

## Productivity and Competitiveness Indicators (1994 – 2004)

### Introduction

Following requests for more frequent updates, productivity and competitiveness indices will as from this year be published twice a year, namely in May and November. This issue of the Economic and Social Indicator presents separate series of comparable indices for the total economy, the manufacturing sector and the Export Processing Zone (EPZ). Indices have been calculated using year 2000 as base. The figures for 1994 to 2001 are final. Those for 2002 and 2003 have been revised while figures for 2004 are provisional; these are subject to revision in subsequent issues.

Tables 1.1 to 1.4 present indices for the total economy, tables 2.1 to 2.5 for the manufacturing sector and tables 3.1 to 3.6 for the EPZ and its sub-sectors (textile and non-textile). A description of concepts, definitions and the methodology adopted are given in the technical notes.

### 2. Indicators for the total economy

The table below presents the growth rates of the productivity, unit labour cost and other competitiveness related indices for the total economy.

Indicator		Growth rate (%)		
		Average annual	2003	2004
		1994-2004		
1	Output (GDP at basic prices)	5.1	4.6	4.2
2	GDP at market prices	5.6	4.5	4.2
3	GDP per capita (market prices)	4.5	3.4	3.2
4	Labour input	0.9	0.7	0.7
5	Capital input	5.5	4.8	5.8
6	Capital - Output ratio	0.4	0.1	1.5
7	Capital - Labour ratio	4.6	4.0	5.0
8	Labour productivity	4.2	3.9	3.5
9	Capital productivity	-0.4	-0.1	-1.5
10	Multifactor productivity	0.8	1.0	-0.6
11	Average compensation	8.2	9.3	8.4
12	Unit Labour Cost (Mauritian Rupees)	3.9	5.3	4.7
13	Unit Labour Cost (US Dollars)	-0.5	11.1	7.1

#### 2.1 Gross Domestic Product (output)

Output, as measured by the Gross Domestic Product (GDP), is the total value of goods and services produced within a country in a given year. Between 1994 and 2004, GDP in real terms

grew on average by 5.1% per annum. After a growth of 4.6% in 2003, it witnessed a lower growth of 4.2% in 2004.

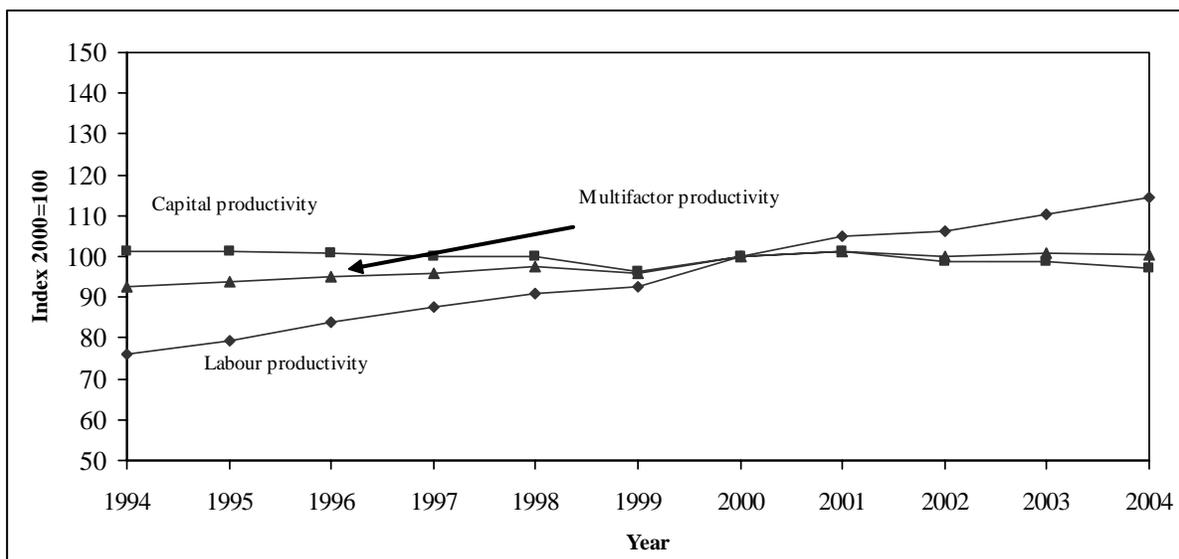
The GDP per capita at market prices is used as an indicator for measuring the standard of living of the population. With an annual increase of 1.1% in population and 5.6% in GDP at market prices during the period 1994 – 2004, GDP per capita grew by 4.5% per annum.

## 2.2 Labour and capital inputs

During the period 1994 – 2004, whilst GDP at basic prices increased by 5.1% per annum, the two main inputs required for production, namely labour and capital grew by 0.9% and 5.5% respectively. The capital - labour ratio which gives the proportion of stock of fixed capital to labour inputs increased by 4.6%, showing that capital deepening is taking place. (Table 1.1)

## 2.3 Productivity trends

**Chart 1 : Trends in productivity indices – Total economy, 1994-2004**



### 2.3.1 Labour productivity

The labour productivity, as defined by GDP per worker, has been improving over the years from 76.0 in 1994 to 114.4 in 2004. The annual increase during that period works out to 4.2%.

In 2004, labour productivity grew at a lower rate of 3.5% compared to 3.9% in 2003. This is the result of a lower GDP growth of 4.2% in 2004 as opposed to 4.6% in 2003, and a similar growth of 0.7% in labour input for both years. (Table 1.2)

### 2.3.2 Capital productivity

From 1994 to 2004, the capital productivity, defined as the rate of change in output per unit of capital declined at an annual rate of 0.4% from 101.2 in 1994 to 97.1 in 2004. In 2004, the index witnessed a fall of 1.5% due to a lower growth of 4.2% in GDP compared to a growth of 5.8% in capital input. In 2003, capital productivity declined at a lower rate of 0.1%. (Table 1.2)

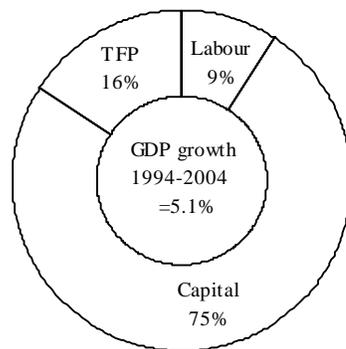
### 2.3.3 Multifactor productivity (MFP)

MFP reflects many influences in addition to labour and capital inputs and includes qualitative factors such as better management and improved quality of inputs through training and technology. The MFP index shows the rate of change in “productive efficiency”. During the period under study, the annual growth of MFP works out to 0.8%. In 2004, MFP witnessed a fall of 0.6% against a rise of 1.0% in 2003. (Table 1.2)

### 2.4 Growth accounting

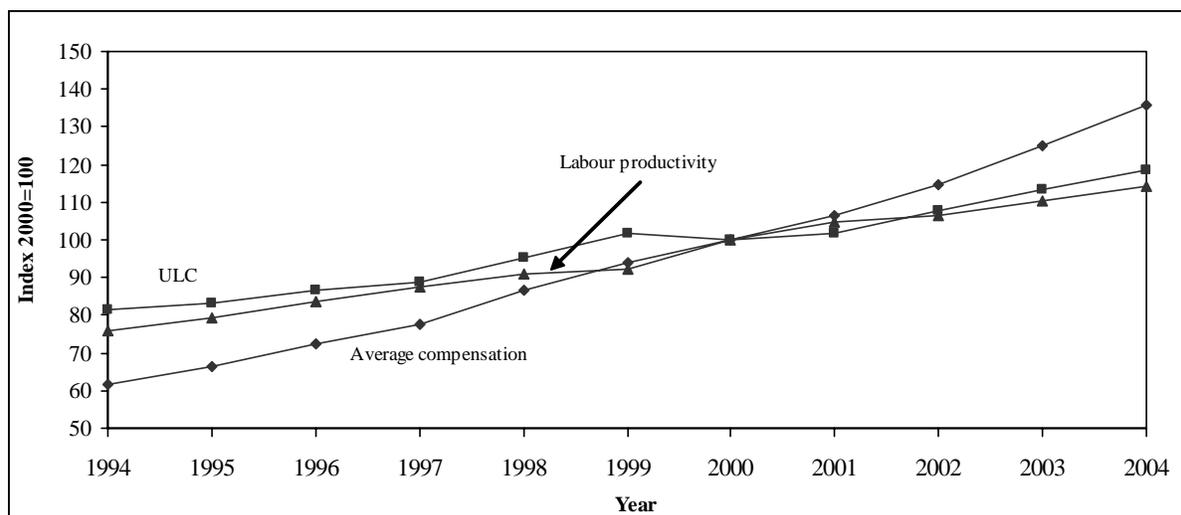
The contribution of different factors to economic growth is determined by the growth accounting technique. During the period 1994 – 2004, the contribution of labour to the 5.1% growth in GDP works out to 9% and that of capital to 75%. The remaining 16% represents the contribution of ‘Total Factor Productivity’ (TFP), which includes qualitative factors such as training, management and technology.

**Chart 2: Contribution of labour, capital and TFP to GDP growth, 1994 – 2004**



### 2.5 Unit Labour Cost (ULC)

**Chart 3 : Trends in Unit Labour Cost - Total economy, 1994 – 2004**



ULC is affected by changes in both average compensation and labour productivity. Between 1994 and 2004, average compensation increased by 8.2% whilst labour productivity grew by 4.2% annually. The higher growth in average compensation compared to that of labour productivity resulted in an annual growth of 3.9% in ULC, that is, the remuneration of labour per unit of output. (Table 1.3)

To compare changes in competitiveness across economies, the impact of exchange rate fluctuations have to be taken into account. When a national currency appreciates against the US Dollar, more Dollars are paid in exchange for each national currency unit. On the other hand, when a national currency depreciates against the US Dollar, less Dollars are paid in exchange for each national currency unit. During the period under study, ULC in Mauritian Rupees grew annually by 3.9%. However, in Dollar terms, it declined by 0.5%, a result of an annual depreciation of 4.4% of the Mauritian Rupee vis-à-vis the US Dollar. It is to be noted that, following the appreciation of the Rupee since 2003, ULC in Dollar terms registered positive growths of 11.1% and 7.1% in 2003 and 2004 respectively. (Table 1.4)

### 3. Indicators for the Manufacturing sector

The table given below summarises the main indicators for the Manufacturing sector.

Indicator		Growth rate (%)		
		Average annual	2003	2004
		1994-2004		
1	Output (GDP at basic prices)	3.6	0.0	0.3
2	Labour input	-0.7	-4.5	-3.9
3	Capital input	3.8	1.3	10.8
4	Capital - Output ratio	0.2	1.3	10.5
5	Capital - Labour ratio	4.5	6.1	15.4
6	Labour productivity	4.3	4.6	4.5
7	Capital productivity	-0.1	-1.4	-9.4
8	Multifactor productivity	1.4	0.5	-5.9
9	Average compensation	8.1	8.0	6.3
10	Unit Labour Cost (Mauritian Rupees)	3.6	3.2	1.8
11	Unit Labour Cost (US Dollars)	-0.7	9.0	4.1

#### 3.1 Output and inputs

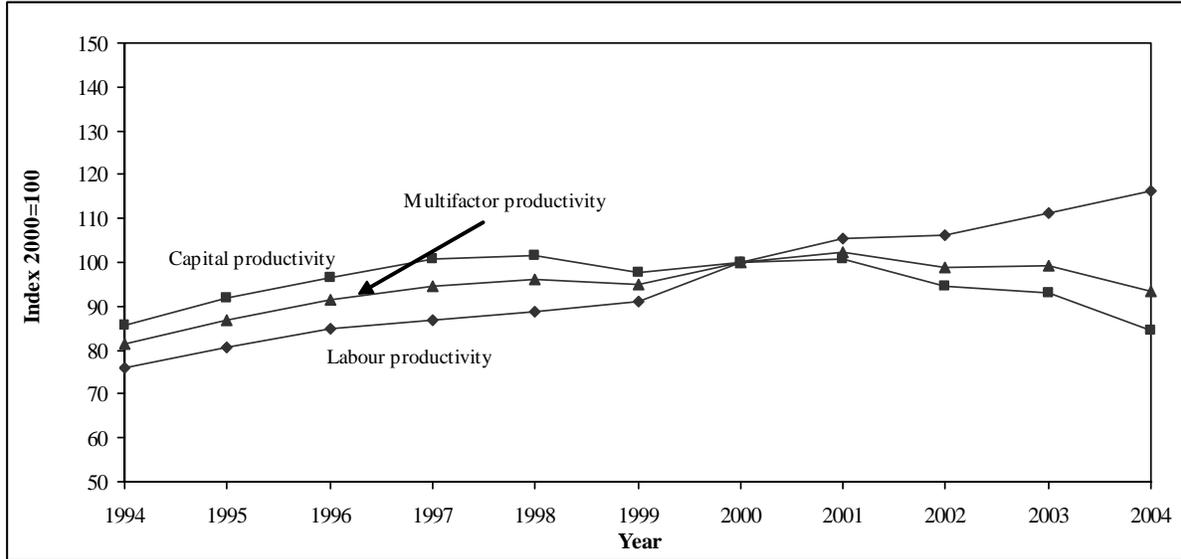
Between 1994 and 2004, output in the manufacturing sector grew on average by 3.6% annually. In 2004, the sector witnessed an increase of 0.3% compared to a stagnation in 2003.

During the same period, labour input declined by 0.7% annually whereas an annual rise of 3.8% was recorded in capital input.

In 2004, capital input witnessed a rise of 10.8% against a slower growth of 1.3% in 2003. On the other hand, decreases of 4.5% and 3.9% were registered in labour input in 2003 and 2004 respectively. (Table 2.1)

### 3.2 Productivity trends

**Chart 4: Trends in productivity indices – Manufacturing sector, 1994- 2004.**



Between 1994 and 2004, both labour and multifactor productivity witnessed positive annual growths of 4.3% and 1.4% respectively whereas a decline of 0.1% was observed annually in capital productivity. This is due to a growth of 3.6% and 3.8% in output and capital input respectively, and a decline of 0.7% in labour input. (Table 2.2)

### 3.3 Unit Labour Cost (ULC)

**Chart 5: Trends in Unit Labour Cost – Manufacturing sector, 1994 – 2004**

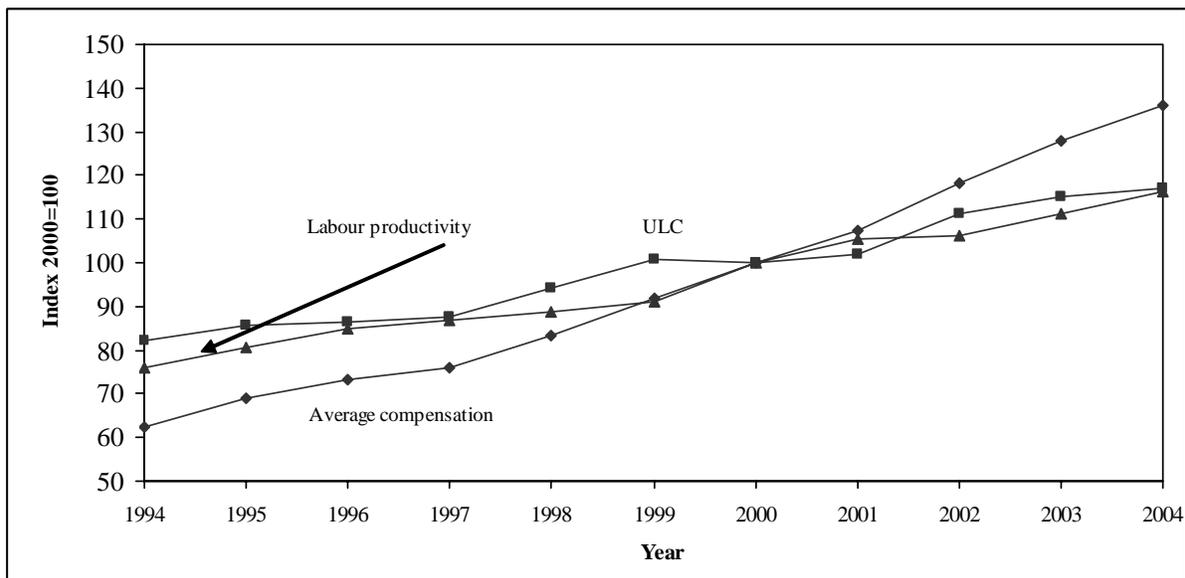


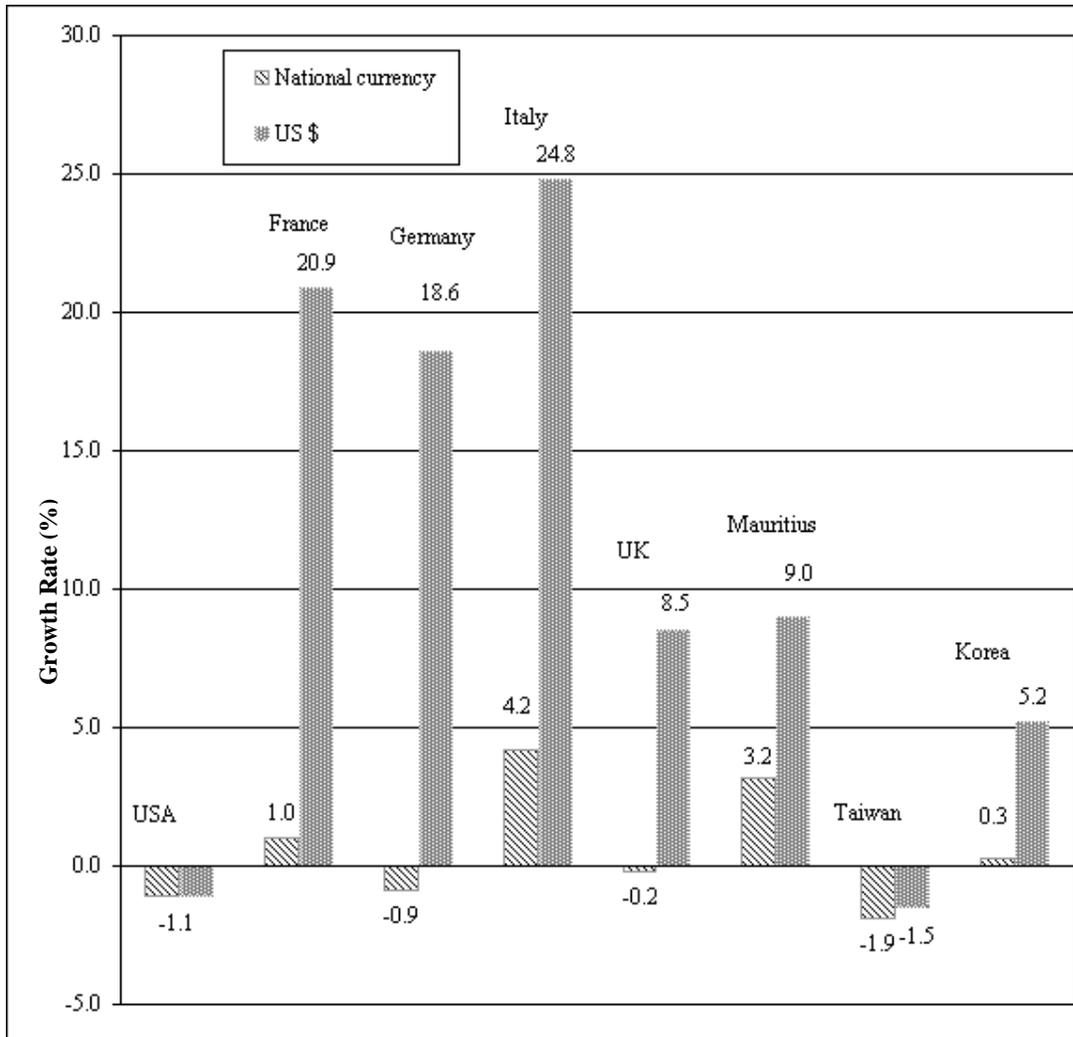
Chart 5 shows the trend of the ULC index for the period 1994 to 2004. Between that period, ULC grew at an annual rate of 3.6% mainly due to higher growth in average compensation (8.1%) compared to that of labour productivity (4.3%). However, in Dollar terms, it declined at an average annual rate of 0.7% following the 4.4% depreciation of the local currency against the Dollar. (Table 2.4)

### 3.4 International comparison of Unit Labour Costs in Manufacturing – 2003

An international comparison of growth in ULC in the manufacturing sector for the year 2003 both in national currency and in the US Dollar is given in the table and chart below.

Country	USA	France	Germany	Italy	UK	<b>Mauritius</b>	Taiwan	Korea
National currency	-1.1	1.0	-0.9	4.2	-0.2	<b>3.2</b>	-1.9	0.3
US \$	-1.1	20.9	18.6	24.8	8.5	<b>9.0</b>	-1.5	5.2

**Chart 6: International comparison of ULC in Manufacturing - Growth rate (%) 2003.**



Source: U.S Bureau of Labour Statistics and CSO estimates

It is observed that ULC in manufacturing, expressed in national currency, fell in four of the eight economies in 2003 with Taiwan recording the highest decrease (-1.9%) followed by USA (-1.1%). On the other hand, ULC in national currency rose in Italy (4.2%) followed by Mauritius (3.2%).

In 2003, the US Dollar depreciated against the currencies of all the economies compared especially against the Euro. Besides the United States, the US Dollar - denominated ULC declined only in Taiwan.

### **3.5 International comparison of Hourly Labour Cost (HLC)**

The HLC is also used as an indicator of international competitiveness. Table 2.5 compares the evolution of HLC in the Mauritian manufacturing sector with some of its trading partners. It is observed that, in 2003, in the absence of data for Sri Lanka, the HLC for Mauritius was the lowest (1.34 US Dollar) followed by Mexico (2.48 US Dollar). Germany recorded the highest HLC (31.25 US Dollar).

## **4. Indicators for Export Processing Zone (EPZ) sector**

The table below shows the main indicators for the EPZ sector.

Indicator		Growth rate (%)		
		Average annual	2003	2004
		1994-2004		
1	Output (GDP at basic prices)	2.1	-6.0	-6.8
2	Labour input	-1.6	-8.5	-7.9
3	Capital input	2.3	-2.3	2.9
4	Capital - Output ratio	0.2	3.9	10.4
5	Capital - Labour ratio	3.9	6.7	11.7
6	Labour productivity	3.8	2.7	1.3
7	Capital productivity	-0.2	-3.8	-9.4
8	Multifactor productivity	1.2	0.1	-6.5
9	Average compensation	8.1	10.0	0.2
10	Unit Labour Cost (Mauritian Rupees)	4.7	7.1	4.3
11	Unit Labour Cost (US Dollars)	0.3	13.1	6.7

#### 4.1 Output and inputs

In 2004, the share of the EPZ sector in the economy was 8.6%. The contribution of the textile and non-textile subsectors in the total output of the EPZ sector was 86% and 14% respectively.

Between 1994 and 2004, an annual growth of 2.1% was registered in the EPZ output with the textile companies growing by 2.0% and the non-textile by 3.9%. It should however be noted that the sector registered negative growths since 2002.

The labour input declines at an average annual rate of 1.6% during the period under review. The index which stood at 90.7 in 1994 declined to 88.8 in 1996. It picked up in 1997 to peak in 2000. Thereafter, it registered a continuous decline reaching a level of 77.2 in 2004.

During the same period, an annual increase of 2.3% was observed in capital input with the index improving from 82.5 in 1994 to 103.5 in 2004. In 2004, the index increased by 2.9% reversing the fall of 2.3% in 2003. (Table 3.3)

#### 4.2 Productivity trends

**Chart 7 : Trends in productivity indices – EPZ sector, 1994 – 2004**

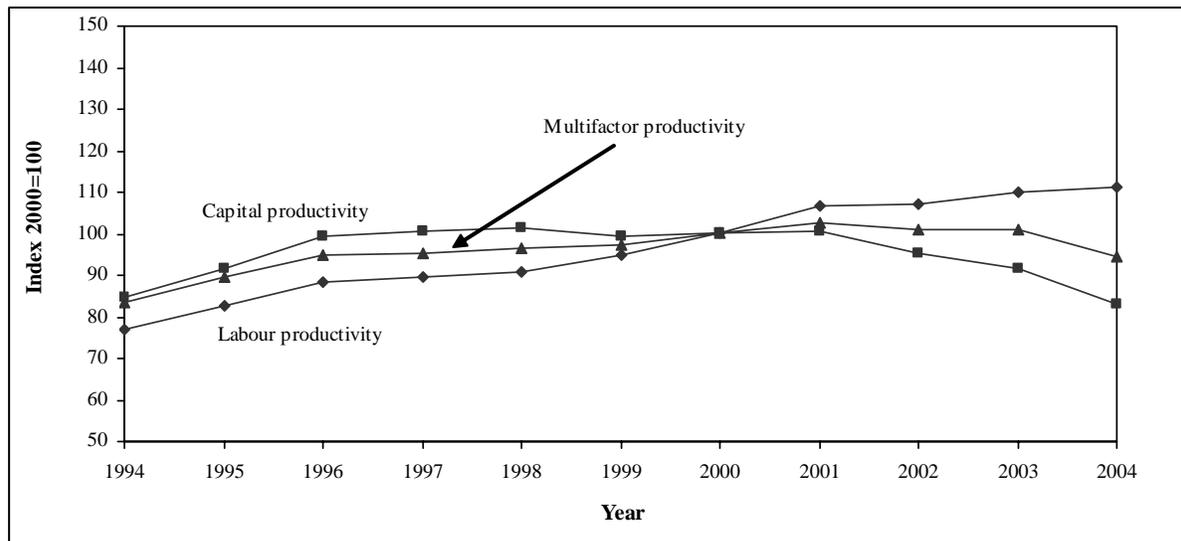
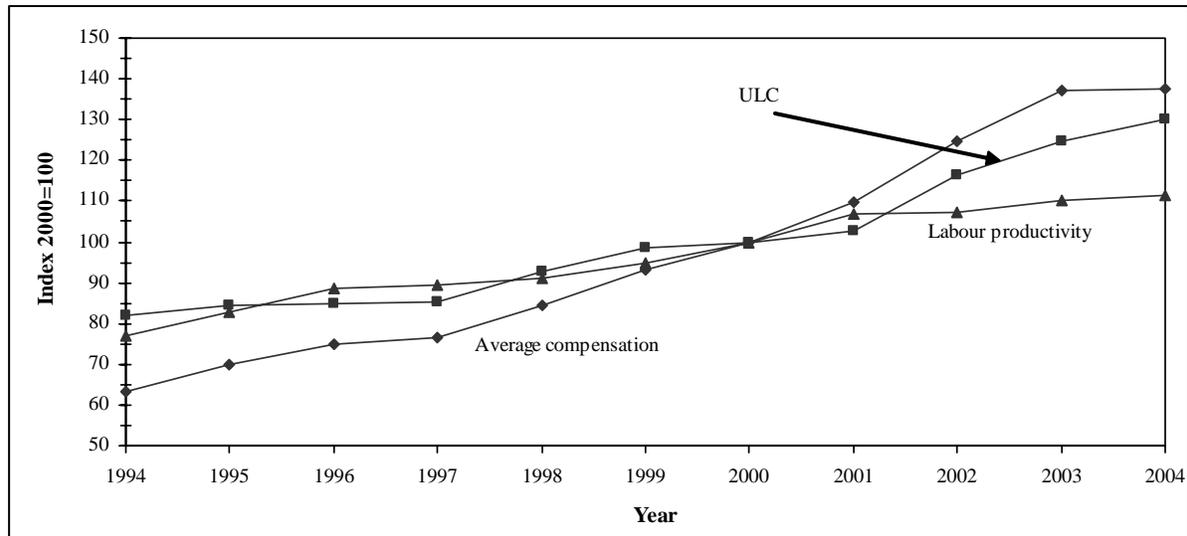


Chart 7 shows the trends in the labour, capital and multifactor productivity indices for the EPZ sector for period 1994 and 2004. During that period, whilst capital productivity declined by 0.2% annually, labour and multifactor productivity witnessed positive annual growths of 3.7% and 1.2% respectively. This is due to a fall of 1.6% in labour input and positive growths of 2.1% and 2.3% in output and capital input respectively. (Table 3.4)

### 4.3 Unit Labour Cost (ULC)

**Chart 8: Trends in Unit Labour Cost – EPZ sector, 1994 – 2004**



During 1994 - 2004, average compensation in the EPZ sector increased by an average annual rate of 8.1% and labour productivity by 3.8%. The growth in labour productivity being inadequate to absorb the rise in average compensation, the ULC registered an annual growth of 4.7%. In 2004, ULC grew at a lower rate of 4.3% compared to the 7.1% growth in 2003. (Table 3.5)

In Dollar terms, ULC witnessed an annual growth of 0.3% between 1994 and 2004 as a result of the depreciation of the MUR (4.4%) vis-à-vis the US Dollar. In 2003 and 2004, following the appreciation of the local currency against the Dollar, the ULC in Dollar terms witnessed higher positive growths of 13.1% and 6.7% respectively. (Table 3.6)

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## Concepts and definitions

Productivity expresses the relationship between the output of goods and services (real output) and the various inputs required for production (e.g. labour and capital). Two important productivity indicators used are: labour productivity, that is, the ratio of real output to labour input and capital productivity, the ratio of real output to stock of fixed capital used in the production process. However these indicators are limited in the sense that they indicate the influence of only one factor of production at a time, on productivity. An improvement over these partial indicators is the multifactor productivity which takes into account the simultaneous influences of several factors on production, including qualitative factors such as better management, improved quality of inputs and higher quality of goods.

Unit Labour Cost (ULC) is another important indicator of competitiveness which is defined as the remuneration of labour for producing one unit of real output. As ULC can also be expressed as the ratio of average compensation to labour productivity, it indicates how improvement in productivity offsets increases in average compensation.

**1. Real output** is given by value added at constant prices.

$$\text{Output index} = \frac{\text{Value added (constant price) in year } n}{\text{Value added in base year}} \times 100$$

## 2. Employment/Labour input

In the absence of total man hours, labour refers to the total number of persons engaged, that is employers, own account workers, contributing family workers and employees in any type of economic activity. Employment for year  $n$  is the average number of persons engaged in June of year  $(n)$  and June of year  $(n+1)$ .

$$\text{Labour input index} = \frac{\text{Average number of persons engaged in year } n}{\text{Average number of persons engaged in base year}} \times 100$$

## 3. Capital input

Capital refers to the net stock of investment in reproducible fixed assets. Reproducible fixed assets are investments in residential and non-residential building (excluding land), infrastructural work, machinery and equipment.

$$\text{Capital input index} = \frac{\text{Stock of fixed capital in year } n}{\text{Stock of fixed capital in base year}} \times 100$$

## 4. Labour Productivity

Labour productivity index shows the rate of change in output per person engaged.

$$\text{Labour Productivity Index} = \frac{\text{Output index}}{\text{Labour input index}} \times 100$$

## 5. Capital productivity

The capital productivity index shows the rate of change in output per unit of capital.

$$\text{Capital Productivity Index} = \frac{\text{Output index}}{\text{Capital input index}} \times 100$$

## 6. Multifactor productivity

Multifactor productivity (MFP) index shows the rate of change in “productive efficiency”, and is obtained as the ratio of the output to a weighted combination of labour and capital inputs. The limitation of partial productivity measures is that they attribute to one factor of production, changes in efficiency that are attributable to other factors. MFP reflects many influences including qualitative factors such as better management and improved quality of inputs through training and technology.

$$\text{Multifactor productivity index} = \frac{\text{Output index}}{\text{Multifactor input index}} \times 100$$

$$A(t) = \frac{Q(t)}{\{WL(t) \times L(t)\} + \{WK(t) \times K(t)\}} \times 100 \quad \text{where}$$

A(t) = Multifactor Productivity index in time t

Q(t) = Output index in time t

WL(t) = Labour’s input share in time t (ratio of compensation of employees to value added)

L(t) = Labour input index in time t

WK(t) = 1 - WL(t)

K(t) = Capital input index in time t

## 7. Unit Labour Cost

Unit labour cost is the remuneration of labour to produce one unit of output. It is computed as the ratio of the labour cost index to an index of production. The index shows the rate of change in labour cost per unit of output.

$$\text{Unit Labour Cost Index} = \frac{\text{Labour Cost Index}}{\text{Output Index}} \times 100 \quad \text{or} \quad \frac{\text{Average Compensation Index}}{\text{Labour Productivity Index}} \times 100$$

For Competitiveness purposes, the exchange rate effect has to be taken into account. ULC is therefore computed both in local currency and in US dollar.

$$\text{ULC index (US \$)} = \text{ULC index (MUR)} / \text{Exchange rate index of MUR/ US \$}.$$

## 8. Hourly Labour Cost

Hourly labour cost is the ratio of compensation to total hours worked, inclusive of overtime. Compensation of employees comprises wages & salaries in cash and in kind, bonus, overtime and social contribution incurred by employers. The sources of data are Survey on Employment & Earnings carried out in March and for total hours worked, the September Survey of Employment, Earnings and Hours of work.

**Table 1.1 Trends in output and inputs - Total economy, 1994 - 2004****(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	71.4	4.8	94.0	1.6	70.6	8.2
1995	75.3	5.5	94.7	0.8	74.5	5.5
1996	80.0	6.2	95.5	0.7	79.5	6.7
1997	84.5	5.7	96.7	1.3	84.8	6.6
1998	89.4	5.8	98.1	1.4	89.3	5.4
1999	91.5	2.3	98.9	0.9	95.1	6.5
2000	100.0	9.3	100.0	1.1	100.0	5.1
2001	105.6	5.6	100.7	0.7	104.3	4.3
2002	107.6	1.9	101.1	0.4	109.1	4.6
2003	112.6	4.6	101.8	0.7	114.3	4.8
2004	117.3	4.2	102.5	0.7	120.9	5.8

<b>Average annual growth rate 1994 - 2004</b>	5.1%	0.9%	5.5%
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**Table 1.2 Trends in productivity - Total economy, 1994 - 2004****(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	76.0	3.1	101.2	-3.2	92.7	-0.5
1995	79.5	4.6	101.2	0.0	94.0	1.4
1996	83.8	5.4	100.7	-0.5	95.2	1.2
1997	87.4	4.3	99.8	-0.9	95.7	0.6
1998	91.1	4.3	100.2	0.4	97.4	1.8
1999	92.4	1.4	96.2	-4.0	95.9	-1.6
2000	100.0	8.2	100.0	3.9	100.0	4.3
2001	104.9	4.9	101.2	1.2	101.1	1.1
2002	106.4	1.5	98.7	-2.5	100.0	-1.1
2003	110.5	3.9	98.6	-0.1	101.0	1.0
2004	114.4	3.5	97.1	-1.5	100.4	-0.6

<b>Average annual growth rate 1994 - 2004</b>	4.2%	-0.4%	0.8%
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**Table 1.3 Average compensation, Unit Labour Cost, and Labour productivity - Total economy, 1994 - 2004**

**(Index 2000 = 100)**

Year	Average compensation		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	61.8	12.6	81.3	9.2	76.0	3.1
1995	66.2	7.2	83.3	2.5	79.5	4.6
1996	72.5	9.4	86.5	3.8	83.8	5.4
1997	77.7	7.2	88.9	2.8	87.4	4.3
1998	86.7	11.6	95.1	6.9	91.1	4.3
1999	94.0	8.4	101.7	7.0	92.4	1.4
2000	100.0	6.4	100.0	-1.6	100.0	8.2
2001	106.6	6.6	101.6	1.6	104.9	4.9
2002	114.5	7.4	107.6	5.9	106.4	1.5
2003	125.2	9.3	113.3	5.3	110.5	3.9
2004	135.7	8.4	118.6	4.7	114.4	3.5

<b>Average annual growth rate 1994 - 2004</b>	8.2%	3.9%	4.2%
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**Table 1.4 ULC in local currency and US dollar - Total economy, 1994 - 2004**

**(Index 2000 = 100)**

Year	Unit Labour Cost		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
1994	81.3	9.2	68.8	2.1	118.1	6.9
1995	83.3	2.5	67.8	-1.5	123.0	4.1
1996	86.5	3.8	75.1	10.7	115.2	-6.3
1997	88.9	2.8	80.2	6.8	110.9	-3.7
1998	95.1	6.9	91.3	13.9	104.2	-6.1
1999	101.7	7.0	95.8	4.9	106.2	2.0
2000	100.0	-1.6	100.0	4.4	100.0	-5.8
2001	101.6	1.6	110.7	10.7	91.8	-8.2
2002	107.6	5.9	114.1	3.1	94.3	2.7
2003	113.3	5.3	108.1	-5.3	104.8	11.1
2004	118.6	4.7	105.7	-2.2	112.2	7.1

<b>Average annual growth rate 1994 - 2004</b>	3.9%	4.4%	-0.5%
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\* + : depreciation, - : appreciation of the MUR vis -a- vis the US \$

**Table 2.1 Trends in output and inputs - Manufacturing sector, 1994 - 2004****(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	71.7	4.6	94.3	0.4	83.7	0.4
1995	75.9	5.9	94.3	0.0	82.5	-1.4
1996	80.6	6.2	95.0	0.8	83.5	1.2
1997	85.5	6.2	98.5	3.7	84.8	1.5
1998	90.9	6.2	102.4	3.9	89.5	5.5
1999	92.7	2.0	101.6	-0.8	94.9	6.0
2000	100.0	7.9	100.0	-1.6	100.0	5.4
2001	104.4	4.4	99.1	-0.9	103.5	3.5
2002	101.9	-2.4	95.9	-3.2	107.9	4.2
2003	101.9	0.0	91.6	-4.5	109.3	1.3
2004	102.2	0.3	88.0	-3.9	121.1	10.8
<b>Average annual growth rate 1994 - 2004</b>	3.6%		-0.7%		3.8%	

**Table 2.2 Trends in productivity - Manufacturing sector, 1994 - 2004****(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	76.1	4.2	85.6	4.3	81.5	4.3
1995	80.6	5.9	92.0	7.4	86.9	6.6
1996	84.9	5.4	96.5	4.9	91.4	5.2
1997	86.9	2.3	100.9	4.5	94.7	3.6
1998	88.8	2.1	101.5	0.7	96.0	1.3
1999	91.2	2.7	97.7	-3.8	95.0	-1.0
2000	100.0	9.6	100.0	2.4	100.0	5.2
2001	105.4	5.4	100.9	0.9	102.3	2.3
2002	106.3	0.9	94.5	-6.3	98.8	-3.4
2003	111.2	4.6	93.2	-1.4	99.3	0.5
2004	116.2	4.5	84.4	-9.4	93.4	-5.9
<b>Average annual growth rate 1994 - 2004</b>	4.3%		-0.1%		1.4%	

**Table 2.3 Average compensation, Unit Labour Cost, and Labour productivity - Manufacturing sector, 1994 - 2004**

(Index 2000 = 100)

Year	Average compensation		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	62.4	11.7	82.1	7.1	76.1	4.2
1995	68.8	10.3	85.6	4.2	80.6	5.9
1996	73.3	6.5	86.4	1.0	84.9	5.4
1997	75.9	3.6	87.5	1.2	86.9	2.3
1998	83.4	9.8	94.0	7.5	88.8	2.1
1999	91.8	10.1	100.7	7.2	91.2	2.7
2000	100.0	8.9	100.0	-0.7	100.0	9.6
2001	107.4	7.4	102.0	2.0	105.4	5.4
2002	118.4	10.2	111.4	9.3	106.3	0.9
2003	127.9	8.0	115.0	3.2	111.2	4.6
2004	135.9	6.3	117.1	1.8	116.2	4.5
<b>Average annual growth rate 1994 - 2004</b>	8.1%		3.6%		4.3%	

**Table 2.4 ULC in local currency and US dollar - Manufacturing sector, 1994 - 2004**

(Index 2000 = 100)

Year	Unit Labour Cost		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
1994	82.1	7.1	68.8	2.1	119.3	4.9
1995	85.6	4.2	67.8	-1.5	126.3	5.9
1996	86.4	1.0	75.1	10.7	115.2	-8.8
1997	87.5	1.2	80.2	6.8	109.1	-5.2
1998	94.0	7.5	91.3	13.9	103.0	-5.6
1999	100.7	7.2	95.8	4.9	105.1	2.1
2000	100.0	-0.7	100.0	4.4	100.0	-4.9
2001	102.0	2.0	110.7	10.7	92.1	-7.9
2002	111.4	9.3	114.1	3.1	97.6	5.9
2003	115.0	3.2	108.1	-5.3	106.4	9.0
2004	117.1	1.8	105.7	-2.2	110.8	4.1
<b>Average annual growth rate 1994 - 2004</b>	3.6%		4.4%		-0.7%	

\* + : depreciation, - : appreciation of the MUR vis- a - vis the US \$

**Table 2.5 - Hourly labour cost in US Dollar - Manufacturing sector, 1994-2003**

Country	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Australia	14.29	15.56	17.22	16.91	15.22	15.99	14.48	13.31	15.50	20.05
France	17.26	19.38	19.10	17.20	17.45	17.24	15.46	15.65	17.12	21.13
Germany	25.45	30.26	29.75	26.13	25.98	25.73	23.66	23.55	25.44	31.25
Hong Kong	4.69	4.91	5.24	5.53	5.58	5.54	5.45	5.74	5.66	5.54
Japan	18.67	23.73	20.33	18.96	17.48	20.83	21.89	19.25	18.49	20.09
Korea	6.40	7.29	8.22	7.86	5.67	7.35	8.23	7.69	9.00	10.28
<b>Mauritius</b>	<b>1.14</b>	<b>1.26</b>	<b>1.20</b>	<b>1.20</b>	<b>1.21</b>	<b>1.23</b>	<b>1.16</b>	<b>1.13</b>	<b>1.13</b>	<b>1.34</b>
Mexico	2.41	1.65	1.44	1.62	1.64	1.83	2.19	2.51	2.60	2.48
Portugal	4.42	5.37	5.38	5.18	5.26	5.35	4.49	4.59	5.07	6.23
Singapore	6.27	7.33	8.28	8.22	7.83	7.28	7.36	7.28	6.90	7.41
Sri Lanka	0.45	0.48	0.48	0.46	0.47	0.46	0.48	0.45	0.49	N/A
Taiwan	5.53	5.85	6.02	6.01	5.45	5.51	6.18	6.03	5.73	5.84
United Kingdom	13.05	13.78	14.24	15.75	17.04	17.04	16.82	16.50	17.89	20.37
Canada	15.88	16.10	16.64	16.47	15.60	15.58	16.48	16.24	16.68	19.28
USA	16.87	17.19	17.70	18.29	18.63	19.10	19.46	20.29	21.11	21.97

*Source : U.S. Bureau of Labour Statistics and CSO estimates*

**Table 3.1 Trends in output and inputs - Export Processing Zone (EPZ), 1994 - 2004**  
(Index 2000 = 100)

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	69.9	4.2	90.7	-3.0	82.5	-1.2
1995	73.4	5.0	88.6	-2.3	80.2	-2.8
1996	78.5	7.0	88.8	0.2	79.2	-1.3
1997	83.3	6.0	92.9	4.6	82.8	4.6
1998	89.0	6.9	97.9	5.4	87.9	6.2
1999	94.3	6.0	99.6	1.8	95.1	8.2
2000	100.0	6.0	100.0	0.4	100.0	5.1
2001	104.4	4.4	97.7	-2.3	103.7	3.7
2002	98.1	-6.0	91.6	-6.2	103.0	-0.7
2003	92.2	-6.0	83.8	-8.5	100.6	-2.3
2004	86.0	-6.8	77.2	-7.9	103.5	2.9

<b>Average annual growth rate 1994 - 2004</b>	2.1%	-1.6%	2.3%
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**Table 3.2 Trends in productivity - Export Processing Zone (EPZ), 1994 - 2004**  
(Index 2000 = 100)

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	77.1	7.5	84.7	5.5	83.6	6.2
1995	82.8	7.4	91.5	8.1	89.6	7.2
1996	88.4	6.8	99.2	8.4	95.0	6.0
1997	89.6	1.3	100.6	1.4	95.4	0.4
1998	90.9	1.5	101.3	0.7	96.6	1.3
1999	94.7	4.2	99.2	-2.1	97.3	0.6
2000	100.0	5.6	100.0	0.9	100.0	2.8
2001	106.9	6.9	100.7	0.7	102.5	2.5
2002	107.1	0.2	95.3	-5.4	101.0	-1.4
2003	110.0	2.7	91.7	-3.8	101.1	0.1
2004	111.4	1.3	83.1	-9.4	94.5	-6.5

<b>Average annual growth rate 1994 - 2004</b>	3.8%	-0.2%	1.2%
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**Table 3.3 - Trends in output and inputs in the textile and non textile subsectors of EPZ, 1994 - 2004**

(Index 2000=100)

Year	Real output			Labour input			Capital input		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1994	69.9	69.3	75.9	90.7	90.8	90.0	82.5	82.7	108.8
1995	73.4	72.5	81.7	88.6	87.6	96.5	80.2	80.3	103.6
1996	78.5	78.5	79.2	88.8	88.0	95.3	79.2	79.3	96.5
1997	83.3	83.5	81.5	92.9	92.7	94.8	82.8	82.8	93.9
1998	89.0	89.2	87.1	97.9	98.1	96.7	87.9	87.9	89.7
1999	94.3	94.6	92.3	99.6	100.0	96.4	95.1	95.1	95.0
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	104.4	104.3	105.0	97.7	97.4	100.4	103.7	103.9	102.8
2002	98.1	96.4	111.3	91.6	91.2	94.9	103.0	103.3	105.2
2003	92.2	89.8	110.5	83.8	82.3	95.1	100.6	100.9	101.9
2004	86.0	84.4	111.6	77.2	73.9	102.1	103.5	105.3	107.6

**Annual growth rate (%)**

1994 - 2004	2.1	2.0	3.9	-1.6	-2.0	1.3	2.3	2.5	-0.1
Year 2003	-6.0	-6.8	-0.7	-8.5	-9.7	0.3	-2.3	-2.3	-3.1
Year 2004	-6.8	-6.0	1.0	-7.9	-10.3	7.3	2.9	4.3	5.6

**Table 3.4 - Trends in productivity in the textile and non textile subsectors of EPZ, 1994 - 2004**

(Index 2000=100)

Year	Labour productivity			Capital productivity			Multifactor productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1994	77.1	76.3	84.4	84.7	83.8	69.7	83.6	82.3	79.3
1995	82.8	82.8	84.6	91.5	90.2	78.8	89.6	88.5	83.9
1996	88.4	89.3	83.1	99.2	99.1	82.1	95.0	94.8	85.5
1997	89.6	90.1	86.0	100.6	100.8	86.7	95.4	95.1	89.9
1998	90.9	91.0	90.2	101.3	101.6	97.0	96.6	96.2	97.9
1999	94.7	94.6	95.8	99.2	99.5	97.1	97.3	97.4	96.8
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	106.9	107.1	104.6	100.7	100.4	102.1	102.5	102.5	103.2
2002	107.1	105.7	117.3	95.3	93.3	105.8	101.0	99.3	111.6
2003	110.0	109.1	116.2	91.7	89.0	108.4	101.1	99.2	113.7
2004	111.4	114.3	109.3	83.1	80.2	103.7	94.5	93.6	107.6

**Annual growth rate (%)**

1994 - 2004	3.8	4.1	2.6	-0.2	-0.4	4.0	1.2	1.3	3.1
Year 2003	2.7	3.2	-0.9	-3.7	-4.6	2.4	0.1	-0.1	1.9
Year 2004	1.2	4.8	-5.9	-9.4	-9.9	-4.3	-6.5	-5.6	-5.3

**Table 3.5 - Average compensation, ULC and Labour productivity in the textile and non textile subsectors of EPZ, 1994 - 2004**  
(Index 2000=100)

Year	Average compensation			Unit Labour Cost			Labour productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1994	63.1	61.7	74.8	81.9	80.9	88.6	77.1	76.3	84.4
1995	70.0	68.8	80.5	84.5	83.0	95.1	82.8	82.8	84.6
1996	75.1	74.8	78.8	85.0	83.7	94.8	88.4	89.3	83.1
1997	76.5	74.3	95.0	85.4	82.5	110.5	89.6	90.1	86.0
1998	84.5	81.6	109.4	92.9	89.6	121.3	90.9	91.0	90.2
1999	93.3	91.7	105.4	98.5	97.0	110.1	94.7	94.6	95.8
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	109.9	110.2	107.6	102.9	102.9	102.9	106.9	107.1	104.6
2002	124.6	123.4	119.3	116.4	116.8	115.2	107.1	105.7	117.3
2003	137.1	136.7	142.6	124.6	125.3	122.7	110.0	109.1	116.2
2004	137.4	148.4	127.8	130.1	129.9	116.9	111.4	114.3	109.3

**Annual growth rate (%)**

1994 - 2004	8.1	9.2	5.5	4.7	4.8	2.8	3.8	4.1	2.6
Year 2003	10.0	10.8	19.5	7.1	7.3	6.5	2.7	3.2	-0.9
Year 2004	0.2	8.6	-10.4	4.3	3.6	-4.7	1.2	4.8	-5.9

**Table 3.6 - ULC in local currency and US dollar for the textile and non textile subsectors of EPZ, 1994 - 2004**

(Index 2000=100)

Year	ULC (MUR)			Exchange Rate MUR/US \$		ULC (US Dollar)		
	Total	Textile	Non-textile	Index	% Change*	Total	Textile	Non-textile
1994	81.9	80.9	88.6	68.8	2.1	119.0	117.5	128.8
1995	84.5	83.0	95.1	67.8	-1.5	124.7	122.4	140.3
1996	85.0	83.7	94.8	75.1	10.7	113.3	111.5	126.4
1997	85.4	82.5	110.5	80.2	6.8	106.6	102.9	137.9
1998	92.9	89.6	121.3	91.3	13.9	101.7	98.1	132.9
1999	98.5	97.0	110.1	95.8	4.9	102.9	101.2	114.9
2000	100.0	100.0	100.0	100.0	4.4	100.0	100.0	100.0
2001	102.9	102.9	102.9	110.7	10.7	92.9	92.9	93.0
2002	116.4	116.8	115.2	114.1	3.1	102.0	102.3	101.0
2003	124.6	125.3	122.7	108.1	-5.3	115.3	115.9	113.6
2004	130.1	129.9	116.9	105.7	-2.2	123.1	122.8	110.6

**Annual growth rate (%)**

1994 - 2004	4.7	4.8	2.8	4.4	0.3	0.4	-1.5
Year 2003	7.1	7.3	6.5	-5.3	13.1	13.3	12.4
Year 2004	4.3	3.6	-4.7	-2.2	6.7	6.0	-2.6

\* + : depreciation, - : appreciation of the MUR vis -a- vis the US \$