

Productivity and Competitiveness Indicators (1997 – 2007)

Introduction

This issue of the Economic and Social Indicators presents indices for the years 1997 to 2007 for the total economy, the manufacturing sector and Export Oriented Enterprises (EOE).

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 EOE 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	2006	2007
		1997 - 2007		
1	Output (GDP at basic prices)	4.6	5.0	5.4
2	GDP at market prices	4.3	4.2	5.5
3	GDP per capita (market prices)	3.4	3.4	4.8
4	Labour input	1.1	1.6	1.6
5	Capital input	5.3	5.6	5.8
6	Capital - Output ratio	0.7	0.6	0.4
7	Capital - Labour ratio	4.2	4.0	4.1
8	Labour productivity	3.5	3.3	3.7
9	Capital productivity	-0.7	-0.6	-0.4
10	Multifactor productivity	0.2	-0.7	0.1
11	Average compensation of employees	8.2	6.6	10.5
12	Unit Labour Cost (Mauritian Rupees)	4.5	3.1	6.5
13	Unit Labour Cost (US Dollars)	0.5	-3.2	5.8

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 1997 and 2007 GDP in real terms grew on average by 4.6% per annum. The growth rate for 2007 was 5.4% higher than the 5.0% growth registered in 2006.

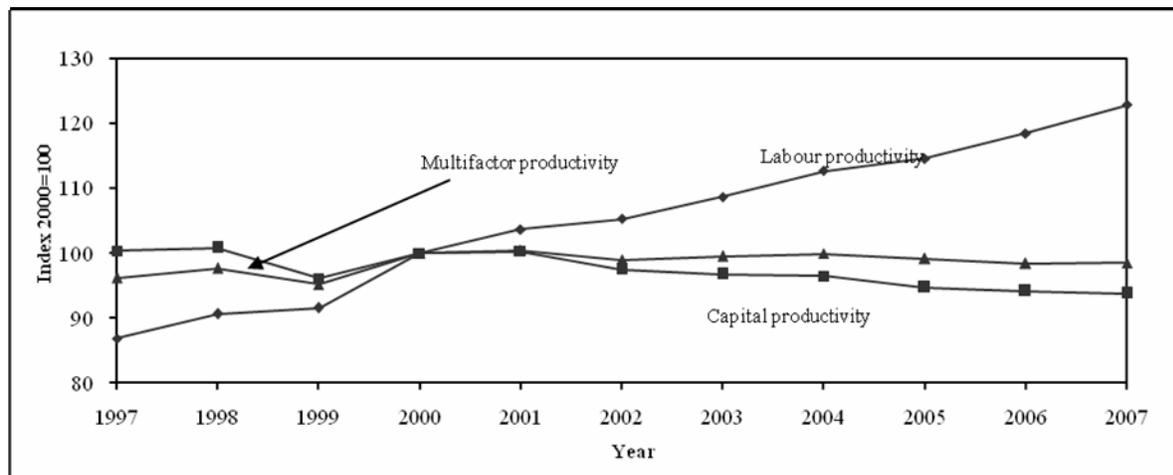
The GDP per capita at market prices is an indicator of the standard of living of the population. With an annual growth of 0.9% in the population and 4.3% in GDP at market prices, GDP per capita grew by 3.4% per annum during the period 1997 – 2007.

2.2 Labour and capital inputs

During the period 1997– 2007, whilst real GDP at basic prices increased by 4.6% per annum, capital input grew by 5.3% compared to a growth of 1.1% for labour input. The capital - labour ratio, defined as the ratio of the stock of fixed capital to labour input, grew 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, 1997 - 2007



2.3.1 Labour productivity

From the above chart, it is observed that labour productivity, defined as real GDP per worker, improved from 86.9 in 1997 to 122.8 in 2007, giving an average annual growth of 3.5%.

In 2007, labour productivity grew at a higher rate of 3.7% compared to 3.3% in 2006. This was the result of a high GDP growth of 5.4% in 2007, coupled with a lower growth of 1.6% in labour input. In 2006, GDP grew by 5.0% while labour input grew by 1.6% (Table 1.2).

2.3.2 Capital productivity

Between 1997 and 2007, capital productivity defined as real GDP per unit of capital declined at an average annual rate of 0.7% from 100.4 in 1997 to 93.8 in 2007.

In 2007, the capital productivity index declined further by 0.4% after a decline of 0.6% in 2006. The 0.4% fall in 2007 was explained by a lower growth in GDP (5.4%) compared to capital input (5.8%) (Table 1.2).

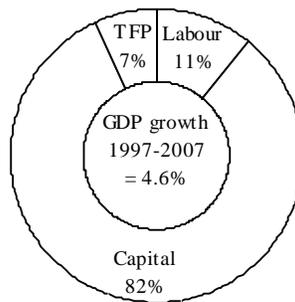
2.3.3 Multifactor productivity (MFP)

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 0.2%. In 2007, MFP registered a growth of 0.1% against a decline of 0.7% in 2006 (Table 1.2).

2.4 Growth accounting

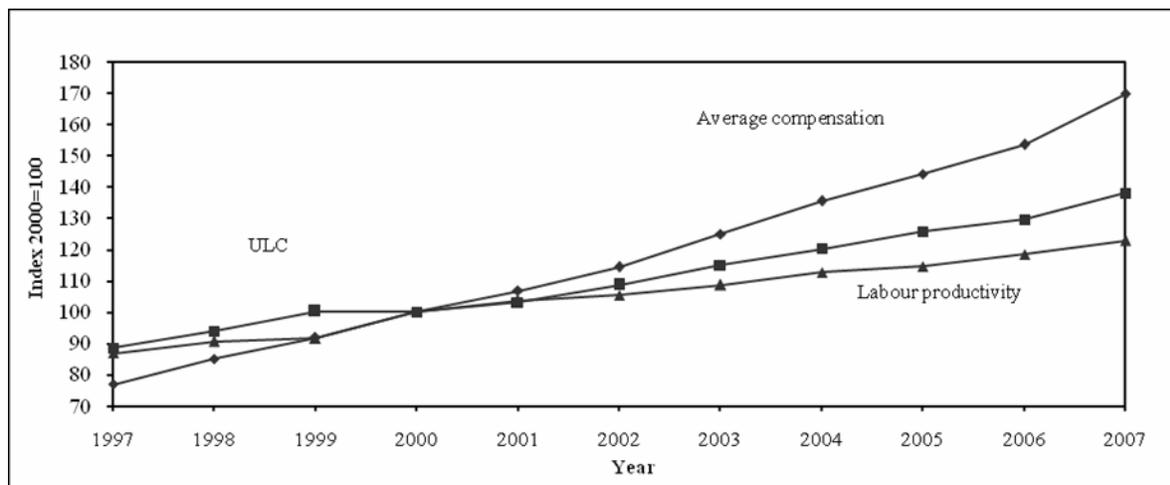
The contribution of different factors to economic growth is determined by the growth accounting technique. Between 1997 and 2007, the contribution of labour to the 4.6% growth in GDP works out to 11% and that of capital to 82%. The remaining 7% represents the contribution of “Total Factor Productivity” (TFP), which includes qualitative factors such as training, management and technology.

Chart 2: Contribution of labour, capital and TFP to GDP growth, 1997– 2007



2.5 Unit Labour Cost (ULC)

Chart 3 : Trends in Unit Labour Cost - Total economy, 1997 – 2007



ULC measures the remuneration of labour per unit of output. It is affected by changes in both average compensation of employees and labour productivity. Between 1997 and 2007, average compensation of employees increased by 8.2% annually, higher than the annual growth of 3.5% registered in labour productivity, resulting in an average annual growth of 4.5% in ULC (Table 1.3).

In 2007, ULC grew by 6.5% compared to 3.1% in 2006.

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. Between 1997 and 2007, ULC in Mauritian Rupees grew annually by 4.5%. However, in Dollar terms, it increased by 0.5% as a result of an average annual depreciation of 4.1% of the Mauritian Rupee vis-à-vis the US Dollar during the period under review. In 2007, ULC in Dollar terms grew by 5.8% against a decline of 3.2% in 2006 (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	2006	2007
		1997 - 2007		
1	Output	1.9	4.0	2.2
2	Labour input	-1.4	0.7	1.5
3	Capital input	3.9	-0.1	4.6
4	Capital - Output ratio	2.0	-3.9	2.4
5	Capital - Labour ratio	5.3	-0.7	3.1
6	Labour productivity	3.3	3.3	0.7
7	Capital productivity	-1.9	4.1	-2.3
8	Multifactor productivity	-0.1	2.2	-1.3
9	Average compensation of employees	8.9	2.6	12.0
10	Unit Labour Cost (Mauritian Rupees)	5.5	-0.7	11.2
11	Unit Labour Cost (US Dollars)	1.3	-6.8	10.4

3.1 Output and inputs

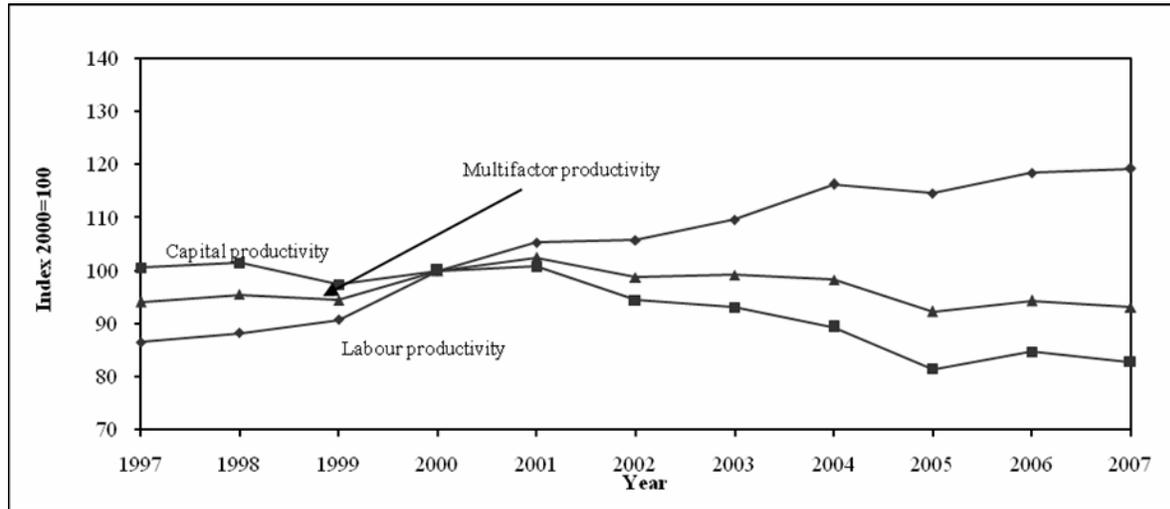
Between 1997 and 2007, real output in the manufacturing sector grew on average by 1.9% annually. In 2007, the sector registered a lower growth of 2.2% compared to a growth of 4.0% in 2006.

During the ten-year period, labour input declined by 1.4% annually whereas capital input grew by an average annual rate of 3.9%.

Labour input which was on the decline since 1999, registered an increase of 1.5% in 2007 compared to a low growth of 0.7% a year earlier. Capital input declined for the first time in 2006 during the 10-year period. It picked up in 2007 to grow by 4.6% (Table 2.1).

3.2 Productivity trends

Chart 4: Trends in productivity indices – Manufacturing sector, 1997-2007



During the period 1997 to 2007, labour productivity in the manufacturing sector registered an average annual growth of 3.3% while capital productivity witnessed a decline of 1.9%. This was the result of growths of 1.9% and 3.9% in real output and capital input respectively, and a decline of 1.4% in labour input. During the same period, multifactor productivity decreased by 0.1% per annum (Table 2.2).

In 2007, labour productivity in manufacturing grew by 0.7% whilst declines of 2.3% and 1.3% were registered in capital and multi-factor productivity respectively whereas a year earlier, the sector witnessed increases of 3.3%, 4.1% and 2.2% in labour, capital and multifactor productivity.

3.3 Unit Labour Cost (ULC)

Chart 5: Trends in Unit Labour Cost – Manufacturing sector, 1997 – 2007

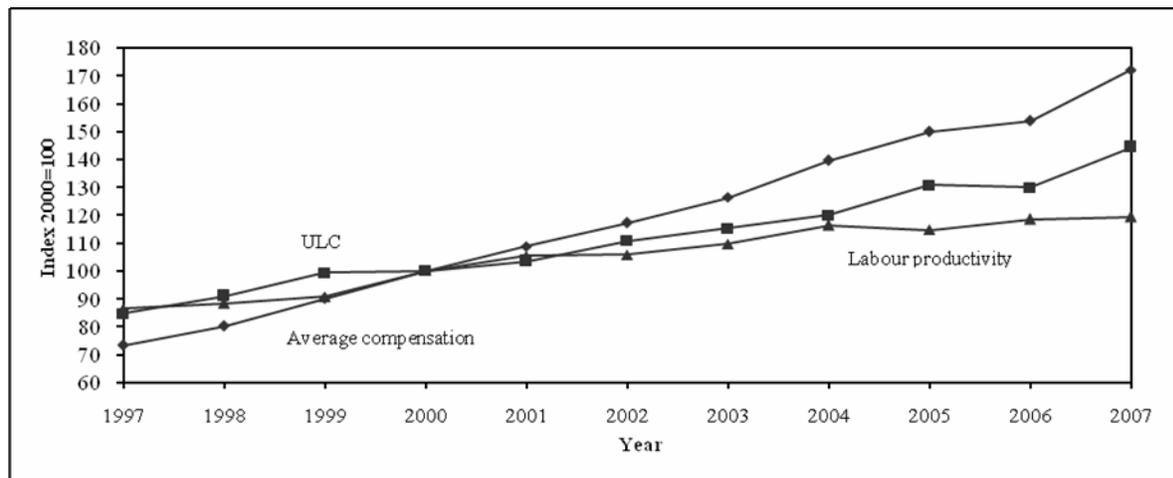


Chart 5 shows the trend of the ULC index in the manufacturing sector for the period 1997 to 2007. During that period, ULC grew at an average annual rate of 5.5% due to a higher growth in average compensation of employees (8.9%) compared to labour productivity (3.3%). However, in Dollar terms, ULC increased at an average annual rate of 1.3% following an annual average depreciation of 4.1% of the local currency against the Dollar (Table 2.4).

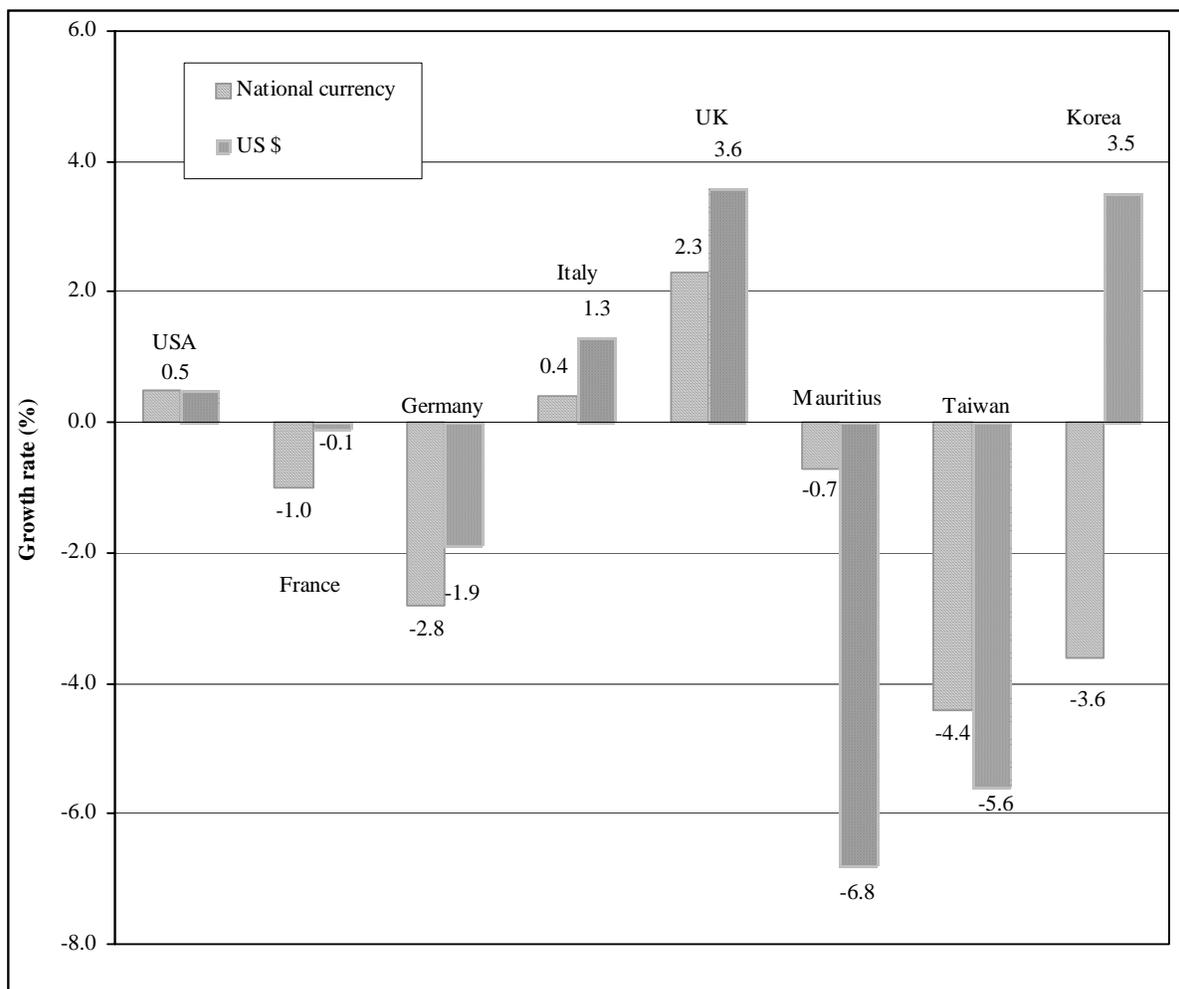
In 2007, ULC for the manufacturing sector grew by 11.2% compared to a decline of 0.7% in 2006. In Dollar terms, it increased by 10.4% as opposed to a fall of 6.8% in 2006.

3.4 International comparison of Unit Labour Cost in Manufacturing – 2006

An international comparison of growth in ULC in the manufacturing sector for the year 2006 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	0.5	-1.0	-2.8	0.8	2.3	-0.7	-4.4	-3.6
US \$	0.5	-0.1	-1.9	1.3	3.6	-6.8	-5.6	3.5

Chart 6: International comparison of ULC in Manufacturing – Growth rate (%) 2006



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

It is observed that, in 2006, ULC in manufacturing, expressed in national currency, fell in five of the eight economies used for comparison, the steepest declines being observed in Taiwan (-4.4%) and Korea (-3.6%). Among the remaining three economies, UK registered the highest increase in ULC (+2.3%).

Expressed in US Dollar, ULC in manufacturing, declined in four countries namely Mauritius (-6.8%), Taiwan (-5.6%), Germany (-1.9%) and France (-0.1%). Among the countries registering increases, UK and Korea registered high increases of (+3.6%) and (+3.5%) explained by the high appreciation of their currencies relative to the US Dollar.

3.5 International comparison of Hourly Labour Cost (HLC)

The HLC is used as an indicator of international competitiveness. Table 2.5 compares the evolution of HLC in the Mauritian manufacturing sector with available hourly labour cost for other countries. It is observed that, in 2006, in the absence of data for Sri Lanka, the HLC for Mauritius was the lowest (1.61 US Dollar) followed by Mexico (2.75 US Dollar) while Germany recorded the highest HLC (34.21 US Dollar). In 2007, the HLC for Mauritius was 1.56 US Dollar. Data for other countries for year 2007 are not available.

4. Indicators for Export Oriented Enterprises (EOE) sector

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

Indicator		Growth rate (%)		
		Average annual	2006	2007
		1997 - 2007		
1	Output	0.2	4.6	8.0
2	Labour input	-2.3	-0.8	2.2
3	Capital input	5.4	2.5	16.7
4	Capital – Output ratio	5.1	-2.0	8.0
5	Capital – Labour ratio	7.9	3.3	14.2
6	Labour productivity	2.6	5.4	5.7
7	Capital productivity	-4.9	2.0	-7.4
8	Multifactor productivity	-2.1	-2.2	-3.8
9	Average compensation of employees	8.9	3.3	11.4
10	Unit Labour Cost (Mauritian Rupees)	6.1	-2.0	5.4
11	Unit Labour Cost (US Dollars)	1.9	-8.1	4.6

4.1 Output and inputs

In 2007, the share of the EOE sector in the economy was 7.5%. The contribution of the textile and non-textile subsectors in the total output of the EOE sector was 75.9% and 24.1% respectively.

Between 1997 and 2007, on the average the annual real growth in the EOE worked out to 0.2%. Within the sector, an average annual growth of 3.5% was observed in the non-textile establishments compared to a decline of 0.8 % in the textile establishments.

During the same period, labour input registered an annual decline of 2.3% with the index increasing from 93.5 in 1997 to 101.3 in 2001, followed by a continuous decline reaching a level of 72.4 in 2006. In 2007, labour input grew by 2.2% to reach 73.9. Capital input on the other hand registered an average annual increase of 5.4% from 82.7 in 1997 to 139.2 in 2007.

In 2007, labour input grew by 2.2% after a decline of 0.8% in 2006 while capital input improved by 16.7% compared to a low growth of 2.5% in 2006 (Table 3.3).

4.2 Productivity trends

Chart 7: Trends in productivity indices – EOE sector, 1997– 2007

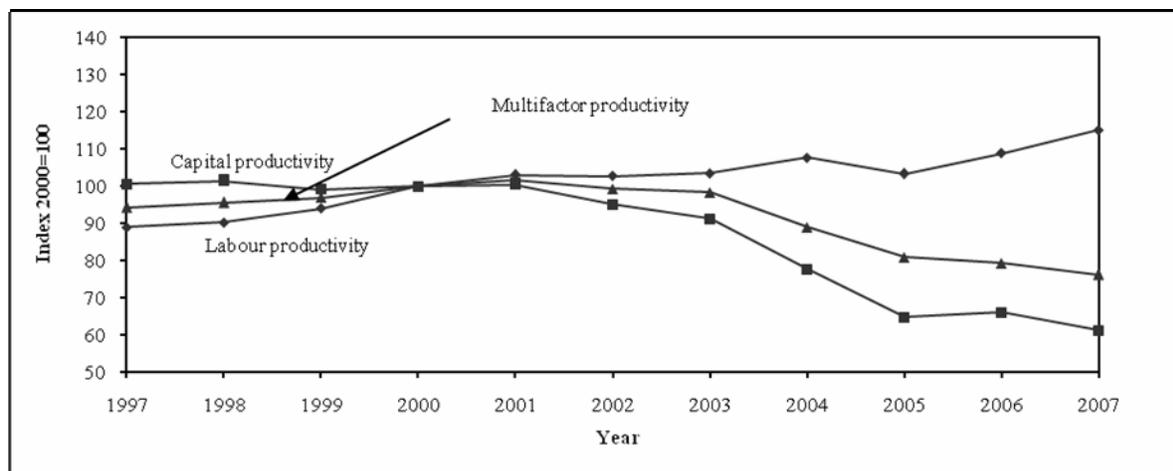
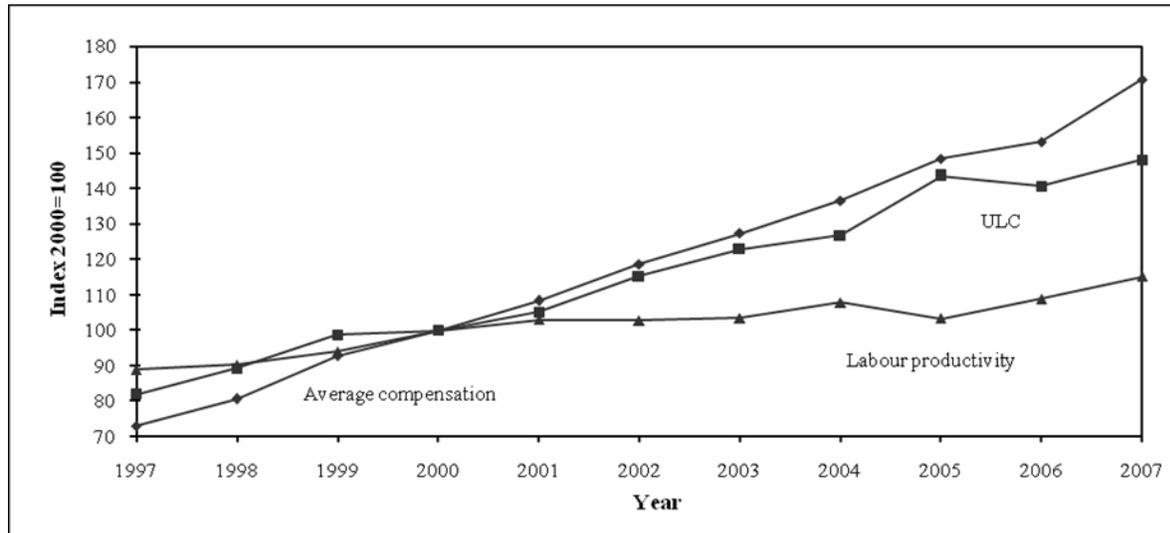


Chart 7 shows the trends in the labour, capital and multifactor productivity indices for the EOE sector for the years 1997 to 2007. During that period, labour productivity grew at an average annual rate of 2.6% while capital productivity declined by 4.9%. This is explained by an annual decline of 2.3% in the labour input and a growth of 5.4% in capital input along with a growth of 0.2% in real output during the period under review. Multifactor productivity fell at an average annual rate of 2.1% (Table 3.4).

In 2007, labour productivity in EOE grew by 5.7% compared to a growth of 5.4% in 2006. On the other hand, capital productivity declined by 7.4% in 2007 against an increase of 2.0% in 2006. Multifactor productivity declined further by 3.8% in 2007 after a fall of 2.2% in 2006.

4.3 Unit Labour Cost (ULC)

Chart 8: Trends in Unit Labour Cost – EOE sector, 1997– 2007



Between 1997 and 2007, average compensation of employees in the EOE sector increased by an average annual rate of 8.9% and labour productivity by 2.6%. The growth in average compensation of employees being higher than labour productivity, the ULC increased at an average annual rate of 6.1% during that period. In 2007, ULC increased by 5.4% against a decline of 2.0% in 2006. (Table 3.5)

In Dollar terms, ULC witnessed an annual growth of 1.9% between 1997 and 2007 as a result of the depreciation of the MUR (4.1%) vis-à-vis the US Dollar during the same period. In 2007, the ULC in Dollar terms registered a rise of 4.6% compared to a fall of 8.1% in 2006.

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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

Employment/Labour input is most appropriately measured by hours worked and its price by average compensation per hour. However, due to lack of data, the total number of persons engaged, defined as employers, own account workers, contributing family workers and employees in any type of economic activity is used. Prior to 2000, employment for year n was calculated as the average of employment at June of year (n) and June of year $(n+1)$. As from 2000, average employment for a given year is available and thus the data has been used for the computation of labour input.

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

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 source of data is the September Survey of Employment, Earnings and Hours of work.

Table 1.1 Trends in output and inputs - Total economy, 1997 - 2007**(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	84.4	5.6	97.2	1.3	84.1	6.2
1998	89.3	5.8	98.5	1.4	88.6	5.4
1999	91.2	2.1	99.5	1.0	94.8	7.1
2000	100.0	9.7	100.0	0.5	100.0	5.4
2001	105.2	5.2	101.5	1.5	104.9	4.9
2002	107.1	1.8	101.7	0.2	109.9	4.8
2003	111.8	4.4	102.9	1.2	115.6	5.2
2004	117.2	4.8	104.0	1.0	121.4	5.1
2005	119.9	2.3	104.6	0.6	126.6	4.3
2006	125.9	5.0	106.3	1.6	133.7	5.6
2007	132.7	5.4	108.0	1.6	141.5	5.8
Average annual growth rate 1997 - 2007	4.6%		1.1%		5.3%	

Table 1.2 Trends in productivity - Total economy, 1997 - 2007**(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	86.9	4.2	100.4	-0.6	96.2	0.6
1998	90.6	4.3	100.8	0.4	97.6	1.5
1999	91.6	1.1	96.1	-4.6	95.2	-2.5
2000	100.0	9.2	100.0	4.0	100.0	5.0
2001	103.7	3.7	100.3	0.3	100.5	0.5
2002	105.3	1.6	97.5	-2.8	99.0	-1.5
2003	108.6	3.2	96.8	-0.7	99.5	0.5
2004	112.7	3.7	96.5	-0.3	99.9	0.4
2005	114.6	1.7	94.7	-1.9	99.1	-0.8
2006	118.4	3.3	94.1	-0.6	98.4	-0.7
2007	122.8	3.7	93.8	-0.4	98.5	0.1
Average annual growth rate 1997 - 2007	3.5%		-0.7%		0.2%	

Table 1.3 Average compensation of employees, Unit Labour Cost, and Labour productivity - Total economy, 1997 - 2007**(Index 2000 = 100)**

Year	Average compensation of employees		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	76.9	6.0	88.5	1.7	86.9	4.2
1998	85.1	10.6	93.9	6.0	90.6	4.3
1999	91.7	7.9	100.2	6.7	91.6	1.1
2000	100.0	9.0	100.0	-0.2	100.0	9.2
2001	106.8	6.8	103.0	3.0	103.7	3.7
2002	114.3	7.1	108.5	5.4	105.3	1.6
2003	125.0	9.3	115.0	6.0	108.6	3.2
2004	135.4	8.4	120.2	4.5	112.7	3.7
2005	144.0	6.4	125.7	4.6	114.6	1.7
2006	153.5	6.6	129.6	3.1	118.4	3.3
2007	169.5	10.5	138.0	6.5	122.8	3.7

Average annual growth rate 1997 - 2007	8.2%	4.5%	3.5%
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Table 1.4 ULC in local currency and US dollar - Total economy, 1997 - 2007**(Index 2000 = 100)**

Year	Unit Labour Cost (MUR)		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
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	115.0	6.0	108.1	-5.3	106.4	11.8
2004	120.2	4.5	105.7	-2.2	113.7	6.9
2005	125.7	4.6	111.3	5.3	112.9	-0.7
2006	129.6	3.1	118.6	6.6	109.3	-3.2
2007	138.0	6.5	119.5	0.7	115.6	5.8

Average annual growth rate 1997 - 2007	4.5%	4.1%	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, 1997 - 2007**(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	85.6	5.9	99.0	3.7	85.2	0.1
1998	90.9	6.1	103.0	3.9	89.5	5.1
1999	92.7	2.0	102.1	-0.8	95.2	6.3
2000	100.0	7.9	100.0	-2.1	100.0	5.1
2001	104.4	4.4	99.1	-0.9	103.5	3.5
2002	101.9	-2.4	96.3	-2.8	107.9	4.2
2003	101.9	0.0	93.0	-3.5	109.5	1.5
2004	102.5	0.6	88.2	-5.2	114.7	4.8
2005	96.9	-5.5	84.5	-4.2	118.9	3.7
2006	100.7	4.0	85.1	0.7	118.9	-0.1
2007	103.0	2.2	86.3	1.5	124.3	4.6
Average annual growth rate 1997 - 2007	1.9%		-1.4%		3.9%	

Table 2.2 Trends in productivity - Manufacturing sector, 1997 - 2007**(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	86.5	2.1	100.5	5.8	94.1	4.1
1998	88.3	2.1	101.5	0.9	95.5	1.5
1999	90.7	2.8	97.4	-4.0	94.5	-1.1
2000	100.0	10.2	100.0	2.7	100.0	5.9
2001	105.4	5.4	100.8	0.8	102.5	2.5
2002	105.8	0.4	94.4	-6.4	98.8	-3.6
2003	109.6	3.6	93.0	-1.5	99.2	0.4
2004	116.3	6.1	89.3	-4.0	98.3	-0.9
2005	114.6	-1.4	81.4	-8.8	92.3	-6.1
2006	118.4	3.3	84.8	4.1	94.3	2.2
2007	119.3	0.7	82.8	-2.3	93.1	-1.3
Average annual growth rate 1997 - 2007	3.3%		-1.9%		-0.1%	

Table 2.3 Average compensation of employees, Unit Labour Cost, and Labour productivity - Manufacturing sector, 1997 - 2007

(Index 2000 = 100)

Year	Average compensation of employees		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	73.2	3.9	84.7	1.7	86.5	2.1
1998	80.2	9.5	90.8	7.3	88.3	2.1
1999	90.1	12.3	99.3	9.3	90.7	2.8
2000	100.0	11.0	100.0	0.8	100.0	10.2
2001	108.9	8.9	103.3	3.3	105.4	5.4
2002	117.1	7.6	110.7	7.2	105.8	0.4
2003	126.3	7.8	115.2	4.0	109.6	3.6
2004	139.4	10.4	119.9	4.1	116.3	6.1
2005	149.8	7.4	130.7	9.0	114.6	-1.4
2006	153.6	2.6	129.7	-0.7	118.4	3.3
2007	172.1	12.0	144.3	11.2	119.3	0.7
Average annual growth rate 1997 - 2007	8.9%		5.5%		3.3%	

Table 2.4 ULC in local currency and US dollar - Manufacturing sector, 1997 - 2007

(Index 2000 = 100)

Year	Unit Labour Cost (MUR)		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
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	115.2	4.0	108.1	-5.3	106.6	9.8
2004	119.9	4.1	105.7	-2.2	113.5	6.5
2005	130.7	9.0	111.3	5.3	117.4	3.4
2006	129.7	-0.7	118.6	6.6	109.4	-6.8
2007	144.3	11.2	119.5	0.7	120.8	10.4
Average annual growth rate 1997 - 2007	5.5%		4.1%		1.3%	

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

Table 2.5 - Hourly labour cost in US Dollar - Manufacturing sector, 1997-2007

Country	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Australia	16.77	15.22	15.96	14.40	13.30	15.38	19.79	23.38	25.11	26.14	N/A
France	17.10	17.45	17.00	15.46	15.65	17.13	20.74	23.29	24.00	24.90	N/A
Germany	27.10	25.98	26.26	22.67	22.48	24.22	29.93	33.09	33.34	34.21	N/A
Hong Kong	5.38	5.58	5.37	5.45	5.74	5.66	5.54	5.51	5.65	5.78	N/A
Japan	19.06	17.48	20.47	21.93	19.43	18.60	20.32	21.95	21.54	20.20	N/A
Korea	7.83	5.67	7.34	8.23	7.72	8.77	9.69	10.81	12.74	14.78	N/A
Mauritius	1.20	1.29	1.31	1.24	1.20	1.21	1.43	1.53	1.66	1.61	1.56
Mexico	1.62	1.64	1.86	2.07	2.54	2.49	2.44	2.44	2.64	2.75	N/A
Portugal	5.13	5.26	5.06	4.49	4.59	5.07	6.18	6.96	7.27	7.65	N/A
Singapore	8.09	7.83	7.07	7.18	6.97	6.71	7.23	7.47	7.30	8.55	N/A
Sri Lanka	0.46	0.47	0.46	0.48	0.45	0.49	0.51	0.52	0.54	N/A	N/A
Taiwan	5.96	5.45	5.78	6.19	6.05	5.64	5.69	5.98	6.42	6.43	N/A
United Kingdom	14.12	17.04	17.33	16.84	16.75	18.36	21.29	24.82	25.72	27.10	N/A
Canada	16.47	15.60	15.58	16.48	16.23	16.72	19.60	21.85	23.98	25.74	N/A
USA	18.31	18.64	18.78	19.65	20.58	21.33	22.48	23.13	23.81	23.82	N/A

Source : U.S. Bureau of Labour Statistics and CSO estimates
N/A : Not available

Table 3.1 Trends in output and inputs - Export Oriented Enterprises (EOE), 1997 - 2007
(Index 2000 = 100)

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	83.3	6.0	93.5	4.6	82.7	4.6
1998	89.0	6.9	98.6	5.4	87.7	6.1
1999	94.3	6.0	100.3	1.8	95.1	8.4
2000	100.0	6.0	100.0	-0.3	100.0	5.2
2001	104.4	4.4	101.3	1.3	103.9	3.9
2002	98.1	-6.0	95.4	-5.8	103.2	-0.7
2003	92.2	-6.0	89.1	-6.7	101.1	-2.0
2004	86.0	-6.8	79.7	-10.5	110.7	9.5
2005	75.4	-12.3	72.9	-8.5	116.4	5.2
2006	78.9	4.6	72.4	-0.8	119.3	2.5
2007	85.2	8.0	73.9	2.2	139.2	16.7
Average annual growth rate 1997 - 2007	0.2%		-2.3%		5.4%	

Table 3.2 Trends in productivity - Export Oriented Enterprises (EOE), 1997 - 2007
(Index 2000 = 100)

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1997	89.0	1.3	100.7	1.4	94.4	0.5
1998	90.3	1.5	101.4	0.7	95.6	1.3
1999	94.1	4.2	99.2	-2.2	97.0	1.5
2000	100.0	6.3	100.0	0.8	100.0	3.1
2001	103.0	3.0	100.5	0.5	101.6	1.6
2002	102.8	-0.2	95.1	-5.4	99.3	-2.3
2003	103.5	0.7	91.3	-4.0	98.4	-1.0
2004	107.8	4.1	77.7	-14.9	89.1	-9.4
2005	103.4	-4.1	64.8	-16.6	81.0	-9.1
2006	109.0	5.4	66.1	2.0	79.3	-2.2
2007	115.2	5.7	61.2	-7.4	76.2	-3.8
Average annual growth rate 1997 - 2007	2.6%		-4.9%		-2.1%	

Table 3.3 - Trends in output and inputs in the textile and non textile subsectors of EOE, 1997 - 2007

(Index 2000=100)

Year	Real output			Labour input			Capital input		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1997	83.3	83.5	81.5	93.5	93.3	95.4	82.7	82.7	93.8
1998	89.0	89.3	87.1	98.6	98.7	97.3	87.7	87.8	89.6
1999	94.3	94.6	92.3	100.3	100.7	97.0	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	101.3	101.0	104.1	103.9	104.1	105.0
2002	98.1	96.4	111.3	95.4	95.0	98.8	103.2	103.3	107.3
2003	92.2	89.8	110.5	89.1	87.5	101.1	101.1	101.3	104.2
2004	86.0	81.7	118.3	79.7	76.3	105.4	110.7	111.1	115.3
2005	75.4	69.5	110.0	72.9	67.7	112.2	116.4	117.2	121.4
2006	78.9	70.4	110.0	72.4	67.7	107.6	119.3	120.1	126.2
2007	85.2	76.8	115.5	73.9	68.9	111.9	139.2	140.5	145.8

Annual growth rate (%)

1997 - 2007	0.2	-0.8	3.5	-2.3	-3.0	1.6	5.4	5.4	4.5
Year 2006	4.6	1.4	0.0	-0.8	0.0	-4.0	2.5	2.5	4.0
Year 2007	8.0	9.0	5.0	2.2	1.8	4.0	16.7	17.0	15.5

Table 3.4 - Trends in productivity in the textile and non textile subsectors of EOE, 1997 - 2007

(Index 2000=100)

Year	Labour productivity			Capital productivity			Multifactor productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1997	89.0	89.5	85.4	100.7	100.9	86.9	94.4	94.9	84.8
1998	90.3	90.4	89.6	101.4	101.7	97.3	95.6	95.9	92.2
1999	94.1	93.9	95.2	99.2	99.5	97.2	97.0	96.7	98.6
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	103.0	103.3	100.8	100.5	100.2	100.0	101.6	100.9	104.4
2002	102.8	101.5	112.6	95.1	93.3	103.8	99.3	97.7	108.3
2003	103.5	102.7	109.4	91.3	88.7	106.0	98.4	98.4	100.3
2004	107.8	107.1	112.2	77.7	73.6	102.6	89.1	89.6	94.8
2005	103.4	102.6	98.0	64.8	59.3	90.6	81.0	80.7	86.5
2006	109.0	104.1	102.2	66.1	58.7	87.1	79.3	76.8	83.3
2007	115.2	111.5	103.2	61.2	54.6	79.2	76.2	74.8	77.9

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Annual growth rate (%)

1997 - 2007	2.6	2.2	1.9	-4.9	-6.0	-0.9	-2.1	-2.3	-0.9
Year 2006	5.4	1.4	4.2	2.0	-1.1	-3.8	-2.2	-4.9	-3.7
Year 2007	5.7	7.1	1.0	-7.4	-6.9	-9.1	-3.8	-2.5	-6.5

Table 3.5 - Average compensation of employees, ULC and Labour productivity in the textile and non textile subsectors of EOE, 1997 - 2007
(Index 2000=100)

Year	Average compensation of employees			Unit Labour Cost			Labour productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1997	73.1	73.8	68.1	82.1	82.5	79.7	89.0	89.5	85.4
1998	80.6	81.0	78.3	89.3	89.6	87.4	90.3	90.4	89.6
1999	92.9	91.1	104.4	98.7	97.0	109.7	94.1	93.9	95.2
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	108.3	106.3	119.7	105.1	102.9	118.8	103.0	103.3	100.8
2002	118.7	118.5	119.1	115.4	116.7	105.8	102.8	101.5	112.6
2003	127.3	135.5	80.9	123.0	132.0	74.0	103.5	102.7	109.4
2004	136.6	151.2	65.7	126.7	141.2	58.5	107.8	107.1	112.2
2005	148.3	161.1	91.7	143.5	157.0	93.6	103.4	102.6	98.0
2006	153.2	161.4	112.4	140.6	155.1	110.0	109.0	104.1	102.2
2007	170.7	179.0	128.9	148.2	160.5	125.0	115.2	111.5	103.2

Annual growth rate (%)

1997 - 2007	8.9	9.3	6.6	6.1	6.9	4.6	2.6	2.2	1.9
Year 2006	3.3	0.2	22.5	-2.0	-1.2	17.6	5.4	1.4	4.2
Year 2007	11.4	10.9	14.7	5.4	3.5	13.6	5.7	7.1	1.0

Table 3.6 - ULC in local currency and US dollar for the textile and non textile subsectors of EOE, 1997 - 2007

(Index 2000=100)

Year	ULC (MUR)			Exchange Rate MUR/US \$		ULC (US Dollar)		
	Total	Textile	Non-textile	Index	% Change*	Total	Textile	Non-textile
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	123.0	132.0	74.0	108.1	-5.3	113.8	122.2	68.5
2004	126.7	141.2	58.5	105.7	-2.2	119.9	133.6	55.4
2005	143.5	157.0	93.6	111.3	5.3	128.9	141.0	84.1
2006	140.6	155.1	110.0	118.6	6.6	118.5	130.7	92.8
2007	148.2	160.5	125.0	119.5	0.7	124.0	134.4	104.6

Annual growth rate (%)

1997 - 2007	6.1	6.9	4.6	4.1	1.9	2.7	0.5
Year 2006	-2.0	-1.2	17.6	6.6	-8.1	-7.3	10.3
Year 2007	5.4	3.5	13.6	0.7	4.6	2.8	12.8

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