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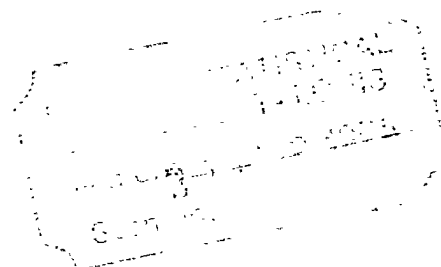
Economic Indicators

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1. The Export Processing Zone (EPZ),
4th Quarter 1993
2. Agricultural Production - Year 1993



MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
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The Export Processing Zone (EPZ), 4th Quarter 1993

Introduction

The December 1993 round of the Quarterly Survey of Employment in the EPZ shows a slight increase of some 400 in employment during the 4th quarter 1993 but, compared to December 1992, a reduction of around 1,300 is observed. EPZ exports, on the other hand, registered a substantial increase of nearly 21% from Rs 13,081 Mn in 1992 to Rs 15,821 Mn. In real terms, the growth in exports is estimated at 11%. These are clear indications of productivity gains resulting from intensive investment on machinery and equipment and better use of labour.

Employment Evolution, 4th Quarter 1993

At the end of December 1993, 536 enterprises were operating in the EPZ with a total workforce of around 85,600 comprising 25,200 males and 60,400 females. When compared to September 1993, there were 7 fewer enterprises but a net increase of some 400 workers of whom 290 expatriates.

The "Food" sector registered an increase of 229 in employment whilst other sectors remained at almost the same level. Within the "Wearing apparel" sector, however, a decrease of around 1,000 in "Pullovers" was offset by an increase of the same order in "Other garments".

Employment evolution, Year 1993

Compared to December 1992, there were 22 fewer enterprises in the EPZ and employment dropped by around 1,300 of whom 1,250 females. The decrease in employment is the net result of a total loss of 10,400 jobs partly offset by the creation of around 9,100 new jobs. 3,140 jobs losses were due to closure of 60 enterprises whilst 1,887 jobs were created through the coming into operation of 38 new enterprises.

A sectorwise analysis shows that most of the decrease in employment occurred in "Textile yarn and fabrics" (884) and "Wearing apparel" (620). The latter is the net result of a significant decrease of around 3,341 (705 males and 2,636 females) in the "Pullovers" sub-group and an increase of 2,721 (716 males and 2,005 females) in "Other garments".

In 1993, EPZ enterprises recruited some 2,100 workers from abroad bringing the total number of foreign workers to 4,095 (1,257 males, 2,838 females).

EPZ Exports and Imports

EPZ establishments exported Rs 15,821 Mn worth of goods in 1993, 21 % higher than in 1992. This remarkable rise is mainly attributable to a 75% increase (from Rs 2,300 Mn to Rs 4,000 Mn) in exports to the United States. After allowing for the effects of price increases estimated at 9%, in real terms exports grew by 11%.

Imports, on the other hand, went up by around 30% , from Rs 7,133 Mn to Rs 9,326 Mn. The import bill for machinery and equipment for the first time attained Rs 1,100 Mn representing a 63% increase over 1992 whilst imports of raw materials valued at Rs 8,221 Mn rose by 27%

Net exports, i.e exports minus imports yielded Rs 6,495 Mn and its ratio to exports dropped to 41% from 45% in 1992 and 42% in 1991. This decrease is the result of the higher growth of imports over exports, probably due to replenishment of stock of raw materials.

Value Added and Productivity

On the basis of trade figures now available, value added generated by EPZ establishments is estimated at Rs 5,800 Mn and the growth rate for 1993 is revised upwards to 7% instead of 6% estimated earlier.

The combined effect of a favourable real increase in production and a decrease in employment resulted in a substantial rise in productivity. In fact, value added (at

constant price) per worker, used as a proxy indicator of productivity, moved up by 11% in 1993.

Central Statistical Office
Ministry of Economic Planning and Development
PORT LOUIS
March 1994

EPZ ENTERPRISES & EMPLOYMENT (1982-1993)

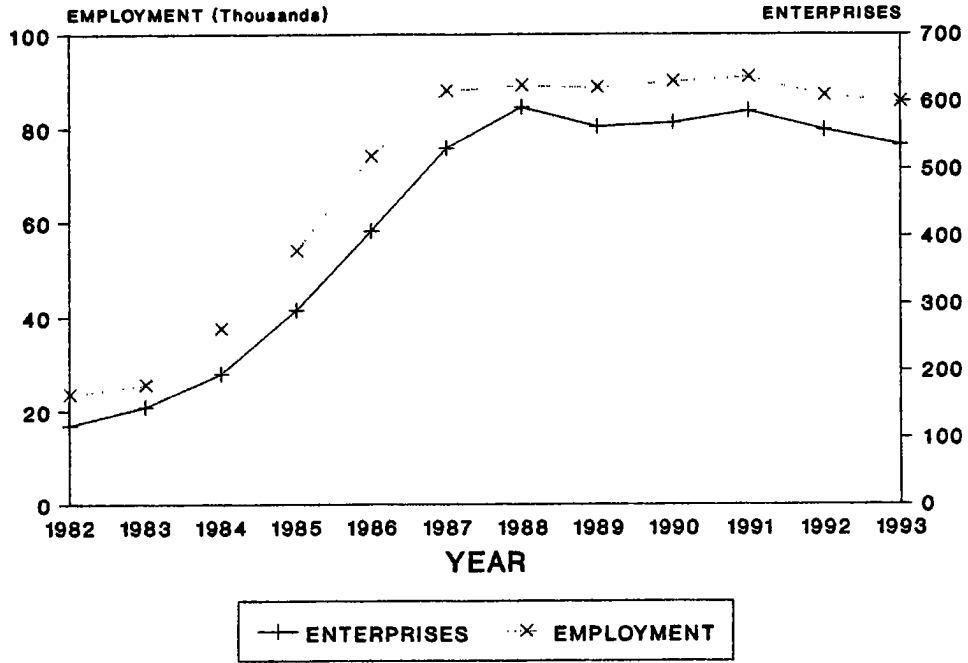


FIG I

EPZ EXPORTS & IMPORTS (1982-1993)

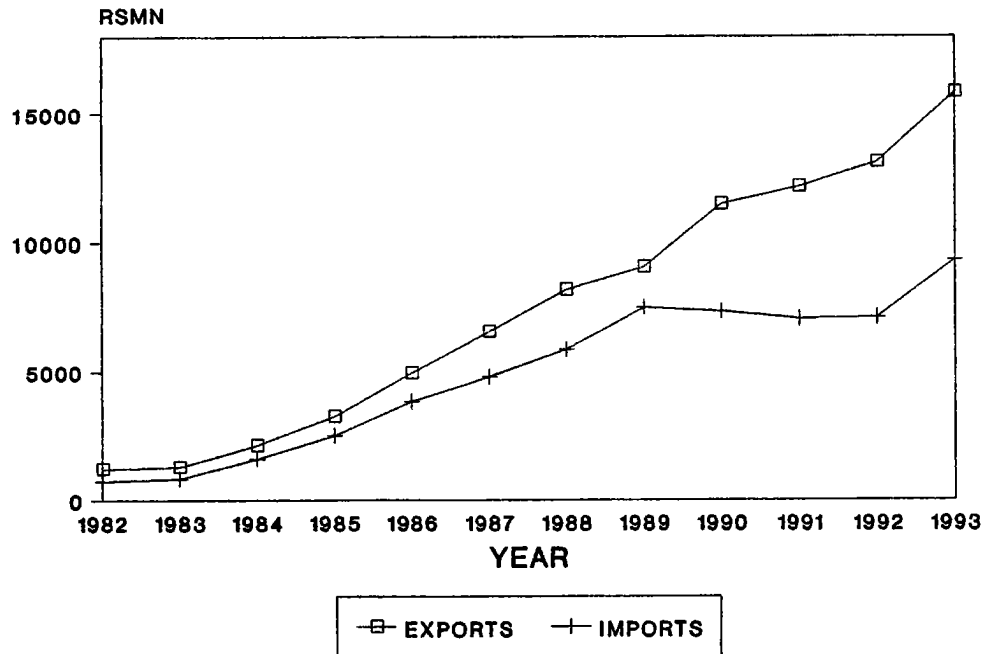


FIG II

PRODUCTIVITY IN THE EPZ, 1982 - 1993 (1982 = 100)

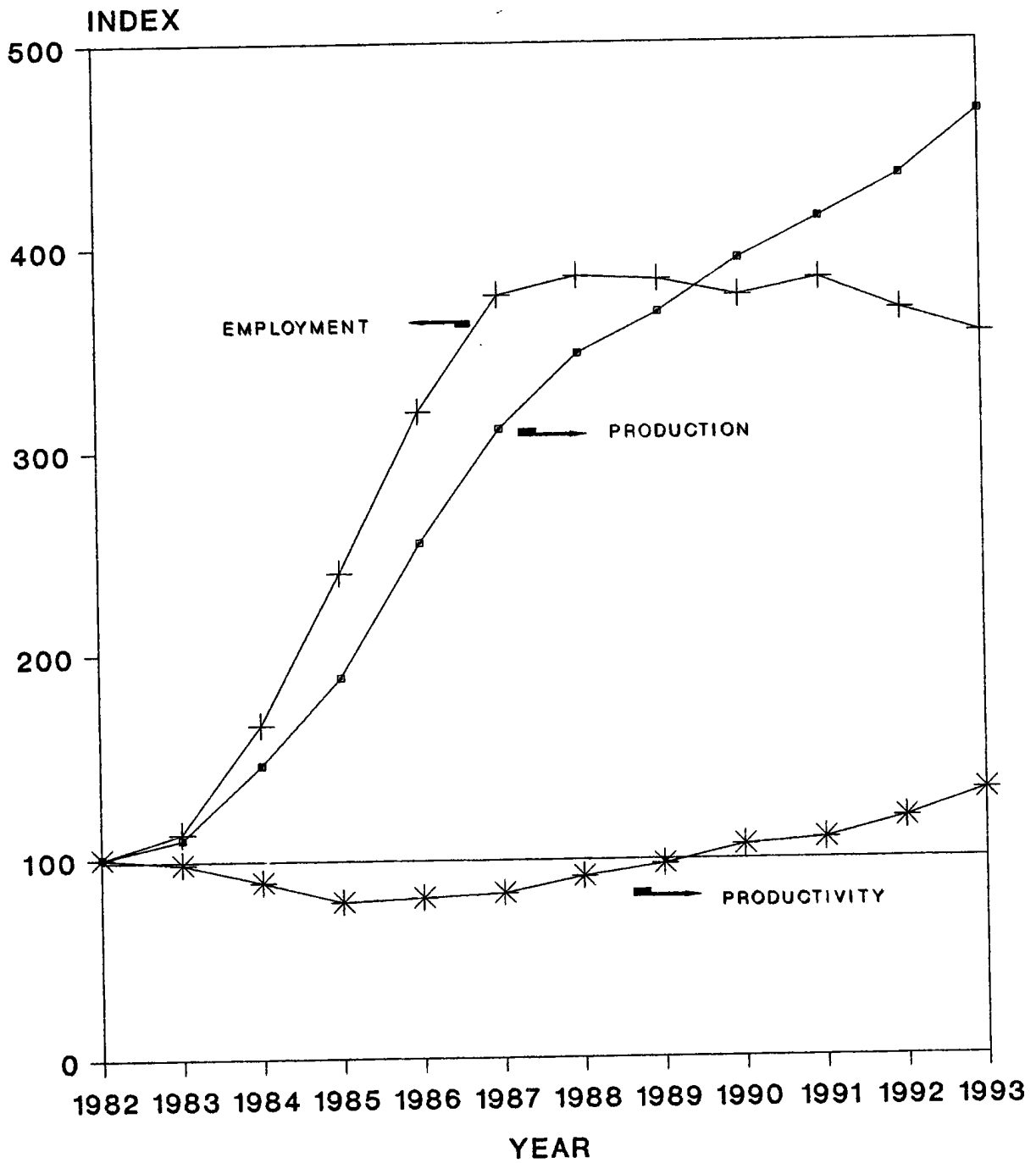


FIG III

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

Rs. Million

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992(1) | 1993 |
|--|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1. No of enterprises as at December | 146 | 195 | 290 | 408 | 531 | 591 | 563 | 568 | 586 | 558 | 536 |
| -New | 44 | 55 | 101 | 139 | 114 | 95 | 79 | 62 | 52 | 33 | 38 |
| -Closures | 17 | 6 | 6 | 21 | 18 | 35 | 107 | 57 | 34 | 61 | 60 |
| 2. Employment as at December | 25,526 | 37,522 | 53,951 | 74,015 | 87,905 | 89,080 | 88,658 | 89,906 | 90,861 | 86,937 | 85,621 |
| -Net change | +2,050 | +11,996 | +16,429 | +20,064 | +13,890 | +1,175 | -422 | +1,248 | +955 | -3,924 | -1,316 |
| -Growth rate (%) | +8.7 | +47.0 | +43.8 | +37.2 | +18.8 | +1.3 | -1.0 | +1.4 | +1.1 | -4.3 | -1.5 |
| 3. Exports (f.o.b) | 1,307 | 2,151 | 3,283 | 4,951 | 6,567 | 8,176 | 9,057 | 11,474 | 12,136 | 13,081 | 15,821 |
| 4. Imports (c.i.f) : | 847 | 1,651 | 2,530 | 3,863 | 4,801 | 5,890 | 7,502 | 7,348 | 7,067 | 7,133 | 9,326 |
| -Raw materials | (785) | (1,491) | (2,280) | (3,427) | (4,296) | (5,056) | (6,539) | (6,554) | (6,348) | (6,456) | (8,221) |
| -Machinery & spare parts | (62) | (160) | (250) | (436) | (505) | (834) | (963) | (794) | (719) | (677) | (1,105) |
| 5. Net Exports | 460 | 500 | 753 | 1,088 | 1,766 | 2,286 | 1,555 | 4,126 | 5,069 | 5,948 | 6,495 |
| 6. Net Exports to Exports (%) | 35 | 23 | 23 | 22 | 27 | 28 | 17 | 36 | 42 | 45 | 41 |
| 7. Value added at current prices | 548 | 865 | 1,333 | 1,860 | 2,585 | 3,125 | 3,450 | 3,975 | 4,400 | 5,000 | 5,800 |
| -Share in Manufacturing (%) | 32.7 | 39.6 | 46.5 | 48.6 | 53.4 | 55.5 | 54.2 | 53.3 | 53.2 | 53.3 | 52.4 |
| -Share in GDP (%) | 5.2 | 7.2 | 9.6 | 11.3 | 13.1 | 13.5 | 12.7 | 12.5 | 12.2 | 12.7 | 12.9 |
| 8. Value added at constant 1982 prices | 488 | 650 | 844 | 1,139 | 1,390 | 1,556 | 1,650 | 1,765 | 1,854 | 1,965 | 2,103 |
| -Growth rate (%) | +8.8 | +32.9 | +30.0 | +34.9 | +22.0 | +12.0 | +6.0 | +7.0 | +5.0 | +6.0 | +7.0 |
| 9. Productivity Index (1982 = 100) | 97 | 88 | 78 | 80 | 82 | 90 | 96 | 105 | 108 | 118 | 131 |
| 10. Investment | 74 | 210 | 340 | 560 | 655 | 870 | 900 | 690 | 630 | 560 | 900 |
| - Machinery | (64) | (165) | (260) | (450) | (530) | (730) | (840) | (640) | (610) | (540) | (875) |

(1) revised

Table 2:- EPZ employment December 1992 - December 1993

| Category of enterprise | No. of Enterprises | | | Employment* | | | | | | | | | | | |
|------------------------|--------------------|------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|--|
| | Enterprises | | | December 92 | | | September 93 | | | December 93 | | | | | |
| | Dec.92 | Sep.93 | Dec.93 | Male | Female | Total | Male | Female | Total | Male | Female | Total | | | |
| Large | 445 | 438 | 438 | 24,852 | 59,367 | 84,219 | 24,461 | 58,455 | 82,916 | 24,840 | 58,581 | 83,421 | | | |
| Small(<10) | 113 | 105 | 98 | 347 | 220 | 567 | 318 | 217 | 535 | 305 | 207 | 512 | | | |
| Outworkers | - | - | - | 48 | 2,103 | 2,151 | 47 | 1,756 | 1,803 | 35 | 1,653 | 1,688 | | | |
| TOTAL | 558 | 543 | 536 | 25,247 | 61,690 | 86,937 | 24,826 | 60,428 | 85,254 | 25,180 | 60,441 | 85,621 | | | |

* includes expatriates: No. as at -Dec.92: 1,996 (790 males, 1,206 females)

-Sep.93: 3,805 (1,156 males, 2,649 females)

-Dec.93: 4,095(1,257 males, 2,838 females)

Table 3:- Analysis of net change in employment, 4th quarter & Year 1993

| | Evolution 4th qr 1993 | | Evolution year 1993 | |
|--------------------------------------|-----------------------|---------------|---------------------|----------------|
| | Enterprises | Employment | Enterprises | Employment |
| A. Total employment creation: | | +3,501 | | +9,110 |
| Expansion in existing enterprises* | 23 | (+2,845) | 59 | (+7,223) |
| New enterprises | 7 | (+656) | 38 | (+1,887) |
| B. Total employment lost: | | -3,134 | | -10,426 |
| Reduction in existing enterprises* | 23 | (-2,496) | 58 | (-7,286) |
| Closures | 14 | (-638) | 60 | (-3,140) |
| C. Net change (A-B) | -7 | +367 | -22 | -1,316 |
| Male | | (354) | | (-67) |
| Female | | (13) | | (-1,249) |

* 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 1993 | |
|-------------------------------------|--------------------|------------|------------|-----------------|------------|
| | Dec. 92 | Sept 93 | Dec. 93 | 4th Quarter | Year |
| 1. Food | 13 | 10 | 10 | 0 | -3 |
| 2. Flowers | 51 | 50 | 50 | 0 | -1 |
| 3. Textile yarn and fabrics | 34 | 30 | 30 | 0 | -4 |
| 4. Wearing apparel : | 307 | 301 | 294 | -7 | -13 |
| Pullovers | (46) | (43) | (42) | (-1) | (-4) |
| Other garments | (261) | (258) | (252) | (-6) | (-9) |
| 5. Leather products and footwear | 11 | 10 | 10 | 0 | -1 |
| 6. Wood and paper products | 20 | 25 | 26 | 1 | 6 |
| 7. Optical goods | 6 | 7 | 7 | 0 | 1 |
| 8. Electronic watches and clocks | 6 | 5 | 5 | 0 | -1 |
| 9. Electric and electronic products | 14 | 12 | 11 | -1 | -3 |
| 10. Jewellery and related articles | 19 | 19 | 19 | 0 | 0 |
| 11. Toys and carnival articles | 7 | 7 | 7 | 0 | 0 |
| 12. Other | 70 | 67 | 67 | 0 | -3 |
| TOTAL | 558 | 543 | 536 | -7 | -22 |

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

| Product group | Employment | | | Net change 1993 | |
|-------------------------------------|---------------|---------------|---------------|-----------------|---------------|
| | Dec. 92 | Sept.93 | Dec. 93 | 4th Quarter | Year |
| 1. Food | 880 | 958 | 1,187 | 229 | 307 |
| 2. Flowers | 590 | 594 | 611 | 17 | 21 |
| 3. Textile yarn and fabrics | 4,258 | 3,308 | 3,374 | 66 | -884 |
| 4. Wearing apparel : | 73,643 | 73,033 | 73,023 | -10 | -620 |
| Pullovers | (26,657) | (24,353) | (23,316) | (-1,037) | (-3,341) |
| Other garments | (46,986) | (48,680) | (49,707) | (+1,027) | (+2,721) |
| 5. Leather products and footwear | 1,467 | 1,297 | 1,302 | 5 | -165 |
| 6. Wood and paper products | 534 | 514 | 488 | -26 | -46 |
| 7. Optical goods | 470 | 485 | 540 | 55 | 70 |
| 8. Electronic watches and clocks | 603 | 636 | 606 | -30 | 3 |
| 9. Electric and electronic products | 396 | 357 | 382 | 25 | -14 |
| 10. Jewellery and related articles | 1,312 | 1,271 | 1,264 | -7 | -48 |
| 11. Toys and carnival articles | 942 | 951 | 915 | -36 | -27 |
| 12. Other | 1,842 | 1,850 | 1,929 | 79 | 87 |
| TOTAL | 86,937 | 85,254 | 85,621 | 367 | -1,316 |

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

| Product group | December 1992 | | | | December 1993 | | | |
|-------------------------------------|-------------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|
| | No of Enterprises | Employment | | Total | No of Enterprises | Employment | | Total |
| | | Male | Female | | | Male | Female | |
| 1. Food | 13 | 311 | 569 | 880 | 10 | 458 | 729 | 1,187 |
| 2. Flowers | 51 | 294 | 296 | 590 | 50 | 306 | 305 | 611 |
| 3. Textile yarn and fabrics | 34 | 2,680 | 1,578 | 4,258 | 30 | 2,449 | 925 | 3,374 |
| 4. Wearing apparel : | 307 | 19,013 | 54,630 | 73,643 | 294 | 19,024 | 53,999 | 73,023 |
| Pullovers | (46) | (4,975) | 21,682 | (26,657) | (42) | (4,270) | (19,046) | (23,316) |
| Other garments | (261) | (14,038) | 32,948 | (46,986) | (252) | (14,754) | (34,953) | (49,707) |
| 5. Leather products and footwear | 11 | 330 | 1,137 | 1,467 | 10 | 291 | 1,011 | 1,302 |
| 6. Wood and paper products | 20 | 280 | 254 | 534 | 26 | 322 | 166 | 488 |
| 7. Optical goods | 6 | 264 | 206 | 470 | 7 | 293 | 247 | 540 |
| 8. Electronic watches and clocks | 6 | 170 | 433 | 603 | 5 | 154 | 452 | 606 |
| 9. Electric and electronic products | 14 | 201 | 195 | 396 | 11 | 156 | 226 | 382 |
| 10. Jewellery and related articles | 19 | 794 | 518 | 1,312 | 19 | 728 | 536 | 1,264 |
| 11. Toys and carnival articles | 7 | 81 | 861 | 942 | 7 | 97 | 818 | 915 |
| 12. Other | 70 | 829 | 1,013 | 1,842 | 67 | 902 | 1,027 | 1,929 |
| TOTAL | 558 | 25,247 | 61,690 | 86,937 | 536 | 25,180 | 60,441 | 85,621 |

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 | 4th Quarter |
| A. Total exports (f.o.b. value) | 12,136 | 13,081 | 15,821 | 2,699 | 3,340 | 3,540 | 3,502 | 2,815 | 4,180 | 4,566 | 4,260 |
| B. Total imports (c.i.f. value) | 7,067 | 7,133 | 9,326 | 1,745 | 1,971 | 1,730 | 1,687 | 2,109 | 2,386 | 2,423 | 2,408 |
| <i>- Raw Materials</i> | <i>(6,348)</i> | <i>(6,456)</i> | <i>(8,221)</i> | <i>(1,549)</i> | <i>(1,806)</i> | <i>(1,591)</i> | <i>(1,510)</i> | <i>(1,818)</i> | <i>(2,134)</i> | <i>(2,098)</i> | <i>(2,171)</i> |
| Net Exports (A - B) | 5,069 | 5,948 | 6,495 | 954 | 1,369 | 1,810 | 1,815 | 706 | 1,794 | 2,143 | 1,852 |
| Net Exports as % of Total Exports | 42 | 45 | 41 | 35 | 41 | 51 | 52 | 25 | 43 | 47 | 44 |

(1) revised