

The Export Processing Zone (EPZ) 4th Quarter and Year 1994

Introduction

The **Quarterly Survey of Employment** carried out among the EPZ enterprises provides up to date data on the evolution of the workforce in the Export Processing Zone. This issue of the "Economic Indicators" presents the results of the survey carried out at the end of December 1994. Provisional figures on EPZ exports and imports for 1994 are also given.

2. Number of enterprises, December 1994

The number of enterprises at the end of December 1994 stood at 494, 42 fewer than at the end of December 1993. "Wearing apparel" remains the group with the highest number of enterprises (257) in spite of a net loss of 37 during 1994. No significant change occurred in the number of enterprises in the other groups except for "Electric and electronic products" down to 8 from 11 and "Leather products and footwear" now operating with 8 enterprises following 2 closures in 1994.

3. Employment evolution, 4th quarter 1994

During the 4th quarter, employment in the EPZ dropped by some 1,200: 2,150 jobs were created compared to losses of nearly 3,350 jobs. Twelve enterprises closed down and 4 new enterprises came into operation bringing the number of EPZ enterprises at the end of 1994 to 494 with a total workforce of 82,200 of whom 23,800 males and 58,400 females.

The number of foreign workers employed by the EPZ enterprises stood at 5,492, an increase of 155 in the 4th quarter compared to increases of 398, 583 and 261 in the 1st, 2nd and 3rd quarter respectively.

4. Employment evolution, Year 1994

After reaching a peak of nearly 91,000 in December 1991, employment in the EPZ sector has since followed a downward trend. In fact, employment dropped further by 3,450 in 1994 after decreases of 3,900 and 1,300 in 1992 and 1993 respectively.

During 1994 a total loss of some 12,100 jobs were reported: 6,802 due to closures of 69 enterprises and 5,327 through contraction in the workforce of 45 existing enterprises. On the other hand, 8,684 jobs were created: 1,222 by the setting up of 27 new enterprises and 7,462 by increases in the workforce of 52 enterprises. The net effect was a loss of 3,450 workers.

An analysis of employment by product group shows that during 1994 "Wearing apparel" suffered a net loss of nearly 4,000 jobs of which 3,550 in the "Pullovers" sub-group. No significant change occurred in the other groups except slight increases in "Food" (291), "Textile yarn and fabrics" (168) and "Leather products" (103).

5. Exports and Imports

EPZ exports amounted to Rs 16,545 million in 1994, a nominal increase of only 4.6% over the previous year. It will be recalled that, in 1993, exports totalled Rs 15,821 million, an increase of over 20% mainly attributable to a near doubling of exports towards USA.

Imports, on the other hand, reached Rs 10,143 million. Raw materials amounted to Rs 9,024 million, 10% higher than in 1993 whilst imports of machinery and equipment remained at the previous year's level of around Rs 1,100 million.

Net exports, that is, exports minus imports, yielded Rs 6,411 million and its ratio to exports dropped to 39% from 41% in 1993. This decrease is the result of the higher growth of imports over exports, probably due to replenishment of stock of raw materials.

6. Value added and productivity

On the basis of figures now available, value added generated by EPZ enterprises is estimated at Rs 6,154 million at current prices. In real terms, this represents a growth of around 4% which combined with a decrease in employment results in a favourable increase in productivity of nearly 7% in 1994.

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LABOUR PRODUCTIVITY IN THE EPZ ,1982 - 1994

(1982 = 100)

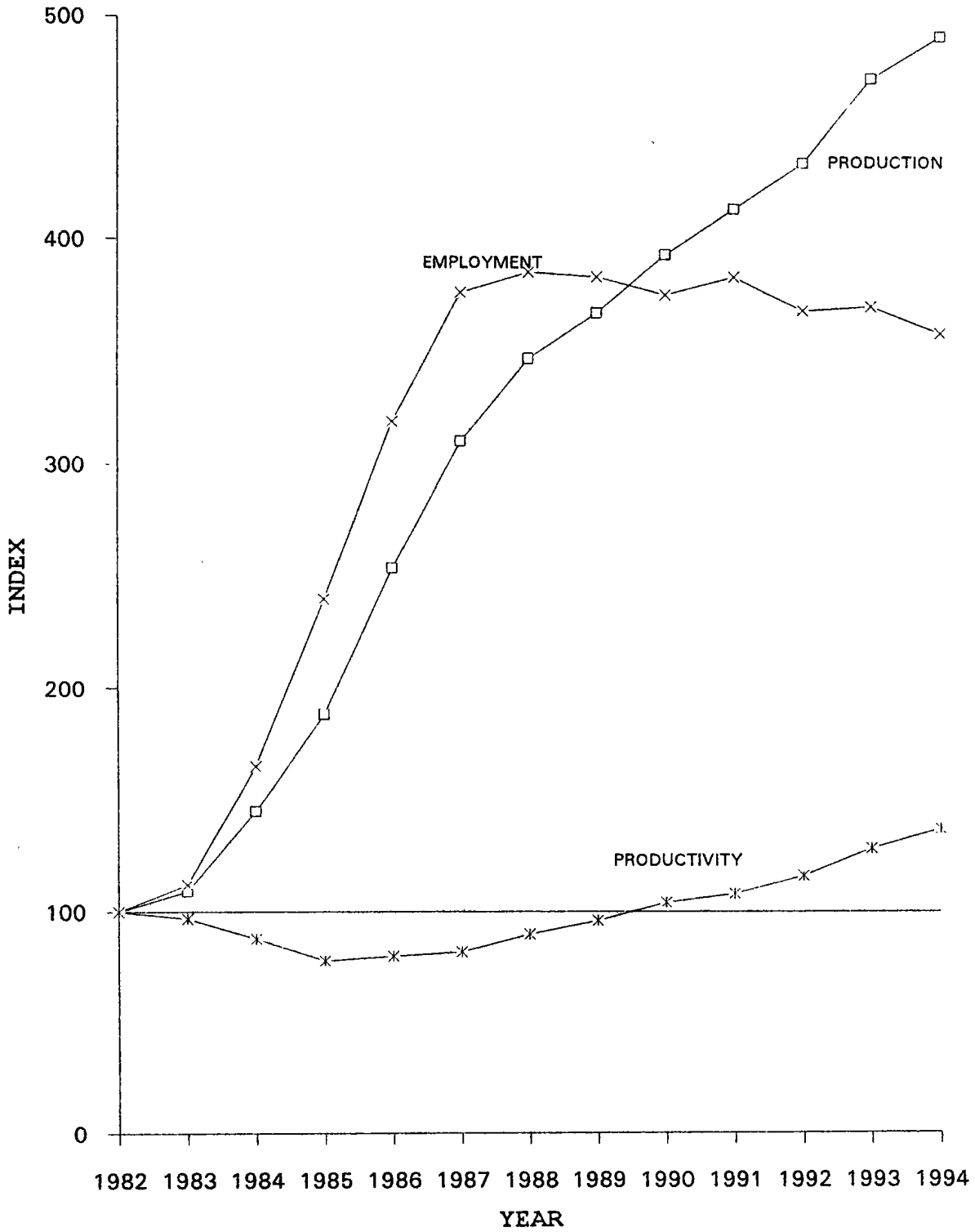


Table 1:- EPZ Sector: Main economic indicators, 1984 - 1994

	1984	1985	1986	1987	1988	1989	1990	1991	1992 ¹	1993 ²	1994 ²
1. No of enterprises as at December	195	290	408	531	591	563	568	586	558	536	494
- New	55	101	139	114	95	79	62	52	33	38	27
- Closures	6	6	21	18	35	107	57	34	61	60	69
2. Employment as at December	37,522	53,951	74,015	87,905	89,080	88,658	89,906	90,861	86,937	85,621	82,176
- Net change	+11,996	+16,429	+20,064	+13,890	+1,175	-422	+1,248	+955	-3,924	-1,316	-3,445
- Growth rate (%)	+47.0	+43.8	+37.2	+18.8	+1.3	-1.0	+1.4	+1.1	-4.3	-1.5	-4.0
3. Exports (f.o.b, Rs Million)	2,151	3,283	4,951	6,567	8,176	9,057	11,474	12,136	13,081	15,821	16,545
4. Imports (c.i.f, Rs Million) :	1,651	2,530	3,863	4,801	5,890	7,502	7,348	7,067	7,133	9,326	10,134
- Raw materials	(1,491)	(2,280)	(3,427)	(4,296)	(5,056)	(6,539)	(6,554)	(6,348)	(6,456)	(8,221)	(9,024)
- Machinery & spare parts	(160)	(250)	(436)	(505)	(834)	(963)	(794)	(719)	(677)	(1,105)	(1,110)
5. Net Exports (Rs Million)	500	753	1,088	1,766	2,286	1,555	4,126	5,069	5,948	6,495	6,411
6. Net Exports to Exports (%)	23.2	22.9	22.0	26.9	28.0	17.2	36.0	41.8	45.5	41.1	39.0
7. Value added at current prices (Rs Million)	865	1,333	1,860	2,585	3,125	3,450	3,975	4,400	5,000	5,746	6,154
- Share in Manufacturing(%)	39.6	46.5	48.6	53.4	55.5	54.2	53.3	53.2	53.8	53.8	52.4
- Share in GDP(%)	7.2	9.6	11.3	13.1	13.5	12.7	12.5	12.2	12.3	12.4	11.7
8. Value added at constant '82 prices (Rs Million)	650	844	1,139	1,390	1,556	1,650	1,765	1,854	1,965	2,080	2,163
- Growth rate (%)	+32.9	+30.0	+34.9	+22.0	+12.0	+6.0	+7.0	+5.0	+6.0	+6.0	+4.0
9. Productivity Index (1982 = 100)	88	78	80	82	90	96	104	108	116	128	137
10. Investment (Rs Million)	210	340	560	655	870	900	690	630	560	900	820
- Machinery	(165)	(260)	(450)	(530)	(730)	(840)	(640)	(610)	(540)	(875)	(800)

¹ revised

² provisional

Table 2:- EPZ employment , December 1993 - December 1994

Category	Enterprise			Employment*								
	Number as at			December 93			September 94			December 94		
	Dec. 93	Sep.94	Dec.94	Male	Female	Total	Male	Female	Total	Male	Female	Total
Large	438	402	401	24,840	58,581	83,421	23,328	57,917	81,245	23,381	56,864	80,245
Small(<10)	98	100	93	305	207	512	339	205	544	332	175	507
Outworkers	-	-	-	35	1,653	1,688	89	1,464	1,553	55	1,369	1,424
TOTAL	536	502	494	25,180	60,441	85,621	23,756	59,586	83,342	23,768	58,408	82,176

* includes expatriates: No. as at - Dec . 93 : 4,095 (1,257 males ; 2,838 females)

- Sep . 94 : 5,337 (1,531 males ; 3,806 females)

- Dec . 94 : 5,492 (1,600 males ; 3,892 females)

Table 3 :- Analysis of net change in employment, 4th quarter & Year 1994

	Evolution 4th qr 1994		Evolution year 1994	
	Enterprises	Employment	Enterprises	Employment
A. Total employment creation :				
Expansion in existing enterprises *		2,130		8,684
New enterprises	21	1,891	52	7,462
	4	239	27	1,222
B. Total employment lost :				
Reduction in existing enterprises *	24	2,674	45	5,327
Closures	12	662	69	6,802
C. Net change (A-B)				
Male		- 1,206		- 3,445
Female		12		- 1,412
		- 1,218		- 2,033

* 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, 1993 - 1994

Product group	No. of enterprises			Net change	
	Dec. 93	Sept. 94	Dec. 94	4th quarter	Year
1. Food	10	9	10	1	0
2. Flowers	50	50	50	0	0
3. Textile yarn and fabrics	30	32	32	0	2
4. Wearing apparel :	294	262	257	- 5	-37
Pullovers	(42)	(34)	(33)	(-1)	(-9)
Other garments	(252)	(228)	(224)	(-4)	(-28)
5. Leather products and footwear	10	8	8	0	- 2
6. Wood and paper products	26	27	26	- 1	0
7. Optical goods	7	6	6	0	- 1
8. Electronic watches and clocks	5	4	4	0	- 1
9. Electric and electronic products	11	10	8	- 2	- 3
10. Jewellery and related articles	19	20	20	0	1
11. Toys and carnival articles	7	7	7	0	0
12. Other	67	67	66	- 1	- 1
TOTAL	536	502	494	- 8	- 42

Table 5:- Net change in employment by product group, 1993 - 1994

Product group	Employment			Net change	
	Dec. 93	Sept. 94	Dec. 94	4th quarter	Year
1. Food	1,187	1,387	1,478	91	291
2. Flowers	611	621	643	22	32
3. Textile yarn and fabrics	3,374	3,598	3,542	- 56	168
4. Wearing apparel :	73,023	70,484	69,037	- 1,447	- 3,986
Pullovers	(23,316)	(20,884)	(19,766)	(-1,118)	(-3,550)
Other garments	(49,707)	(49,600)	(49,271)	(-329)	(-436)
5. Leather products and footwear	1,302	1,275	1,405	130	103
6. Wood and paper products	488	518	526	8	38
7. Optical goods	540	451	498	47	- 42
8. Electronic watches and clocks	606	588	573	- 15	- 33
9. Electric and electronic products	382	405	410	5	28
10. Jewellery and related articles	1,264	1,230	1,221	- 9	- 43
11. Toys and carnival articles	915	945	968	23	53
12. Other	1,929	1,880	1,875	- 5	- 54
TOTAL	85,621	83,382	82,176	- 1,206	- 3,445

Table 6 :- Employment by product group & sex : 1993, 1994

Product group	December 1993			December 1994				
	No of Enterprises	Employment		No of Enterprises	Employment			
		Male	Female		Total	Male	Female	Total
1. Food	10	458	729	1,187	10	572	906	1,478
2. Flowers	50	306	305	611	50	320	323	643
3. Textile yarn and fabrics	30	2,449	925	3,374	32	2,525	1,017	3,542
4. Wearing apparel :	294	19,024	53,999	73,023	257	17,539	51,498	69,037
Pullovers	(42)	(4,270)	(19,046)	(23,316)	(33)	(3,840)	(15,926)	(19,766)
Other garments	(252)	(14,754)	(34,953)	(49,707)	(224)	(13,699)	(35,572)	(49,271)
5. Leather products and footwear	10	291	1,011	1,302	8	294	1,111	1,405
6. Wood and paper products	26	322	166	488	26	347	179	526
7. Optical goods	7	293	247	540	6	272	226	498
8. Electronic watches and clocks	5	154	452	606	4	140	433	573
9. Electric and electronic products	11	156	226	382	8	170	240	410
10. Jewellery and related articles	19	728	536	1,264	20	643	578	1,221
11. Toys and carnival articles	7	97	818	915	7	102	866	968
12. Other	67	902	1,027	1,929	66	844	1,031	1,875
TOTAL	536	25,180	60,441	85,621	494	23,768	58,408	82,176

Table 7:- New and Closures: 1993 , 1994

Product group	Year 1993						Year 1994					
	New projects			Closures			New projects			Closures		
	Enterprise	Employment		Enterprise	Employment		Enterprise	Employment		Enterprise	Employment	
1. Food	-	-		3	44		1	11		1	4	
2. Flowers	-	-		1	2		-	-		-	-	
3. Textile yarn and fabrics	-	-		3	343		6	618		4	631	
4. Wearing apparel :	23	1,619		37	2,503		10	510		47	5,810	
Pullovers	(2)	(75)		(5)	(868)		-	-		(9)	(1,979)	
Other garments	(21)	(1,544)		(32)	(1,635)		(10)	(510)		(38)	(3,831)	
5. Leather products and footwear	-	-		1	21		-	-		2	96	
6. Wood and paper products	2	25		-	-		3	34		3	16	
7. Optical goods	1	25		-	-		-	-		1	13	
8. Electronic watches and clocks	-	-		1	1		-	-		1	7	
9. Electric and electronic products	-	-		3	33		-	-		3	14	
10. Jewellery and related articles	1	7		1	10		2	9		1	95	
11. Toys and carnival articles	-	-		-	-		-	-		-	-	
12. Other	11	211		10	183		5	40		6	116	
TOTAL	38	1,887		60	3,140		27	1,222		69	6,802	

Table 8 : - Distribution of E P Z enterprises by employment size as at December 1994

Employment size	Enterprises			Employment		
	Number	Percentage	Cum. %	Number	Percentage	Cum. %
Under 10	94	19	19	513	1	1
10 - 50	178	36	55	4,300	5	6
51 - 100	69	14	69	5,080	6	12
101 - 300	87	18	87	15,253	19	31
301 - 500	27	5	92	10,627	13	44
501 - 1000	26	5	97	19,106	23	67
More than 1000	13	3	100	27,297	33	100
TOTAL	494	100	100	82,176	100	100

Table 9 - Geographical distribution of EPZ establishments and employment - Dec. 1994

District / Locality	Establishments			Total Employment
	Textile	Non-Textile	Total	
Port Louis	51	46	97	9,530
Plaine Lauzun	18	10	28	3,071
Port Louis city	20	27	47	3,186
Pamplemousses	43	21	64	10,795
Terre Rouge & Riche Terre	13	9	22	4,108
Tombeau Bay	6	0	6	1,611
Triolet	12	6	18	2,327
Rivière du Rempart	29	21	50	8,918
St. Antoine & Goodlands	12	12	24	3,412
Rivière du Rempart & Ile d'Ambre	10	1	11	3,942
Flacq	38	10	48	5,455
Central Flacq	15	3	18	2,463
Bel Air	7	0	7	1,146
Grand Port	31	1	32	5,304
Rose Belle & New Grove	13	0	13	2,050
Mahebourg	5	1	6	1,319
Savanne	20	6	26	3,323
Surinam	4	0	4	272
Rivière des Anguilles	3	5	8	606
Plaine Wilhems	145	70	215	31,367
Coromandel	18	9	27	2,332
Beau Bassin & Rose Hill	35	10	45	7,738
Vacoas & Phoenix	35	15	50	7,288
Quatre Bornes	20	6	26	3,025
Curepipe, Fioreal & Forest Side	29	27	56	9,659
Moka	32	23	55	5,732
Pailles	9	10	19	744
St. Pierre & Moka	11	12	23	3,158
Black River	7	9	16	1,752
Medine & Bambous	3	2	5	514
T O T A L	396	207	603	82,176

Note :- The number of establishments is greater than number of enterprises as it includes branches

Table 10 : - E P Z enterprises and employment , quarterly series (1984 - 1994)

Y E A R	Enterprise				Employment			
	1st Qr	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
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	88,658
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	558	91,399	89,949	87,313	86,937
1993	554	550	543	536	87,804	86,028	85,254	85,621
1994	520	509	504	494	83,882	83,862	83,382	82,176

Table 11 - Net EPZ exports, 1993 - 1994

	Rs. Million											
	Year		1993 ¹				1994 ²					
	1993 ¹	1994 ²	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	4th Qr		
A. Total exports (f.o.b)	15,821	16,545	2,815	4,180	4,566	4,260	3,162	4,196	4,607	4,580		
B. Total imports (c.i.f)	9,326	10,134	2,109	2,386	2,423	2,408	2,294	2,536	2,552	2,752		
of which												
Raw materials	(8,221)	(9,024)	(1,818)	(2,134)	(2,098)	(2,171)	(2,081)	(2,293)	(2,265)	(2,385)		
Machinery	(1,105)	(1,110)	(291)	(252)	(325)	(237)	(213)	(243)	(287)	(367)		
Net Exports (A-B)	6,495	6,411	706	1,794	2,143	1,852	868	1,660	2,055	1,828		
Net Exports as % of Total Exports	41%	39%	25%	43%	47%	43%	27%	40%	45%	40%		

¹ Revised

² Provisional

Table 12 - EPZ exports by main countries of destination, 1993 - 1994

Value (f.o.b) Rs Million

	Year		1993 ¹				1994 ²			
	1993 ¹	1994 ²	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	4th Qr
	Total EPZ Exports	15,821	16,545	2,815	4,180	4,566	4,260	3,162	4,196	4,607
Belgium	430	452	75	112	133	110	104	115	129	104
France	4,390	4,652	834	1,286	967	1,303	882	1,274	1,156	1,340
Germany	1,564	1,342	218	424	507	415	276	390	330	346
Italy	831	908	166	169	192	304	169	214	200	325
Netherlands	401	435	75	116	134	76	81	109	129	116
Reunion	254	267	38	63	81	72	40	70	74	83
Spain	509	377	49	184	188	88	32	131	134	80
United Kingdom	2,268	2,541	450	563	657	598	491	591	768	691
Canada	117	162	22	34	34	27	25	39	41	57
Hong kong	89	165	17	19	26	27	21	34	63	47
Madagascar	224	304	48	73	44	59	59	92	82	71
Singapore	69	31	18	17	21	13	6	6	8	11
South Africa	38	30	9	13	9	7	8	9	7	6
U.S.A.	3,972	4,198	670	964	1,343	995	823	974	1,300	1,101
Zimbabwe	77	77	13	16	19	29	21	18	18	20
Switzerland	261	261	59	66	71	65	54	63	68	76
Other countries	327	343	54	61	140	72	70	67	100	106

¹ Revised

² Provisional

Table 13 - EPZ exports by section / commodity, 1993 - 1994

SITC Sect.	Description	Year				Value (f.o.b) Rs Million					
		1993 ¹		1994 ²		1993 ¹		1994 ²			
		1993 ¹	1994 ²	1st Qr	2nd Qr	3rd Qr	4th Qr	1st Qr	2nd Qr	3rd Qr	4th Qr
0	Total exports	15,821	16,545	2,815	4,180	4,566	4,260	3,162	4,196	4,607	4,580
	Food and live animals of which:	542	838	83	135	155	169	205	204	197	232
	Fish & fish preparations	(384)	(514)	(68)	(94)	(111)	(111)	(120)	(123)	(124)	(147)
2	Crude mats, inedible exc., fuels	14	20	3	4	2	5	4	5	4	7
5	Chemicals	58	54	13	21	15	9	11	11	13	19
6	Manufactured goods classified chiefly by materials of which:	1,089	1,279	230	288	283	288	282	313	367	317
	Text. yarn, fabrics, made up articles	(574)	(702)	(135)	(161)	(128)	(150)	(145)	(167)	(220)	(170)
	Pearls & precious stones	(409)	(452)	(73)	(99)	(130)	(107)	(109)	(116)	(114)	(113)
7	Machinery and transport equipment	70	47	1	3	59	7	7	5	12	23
8	Miscellaneous manufactured articles of which:	14,047	14,305	2,485	3,730	4,051	3,781	2,653	3,658	4,013	3,981
	Articles of apparel and clothing	(12,719)	(12,876)	(2,179)	(3,365)	(3,734)	(3,441)	(2,389)	(3,299)	(3,634)	(3,554)
	Optical goods	(176)	(188)	(40)	(47)	(41)	(48)	(40)	(44)	(42)	(62)
	Watches and clocks	(612)	(512)	(155)	(172)	(135)	(150)	(125)	(146)	(105)	(136)
	Toys, games and sporting goods	(166)	(162)	(37)	(50)	(42)	(37)	(23)	(46)	(51)	(42)
	Jewel., goldsmiths & silversmiths wares	(171)	(193)	(32)	(46)	(49)	(44)	(29)	(54)	(57)	(53)

¹ Revised² Provisional