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EXPORT PROCESSING ZONE - YEAR 1989

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The Export Processing Zone - Year 1989

1. Introduction

This issue contains detailed tables on employment in the EPZ sector during the 4th quarter and year 1989. Quarterly figures on EPZ imports and exports are also given.

2. Employment evolution during the 4th quarter

During the 4th quarter 1989, the EPZ sector registered a net loss of around 1,000 workers bringing its active workforce to some 88,700.

A comparison of the December data with the previous quarter's shows that firms which were expanding their activities increased their workforce by about 2,100 and 22 new enterprises started operation which recruited some 700 workers. This addition of 2,800 was, however, offset by the laying off of 3,800 workers:- 2,900 through the contraction of existing companies and 900 resulting from the closure of 23 companies.

It is worth pointing out that the pullover sector, with a contraction of nearly 1,600, has been the main contributor to the decrease in employment whereas the other sectors have registered only slight changes.

3. Employment as at December 1989

As at December 1989 there were 563 enterprises operating in the EPZ sector with a workforce of some 88,700, nearly the same level as 1988. During the year, male employment dropped by about 1,200 to reach 30,400, which was partly offset by some 800 additional female recruits. New enterprises contributed to the addition of some 4,600 workers whilst existing firms to 9,000 resulting in the creation of 13,600 additional jobs which was however, offset by the loss of around 14,000 jobs: 7,700 through contraction and 6,300 through closures.

After the spectacular increases recorded during the three year period 1984-1987, when over 50,000 additional workers were recruited, employment during the last two years has stagnated around the 89,000 mark, a fact clearly indicated by the plateau in the linegraph of fig. 1.

Detailed analysis of the employment evolution during 1989 shows that all sectors with the exception of woollen have registered slight increases in their workforce. Employment in the pullover sector dropped by 2,000 mainly as a result of the closing down of 9 firms.

The activities of the EPZ enterprises remained heavily concentrated in the textile sector which accounted for nearly 90% of the total workforce. On average around 1,000 additional jobs have been created in the non-textile sector over the past four years.

4. New enterprises and closures during 1989

In 1989, 79 new firms were set up employing some 4,600 workers; of which 34 were in the 'garments' sector contributing to the recruitment of 3,000 workers; 5 in 'flower' sector, 5 in 'leather products', 4 in 'wood and paper' and 3 in 'jewellery'; a sign of diversification towards the non-textile sector.

On the other hand, 107 enterprises ceased operation with a loss of 6,300 jobs; the majority, 83, were engaged in the production of wearing apparel and resulted in the laying off of 5,500 workers.

5. Distribution of enterprises by size of employment

Table 10 on the distribution of EPZ enterprises by employment size shows that 53% (296 out of 563) of the companies had each a workforce of less than 50 but they accounted for only 7% of total employment.

On the other extreme, only 46 companies, representing 8%, were large units which had each more than 500 employees and employed slightly over 50% of total EPZ workforce.

6. Geographical distribution of EPZ establishments & employment

Tables 13 & 14 give the distribution of EPZ establishments and employment by district and main locality. The 563 enterprises comprised of 679 establishments (i.e. units of production) which therefore indicated the presence of 114 subsidiary units or branches.

The urban area (Port Louis and Plaine Wilhems) had a concentration of 54%, with 364 establishments and almost 44,000 workers. Apart from the two remote districts, Savanne and Black River, there was an equal distribution of production units in the other districts with some 50 establishments each.

Employment per unit was however highest in the district of Grand Port with an average of nearly 200. This can be explained by the fact that in this region, most units are engaged in the pullover manufacture which usually operate in large units.

The localities with the highest concentration of establishments in order of importance were Beau Bassin and Rose Hill (62), Vacoas/Phoenix (56), Curepipe, Floreal and Forest Side (46), Plaine Lauzun (37) and Coromandel (33).

7. Exports and imports

Trade figures on EPZ now available show that the export performance of the EPZ enterprises in 1989 has been lower than expected. Exports increased in nominal terms by 11% to reach Rs 9,100 mn from Rs 8,200 mn the previous year.

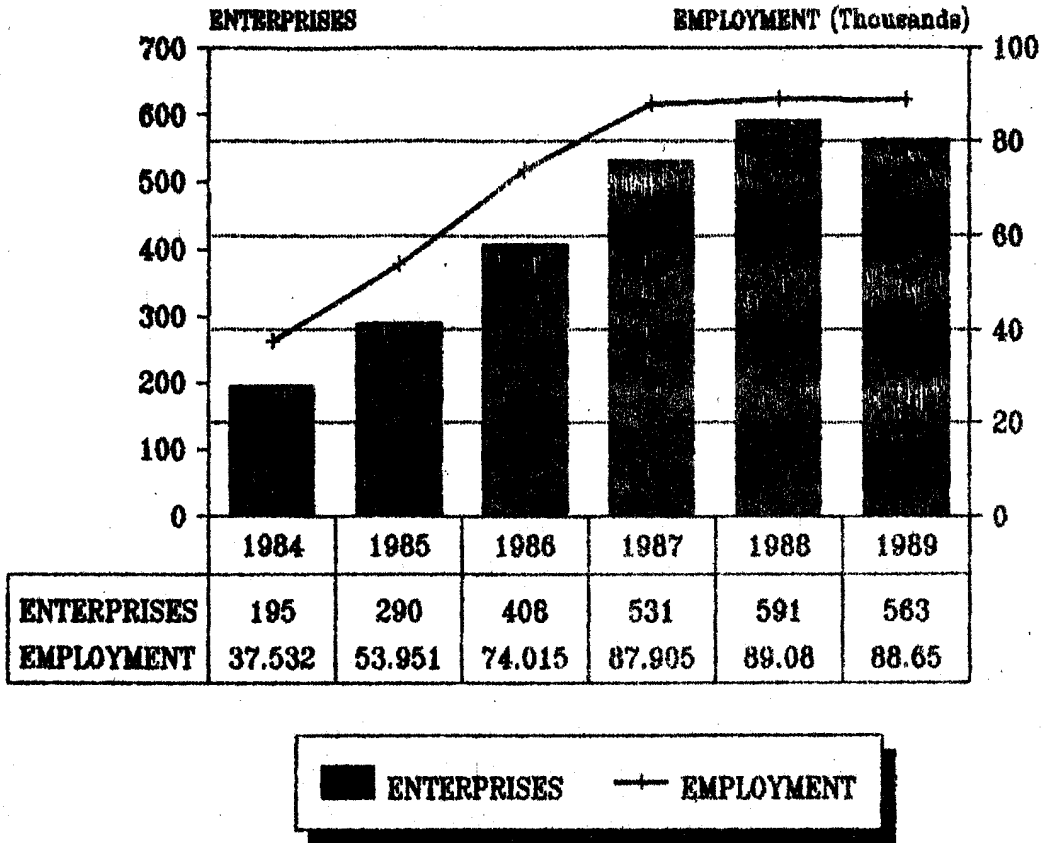
Imports of raw materials and equipment goods by far outpaced exports increasing by 27% to reach Rs 7,500 mn. Imports of capital goods, including spare parts, amounted to around Rs 900 mn which compares with Rs 834 mn in 1988.

Net exports earnings therefore amounted to Rs 1,600 mn. Consequently the ratio of net exports to exports which had assumed a steady increase during the previous two years, (27% in 1987 and 28% in 1988) dropped drastically to 18% last year. This sharp decline in the trend is indicated in graph of fig. 3.

Central Statistical Office,
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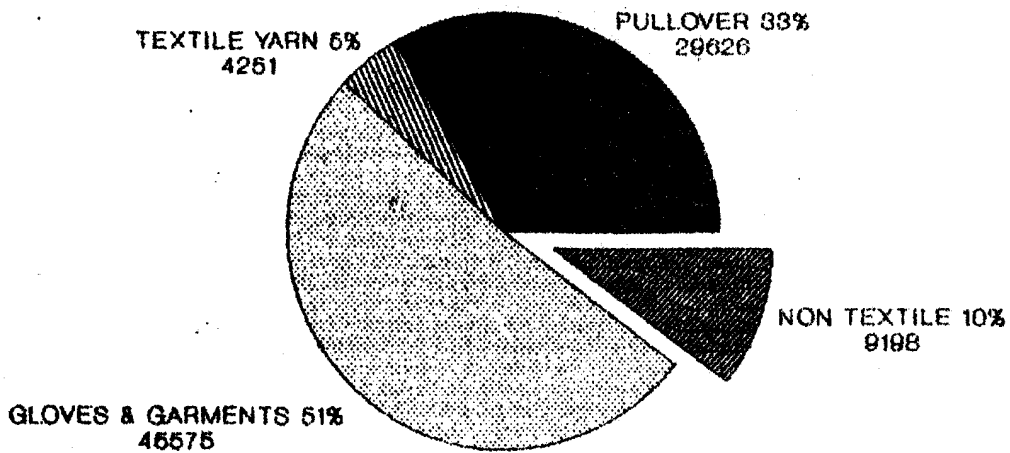
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EPZ EMPLOYMENT & ENTERPRISES (1984-1989)



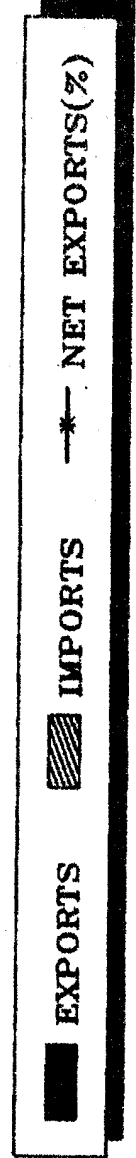
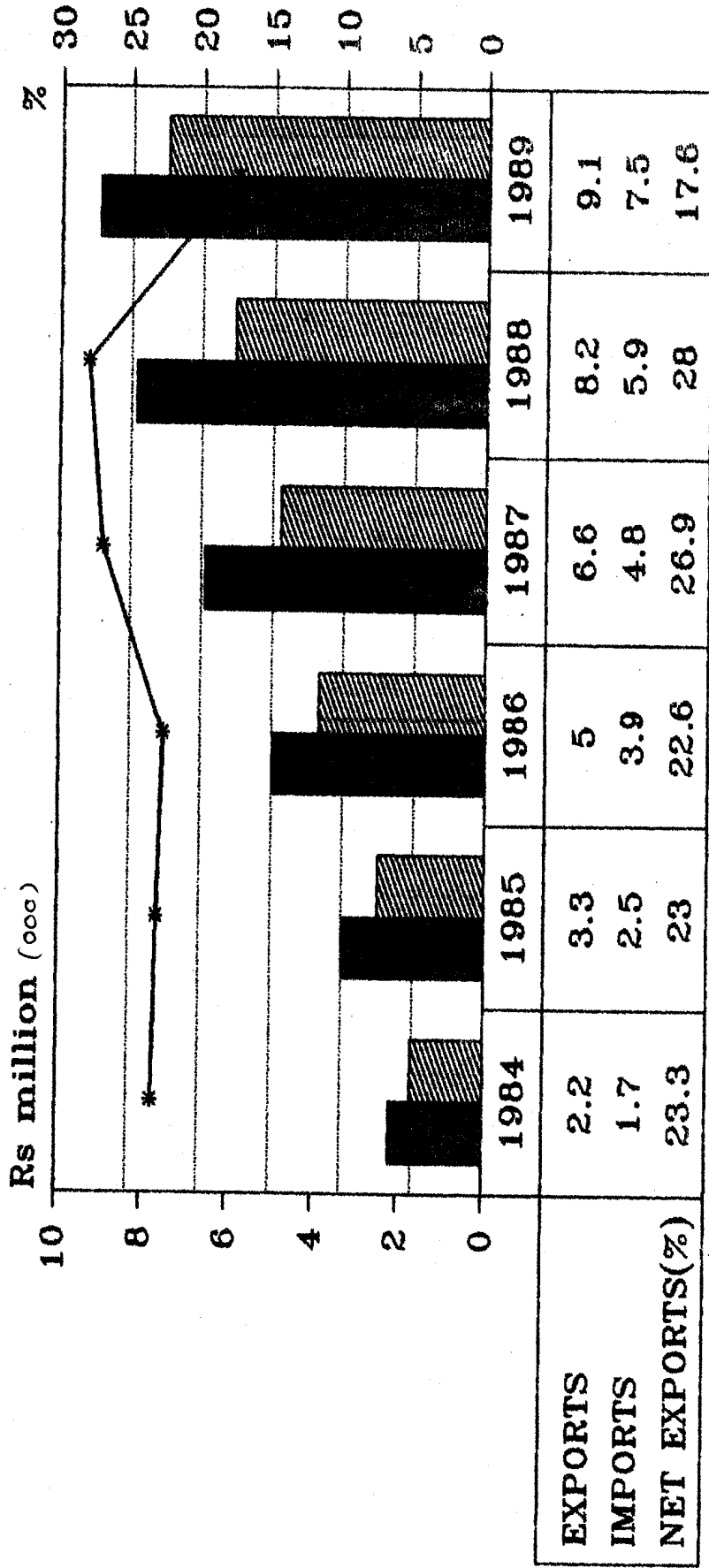
Source:survey of employment (Fig.1)

EPZ EMPLOYMENT BY SECTOR (1989)



Source:Employment survey(Fig.2)

EPZ EXPORTS & IMPORTS (1984-1989)



Source: Trade statistics (Fig.3)

Table 1 - EPZ :- Employment as at September 1989 and December 1989 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 1989	December 1989	September 1989			December 1989			Total	Male	Female	Total
			Male	Female	Total	Male	Female	Total				
Large ^{1/}	493	483	28,927	58,395	87,322	30,046	56,221	86,267	+ 1,119	- 2,174	- 1,055	
Small	69	78	240	162	402	253	169	422	+ 13	+ 7	+ 20	
Outworkers ^{2/}	2	2	24	1,921	1,945	33	1,928	1,961	+ 9	+ 7	+ 16	
Total	564	563	29,191	60,478	89,669	30,332	58,318	88,650	+ 1,141	- 2,160	- 1,019	

* 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 650 expatriates

^{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 1989 by category of enterprise and by sex

Category of enterprise*	Number of enterprises as at end of		Employment as at end of						Net change		
	December 1989		December 1988			December 1989					
	December 1988	December 1989	Male	Female	Total	Male	Female	Total	Male	Female	Total
Large ^{1/}	515	483	31,289	55,231	86,520	30,046	56,221	86,267	- 1,243	+ 990	- 253
Small	74	78	224	146	370	253	169	422	+ 29	+ 23	+ 52
Outworkers ^{2/}	2	2	34	2,156	2,190	33	1,928	1,961	- 1	- 228	- 229
TOTAL	591	563	31,547	57,533	89,080	30,332	58,318	88,650	-1,215	+ 785	- 430

* 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 650 expatriates

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

Table 3 - Employment evolution in the EPZ sector during the 4th quarter 1989

Description	Number of enterprises	Employment
1. SITUATION AS AT END OF SEPTEMBER 1989	564	89,669
2. Total employment creation	...	2,820
of which through :		
Expansion 1/ of existing enterprises	(25)	2,070
New enterprises	22	750
3. Total loss	...	<u>3,839</u>
of which through :		
Contraction 2/ of existing enterprises	(30)	2,935
Closing down of enterprises	23	904
4. Net change	- 1	- 1,019
5. SITUATION AS AT END OF DECEMBER 1989	<u>563</u>	<u>88,650</u>

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 4 - Employment evolution in the EPZ sector during the year 1989

Description	Number of enterprises	Employment
1. SITUATION AS AT END OF DECEMBER 1988	591	89,080
2. Total employment creation of which through :	...	13,603
Expansion 1/ of existing enterprises	(75)	8,958
New enterprises	79	4,645
3. Total loss of which through :	...	14,033
Contraction 2/ of existing enterprises	(61)	7,747
Closing down of enterprises	107	6,286
4. Net change	- 28	- 430
5. SITUATION AS AT END OF DECEMBER 1989	563	88,650

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 1989 - December 1989 by product group

Product group	Employment as at end of		Net change in employment
	September 1989	December 1989	
1. Food	898	921	+ 23
2. Flowers	405	421	+ 16
3. Textile yarn and fabrics	4,537	4,251	- 86
4. Wearing apparels	76,506	75,201	-1,305
of which (a) pullovers	(31,209)	(29,626)	(-1,583)
(b) gloves	(454)	(461)	(+ 7)
(c) other garments	(44,843)	(45,114)	(+ 271)
5. Leather products and footwear	1,231	1,356	+ 125
6. Wood and paper products	481	540	+ 59
7. Optical goods	587	587	-
8. Watches and clocks	908	903	- 5
9. Jewellery and related article	1,649	1,722	+ 73
10. Fishing tackles and flies	176	176	-
11. Toys and carnival articles	878	896	+ 18
12. Other	1,613	1,676	+ 63
T O T A L	89,669	88,650	-1,019

Table 6 - EPZ:- Analysis of net change in employment during period December 1988 - December 1989 by product group

Product group	Employment as at end of		Net change in employment
	December 1988	December 1989	
1. Food	749	921	+ 172
2. Flowers	358	421	+ 63
3. Textile yarn and fabrics	3,810	4,251	+ 441
4. Wearing apparels	77,233	75,201	-2,032
of which (a) pullovers	(31,632)	(29,626)	(-2,006)
(b) gloves	(600)	(461)	(- 139)
(c) other garments	(45,001)	(45,114)	(+ 113)
5. Leather products and footwear	1,105	1,356	+ 251
6. Wood and paper products	520	540	+ 20
7. Optical goods	577	587	+ 10
8. Watches and clocks	872	903	+ 31
9. Jewellery and related articles	1,504	1,722	+ 218
10. Fishing tackles and flies	169	176	+ 7
11. Toys and carnival articles	774	896	+ 122
12. Other	1,409	1,676	+ 267
T O T A L	89,080	88,650	- 430

Table 7 - EPZ:- Employment evolution by product group and sex, (December 1987 - December 1989)

Product group	December 1987			December 1988			December 1989		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1. Food	317	386	703	343	406	749	425	496	921
2. Flowers	156	171	327	161	197	358	192	229	421
3. Textile yarn and fabric	2,125	1,216	3,341	2,423	1,387	3,810	2,710	1,541	4,251
4. Wearing apparels	25,788	51,587	77,375	25,311	51,922	77,233	23,396	51,805	75,201
of which (a) pullovers	(8,841)	(25,762)	(34,603)	(6,840)	(24,792)	(31,632)	(6,988)	(22,638)	(29,626)
(b) gloves	(244)	(1,052)	(1,296)	(140)	(460)	(600)	(118)	(343)	(461)
(c) other garments	(16,703)	(24,773)	(41,476)	(18,331)	(26,670)	(45,001)	(16,290)	(28,824)	(45,114)
5. Leather products and footwear	292	573	865	319	786	1,105	305	1,051	1,356
6. Wood and paper products	312	169	481	335	185	520	344	196	540
7. Optical goods	371	241	612	340	237	577	360	227	587
8. Watches and clocks	214	533	747	220	652	872	216	687	903
9. Jewellery and related articles	791	401	1,192	1,094	410	1,504	1,227	495	1,722
10. Fishing tackles and flies	7	156	163	14	155	169	10	166	176
11. Toys and carnival articles	68	637	705	79	695	774	73	823	896
12. Other	931	463	1,394	908	501	1,409	1,074	602	1,676
T O T A L	31,372	56,533	87,905	31,547	57,533	89,080	30,332	58,318	88,650

Table 8 - EPZ:- Number of enterprises by product group, Quarterly Series, (years 1988 and 1989)

Product group	1988				1989			
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
1. Food	11	10	10	11	11	11	12	13
2. Flowers	28	28	28	28	29	29	30	33
3. Textile yarn and fabrics	23	23	26	27	27	27	31	30
4. Wearing apparels	382	404	407	408	378	388	370	359
of which (a) Pullovers	(62)	(62)	(66)	(64)	(61)	(61)	(60)	(59)
(b) Gloves	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
(c) Other garments	(315)	(337)	(336)	(339)	(312)	(322)	(305)	(295)
5. Leather products and footwear	12	12	11	12	12	11	11	13
6. Wood and paper products	15	15	15	15	15	15	13	14
7. Optical goods	4	4	4	4	4	4	4	4
8. Watches and clocks	6	6	6	6	6	6	6	6
9. Jewellery and related articles	13	13	13	14	15	15	15	17
10. Fishing tackles and flies	3	3	3	3	3	3	3	3
11. Toys and carnival articles	6	6	7	7	7	7	7	7
12. Other	51	55	56	56	66	59	62	64
T O T A L	554	579	586	591	573	575	564	563

Table 9 - EPZ:- Employment by product group, Quarterly Series, (years 1988 and 1989)

Product group	1 9 8 8				1 9 8 9			
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.*	3rd Qr.	4th Qr.
1. Food	693	697	766	749	744	830	898	921
2. Flowers	340	333	344	358	400	428	405	421
3. Textile yarn and fabrics	3,526	3,539	3,670	3,810	4,023	4,192	4,337	4,251
4. Wearing apparels	79,110	80,295	79,317	77,233	76,038	76,410	76,506	75,201
of which (a) pullovers	(35,075)	(34,909)	(34,152)	(31,632)	(31,125)	(31,008)	(31,209)	(29,626)
(b) gloves	(1,196)	(1,019)	(641)	(600)	(554)	(541)	(454)	(461)
(c) other garments	(42,839)	(44,367)	(44,524)	(45,001)	(44,359)	(44,861)	(44,843)	(45,114)
5. Leather products and footwear	809	854	885	1,105	1,232	1,281	1,231	1,356
6. Wood and paper products	507	508	517	520	525	491	481	540
7. Optical goods	636	621	549	577	613	613	587	587
8. Watches and clocks	840	903	858	872	881	884	908	903
9. Jewellery and related articles	1,324	1,395	1,448	1,504	1,633	1,631	1,649	1,722
10. Fishing tackles and flies	149	149	158	169	148	132	176	176
11. Toys and carnival articles	742	746	785	774	833	827	878	896
12. Other	1,914	1,577	1,441	1,409	2,216	1,546	1,613	1,676
T O T A L	90,590	91,617	90,738	89,080	89,286	89,265	89,669	88,650

* Figures amended

Table 10 - Distribution of EPZ enterprises by employment size - as at December 1989

Employment size	No. of enterprises			No. of persons employed		
	Number	%	Cum. %	Number	%	Cum. %
Under 10	78	13.9	13.9	427	0.5	0.5
10 - 50	218	38.8	52.7	5,554	6.3	6.8
51 - 100	82	14.6	67.3	5,795	6.5	13.3
101 - 300	103	18.3	85.6	18,071	20.4	33.7
301 - 500	36	6.4	92.0	13,401	15.1	48.8
501 - 1,000	31	5.5	97.5	21,105	23.8	72.6
1,000 and above	15	2.5	100.0	24,297	27.4	100.0
T O T A L	563	100.0	100.0	88,650	100.0	100.0

Table 11 - New enterprises and employment created by product group - year (1987-1989)

Product Group	1987		1988		1989	
	No. of Enterprises	Employment	No. of Enterprises	Employment	No. of Enterprises	Employment
1. Food	-	-	1	21	2	89
2. Flowers	7	40	-	-	5	23
3. Textile yarn & fabrics	6	604	4	231	6	517
4. Wearing apparels	<u>100</u>	<u>6,268</u>	<u>76</u>	<u>4,624</u>	<u>38</u>	<u>3,251</u>
of which (a) pullover	(10)	(539)	(9)	(439)	(4)	(302)
(b) gloves	(-)	(-)	(-)	(-)	(-)	(-)
(c) other garments	(90)	(5,729)	(67)	(4,186)	(34)	(2,949)
5. Leather products & Footwear	3	34	-	-	5	252
6. Wood & paper products	4	96	3	70	4	123
7. Optical goods	1	21	-	-	-	-
8. Watches & clocks	1	37	-	-	-	-
9. Jewellery & related articles	3	170	1	11	3	48
10. Fishing tackles & flies	-	-	-	-	-	-
11. Toys & carnival articles	1	22	-	-	1	33
12. Other	15	308	10	84	15	309
T O T A L	141	7,600	95	5,041	79	4,645

Table 12 - Closures and employment lost by sector - year (1987-1989)

Product Group	1987		1988		1989	
	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	-	-	7	499
4. wearing apparels	13	1,012	28	4,661	83	5,469
of which (a) pullovers	(2)	(193)	(5)	(2,126)	(9)	(1,591)
(b) gloves	(-)	(-)	(-)	(-)	(-)	(-)
(c) other garments	(11)	(819)	(23)	(2,535)	(74)	(3,878)
5. Leather products & footwear	1	114	1	4	4	114
6. Wood and paper products	1	193	-	-	5	72
7. Optical goods	-	-	-	-	-	-
8. Watches & clocks	-	-	-	-	-	-
9. Jewellery & related articles	-	-	-	-	-	-
10. Fishing tackles & flies	-	-	-	-	-	-
11. Toys & carnival articles	-	-	1	25	1	22
12. Other	2	43	4	224	7	110
T O T A L	20	1,374	35	4,919	107	6,286

* amended

Table 13 :- 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	63	38	101
of which Plaine Lauzun	27	10	37
Port Louis city	24	11	35
District of Pamplemousses	37	23	60
of which Terre Rouge and Riche Terre	13	12	25
Tombeau Bay	7	-	7
Triolet	9	6	15
District of Rivière du Rempart	36	17	53
of which St. Antoine and Goodlands	15	10	25
Rivière du Rempart & Ile d'Ambre	10	2	12
District of Flacq	45	5	50
of which Central Flacq	15	2	17
Bel Air	6	-	6
District of Grand Port	43	3	46
of which Rose Belle and New Grove	11	-	11
Mahebourg	10	-	10
District of Savanne	23	5	28
of which Surinam	6	-	6
Rivière des Anguilles	5	4	9
District of Plaine Wilhems	204	59	263
of which Coromandel	25	8	33
Beau Bassin and Rose Hill	56	6	62
Vacoas and Phoenix	44	12	56
Quatre Bornes	23	5	28
Curepipe, Floreal & Forest Side	27	19	46
District of Moka	40	16	56
of which Pailles	6	7	13
St. Pierre and Moka	23	9	32
District of Black River	12	10	22
of which Medine and Bambous	3	2	5
T O T A L	503	176	679

* An establishment is a unit of production

Table 14 :-Distribution of EPZ employment by districts and main locality as at
December 1989

District/Locality	Employment		
	Textile	Non-Textile	Total
District of Port Louis	9,876	1,902	11,778
of which Plaine Lauzun	6,461	287	6,748
Port Louis city	1,351	145	1,496
District of Pamplemousses	7,500	1,813	9,313
of which Terre Rouge and Riche Terre	2,520	1,488	4,008
Tombeau Bay	1,468	-	1,468
Triolet	1,597	173	1,770
District of Rivière du Rempart	6,896	1,503	8,399
of which St. Antoine and Goodlands	2,914	1,236	4,150
Rivière du Rempart & Ile d'Ambre	2,608	119	2,727
District of Flacq	6,626	54	6,680
of which Central Flacq	2,699	20	2,719
Bel Air	1,197	-	1,197
District of Grand Port	8,944	112	9,056
of which Rose Belle and New Grove	2,615	-	2,615
Mahebourg	1,284	-	1,284
District of Savanne	3,293	329	3,622
of which Surinam	780	-	780
Rivière des Anguilles	534	110	644
District of Plaine Wilhems	29,302	2,450	31,752
of which Coromandel	5,646	339	5,985
Beau Bassin and Rose Hill	4,751	113	4,864
Vacoas and Phoenix	5,980	276	6,256
Quatre Bornes	2,173	142	2,315
Curepipe, Floreal & Forest Side	8,199	1,306	9,505
District of Moka	5,006	885	5,891
of which Pailles	727	175	902
St. Pierre and Moka	3,146	710	3,856
District of Black River	2,009	150	2,159
of which Medine and Bambous	668	28	696
T O T A L	79,452	9,198	88,650

Table 15 - EPZ : - Number of enterprises and employment - quarterly series (1984 - 1989)

YEAR	Number of enterprises as at end of				Employment as at end of			
	March	June	September	December	March	June	September	December
1984	153	161	184	197	28,954	32,686	35,748	37,532
1985	215	237	257	290	43,134	46,669	50,218	53,951
1986	321	343	377	408	63,010	66,000	70,519	74,015
1987	437	472	500	531	78,007	82,740	85,685	87,905
1988	554	579	586	591	90,590	91,617	90,738	89,080
1989	573	575	564	563	89,286	89,265	89,669	88,650

Table 16 - Net EPZ exports, 1988 - 1989

Value Rs Mn

	1988	1988				1989			
		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
A. Total exports (f.o.b. value)	8,179	1,547	2,069	2,350	2,210	1,842	2,538	2,423	2,297
B. Total imports (c.i.f. value)	5,890	1,384	1,543	1,398	1,566	1,555	1,928	1,996	2,021
Net exports (A - B)	2,289	163	526	952	644	287	610	427	276
Net exports as % of total exports	28%	10%	25%	40%	29%	16%	24%	18%	12%

* provisional 75