

## Productivity and Competitiveness Indicators (1995 – 2005)

### Introduction

Productivity and competitiveness indices are published twice a year, namely in May and November. This issue of the Economic and Social Indicators presents indices for the years 1995 to 2005 for the total economy, the manufacturing sector and the Export Processing Zone (EPZ).

Tables 1.1 to 1.4 present the various 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 and definitions used is given on page 10.

### 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	2004	2005
		1995-2005		
1	Output (GDP at basic prices)	4.8	4.7	2.5
2	GDP at market prices	5.5	5.6	1.3
3	GDP per capita (market prices)	4.4	4.7	0.5
4	Labour input	1.0	0.7	1.0
5	Capital input	5.3	5.1	4.1
6	Capital - Output ratio	0.5	0.4	1.6
7	Capital - Labour ratio	4.2	4.4	3.1
8	Labour productivity	3.7	4.0	1.5
9	Capital productivity	-0.5	-0.4	-1.6
10	Multifactor productivity	0.6	0.3	-0.7
11	Average compensation	7.9	8.0	5.7
12	Unit Labour Cost (Mauritian Rupees)	4.0	3.8	4.1
13	Unit Labour Cost (US Dollars)	-0.8	6.2	1.4

#### 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 1995 and 2005, GDP in real terms grew on average by 4.8% per annum. The growth rate for 2005 was 2.5%, lower than the 4.7% growth registered in 2004.

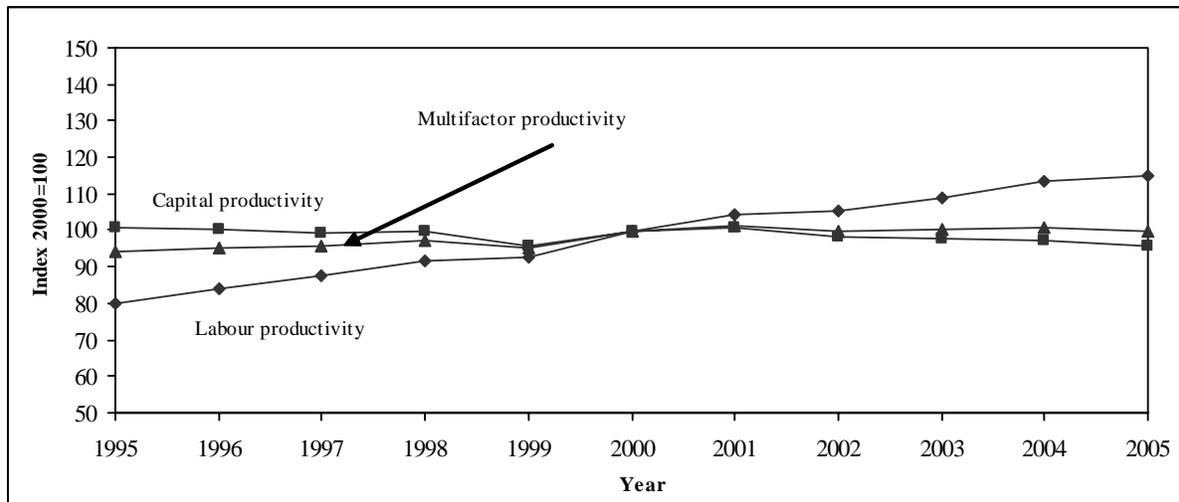
The GDP per capita at market prices is an indicator for measuring the standard of living of the population. With an annual growth of 1.1% in the population and 5.5% in GDP at market prices, GDP per capita grew by 4.4% per annum during the period 1995 – 2005.

## 2.2 Labour and capital inputs

During the period 1995 – 2005, whilst GDP at basic prices increased by 4.8% per annum, capital input grew by 5.3% compared to a growth of 1.0% for labour input. The capital - labour ratio, defined as the ratio of the stock of fixed capital to labour inputs, increased by 4.2% showing that capital deepening is taking place (Table 1.1).

## 2.3 Productivity trends

**Chart 1 : Trends in productivity indices – Total economy, 1995-2005**



### 2.3.1 Labour productivity

From the above chart, it is observed that labour productivity, defined as GDP per worker, has improved from 79.8 in 1995 to 115.1 in 2005, giving an average annual increase of 3.7 %.

In 2005, labour productivity grew at a lower rate of 1.5% compared to 4.0% in 2004. This is the result of a lower GDP growth of 2.5% in 2005 compared to 4.7% in 2004, coupled with a higher growth of 1.0% in labour input in 2005 against 0.7% in 2004 (Table 1.2).

### 2.3.2 Capital productivity

From 1995 to 2005, the capital productivity defined as GDP per unit of capital declined at an average annual rate of 0.5% from 100.7 in 1995 to 95.9 in 2005. After a decline of 0.4% in 2004, the index fell further by 1.6% in 2005 (Table 1.2). The decline is explained by a higher growth in capital input (4.1%) compared to GDP (2.5%) in 2005.

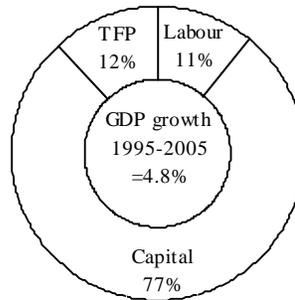
### 2.3.3 Multifactor productivity (MFP)

The MFP index shows the rate of change in “productive efficiency”. In addition to labour and capital inputs, it takes into account qualitative factors such as better management and improved quality of inputs through training and technology. During the period under study, the average annual growth of MFP works out to 0.6%. In 2005, MFP witnessed a decline of 0.7% compared to an increase of 0.3% in 2004 (Table 1.2).

## 2.4 Growth accounting

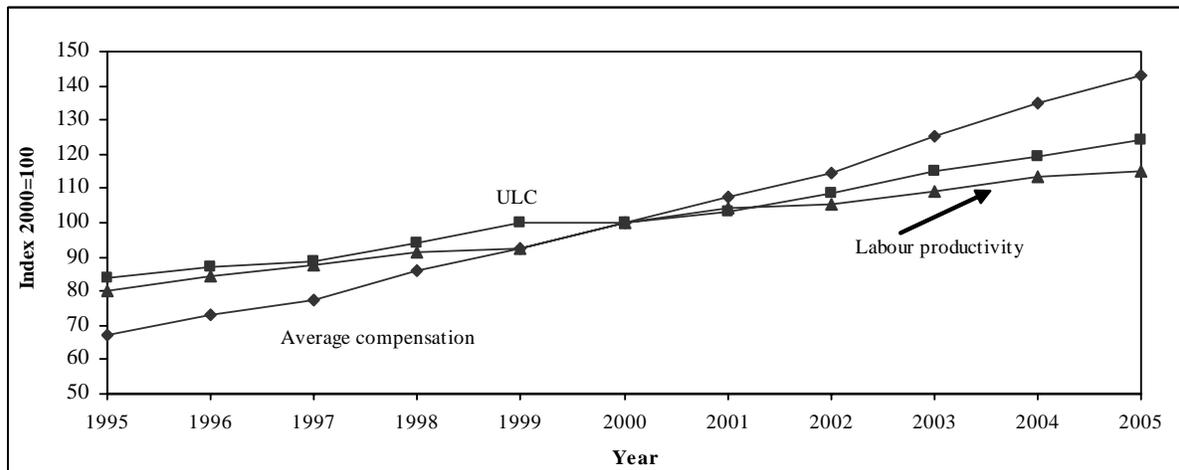
The contribution of different factors to economic growth is determined by the growth accounting technique. Between 1995 and 2005, the contribution of labour to the 4.8% growth in GDP works out to 11% and that of capital to 77%. The remaining 12% represents the contribution of 'Total Factor Productivity' (TFP), which includes qualitative factors such as training, management and technology.

**Chart 2: Contribution of labour, capital and TFP to GDP growth, 1995– 2005**



## 2.5 Unit Labour Cost (ULC)

**Chart 3 : Trends in Unit Labour Cost - Total economy, 1995– 2005**



ULC measures the remuneration of labour per unit of output. It is affected by changes in both average compensation and labour productivity. Between 1995 and 2005 average compensation increased by 7.9% whilst labour productivity grew by 3.7% annually. The higher growth in average compensation compared to that of labour productivity resulted in an average annual growth of 4.0% in ULC (Table 1.3).

To compare changes in competitiveness across economies, the impact of exchange rate fluctuations has 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, fewer Dollars are paid in exchange for each national currency unit. During the period 1995 to 2005 ULC in Mauritian Rupees grew annually by 4.0%. However, in Dollar terms, it declined by 0.8% as a result of an annual depreciation of 4.8% of the Mauritian Rupee vis-à-vis the US Dollar during the period under review. ULC in Dollar terms grew at a lower rate of 1.4% in 2005 as compared to the 6.2% increase in 2004. (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	2004	2005
		1995-2005		
1	Output (GDP at basic prices)	2.4	0.3	-5.5
2	Labour input	-1.3	-5.4	-3.0
3	Capital input	3.4	4.7	3.6
4	Capital - Output ratio	1.0	4.4	9.7
5	Capital - Labour ratio	4.8	10.6	6.8
6	Labour productivity	3.8	6.0	-2.6
7	Capital productivity	-1.0	-4.2	-8.8
8	Multifactor productivity	0.7	-1.7	-6.7
9	Average compensation	8.1	6.5	5.6
10	Unit Labour Cost (Mauritian Rupees)	4.2	0.5	8.5
11	Unit Labour Cost (US Dollars)	-0.6	2.8	5.6

#### 3.1 Output and inputs

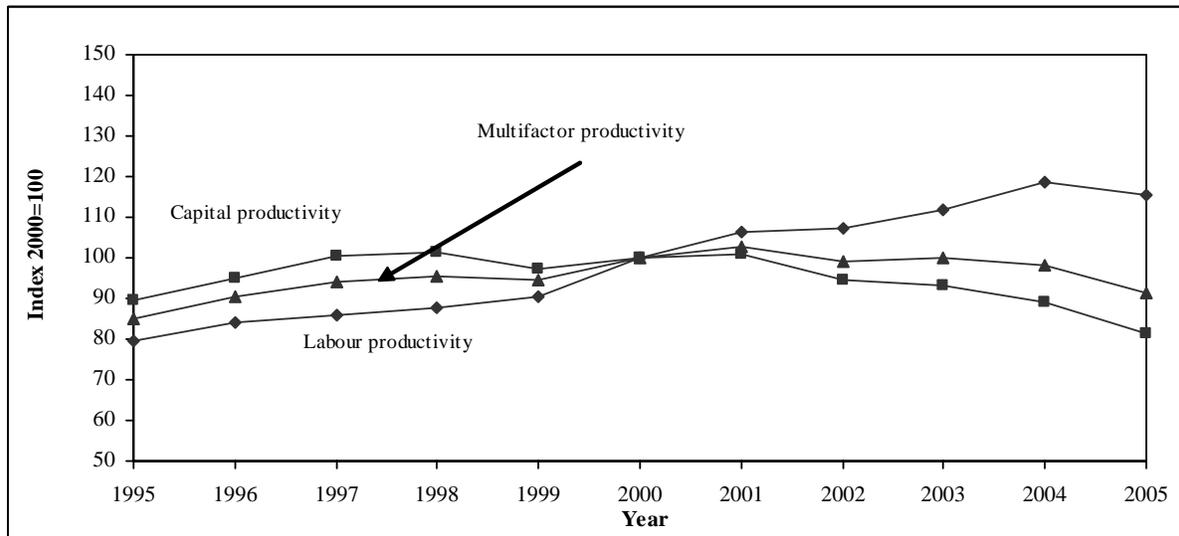
Between 1995 and 2005, output in the manufacturing sector grew on average by 2.4% annually. In 2005, the sector witnessed a fall of 5.5% compared to a rise of 0.3% in 2004.

During the same period, labour input declined by 1.3% annually whereas an annual rise of 3.4% was recorded in capital input.

Capital input witnessed increases of 4.7% and 3.6% in 2004 and 2005 respectively. On the other hand, labour input which was on the decline since 1999, decreased further by 5.4% in 2004 and by 3.0% in 2005 (Table 2.1).

### 3.2 Productivity trends

**Chart 4: Trends in productivity indices – Manufacturing sector, 1995-2005**



During the period 1995 to 2005, labour productivity registered an average annual growth of 3.8% while capital productivity registered a decline of 1.0%. This was the result of growths of 2.4% and 3.4% in real output and capital input respectively, and a decline of 1.3% in labour input. During the same period, multifactor productivity increased by 0.7% per annum (Table 2.2).

### 3.3 Unit Labour Cost (ULC)

**Chart 5: Trends in Unit Labour Cost – Manufacturing sector, 1995– 2005**

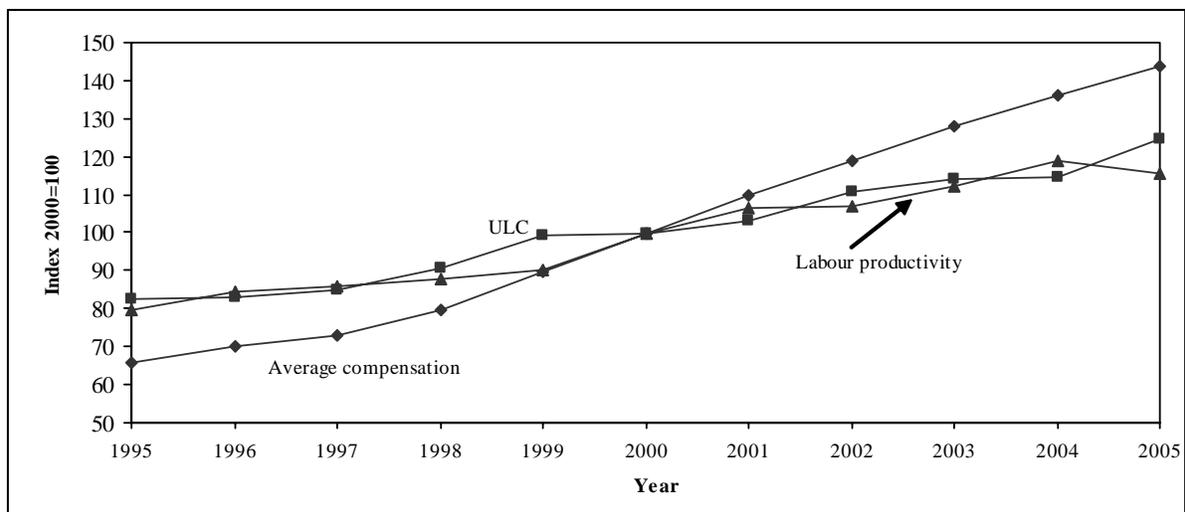


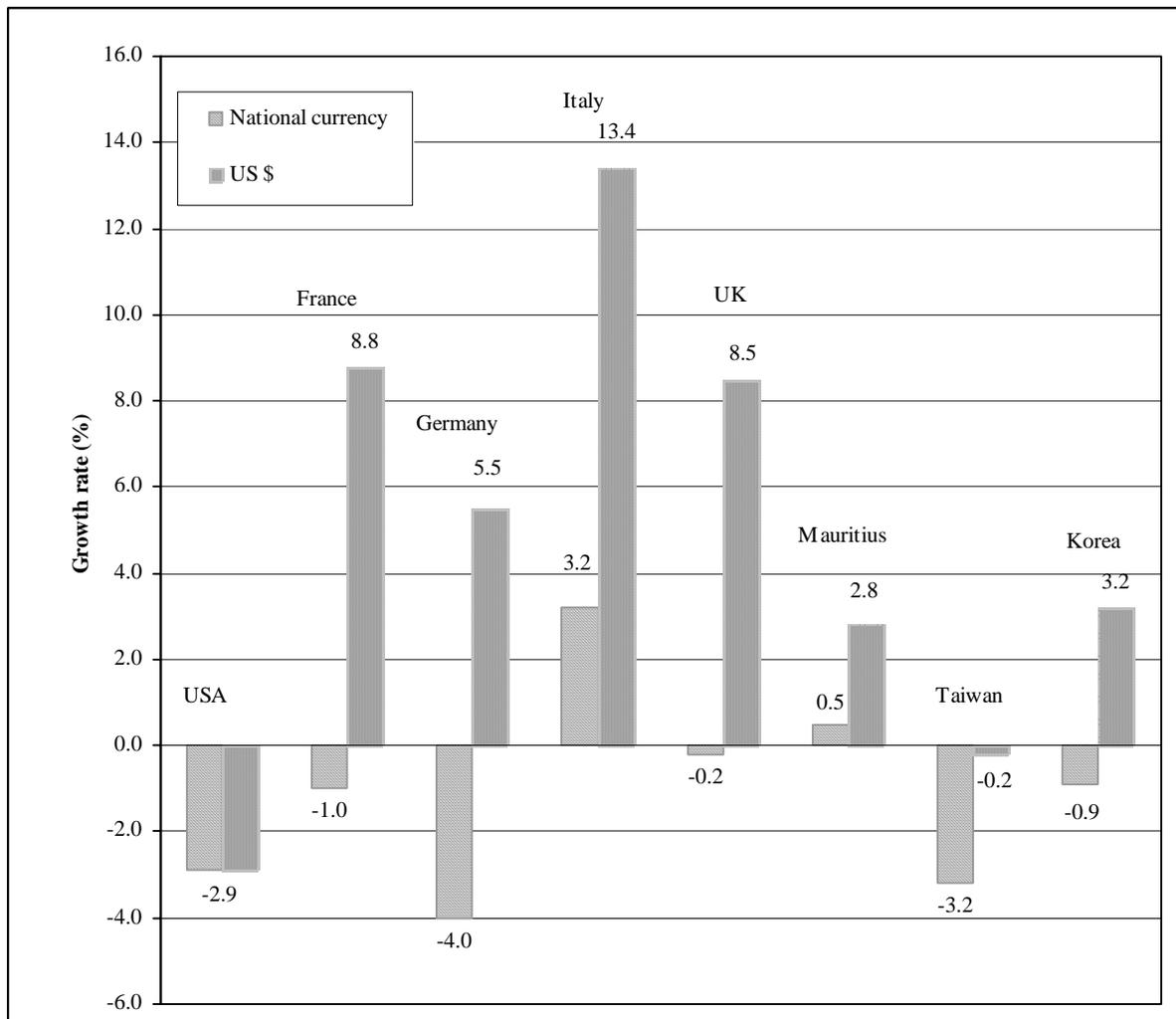
Chart 5 shows the trend of the ULC index for the period 1995 to 2005. During that period, ULC grew at an average annual rate of 4.2% mainly due to higher growth in average compensation (8.1%) compared to labour productivity (3.8%). However, in Dollar terms, it declined at an average annual rate of 0.6% following an annual average depreciation of 4.8% of the local currency against the Dollar (Table 2.4).

### 3.4 International comparison of Unit Labour Cost in Manufacturing – 2004

An international comparison of growth in ULC in the manufacturing sector for the year 2004 both in national currency and in the US Dollar is given in the table and chart below.

Country	USA	France	Germany	Italy	UK	Mauritius	Taiwan	Korea
National currency	-2.9	-1.0	-4.0	3.2	-0.2	<b>0.5</b>	-3.2	-0.9
US \$	-2.9	8.8	5.5	13.4	8.5	<b>2.8</b>	-0.2	3.2

**Chart 6: International comparison of ULC in Manufacturing – Growth rate (%) 2004**



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

It is observed that, in 2004, ULC in manufacturing, expressed in national currency, fell in six of the eight economies used for comparison. The steepest declines were observed in Germany (-4.0%) and Taiwan (-3.2%). ULC increased by 3.2% and 0.5% in Italy and Mauritius respectively.

In 2004, the US Dollar depreciated against the currencies of the other economies in this comparison. Besides the United States, only Taiwan showed a decrease in the Dollar – denominated ULC.

### **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 2004 in the absence of data for Sri Lanka, the HLC for Mauritius was the lowest (1.43US Dollar) followed by Mexico (2.50 US Dollar). Germany recorded the highest HLC (32.53 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	2004	2005
		1995-2005		
1	Output (GDP at basic prices)	0.3	-6.8	-12.3
2	Labour input	-2.0	-9.6	-4.7
3	Capital input	3.9	9.5	5.3
4	Capital – Output ratio	3.6	17.4	20.1
5	Capital – Labour ratio	6.0	21.0	10.6
6	Labour productivity	2.3	3.1	-7.9
7	Capital productivity	-3.5	-14.9	-16.7
8	Multifactor productivity	-0.9	-9.7	-10.2
9	Average compensation	8.4	7.1	4.3
10	Unit Labour Cost (Mauritian Rupees)	6.0	4.0	13.3
11	Unit Labour Cost (US Dollars)	1.1	6.3	10.3

#### **4.1 Output and inputs**

In 2005, the share of the EPZ sector in the economy was 7.5%. The contribution of the textile and non-textile subsectors in the total output of the EPZ sector was 80% and 20% respectively.

Between 1995 and 2005, an annual growth of 0.3% was registered in the EPZ output. However within the sector, an increase of 4.1% was observed in the non-textile establishments compared to a decline of 0.4 % in the textile establishments.

Between 1995 and 2005, labour input witnessed an annual decline of 2.0% with the index increasing from 88.6 in 1995 to 100.0 in 2000, followed by a continuous decline reaching a level of 72.2 in 2005.

During the same period, an average annual increase of 3.9% was observed in capital input with the index improving from 79.8 in 1995 to 116.9 in 2005. In 2005, the index improved by 5.3% compared to a 9.5% increase registered in 2004 (Table 3.3).

#### 4.2 Productivity trends

**Chart 7: Trends in productivity indices – EPZ sector, 1995– 2005**

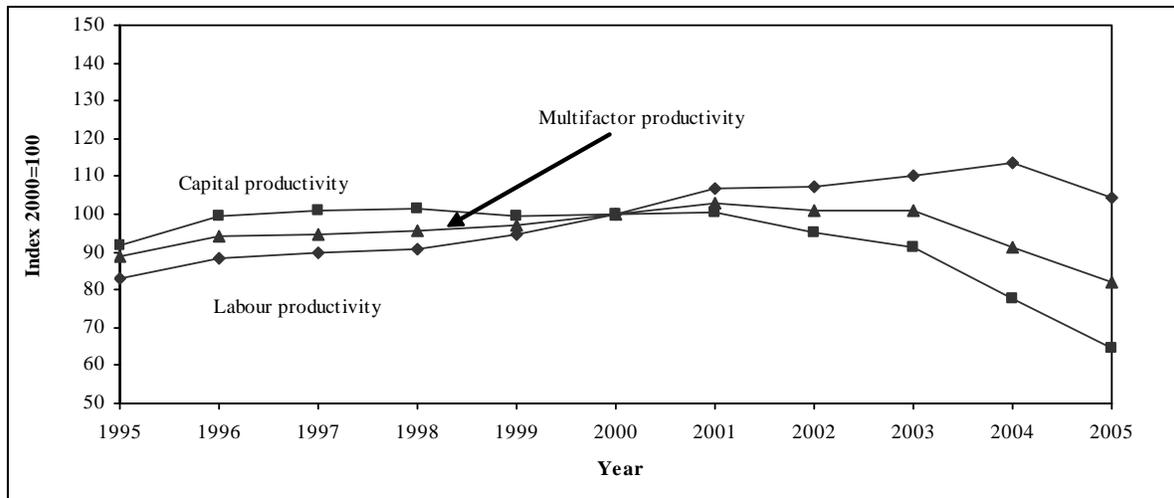
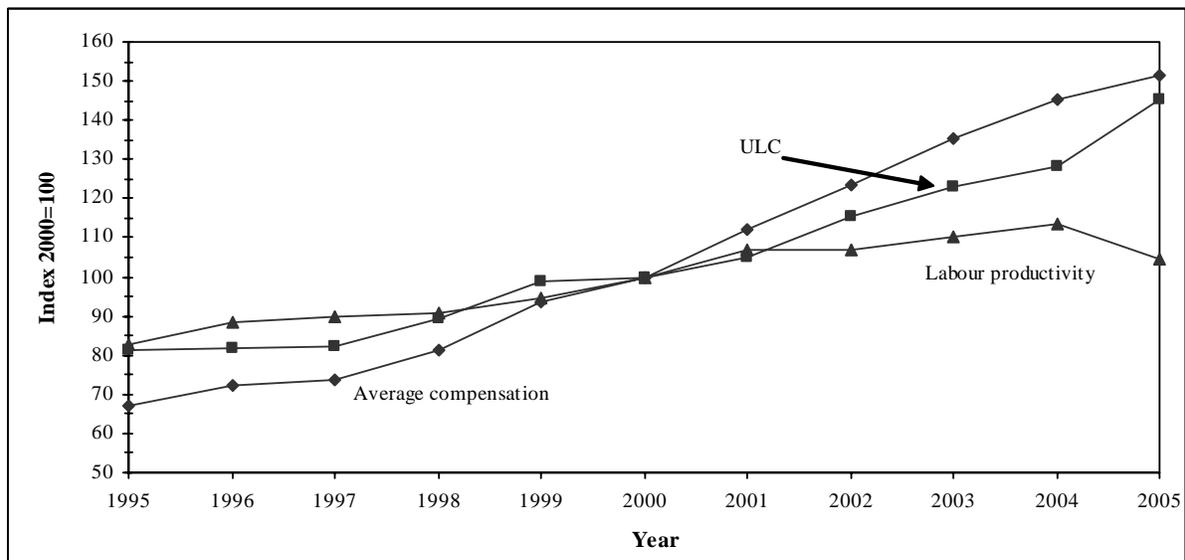


Chart 7 shows the trends in the labour, capital and multifactor productivity indices for the EPZ sector for period 1995 and 2005. During that period, whilst average annual declines of 3.5% and 0.9% were registered in capital and multifactor productivity respectively, a positive growth of 2.3% in labour productivity was observed. This is explained by a fall of 2.0% in the labour input and growths of 0.3% and 3.9% in real output and capital input respectively (Table 3.4).

#### 4.3 Unit Labour Cost (ULC)

**Chart 8: Trends in Unit Labour Cost – EPZ sector, 1995– 2005**



During 1995-2005, average compensation in the EPZ sector increased by an annual rate of 8.4% and labour productivity by 2.3%. The growth in labour productivity being lower than the rise in average compensation, the ULC registered an annual growth of 6.0%. In 2005, ULC grew at a rate of 13.3% higher than the 4.0% growth in 2004. (Table 3.5)

In Dollar terms, ULC witnessed an annual growth of 1.1% between 1995 and 2005 as a result of the depreciation of the MUR (4.8%) vis-à-vis the US Dollar during that period. In 2005, the ULC in Dollar terms registered a growth of 10.3% compared to 6.3% in 2004.

**Central Statistics Office**  
**Ministry of Finance and Economic Development.**  
**Port Louis.**  
**October 2006**

**Contact person**

**Mrs. R. Soborun**  
Statistician – Productivity Unit  
Central Statistics Office  
L.I.C Centre, Port-Louis  
Tel: 2122316/17,  
Fax : (230) 211-4150  
Email: [cso\\_productivity@mail.gov.mu](mailto:cso_productivity@mail.gov.mu)

## Technical Notes

### 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/Total factor productivity

Multifactor productivity (MFP)/Total factor productivity (TFP) 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, 1995 - 2005****(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	75.2	5.3	94.2	0.9	74.8	5.4
1996	79.9	6.2	94.9	0.7	79.7	6.6
1997	84.4	5.6	96.2	1.3	84.9	6.5
1998	89.3	5.8	97.5	1.4	89.4	5.3
1999	91.2	2.1	98.7	1.1	95.2	6.5
2000	100.0	9.7	100.0	1.4	100.0	5.1
2001	105.2	5.2	100.8	0.8	104.2	4.2
2002	107.1	1.8	101.5	0.7	109.1	4.7
2003	111.8	4.4	102.6	1.1	114.3	4.8
2004	117.1	4.7	103.3	0.7	120.2	5.1
2005	120.0	2.5	104.3	1.0	125.1	4.1
<b>Average annual growth rate 1995 - 2005</b>	4.8%		1.0%		5.3%	

**Table 1.2 Trends in productivity - Total economy, 1995 - 2005****(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	79.8	4.4	100.7	-0.1	94.1	1.2
1996	84.2	5.4	100.3	-0.4	95.3	1.3
1997	87.7	4.2	99.4	-0.8	95.8	0.4
1998	91.5	4.3	99.9	0.4	97.3	1.6
1999	92.4	0.9	95.8	-4.1	95.2	-2.1
2000	100.0	8.2	100.0	4.4	100.0	5.1
2001	104.4	4.4	101.0	1.0	101.2	1.2
2002	105.5	1.1	98.2	-2.8	99.7	-1.6
2003	109.0	3.3	97.8	-0.4	100.4	0.8
2004	113.4	4.0	97.4	-0.4	100.7	0.3
2005	115.1	1.5	95.9	-1.6	100.0	-0.7
<b>Average annual growth rate 1995 - 2005</b>	3.7%		-0.5%		0.6%	

**Table 1.3 Average compensation, Unit Labour Cost, and Labour productivity - Total economy, 1995 - 2005**

(Index 2000 = 100)

Year	Average compensation		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	67.0	7.3	83.9	2.8	79.8	4.4
1996	73.3	9.5	87.1	3.8	84.2	5.4
1997	77.7	6.0	88.5	1.7	87.7	4.2
1998	85.9	10.6	93.9	6.0	91.5	4.3
1999	92.6	7.7	100.2	6.7	92.4	0.9
2000	100.0	8.0	100.0	-0.2	100.0	8.2
2001	107.5	7.5	103.0	3.0	104.4	4.4
2002	114.5	6.6	108.5	5.4	105.5	1.1
2003	125.1	9.2	114.8	5.8	109.0	3.3
2004	135.1	8.0	119.2	3.8	113.4	4.0
2005	142.8	5.7	124.1	4.1	115.1	1.5
<b>Average annual growth rate 1995 - 2005</b>	7.9%		4.0%		3.7%	

**Table 1.4 ULC in local currency and US dollar - Total economy, 1995 - 2005**

(Index 2000 = 100)

Year	Unit Labour Cost		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
1995	83.9	2.8	67.8	-1.5	123.7	4.4
1996	87.1	3.8	75.1	10.7	116.0	-6.2
1997	88.5	1.7	80.2	6.8	110.5	-4.8
1998	93.9	6.0	91.3	13.9	102.8	-6.9
1999	100.2	6.7	95.8	4.9	104.6	1.8
2000	100.0	-0.2	100.0	4.4	100.0	-4.4
2001	103.0	3.0	110.7	10.7	93.0	-7.0
2002	108.5	5.4	114.1	3.1	95.1	2.3
2003	114.8	5.8	108.1	-5.3	106.2	11.6
2004	119.2	3.8	105.7	-2.2	112.8	6.2
2005	124.1	4.1	108.5	2.7	114.4	1.4
<b>Average annual growth rate 1995 - 2005</b>	4.0%		4.8%		-0.8%	

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

**Table 2.1 Trends in output and inputs - Manufacturing sector, 1995 - 2005****(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	75.9	5.9	95.2	0.0	84.7	-2.2
1996	80.9	6.5	95.9	0.7	84.9	0.3
1997	85.6	5.9	99.5	3.7	85.1	0.2
1998	90.9	6.1	103.4	3.9	89.5	5.2
1999	92.7	2.0	102.6	-0.8	95.1	6.2
2000	100.0	7.9	100.0	-2.6	100.0	5.2
2001	104.4	4.4	98.2	-1.8	103.5	3.5
2002	101.9	-2.4	95.1	-3.1	107.9	4.2
2003	101.9	0.0	91.0	-4.3	109.5	1.5
2004	102.2	0.3	86.1	-5.4	114.6	4.7
2005	96.6	-5.5	83.6	-3.0	118.8	3.6
<b>Average annual growth rate 1995 - 2005</b>	2.4%		-1.3%		3.4%	

**Table 2.2 Trends in productivity - Manufacturing sector, 1995 - 2005****(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	79.7	5.9	89.7	8.2	85.2	7.1
1996	84.3	5.7	95.2	6.2	90.3	6.0
1997	86.1	2.1	100.7	5.7	94.0	4.1
1998	87.8	2.1	101.5	0.8	95.3	1.4
1999	90.3	2.8	97.5	-3.9	94.3	-1.0
2000	100.0	10.7	100.0	2.6	100.0	6.0
2001	106.4	6.4	100.8	0.8	102.9	2.9
2002	107.2	0.8	94.4	-6.3	99.3	-3.5
2003	112.0	4.5	93.1	-1.5	99.8	0.6
2004	118.7	6.0	89.2	-4.2	98.1	-1.7
2005	115.6	-2.6	81.3	-8.8	91.6	-6.7
<b>Average annual growth rate 1995 - 2005</b>	3.8%		-1.0%		0.7%	

**Table 2.3 Average compensation, Unit Labour Cost, and Labour productivity - Manufacturing sector, 1995 - 2005**

(Index 2000 = 100)

Year	Average compensation		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	65.9	10.3	82.7	4.1	79.7	5.9
1996	70.2	6.5	83.3	0.7	84.3	5.7
1997	72.9	3.9	84.7	1.7	86.1	2.1
1998	79.8	9.5	90.8	7.3	87.8	2.1
1999	89.6	12.3	99.3	9.3	90.3	2.8
2000	100.0	11.6	100.0	0.8	100.0	10.7
2001	109.9	9.9	103.3	3.3	106.4	6.4
2002	118.7	8.0	110.7	7.2	107.2	0.8
2003	127.9	7.8	114.2	3.1	112.0	4.5
2004	136.3	6.5	114.8	0.5	118.7	6.0
2005	143.9	5.6	124.5	8.5	115.6	-2.6
<b>Average annual growth rate 1995 - 2005</b>	8.1%		4.2%		3.8%	

**Table 2.4 ULC in local currency and US dollar - Manufacturing sector, 1995 - 2005**

(Index 2000 = 100)

Year	Unit Labour Cost		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
1995	82.7	4.1	67.8	-1.5	121.9	5.8
1996	83.3	0.7	75.1	10.7	110.9	-9.0
1997	84.7	1.7	80.2	6.8	105.7	-4.7
1998	90.8	7.3	91.3	13.9	99.5	-5.8
1999	99.3	9.3	95.8	4.9	103.6	4.2
2000	100.0	0.8	100.0	4.4	100.0	-3.5
2001	103.3	3.3	110.7	10.7	93.3	-6.7
2002	110.7	7.2	114.1	3.1	97.1	4.0
2003	114.2	3.1	108.1	-5.3	105.7	8.9
2004	114.8	0.5	105.7	-2.2	108.6	2.8
2005	124.5	8.5	108.5	2.7	114.8	5.6
<b>Average annual growth rate 1995 - 2005</b>	4.2%		4.8%		-0.6%	

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

**Table 2.5 - Hourly labour cost in US Dollar - Manufacturing sector, 1995-2005**

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Australia	15.36	17.22	16.91	15.22	15.99	14.39	13.30	15.41	19.78	23.09	N/A
France	19.26	19.10	17.20	17.45	17.24	15.46	15.65	17.12	21.14	23.89	N/A
Germany	30.09	29.75	26.13	25.98	25.73	22.67	22.48	24.20	29.63	32.53	N/A
Hong Kong	4.80	5.24	5.53	5.58	5.54	5.45	5.74	5.66	5.54	5.51	N/A
Japan	23.55	20.33	18.96	17.48	20.83	22.02	19.43	18.65	20.32	21.90	N/A
Korea	7.28	8.22	7.86	5.67	7.35	8.24	7.72	8.77	10.03	11.52	N/A
<b>Mauritius</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>	<b>1.43</b>	<b>1.66</b>
Mexico	1.47	1.44	1.62	1.64	1.83	2.20	2.54	2.60	2.49	2.50	N/A
Portugal	5.09	5.38	5.18	5.26	5.35	4.49	4.59	5.07	6.24	7.02	N/A
Singapore	7.58	8.28	8.22	7.83	7.28	7.19	6.97	6.71	7.18	7.45	N/A
Sri Lanka	0.48	0.48	0.46	0.47	0.46	0.48	0.45	0.49	0.51	N/A	N/A
Taiwan	5.87	6.02	6.01	5.45	5.51	6.19	6.05	5.64	5.69	5.97	N/A
United Kingdom	13.79	14.24	15.75	17.04	17.04	16.73	16.75	18.25	21.20	24.71	N/A
Canada	16.50	16.64	16.47	15.60	15.58	16.48	16.23	16.66	19.37	21.42	N/A
USA	17.21	17.70	18.29	18.63	19.10	19.70	20.58	21.40	22.27	23.17	N/A

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

**Table 3.1 Trends in output and inputs - Export Processing Zone (EPZ), 1995 - 2005**  
(Index 2000 = 100)

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	73.4	5.0	88.6	-2.3	79.8	-2.8
1996	78.5	7.0	88.8	0.2	78.9	-1.2
1997	83.3	6.0	92.9	4.6	82.6	4.7
1998	89.0	6.9	97.9	5.4	87.9	6.4
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	103.4	-0.3
2003	92.2	-6.0	83.8	-8.5	101.4	-1.9
2004	86.0	-6.8	75.8	-9.6	111.1	9.5
2005	75.4	-12.3	72.2	-4.7	116.9	5.3
<b>Average annual growth rate 1995 - 2005</b>	0.3%		-2.0%		3.9%	

**Table 3.2 Trends in productivity - Export Processing Zone (EPZ), 1995 - 2005**  
(Index 2000 = 100)

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1995	82.8	7.5	91.9	8.1	89.0	7.2
1996	88.4	6.7	99.6	8.3	94.3	6.0
1997	89.6	1.3	100.8	1.2	94.7	0.4
1998	90.9	1.5	101.2	0.5	95.7	1.2
1999	94.7	4.2	99.2	-2.1	97.2	1.5
2000	100.0	5.6	100.0	0.9	100.0	2.9
2001	106.8	6.8	100.7	0.7	103.2	3.2
2002	107.1	0.2	94.9	-5.7	100.9	-2.3
2003	110.0	2.7	90.9	-4.2	100.7	-0.2
2004	113.4	3.1	77.4	-14.9	90.9	-9.7
2005	104.4	-7.9	64.5	-16.7	81.6	-10.2
<b>Average annual growth rate 1995 - 2005</b>	2.3%		-3.5%		-0.9%	

**Table 3.3 - Trends in output and inputs in the textile and non textile subsectors of EPZ, 1995 - 2005**

(Index 2000=100)

Year	Real output			Labour input			Capital input		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1995	73.4	72.5	81.6	88.6	87.5	96.5	79.8	79.9	105.8
1996	78.5	78.5	79.2	88.8	88.0	95.3	78.9	79.0	97.7
1997	83.3	83.5	81.5	92.9	92.7	94.8	82.6	82.7	94.0
1998	89.0	89.3	87.1	97.9	98.1	96.6	87.9	87.9	88.1
1999	94.3	94.6	92.3	99.6	100.0	96.4	95.1	95.1	93.7
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	106.6
2002	98.1	96.4	111.3	91.6	91.2	94.9	103.4	103.5	105.8
2003	92.2	89.8	110.5	83.8	82.3	95.1	101.4	101.6	101.2
2004	86.0	81.7	118.3	75.8	72.6	100.3	111.1	111.5	111.4
2005	75.4	69.5	121.8	72.2	67.0	111.1	116.9	117.7	118.3

**Annual growth rate (%)**

1995 - 2005	0.3	-0.4	4.1	-2.0	-2.6	1.4	3.9	3.9	1.1
Year 2004	-6.8	-9.0	7.0	-9.6	-11.9	5.4	9.5	9.7	10.1
Year 2005	-12.3	-15.0	3.0	-4.7	-7.6	10.8	5.3	5.5	6.2

**Table 3.4 - Trends in productivity in the textile and non textile subsectors of EPZ, 1995 - 2005**

(Index 2000=100)

Year	Labour productivity			Capital productivity			Multifactor productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1995	82.8	82.8	84.6	91.9	90.7	77.1	89.0	88.8	78.4
1996	88.4	89.3	83.1	99.6	99.4	81.1	94.3	95.0	80.3
1997	89.6	90.1	86.0	100.8	101.0	86.7	94.7	95.2	85.1
1998	90.9	91.0	90.2	101.2	101.5	98.9	95.7	96.1	93.4
1999	94.7	94.6	95.8	99.2	99.5	98.5	97.2	97.0	99.2
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	106.8	107.1	104.5	100.7	100.4	98.5	103.2	102.4	105.8
2002	107.1	105.7	117.3	94.9	93.1	105.2	100.9	99.2	111.3
2003	110.0	109.1	116.2	90.9	88.4	109.2	100.7	98.8	113.0
2004	113.4	112.6	118.0	77.4	73.3	106.1	90.9	88.6	108.0
2005	104.4	103.6	109.6	64.5	59.0	103.0	81.6	80.2	100.6

19

**Annual growth rate (%)**

1995 - 2005	2.3	2.3	2.6	-3.5	-4.2	2.9	-0.9	-1.0	2.5
Year 2004	3.1	3.3	1.5	-14.9	-17.1	-2.8	-9.7	-10.3	-4.4
Year 2005	-7.9	-8.0	-7.0	-16.7	-19.5	-3.0	-10.2	-9.5	-6.8

**Table 3.5 - Average compensation, ULC and Labour productivity in the textile and non textile subsectors of EPZ, 1995 - 2005**  
(Index 2000=100)

Year	Average compensation			Unit Labour Cost			Labour productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1995	67.3	68.8	58.0	81.2	83.0	68.6	82.8	82.8	84.6
1996	72.2	74.8	56.8	81.7	83.7	68.3	88.4	89.3	83.1
1997	73.5	74.3	68.5	82.1	82.5	79.7	89.6	90.1	86.0
1998	81.2	81.6	78.8	89.3	89.6	87.4	90.9	91.0	90.2
1999	93.5	91.7	105.1	98.7	97.0	109.7	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	112.3	110.2	124.2	105.1	102.9	118.8	106.8	107.1	104.5
2002	123.6	123.4	124.1	115.4	116.7	105.8	107.1	105.7	117.3
2003	135.6	136.7	126.8	123.2	125.3	109.2	110.0	109.1	116.2
2004	145.2	151.1	112.9	128.1	134.1	95.8	113.4	112.6	118.0
2005	151.4	161.4	105.1	145.1	155.7	95.8	104.4	103.6	109.6

**Annual growth rate (%)**

1995 - 2005	8.4	8.9	6.1	6.0	6.5	3.4	2.3	2.3	2.6
Year 2004	7.1	10.5	-10.9	4.0	7.0	-12.3	3.1	3.3	1.5
Year 2005	4.3	6.8	-7.0	13.3	16.1	0.1	-7.9	-8.0	-7.0

**Table 3.6 - ULC in local currency and US dollar for the textile and non textile subsectors of EPZ, 1995 - 2005**

**(Index 2000=100)**

Year	ULC (MUR)			Exchange Rate MUR/US \$		ULC (US Dollar)		
	Total	Textile	Non-textile	Index	% Change*	Total	Textile	Non-textile
1995	81.2	83.0	68.6	67.8	-1.5	119.8	122.5	101.2
1996	81.7	83.7	68.3	75.1	10.7	108.8	111.6	91.0
1997	82.1	82.5	79.7	80.2	6.8	102.4	102.9	99.4
1998	89.3	89.6	87.4	91.3	13.9	97.8	98.1	95.8
1999	98.7	97.0	109.7	95.8	4.9	103.1	101.3	114.5
2000	100.0	100.0	100.0	100.0	4.4	100.0	100.0	100.0
2001	105.1	102.9	118.8	110.7	10.7	95.0	93.0	107.3
2002	115.4	116.7	105.8	114.1	3.1	101.1	102.3	92.7
2003	123.2	125.3	109.2	108.1	-5.3	114.0	115.9	101.0
2004	128.1	134.1	95.8	105.7	-2.2	121.2	126.9	90.6
2005	145.1	155.7	95.8	108.5	2.7	133.7	143.5	88.3

**Annual growth rate (%)**

1995 - 2005	6.0	6.5	3.4	4.8	1.1	1.6	-1.4
Year 2004	4.0	7.0	-12.3	-2.2	6.3	9.5	-10.3
Year 2005	13.3	16.1	0.1	2.7	10.3	13.1	-2.5

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