

MV Luchman



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1. The Export-Processing Zone - 3rd Quarter 1988
2. Tourism - 3rd Quarter 1988

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The Export Processing Zone - 3rd Quarter 1988

1. Employment evolution during 3rd Quarter 1988

During the 3rd quarter 1988, 17 new enterprises were set up while 10 ceased operation, bringing the total number of enterprises at September 1988 to 586. The slow-down in the rate of employment creation noted earlier has continued during the 3rd quarter. Contrary to the recent past when the EPZ Sector was constantly recording important growths in employment (over 60,000 jobs created since 1983), it has for the first time, this quarter, suffered a loss of some 900 workers, resulting from a fall of 1,100 in male employment partly offset by an increase of 400 in female employment. ??

This reduction of 900 in the workforce of the EPZ Sector compares with an addition of some 1,000 during the previous quarter and 2,900 during the corresponding quarter last year.

A detailed analysis of the employment data by enterprise shows that during the third quarter, a total of around 5,600 jobs were created : 1,100 by the 17 new enterprises and 4,500 by existing firms which were expanding their activities. During the same period, a large number of firms have reported reductions in their personnel, to the tune of 6,500, the highest figure recorded so far, so that net employment creation turned out to be negative, i.e. a reduction of 900.

The above analysis also points out to the increasing mobility of workers among EPZ firms; many workers are changing jobs after acquiring experience and also probably because of higher pay offered by other firms. Also, employment at September 1988 would have stagnated around 92,000, the level reached in June 1988, had it not been for high reductions in personnel reported by a few of the large enterprises in the textile sector, more specifically, in the woollen knitwear sector. The pullovers

and knitted gloves sectors registered a reduction of some 700 and 400 workers, respectively, probably because of a reduced demand for woollens as a result of the mild winter experienced in Europe last year.

2. Employment as at September 1988

As at September 1988, there were 586 enterprises operating in the EPZ Sector, with a workforce of some 90,700 workers, of whom two thirds, 59,700, were female workers and 31,000 male workers. Included in this figure, are around 600 expatriates and 2,200 outworkers who work at their home on materials provided by the firms.

During the first nine months, only 2,800 additional jobs were created compared to some 11,700 during the corresponding period in 1987 and 16,600 in 1986.

The trend in net employment creation seems now to have reversed after reaching a peak in June 1988, when employment stood at 91,600. The forecast of 8,000 additional jobs in the EPZ Sector for the year 1988, made earlier, in June, is now revised downwards to around 4,000 only. It is felt that the workforce in the EPZ Sector will stabilize at around 92,000.

3. Distribution of enterprises by size of employment

The distribution of enterprises by size of employment given in table 7, shows that among the 586 enterprises which were operating at September 1988, 75 units were small, each employing less than 10 workers, 247 were medium-sized with a personnel ranging between 10 and 50 workers. Also, there were 15 very large enterprises which employed each more than 1,000 workers and accounted for a total of over 25,000 employees representing 28% of the workforce.

4. Distribution of enterprises by product group

The textile industries remain the backbone of the EPZ Sector, comprising 433 enterprises which employ the bulk (83,000 or 91%) of the EPZ workforce. The remaining enterprises included 23 engaged in the cultivation of flowers, 15 in wood and paper products, 13 in jewellery, 12 in leather products and footwear and 10 in watches, clocks and optical goods.

5. Exports and Imports

Preliminary trade data indicate that during the first nine months, the EPZ enterprises have exported Rs 6,100 million worth of goods, while imports of raw materials and equipment goods amounted to around Rs 4,500 million, resulting in net export earnings of Rs 1,600 million.

On this trend, it is estimated that total EPZ exports for the year 1988 will reach Rs 8,500 million.

Central Statistical Office
Rose Hill
November 1988

Table 1 - EPZ :- Employment as at June 1988 and September 1988 by category of enterprise and by sex

| Category of enterprise* | Number of enterprises as at end of | | Employment as at end of | | | | | | Net change | | |
|--------------------------|--|----------------|-------------------------------|--------|--------|----------------|--------|--------|------------|--------|-------|
| | June 1988 | September 1988 | June 1988 | | | September 1988 | | | Male | Female | Total |
| | | | Male | Female | Total | Male | Female | Total | | | |
| Large ^{1/} | 500 | 509 | 31,944 | 56,913 | 88,857 | 30,675 | 57,413 | 88,088 | - 1,269 | + 500 | - 769 |
| Small | 77 | 75 | 278 | 187 | 465 | 267 | 158 | 425 | - 11 | - 29 | - 40 |
| Outworkers ^{2/} | 2 | 2 | 69 | 2,226 | 2,295 | 51 | 2,174 | 2,225 | - 18 | - 52 | - 70 |
| TOTAL | 579 | 586 | 32,291 | 59,326 | 91,617 | 30,993 | 59,745 | 90,738 | - 1,298 | + 419 | - 879 |

*Category of enterprise :

Large : Enterprise employing 10 or more persons

Small : Enterprise employing less than 10 persons

Outworkers : Persons working at their home, on materials provided by enterprise

^{1/} Employment data include around 600 expatriates as at 29th September 1988

^{2/} Number of enterprises relate to enterprises employing exclusively outworkers, whilst employment refers to total number of persons employed as outworkers

Table 2 - EPZ :- Employment as at December 1987 and September 1988 by category of enterprise and by sex

| Category of enterprise* | Number of enterprises as at end of | | Employment as at end of | | | | | | Net change | | |
|--------------------------|--|----------------|-------------------------------|--------|--------|----------------|--------|--------|----------------|---------|---------|
| | as at end of | | December 1987 | | | September 1988 | | | September 1988 | | |
| | December 1987 | September 1988 | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Large ^{1/} | 454 | 509 | 31,081 | 53,889 | 84,970 | 30,675 | 57,413 | 88,088 | - 406 | + 3,524 | + 3,118 |
| Small | 73 | 75 | 246 | 183 | 429 | 267 | 158 | 425 | + 21 | - 25 | - 4 |
| Outworkers ^{2/} | 4 | 2 | 45 | 2,461 | 2,506 | 51 | 2,174 | 2,225 | + 6 | - 287 | - 281 |
| TOTAL | 531 | 586 | 31,372 | 56,533 | 87,905 | 30,993 | 59,745 | 90,738 | - 379 | + 3,212 | + 2,833 |

*Category of enterprise :

Large : Enterprise employing 10 or more persons

Small : Enterprise employing less than 10 persons

Outworkers : Persons working at their home, on materials provided by enterprise

^{1/} Employment data include around 600 expatriates as at 29th September 1988

^{2/} Number of enterprises relate to enterprises employing exclusively outworkers, whilst employment refers to total number of persons employed as outworkers

Table 3 - Employment evolution in the EPZ sector during the 3rd Quarter 1988

| Description | Number of enterprises | Employment |
|--|-----------------------|-----------------------------|
| 1. SITUATION AS AT END OF JUNE 1988 | 572 | 91,617 |
| 2. Total employment creation of which through : Expansion of existing enterprises New enterprises | ... 361 17 | 5,563 (4,503) (1,060) |
| 3. Total loss of which through : Contraction of existing enterprises Closing down of enterprises | ... 52 10 | 6,442 (6,124) (318) |
| 4. Net change | + 7 | - 879 |
| 5. SITUATION AS AT END OF SEPTEMBER 1988 | 586 | 90,738 |

1/ Relate to only enterprises which have increased their work force by 25 or more employees

2/ Relate to enterprises which have reduced their workforce by 25 or more employees

Table 4 - EPZ :- Analysis of net change in employment during period June 1988 - September 1988 by product group

| Product group | Employment as at end of | | Net change in employment |
|-----------------------------------|-------------------------------|----------------|--------------------------|
| | June 1988 | September 1988 | |
| 1. Food | 697 | 766 | + 69 |
| 2. Flowers | 333 | 344 | + 11 |
| 3. Textile yarn and fabrics | 3,539 | 3,670 | + 131 |
| 4. Wearing apparels | 80,295 | 79,317 | - 978 |
| of which (a) pullovers | (34,909) | (34,152) | (- 757) |
| (b) gloves | (1,019) | (641) | (- 378) |
| (c) other garments | (44,367) | (44,524) | (+ 157) |
| 5. Leather products and footwear | 854 | 885 | + 31 |
| 6. Wood and paper products | 508 | 517 | + 9 |
| 7. Optical goods | 621 | 549 | - 72 |
| 8. Watches and clocks | 903 | 858 | - 45 |
| 9. Jewellery and related articles | 1,395 | 1,448 | + 53 |
| 10. Fishing tackles and flies | 149 | 158 | + 9 |
| 11. Toys and carnival articles | 746 | 785 | + 39 |
| 12. Other | 1,577 | 1,441 | - 136 |
| T O T A L | 91,617 | 90,738 | - 879 |

Table 5 - EPZ :- Employment as at September 1987 and September 1988 by category of enterprise and by sex

| Category of enterprise* | Number of enterprises as at end of | | Employment as at end of | | | | | | Net change | | |
|--------------------------|--|----------------|-------------------------------|--------|--------|----------------|--------|--------|------------|---------|---------|
| | September 1987 | September 1988 | September 1987 | | | September 1988 | | | Male | Female | Total |
| | | | Male | Female | Total | Male | Female | Total | | | |
| Large ^{1/} | 443 | 509 | 30,349 | 53,073 | 83,422 | 30,675 | 57,413 | 88,088 | + 326 | + 4,340 | + 4,666 |
| Small | 53 | 75 | 162 | 127 | 289 | 267 | 158 | 425 | + 105 | + 31 | + 136 |
| Outworkers ^{2/} | 4 | 2 | 44 | 1,930 | 1,974 | 51 | 2,174 | 2,225 | + 7 | + 244 | + 251 |
| TOTAL | 500 | 586 | 30,555 | 55,130 | 85,685 | 30,993 | 59,745 | 90,738 | + 438 | + 4,615 | + 5,053 |

*Category of enterprise :

Large : Enterprise employing 10 or more persons

Small : Enterprise employing less than 10 persons

Outworkers : Persons working at their home, on materials provided by enterprise

^{1/} Employment data include around 600 expatriates as at 29th September 1988

^{2/} Number of enterprises relate to enterprises employing exclusively outworkers, whilst employment refers to total number of persons as outworkers

Table 6 - EPZ:- Analysis of net change in employment during period September 1987 - September 1988 by product group

| Product group | Employment as at end of | | Net change in employment |
|-----------------------------------|-------------------------------|----------------|--------------------------|
| | September 1987 | September 1988 | |
| 1. Food | 717 | 766 | + 49 |
| 2. Flowers | 297 | 344 | + 47 |
| 3. Textile yarn and fabrics | 3,316 | 3,670 | + 354 |
| 4. Wearing apparels | 75,360 | 79,317 | + 3,957 |
| of which (a) pullovers | (34,755) | (34,152) | (- 603) |
| (b) gloves | (1,310) | (641) | (- 669) |
| (c) other garments | (39,295) | (44,524) | (+ 5,229) |
| 5. Leather products and footwear | 817 | 885 | + 68 |
| 6. Wood and paper products | 590 | 517 | - 73 |
| 7. Optical goods | 581 | 549 | - 32 |
| 8. Watches and clocks | 750 | 858 | + 108 |
| 9. Jewellery and related articles | 1,140 | 1,448 | + 308 |
| 10. Fishing tackles and flies | 170 | 158 | - 12 |
| 11. Toys and carnival articles | 706 | 785 | + 79 |
| 12. Other | 1,241 | 1,441 | + 200 |
| T O T A L | 85,685 | 90,738 | + 5,053 |

Table 7 - Distribution of EPZ enterprises by employment size as at September 1988

| Employment size | No. of enterprises | | | No. of persons employed | | |
|-----------------|--------------------|------|--------|-------------------------|------|--------|
| | No. | % | Cum. % | No. | % | Cum. % |
| Under 10 | 75* | 12.8 | 12.8 | 434 | 0.4 | 0.4 |
| 10 - 50 | 247 | 42.2 | 55.0 | 6,493 | 7.2 | 7.6 |
| 51 - 100 | 79 | 13.5 | 68.5 | 5,438 | 6.0 | 13.6 |
| 101 - 300 | 106 | 18.0 | 86.5 | 18,132 | 20.0 | 33.6 |
| 301 - 500 | 35 | 6.0 | 92.5 | 13,888 | 15.3 | 48.9 |
| 501 - 1000 | 29 | 5.0 | 97.5 | 20,964 | 23.1 | 72.0 |
| 1000 and above | 15 | 2.5 | 100 | 25,389 | 28.0 | 100 |
| T O T A L | 586 | 100 | 100 | 90,738 | 100 | 100 |

* Includes one enterprise employing exclusively outworkers

Table 8 - EPZ:- Employment by product group, Quarterly Series, (year 1987, 1st, 2nd & 3rd Quarters 1988

| Product group | 1 9 8 7 | | | 1 9 8 8 | | | |
|-----------------------------------|----------|----------|----------|----------|----------|----------|----------|
| | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | 1st Qr. | 2nd Qr. | 3rd Qr. |
| 1. Food | 555 | 664 | 717 | 703 | 693 | 697 | 766 |
| 2. Flowers | 270 | 304 | 297 | 327 | 340 | 333 | 344 |
| 3. Textile yarn and fabrics | 2,530 | 3,119 | 3,316 | 3,341 | 3,526 | 3,539 | 3,670 |
| 4. Wearing apparels | 68,822 | 72,872 | 75,360 | 77,375 | 79,110 | 80,295 | 79,317 |
| of which (a) pullovers | (32,767) | (34,553) | (34,755) | (34,603) | (35,075) | (34,909) | (34,152) |
| (b) gloves | (1,580) | (1,404) | (1,310) | (1,296) | (1,196) | (1,019) | (641) |
| (c) other garments | (34,475) | (36,915) | (39,295) | (41,476) | (42,839) | (44,367) | (44,524) |
| 5. Leather products and footwear | 757 | 774 | 817 | 865 | 809 | 854 | 885 |
| 6. Wood and paper products | 637 | 628 | 590 | 481 | 507 | 508 | 517 |
| 7. Optical goods | 458 | 539 | 581 | 612 | 636 | 621 | 549 |
| 8. Watches and clocks | 621 | 710 | 750 | 747 | 840 | 903 | 858 |
| 9. Jewellery and related articles | 1,007 | 1,110 | 1,140 | 1,192 | 1,324 | 1,395 | 1,448 |
| 10. Fishing tackles and flies | 584 | 155 | 170 | 163 | 149 | 149 | 158 |
| 11. Toys and carnival articles | 672 | 714 | 706 | 705 | 742 | 746 | 785 |
| 12. Other | 1,094 | 1,151 | 1,241 | 1,394 | 1,914 | 1,577 | 1,441 |
| T O T A L | 78,007 | 82,740 | 85,685 | 87,905 | 90,590 | 91,617 | 90,738 |

Table 9 - EPZ :- Number of enterprises by product group, Quarterly Series, (year 1987, 1st, 2nd & 3rd Quarters 1988)

| Product group | 1987 | | | | 1988 | | |
|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|
| | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | 1st Qr. | 2nd Qr. | 3rd Qr. |
| 1. Food | 11 | 11 | 11 | 11 | 11 | 10 | 10 |
| 2. Flowers | 25 | 25 | 26 | 28 | 28 | 28 | 28 |
| 3. Textile yarn and fabrics | 20 | 22 | 24 | 23 | 23 | 23 | 26 |
| 4. Wearing apparels | 294 | 320 | 340 | 364 | 382 | 404 | 407 |
| of which (a) Pullovers | (55) | (56) | (59) | (61) | (62) | (62) | (66) |
| (b) Gloves | (5) | (5) | (5) | (5) | (5) | (5) | (5) |
| (c) Other garments | (234) | (259) | (276) | (298) | (315) | (337) | (336) |
| 5. Leather products and footwear | 10 | 11 | 12 | 12 | 12 | 12 | 11 |
| 6. Wood and paper product | 11 | 12 | 12 | 13 | 15 | 15 | 15 |
| 7. Optical goods | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| 8. Watches and clocks | 5 | 6 | 6 | 6 | 6 | 6 | 6 |
| 9. Jewellery and related articles | 9 | 11 | 11 | 12 | 13 | 13 | 13 |
| 10. Fishing tackles and flies | 4 | 3 | 3 | 3 | 3 | 3 | 3 |
| 11. Toys and carnival articles | 6 | 6 | 7 | 7 | 6 | 6 | 7 |
| 12. Other | 39 | 42 | 44 | 48 | 51 | 55 | 56 |
| T O T A L | 437 | 472 | 500 | 531 | 554 | 579 | 586 |

Table 10 - EPZ:- Employment evolution by product group and sex (September 1986 - September 1988)

| Product group | September 1986 | | | September 1987 | | | September 1988 | | |
|-----------------------------------|----------------|----------|----------|----------------|----------|----------|----------------|----------|----------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| 1. Food | 220 | 343 | 563 | 336 | 381 | 717 | 366 | 400 | 766 |
| 2. Flowers | 107 | 124 | 231 | 152 | 145 | 297 | 169 | 175 | 344 |
| 3. Textile yarn and fabrics | 1,400 | 873 | 2,273 | 2,142 | 1,174 | 3,316 | 2,324 | 1,346 | 3,670 |
| 4. Wearing apparels | 18,126 | 43,915 | 62,041 | 25,111 | 50,249 | 75,360 | 24,936 | 54,381 | 79,317 |
| of which (a) pullovers | (6,390) | (24,901) | (31,291) | (8,784) | (25,971) | (34,755) | (7,681) | (26,471) | (34,152) |
| (b) gloves | (204) | (1,446) | (1,650) | (242) | (1,068) | (1,310) | (149) | (492) | (641) |
| (c) other garments | (11,532) | (17,568) | (29,100) | (16,085) | (23,210) | (39,295) | (17,106) | (27,418) | (44,524) |
| 5. Leather products and footwear | 269 | 460 | 729 | 259 | 558 | 817 | 246 | 639 | 885 |
| 6. Wood and paper products | 342 | 338 | 680 | 329 | 261 | 590 | 334 | 183 | 517 |
| 7. Optical goods | 244 | 161 | 405 | 359 | 222 | 581 | 315 | 234 | 549 |
| 8. Watches and clocks | 169 | 398 | 567 | 218 | 532 | 750 | 214 | 644 | 858 |
| 9. Jewellery and related articles | 733 | 347 | 1,080 | 752 | 388 | 1,140 | 1,058 | 390 | 1,448 |
| 10. Fishing tackles and flies | 32 | 524 | 556 | 8 | 162 | 170* | 15 | 143 | 158* |
| 11. Toys and carnival articles | 59 | 603 | 662 | 74 | 632 | 706 | 74 | 711 | 785 |
| 12. Other | 481 | 251 | 732 | 815 | 426 | 1,241 | 942 | 499 | 1,441 |
| T O T A L | 22,182 | 48,337 | 70,519 | 30,555 | 55,130 | 85,685 | 30,993 | 59,745 | 90,738 |

* Decrease in employment figure due to change in economic classification of enterprise

Table 11 - Number of enterprises and employment -- quarterly series (1984 -- 1988)

| Year | Number of enterprises as at end of | | | | Employment as at end of | | | |
|------|--|------|-----------|----------|-------------------------------|--------|-----------|----------|
| | March | June | September | December | March | June | September | December |
| 1984 | 153 | 161 | 184 | 197 | 28,954 | 32,686 | 35,748 | 37,532 |
| 1985 | 215 | 237 | 257 | 290 | 43,134 | 46,669 | 50,218 | 53,951 |
| 1986 | 321 | 343 | 377 | 408 | 63,010 | 66,000 | 70,519 | 74,015 |
| 1987 | 437 | 472 | 500 | 531 | 78,007 | 82,740 | 85,685 | 87,903 |
| 1988 | 554 | 579 | 586 | ... | 90,590 | 91,617 | 90,738 | ... |