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# Economic Indicators

An Occasional Paper

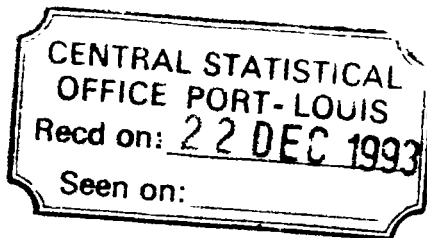
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1. THE EXPORT PROCESSING ZONE (EPZ)

3RD QUARTER 1993

2. EDUCATION STATISTICS - 1993



MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT  
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## **The Export Processing Zone (EPZ), 3rd Quarter 1993**

### **Introduction**

Latest data from the Quarterly Survey of Employment carried out in September 1993 and trade figures presently available for the first nine months of 1993 show that whilst employment continues to decline, exports, on the other hand, are on the increase. There are, therefore, signs that the EPZ Sector is becoming more efficient through higher productivity resulting from modernisation and better use of labour. On the basis of the above, EPZ exports, in 1993, will easily exceed the Rs 15,000 million forecast earlier this year and may reach Rs 15,500 million as compared to Rs 13,081 million last year and Rs 12,136 million in 1991.

### **2. Employment evolution, 3rd Quarter 1993**

At the end of the 3rd Quarter of 1993, there were some 85,200 employees (24,800 males and 60,400 females) working in 543 enterprises in the EPZ compared to 86,000 employees in 550 enterprises at the end of the 2nd Quarter, 1993. The decrease of around 800 is the net result of a total loss of 4,400 jobs partly offset by the creation of around 3,600 new jobs. Most of the decrease (600) occurred in the Wearing Apparel sector.

The number of foreign workers in the EPZ as at September 1993 stood at 3,800 compared to 2,950 at the end of June 1993, that is a significant increase of over 25% during the three-month period.

Between June and September 1993, 18 enterprises closed down accounting for 1,070 job losses whilst 11 new enterprises started operation with 513 workers.

### **3. Employment evolution, September 1992 - September 1993**

Compared to September 1992, employment dropped by around 2,100, from 87,300 to 85,200, mainly in "Textile yarn and fabrics" (1,843) and "Wearing apparel" (234). In the latter sector, a decrease of 1,814 in the

"Pullovers" sub-sector was almost offset by an increase of 1,580 in "Other garments".

Male employment declined by 700 and that of female, by 1,400. Over the same period, the number of foreign workers in EPZ enterprises increased by nearly 2,200 from 1,600 at the end of September 1992.

#### 4. EPZ Exports and Imports

EPZ exports for the 3rd Quarter 1993, reached Rs 4,566 million which brought the total for the first nine months of 1993 to Rs 11,561 million against Rs 9,579 million last year, that is, a nominal increase of around 20%. This substantial rise in exports is accounted for by a 10% increase in volume and another 10% in price.

Imports, on the other hand, were up by 27%, from Rs 5,446 million to Rs 6,918 million for the first nine months of 1993. The higher growth of imports over exports is mainly attributable to a higher level of investment in machinery and other equipment. In fact, between January and September 1993, EPZ enterprises have imported Rs 868 million worth of machinery, increasing by more than 70% over the Rs 500 million last year. Consequently, the ratio of Net EPZ exports to exports dropped to 40% from 43%, for the corresponding period, a year ago.

The earlier forecast of EPZ exports for the year 1993 is now revised upwards to Rs 15,500 million and imports, to Rs 9,000 million. Net EPZ exports will thus work out to Rs 6,500 million and the ratio of Net EPZ exports to exports will decline from 45 to 42%.

Table 1:- EPZ Sector: Main economic indicators, 1983 - 1993

Rs Million

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 <sup>1</sup>	1993 <sup>2</sup>
<b>1 No of enterprises as at December</b>	146	195	290	408	531	591	563	568	586	558	543*
- New	44	55	101	139	114	95	79	62	52	33	31*
- Closures	17	6	6	21	18	35	107	57	34	61	46*
<b>2 Employment as at December</b>	25,526	37,522	53,951	74,015	87,905	89,080	88,658	89,906	90,861	86,937	85,254*
- Net change	+2,050	+11,996	+16,429	+20,064	+13,890	+1,175	-422	+1,248	+955	-3,924	...
- Growth rate (%)	+8.7	+47.0	+43.8	+37.2	+18.8	+1.3	-1.0	+1.4	+1.1	-4.3	...
<b>3 Exports</b>	1,307	2,151	3,283	4,951	6,567	8,176	9,057	11,474	12,136	13,081	15,500
<b>4 Imports</b>	847	1,651	2,530	3,863	4,801	5,890	7,502	7,348	7,067	7,133	9,000
- Raw materials	(785)	(1,491)	(2,280)	(3,427)	(4,296)	(5,056)	(6,539)	(6,554)	(6,348)	(6,456)	(7,800)
- Machinery & spare parts	(62)	(160)	(250)	(436)	(505)	(834)	(963)	(794)	(719)	(677)	(1,200)
<b>5 Net Exports</b>	460	500	753	1,088	1,766	2,286	1,555	4,126	5,069	5,948	6,500
<b>6 Net Exports to Exports (%)</b>	35	23	23	22	27	28	17	36	42	45	42
<b>7 Value added at current prices</b>	548	865	1,333	1,860	2,585	3,125	3,450	3,975	4,400	4,900	5,400
- Share in Manufacturing (%)	32.7	39.6	46.5	48.6	53.4	55.5	54.2	53.3	52.9	53.1	53.0
- Share in GDP (%)	5.2	7.2	9.6	11.3	16.1	13.5	12.7	12.5	12.2	12.2	11.8
<b>8 Value added at constant '82 prices</b>	488	650	844	1,139	1,390	1,556	1,650	1,765	1,854	1,965	2,083
- Growth rate (%)	+8.8	+32.9	+30.0	+34.9	+22.0	+12.0	+6.0	+7.0	+5.0	+6.0	+6.0
<b>9 Investment</b>	74	210	340	560	655	870	900	690	630	560	950
- Machinery	(64)	(165)	(260)	(450)	(530)	(730)	(840)	(640)	(610)	(540)	(925)

\* as at September 1993

1 revised

2 forecast

Table 2:- EPZ employment, September 1992 - September 1993

Category of enterprise	No. of Enterprises			Employment*											
	Sep.92	Jun.93		September 92			June 93			September 93					
		Sep.93	Male	Female	Total	Male	Female	Total	Male	Female	Total				
Large	456	447	438	25,151	59,771	84,922	24,546	58,899	83,445	24,461	58,455	82,916			
Small (< 10)	108	103	105	340	224	564	324	214	538	318	217	535			
Outworkers	-	-	-	40	1,787	1,827	46	1,999	2,045	47	1,756	1,803			
<b>TOTAL</b>	<b>564</b>	<b>550</b>	<b>543</b>	<b>25,531</b>	<b>61,782</b>	<b>87,313</b>	<b>24,916</b>	<b>61,112</b>	<b>86,028</b>	<b>24,826</b>	<b>60,428</b>	<b>85,254</b>			

\* includes expatriates: No. as at  
 -Sep.92: 1,606 ( 534 males, 1,072 females)  
 -Jun.93: 2,953 ( 903 males, 2,050 females)  
 -Sep.93: 3,805 ( 1,156 males, 2,649 females)

**Table 3:- Analysis of net change in employment, 3rd quarter 1993**

	Net change September 93 - June 93	
	Enterprises	Employment
<b>A. Total employment creation:</b>		
Expansion in existing enterprises*	35	(+3,137)
New enterprises	11	(+513)
<b>B. Total employment lost:</b>		
Reduction in existing enterprises*	32	(-3,354)
Closures	18	(-1,070)
<b>C. Net change (A-B)</b>	<b>-7</b>	<b>-774</b>
Male	.....	(-90)
Female	.....	(-684)

\* No. of enterprises relates to those reporting expansion/reduction in their workforce by more than 25 while employment is total expansion/reduction

**Table 4: - Net change in number of enterprises by product group, 1992 - 1993**

Product group	No. of enterprises			Net change	
	Sept 92	June 93	Sept 93	Sep93-Jun93	Sep93-Sep92
1. Food	14	11	10	-1	-4
2. Flowers	51	51	50	-1	-1
3. Textile yarn and fabrics	36	31	30	-1	-6
4. Wearing apparel :	310	302	301	-1	-9
Pullovers	(46)	(42)	(43)	(+1)	(-3)
Other garments	(264)	(260)	(258)	(-2)	(-6)
5. Leather products and footwear	11	10	10	0	-1
6. Wood and paper products	20	25	25	0	5
7. Optical goods	6	7	7	0	1
8. Electronic watches and clocks	8	5	5	0	-3
9. Electric and electronic products	16	13	12	-1	-4
10. Jewellery and related articles	19	19	19	0	0
11. Toys and carnival articles	7	7	7	0	0
12. Other	66	69	67	-2	1
<b>TOTAL</b>	<b>564</b>	<b>550</b>	<b>543</b>	<b>-7</b>	<b>-21</b>

**Table 5:- Net change in employment by product group, 1992 - 1993**

Product group	Employment			Net change	
	Sept 92	June 93	Sept 93	Sep93-Jun93	Sep93-Sep92
1. Food	835	949	958	9	123
2. Flowers	598	593	594	1	-4
3. Textile yarn and fabrics	5,151	3,246	3,308	62	-1,843
4. Wearing apparel :	73,267	73,669	73,033	-636	-234
Pullovers	(26,167)	(25,014)	(24,353)	(-661)	(-1,814)
Other garments	(47,100)	(48,655)	(48,680)	(+25)	(+1,580)
5. Leather products and footwear	1,490	1,398	1,297	-101	-193
6. Wood and paper products	486	545	514	-31	28
7. Optical goods	433	493	485	-8	52
8. Electronic watches and clocks	706	618	636	18	-70
9. Electric and electronic products	437	382	357	-25	-80
10. Jewellery and related articles	1,334	1,320	1,271	-49	-63
11. Toys and carnival articles	967	958	951	-7	-16
12. Other	1,609	1,857	1,850	-7	241
<b>TOTAL</b>	<b>87,313</b>	<b>86,028</b>	<b>85,254</b>	<b>-774</b>	<b>-2,059</b>

Table 6 :- Employment by product group & sex : 3rd Quarter 1992, 1993

Product group	September 1992				September 1993			
	No of Enterprises	Employment		Total	No of Enterprises	Employment		Total
		Male	Female			Male	Female	
1. Food	14	296	539	835	10	347	611	958
2. Flowers	51	295	303	598	50	294	300	594
3. Textile yarn and fabrics	36	3,199	1,952	5,151	30	2,470	838	3,308
4. Wearing apparel :	310	18,852	54,415	73,267	301	18,612	54,421	73,033
Pullovers	(46)	(4,908)	21,259	(26,167)	(43)	(4,551)	(19,802)	(24,353)
Other garments	(264)	(13,944)	33,156	(47,100)	(258)	(14,061)	(34,619)	(48,680)
5. Leather products and footwear	11	340	1,150	1,490	10	450	847	1,297
6. Wood and paper products	20	232	254	486	25	346	168	514
7. Optical goods	6	234	199	433	7	262	223	485
8. Electronic watches and clocks	8	191	515	706	5	161	475	636
9. Electric and electronic products	16	223	214	437	12	155	202	357
10. Jewellery and related articles	19	854	480	1,334	19	756	515	1,271
11. Toys and carnival articles	7	83	884	967	7	99	852	951
12. Other	66	732	877	1,609	67	874	976	1,850
<b>TOTAL</b>	<b>564</b>	<b>25,531</b>	<b>61,782</b>	<b>87,313</b>	<b>543</b>	<b>24,826</b>	<b>60,428</b>	<b>85,254</b>



Table 7:- New and Closures: 2nd & 3rd Quarter 1993

Product group	2nd Quarter 1993						3rd Quarter 1993					
	New projects			Closures			New projects			Closures		
	Enterprise	Employment		Enterprise	Employment		Enterprise	Employment		Enterprise	Employment	
1. Food	-	-		2	18		-	-		1	26	
2. Flowers	-	-		-	-		-	-		1	2	
3. Textile yarn and fabrics	-	-		1	92		-	-		1	161	
4. Wearing apparel :	9	558		9	684		9	456		10	758	
Pullovers	(1)	(45)		(3)	(547)		(1)	(30)		-	-	
Other garments	(8)	(513)		(6)	(137)		(8)	(426)		(10)	(758)	
5. Leather products and footwear	-	-		-	-		-	-		-	-	
6. Wood and paper products	-	-		-	-		-	-		-	-	
7. Optical goods	1	25		-	-		-	-		-	-	
8. Electronic watches and clocks	-	-		1	1		-	-		-	-	
9. Electric and electronic products	-	-		-	-		-	-		1	20	
10. Jewellery and related articles	-	-		-	-		1	7		1	10	
11. Toys and carnival articles	-	-		-	-		-	-		-	-	
12. Other	2	37		3	20		1	50		3	93	
<b>TOTAL</b>	<b>12</b>	<b>620</b>		<b>16</b>	<b>815</b>		<b>11</b>	<b>513</b>		<b>18</b>	<b>1,070</b>	

Table 8:- Net EPZ exports, 1991 - 1993

	Rs. Million									
	Year			1992(1)				1993*		
	1991	1992(1)	1993*	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter
A. Total exports (f.o.b. value)	12,136	13,081	15,500	2,699	3,340	3,540	3,502	2,815	4,180	4,566
B. Total imports (c.i.f. value)	7,067	7,133	9,000	1,745	1,971	1,730	1,687	2,109	2,386	2,423
- Raw Materials	(6,348)	(6,456)	(7,800)	(1,549)	(1,806)	(1,591)	(1,510)	(1,818)	(2,134)	(2,098)
Net Exports (A - B)	5,069	5,948	6,500	954	1,369	1,810	1,815	706	1,794	2,143
Net Exports as % of Total Exports	42	45	42	35	41	51	52	25	43	47

(1) revised

\* forecast