



MAURITIUS

Economic Indicators

An Occasional Paper

ISSUE NO. 158

20 NOVEMBER, 1992

THE EXPORT PROCESSING ZONE

3rd Quarter 1992

MINISTRY OF ECONOMIC PLANNING & DEVELOPMENT
PORT LOUIS
MAURITIUS

THE EXPORT PROCESSING ZONE 3rd Quarter 1992

Introduction.

The results of the "Quarterly Survey of Employment "(September 1992) carried out in the EPZ sector are presented in this issue of the "Economic Indicators". Provisional trade figures for the first nine months of the year are also given.

2. Employment evolution, 3rd quarter 1992

During the third quarter, 8 new enterprises were set up whilst 12 closed down and the EPZ workforce registered a net loss of some 2,600 workers, after declining by around 1,500 in the previous quarter. Male employment dropped by 1,000 and that of female, by 1,600.

Contrary to previous trends, when employment creation, particularly, through recruitment of additional workers by existing enterprises exceeded reductions in other firms, the period under review was marked by a relatively low intake of workers. During the 3rd quarter, only 1,700 additional workers were recruited by new and existing companies compared to 7,000 and 4,100 in the first and second quarter respectively. On the other hand, a reduction to the tune of some 4,300 was reported: 3,500, by existing firms which were operating with a reduced staff and 850, through closures.

As at September 1992, the EPZ Sector, therefore, comprised 564 enterprises which employed 87,300 workers (61,800 females and 25,500 males). This figure included 1,800 outworkers and 1,600 foreign workers.

A closer analysis by product group shows declining employment in almost all products with major losses of about 2,200 workers in the manufacture of wearing apparels.

3. Employment evolution, September 1991-September 1992.

During the 12-month period ending September 1992, 56 companies ceased operation which resulted in the loss of 6,800 jobs. As only 3,750 could be absorbed: 1,050, by the 35 new companies and 2,700, by existing enterprises, the net result was a loss of around 3,000

This reduction of 3,000 compares with an increase of about 2,000 workers in the corresponding period of 1990/1991.

It is to be noted that employment in the EPZ Sector which had registered a peak of 91,600 in June 1988 dropped to around 88,700 in September 1989. Thereafter, employment gradually picked up, attained another record level of 91,400 in March this year and subsequently declined to 87,300 in September.

A comparison of September 1992 data, by product group, with those of September 1991 shows high losses of 1,500 and 1,000 in "Pullovers" and "other garments" respectively. Other product groups adversely affected were: "Food" (-300), "Wood and paper products" (-170) and "Jewellery and related articles" (-120). On the other hand, two sectors, namely "Leather products and footwear" and "Electric and other electronic products" grew moderately by 200 and 100 respectively.

4. Exports and Imports

	<u>1991</u>	<u>1992</u>
	(Jan-Sept)	(Jan-Sept)
(a) Exports	Rs 8,642 mn	Rs 9,569 mn
(b) Imports	Rs 5,329 mn	Rs 5,475 mn
(c) Net exports	Rs 3,313 mn	Rs 4,094 mn
(d) Net exports % exports	38.3%	42.8%

Although the employment level in the EPZ Sector has been going down during the last two quarters, provisional trade figures available for the first nine months indicate that EPZ exports have increased by around 11% to reach around Rs 9,600 million while the import bill went up by only 3% and was valued at about Rs 5,500 million .

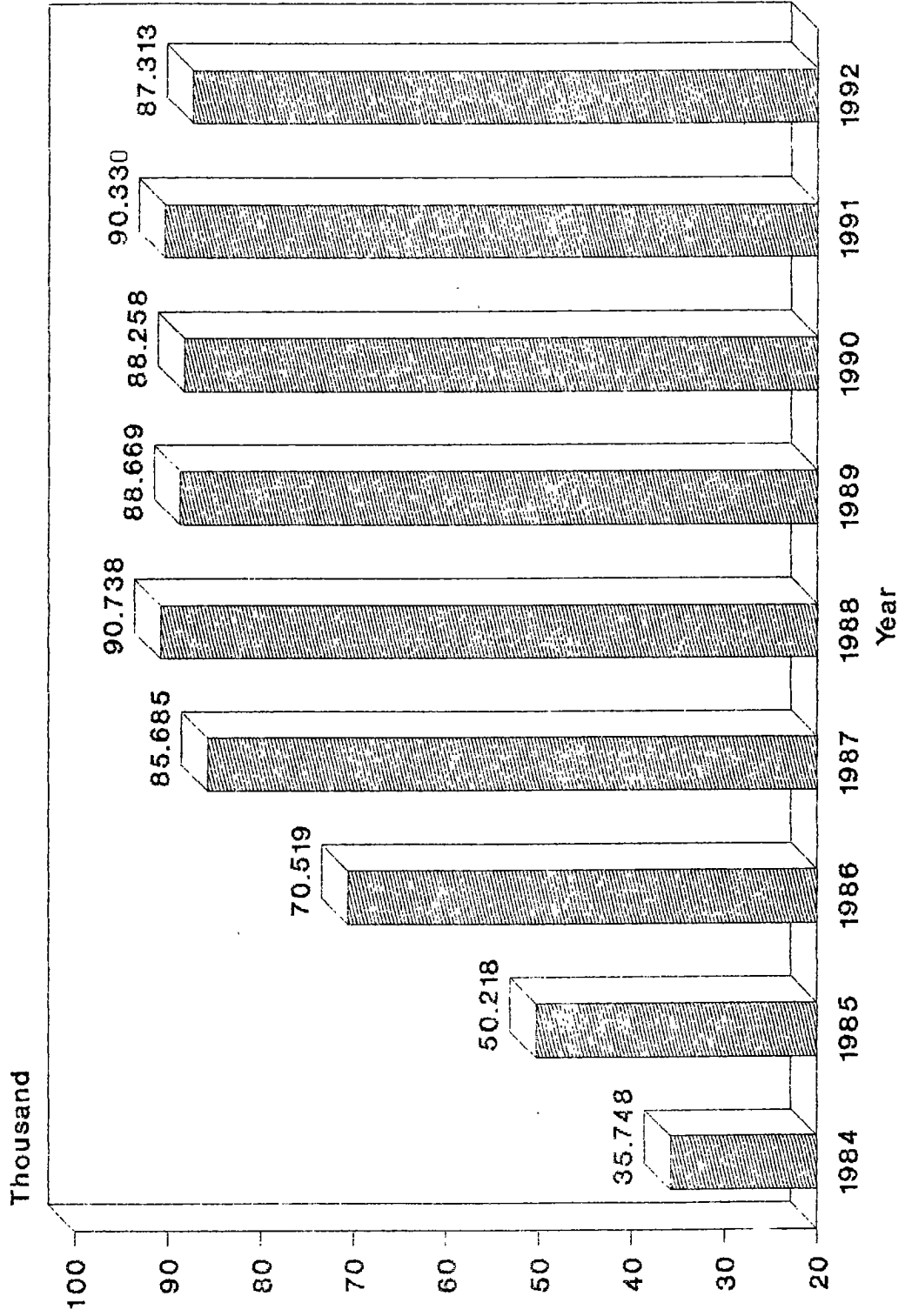
Consequently, net EPZ export earnings increased to Rs 4,100 million and represented 43% of exports against 38% recorded during the corresponding period of 1991.

On this trend, it is most likely that total EPZ exports for the year 1992 will attain Rs 13,500 million against Rs 12,100 million last year.

Central statistical office,
Ministry of Economic Planning and Development,
PORT LOUIS

November, 1992

Employment Evolution in the EPZ Sector as at September (1984-1992)



Main Indicators of EPZ sector 85 - 92

Particulars	Year								
	1985	1986	1987	1988	1989	1990	1991	1992 ^{1/}	
1. No. of enterprises as at December	290	408	531	591	563	568	586	564*	
2. Employment as at December	53,951	74,015	87,905	89,080	88,658	89,906	90,861	87,317*	
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) of which capital equipment	2,530 (250)	3,863 (436)	4,801 (505)	5,890 (834)	7,502 (963)	7,348 (794)	7,067 (719)	7,800 (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	4,400	4,805	
8. Growth rate (%)	+30.0	+34.9	+22.0	+12.0	+6.0	+7.0	+6.0	+6.0	
9. Compensation of employees (Rs mn)	661	975	1,275	1,560	1,765	2,075	2,350	2,580	

^{1/} September 1992 estimate

* as at September

Table 1 - EPZ:- Employment as at June 1992 and September 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 1992		June 1992			September 1992			September 1992		
	June 1992	September 1992	Male	Female	Total	Male	Female	Total	Male	Female	Total
Large 1/	462	456	26,140	60,979	87,119	25,151	59,771	84,922	..989	-1,208	..2,197
Small	103	105	298	235	533	340	224	564	42	..11	31
Outworkers 2/	3	3	99	2,198	2,297	40	1,787	1,827	-59	-411	-470
TOTAL	568	564	26,537	63,412	89,949	25,531	61,782	87,313	-1,006	-1,630	-2,636

* 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 1,400 expatriates at June 1992 and 1,600 at September 1992

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

Table 2 - LPZ:- Employment as at September 1991 and September 1992 by category of enterprise and by sex

Category of enterprise*	Number of enterprises as at end of		Employment as at end of											
	September 1991	September 1992	September 1991			September 1992			September 1992			Net change		
			Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Large 1/	484	456	26,975	60,578	87,553	25,151	59,771	84,922	-1,824	-807	-2,631			
Small	98	105	289	223	512	340	224	564	51	1	52			
Outworkers 2/	3	3	72	2,193	2,265	40	1,787	1,827	-32	-406	-438			
TOTAL	585	564	27,336	62,994	90,330	25,531	61,782	87,313	-1,805	-1,212	-3,017			

*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 1,100 expatriates at September 1991 and 1,600 at September 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 3rd quarter 1992

Description	Number of enterprises	Employment
1. SITUATION AS AT END OF JUNE 1992	568	89,949
2. Total employment creation of which through:		(+1,687)
Expansion ^{1/}	20	1,546
of existing enterprises		
New enterprises	8	141
3. Total loss		(-4,323)
of which through:		
Reduction in activities of existing enterprises ^{1/}	34	3,478
Closing down of Enterprises	12	845
4. Net change	(-4)	(-2,636)
5. SITUATION AS AT END OF SEPTEMBER 1992	564	87,313

^{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 4 - EPZ : Net change in employment between June 1992 - September 1992
by product group

Product group	Employment as at end of		Net change in employment
	June 1992	September 1992	
1. Food	843	835	-8
2. Flowers	597	598	+1
3. Textile yarn and fabrics	5,187	5,151	-36
4. Wearing apparels	75,494	73,267	-2,227
5. of which (a) pullovers	(26,952)	(26,167)	(-785)
(b) other garments	(48,542)	(47,100)	(-1,442)
5. Leather products and footwear	1,560	1,490	-70
6. Wood and paper products	578	486	-92
7. Optical goods	436	433	-3
8. Watches, electronic watches & clocks	693	706	+13
9. Electric & other electronic products	436	437	+1
10. Jewellery & related articles	1,407	1,334	-73
11. Toys and carnival articles	1,050	967	-83
12. Other	1,668	1,609	-59
TOTAL	89,949	87,313	-2,636

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

Product group	Employment as at end of		Net change in employment
	September 1991	September 1992	
1. Food	1,155	835	-320
2. Flowers	593	598	+5
3. Textile yarn and fabrics	5,156	5,151	-5
4. Wearing apparels	75,801	73,267	-2,534
of which (a) pullovers	(27,679)	(26,167)	(-1,512)
(b) other garments	(48,122)	(47,100)	(-1,022)
5. Leather products and footwear	1,290	1,490	+200
6. Wood and paper products	660	486	-174
7. Optical goods	492	433	-59
8. Watches, electronic watches and clocks	658	706	+48
9. Electric and other electronic products	344	437	+93
10. Jewellery and related articles	1,453	1,334	-119
11. Toys and carnival articles	1,043	967	-76
12. Other	1,685	1,609	-76
T O T A L	90,330	87,313	-3,017

10 to 6 - EPZ Employment by product group and sex (September 1990 - September 1992)

Product group	September 1990			September 1991			September 1992		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1. Food	411	544	955	378	777	1,155	296	539	835
2. Flowers	240	259	499	292	301	593	295	303	598
3. Textile yarn & fabrics	2,717	1,504	4,221	3,451	1,725	5,156	3,199	1,952	5,151
4. Wearing apparels	21,307	53,491	74,798	20,159	55,632	75,801	18,852	54,415	73,267
of which (a) Pullovers	(5,897)	(22,940)	(28,837)	(5,487)	(22,192)	(27,679)	(4,908)	(21,259)	(26,167)
(b) Other garments	(15,410)	(30,551)	(45,961)	(14,682)	(33,440)	(48,122)	(13,944)	(33,156)	(47,100)
5. Leather products and footwear	327	1,075	1,402	321	969	1,290	340	1,150	1,490
6. Wood and paper products	327	212	539	335	325	660	232	254	486
7. Optical goods	281	213	494	281	211	492	234	199	433
8. Watches, electronic watches and clocks	213	638	851	181	477	658	191	515	706
9. Electric and other electronic products	233	232	465	162	182	344	223	214	437
10. Jewellery & related articles	897	439	1,336	912	541	1,453	854	480	1,334
11. Toys and carnival articles	94	906	1,000	111	932	1,043	83	884	967
12. Other	839	859	1,698	763	922	1,685	732	877	1,609
T O T A L	27,886	60,372	88,258	27,336	62,994	90,330	25,531	61,782	87,313

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.	3rd Qr.
1. Food	14	14	15	15	15	14	14
2. Flowers	44	46	49	49	49	49	51
3. Textile yarn and fabrics	37	37	36	36	36	35	36
4. Wearing apparels	337	336	333	332	326	318	310
of which (a) Pullovers	(54)	(54)	(54)	(51)	(49)	(46)	(46)
(b) Other garments	(283)	(282)	(279)	(281)	(277)	(272)	(264)
5. Leather products and footwear	13	12	12	11	10	10	11
6. Wood and paper products	16	17	19	20	19	19	20
7. Optical goods	7	7	7	6	6	6	6
8. Watches, electronic watches & clocks	6	6	7	8	8	8	8
9. Electric and other electronic products	14	14	14	15	15	16	16
10. Jewellery	19	19	20	19	18	19	19
11. Toys and carnival articles	8	8	8	8	7	7	7
12. Other	63	62	65	67	67	67	66
TOTAL	578	578	585	586	576	568	564

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.	3rd Qr.
1. Food	1,052	1,155	1,155	1,276	916	843	835
2. Flowers	561	567	593	615	605	597	598
3. Textile yarn and fabrics	5,536	5,541	5,156	5,056	5,282	5,187	5,151
4. Wearing apparels	74,913	74,426	75,801	76,409	76,890	75,494	73,267
of which (a) pullovers	(28,367)	(27,918)	(27,579)	(27,393)	(27,174)	(26,952)	(26,167)
(b) other garments	(46,546)	(46,508)	(48,122)	(49,016)	(49,714)	(48,542)	(47,100)
5. Leather products and footwear	1,438	1,360	1,290	1,250	1,346	1,560	1,490
6. Wood and paper products	481	600	660	622	592	578	486
7. Optical goods	540	510	492	518	457	436	433
8. Watches, electronic watches and clocks	839	703	658	684	695	693	706
9. Electric and other electronic products	441	441	344	371	423	436	437
10. Jewellery and related articles	1,482	1,443	1,453	1,418	1,414	1,407	1,334
11. Toys and carnival articles	1,030	1,034	1,043	1,037	1,068	1,050	967
12. Other:	1,595	1,526	1,685	1,605	1,711	1,668	1,609
TOTAL	89,908	89,306	90,530	90,861	91,399	89,949	87,313

Table 9 - EPZ - New Enterprises by product group, Quarterly Series (1st Qr, 2nd Qr, 3rd Qr 1992)

Product group	No. of Enterprises			Employment		
	1st Qr.	2nd Qr.	3rd Qr.	1st Qr.	2nd Qr.	3rd Qr.
1. Food	-	-	-	-	-	-
2. Flowers	-	-	2	-	-	10
3. Textile yarn and fabrics	1	-	1	14	-	9
4. Wearing apparels	6	5	2	315	287	98
5. of which (a) pullovers	(1)	(-)	(-)	(224)	(-)	(-)
(b) other garments	(5)	(5)	(2)	(91)	(287)	(98)
5. Leather products and footwear	1	-	1	37	-	9
6. Wood and paper products	-	2	1	-	27	7
7. Optical goods	-	-	-	-	-	-
8. Watches, electronic watches and clocks	-	-	-	-	-	-
9. Electric and other electronic products	-	1	-	-	6	-
10. Jewellery and related articles	-	1	1	-	2	8
11. Toys and carnival articles	-	-	-	-	-	-
12. Other	-	1	-	-	4	-
TOTAL	8	10	8	366	326	141

Table 10 - EPZ:- Closures by product group, quarterly series (1st Qr, 2nd Qr, 3rd Qr 1992)

Product group	No. of Enterprises			Employment		
	1st Qr.	2nd Qr.	3rd Qr.	1st Qr.	2nd Qr.	3rd Qr.
1. Food	1	1	-	38	25	-
2. Flowers	-	-	-	-	-	-
3. Textile yarn and fabrics	-	1	-	-	232	-
4. Wearing apparels	12	13	10	3,561	1,350	827
of which (a) Pullovers	(3)	(3)	(-)	(1,768)	(611)	(-)
(b) Other garments	(9)	(10)	(10)	(1,793)	(739)	(827)
5. Leather products and footwear	2	-	-	125	-	-
6. Wood and paper products	1	2	-	20	44	-
7. Optical goods	-	-	-	-	-	-
8. Watches, electronic watches & clocks	-	-	-	-	-	-
9. Electric and other electronic products	-	-	-	-	-	-
10. Jewellery and related articles	1	-	1	22	-	13
11. Toys and carnival articles	1	-	-	53	-	-
12. Other	-	1	1	-	12	5
TOTAL	18	18	12	3,819	1,663	845

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

	1991	1992*/	1992		
			1st Qr.	2nd Qr.	3rd Qr. 1/
A. Total exports (f.o.b. value)	12,136	13,500	2,699	3,340	3,530
B. Total imports (c.i.f. value)	7,067	7,800	1,745	1,971	1,759
Net exports (A - B)	5,069	5,700	954	1,369	1,771
Net exports as % of total exports	42%	42%	35%	41%	50%

* 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	78,037	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	86,650
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	564		91,399	89,949	87,313	