

The Export Processing Zone and Pioneer Status Enterprises, 1st Quarter 1996

Introduction

This issue of the "Economic Indicators" presents the results of the "Quarterly Survey of Employment" carried out at the end of March 1996. Figures are given separately for the Export Processing Zone and Pioneer Status Enterprises. The latter are "small and medium" enterprises engaged, mainly, in new technology as well as support and service industries. The report also includes provisional figures of EPZ imports and exports for the 1st quarter 1996 as well as revised figures for previous years.

I. The Export Processing Zone (EPZ)

(i) Number of enterprises

The number of EPZ enterprises at the end of the 1st quarter of 1996 stood at 480, one less than in the previous quarter.

During the 1st quarter 9 enterprises closed down and 8 new enterprises started operation. The "Wearing apparel" sector remained with 242 enterprises after 4 closures and the coming into operation of 4 new enterprises. The number of enterprises by product group is given in Table 1.5.

(ii) Employment evolution, 1st quarter 1996

Employment in the EPZ rose by 582 during the 1st quarter of 1996 to reach 81,048. The number of male employees increased by 588 from 23,906 to 24,494 whilst no significant change was noted among female employees who numbered 56,554 at the end of the quarter. Between December 1995 and March 1996, moderate increases were noted in "Wearing apparel" (+552) and in "Electric and electronic products" (+126). On the other hand, there was a decrease of 149 in the "Food sector". Details of net change in employment are shown in Table 1.6.

During the 1st quarter of 1996, a total of 4,573 jobs were created of which 578 by 8 new enterprises. On the other hand, 3,991 jobs were lost, 696 of which following the closure of 9 enterprises (Table 1.4).

Foreign workers, who numbered 6,097 at the beginning of the quarter, decreased by 52 to reach 6,045 at the end of March 1996 (1,829 males and 4,216 females). This decrease was the net result of a drop of 100 in the number of female workers and an increase of 48 among male workers.

(iii) Employment evolution, March 1995 - March 1996

During the one-year period ending March 1996, there was a net decrease of 10 in the number of enterprises and 2,112 in the workforce (of whom 911 among outworkers).

In the "Wearing apparel" sector employment went down by 2,307 from 69,117 to 66,810. Decreases were also registered in the following sectors: "Food" (-201), "Wood and paper products" (-66), "Leather products and footwear" (-41) and "Electric and electronic products" (-18). The other sectors witnessed increases ranging between 18 and 142 and totalled 521. Details of the changes by product group are given in Table 1.6.

(iv) Exports and Imports

EPZ Exports, for the 1st quarter of 1996, reached Rs 4,210 million and represent an absolute increase of over Rs 700 million when compared to the corresponding quarter of 1995 (Table 1.11). In nominal terms, the increase works out to 20% and is explained by a 12% increase in volume and 8% in price. Exports to France alone increased by Rs 301 million (Rs 1,231 million against Rs 930 million).

Imports, during the 1st quarter 1996, reached Rs 2,671 million compared to Rs 2,482 million for the same quarter of 1995. Raw materials amounted to Rs 2,393 million whilst imports of machinery and equipment represent an increase of 46% compared to the 1st quarter 1995 (Rs 278 million against Rs190 million)

Net exports, i.e exports minus imports, totalled Rs 1,539 million and the ratio to exports works out to 37% for the 1st quarter 1996 (Table 1.8).

On the basis of available figures for the 1st quarter of 1996 and taking into consideration past trends for the remaining three quarters, total exports for the year 1996 are expected at Rs 20,500 million.

II. The Pioneer Status Enterprises (PSE)

(i) Number of enterprises

Eight new enterprises started operation during the 1st quarter of 1996, bringing the total to 112 at the end of the quarter (Table 2.1). Among these enterprises 38 are considered as "large", i.e. as having 10 or more employees. The activities in which the enterprises are engaged are given in Table 2.2. It will be noted that "Electric and Electronic products", with the highest number of enterprises

(28), employed 205 persons whilst "Watches and clocks", with only two enterprises, employed 211 persons.

(ii) Employment

The total workforce in the PSE sector at the end of March 1996 was 1,448 (1,006 males and 442 females), an increase of around 100 over the previous quarter (Table 2.1). The "large" enterprises employed 1,117 compared to 1,066 at the end of December 1995.

During the 1st quarter 1996, a total of 178 jobs were created: 67 by the 8 new enterprises and 111 following expansion in 27 existing enterprises. On the other hand, 20 enterprises reported a total reduction of 75 in their workforce (Table 2.3).

The number of expatriates employed as at end of the 1st quarter 1996 stood at 56 (50 males and 6 females).

Central Statistical Office
Ministry of Economic Planning, Information and Telecommunications
PORT LOUIS
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Table 1.1:- EPZ Sector: Main economic indicators, 1985 - 1995

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u> ¹	<u>1995</u> ²
1. No of enterprises as at December	290	408	531	591	563	568	586	558	536	494	481
- New	101	139	114	95	79	62	52	33	38	27	25
- Closures	6	21	18	35	107	57	34	61	60	69	38
2. Employment as at December	53,951	74,015	87,905	89,080	88,658	89,906	90,861	86,937	85,621	82,176	80,466
- Net change	+16,429	+20,064	+13,890	+1,175	-422	+1,248	+955	-3,924	-1,316	-3,445	-1,710
- Growth rate (%)	+43.8	+37.2	+18.8	+1.3	-1.0	+1.4	+1.1	-4.3	-1.5	-4.0	-2.0
3. Exports (f.o.b, Rs Million)	3,283	4,951	6,567	8,176	9,057	11,474	12,136	13,081	15,821	16,545	18,267
4. Imports (c.i.f, Rs Million) :	2,530	3,863	4,801	5,890	7,502	7,348	7,067	7,133	9,326	10,125	10,856
- Raw materials	(2,280)	(3,427)	(4,296)	(5,056)	(6,539)	(6,554)	(6,348)	(6,456)	(8,221)	(9,016)	(9,869)
- Machinery & spare parts	(250)	(436)	(565)	(834)	(963)	(794)	(719)	(677)	(1,105)	(1,109)	(987)
5. Net Exports (Rs Million)	753	1,088	1,766	2,286	1,555	4,126	5,069	5,948	6,495	6,408	7,411
6. Net Exports to Exports (%)	22.9	22.0	26.9	28.0	17.2	36.0	41.8	45.5	41.1	38.7	40.6
7. Value added at current prices (Rs Million) ²	1,333	1,860	2,585	3,125	3,400	3,975	4,406	5,011	5,702	6,373	7,093
- Share in Manufacturing(%)	46.5	48.6	51.9	53.4	51.1	51.1	50.3	50.4	51.0	50.2	50.0
- Share in GDP(%)	9.6	11.3	13.1	13.5	12.7	12.5	12.2	11.8	11.9	11.5	12.0
8. Value added at constant '82 prices (Rs Million)	844	1,139	1,390	1,557	1,650	1,766	1,854	1,965	2,083	2,173	2,281
- Growth rate (%)	+30.0	+34.9	+22.0	+12.0	+6.0	+7.0	+5.0	+6.0	+6.0	+4.3	+5.0
9. Productivity Index (1982 = 100) ²	85	85	87	91	98	105	110	117	129	140	150
10. Investment (Rs Million)	340	560	655	870	900	690	648	560	900	900	800
- Machinery	(260)	(450)	(530)	(730)	(840)	(640)	(510)	(540)	(875)	(880)	(780)

¹ revised

² provisional

Table 1.2:- EPZ employment, March 1995 - March 1996

Category	No. of Enterprises			Employment ¹											
	Mar.95	Dec. 95	Mar.96	March 1995			December 1995			March 1996					
				Male	Female	Total	Male	Female	Total	Male	Female	Total			
Large	398	393	391	23,597	57,579	81,176	23,601	55,812	79,413	24,175	55,838	80,013			
Small (<10)	92	88	89	296	204	500	249	201	450	257	205	462			
Outworkers	-	-	-	86	1,398	1,484	56	547	603	62	511	573			
TOTAL	490	481	480	23,979	59,181	83,160	23,906	56,560	80,466	24,494	56,554	81,048			

¹ includes expatriates : No. as at
 - Mar.95 : 5,985 (1,666 males, 4,319 females)
 - Dec.95 : 6,097 (1,781 males, 4,316 females)
 - Mar.96 : 6,045 (1,829 males, 4,216 females)

Table 1.3 :- Employment by product group and sex : March 1995 - March 1996

Product group	March 1995			March 1996				
	No of Enterprises	Employment		No of Enterprises	Employment			
		Male	Female		Total	Male	Female	Total
1. Food	12	638	1,067	1,705	12	603	901	1,504
2. Flowers	49	312	316	628	48	365	314	679
3. Textile yarn and fabrics	33	2,672	1,137	3,809	32	2,678	1,199	3,877
4. Wearing apparel :	252	17,476	51,641	69,117	242	17,859	48,951	66,810
Pullovers	(31)	(3,766)	(16,687)	(20,453)	(32)	(3,447)	(15,003)	(18,450)
Other garments	(221)	(13,710)	(34,954)	(48,664)	(210)	(14,412)	(33,948)	(48,360)
5. Leather products and footwear	8	295	1,263	1,558	9	287	1,230	1,517
6. Wood and paper products	26	407	175	582	26	356	160	516
7. Optical goods	6	285	275	560	5	293	285	578
8. Electronic watches and clocks	4	138	506	644	3	162	464	626
9. Electric and electronic products	9	185	277	462	10	203	310	513
10. Jewellery and related articles	20	661	658	1,319	20	690	699	1,389
11. Toys and carnival articles	7	104	882	986	8	111	1,017	1,128
12. Other	64	806	984	1,790	65	887	1,024	1,911
TOTAL	490	23,979	59,181	83,160	480	24,494	56,554	81,048

Table 1.4 :- Analysis of net change in employment, 1st quarter 1996

		Net change March 96 - December 95	
		Enterprises	Employment
A. Total employment creation:		...	4,573
Expansion in existing enterprises ¹		34	3,995
New enterprises		8	578
B. Total employment lost:		...	3,991
Reduction in existing enterprises ¹		32	3,295
Closures		9	696
C. Net change (A-B)		-1	582
Male		...	588
Female		...	- 6

¹ No. of enterprises relates to those reporting expansion/reduction in their workforce by more than 25 while employment is total expansion/reduction.

Table 1.5: - Net change in number of enterprises by product group, March 1995 - March 1996

Product group	No. of enterprises			Net change	
	March 1995	December 1995	March 1996	Mar.96-Dec.95	Mar.96-Mar.95
1. Food	12	12	12	0	0
2. Flowers	49	48	48	0	-1
3. Textile yarn and fabrics	33	33	32	-1	-1
4. Wearing apparel :	252	242	242	0	-10
Pullovers	(31)	(32)	(32)	(0)	(1)
Other garments	(221)	(210)	(210)	(0)	(-11)
5. Leather products and footwear	8	9	9	0	1
6. Wood and paper products	26	26	26	0	0
7. Optical goods	6	6	5	-1	-1
8. Electronic watches and clocks	4	3	3	0	-1
9. Electric and electronic products	9	9	10	1	1
10. Jewellery and related articles	20	19	20	1	0
11. Toys and carnival articles	7	8	8	0	1
12. Other	64	66	65	-1	1
TOTAL	490	481	480	-1	-10

Table 1.6:- Net change in employment by product group, March 1995 - March 1996

Product group	Employment			Net change	
	March 1995	December 1995	March 1996	Mar.96-Dec.95	Mar.96-Mar.95
1. Food	1,705	1,653	1,504	-149	-201
2. Flowers	628	602	679	77	51
3. Textile yarn and fabrics	3,809	3,883	3,877	-6	68
4. Wearing apparel :	69,117	66,258	66,810	552	-2,307
Pullovers	(20,453)	(19,051)	(18,450)	(-601)	(-2,003)
Other garments	(48,664)	(47,207)	(48,360)	(1,153)	(-304)
5. Leather products and footwear	1,558	1,487	1,517	30	-41
6. Wood and paper products	582	571	516	-55	-66
7. Optical goods	560	571	578	7	18
8. Electronic watches and clocks	644	500	626	126	-18
9. Electric and electronic products	462	473	513	40	51
10. Jewellery and related articles	1,319	1,378	1,389	11	70
11. Toys and carnival articles	986	1,152	1,128	-24	142
12. Other	1,790	1,938	1,911	-27	121
TOTAL	83,160	80,466	81,048	582	-2,112

Table 1.7 :- New and Closures : 1995, 1996

Product group	Year 1995				1st Quarter 1996			
	New projects		Closures		New projects		Closures	
	Enterprises	Employment	Enterprises	Employment	Enterprises	Employment	Enterprises	Employment
1. Food	1	46	-	-	1	96	1	210
2. Flowers	1	19	2	20	-	-	-	-
3. Textile yarn and fabrics	2	66	1	8	-	-	1	16
4. Wearing apparel :	13	1,596	28	3,141	4	286	4	400
Pullovers	(2)	(189)	(3)	(326)	(1)	(172)	(1)	(177)
Other garments	(11)	(1,407)	(25)	(2,815)	(3)	(114)	(3)	(123)
5. Leather products and footwear	1	3	-	-	1	91	1	17
6. Wood and paper products	1	4	1	7	-	-	-	-
7. Optical goods	-	-	-	-	-	-	1	16
8. Electronic watches and clocks	-	-	1	73	-	-	-	-
9. Electric and electronic products	1	5	-	-	1	11	-	-
10. Jewellery and related articles	1	22	2	13	1	94	-	-
11. Toys and carnival articles	1	98	-	-	-	-	-	-
12. Other	3	122	3	44	-	-	1	37
TOTAL	25	1,981	38	3,306	8	578	9	696

Table 1.8 - Net EPZ exports, 1994 - 1996

Description	Year		1995				1996 ²
	1994 ¹	1995 ²	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr
A. Total exports (f.o.b)	16,533	18,267	3,498	4,843	4,950	4,976	4,210
B. Total imports (c.i.f)	10,125	10,856	2,482	2,676	2,887	2,811	2,671
- Raw Materials	(9,016)	(9,869)	(2,292)	(2,391)	(2,632)	(2,554)	(2,393)
- Machinery	(1,109)	(987)	(190)	(285)	(255)	(257)	(278)
Net Exports (A-B)	6,408	7,411	1,016	2,167	2,063	2,165	1,539
Net Exports as % of Total Exports	39	41	29	45	42	44	37

¹ Revised

² Provisional

Table 1.9 - EPZ exports by section/commodity, 1994 - 1996

Description	Year		1995				1996 ²
	1994 ¹	1995 ²	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr
Total exports	16,533	18,265	3,498	4,843	4,948	4,976	4,210
Food and live animals	826	993	218	255	295	225	228
of which:							
Fish & fish preparations	(514)	(640)	(128)	(170)	(191)	(151)	(164)
Crude mats, inedible exc., fuels	19	23	5	9	4	5	4
Chemicals	54	53	9	15	17	12	8
Manufactured goods classified chiefly by materials	1,281	1,657	351	406	423	477	465
of which:							
Text. yarn, fabrics, made up articles	(702)	(1,035)	(218)	(243)	(264)	(310)	(338)
Pearls & precious stones	(452)	(464)	(119)	(126)	(116)	(103)	(89)
Machinery and transport equipment	48	79	13	10	27	29	11
Miscellaneous manufactured articles	14,305	15,460	2,902	4,148	4,182	4,228	3,494
of which:							
Articles of apparel and clothing	(12,876)	(13,780)	(2,529)	(3,695)	(3,755)	(3,801)	(3,131)
Optical goods	(188)	(235)	(56)	(56)	(60)	(63)	(54)
Watches and clocks	(512)	(452)	(108)	(135)	(99)	(110)	(101)
Toys, games and sporting goods	(162)	(207)	(37)	(54)	(63)	(53)	(40)
Jewellery, golds. & silversmiths wares	(173)	(229)	(46)	(60)	(58)	(65)	(56)

¹ Revised

² Provisional

Table 1.10 - EPZ imports by section/commodity, 1994-1996

Description	Value (c.i.f.): Rupees Million						
	Year		1995				1996 ²
	1994 ¹	1995 ²	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.
Total imports	10,125	10,856	2,482	2,676	2,887	2,811	2,671
Food and live animals	268	368	82	38	106	142	93
Crude materials, inedible except fuels of which	548	750	173	160	223	194	263
Cotton	(175)	(347)	(50)	(70)	(113)	(114)	(153)
Synt. fibres suit. for spinning	(15)	(22)	(4)	(6)	(8)	(4)	(4)
Wool and other animal hair	(307)	(307)	(109)	(77)	(73)	(48)	(64)
Mineral fuels, lubricants and related products	3	25	6	4	1	14	1
Chemicals and related products, n.e.s	325	426	82	95	136	113	95
Manufactured goods classified chiefly by material of which	6,682	7,071	1,651	1,774	1,885	1,761	1,640
Leather	(115)	(160)	(38)	(44)	(45)	(33)	(39)
Textile yarn and fabrics	(5,754)	(5,984)	(1,399)	(1,499)	(1,608)	(1,478)	(1,365)
Pearls and precious stones	(456)	(470)	(124)	(128)	(102)	(116)	(96)
Machinery & transport equip.	1,109	987	190	285	255	257	278
Misc. manufactured goods of which	1,048	1,079	268	268	246	297	250
Optical goods, watches etc.	(400)	(398)	(102)	(102)	(81)	(113)	(93)
Other comm. and transactions	142	150	30	52	35	33	50

¹ Revised

² Provisional

Table 1.11 - EPZ exports by main countries of destination, 1994 - 1996 Value(f.o.b): Rupees Million

Country of Destination	Year		1995				1996 ²
	1994 ¹	1995 ²	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr
Total EPZ Exports	16,533	18,267	3,498	4,843	4,950	4,976	4,210
1. Preferential Tariff Countries	16,091	17,730	3,395	4,720	4,791	4,824	4,065
(a) European Union Countries	11,028	12,663	2,390	3,394	3,447	3,432	2,921
Belgium	452	435	99	117	114	105	98
France	4,652	5,208	930	1,451	1,323	1,504	1,231
Germany	1,342	1,445	253	430	396	366	272
Italy	908	1,015	252	252	209	302	303
Netherlands	435	491	82	149	137	123	143
Reunion	267	246	42	65	72	67	33
Spain	377	308	36	113	62	97	83
United Kingdom	2,541	3,412	680	800	1,081	851	737
Other countries	54	103	16	17	53	17	21
(b) Other Preferential Tariff Countries	5,063	5,067	1,005	1,326	1,344	1,392	1,144
Canada	162	246	43	83	51	69	53
Hong kong	165	152	27	29	34	62	44
Malagasy, Republic of	304	410	93	94	108	115	127
Singapore	31	31	5	11	8	7	8
South Africa, Republic of	30	59	12	24	5	18	33
Sweden	32	66	9	15	16	26	15
U.S.A.	4,198	3,860	774	1,012	1,050	1,024	799
Zimbabwe	77	106	17	27	36	26	28
Other countries	64	137	25	31	36	45	37
2. General Tariff Countries	442	537	103	123	159	152	145
Japan	51	98	26	20	24	28	30
Switzerland	261	322	62	80	89	91	73
Other countries	130	117	15	23	46	33	42

¹ Revised

² Provisional

Table 2.1:- Employment by size and sex: March 95 - March 96, Pioneer Status Enterprises

Employment size	No. of enterprises			Employment ¹								
	March 95	December 95	March 96	March 95			December 95			March 96		
				Male	Female	Total	Male	Female	Total	Male	Female	Total
25 and above	12	12	15	402	267	669	439	262	701	514	282	796
10 to < 25	18	27	23	191	75	266	263	102	365	250	71	321
less than 10	47	65	74	177	47	224	214	65	279	242	89	331
TOTAL	77	104	112	770	389	1,159	916	429	1,345	1,006	442	1,448

¹ includes expatriates: No. as at
 - Mar.95: 44 (41 males, 3 females)
 - Dec.95: 54 (48 males, 6 females)
 - Mar.96: 56 (50 males, 6 females)

Table 2.2 :- Employment by product group and sex: March 1995 - March 1996, Pioneer Status Enterprises

Product group	March 1995			March 1996				
	No. of enterprises	Employment		No. of enterprises	Employment			
		Male	Female		Total	Male	Female	Total
1. Watches and clocks	2	43	188	231	2	46	165	211
2. Informatics	10	118	49	167	17	145	65	210
3. Electric and Electronic products	16	88	29	117	28	141	64	205
4. Light engineering	16	193	35	228	17	202	19	221
5. Support to jewellery	4	20	19	39	4	19	22	41
6. Support to printing and publishing	7	40	34	74	9	119	58	177
7. Other support services	10	126	21	147	15	137	28	165
8. Plastic and rubber products	8	97	7	104	14	148	13	161
9. Other	4	45	7	52	6	49	8	57
TOTAL	77	770	389	1,159	112	1,006	442	1,448

Table 2.3 :- Analysis of net change in employment: 1st quarter 1996, Pioneer Status Enterprises

	Net change March 96 - December 95	
	Enterprises	Employment
A. Total employment creation :	...	178
Expansion in existing enterprises	27	111
New enterprises	8	67
B. Total employment lost :	...	75
Reduction in existing enterprises	20	75
Closures	0	0
C. Net change (A-B)	8	103
Male	...	90
Female	...	13

**Table 2.4: - Net change in number of enterprises by product group: March 95 - March 96,
Pioneer Status Enterprises**

Product group	No. of enterprises			Net change	
	March 95	December 95	March 96	Mar.96 - Mar. 95	Mar.96 - Dec. 95
1. Watches and clocks	2	2	2	0	0
2. Informatics	10	16	17	7	1
3. Electric and electronic products	16	26	28	12	2
4. Light engineering	16	17	17	1	0
5. Support to jewellery	4	4	4	0	0
6. Support to printing and publishing	7	7	9	2	2
7. Other support services	10	15	15	5	0
8. Plastic and rubber products	8	12	14	6	2
9. Other	4	5	6	2	1
TOTAL	77	104	112	35	8

**Table 2.5:- Net change in employment by product group: March 95 - March 96,
Pioneer Status Enterprises**

Product group	Employment			Net change	
	March 95	December 95	March 96	Mar.96 - Mar.95	Mar.96 - Dec.95
1. Watches and clocks	231	221	211	-20	- 10
2. Informatics	167	216	210	43	- 6
3. Electric and electronic products	117	193	205	88	12
4. Light engineering	228	230	221	-7	- 9
5. Support to jewellery	39	41	41	2	0
6. Support to printing and publishing	74	87	177	103	90
7. Other support services	147	171	165	18	- 6
8. Plastic and rubber products	104	134	161	57	27
9. Other	52	52	57	5	5
TOTAL	1,159	1,345	1,448	289	103