

Productivity and Competitiveness Indicators (1994 – 2004)

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Productivity and Competitiveness Indicators (1994 – 2004)

Introduction

Productivity and competitiveness indices are published twice a year, namely in May and November. This issue of the Economic and Social Indicators presents indices for the years 1994 to 2004 for the total economy, the manufacturing sector and the Export Processing Zone (EPZ).

The indices have been computed using Gross Domestic Product and Value Added figures based on the results of the 2002 Census of Economic Activities, and are therefore not strictly comparable with series published earlier. Data prior to 1994 are being revised to obtain a comparable series and will be available in the Digest of Productivity and Competitiveness Statistics - 2004 to be published in December 2005.

Tables 1.1 to 1.4 in this issue present the various indices for the total economy, tables 2.1 to 2.5 for the manufacturing sector and tables 3.1 to 3.6 for the EPZ and its sub-sectors (textile and non-textile). A description of concepts and definitions used is given on page 10.

2. Indicators for the total economy

The table below presents the growth rates of the productivity, unit labour cost and other competitiveness related indices for the total economy.

Indicator		Growth rate (%)		
		Average annual	2003	2004
		1994-2004		
1	Output (GDP at basic prices)	5.0	3.7	4.3
2	GDP at market prices	5.7	3.7	4.9
3	GDP per capita (market prices)	4.5	2.6	4.0
4	Labour input	1.0	1.5	0.6
5	Capital input	5.5	4.7	5.7
6	Capital - Output ratio	0.5	1.0	1.3
7	Capital - Labour ratio	4.5	3.2	5.1
8	Labour productivity	3.9	2.2	3.7
9	Capital productivity	-0.5	-1.0	-1.3
10	Multifactor productivity	0.7	0.3	-0.5
11	Average compensation	8.0	8.7	8.1
12	Unit Labour Cost (Mauritian Rupees)	3.9	6.4	4.2
13	Unit Labour Cost (US Dollars)	-0.4	12.3	6.6

2.1 Gross Domestic Product (output)

Output, as measured by the Gross Domestic Product (GDP), is the total value of goods and services produced within a country in a given year. Between 1994 and 2004, GDP in real terms grew on average by 5.0% per annum. The growth rate for 2004 was 4.3%, higher than the 3.7% growth registered in 2003.

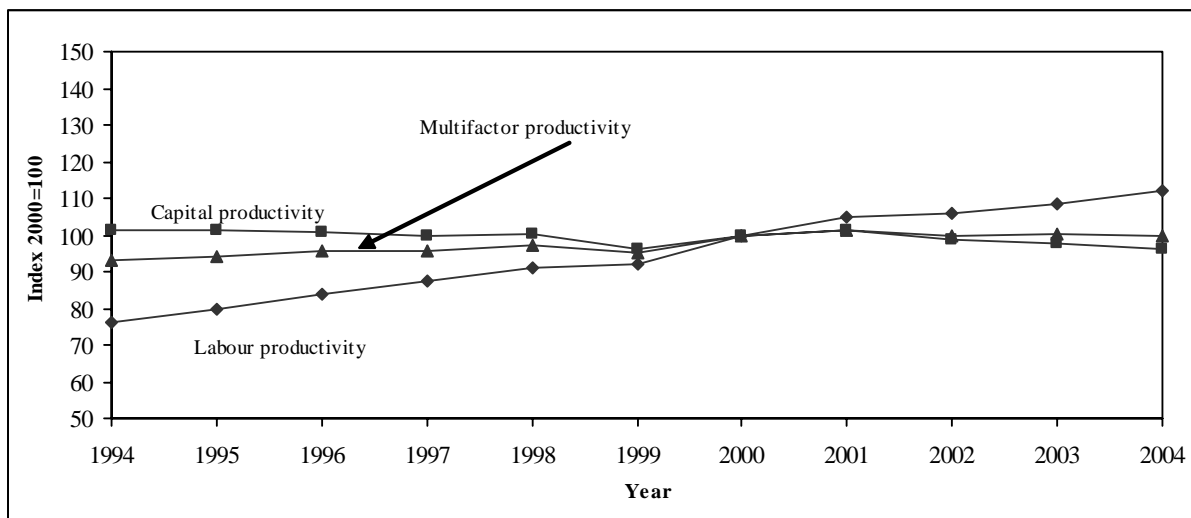
The GDP per capita at market prices is an indicator for measuring the standard of living of the population. With an annual increase of 1.1% in the population and 5.7% in GDP at market prices, GDP per capita grew by 4.5% per annum during the period 1994 – 2004.

2.2 Labour and capital inputs

During the period 1994 – 2004, whilst GDP at basic prices increased by 5.0% per annum, capital input grew by 5.5% compared to a growth of 1.0% for labour input. The capital - labour ratio, defined as the ratio of the stock of fixed capital to labour inputs, increased by 4.5% showing that capital deepening is taking place. (Table 1.1)

2.3 Productivity trends

Chart 1 : Trends in productivity indices – Total economy, 1994-2004



2.3.1 Labour productivity

From the above chart, it is observed that the labour productivity, defined as GDP per worker, has improved from 76.2 in 1994 to 112.2 in 2004, giving an average annual increase of 3.9%.

In 2004, labour productivity increased at a higher rate of 3.7% compared to 2.2% in 2003. This is the result of a higher GDP growth of 4.3% in 2004 compared to 3.7% in 2003, coupled with a lower growth of 0.6% in labour input in 2004 against 1.5% in 2003 (Table 1.2)

2.3.2 Capital productivity

From 1994 to 2004, the capital productivity defined as GDP per unit of capital declined at an average annual rate of 0.5% from 101.5 in 1994 to 96.4 in 2004. After a decline of 1.0% in

2003, the index fell further by 1.3% in 2004 (Table 1.2). The decline is explained by a higher growth in capital input (5.7%) compared to GDP (4.3%) in 2004.

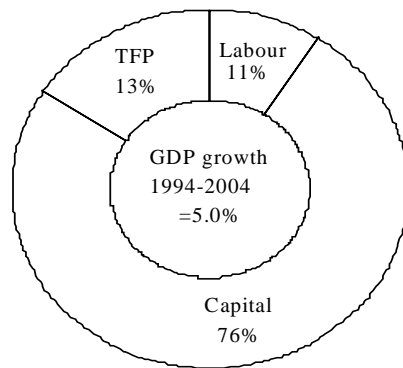
2.3.3 Multifactor productivity (MFP)

The MFP index shows the rate of change in “productive efficiency”. In addition to labour and capital inputs, it takes into account qualitative factors such as better management and improved quality of inputs through training and technology. During the period under study, the average annual growth of MFP works out to 0.7%. In 2004, MFP fell by 0.5% against a rise of 0.3% in 2003. (Table 1.2)

2.4 Growth accounting

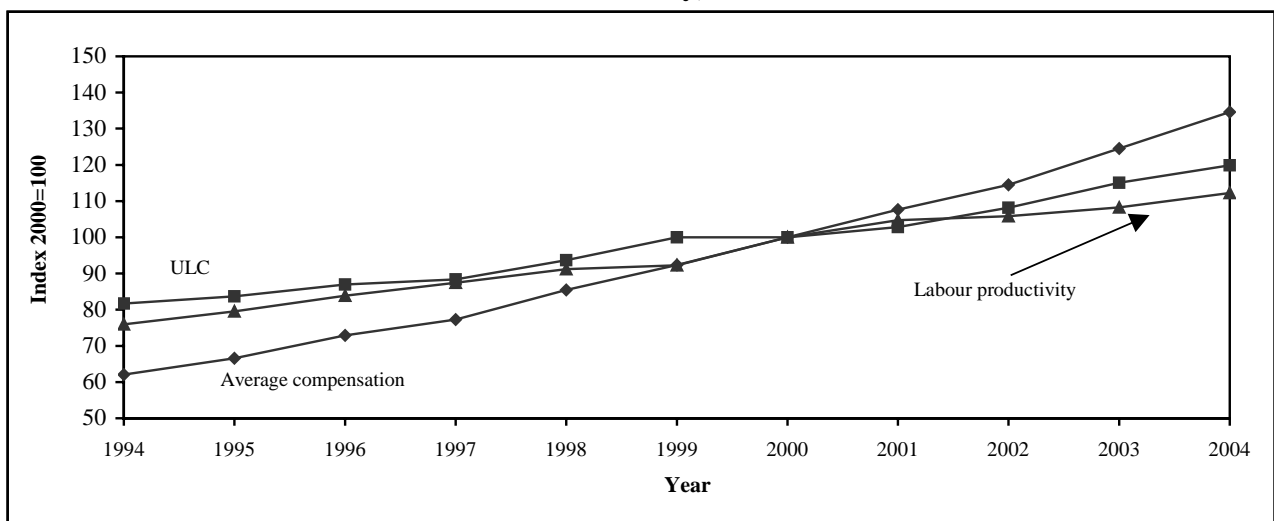
The contribution of different factors to economic growth is determined by the growth accounting technique. Between 1994 and 2004, the contribution of labour to the 5.0% growth in GDP works out to 11% and that of capital to 76%. The remaining 13% represents the contribution of ‘Total Factor Productivity’ (TFP), which includes qualitative factors such as training, management and technology.

Chart 2: Contribution of labour, capital and TFP to GDP growth, 1994 – 2004



2.5 Unit Labour Cost (ULC)

Chart 3 : Trends in Unit Labour Cost - Total economy, 1994 – 2004



ULC measures the remuneration of labour per unit of output. It is affected by changes in both average compensation and labour productivity. Between 1994 and 2004, average compensation increased by 8.0% whilst labour productivity grew by 3.9% annually. The higher growth in average compensation compared to that of labour productivity resulted in an average annual growth of 3.9% in ULC (Table 1.3).

To compare changes in competitiveness across economies, the impact of exchange rate fluctuations has to be taken into account. When a national currency appreciates against the US Dollar, more Dollars are paid in exchange for each national currency unit. On the other hand, when a national currency depreciates against the US Dollar, fewer Dollars are paid in exchange for each national currency unit. During the period 1994 to 2004, ULC in Mauritian Rupees grew annually by 3.9%. However, in Dollar terms, it declined by 0.4% a result of an annual depreciation of 4.4% of the Mauritian Rupee vis-à-vis the US Dollar during the period under review. It should be pointed out that, ULC in Dollar terms grew by 12.3% and 6.6% in 2003 and 2004 respectively following the appreciation of the Rupee during these two years (Table 1.4).

3. Indicators for the Manufacturing sector

The table given below summarises the main indicators for the Manufacturing sector.

Indicator		Growth rate (%)		
		Average annual	2003	2004
		1994-2004		
1	Output (GDP at basic prices)	3.6	0.0	0.3
2	Labour input	-0.9	-5.3	-4.6
3	Capital input	3.6	0.5	11.4
4	Capital - Output ratio	0.0	0.5	11.1
5	Capital - Labour ratio	4.6	6.1	16.8
6	Labour productivity	4.6	5.6	5.1
7	Capital productivity	0.0	-0.5	-10.0
8	Multifactor productivity	1.6	1.6	-6.1
9	Average compensation	8.6	10.0	5.7
10	Unit Labour Cost (Mauritian Rupees)	3.9	4.2	0.5
11	Unit Labour Cost (US Dollars)	-0.5	10.0	2.8

3.1 Output and inputs

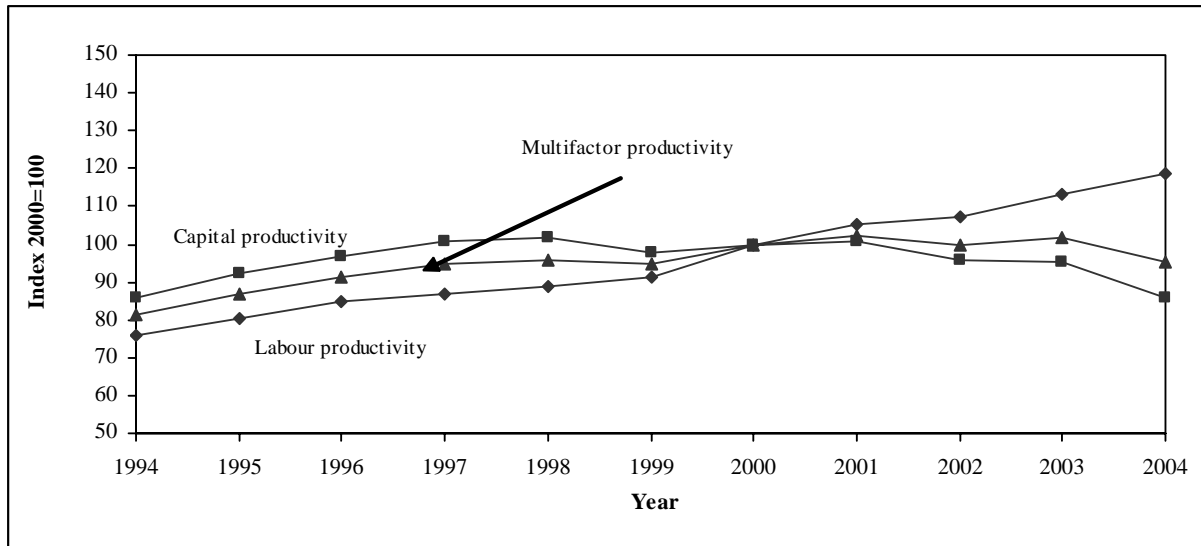
Between 1994 and 2004, output in the manufacturing sector grew on average by 3.6% annually. In 2004, the sector witnessed an increase of 0.3% after stagnation in 2003.

During the same period, labour input declined by 0.9% annually, whereas an annual rise of 3.6% was recorded in capital input.

In 2004, capital input jumped by 11.4% after a low growth of 0.5% in 2003. On the other hand, labour input which was on the decline since 1999, decreased further by 5.3% in 2003 and by 4.6% in 2004 (Table 2.1).

3.2 Productivity trends

Chart 4: Trends in productivity indices – Manufacturing sector, 1994- 2004.



During the period under review, labour productivity registered an average annual growth of 4.6% compared to stagnation in capital productivity. This is the result of 3.6% growth in both output and capital input, and a decline of 0.9% in labour input (Table 2.2). During the same period, multifactor productivity increased on the average by 1.6% per annum.

3.3 Unit Labour Cost (ULC)

Chart 5: Trends in Unit Labour Cost – Manufacturing sector, 1994 – 2004

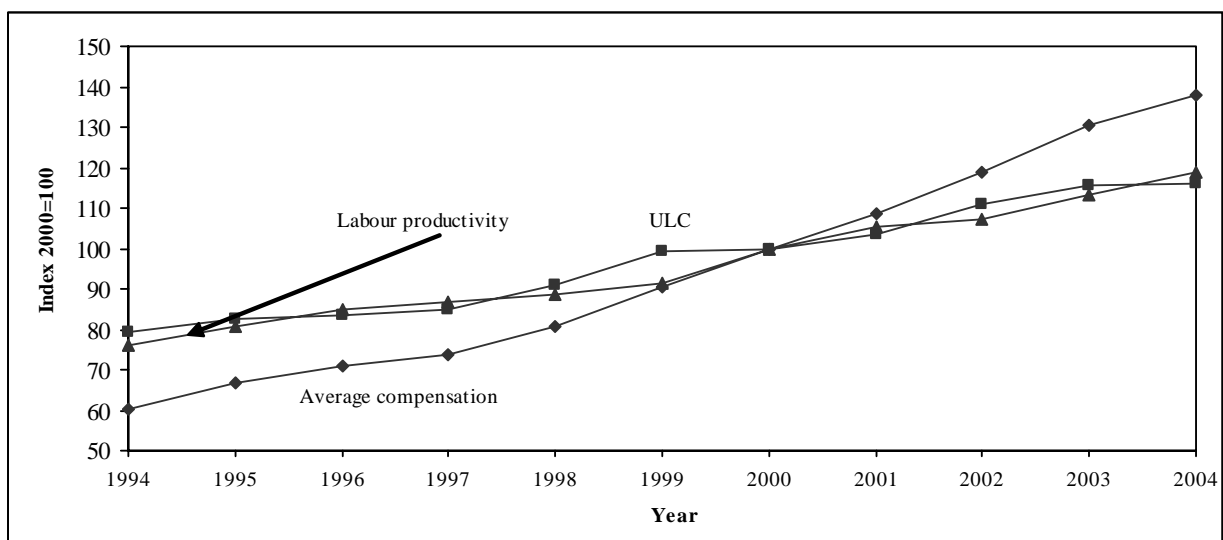


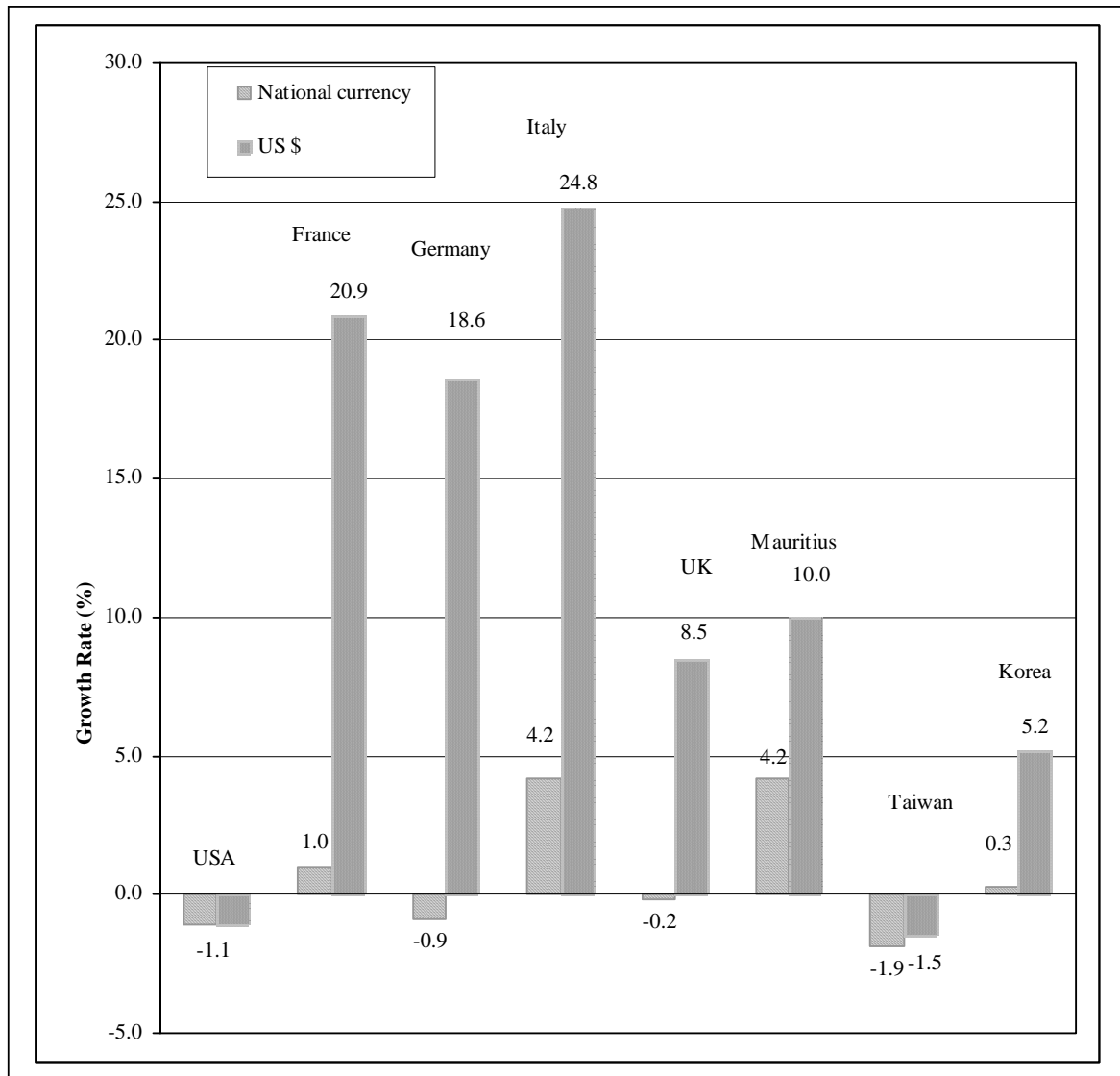
Chart 5 shows the trend of the ULC index for the period 1994 to 2004. During that period, ULC grew at an annual rate of 3.9% mainly due to higher growth in average compensation (8.6%) compared to that of labour productivity (4.6%). However, in Dollar terms, it declined at an average annual rate of 0.5% following the 4.4% depreciation of the local currency against the Dollar (Table 2.4)

3.4 International comparison of Unit Labour Costs in Manufacturing – 2003

An international comparison of growth in ULC in the manufacturing sector for the year 2003 both in national currency and in the US Dollar is given in the table and chart below.

Country	USA	France	Germany	Italy	UK	Mauritius	Taiwan	Korea
National currency	-1.1	1.0	-0.9	4.2	-0.2	4.2	-1.9	0.3
US \$	-1.1	20.9	18.6	24.8	8.5	10.0	-1.5	5.2

Chart 6: International comparison of ULC in Manufacturing – Growth rate (%) 2003



Source: U.S Bureau of Labour Statistics and CSO estimates

It is observed that ULC in manufacturing, expressed in national currency, fell in four of the eight economies in 2003 with Taiwan recording the highest decrease (-1.9%) followed by USA (-1.1%). On the other hand, it rose in four countries, with Italy and Mauritius recording the highest increase (+ 4.2%).

In 2003, the US Dollar depreciated against the currencies of all the economies, mostly against the Euro. Besides the United States, the US Dollar - denominated ULC declined only in Taiwan.

3.5 International comparison of Hourly Labour Cost (HLC)

The HLC is also used as an indicator of international competitiveness. Table 2.5 compares the evolution of HLC in the Mauritian manufacturing sector with some of its trading partners. It is observed that, in 2003, in the absence of data for Sri Lanka, the HLC for Mauritius was the lowest (1.34 US Dollar) followed by Mexico (2.48 US Dollar). Germany recorded the highest HLC (31.25 US Dollar).

4. Indicators for Export Processing Zone (EPZ) sector

The table below shows the main indicators for the EPZ sector.

Indicator		Growth rate (%)		
		Average annual	2003	2004
		1994-2004		
1	Output (GDP at basic prices)	2.1	-6.0	-6.8
2	Labour input	-1.7	-8.5	-9.2
3	Capital input	2.9	-2.1	8.8
4	Capital – Output ratio	0.8	4.2	16.7
5	Capital – Labour ratio	4.7	7.0	19.8
6	Labour productivity	3.9	2.7	2.6
7	Capital productivity	-0.8	-4.0	-14.3
8	Multifactor productivity	1.0	-1.1	-8.6
9	Average compensation	8.5	6.6	4.3
10	Unit Labour Cost (Mauritian Rupees)	5.0	3.8	6.6
11	Unit Labour Cost (US Dollars)	0.6	9.6	9.0

4.1 Output and inputs

In 2004, the share of the EPZ sector in the economy was 8.7%. The contribution of the textile and non-textile subsectors in the total output of the EPZ sector was 85% and 15% respectively.

Between 1994 and 2004, an annual growth of 2.1% was registered in the EPZ output with the textile companies growing by 1.7% and the non-textile by 4.5%. It should however be noted that since 2002, the sector has registered negative growths.

The labour input declines at an average annual rate of 1.7% during the period 1994 to 2004. The index which stood at 90.7 in 1994 declined to 88.6 in 1995. It picked up in 1996 to peak in 2000. Thereafter, it registered a continuous decline reaching a level of 76.2 in 2004.

During the same period, an average annual increase of 2.9% was observed in capital input with the index improving from 82.6 in 1994 to 109.7 in 2004. In 2004, the index increased by 8.8% reversing the fall of 2.1% in 2003. (Table 3.3)

4.2 Productivity trends

Chart 7 : Trends in productivity indices – EPZ sector, 1994 – 2004

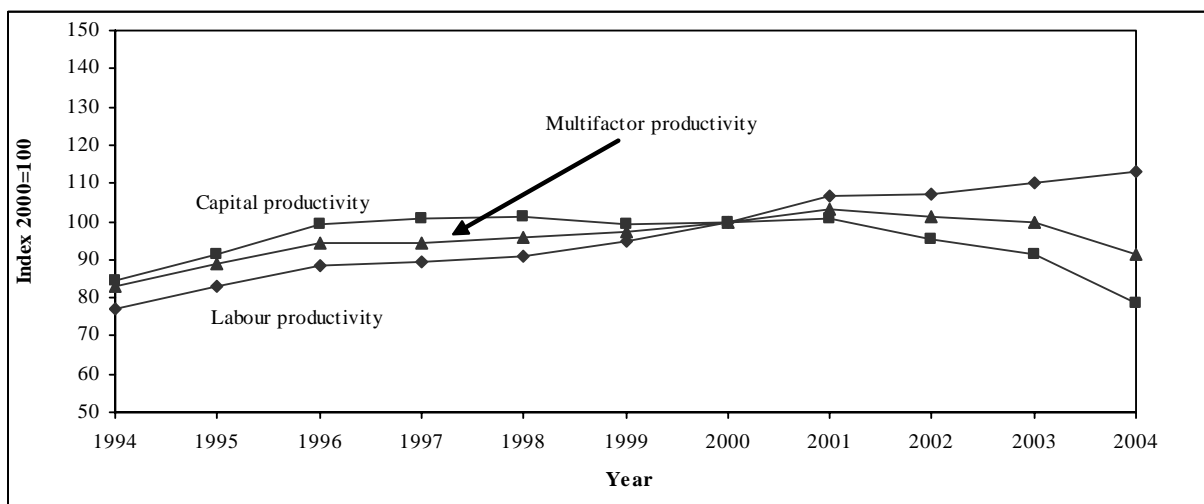
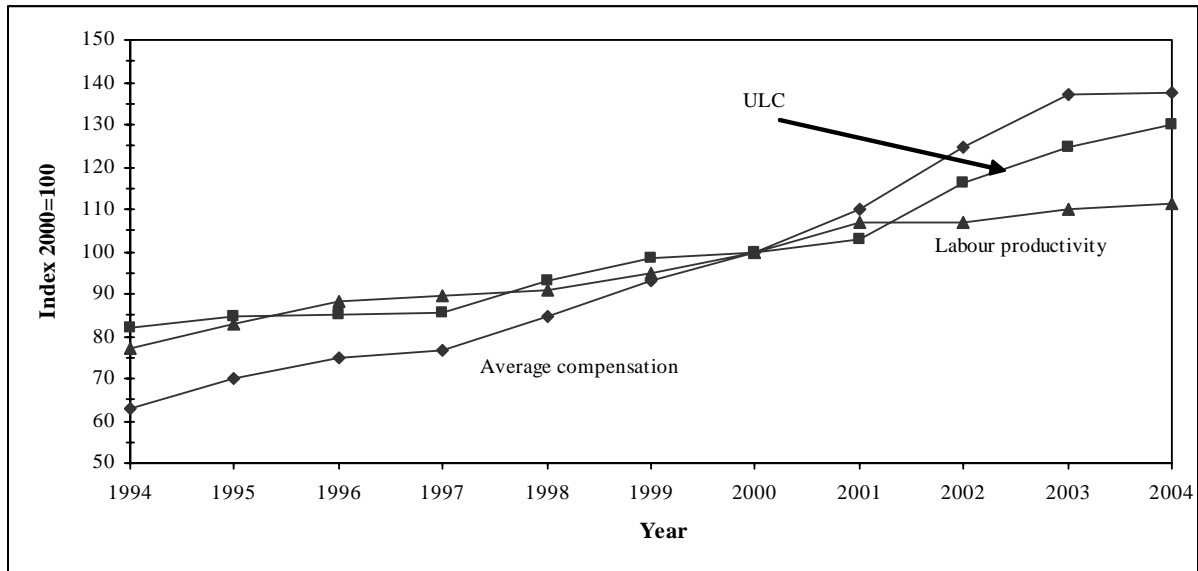


Chart 7 shows the trends in the labour, capital and multifactor productivity indices for the EPZ sector for period 1994 and 2004. During that period, whilst capital productivity declined by 0.8% annually, labour and multifactor productivity registered positive annual growths of 3.9% and 1.0% respectively. This is due to a fall of 1.7% in labour input and a growth of 2.1% and 2.9% in real output and capital input respectively. (Table 3.4)

4.3 Unit Labour Cost (ULC)

Chart 8: Trends in Unit Labour Cost – EPZ sector, 1994 – 2004



During 1994 - 2004, average compensation in the EPZ sector increased by an annual rate of 8.5% and labour productivity by 3.9%. The growth in labour productivity being lower than the rise in average compensation, the ULC registered an annual growth of 5.0%. In 2004, ULC grew at a higher rate of 6.6% higher than the 3.8% growth in 2003 (Table 3.5).

In Dollar terms, ULC witnessed an annual growth of 0.6% between 1994 and 2004 as a result of the depreciation of the MUR (4.4%) vis-à-vis the US Dollar. In 2003 and 2004, following the appreciation of the local currency against the Dollar, the ULC in Dollar terms witnessed higher positive growths of 9.6% and 9.0% respectively. (Table 3.6)

Central Statistics Office
Ministry of Finance and Economic Development.
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Contact person

Mrs. R Soborun
 Statistician – Productivity Unit
 Central Statistics Office
 L.I.C Centre, Port-Louis
 Tel: 2122316/17,
 Fax : (230) 211-4150
 Email: cso_productivity@mail.gov.mu

Concepts and definitions

Productivity expresses the relationship between the output of goods and services (real output) and the various inputs required for production (e.g. labour and capital). Two important productivity indicators used are: labour productivity, that is, the ratio of real output to labour input, and capital productivity, the ratio of real output to stock of fixed capital used in the production process. However, these indicators are limited in the sense that they indicate the influence of only one factor of production at a time on productivity. An improvement over these partial indicators is the multifactor productivity which takes into account the simultaneous influences of several factors on production, including qualitative factors such as better management, improved quality of inputs and higher quality of goods.

Unit Labour Cost (ULC) is another important indicator of competitiveness which is defined as the remuneration of labour for producing one unit of real output. As ULC can also be expressed as the ratio of average compensation to labour productivity, it indicates how improvement in productivity offsets increases in average compensation.

1. Real output is given by value added at constant prices.

$$\text{Output index} = \frac{\text{Value added (constant price) in year } n}{\text{Value added in base year}} \times 100$$

2. Employment/Labour input

In the absence of total man hours, labour refers to the total number of persons engaged, that is employers, own account workers, contributing family workers and employees in any type of economic activity. Employment for year n is the average number of persons engaged in June of year (n) and June of year $(n+1)$.

$$\text{Labour input index} = \frac{\text{Average number of persons engaged in year } n}{\text{Average number of persons engaged in base year}} \times 100$$

3. Capital input

Capital refers to the net stock of investment in reproducible fixed assets. Reproducible fixed assets are investments in residential and non-residential building (excluding land), infrastructural work, machinery and equipment.

$$\text{Capital input index} = \frac{\text{Stock of fixed capital in year } n}{\text{Stock of fixed capital in base year}} \times 100$$

4. Labour Productivity

Labour productivity index shows the rate of change in output per person engaged.

$$\text{Labour Productivity Index} = \frac{\text{Output index}}{\text{Labour input index}} \times 100$$

5. Capital productivity

The capital productivity index shows the rate of change in output per unit of capital.

$$\text{Capital Productivity Index} = \frac{\text{Output index}}{\text{Capital input index}} \times 100$$

6. Multifactor/Total factor productivity

Multifactor productivity (MFP)/Total factor productivity (TFP) index shows the rate of change in “productive efficiency”, and is obtained as the ratio of the output to a weighted combination of labour and capital inputs. The limitation of partial productivity measures is that they attribute to one factor of production, changes in efficiency that are attributable to other factors. MFP reflects many influences including qualitative factors such as better management and improved quality of inputs through training and technology.

$$\text{Multifactor productivity index} = \frac{\text{Output index}}{\text{Multifactor input index}} \times 100$$

$$A(t) = \frac{Q(t)}{\{WL(t) \times L(t)\} + \{WK(t) \times K(t)\}} \times 100 \quad \text{where}$$

A(t) = Multifactor Productivity index in time t

Q(t) = Output index in time t

WL(t) = Labour’s input share in time t (ratio of compensation of employees to value added)

L(t) = Labour input index in time t

WK(t) = 1 - WL(t)

K(t) = Capital input index in time t

7. Unit Labour Cost

Unit labour cost is the remuneration of labour to produce one unit of output. It is computed as the ratio of the labour cost index to an index of production. The index shows the rate of change in labour cost per unit of output.

$$\text{Unit Labour Cost Index} = \frac{\text{Labour Cost Index}}{\text{Output Index}} \times 100 \quad \text{or} \quad \frac{\text{Average Compensation Index}}{\text{Labour Productivity Index}} \times 100$$

For Competitiveness purposes, the exchange rate effect has to be taken into account. ULC is therefore computed both in local currency and in US dollar.

$$\text{ULC index (US \$)} = \text{ULC index (MUR)} / \text{Exchange rate index of MUR/ US \$}.$$

8. Hourly Labour Cost

Hourly labour cost is the ratio of compensation to total hours worked, inclusive of overtime. Compensation of employees comprises wages & salaries in cash and in kind, bonus, overtime and social contribution incurred by employers. The sources of data are Survey on Employment & Earnings carried out in March and for total hours worked, the September Survey of Employment, Earnings and Hours of work.

Table 1.1 Trends in output and inputs - Total economy, 1994 - 2004**(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	71.6	4.8	93.9	1.6	70.6	8.2
1995	75.4	5.3	94.7	0.9	74.4	5.5
1996	80.1	6.2	95.4	0.7	79.5	6.7
1997	84.5	5.6	96.7	1.3	84.7	6.6
1998	89.4	5.8	98.1	1.4	89.3	5.4
1999	91.3	2.1	98.9	0.9	95.1	6.5
2000	100.0	9.5	100.0	1.1	100.0	5.2
2001	105.4	5.4	100.7	0.7	104.3	4.3
2002	107.6	2.1	101.7	1.0	109.1	4.6
2003	111.6	3.7	103.1	1.5	114.2	4.7
2004	116.4	4.3	103.7	0.6	120.8	5.7

Average annual growth rate 1994 - 2004	5.0%	1.0%	5.5%
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Table 1.2 Trends in productivity - Total economy, 1994 - 2004**(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	76.2	3.1	101.5	-3.2	93.3	-0.5
1995	79.6	4.4	101.3	-0.2	94.4	1.1
1996	83.9	5.4	100.8	-0.5	95.5	1.2
1997	87.4	4.2	99.8	-1.0	95.9	0.4
1998	91.2	4.3	100.2	0.4	97.3	1.5
1999	92.3	1.2	96.0	-4.1	95.3	-2.1
2000	100.0	8.3	100.0	4.1	100.0	4.9
2001	104.7	4.7	101.1	1.1	101.4	1.4
2002	105.9	1.1	98.6	-2.4	100.0	-1.4
2003	108.2	2.2	97.7	-1.0	100.3	0.3
2004	112.2	3.7	96.4	-1.3	99.8	-0.5

Average annual growth rate 1994 - 2004	3.9%	-0.5%	0.7%
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Table 1.3 Average compensation, Unit Labour Cost, and Labour productivity - Total economy, 1994 - 2004

(Index 2000 = 100)

Year	Average compensation		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	62.1	12.6	81.5	9.2	76.2	3.1
1995	66.6	7.2	83.6	2.7	79.6	4.4
1996	72.8	9.4	86.8	3.8	83.9	5.4
1997	77.3	6.1	88.4	1.8	87.4	4.2
1998	85.5	10.6	93.7	6.0	91.2	4.3
1999	92.3	8.0	100.0	6.7	92.3	1.2
2000	100.0	8.3	100.0	0.0	100.0	8.3
2001	107.6	7.6	102.8	2.8	104.7	4.7
2002	114.5	6.4	108.2	5.2	105.9	1.1
2003	124.5	8.7	115.1	6.4	108.2	2.2
2004	134.6	8.1	119.9	4.2	112.2	3.7

Average annual growth rate 1994 - 2004	8.0%	3.9%	3.9%
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Table 1.4 ULC in local currency and US dollar - Total economy, 1994 - 2004

(Index 2000 = 100)

Year	Unit Labour Cost		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
1994	81.5	9.2	68.8	2.1	118.3	6.9
1995	83.6	2.7	67.8	-1.5	123.4	4.3
1996	86.8	3.8	75.1	10.7	115.7	-6.3
1997	88.4	1.8	80.2	6.8	110.3	-4.7
1998	93.7	6.0	91.3	13.9	102.6	-6.9
1999	100.0	6.7	95.8	4.9	104.4	1.8
2000	100.0	0.0	100.0	4.4	100.0	-4.2
2001	102.8	2.8	110.7	10.7	92.9	-7.1
2002	108.2	5.2	114.1	3.1	94.8	2.1
2003	115.1	6.4	108.1	-5.3	106.5	12.3
2004	119.9	4.2	105.7	-2.2	113.5	6.6

Average annual growth rate 1994 - 2004	3.9%	4.4%	-0.4%
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* + : depreciation, - : appreciation of the MUR vis -a- vis the US \$

Table 2.1 Trends in output and inputs - Manufacturing sector, 1994 - 2004**(Index 2000 = 100)**

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	71.8	4.6	94.3	0.4	83.7	0.4
1995	76.0	5.9	94.3	0.0	82.5	-1.4
1996	80.7	6.2	95.0	0.7	83.5	1.2
1997	85.6	6.2	98.5	3.7	84.8	1.5
1998	90.9	6.1	102.4	3.9	89.5	5.5
1999	92.7	2.0	101.6	-0.8	94.9	6.0
2000	100.0	7.9	100.0	-1.6	100.0	5.4
2001	104.4	4.4	99.1	-0.9	103.5	3.5
2002	101.9	-2.4	95.1	-4.1	106.6	3.0
2003	101.9	0.0	90.1	-5.3	107.1	0.5
2004	102.2	0.3	86.0	-4.6	119.3	11.4

Average annual growth rate 1994 - 2004	3.6%	-0.9%	3.6%
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Table 2.2 Trends in productivity - Manufacturing sector, 1994 - 2004**(Index 2000 = 100)**

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	76.1	4.2	85.7	4.3	81.5	4.3
1995	80.6	5.9	92.1	7.4	86.9	6.7
1996	84.9	5.4	96.6	4.9	91.4	5.1
1997	86.9	2.3	101.0	4.6	94.6	3.6
1998	88.7	2.1	101.5	0.6	95.8	1.2
1999	91.2	2.8	97.7	-3.8	94.9	-0.9
2000	100.0	9.6	100.0	2.3	100.0	5.3
2001	105.3	5.3	100.9	0.9	102.4	2.4
2002	107.1	1.7	95.6	-5.2	99.9	-2.4
2003	113.1	5.6	95.1	-0.5	101.6	1.6
2004	118.9	5.1	85.7	-10.0	95.4	-6.1

Average annual growth rate 1994 - 2004	4.6%	0.0%	1.6%
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Table 2.3 Average compensation, Unit Labour Cost, and Labour productivity - Manufacturing sector, 1994 - 2004

(Index 2000 = 100)

Year	Average compensation		Unit Labour Cost		Labour productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	60.3	11.7	79.3	7.1	76.1	4.2
1995	66.6	10.3	82.6	4.2	80.6	5.9
1996	70.9	6.5	83.5	1.0	84.9	5.4
1997	73.6	3.9	84.7	1.5	86.9	2.3
1998	80.6	9.5	90.8	7.3	88.7	2.1
1999	90.5	12.3	99.3	9.3	91.2	2.8
2000	100.0	10.5	100.0	0.8	100.0	9.6
2001	108.8	8.8	103.3	3.3	105.3	5.3
2002	118.7	9.0	110.7	7.2	107.1	1.7
2003	130.5	10.0	115.4	4.2	113.1	5.6
2004	137.9	5.7	116.0	0.5	118.9	5.1
Average annual growth rate 1994 - 2004	8.6%		3.9%		4.6%	

Table 2.4 ULC in local currency and US dollar - Manufacturing sector, 1994 - 2004

(Index 2000 = 100)

Year	Unit Labour Cost		Exchange rate MUR/US \$		Unit Labour Cost (US \$)	
	Index	Growth rate (%)	Index	(%) Change*	Index	Growth rate (%)
1994	79.3	7.1	68.8	2.1	115.2	4.9
1995	82.6	4.2	67.8	-1.5	121.9	5.8
1996	83.5	1.0	75.1	10.7	111.2	-8.8
1997	84.7	1.5	80.2	6.8	105.7	-5.0
1998	90.8	7.3	91.3	13.9	99.5	-5.8
1999	99.3	9.3	95.8	4.9	103.6	4.2
2000	100.0	0.8	100.0	4.4	100.0	-3.5
2001	103.3	3.3	110.7	10.7	93.3	-6.7
2002	110.7	7.2	114.1	3.1	97.1	4.0
2003	115.4	4.2	108.1	-5.3	106.8	10.0
2004	116.0	0.5	105.7	-2.2	109.8	2.8
Average annual growth rate 1994 - 2004	3.9%		4.4%		-0.5%	

* + : depreciation, - : appreciation of the MUR vis- a - vis the US \$

Table 2.5 - Hourly labour cost in US Dollar - Manufacturing sector, 1994-2003

Country	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Australia	14.29	15.56	17.22	16.91	15.22	15.99	14.48	13.31	15.50	20.05
France	17.26	19.38	19.10	17.20	17.45	17.24	15.46	15.65	17.12	21.13
Germany	25.45	30.26	29.75	26.13	25.98	25.73	23.66	23.55	25.44	31.25
Hong Kong	4.69	4.91	5.24	5.53	5.58	5.54	5.45	5.74	5.66	5.54
Japan	18.67	23.73	20.33	18.96	17.48	20.83	21.89	19.25	18.49	20.09
Korea	6.40	7.29	8.22	7.86	5.67	7.35	8.23	7.69	9.00	10.28
Mauritius	1.14	1.26	1.20	1.20	1.21	1.23	1.16	1.13	1.13	1.34
Mexico	2.41	1.65	1.44	1.62	1.64	1.83	2.19	2.51	2.60	2.48
Portugal	4.42	5.37	5.38	5.18	5.26	5.35	4.49	4.59	5.07	6.23
Singapore	6.27	7.33	8.28	8.22	7.83	7.28	7.36	7.28	6.90	7.41
Sri Lanka	0.45	0.48	0.48	0.46	0.47	0.46	0.48	0.45	0.49	N/A
Taiwan	5.53	5.85	6.02	6.01	5.45	5.51	6.18	6.03	5.73	5.84
United Kingdom	13.05	13.78	14.24	15.75	17.04	17.04	16.82	16.50	17.89	20.37
Canada	15.88	16.10	16.64	16.47	15.60	15.58	16.48	16.24	16.68	19.28
USA	16.87	17.19	17.70	18.29	18.63	19.10	19.46	20.29	21.11	21.97

Source : U.S. Bureau of Labour Statistics and CSO estimates

Table 3.1 Trends in output and inputs - Export Processing Zone (EPZ), 1994 - 2004
(Index 2000 = 100)

Year	Real output		Labour input		Capital input	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	69.9	4.2	90.7	-3.0	82.6	-1.2
1995	73.4	5.0	88.6	-2.3	80.2	-2.8
1996	78.5	7.0	88.8	0.2	79.2	-1.3
1997	83.3	6.0	92.9	4.6	82.8	4.6
1998	89.0	6.9	97.9	5.4	87.9	6.1
1999	94.3	6.0	99.6	1.8	95.1	8.2
2000	100.0	6.0	100.0	0.4	100.0	5.1
2001	104.4	4.4	97.7	-2.3	103.7	3.7
2002	98.1	-6.0	91.6	-6.2	103.0	-0.7
2003	92.2	-6.0	83.8	-8.5	100.8	-2.1
2004	86.0	-6.8	76.2	-9.2	109.7	8.8

Average annual growth rate 1994 - 2004	2.1%	-1.7%	2.9%
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Table 3.2 Trends in productivity - Export Processing Zone (EPZ), 1994 - 2004
(Index 2000 = 100)

Year	Labour productivity		Capital productivity		Multifactor productivity	
	Index	Growth rate (%)	Index	Growth rate (%)	Index	Growth rate (%)
1994	77.1	7.5	84.7	5.5	82.8	6.2
1995	82.8	7.5	91.5	8.0	88.7	7.2
1996	88.4	6.7	99.2	8.4	94.1	6.1
1997	89.6	1.3	100.6	1.4	94.5	0.5
1998	90.9	1.5	101.3	0.7	95.8	1.3
1999	94.7	4.2	99.2	-2.1	97.2	1.5
2000	100.0	5.6	100.0	0.8	100.0	2.8
2001	106.8	6.8	100.7	0.7	103.2	3.2
2002	107.1	0.2	95.3	-5.3	101.1	-2.1
2003	110.0	2.7	91.5	-4.0	100.0	-1.1
2004	112.9	2.6	78.4	-14.3	91.4	-8.6

Average annual growth rate 1994 - 2004	3.9%	-0.8%	1.0%
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Table 3.3 - Trends in output and inputs in the textile and non textile subsectors of EPZ, 1994 - 2004

(Index 2000=100)

Year	Real output			Labour input			Capital input		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1994	69.9	69.3	75.9	90.7	90.0	96.7	82.6	82.7	108.8
1995	73.4	72.5	81.6	88.6	86.7	103.8	80.2	80.3	103.6
1996	78.5	78.5	79.2	88.8	87.2	102.4	79.2	79.3	96.5
1997	83.3	83.5	81.5	92.9	92.4	96.8	82.8	82.8	93.9
1998	89.0	89.3	87.1	97.9	98.1	96.5	87.9	87.9	89.7
1999	94.3	94.6	92.3	99.6	100.0	96.3	95.1	95.1	95.0
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	104.4	104.3	105.0	97.7	97.7	97.6	103.7	103.8	103.3
2002	98.1	96.4	111.3	91.6	91.3	94.1	103.0	103.1	105.8
2003	92.2	89.8	110.5	83.8	82.4	95.7	100.8	101.0	102.9
2004	86.0	81.7	118.3	76.2	73.0	101.5	109.7	110.0	113.5

Annual growth rate (%)

1994 - 2004	2.1	1.7	4.5	-1.7	-2.1	0.5	2.9	2.9	0.4
Year 2003	-6.0	-6.8	-0.7	-8.5	-9.8	1.7	-2.1	-2.1	-2.7
Year 2004	-6.8	-9.0	7.0	-9.2	-11.3	6.1	8.8	9.0	10.3

Table 3.4 - Trends in productivity in the textile and non textile subsectors of EPZ, 1994 - 2004

(Index 2000=100)

Year	Labour productivity			Capital productivity			Multifactor productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1994	77.1	77.0	78.5	84.7	83.8	69.8	82.8	81.8	76.8
1995	82.8	83.6	78.7	91.5	90.3	78.8	88.7	88.1	81.2
1996	88.4	90.1	77.3	99.2	99.1	82.1	94.1	94.2	82.8
1997	89.6	90.3	84.2	100.6	100.8	86.7	94.5	94.3	89.3
1998	90.9	91.0	90.3	101.3	101.5	97.1	95.8	95.2	98.3
1999	94.7	94.6	95.9	99.2	99.5	97.2	97.2	96.9	99.1
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	106.8	106.7	104.6	100.7	100.5	101.7	103.2	103.0	104.5
2002	107.1	105.7	118.3	95.3	93.5	105.2	101.1	99.7	110.0
2003	110.0	109.0	115.4	91.5	89.0	108.4	100.0	97.8	114.4
2004	112.9	111.9	116.5	78.4	74.3	103.7	91.4	87.7	114.3

Annual growth rate (%)

1994 - 2004	3.9	3.8	4.0	-0.8	-1.2	4.0	1.0	0.7	4.1
Year 2003	2.7	3.1	-2.4	-4.0	-4.8	3.0	-1.1	-1.9	4.0
Year 2004	2.6	2.6	0.9	-14.3	-16.5	-4.3	-8.6	-10.3	0.0

Table 3.5 - Average compensation, ULC and Labour productivity in the textile and non textile subsectors of EPZ, 1994 - 2004
(Index 2000=100)

Year	Average compensation			Unit Labour Cost			Labour productivity		
	Total	Textile	Non-textile	Total	Textile	Non-textile	Total	Textile	Non-textile
1994	60.6	59.9	66.9	78.7	77.8	85.3	77.1	77.0	78.5
1995	67.3	66.7	72.0	81.2	79.8	91.5	82.8	83.6	78.7
1996	72.2	72.5	70.5	81.7	80.5	91.2	88.4	90.1	77.3
1997	73.5	71.6	89.4	82.1	79.3	106.2	89.6	90.3	84.2
1998	81.2	78.4	105.3	89.3	86.1	116.6	90.9	91.0	90.3
1999	93.5	92.0	106.7	98.7	97.2	111.3	94.7	94.6	95.9
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	112.3	112.2	113.2	105.1	105.1	105.3	106.8	106.7	104.6
2002	123.6	123.2	119.3	115.4	116.7	107.4	107.1	105.7	118.3
2003	131.8	129.7	147.3	119.8	119.0	127.6	110.0	109.0	115.4
2004	137.4	141.6	160.8	127.6	126.6	138.1	112.9	111.9	116.5

Annual growth rate (%)

1994 - 2004	8.5	9.0	9.2	5.0	5.0	4.9	3.9	3.8	4.0
Year 2003	6.6	5.3	23.5	3.8	1.9	18.8	2.7	3.1	-2.4
Year 2004	4.3	9.2	9.2	6.6	6.3	8.2	2.6	2.6	0.9

Table 3.6 - ULC in local currency and US dollar for the textile and non textile subsectors of EPZ, 1994 - 2004

(Index 2000=100)

Year	ULC (MUR)			Exchange Rate MUR/US \$		ULC (US Dollar)		
	Total	Textile	Non-textile	Index	% Change*	Total	Textile	Non-textile
1994	78.7	77.8	85.3	68.8	2.1	114.3	113.0	123.8
1995	81.2	79.8	91.5	67.8	-1.5	119.8	117.7	135.1
1996	81.7	80.5	91.2	75.1	10.7	108.8	107.2	121.4
1997	82.1	79.3	106.2	80.2	6.8	102.4	98.9	132.5
1998	89.3	86.1	116.6	91.3	13.9	97.8	94.3	127.7
1999	98.7	97.2	111.3	95.8	4.9	103.1	101.5	116.2
2000	100.0	100.0	100.0	100.0	4.4	100.0	100.0	100.0
2001	105.1	105.1	105.3	110.7	10.7	95.0	95.0	95.1
2002	115.4	116.7	107.4	114.1	3.1	101.1	102.3	94.1
2003	119.8	119.0	127.6	108.1	-5.3	110.8	110.1	118.1
2004	127.6	126.6	138.1	105.7	-2.2	120.8	119.8	130.7

Annual growth rate (%)

1994 - 2004	5.0	5.0	4.9	4.4	0.6	0.6	0.5
Year 2003	3.8	1.9	18.8	-5.3	9.6	7.6	25.5
Year 2004	6.6	6.3	8.2	-2.2	9.0	8.8	10.7

* + : depreciation, - : appreciation of the MUR vis -a- vis the US \$