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- 1 ⇨ **THE EXPORT PROCESSING ZONE AND PIONEER
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2nd Quarter 1998**

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MINISTRY OF ECONOMIC DEVELOPMENT AND REGIONAL CO-OPERATION
PORT LOUIS
MAURITIUS

The Export Processing Zone and Pioneer Status Enterprises

2nd Quarter 1998

Introduction

This issue of the "Economic and Social Indicators" presents the results of the "Quarterly Survey of Employment" carried out at the end of June 1998 in the Export Processing Zone and among the Pioneer Status Enterprises. The latter are "small and medium" enterprises engaged, mainly, in activities involving the application of high technology.

I. The Export Processing Zone (EPZ)

(i) Number of enterprises

The number of EPZ enterprises at the end of the 2nd quarter of 1998 remained at the same level as at the end of the previous quarter, i.e., and 485. Compared to the same quarter a year ago, this represents an increase of 7 enterprises.

During the 2nd quarter, 8 enterprises closed down and 8 new enterprises started operation. In "Wearing apparel", the most important group in the EPZ, the coming into operation of 3 new enterprises was offset by 3 closures. The distribution of enterprises by product group is given in Table 1.6.

(ii) Employment evolution, 2nd quarter 1998

At the end of June 1998, employment in the EPZ stood at 87,057 showing an increase of 988 over the previous quarter figure of 86,069. The number of female employees went up by 447 to 59,294 whilst male employment increased by 541 to 27,763.

As shown in Table 1.5, during the 2nd quarter of 1998, a total of 2,827 jobs were created mainly through expansion in 24 existing enterprises. The number of jobs created by the 8 new enterprises was only 131. On the other hand, 1,839 jobs were lost: 1,327 through reduction in 12 existing enterprises and 512 following the closure of 8 enterprises.

Foreign workers, who numbered 9,126 at the beginning of the quarter, rose by 602 to reach 9,728 at the end of June 1998. Among males, employment went up by 235 whilst among females, there was an increase of 367.

"Wearing apparel", the product group with the highest employment witnessed an increase of 798 bringing the number of employees to 72,542. Within the group, "Other garments" increased by 1,020 whilst employment in "Pullovers and other knitted garments" fell by 222. Details of net change in employment by product group are shown in Table 1.7.

(iii) Employment evolution, June 1997 - June 1998

Comparison of June 1997 and June 1998 figures shows a net gain of 7 in the number of enterprises and 5,142 in the EPZ workforce.

Employment in "Wearing apparel", rose by 7.2% or 4,842. Other changes were registered in the following groups: "Textile yarn and fabrics" (+511), "Food" (-178) and "Leather products and footwear" (-218). Additional details on changes in employment by product group are given in Table 1.7.

II. The Pioneer Status Enterprises (PSE)

(i) Number of enterprises

During the 2nd quarter of 1998, 14 new enterprises started operation whilst 2 enterprises closed bringing the total number of PSEs to 176. Among these enterprises 60 had 10 or more employees. The activities in which the enterprises were engaged are given in Table 2.2. The highest number of enterprises were in "Informatics" (35) followed by "Electric and Electronic products" (30).

(ii) Employment

The total workforce in the PSE sector at the end of June 1998 was 2,428 (1,479 males and 949 females), an increase of 124 over the previous quarter (Table 2.1). Those having 10 or more workers employed 1,943 compared to 1,837 at the end of March 1998.

During the 2nd quarter 1998, a total of 165 jobs were created: 63 by the 14 new enterprises and 102 following expansion in 31 existing enterprises. On the other hand, 17 enterprises reported a reduction of 28 and job losses due to the 2 closures numbered 13 (Table 2.4).

The number of expatriates employed as at end of the 2nd quarter 1998 stood at 83 (71 males and 12 females). Expatriate employment by product group and sex is given in Table 2.3.

Table 1.1:- Main economic indicators: 1987 - 1997, EPZ Sector

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996 ¹	1997 ²
1. No of enterprises as at December	531	591	563	568	586	558	536	494	481	481	480
- New	141	95	79	62	52	33	38	27	25	43	26
- Closures	18	35	107	57	34	61	60	69	38	43	27
2. Employment as at December	87,905	89,080	88,658	89,906	90,861	86,937	85,621	82,176	80,466	79,793	83,391
- Net change	+13,890	+1,175	-422	+1,248	+955	-3,924	-1,316	-3,445	-1,710	-673	+3,598
- Growth rate (%)	+18.8	+1.3	-0.5	+1.4	+1.1	-4.3	-1.5	-4.0	-2.1	-0.8	+4.5
3. Exports (f.o.b, Rs Million)	6,567	8,176	9,057	11,474	12,136	13,081	15,821	16,533	18,267	21,000	23,049
4. Imports (c.i.f, Rs Million) :	4,801	5,890	7,502	7,348	7,067	7,133	9,326	10,125	10,856	12,077	13,880
- Raw materials	(4,296)	(5,056)	(6,539)	(6,554)	(6,348)	(6,456)	(8,221)	(9,016)	(9,869)	(10,960)	(12,442)
- Machinery & spare parts	(505)	(834)	(963)	(794)	(719)	(677)	(1105)	(1,109)	(987)	(1,117)	(1,438)
5. Net Exports (Rs Million)	1,766	2,286	1,555	4,126	5,069	5,948	6,495	6,408	7,411	8,893	9,160
6. Net Exports to Exports (%)	26.9	28.0	17.2	36.0	41.8	45.5	41.1	38.8	40.6	42.3	39.7
7. Value added at current prices (Rs Million)	2,585	3,125	3,400	3,975	4,406	5,011	5,702	6,373	7,097	8,163	9,172
- Share in Manufacturing(%)	51.9	53.4	51.1	51.1	50.3	50.4	51.0	50.2	49.6	49.5	50.1
- Share in GDP(%)	13.1	13.5	12.7	12.5	12.2	11.8	11.9	11.7	11.7	12.0	12.2
8. Value added at constant '82 prices (Rs Million)	1,390	1,557	1,650	1,766	1,854	1,965	2,083	2,173	2,281	2,441	2,587
- Growth rate (%)	+22.0	+12.0	+6.0	+7.0	+5.0	+6.0	+6.0	+4.3	+5.0	+7.0	+6.0
9. Labour productivity Index* (1982 = 100)	87	91	98	105	110	117	129	140	149	160	165
10. Investment (Rs Million)	655	870	900	690	648	560	900	900	815	930	1,245
- Machinery	(530)	(730)	(840)	(640)	(610)	(540)	(875)	(880)	(805)	(915)	(1200)

¹ revised

² provisional

* for enterprises with 10 or more employees

Table 1.2:- Employment by size and sex: June 1997 - March 1998 - June 1998, EPZ Sector

Category	Enterprise			Employment ¹								
	Number as at			June 97			March 98			June 98		
	June 97	March 98	June 98	Male	Female	Total	Male	Female	Total	Male	Female	Total
Enterprises with 10 or more employees	379	390	390	25,068	55,421	80,489	26,881	57,902	84,783	27,403	58,286	85,689
Enterprises with less than 10 employees	99	95	95	298	196	494	279	207	486	295	199	494
Outworkers	-	-	-	74	858	932	62	738	800	65	809	874
T O T A L	478	485	485	25,440	56,475	81,915	27,222	58,847	86,069	27,763	59,294	87,057

¹ includes expatriates: No. as at June 97 : 7,700 (2,418 males, 5,282 females)

March 98 : 9,126 (2,835 males, 6,291 females)

June 98 : 9,728 (3,070 males, 6,658 females)

Table 1.3:- Employment by product group and sex: June 1997 - June 1998, EPZ Sector

Product group	June 1997			June 1998				
	No of Enterprises	Employment		No of Enterprises	Employment			
		Male	Female		Total	Male	Female	Total
1. Food	12	706	1,004	1,710	13	617	915	1,532
2. Flowers	45	251	296	547	43	244	281	525
3. Textile yarn and fabrics	34	2,869	951	3,820	33	3,324	1,007	4,331
4. Wearing apparel :	231	18,370	49,330	67,700	234	20,382	52,160	72,542
Pullovers	(28)	(3,371)	(15,106)	(18,477)	(30)	(3,563)	(15,073)	(18,636)
Other garments	(203)	(14,999)	(34,224)	(49,223)	(204)	(16,719)	(37,087)	(53,806)
5. Leather products and footwear	10	283	1,053	1,336	9	236	882	1,118
6. Wood and paper products	29	433	169	602	31	480	176	656
7. Optical goods	5	267	215	482	6	243	225	468
8. Electronic watches and clocks	3	161	298	459	3	154	300	454
9. Electric and electronic products	10	233	329	562	11	238	369	607
10. Jewellery and related articles	20	734	851	1,585	22	670	950	1,620
11. Toys and carnival articles	7	108	1,003	1,111	7	87	1,046	1,133
12. Other	72	1,025	976	2,001	73	1,088	983	2,071
TOTAL	478	25,440	56,475	81,915	485	27,763	59,294	87,057

Table 1.4 :- Expatriate employment by product group and sex: June 1997 - June 1998, EPZ Sector

Product group	June 97			June 98		
	Employment			Employment		
	Male	Female	Total	Male	Female	Total
1. Food	102	145	247	121	149	270
2. Flowers	0	0	0	0	0	0
3. Textile yarn and fabrics	267	194	461	286	216	502
4. Wearing apparel :	1,966	4,934	6,900	2,558	6,280	8,838
Pullovers	(70)	(802)	(872)	(119)	(954)	(1,073)
Other garments	(1,896)	(4,132)	(6,028)	(2,439)	(5,326)	(7,765)
5. Leather products and footwear	10	3	13	7	5	12
6. Wood and paper products	9	1	10	8	0	8
7. Optical goods	3	0	3	2	0	2
8. Electronic watches and clocks	1	0	1	3	1	4
9. Electric and electronic products	5	0	5	11	2	13
10. Jewellery and related articles	22	2	24	36	0	36
11. Toys and carnival articles	1	2	3	1	1	2
12. Other	32	1	33	37	4	41
TOTAL	2,418	5,282	7,700	3,070	6,658	9,728

Table 1.5:- Analysis of net change in employment - 2nd quarter 1998, EPZ Sector

	Net change from March 98 to June 98	
	Enterprises	Employment
A. Total employment creation :		
Expansion in existing enterprises ¹	...	2,827
New enterprises	24	2,696
	8	131
B. Total employment lost :		
Reduction in existing enterprises ¹	...	1,839
Closures	12	1,327
	8	512
C. Net change (A-B)		
Male	...	988
Female	...	541
	...	447

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

Table 1.6: - Net change in number of enterprises by product group: June 1997 - June 1998, EPZ Sector

Product group	No. of enterprises			Net change from	
	June 97	March 98	June 98	March 98 to June 98	June 97 to June 98
1. Food	12	12	13	1	1
2. Flowers	45	43	43	0	-2
3. Textile yarn and fabrics	34	34	33	-1	-1
4. Wearing apparel :	231	234	234	0	3
Pullovers	(28)	(29)	(30)	(1)	(2)
Other garments	(203)	(205)	(204)	(-1)	(1)
5. Leather products and footwear	10	10	9	-1	-1
6. Wood and paper products	29	30	31	1	2
7. Optical goods	5	6	6	0	1
8. Electronic watches and clocks	3	3	3	0	0
9. Electric and electronic products	10	10	11	1	1
10. Jewellery and related articles	20	21	22	1	2
11. Toys and carnival articles	7	7	7	0	0
12. Other	72	75	73	-2	1
TOTAL	478	485	485	0	7

Table 1.7:- Net change in employment by product group: June 1997 - June 1998, EPZ Sector

Product group	Employment			Net change from	
	June 97	March 98	June 98	March 98 to June 98	June 97 to June 98
1. Food	1,710	1,539	1,532	-7	-178
2. Flowers	547	547	525	-22	-22
3. Textile yarn and fabrics	3,820	4,209	4,331	122	511
4. Wearing apparel :	67,700	71,744	72,542	798	4,842
Pullovers	(18,477)	(18,858)	(18,636)	(-222)	(159)
Other garments	(49,223)	(52,886)	(53,906)	(1,020)	(4,683)
5. Leather products and footwear	1,336	1,169	1,118	-51	-218
6. Wood and paper products	602	636	656	20	54
7. Optical goods	482	482	468	-14	-14
8. Electronic watches and clocks	459	395	454	59	-5
9. Electric and electronic products	562	582	607	25	45
10. Jewellery and related articles	1,585	1,581	1,620	39	35
11. Toys and carnival articles	1,111	1,131	1,133	2	22
12. Other	2,001	2,054	2,071	17	70
TOTAL	81,915	86,069	87,057	988	5,142

Table 1.8:- New and Closures - 1st and 2nd Quarter 1998, EPZ Sector

Product group	1st Quarter 1998				2nd Quarter 1998			
	New projects		Closures		New projects		Closures	
	Enterprise	Employment	Enterprise	Employment	Enterprise	Employment	Enterprise	Employment
1. Food	1	5	1	11	1	34	0	0
2. Flowers	0	0	0	0	0	0	0	0
3. Textile yarn and fabrics	2	90	1	38	0	0	1	13
4. Wearing apparel :								
Pullovers	4	539	6	422	3	33	3	440
Other garments	(1)	(316)	(0)	(0)	(1)	(3)	(0)	(0)
	(3)	(223)	(6)	(422)	(2)	(30)	(3)	(440)
5. Leather products and footwear	0	0	0	0	0	0	1	5
6. Wood and paper products	1	18	1	9	1	12	0	0
7. Optical goods	0	0	0	0	0	0	0	0
8. Electronic watches and clocks	1	9	0	0	0	0	0	0
9. Electric and electronic products	0	0	0	0	1	9	0	0
10. Jewellery and related articles	0	0	0	0	1	3	0	0
11. Toys and carnival articles	0	0	0	0	0	0	0	0
12. Other	7	66	2	7	1	40	3	54
TOTAL	16	727	11	487	8	131	8	512

Table 2.1:- Employment by size and sex: June 97 - March 98 - June 98, Pioneer Status Enterprises

Employment size	No. of enterprises			Employment ¹								
				June 97			March 98			June 98		
	June 97	March 98	June 98	Male	Female	Total	Male	Female	Total	Male	Female	Total
25 and above	21	19	20	650	640	1,290	673	658	1,331	698	684	1,382
10 to < 25	30	36	40	310	105	415	366	140	506	415	146	561
less than 10	96	109	116	287	110	397	344	123	467	366	119	485
T O T A L	147	164	176	1,247	855	2,102	1,383	921	2,304	1,479	949	2,428

¹ includes expatriates: No. as at

- June 97: 67 (56 males, 11 females)

- Mar. 98: 72 (61 males, 11 females)

- June 98: 83 (71 males, 12 females)

Table 2.2:- Employment by product group and sex: June 1997 - June 1998, Pioneer Status Enterprises

Product group	June 1997			June 1998				
	No of enterprises	Employment		No. of enterprises	Employment			
		Male	Female		Total	Male	Female	Total
1. Watches and clocks	2	32	171	203	2	33	209	242
2. Informatics	29	267	408	675	35	309	427	736
3. Electric and Electronic products	30	169	76	245	30	196	80	276
4. Light engineering	24	241	30	271	27	253	28	281
5. Support to jewellery	3	16	26	42	4	15	25	40
6. Support to printing and publishing	10	134	65	199	12	145	68	213
7. Other support services	20	132	43	175	27	145	48	193
8. Plastic and rubber products	17	199	21	220	19	235	25	260
9. Other	12	57	15	72	20	148	39	187
TOTAL	147	1,247	855	2,102	176	1,479	949	2,428

Table 2.3 :- Expatriate employment by product group and sex: June 1997 - June 1998, Pioneer Status Enterprises

Product group	June 1997			June 1998		
	Employment			Employment		
	Male	Female	Total	Male	Female	Total
1. Watches and clocks	1	0	1	0	0	0
2. Informatics	19	5	24	26	7	33
3. Electric and Electronic products	6	1	7	5	0	5
4. Light engineering	12	0	12	13	0	13
5. Support to jewellery	0	0	0	1	0	1
6. Support to printing and publishing	5	2	7	6	2	8
7. Other support services	7	2	9	8	2	10
8. Plastic and rubber products	4	0	4	6	0	6
9. Other	2	1	3	6	1	7
TOTAL	56	11	67	71	12	83

Table 2.4:- Analysis of net change in employment - 2nd quarter 1998, Pioneer Status Enterprises

	Net change from March 98 to June 98	
	Enterprises	Employment
A. Total employment creation :	...	165
Expansion in existing enterprises	31	102
New enterprises	14	63
B. Total employment lost :	...	41
Reduction in existing enterprises	17	28
Closures	2	13
C. Net change (A-B)	...	124
Male	...	86
Female	...	28

Table 2.5:- Net change in number of enterprises by product group: June 1997 - June 1998, Pioneer Status Enterprises

Product group	No. of enterprises			Net change from	
	June 97	March 98	June 98	March 98 to June 98	June 97 to June 98
1. Watches and clocks	2	2	2	0	0
2. Informatics	29	31	35	4	6
3. Electric and electronic products	30	29	30	1	0
4. Light engineering	24	26	27	1	3
5. Support to jewellery	3	4	4	0	1
6. Support to printing and publishing	10	10	12	2	2
7. Other support services	20	24	27	3	7
8. Plastic and rubber product	17	19	19	0	2
9. Other	12	19	20	1	8
TOTAL	147	164	176	12	29

Table 2.6:- Net change in employment by product group: June 1997 - June 1998, Pioneer Status Enterprises

Product group	Employment			Net change from	
	June 97	March 98	June 98	March 98 to June 98	June 97 to June 98
1. Watches and clocks	203	235	242	7	39
2. Informatics	675	702	736	34	61
3. Electronic and electronic products	245	258	276	18	31
4. Light engineering	271	273	281	8	10
5. Support to jewellery	42	44	40	-4	-2
6. Support to printing and publishing	199	198	213	15	14
7. Other support services	175	185	193	8	18
8. Plastic and rubber products	220	255	260	5	40
9. Other	72	154	187	33	115
TOTAL	2,102	2,304	2,428	124	326