellery and related articles	13	13	13	14	1,324	1,395	1,448	1,504
10. Fishing tackles and flies	3	3	3	3	149	149	158	169
11. Toys and carnival articles	6	6	7	7	742	746	785	774
12. Other	51	55	56	56	1,914	1,577	1,441	1,409
T O T A L	554	579	586	591	90,590	91,617	90,738	89,080

Table 9 - EPZ :- Employment evolution by product group and sex (December 1986 - December 1988)

Product group	December 1986			December 1987			December 1988		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	1. Food	215	330	545	317	386	703	343	406
2. Flowers	112	131	243	156	171	327	161	197	358
3. Textile yarn and fabrics	1,475	879	2,354	2,125	1,216	3,341	2,423	1,387	3,810
4. Wearing apparels	20,093	45,274	65,367	25,788	51,587	77,375	25,311	51,922	77,233
of which (a) pullovers	(6,584)	(24,940)	(31,524)	(8,841)	(25,762)	(34,603)	(6,840)	(24,792)	(31,632)
(b) gloves	(228)	(1,422)	(1,650)	(244)	(1,052)	(1,296)	(140)	(460)	(600)
(c) other garments	(13,281)	(18,912)	(32,193)	(16,703)	(24,773)	(41,476)	(18,331)	(26,670)	(45,001)
5. Leather products and footwear	261	459	720	292	573	865	319	786	1,105
6. Wood and paper products	340	344	684	312	169	481	335	185	520
7. Optical goods	236	156	392	371	241	612	340	237	577
8. Watches and clocks	178	410	588	214	533	747	220	652	872
9. Jewellery and related articles	640	333	973	791	401	1,192	1,094	410	1,504
10. Fishing tackles and flies	29	531	560	7	156	163	14	155	169
11. Toys and carnival articles	53	617	670	68	637	705	79	695	774
12. Other	570	349	919	931	463	1,394	908	501	1,409
T O T A L	24,202	49,813	74,015	31,372	56,533	87,905	31,547	57,533	89,080

* Decrease in employment figure due to change in economic classification of enterprise

Table 10 - New Enterprises & Employment created by product group - Year (1986 - 1988)

Product Group	1986		1987		1988	
	No. of Enterprises	Employment	No. of Enterprises	Employment	No. of Enterprises	Employment
1. Food	2	21	-	-	1	21
2. Flowers	2	7	7	40	-	-
3. Textile yarn & fabrics	5	463	6	604	4	231
4. Wearing apparels	109	7,858	100	6,268	76	4,624
of which (a) pullover	(11)	(1,266)	(10)	(539)	(9)	(438)
(b) gloves	(-)	(-)	(-)	(-)	(-)	(-)
(c) other garments	(98)	(6,592)	(90)	(5,729)	(67)	(4,186)
5. Leather products & Footwear	3	113	3	34	-	-
6. Wood & paper products	4	130	4	96	3	70
7. Optical goods	-	-	1	21	-	-
8. Watches & clocks	1	117	1	37	-	-
9. Jewellery & related articles	-	-	3	170	1	11
10. Fishing tackles & flies	-	-	-	-	-	-
11. Toys & carnival articles	-	-	1	22	-	-
12. Other	13	314	15	308	10	84
T O T A L	139	9,023	141	7,600	95	5,041

Table 11 - Enterprises closed down and employment lost by sector (1986 - 1988)

Product group	1986		1987		1988	
	No. of Enterprises	Employment	No. of Enterprises	Employment	No. of Enterprises	Employment
1. Food	-	-	2	6	1	5
2. Flowers	-	-	-	-	-	-
3. Textile yarn & fabrics	-	-	1	6	-	-
4. Wearing apparels	7	284	13	1,012	31	4,661
of which (a) pullovers	(2)	(126)	(2)	(193)	(5)	(2,126)
(b) gloves	-	-	-	-	-	-
(c) other garments	(5)	(158)	(11)	(819)	(26)	(2,535)
5. Leather products & footwear	1	23	1	114	1	4
6. Wood and paper products	3	36	1	193	-	-
7. Optical goods	1	23	-	-	-	-
8. Watches & clocks	2	188	-	-	-	-
9. Jewellery & related articles	4	100	-	-	-	-
10. Fishing tackles & flies	-	-	-	-	-	-
11. Toys & carnival articles	-	-	-	-	1	25
12. Other	3	27	2	43	4	224
T O T A L	21	681	20	1,374	38	4,919

Table 12: Distribution of EPZ establishments* by districts and main locality as at December 1988

District/Locality	No. of establishment		
	Textile	Non-textile	Total
District of Port Louis	61	39	100
of which Plaine Lauzun	21	7	28
Port Louis city	28	17	45
District of Pamplemousses	39	22	61
of which Terre Rouge and Riche Terre	17	9	26
Tombeau Bay	7	1	8
Triolet	8	5	13
District of Rivière du Rempart	31	19	50
of which St. Antoine and Goodlands	10	10	20
Rivière du Rempart & Ile d'Ambre	8	1	9
District of Flacq	38	5	43
of which Central Flacq	16	2	18
Bel Air	5	-	5
District of Grand Port	43	1	44
of which Rose Belle and New Grove	15	-	15
Mahebourg	7	-	7
District of Savanne	21	8	29
of which Surinam	7	1	8
Rivière des Anguilles	5	4	9
District of Plaine Wilhems	218	54	272
of which Coromandel	21	7	28
Beau Bassin and Rose Hill	57	7	64
Vacoas and Phoenix	57	11	68
Quatre Bornes	24	5	29
Curepipe, Floreal & Forest Side	42	24	66
District of Moka	43	17	60
of which Pailles	9	5	14
St. Pierre and Moka	19	10	29
District of Black River	14	6	20
of which Medine and Bambous	3	2	5
T O T A L	508	171	679

*An establishment is a unit of production