

The Export Processing Zone, 2nd Quarter 1993

Introduction

Every quarter the Central Statistical Office carries out a survey of employment in the EPZ sector. This issue of the "Economic Indicators" presents the results of the survey carried out at the end of June 1993. Provisional figures of EPZ exports and imports are also included.

2. Employment evolution, 2nd Quarter 1993

At the end of June 1993, there were 86,000 employees (24,900 males and 61,100 females) working in 550 enterprises in the EPZ compared to 87,800 in 554 enterprises at the end of March 1993. The decrease of around 1,800 is the net result of a total loss of 4,400 jobs partly offset by the creation of around 2,600 new jobs.

During the 2nd quarter, 16 enterprises closed down accounting for 815 job losses whilst 12 new enterprises started operation with 620 workers. Nine of these new enterprises were in the "Wearing Apparel" sector where 9 closures were also reported.

An analysis by product group (Table 5) shows decreases of 621 in "Textile yarn and fabrics" and 1,047 in "Wearing apparel". In the latter group, a decrease of 1,877 in the sub-group "Pullovers" was partly offset by an increase of 830 in "Other garments". Employment in the other product groups have remained at almost the same level.

3. Employment evolution, June 1992 - June 1993.

Compared to June 1992, there was a decrease of 18 enterprises of which 17 had been operating in the "Wearing apparel" sector. Employment dropped by around 3,900, from 89,900 to 86,000, mainly in "Textile yarn and fabrics" (1,900) and "Wearing apparel"

(1,800). Male employment declined by around 1,600 and that of female by 2,300 representing, respectively, 6.1% and 3.6% of the corresponding workforce in June 1992.

The number of foreign workers at the end of June rose from 1,400 in 1992 to 2,953 in 1993.

An analysis of employment by product group (Table 6) shows no significant change in the structure of employment with the Textile group still accounting for 90% of total employment in the EPZ.

4. EPZ Exports and Imports, January - June 1993.

Provisional trade figures show that EPZ exports during the 2nd quarter of 1993 reached Rs. 4,180 million, bringing the total for the 1st semester to around Rs. 7,000 million against Rs. 6,000 million in the corresponding period of 1992, i.e. an increase of around 17%. After allowing for price increases estimated at around 9%, EPZ exports, in real terms, grew by 7%.

During the 1st semester, total imports, rose by 21% from Rs. 3,716 million in 1992 to Rs. 4,495 million in 1993. It is to be noted that during the same period, "Machinery and spare parts" accounted for Rs. 543 million in 1993 as compared to Rs. 361 million in 1992, i.e., an increase of over 50%. Imports of raw materials, on the other hand, increased by 18% from Rs. 3,355 million to Rs 3,952 million. This rise is, to certain extent, attributable to price increases estimated at around 10%.

A significant improvement was recorded in Net EPZ exports which amounted to Rs.1,800 million in the 2nd quarter of 1993 against Rs. 700 million in the 1st quarter. As a result, the ratio of Net EPZ exports to total EPZ exports attained 43% in the 2nd quarter compared to 25% in the previous quarter and 41% in the corresponding quarter of last year. This ratio, for the 1st

semester of 1993 works out to 36%, slightly lower than the 38% of the corresponding period of 1992.

5. Forecast, Year 1993

On the basis of the above figures and, in spite of the decreasing trend in employment, total EPZ exports for 1993 will most likely attain Rs. 15,000 million against Rs. 13,081 million last year. Value added, at current prices, is estimated at Rs. 5,400 million. The earlier forecast of a 6% growth in the EPZ is, therefore, maintained.

Central Statistical Office,
Ministry of Economic Planning and Development,
PORT LOUIS

September 1993

Table 1:- EPZ Sector: Main economic indicators, 1983-1993

Rs Million

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992(1) | 1993(2) |
|--|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1. No of enterprises as at December | 146 | 195 | 290 | 408 | 531 | 591 | 563 | 568 | 586 | 558 | 550* |
| -New | 44 | 55 | 101 | 139 | 114 | 95 | 79 | 62 | 52 | 33 | 20* |
| -Closures | 17 | 6 | 6 | 21 | 18 | 35 | 107 | 57 | 34 | 61 | 28* |
| 2. Employment as at December | 25,526 | 37,522 | 53,951 | 74,015 | 87,905 | 89,080 | 88,658 | 89,906 | 90,861 | 86,937 | 86,028* |
| -Net change | +2,050 | +11,996 | +16,429 | +20,064 | +13,890 | +1,175 | -422 | +1,248 | +955 | -3,924 | |
| -Growth rate (%) | +8.7 | +47.0 | +43.8 | +37.2 | +18.8 | +1.3 | -1.0 | +1.4 | +1.1 | -4.3 | |
| 3. Exports | 1,307 | 2,151 | 3,283 | 4,951 | 6,567 | 8,176 | 9,057 | 11,474 | 12,136 | 13,031 | 15,000 |
| 4. Imports : | 847 | 1,651 | 2,530 | 3,863 | 4,801 | 5,890 | 7,502 | 7,348 | 7,067 | 7,133 | 8,500 |
| -Raw materials | (785) | (1,491) | (2,280) | (3,427) | (4,296) | (5,056) | (6,539) | (6,554) | (6,348) | (6,356) | (7,600) |
| -Machinery & spare parts | (62) | (160) | (250) | (436) | (505) | (834) | (963) | (794) | (719) | (677) | (900) |
| 5. Net Exports | 460 | 500 | 753 | 1,088 | 1,766 | 2,286 | 1,555 | 4,126 | 5,069 | 5,948 | 6,500 |
| 6. Net Exports to Exports (%) | 35 | 23 | 23 | 22 | 27 | 28 | 17 | 36 | 42 | 45 | 43 |
| 7. Value added at current prices | 548 | 865 | 1,333 | 1,860 | 2,585 | 3,125 | 3,450 | 3,975 | 4,400 | 4,900 | 5,400 |
| -Share in Manufacturing (%) | 32.7 | 39.6 | 46.5 | 48.6 | 53.4 | 55.5 | 54.2 | 53.3 | 52.9 | 53.1 | 53.0 |
| -Share in GDP (%) | 5.2 | 7.2 | 9.6 | 11.3 | 13.1 | 13.5 | 12.7 | 12.5 | 12.2 | 12.3 | 11.8 |
| 8. Value added at constant 1982 prices | 488 | 650 | 844 | 1,139 | 1,390 | 1,556 | 1,650 | 1,765 | 1,854 | 1,965 | 2,083 |
| -Growth rate (%) | +8.8 | +32.9 | +30.0 | +34.9 | +22.0 | +12.0 | +6.0 | +7.0 | +5.0 | +6.0 | +6.0 |
| 9. Investment | 74 | 210 | 340 | 560 | 655 | 870 | 900 | 690 | 630 | 560 | 725 |
| - Machinery | (64) | (165) | (260) | (450) | (530) | (730) | (840) | (640) | (610) | (540) | (700) |

* as at June 1993

(1) revised

(2) forecast

Table 2:- EPZ employment, June 1992 - June 1993

| Category of enterprise | No. of Enterprises | | | Employment* | | | | | | | | | | | |
|------------------------|--------------------|------------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------|--------|-------|
| | Enterprises | | | June 92 | | | | March 93 | | | | June 93 | | | |
| | Jun.92 | Mar.93 | Jun.93 | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Large | 462 | 447 | 447 | 26,140 | 60,979 | 87,119 | 24,566 | 60,760 | 85,326 | 24,546 | 58,899 | 83,445 | | | |
| Small(<10) | 106 | 107 | 103 | 298 | 235 | 533 | 334 | 196 | 530 | 324 | 214 | 538 | | | |
| Outworkers | - | - | - | 99 | 2,198 | 2,297 | 64 | 1,884 | 1,948 | 46 | 1,999 | 2,045 | | | |
| TOTAL | 568 | 554 | 550 | 26,537 | 63,412 | 89,949 | 24,964 | 62,840 | 87,804 | 24,916 | 61,112 | 86,028 | | | |

* includes expatriates: No. as at
 ~Jun.92: 1,400 (574 males, 826 females)
 ~Mar.93: 2,700 (850 males, 1,850 females)
 ~Jun.93: 2953 (903 males, 2,050 females)

Table 3:- Analysis of net change in employment, 2nd quarter 1993

| | Net change June 93 - March 93 | |
|--------------------------------------|-------------------------------|---------------|
| | Enterprises | Employment |
| A. Total employment creation: | | +2,624 |
| Expansion in existing enterprises* | 20 | (+2,004) |
| New enterprises | 12 | (+620) |
| B. Total employment lost: | | -4,400 |
| Reduction in existing enterprises* | 35 | (-3,585) |
| Closures | 16 | (-815) |
| C. Net change (A-B) | -4 | -1,776 |
| Male | | (-48) |
| Female | | (-1,728) |

* No. of enterprises relates to those reporting expansion/reduction in their workforce by more than 25 while employment is total expansion/reduction

Table 4: - Net change in number of enterprises by product group, 1992 - 1993

| Product group | No. of enterprises | | | Net change | |
|-------------------------------------|--------------------|------------|------------|-------------|---------------|
| | June 92 | March 93 | June 93 | Jun93-Mar93 | Jun93 - Jun92 |
| 1. Food | 14 | 13 | 11 | -2 | -3 |
| 2. Flowers | 49 | 51 | 51 | 0 | +2 |
| 3. Textile yarn and fabrics | 35 | 33 | 32 | -1 | -3 |
| 4. Wearing apparel : | 318 | 301 | 301 | 0 | -17 |
| Pullovers | (46) | (45) | (43) | (-2) | (-3) |
| Other garments | (272) | (256) | (258) | (+2) | (-14) |
| 5. Leather products and footwear | 10 | 10 | 10 | 0 | 0 |
| 6. Wood and paper products | 19 | 21 | 25 | +4 | +6 |
| 7. Optical goods | 6 | 6 | 7 | 1 | 1 |
| 8. Electronic watches and clocks | 8 | 6 | 5 | -1 | -3 |
| 9. Electric and electronic products | 16 | 13 | 13 | 0 | -3 |
| 10. Jewellery and related articles | 19 | 19 | 19 | 0 | 0 |
| 11. Toys and carnival articles | 7 | 7 | 7 | 0 | 0 |
| 12. Other | 67 | 74 | 69 | -5 | +2 |
| TOTAL | 568 | 554 | 550 | -4 | -18 |

Table 5:- Net change in employment by product group, 1992 - 1993

| Product group | Employment | | | Net change | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | June 92 | March 93 | June 93 | Jun93-Mar93 | Jun93 - Jun92 |
| 1. Food | 843 | 944 | 949 | +5 | +106 |
| 2. Flowers | 597 | 616 | 593 | -23 | -4 |
| 3. Textile yarn and fabrics | 5,187 | 3,867 | 3,246 | -621 | -1,941 |
| 4. Wearing apparel : | 75,494 | 74,716 | 73,669 | -1,047 | -1,825 |
| Pullovers | (26,952) | (26,891) | (25,014) | (-1,877) | (-1,938) |
| Other garments | (48,542) | (47,825) | (48,655) | (+830) | (+113) |
| 5. Leather products and footwear | 1,560 | 1,494 | 1,398 | -96 | -162 |
| 6. Wood and paper products | 578 | 559 | 545 | -14 | -33 |
| 7. Optical goods | 436 | 489 | 493 | +4 | +57 |
| 8. Electronic watches and clocks | 693 | 641 | 618 | -23 | -75 |
| 9. Electric and electronic products | 436 | 368 | 382 | +14 | -54 |
| 10. Jewellery and related articles | 1,407 | 1,317 | 1,320 | +3 | -87 |
| 11. Toys and carnival articles | 1,050 | 935 | 958 | +23 | -92 |
| 12. Other | 1,668 | 1,858 | 1,857 | -1 | +189 |
| TOTAL | 89,949 | 87,804 | 86,028 | -1,776 | -3,921 |

Table 6 :- Employment by product group & sex : 2nd Quarter 1992, 1993

| Product group | June 1992 | | | | June 1993 | | | |
|-------------------------------------|-------------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|
| | No of Enterprises | Employment | | Total | No of Enterprises | Employment | | Total |
| | | Male | Female | | | Male | Female | |
| 1. Food | 14 | 304 | 539 | 843 | 11 | 327 | 622 | 949 |
| 2. Flowers | 49 | 294 | 303 | 597 | 51 | 293 | 300 | 593 |
| 3. Textile yarn and fabrics | 35 | 3,218 | 1,969 | 5,187 | 32 | 2,337 | 909 | 3,246 |
| 4. Wearing apparel : | | | | | | | | |
| Pullovers | 318 | 19,488 | 56,006 | 75,494 | 301 | 18,875 | 54,794 | 73,669 |
| Other garments | (46) | (4,921) | (22,031) | (26,952) | (43) | (4,626) | (20,388) | (25,014) |
| 5. Leather products and footwear | (272) | (14,567) | (33,975) | (48,542) | (258) | (14,249) | (34,406) | (48,655) |
| 6. Wood and paper products | 10 | 373 | 1,187 | 1,560 | 10 | 515 | 1,083 | 1,398 |
| 7. Optical goods | 19 | 400 | 178 | 578 | 25 | 370 | 175 | 545 |
| 8. Electronic watches and clocks | 6 | 246 | 190 | 436 | 7 | 274 | 219 | 493 |
| 9. Electric and electronic products | 8 | 183 | 510 | 693 | 5 | 177 | 441 | 618 |
| 10. Jewellery and related articles | 16 | 221 | 215 | 436 | 13 | 178 | 204 | 382 |
| 11. Toys and carnival articles | 19 | 885 | 522 | 1,407 | 19 | 850 | 470 | 1,320 |
| 12. Other | 7 | 115 | 935 | 1,050 | 7 | 90 | 868 | 958 |
| | 67 | 810 | 858 | 1,668 | 69 | 830 | 1,027 | 1,857 |
| TOTAL | 568 | 26,537 | 63,412 | 89,949 | 550 | 24,916 | 61,112 | 86,028 |

Table 7:- New and Closures: 1st & 2nd Quarter 1993

| Product group | 1st Quarter 1993 | | | | | | 2nd Quarter 1993 | | | | | | |
|-------------------------------------|------------------|------------|-----------|------------|------------|-----------|------------------|------------|------------|------------|------------|-----------|------------|
| | New projects | | | Closures | | | New projects | | | Closures | | | |
| | Enterprise | Employment | | Enterprise | Employment | | Enterprise | Employment | | Enterprise | Employment | | |
| 1. Food | - | - | - | - | - | - | - | - | - | - | - | 2 | 18 |
| 2. Flowers | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Textile yarn and fabrics | - | - | 1 | 1 | 90 | - | - | - | - | - | - | 1 | 92 |
| 4. Wearing apparel : | 1 | 29 | 7 | 7 | 436 | 9 | 558 | 9 | 558 | 9 | 684 | 9 | 684 |
| Pullovers | - | - | (1) | (1) | (92) | (1) | (45) | (1) | (45) | (3) | (547) | (3) | (547) |
| Other garments | (1) | (29) | (6) | (6) | (344) | (6) | (513) | (6) | (513) | (6) | (137) | (6) | (137) |
| 5. Leather products and footwear | - | - | 1 | 1 | 21 | - | - | - | - | - | - | - | - |
| 6. Wood and paper products | 1 | 11 | - | - | - | - | - | - | - | - | - | - | - |
| 7. Optical goods | - | - | - | - | - | 1 | 25 | 1 | 25 | - | - | - | - |
| 8. Electronic watches and clocks | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| 9. Electric and electronic products | - | - | 1 | 1 | 12 | - | - | - | - | - | - | - | - |
| 10. Jewellery and related articles | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11. Toys and carnival articles | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12. Other | 6 | 58 | 2 | 2 | 58 | 2 | 37 | 2 | 37 | 3 | 20 | 3 | 20 |
| TOTAL | 8 | 98 | 12 | 12 | 617 | 12 | 620 | 12 | 620 | 16 | 815 | 16 | 815 |

Table 8:- Net EPZ exports, 1991 - 1993

| | Year | | | | 1992(1) | | | | 1993* | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--|
| | 1991 | 1992(1) | 1993* | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | 1st Quarter | 2nd Quarter | |
| | | | | | | | | | | |
| A. Total exports (f.o.b. value) | 12,136 | 13,081 | 15,000 | 2,699 | 3,340 | 3,540 | 3,502 | 2,815 | 4,180 | |
| B. Total imports (c.i.f. value) | 7,067 | 7,133 | 8,500 | 1,745 | 1,971 | 1,730 | 1,687 | 2,109 | 2,386 | |
| <i>- Raw Materials</i> | <i>(6,348)</i> | <i>(6,456)</i> | <i>(7,600)</i> | <i>(1,549)</i> | <i>(1,806)</i> | <i>(1,591)</i> | <i>(1,510)</i> | <i>(1,818)</i> | <i>(2,134)</i> | |
| Net Exports (A - B) | 5,069 | 5,948 | 6,500 | 954 | 1,369 | 1,810 | 1,815 | 706 | 1,794 | |
| Net Exports as % of Total Exports | 42 | 45 | 43 | 35 | 41 | 51 | 52 | 25 | 43 | |

(1) revised

* forecast

Table 9:- EPZ exports by main commodities, 1991 - 1993

| Description of items | F. O. B. Value Rs. Mn. | | | | | | | | | |
|--|------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|--------------|
| | 1991 | 1992 | 1992 | | | | 1993(1) | | Net change | |
| | | | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | 1st Qr. | 2nd Qr. | 2nd Qr. 93 - 2nd Qr. 92 | % |
| Fish and fish preparations | 296 | 295 | 71 | 70 | 74 | 80 | 68 | 94 | +24 | +34.3 |
| Textile yarn, fabrics, make-up articles | 493 | 468 | 130 | 116 | 115 | 108 | 135 | 161 | +45 | +38.8 |
| Pearls, precious and semi-precious stones | 391 | 320 | 87 | 86 | 77 | 70 | 73 | 99 | +13 | +15.1 |
| Articles of apparel and clothing accessories | 9,621 | 10,476 | 2,076 | 2,680 | 2,861 | 2,859 | 2,179 | 3,365 | +685 | +25.6 |
| Optical goods, n.e.s | 145 | 164 | 44 | 36 | 44 | 40 | 40 | 47 | +11 | +30.6 |
| Watches and clocks | 550 | 630 | 143 | 175 | 163 | 149 | 155 | 172 | -3 | -1.7 |
| Toys, games and sporting goods | 121 | 167 | 34 | 42 | 48 | 43 | 37 | 50 | +8 | +19.0 |
| Jewellery goldsmiths and silversmiths wares | 157 | 154 | 32 | 40 | 40 | 42 | 32 | 46 | +6 | +15.0 |
| Other | 362 | 407 | 82 | 95 | 118 | 111 | 96 | 146 | +51 | +53.7 |
| TOTAL | 12,136 | 13,081 | 2,699 | 3,340 | 3,540 | 3,502 | 2,815 | 4,180 | +840 | +25.1 |

(1) provisional

Table 10:- EPZ imports by main commodities, 1991 - 1993

| Description of items | C. I. F. Value Rs. Mn. | | | | | | | | | | Net change | |
|---|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|--------------|------------|--|
| | 1991 | 1992 | 1992(1) | | | | 1993(2) | | 2nd Qr. 93 - 2nd Qr. 92 | | % | |
| | | | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | 1st Qr. | 2nd Qr. | Value | | | |
| Synthetic fibres suitable for spinning | 58 | 27 | 17 | 7 | 2 | 1 | 2 | 2 | -5 | -71.4 | | |
| Wool and other animal hair | 228 | 215 | 59 | 100 | 37 | 19 | 70 | 88 | -12 | -12.0 | | |
| Chemicals | 292 | 291 | 76 | 76 | 71 | 68 | 68 | 80 | +4 | +5.3 | | |
| Leather | 98 | 124 | 24 | 38 | 31 | 31 | 32 | 39 | +1 | +2.6 | | |
| Textile yarn and fabrics | 3,979 | 4,204 | 996 | 1,174 | 1,037 | 997 | 1,206 | 1,393 | +219 | +18.7 | | |
| Pearls, precious and semi-precious stones | 355 | 314 | 74 | 84 | 83 | 73 | 95 | 87 | +3 | +3.6 | | |
| Machinery including spare parts | 719 | 677 | 196 | 165 | 139 | 177 | 291 | 252 | +87 | +52.7 | | |
| Optical goods, watches and clocks, etc. | 353 | 348 | 86 | 88 | 84 | 90 | 89 | 89 | +1 | +1.1 | | |
| Jewellery | 122 | 92 | 31 | 28 | 13 | 20 | 18 | 12 | -16 | -57.1 | | |
| Other | 863 | 841 | 186 | 211 | 233 | 211 | 238 | 344 | +133 | +63.0 | | |
| TOTAL | 7,067 | 7,133 | 1,745 | 1,971 | 1,730 | 1,687 | 2,109 | 2,386 | +415 | +21.1 | | |

(1) revised

(2) provisional