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2nd Quarter 1992

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Export Processing Zone - 2nd Quarter 1992

Introduction

This 2nd issue of the Economic Indicators on the Export Processing Zone (EPZ) for the year 1992 presents the results of the June 1992 employment survey carried out in the EPZ enterprises.

Provisional export and import figures relating to the first semester of 1992 and a forecast for the year are also given.

2. Employment evolution, 2nd Quarter 1992

As at June 1992, the EPZ sector comprised 568 enterprises employing around 90,000 workers of whom 63,400 were females and 26,600 males.

During the 3 month period, April to June 1992, the EPZ sector registered a net decrease of 8 enterprises and a net loss of 1,450 workers, mainly as a result of the closing down of 18 companies. This reduction of 1,450 compares with an addition of 500 during the 1st quarter and a loss of 600 during the corresponding quarter of 1991.

During the 2nd quarter, some 4,450 additional jobs were created: 4,150 by firms which were expanding their activities and 300, by the 10 new companies which started operation. On the other hand, a total loss of 5,900 was reported: 4,250 by firms which suffered reductions in their workforce and 1,650 through the closure of 18 companies, resulting in the net loss of 1,450 workers.

The survey results also point out to a slight decrease in the mobility of workers, as measured by the net change in employment at firm level. Figures available on net change by company, shows that during the 2nd quarter, only a total of 4,000 employees had changed jobs compared to around 7,000, in the previous quarter.

3. Employment evolution, July 1991 - June 1992

During the 12 month period, July 1991 to June 1992, employment in the EPZ sector has oscillated around the 90,000 mark, registering a slight increase of only 650 workers. An intake of some 1,300 additional female workers was partly offset by a reduction of 650 in male employment.

During the period under review, 53 companies closed down resulting in the loss of some 6,600 jobs whereas 43 new companies were set up which contributed to the intake of 2,200 employees. It seems that workers who were laid off by the enterprises which ceased operation had been reabsorbed by existing firms.

It is also observed that during the last 12 months, some 350 additional expatriates, mainly female production workers have been recruited which brought the total foreign labour force in the EPZ sector to 1,400.

Although at aggregate level, total employment has remained the same, details available by product group show increases of 1,400 in the manufacture of "non-woollen textile goods" and 200 in "leather" products. These increases were, however, offset by reductions of 350 in each of the following three sectors: "Food", "Textile yarn" and "Pullover". For more details, please refer to table 5.

4. EPZ exports and imports

Provisional trade figures available for the first six months of the year show that the EPZ companies have exported goods worth of around Rs 6,100 million compared to Rs 5,400 million during the corresponding period of last year. In nominal terms, an increase of 11% has been achieved over last year's performance. On this trend, total export proceeds for the year 1992 is expected to reach Rs 13,500 million compared to Rs 12,100 million in 1991.

With an import bill estimated at Rs 7,800 million, net export earnings for the year 1992 will amount to Rs 5,700 million against Rs 5,100 million last year. The ratio of net exports to exports will remain at the previous year's level of 42%.

Central Statistical Office,
Ministry of Economic Planning
and Development,
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Particulars	Year	1985	1986	1987	1988	1989	1990	1991	1992 (forecast)
1. No. of enterprises as at December		290	408	531	591	563	568	586	568*
2. Employment as at December		53,951	74,015	87,905	89,080	88,650	89,906	90,861	89,949*
3. Exports for calendar year (Rs mn)		3,283	4,951	6,567	8,176	9,057	11,474	12,136	13,500
4. Imports for calendar year (Rs Mn)		2,530	3,863	4,801	5,090	7,502	7,348	7,067	7,800
5. of which capital equipment		(250)	(436)	(505)	(834)	(965)	(794)	(719)	(750)
5. Net exports for calendar year (Rs mn)		753	1,088	1,766	2,286	1,555	4,126	5,069	5,700
6. Net exports % exports (%)		22.9	22.0	26.9	28.0	17.2	36.0	41.8	42.2
7. Value added (Rs mn)		1,333	1,860	2,585	3,125	3,450	3,975	4,500	4,950 ^{1/}
8. Growth rate (%)		+30.0	+34.9	+22.0	+12.0	+6.0	+7.0	+5.0	+6.0 ^{1/}
9. Compensation of employees (Rs mn)		661	975	1,275	1,560	1,765	2,075	2,350	2,580

* as at June 1992

^{1/} March 1992 estimate

Table 1 - EPZ:- Employment as at March 1992 and June 1992 by category of enterprise and by sex

Category of enterprise*	Number of enterprises as at end of		Employment as at end of						Net change		
	March 1992	June 1992	March 1992			June 1992			Male	Female	Total
			Male	Female	Total	Male	Female	Total			
Large ^{1/}	475	462	27,425	61,422	88,847	26,140	60,979	87,119	-1,285	-443	-1,728
Small	98	103	304	217	521	298	235	533	-6	+18	+12
Outworkers ^{2/}	3	3	79	1,952	2,031	99	2,198	2,297	+20	+246	+266
TOTAL	576	568	27,808	63,591	91,399	26,537	63,412	89,949	-1,271	-179	-1,450

* 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 1,200 expatriates at March 1992 and 1,400 at June 1992

^{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 June 1991 and June 1992 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 1991	June 1992	June 1991			June 1992			Male	Female	Total
			Male	Female	Total	Male	Female	Total			
Large ^{1/}	482	462	26,729	59,510	86,239	26,140	60,979	87,119	-589	+1,469	+890
Small	93	103	306	195	501	298	235	533	-8	+40	+32
Outworkers ^{2/}	3	3	141	2,425	2,566	99	2,198	2,297	-42	-227	-269
TOTAL	578	568	27,176	62,130	89,306	26,537	63,412	89,949	-639	+1,282	+643

* 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 1,050 expatriates at June 1991 and 1,400 at June 1992

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

Table 3 - Employment evolution in the EPZ sector during the 2nd quarter 1992

Description	Number of enterprises	Employment
1. SITUATION AS AT END OF MARCH 1992	576	21322
2. Total employment creation		(+4456)
of which through:		
Expansion <u>1/</u>	30	4130
of existing enterprises		
New enterprises	10	326
3. Total loss		(-5906)
of which through:		
Reduction in activities of existing enterprises <u>1/</u>	45	4243
Closing down of Enterprises	18	1663
4. Net change	(-8)	(-1450)
5. SITUATION AS AT END OF JUNE 1992	568	89942

1/ No. of enterprises relates to those which have witnessed changes in their workforce by 25 or more employees whilst employment relates to total turnover.

Table A - EPZ: Net change in employment between March 1992 - June 1992
by product group

Product group	Employment as at end of		Net change in employment
	March 1992	June 1992	
1. Food	916	843	-73
22. Flowers	605	597	-8
3. Textile yarn and fabrics	5,282	5,187	-95
4. Wearing apparels	76,890	75,494	-1396
of which (a) pullovers	(27,176)	(26,952)	(-224)
(b) other garments	(49,714)	(48,542)	(-1172)
5. Leather products and footwear	1,346	1,560	+214
6. Wood and paper products	592	578	-14
7. Optical goods	457	436	-21
B. Watches, electronic watches & clocks	695	693	-2
9. Electric & other electronic products	423	436	+13
10. Jewellery & related articles	1,414	1,407	-7
11. Toys and carnival articles	1,068	1,050	-18
12. Other	1,711	1,668	-43
TOTAL	91,399	89,949	-1,450

Table 5 - EPZ:- Net change in employment between June 1991 .. June 1992
by product group

Product group	Employment as at end of		Net change in employment
	June 1991	June 1992	
11. Food	1,155	843	-312
2. Flowers	567	597	+30
3. Textile yarn and fabrics	5,541	5,187	-354
4. Wearing apparels	74,426	75,494	+1068
of which (a) pullovers	(27,316)	(25,952)	(-364)
(b) other garments	(47,110)	(48,542)	(+1432)
5. Leather products and footwear	1,360	1,560	+200
6. Wood and paper products	600	578	-22
7. Optical goods	510	436	-74
8. Watches, electronic watches and clocks	703	693	-10
9. Electric and other electronic products	441	436	-5
10. Jewellery and related articles	1,443	1,407	-36
11. Toys and carnival articles	1,034	1,050	+16
12. Other	1,526	1,668	+142
T O T A L	89,306	89,949	+643

Table 3 - EPZ:- Employment evolution by product group and sex (June 1990 - June 1992)

Product group	June 1990			June 1991			June 1992		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	1. Food	419	552	971	452	693	1,155	304	539
2. Flowers	229	248	477	284	283	567	294	303	597
3. Textile yarn & fabrics	2,682	1,678	4,360	3,557	1,984	5,541	3,218	1,969	5,187
4. Wearing apparels	21,493	54,904	78,397	19,743	54,683	74,426	19,488	56,006	75,494
of which (a) Pullovers)	(6,164)	(23,427)	(29,591)	(5,359)	(21,977)	(27,308)	(4,921)	(22,931)	(26,952)
(b) Other garments	(15,329)	(31,477)	(46,806)	(14,414)	(32,706)	(47,110)	(14,567)	(33,975)	(48,542)
5. Leather products and footwear	350	1,074	1,424	338	1,022	1,360	373	1,187	1,560
6. Wood and paper products	307	204	511	371	229	600	400	178	578
7. Optical goods	304	175	479	299	211	510	246	190	436
8. Watches, electronic watches and clocks	225	741	966	187	516	703	183	510	693
9. Electric and other electronic products	184	165	349	199	242	441	221	215	436
10. Jewellery & related articles	1,077	512	1,589	926	517	1,443	885	522	1,407
11. Toys and carnival articles	88	943	1,031	93	941	1,034	115	935	1,050
12. Other	883	774	1,657	717	809	1,526	810	858	1,668
TOTAL	28,241	61,970	90,211	27,176	62,130	89,306	26,537	53,412	89,949

Table 7 - EPZ - Number of enterprises by product group, quarterly series

Product group	1991				1992	
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.
1. Food	14	14	15	15	15	14
2. Flowers	44	46	49	49	49	49
3. Textile yarn and fabrics	37	37	36	36	36	35
4. Wearing apparels	337	336	333	332	326	318
of which (a) Pullovers	(54)	(54)	(54)	(51)	(49)	(46)
(b) Other garments	(283)	(282)	(279)	(281)	(277)	(272)
5. Leather products and footwear	13	12	12	11	10	10
6. Wood and paper products	16	17	19	20	19	19
7. Optical goods	7	7	7	6	6	6
8. Watches, electronic watches & clocks	6	6	7	8	8	8
9. Electric and other electronic products	14	14	14	15	15	16
10. Jewellery	19	19	20	19	18	19
11. Toys and carnival articles	8	8	8	8	7	7
12. Other	63	62	65	67	67	67
TOTAL	578	578	585	586	576	568

Table 8 -- EPZ:-- Employment by product group, quarterly series

Product group	1991				1992	
	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.
1. Food	1,052	1,155	1,155	1,276	916	843
2. Flowers	561	567	593	615	605	597
3. Textile yarn and fabrics	5,536	5,541	5,156	5,056	5,282	5,187
4. Wearing apparels	74,913	74,426	75,801	76,409	76,890	75,494
Of which (a) pullovers	(28,367)	(27,918)	(27,679)	(27,393)	(27,176)	(26,952)
(b) other garments	(46,546)	(46,508)	(48,122)	(49,016)	(49,714)	(48,542)
5. Leather products and footwear	1,438	1,360	1,290	1,250	1,345	1,560
6. Wood and paper products	481	600	660	622	592	578
7. Optical goods	540	510	492	518	457	436
8. Watches, electronic watches and clocks	839	703	658	684	695	693
9. Electric and other electronic products	441	441	344	371	423	436
10. Jewellery and related articles	1,482	1,443	1,453	1,418	1,414	1,407
11. Toys and carnival articles	1,030	1,034	1,043	1,037	1,068	1,050
12. Other	1,595	1,526	1,685	1,605	1,711	1,668
T O T A L	89,908	89,306	90,330	90,861	91,399	89,949

Table 9 - EPZ:- New Enterprises by product group, Quarterly Series, (3rd Qr. 1991 - 2nd Qr. 1992)

Product group	No. of Enterprises					Employment						
	Qr.3 1991	Qr.4 1991	Qr.1 1992	Qr. 2 1992	Qr.3 1991	Qr.4 1991	Qr.1 1992	Qr.2 1992	Qr.3 1991	Qr.4 1991	Qr.1 1992	Qr.2 1992
	1. Food	1	-	-	-	43	-	-	-	-	-	-
2. Flowers	3	-	-	-	32	-	-	-	-	-	-	-
3. Textile yarn and fabrics	-	-	1	-	-	-	14	-	-	-	-	-
4. Wearing apparels	4	4	3	5	974	65	315	287	-	-	-	-
5. of which (a) pullovers	(1)	(-)	(1)	-	(813)	-	(224)	-	-	-	-	-
(b) other garments	(3)	(4)	(5)	(5)	(161)	(65)	(91)	(287)	-	-	-	-
5. Leather products and footwear	-	-	1	-	-	-	37	-	-	-	-	-
6. Wood and paper products	2	1	-	2	46	16	-	27	-	-	-	-
7. Optical goods	-	-	-	-	-	-	-	-	-	-	-	-
8. Watches, electronic watches and clocks	1	1	-	-	5	20	-	-	-	-	-	-
9. Electric and other electronic products	2	1	-	1	16	11	-	6	-	-	-	-
10. Jewellery and related articles	1	-	-	1	19	-	-	2	-	-	-	-
11. Toys and carnival articles	-	-	-	-	-	-	-	-	-	-	-	-
12. Other	2	2	-	1	134	102	-	4	-	-	-	-
TOTAL	16	9	8	10	1,269	214	356	326	-	-	-	-

le 10 - EPZ:- Closures by product group, quarterly series (3rd Qr. 1991 - 2nd Qr. 1992)

Product group	No. of Enterprises				Employment			
	Qr.3 1991	Qr.4 1991	Qr.1 1992	Qr.2 1992	Qr.3 1991	Qr.4 1991	Qr.1 1992	Qr.2 1992
1. Food	-	-	1	1	-	-	38	25
2. Flowers	-	-	-	-	-	-	-	-
3. Textile yarn and fabrics	1	-	-	1	325	-	-	232
5. Wearing apparels	6	5	12	13	138	415	3,561	1,350
of which (a) Pullovers	(1)	(3)	(3)	(3)	(7)	(152)	(1,768)	(611)
(b) Other garments	(5)	(2)	(9)	(10)	(131)	(263)	(1,793)	(739)
5. Leather products and footwear	-	1	2	-	-	34	125	-
6. Wood and paper products	1	-	1	2	33	-	20	44
7. Optical goods	-	1	-	-	-	19	-	-
8. Watches, electronic watches & clocks	-	-	-	-	-	-	-	-
9. Electric and other electronic products	-	-	-	-	-	-	-	-
10. Jewellery and related articles	-	1	1	-	-	10	22	-
11. Toys and carnival articles	-	-	1	-	-	-	53	-
12. Other	1	-	-	1	100	-	-	12
TOTAL	9	8	18	18	596	478	3,819	1,663

Table 11 - EPZ trade figures, 1991 - 1992, Quarterly series

	Value Rs Mn									
	1991	1992*	1991				1992			
			1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
A. Total exports (f.o.b. value)	12,136	13,500	2,310	3,131	3,201	3,494	2,699	3,351		
B. Total imports (c.i.f. value)	7,067	7,800	1,631	1,738	1,960	1,738	1,745	1,972		
Net exports (A - B)	5,069	5,700	679	1,393	1,241	1,756	954	1,379		
Net exports as % of total exports	42%	42%	29%	44%	39%	50%	35%	41%		

* Forecast

1/Provisional

Table 12 - EPZ:- Number of enterprises and employment - quarterly series (1984 - 1992)

Year	Number of enterprises				Employment			
	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	87,905
1988	554	579	586	591	90,590	91,617	90,738	89,080
1989	573	575	564	563	89,286	89,265	88,669	88,650
1990	548	566	574	568	89,755	90,211	88,258	89,906
1991	578	578	585	586	89,908	89,306	90,330	90,861
1992	576	568			91,399	89,949		