



REPUBLIC OF MAURITIUS

National Wage Consultative Council

# **THIRD REPORT ON THE IMPACT OF THE INTRODUCTION OF THE NATIONAL MINIMUM WAGE**

JUNE 2019 TO JUNE 2020

JANUARY 2021

**As for the previous Impact Reports, this “Third Report on the Impact of the Introduction of the National Minimum Wage” covers the period June 2019 to June 2020. This Report considers additional timeframes:**

- **June 2019 to June 2020 – impact based on contributions to NPF for the sake of consistency with previous years**
- **2<sup>nd</sup> Quarter 2019 to 2<sup>nd</sup> Quarter 2020 – impact on the economy, Wage Rate Index and other indicators based on latest data available**
- **1<sup>st</sup> Quarter 2019 to 1<sup>st</sup> Quarter 2020 – impact on employment and unemployment as figures for 2<sup>nd</sup> Quarter 2020 include the effect of Covid-19**
- **Year 2017 to 2020 – evolution of wage distribution from the date of introduction of the NMW up to 2020 after the review**
- **1<sup>st</sup> Quarter 2020 to September 2020 – Covid-19 based on latest data available**

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## SALIENT FINDINGS

The analysis of this Impact Report following the January 2020 National Minimum Wage Scheme<sup>1</sup> (NMWS) is based on aggregate data from Statistics Mauritius (SM), data from the Mauritius Revenue Authority (MRA) and information obtained from the Ministry of Labour, Human Resource Development and Training (MLHRDT). This assessment has been carried out in the exceptional circumstances of a pandemic, national lockdown and socio-economic ramifications which are likely to have critically impacted the parameters being examined following the NMW review.

As for the previous Impact Reports, this “Third Report on the Impact of the Introduction of the National Minimum Wage” covers the period June 2019 to June 2020. This Report considers additional timeframes:

- June 2019 to June 2020 – impact based on contributions to NPF for the sake of consistency with previous years
- 2nd Quarter 2019 to 2nd Quarter 2020 – impact on the economy, Wage Rate Index and other indicators based on latest data available
- 1st Quarter 2019 to 1st Quarter 2020 – impact on employment and unemployment as figures for 2nd Quarter 2020 include the effect of Covid-19
- Year 2017 to 2020 – evolution of wage distribution from the date of introduction of the NMW up to 2020 after the review
- 1st Quarter 2020 to September 2020 – Covid-19 based on latest data available

In an endeavour to have as meaningful an assessment of the impact of the new NMWS as possible in this unique context, comparison of the figures of the indicators of 1<sup>st</sup> quarter 2019 to those of 1<sup>st</sup> quarter 2020 has been preferred since the figures for 2<sup>nd</sup> quarter 2020 are likely to have been impacted by Covid-19.

As regards, assessment in relation to contributors to NPF the comparison has been made for period June 2019 with period June 2020 for the sake of consistency and continuity with the previous Impact Reports where the comparison was made based on June figures. *Such comparison of indicators of 2nd quarters should be considered with necessary caution due to the impact of Covid-19.*

Notwithstanding the above, the specific impact of the NMW could not be isolated on several parameters. Moreover, the economy is still under the direct impact of the Covid-19 pandemic with the national quarantine still effective and several of our international markets under lockdown. Hence, the findings of the Report have to be considered within that framework.

### Impact on the Economy

**The Gross Domestic Product (GDP) at market prices, as per SM, contracted year-on-year by 2.6% in Q1 and by 33.0% in Q2 of 2020, the deepest on record. The domestic economy, which slid into a technical recession following the two consecutive quarters of economic contraction, is forecasted to contract by 15.2% for the whole year of 2020.**

**The contraction of the economy is Covid-19 related and is reflected by the severe disruptions in economic activity.**

<sup>1</sup> Recommended by the Council and approved by the Government effective as from 01 January 2020

The Wage Rate Index (WRI) increased at a slower pace of 0.1% in 2<sup>nd</sup> quarter 2020 indicating the response of the market to the effects of Covid-19.

*“Although subject to high uncertainty, growth is expected to gradually rebound to around 7.5 percent in 2021 under the upside scenario, assuming resumption of some domestic economic activities, supported by a gradual recovery in key trading partners.” (BoM – Appendix II)*

### Impact on Employment and Unemployment based on SM Figures

The introduction of NMW in 2018 and the NMW in Review 2020 did not have an adverse impact on aggregate employment as shown by the evolution of employment quarter wise from 2017 to 2020 (Chart A and B in Chapter 2). However, the NMW Review in 2020 may have had some adverse impact in certain sectors e.g. youth employment and Export Oriented Enterprises (EOEs).

Total employment (aged 16 and above) in fact increased by 3,900 from 546,000 in 1<sup>st</sup> quarter 2019 to 549,900 in 1<sup>st</sup> quarter 2020.

The youth unemployment rate however increased from 23.4% in 1<sup>st</sup> quarter 2019 to 25.5% in 1<sup>st</sup> quarter 2020.

#### Employment

1<sup>st</sup> Quarter 2019 compared to 1<sup>st</sup> Quarter 2020: Total employment i.e. for employees aged 16 and above increased by 3,900 from 546,000 to 549,900. Female employment increased by 9,500 while male employment decreased by 5,600.

4<sup>th</sup> Quarter 2019 compared to 1<sup>st</sup> Quarter 2020: Total employment decreased by 7,300; with male employment decreasing by 9,600 and female employment increasing by 2,300.

#### Unemployment

1<sup>st</sup> Quarter 2019 compared to 1<sup>st</sup> Quarter 2020: The number of unemployed persons increased by 1,500. The unemployment rate, i.e. the ratio (%) of unemployed persons to the labour force, increased from 6.9% to 7.1%.

*It is noted that both total unemployment and total employment increased in 1<sup>st</sup> Quarter 2020 as compared to 1<sup>st</sup> Quarter 2019. This increase of 3,900 in the number employed and increase of 1,500 in the number unemployed, while appearing a paradox, can be explained by the increase of 5,400 in the labour force from 586,400 to 591,800 over the period.*

#### Unemployment by Gender

1<sup>st</sup> Quarter 2019 compared to 1<sup>st</sup> Quarter 2020: an increase of 600 in the number of unemployed men and an increase of 900 in the number of unemployed women.

While the unemployment rate increased from 6.9% in 1<sup>st</sup> quarter 2019 to 7.1% in 1<sup>st</sup> quarter 2020, the male unemployment rate increased to 5.2% while female unemployment rate decreased to 9.8%.

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*Unemployment of Youth aged 16-24 years (an estimate for those aged less than 25 years)*

**1<sup>st</sup> Quarter 2019 compared to 1<sup>st</sup> Quarter 2020:** The estimated number of unemployed youth (aged 16 to 24 years) increased by 500 from 18,200 (8,100 males and 10,100 females) to 18,700 (9,800 males and 8,900 females).

The corresponding youth unemployment rate increased from 23.4% to 25.5%. Male youth unemployment rate increased to 24.7% while female youth unemployment rate decreased to 26.5%.

*Impact on Wage Indices for the Private and Public Sectors*

The Wage Rate Index (WRI) measures changes in the price of labour, i.e., changes in the average rates actually paid by employers to their employees for work during normal working hours.

**1<sup>st</sup> Quarter 2019 compared to 1<sup>st</sup> Quarter 2020:** The wage rate index increased by 2.5% for the country – 2.0% for the private sector as against a headline inflation rate of 0.5% for year 2019.

The increase in the WRI may be attributed, inter alia, to (a) the review of the NMW with effect from 01 January 2020; (b) the additional remuneration of Rs 300 effective from the same date; and (c) some market adjustment of relativity.

*The WRI increased at a slower pace of 0.1% in 2<sup>nd</sup> quarter 2020 indicating the response of the market to the effects of Covid-19.*

*“The WRI suggested an easing of input costs emanating from the labour market. The overall WRI<sup>2</sup> rose at a slower pace of 0.1 per cent y-o-y in 2020Q2, from 2.5 per cent in 2020Q1. The softening of the overall index reflected mainly a decline of 0.8 per cent in private sector wages in 2020Q2 as against growth of 2.0 per cent in 2020Q1.” (BoM Appendix II)*

*Impact on Relativity*

A significant shift to the right of the Cumulative Frequency Curve (CFC)<sup>3</sup> of 2020 in relation to 2019 around the minimum wage up to salary point of Rs 16,000 indicates an adjustment of relativity in the wake of the review of the NMW in the Private Sector.

**Impact on Employment based on Administrative Data from MRA**

*Non-EOEs – Impact on Number of Employees in respect of whom NPF Contributions are made*

The total number of employees in Non-EOEs on behalf of whom contributions were made to the NPF which stood at 251,735 in December 2017 increased to 279,989 in June 2020 representing an increase of 11.2%.

The significant increase of 11.2% in the number of contributors from December 2017 to June 2020 could be explained, *inter alia*, by:

- the improved adherence to the National Pension Fund to benefit from the special allowance and the negative income tax schemes.
- the likely movement from informal employment to formal employment in the wake of the introduction of the National Minimum Wage.

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<sup>2</sup> Data are based on the Wage Rate Index - Second Quarter 2020 released on 24 September 2020.

<sup>3</sup> measures basic wages on the x-axis and the cumulative distribution of employees on the y-axis

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The total number of employees in respect of whom contributions were made to the NPF in Non-EOEs which were 277,772 in June 2018 and 287,831 in June 2019 stood at 279,989 in June 2020.

The number of contributors fell from 287,831 in June 2019 to 279,989 i.e. by 7,842 in June 2020.

*EOEs – Impact on Number of Employees in respect of whom NPF Contributions are made*

The total number of employees in EOE on behalf of whom contributions are made to the NPF which stood at 38,633 in December 2017 decreased to 33,086 in June 2020 representing a fall of 14.4%.

The total number of employees in respect of whom contributions are made to the NPF in EOE which were 35,637 in June 2019 (prior to 2020 NMW Review) dropped to 33,086 in June 2020 (six months after the 2020 NMW Review) representing a fall of 7.2%.

The fall in the number of NPF contributors in the EOE may be mainly due to the contraction of employment in the EOE. According to Statistics Mauritius, from March 2019 to March 2020, total employment in EOE decreased by 5,211 (-10.7%) from 48,699 to 43,488. The number of Mauritian workers decreased by 3,335 (-1,069 males and -2,266 females). Employment of foreign workers decreased by 1,876 (-2,124 males and +248 females). Job losses occurred mainly in enterprises engaged in the manufacture of “Wearing apparel” with a decrease of 4,668 jobs.

*Difference of Impact in Non-EOEs and EOE based on NPF Contributions*

Notwithstanding the fact that other factors may have impacted on employment, the NMW appears to have impacted differently on employment in Non-EOEs and EOE as measured by the number of employees contributing to NPF.

While the total number of employees on behalf of whom contributions are made to the NPF in the Non-EOEs increased by 28,254 i.e. by 11.2% from December 2017 to June 2020, the total number of employees in respect of whom contributions are made to NPF in the EOE decreased by 5,547 i.e. by 14.4% from December 2017 compared to June 2020.

**Evolution of Number of Young Workers Contributing to NPF**

The total number of young employees in respect of whom contributions have been made to the NPF which increased from 31,483 in December 2017 to 37,308 in June 2019 fell to 36,184 in June 2020.

### Fall in Employment as measured by Contributors to NPF

The fall in the total number of employees in respect of whom contributions are made to the NPF from June 2019 to June 2020 worked out to 10,393 as follows:

Particulars	No. of Employees
Non-EOEs	7,842
EOEs	2,551
<b>Total</b>	<b>10,393</b>

*Source: Council's Computation based on MRA figures*

This fall can be explained by (a) specific market conditions; (b) the general economic conditions due to Covid-19; and (c) possibly the review of the NMW in January 2020.

The relatively low rate of the fall in spite of Covid-19 (less than 3.3% at June 2020) gives an indication of the effectiveness of Government Wage Assistance Scheme (GWAS) implemented in the context of Covid-19 in the formal sector to maintain employment.

### Wage Distribution as measured by the Gini Coefficient

The introduction of the NMW in 2018 and its review in 2020 has improved the income distribution as measured by the Gini Coefficient which fell from 0.448 in 2017 to 0.429 in Q2 of 2020.

The introduction of the NMW has raised the wage income of low-paid workers thereby reducing income inequality. Indeed, the Gini Coefficient, based on wage income, has continuously improved since 2017 as shown in the table below.

GINI Coefficient based on Employment Income

Measures of Income	2017	2018	(Q2) 2019	(Q2) 2020
Gini coefficient	0.448	0.440	0.432	0.429

*Source: Statistics Mauritius*

This figure is conservative as it does not take into account the improvement resulting from the increase in income at the lower end of the income distribution through the special allowance and the negative income tax.

### Wage Distribution as measured by the Inter-Decile Ratios

The introduction of the NMW in 2018 and its review in 2020 have narrowed wage differentials as measured by the inter decile ratios as follows:

- The Decile 9/Decile 1 which is an indicator for the degree of spread across the outer segments of the wage distribution has been on a downward trend from 7.75 in 2017 to 5.68 in 2020.

- The Decile 5/Decile 1 which is an indicator of bottom-half of the earning distribution has also been on a downward trend from 2.58 in 2017 to 2.01 in 2020.
- The Decile 9/Decile 5 which is an indicator of the top-half of the earning distribution has equally been on a downward trend from 3.00 in 2017 to 2.82 in 2020.

### National Minimum Wage and Relative Poverty Line

The review of the NMW in 2020 has improved the purchasing power and standard of living of households of NMW workers. Notwithstanding the fact that the NMW is not generally prescribed as a measure for poverty alleviation, its introduction and review have contributed to move households with adequate number of earners out of relative poverty.

It is noted that:

- (a) for households with one adult member who is a wage earner, the guaranteed income of Rs 10,200 is higher than the RPL of Rs 8,000 by 27.5%;
- (b) for households with two adult members who are full-time wage earners, the guaranteed income of Rs 20,400 is higher than the RPL of Rs 13,000 by 56.9%; and
- (c) for households with two adults and two children and two wage earners, the guaranteed income of Rs 20,400 is higher than the RPL of Rs 18,800 by 8.5%.

It is noted that the positive impact on income, standard of living and economic activity has been reinforced by the Government funding of the special allowance to achieve the guaranteed monthly income of Rs 10,200.

### Evolution of Wage Distribution

The introduction of the NMW in 2018 and its review in 2020 have moved employees in higher wage bands as evidenced by the general shift to the right of the Cumulative Frequency Curves (CFC) which measure the cumulative number of employees by basic wage group and by appropriate Bar Charts over the period 2017 to 2020.

The cumulative percentage of employees drawing basic wage of more than Rs 12,000 a month increased from 60.7% in 2019 to 63.4% in 2020 indicating a movement of the employees in higher wage bands.

The cumulative percentage of employees drawing basic wage of more than Rs 25,000 a month increased from 23.6% in 2019 to 25.2% in 2020 indicating a movement of the employees in higher wage bands.

The same trend i.e. movement of employees to higher wage bands is observed in the Non-EOEs and EOE.

The evolution of wage distribution by Gender also confirms the same trend i.e. both male and female moving to higher wage bands over the period.

*Evolution of Wage Distribution for Full-Time Employees based on SM Figures*

The total number of full-time employees in both the Public and the Private Sectors which stood at 418,877 in 2017 increased to 425,427 in 2018, 429,254 in 2019 and to 434,340 in 2020 i.e. by 3.7% in 2020 compared to 2017 and by 1.2% in 2020 compared to 2019;

The total number of full-time employees in the Private Sector has increased by 9,898 i.e. by 3.1% in 2020 compared to 2017 and by 4,286 representing an increase of 1.3% in 2020 compared to 2019; and

The total number of full-time employees in the Public Sector has increased by 5,565 i.e. by 5.5% in 2020 compared to 2017 and by 800 representing an increase of 0.8% in 2020 compared to 2019.

*Evolution of Wage Distribution by Gender based on SM Figures*

The cumulative percentage of male employees drawing more than Rs 12,000 increased from 61.7% in 2017 to 69.6% in 2019 and to 71.2% in 2020.

Similarly, the cumulative percentage of female employees drawing more than Rs 12,000 increased from 45.3% in 2017 to 47.5% in 2019 and to 52.8% in 2020.

The cumulative percentage of male employees drawing more than Rs 25,000 increased from 22.7% in 2017 to 26.1% in 2019 and to 27.2% in 2020.

Similarly, the cumulative percentage of female employees drawing more than Rs 25,000 increased from 18.1% in 2017 to 19.7% in 2019 and to 22.5% in 2020

It follows that both male and female employees have moved in higher wage bands from 2017 and 2020.

*Evolution of Wage Distribution for the Formal Sector in the Non-EOEs based on MRA Figures*

The cumulative percentage of employees drawing more than Rs 11,000 increased from 57.3% in December 2017, to 59.7% in December 2018, to 63.4% in June 2019 and to 69.6% in June 2020 indicating a movement of the employees to higher wage bands.

The cumulative percentage of employees drawing more than Rs 25,000 increased from 18.5% in December 2017, to 19.9% in December 2018, to 20.9% in June 2019 and to 22.9% in June 2020 indicating a movement of the employees to higher wage bands.

*Evolution of Wage Distribution for the Formal Sector in the EOE based on MRA Figures*

The cumulative percentage of employees drawing more than Rs 11,000 increased from 18.7% in December 2017 to 22.7% in December 2018 and to 26.4% in June 2020 indicating a movement of the employees to higher wage bands for EOE.

The cumulative percentage of employees drawing more than Rs 25,000 increased from 4.9% in December 2017 to 5.7% in June 2019 and to 7.1% in June 2020 indicating a movement of the employees to higher wage bands for EOE.

*Impact on Export Oriented Enterprises (EOEs) based on SM Report*

Employment and number of firms showed a downward trend in the EOE from March 2019 to March 2020 and from December 2019 to March 2020.

**March 2019 compared to March 2020:**

- Number of firms in EOE decreased by 19 from 258 to 239.
- Number of employees in EOE decreased by 5,211 (-12.0%) from 48,699 to 43,488.
- Number of Mauritian employees fell by 3,335 from 26,711 to 23,376.
- Number of foreign workers fell by 1,876 from 21,988 to 20,112.

**December 2019 compared to March 2020:**

- No closure of enterprises has been noted from December 2019 to March 2020.
- Number of employees decreased by 672 (-1.5%) from 44,160 to 43,488.

The decrease of 672 in employment in the EOE during the 1<sup>st</sup> quarter of 2020 is the net result of 1,000 jobs lost and the creation of 328 jobs due to expansion in some existing enterprises.

*Impact on NPF contributors by Sector of Activity in EOE*

From June 2019 to June 2020, Textile, Fabrics & Wearing Apparel registered a fall of 2,408 representing around 10% of the contributing workers.

Decreases in the number of contributors to NPF in June 2020 compared to June 2019 are noted among mostly all sectors. However, increases in the number of contributors to NPF are noted in Food & Beverages, Services and Other Manufacturing.

**Compliance with the National Minimum Wage Regulations**

As at June 2020, the non-compliance rate which measures the proportion of cases not complying with the NMW as a proportion of the total number of full-time Mauritian workers is estimated at

- 17.7% for the country if all employees, irrespective of the number of hours of work per week, are considered (23.4% for the private sector)
- 11.9% if only employees working for more than 30 hours are considered as full-time.
- 10.1% if only employees working for 40 hours or more are considered as full-time.
- 9.9% if only employees working for 45 hours or more are considered as full-time.

*Proportion of Contributions to the NPF on a lesser than Prescribed Wage in the Non-EOEs*

In June 2020, out of 245,585 full-time workers (Mauritian & Foreign) in respect of whom contributions were made to the NPF in the Non-EOEs for 17,519 cases or 7.1% of employees, contributions have been made on a basic wage lesser than the NMW plus relevant additional remuneration.

Although the proportion of cases where contributions have been made on a basic wage lesser than NMW improved from 8.8% in June 2019 to 7.1% in June 2020, this remains an issue in case the employees are working full-time as reported.

*Proportion of Contributions to the NPF on a lesser than Prescribed Wage in the EOE's*

In June 2020, out of 31,973 full-time workers (Mauritian & Foreign) in respect of whom contributions were made to the NPF in the EOE's for 2085 cases or 6.5% of employees, contributions have been made on a wage lesser than the prescribed basic wage.

The proportion of cases where contributions have been made on a basic wage lesser than the prescribed basic wage increased from 4.2% in June 2019 to 6.5% in June 2020.

**Cases of Termination of Employment reported to the Ministry of Labour, Human Resource Development and Training (MLHRDT)**

From January 2020 to September 2020, 13,135 individual cases of termination of employment were reported to the Inspection and Enforcement Section (I.E.S) of the MLHRDT.

The cases include 5,947 for economic reasons (closure – 828, restructuring – 845, and reduction of workforce – 4,274), and 7,188 for non-economic reasons i.e. misconduct, poor performance, constructive dismissal, non-provision of work, non-payment of wages etc.

**Monitoring of Compliance to the National Minimum Wage by the Ministry of Labour, Human Resource Development and Training (MLHRDT)**

Out of 325 Non-EOEs visited by the Inspection and Enforcement Section (I.E.S) of the MLHRDT, 315 i.e. 96.9% were complying with the NMW.

All the 64 EOE's visited i.e. 100% were complying with the NMW.

With regard to the 10 non-complying enterprises, they were required to comply with the National Minimum Wage Regulations 2019 (2017 as subsequently amended) failing which they would be liable to prosecution. A follow up is being carried out by the I.E.S of the MLHRDT with the enterprises and appropriate action will be taken accordingly.

Out of 20,083 workers (Mauritian and Expatriate) in the Non-EOEs covered, 20,026 i.e. 99.7% were earning the NMW or more.

All the 14,107 workers in the EOE's (4,431 Mauritian and 9,676 Expatriate workers) covered i.e. 100% were earning the NMW or more.

*It is to be noted that due to Covid-19 the inspection could not be carried out for all sectors.*

**Impact of Covid-19 on Employment & Unemployment based on 3 Rounds of the Rapid Continuous Multi-Purpose Household Survey (RCMPHS) – SM & World Bank**

Employment levels at September remain below the level observed in the first quarter of 2020 by 28,500 or 5.3%.

Total employment for aged group 16-64 which stood at 534,800 in 1st quarter of 2020 fell to 405,400 in May. The latter figure increased to 473,100 in June, 498,000

in July and to 506,300 in September 2020 i.e. an increase of 67,700 (+16.7%) in June compared to May and an increase of 24,900 (+5.3%) in July compared to June and an increase of 8,300 (+1.7%) in September compared to July. The significant increase in employment is explained by employees who could not work remotely during the national lockdown gradually going back to their workplace.

The youth unemployment rate which stood at 25.1% in Q1 2020 increased to 31.7% in September 2020.

The Council considers that even if youth unemployment improves to its pre-Covid-19 level, the high rate of youth unemployment remains a major cause for concern and requires redress.

The unemployment rate (based on a labour force comprising individuals aged 16-64 not in full time education) is estimated at 10.2% in May, 12.2% in June, 10.3% in July and 10.9% in September 2020.

Male unemployment rate is estimated at 10.3% in May, 11.7% in June, 9.8% in July and 9.6% in September 2020.

Female unemployment rate is estimated at 9.9% in May, 12.9% in June, 11.1% in July and 12.9% in September 2020.

#### *Other Pertinent Observations & Findings*

Other pertinent observations and findings include compliance to the NPF for full-time Mauritian employees, contributions to the NPF on lesser than prescribed wage, classification of employees under employment/re-skilling schemes, definition/criteria for NMW and wage relativity arising from the introduction of the NMW.

#### *Compliance to the NPF for Full-Time Mauritian Employees*

The percentage number of Mauritian employees in respect of whom contributions are made to NPF is estimated at 76.8% as at June 2020.

#### *Contributions to NPF on less than the Prescribed Basic Wage*

Contributions to the NPF have been made on a basic wage lesser than Rs 5,996 that is the basic wage for unskilled workers in the Export Enterprise Remuneration Regulations in respect of some 601 full-time Mauritian workers as at June 2020 i.e. an improvement from June 2019 where the corresponding figure stood at 840.

Contributions to the NPF have been made on a basic wage lesser than Rs 9,700 that is lesser than the prescribed NMW in respect of some 15,354 full-time Mauritian workers in Non-EOEs as at June 2020 i.e. an improvement from June 2019 where the corresponding figure stood at 19,016.

#### *Relativity*

Representative of workers have reiterated the need to address the issue of wage relativity in the private sector that may have arisen from the introduction of the NMW in Remuneration Regulations made under the Employment Relations Act (ERA); and address any problem of relativity distortion that may have arisen on the introduction of the NMW in the public sector in line with section 9 (1) of NWCC Act 2016.

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**Note:**

- **This Report has been drafted by the officials of the Technical Committee and further elaborated in a collaborative mode with the participation of representatives of employers, employees, civil societies and Government institutions, through the Sub-Committee and the Council Board**

## STATUTORY REQUIREMENT & TERMS OF REFERENCE

### STATUTORY REQUIREMENT

*The National Wage Consultative Council (NWCC) is, in the discharge of its functions, required by virtue of Section 6(1)(e) of the National Wage Consultative Council Act No.6 of 2016, to submit to the Minister a report on (i) the impact of the National Minimum Wage within 12 months of its introduction and, thereafter, every year and (ii) the evolution of wage distribution in respect of occupations, worker status, gender and sectors, every year.*

*The National Minimum Wage (NMW), which was introduced and implemented with effect from 1<sup>st</sup> January 2018, was reviewed with effect from 1<sup>st</sup> January 2020.*

*Two Reports on the impact of the implementation of the NMW were submitted to the Minister in January 2019 and January 2020 respectively. This third Report on the impact of the implementation of the NMW (three years after its introduction and one year after its review) is due for January 2021.*

### TERMS OF REFERENCE

*The 'Terms of Reference' (TOR) of the impact study, as may be implied from the statutory objectives of the Council, is to evaluate, inter alia, the effect of the implementation of the National Minimum Wage on the following:*

- *The Economy*
- *Employment, including Women and Young Persons*
- *The Lowest Wage Earners*
- *Poverty*
- *Pay Differentials and the Wage Ratio*
- *Income Distribution*
- *The cost of doing business and competitiveness, particularly in low paying sectors and small firms*

### APPROACH

*This Report has followed the format of the first two impact reports.*

*The Technical Committee, in its endeavour for a quality impact assessment and continued improvement, sought the assistance of ILO for best practices in terms of accuracy, methodology and analysis for the Impact Report. The TORs submitted to ILO were first vetted by all Council members. Discussions with ILO started in August 2019. However, due to changes to the work calendar related to the pandemic and to other technical reasons, the assistance could not be mobilised for the current report. The request is being maintained and the Council expects assistance on this front for the next Impact Report. Moreover, as suggested at Council level other institutions, is also being approached to cater for the needs of the Council.*

## **CHAPTER 1: Background and Methodology**

- 1.1 This is the third impact assessment report of the National Wage Consultative Council (NWCC) following the implementation of the National Minimum Wage (NMW) in January 2018.
- 1.2 The first impact assessment report compared the relevant indicators in 2017 with those in mid-2018 or thereafter to the extent that information was available. The second impact assessment report compared the relevant indicators prior to the introduction of the NMW (i.e. at December 2017) with indicators 18 months' after the introduction of the NMW (i.e. at June 2019).
- 1.3 This third Report assesses the impact of the implementation of the NMW from June 2019 to June 2020 (a) to ensure continuity in terms of the period of assessment and (b) to compare the indicators at December 2019 (prior to the review of the NMW) with those at March/June 2020 i.e. three/six months after the 2020 NMW Review.
- 1.4 This third Report, which also covers the issue of compliance with the NMW Regulations, comprises seven chapters as follows:
  - **Chapter 1** covers the background to the exercise as well as the approach and methodology adopted for the Report.
  - **Chapter 2** deals with the effect of the NMW Regulations on economic indicators, wherever data is available. For other indicators, it compares the position prior to and after the introduction of the NMW.
  - **Chapter 3** covers the evolution of Wage Distribution.
  - **Chapter 4** covers in the first instance the evolution of the number of enterprises and employment in the Export Oriented Enterprises (EOEs) and thereafter deals with the salient findings on the impact of the Minimum Wage on MSMEs.
  - **Chapter 5** deals with the enforcement of and compliance with the NMW Regulations 2020.
  - **Chapter 6** deals with the impact of Covid-19 and the measures taken by the Government.
  - **Chapter 7** deals with other pertinent observations and findings.
- 1.5 It is to be noted that in the midst of the multiplicity of factors the direct impact of the NMW could not be isolated.
- 1.6 The definitions of terminology used in the Report are provided in the Glossary of Terms at **Annex I**.

### ***Background***

- 1.7 The revised NMW scheme, as recommended by the NWCC and approved by Government for implementation with effect from 01 January 2020, provides for a guaranteed income. The Guaranteed Minimum Income (GMI) comprises the NMW payable by the employer and a special allowance payable by Government.
- 1.8 Table 1 below gives the NMW payable by the employer, the special allowance payable by Government and the guaranteed minimum income of minimum wage workers in the Non-Export Oriented Enterprises (Non-EOEs) with effect from 01 January 2020.

**Table 1: National Minimum Wage (NMW) & Monthly Guaranteed Income – January 2020**

**Non-Export Oriented Enterprises (Non-EOEs)**

Particulars	Mauritian Employees	Migrant Workers in post at 31 <sup>st</sup> December 2019	Migrant Workers taking up Employment on or after 1 <sup>st</sup> January 2020
National Minimum Wage (NMW) including Salary compensation 2020	9,700	9,700	9,700
Special allowance	500	500	NIL
<b>Monthly Guaranteed Income Effective as from 1<sup>st</sup> January 2020</b>	<b>10,200*</b>	<b>10,200</b>	<b>9,700</b>

*\*In the case of a public officer, part of the interim allowance of Rs 1,000 paid to him/her as from January 2020 is taken into account in the computation of the monthly guaranteed income.*

1.9 Table 2 below gives the NMW payable by the employer, the special allowance payable by Government and the guaranteed minimum income of minimum wage workers in the Export Oriented Enterprises (EOEs) with effect from 01 January 2020.

**Export Oriented Enterprises (EOEs)**

**Table 2: National Minimum Wage (NMW) & Monthly Guaranteed Income – January 2020**

Particulars	Mauritian Employees	Migrant Workers in post at 31 <sup>st</sup> December 2019	Migrant Workers taking up Employment on or after 1 <sup>st</sup> January 2020
National Minimum Wage (NMW) including Salary Compensation 2020*	9,000	9,000	9,000
Special Allowance	860	860	NIL
Additional Allowance	340	NIL	NIL
<b>Monthly Guaranteed Income Effective as from 1<sup>st</sup> January 2020</b>	<b>10,200</b>	<b>9,860</b>	<b>9,000</b>

*\*The National Minimum Wage (NMW) for EOES is also inclusive of (a) the housing and/or food allowances or housing and/or food up to a maximum of Rs 2,500 a month, wherever relevant; and/or (b) other fixed pay components paid every month of the year.*

### Monthly Guaranteed Income and National Minimum Wage – Non-EOEs

1.10 In its 2020 Report on the review of the NMW, the Council recommended that the monthly guaranteed income of a NMW worker be Rs 10,200 a month comprising the NMW of Rs 9,700 (i.e. 68% of the median for 2019) payable by the employer in the non-EOEs and a special allowance of up to Rs 500 payable by Government, subject to the provisions concerning the gradual phasing out of the special allowance and the corresponding increase in the NMW payable by the employer as shown in Table 3 below.

**Table 3: Phasing Out of Special Allowance of up to Rs 500 and Staging of National Minimum Wage (NMW) – Non-EOEs**

Year	Special Allowance (Rs)	NMW payable by Employer (Rs) Monthly	Monthly Guaranteed Income
2020	500	9,700	10,200
2021	400	9,800	10,200
2022	300	9,900	10,200
2023	200	10,000	10,200
2024	100	10,100	10,200
2025	NIL	10,200 (prior to review)	10,200

### Monthly Guaranteed Income and National Minimum Wage – EOEes

1.11 In its 2020 Report on the review of the NMW for EOEes, the Council recommended that the monthly guaranteed income of a NMW worker be Rs 10,200 a month comprising a NMW of Rs 9,000 payable by the employer and a special allowance of Rs 860 further topped up by an additional allowance of Rs 340 payable by the Government, subject to the provisions concerning the gradual phasing out of part of the special allowance and the corresponding increase in the NMW payable by the employer as shown in Table 4 below.

**Table 4: Phasing Out of part of the Special Allowance of Rs 860 and Staging of National Minimum Wage (NMW) – EOEes**

Year	Special Allowance (Rs)	NMW payable by Employer (Rs) Monthly	Additional Allowance payable to Mauritian Workers only (Rs)	Monthly Guaranteed Income (Rs)
2020	860	9,000	340	10,200
2021	760	9,100	340	10,200
2022	660	9,200	340	10,200
2023	560	9,300	340	10,200
2024	460	9,400	340	10,200
2025	360	9,500 (prior to review)	340	10,200

*\*The special allowance shall be applicable to foreign workers in post as at 31 December 2019 and to Mauritian workers.*

### **Implementation of the Staging of the Recommendations**

- 1.12 In connection with the payment of the additional remuneration of Rs 300 as from January 2020, Government agreed to the implementation of a series of measures to support private sector enterprises, particularly in vulnerable sectors, namely the payment of the Special Allowance to workers in EOE and Non-EOEs would continue after 31 December 2019 and the phasing out of the Special Allowance would now take effect as from January 2022 instead of January 2021.
- 1.13 *The authorities decided that the special allowances of up to Rs 500 in the Non-EOEs and up to Rs 1,200 in the EOE be gradually phased out and the NMW component payable by the employer be correspondingly increased with effect from 01 January 2022.*
- 1.14 As an additional measure of protection to EOE, particularly to protect jobs, Government had promulgated for the year 2019 that extra work, piece rate work and attendance bonus be based on the basic wage prescribed in the Remuneration Regulations or agreed upon between a worker and his employer, whichever was the higher as at 31 December 2017, increased by subsequent corresponding additional remuneration i.e. Rs 360 with effect from 01 January 2018, Rs 400 with effect from 01 January 2019 and Rs 300 with effect from 01 January 2020.
- 1.15 It is noteworthy that contributions to the National Pension Fund (NPF) in EOE for calendar years 2018 and 2019 and for the year 2020 up to August 2020 have been based on the basic wage drawn by the worker in December 2017 plus corresponding additional remuneration as shown in Table 5 below:

**Table 5: Wages on which Contributions made to NPF in the EOE – 2018, 2019 & 2020**

Years	Basic Wage on which Contributions made to NPF
2018	2017 Basic Wage + Additional Remuneration 2018
2019	2017 Basic Wage + Additional Remuneration 2018 and 2019
2020	2017 Basic Wage + Additional Remuneration 2018, 2019 and 2020

### **National Minimum Wage for Part-Time Workers**

- 1.16 In the context of the 2020 NMW Review, the hourly wage for part-time minimum wage workers has been set at **110%** of the normal hourly rate per hour for a corresponding full-time worker.

### **Monitoring to ensure Compliance**

- 1.17 The Inspection and Enforcement Section (I.E.S) of the Ministry of Labour, Human Resource Development and Training (MLHRDT) is responsible for monitoring enterprises to ensure compliance with the NMW Regulations. The I.E.S regularly carries out inspection visits and reports on the status of compliance of the NMW to the Ministry.

### **Approach and Methodology**

- 1.18 With a view to having an objective assessment of the impact of the implementation of the NMW, the NWCC has adopted a consultative, participative and evidence-based approach. In this regard, a Technical Committee comprising representatives of Ministries/ Departments as well as a Sub Committee comprising workers' representative, employers'

representative and officials were set up to assist the Council in matters related to the Impact Study.

- 1.19 The NWCC has, in addition, carried out extensive consultations and discussions with different stakeholders and institutions to obtain information, views and comments. Due care has been taken to gauge the merits and demerits of the views and comments received from all quarters.
- 1.20 The impact assessment has been made after thorough analysis of data from various sources including the following:
- Feedback from the Ministry of Labour, Human Resource Development and Training (MLHRDT)
  - Data from Statistics Mauritius (SM)
  - Data from the Mauritius Revenue Authority (MRA)
  - Feedback from Business Mauritius and Workers' organisations
- 1.21 The Technical committee, the Sub Committee and the Board met as often as was required to discuss and finalize the report. The composition of the Board and Committees and the list of meetings held are shown at **Appendix I** to **Appendix IC**.

### ***Acknowledgements***

- 1.22 The NWCC acknowledges the contributions of all stakeholders involved in the preparation of this Third Report on the Impact of the Introduction of the NMW. The Council places on record the contributions of Statistics Mauritius (SM) and the Mauritius Revenue Authority (MRA) for providing relevant timely data for the study; the International Labour Organisation for its valuable assistance; the Bank of Mauritius for providing relevant inputs concerning the evolution of relevant economic indicators; and Officials of the MLHRDT for their valuable contributions.

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## CHAPTER 2: Impact of the National Minimum Wage

- 2.1 Chapter 2 provides an overview of the evolution of relevant indicators three years after the introduction of the NMW in 2018 and three/six months after the Review of the NMW in 2020.
- 2.2 For several indicators, the figures for 1<sup>st</sup> quarter 2019 as well as for 4<sup>th</sup> quarter 2019, prior to the 2020 Review of the NMW have been compared with the figures for 1<sup>st</sup> quarter 2020, after the 2020 Review of the NMW. The analysis comparing the indicators of 1<sup>st</sup> quarter 2019 with those of 1<sup>st</sup> quarter 2020 has been preferred due to availability of information and also due to the fact that the indicators for 2<sup>nd</sup> quarter 2020 would have been adversely impacted by Covid-19 and it would not be possible to segregate the latter impact with the impact of the NMW.
- 2.3 As regards, assessment in relation to contributors to NPF the comparison has been made for period June 2019 with period June 2020 for the sake of consistency and continuity with the previous Impact Reports where the comparison was made based on June figures. *Such comparison of indicators of 2<sup>nd</sup> quarters should be considered with necessary caution due to the impact of Covid-19.*
- 2.4 Moreover, as mentioned earlier and in previous impact Reports, it has not been possible in several instances to isolate the impact of the NMW on the indicators.

### ***Evolution of Main Economic Indicators (2012 – 2020)***

- 2.5 Table 6 below from SM shows the evolution of the main economic indicators since the year 2012 to 2019 and the forecast for 2020.

**Table 6: Evolution of the Main Economic Indicators from Year 2012 to 2019 and the Forecast for 2020**

Particulars	Unit	2012	2013	2014	2015	2016	2017	2018	2019	2020*
Real GDP Growth Rate (market prices)	%	3.5	3.4	3.7	3.6	3.8	3.8	3.8	3.0	-15.2
Real GVA Growth Rate (basic prices)	%	3.6	3.4	3.6	3.1	3.6	3.6	3.6	3.2	-15.2
Saving Rate (GDS/GDP)	%	12.4	11.1	10.6	10.4	11.0	10.0	9.0	8.8	6.2
Investment Rate	%	22.6	20.8	18.9	17.4	17.2	17.4	18.8	19.6	17.8
Consumption Expenditure nominal growth rate	%	7.0	7.7	5.9	4.8	5.3	6.3	6.5	3.7	-11.6
Headline Inflation rate	%	3.9	3.5	3.2	1.3	1.0	3.7	3.2	0.5	2.7

Source: Statistics Mauritius (SM)

\*forecast for National Accounts data as at December 2020

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- 2.6 Gross Domestic Product (GDP) at market prices is equal to the Gross Value Added (GVA) at basic prices plus taxes (net of subsidies) on products.
- 2.7 It is noted that Gross Domestic Product (GDP) at market prices which grew at 3.8% in 2017 and 2018 and 3% in 2019 is forecasted to contract by 15.2% in 2020 in the wake of Covid-19.
- 2.8 The contraction for 1<sup>st</sup> quarter of 2020 of the GVA Growth Rate (basic prices) on the corresponding quarter of 1<sup>st</sup> quarter of 2019 is estimated at 1.4%. For 1<sup>st</sup> quarter of 2020, the contraction of the indirect taxes net of subsidies on the corresponding quarter of 2019 is estimated at 6.1% thereby reducing significantly the Gross Domestic Product (GDP) at market prices by 2.0%.
- 2.9 Investment rate, defined as the ratio of investment to GDP at market prices, which stood at 17.4% in 2017 and 18.8% in 2018 increased to 19.6% in 2019. The investment rate is forecasted to reach 17.8% in 2020.

### **Recent Economic Development – Bank of Mauritius**

- 2.10 The Bank of Mauritius has prepared a note on Recent Economic Developments (**Appendix II**) for the National Wage Consultative Council. The paper covers among others the Review of Economic and Financial Development up to November 2020 and ends with the economic outlooks.
- 2.11 The paragraphs below from the note give, among others, the reasons for the deep contraction of the economy for 2020.

“The year 2020 was marked by the spread of the COVID-19 pandemic globally, and Mauritius was not left unscathed, albeit the magnitude of the effect varied across sectors. The domestic economy slid into a technical recession following two consecutive quarters of economic contraction as the COVID-19 pandemic took a huge toll on economic activity with concurrent demand and supply shocks. The economy contracted by 33.0 per cent year-on-year (y-o-y) in 2020Q2, the deepest on record. This followed from a negative growth of 2.6 per cent in the previous quarter, with nascent damage to economic activity felt around mid-February 2020. The growth outcome for the first semester of 2020 reflected the severe disruptions in domestic economic activity, with the national confinement spanning over ten weeks and closure of borders for more than six months affecting most sectors of the economy.

**On the production side, most sectors registered negative growth in 2020H1 given that they either ceased operations or operated at reduced capacity.**

- The ‘*accommodation and food service activities*’ sector, which was severely hit with a cessation of international tourist arrivals in 2020Q1, shrank by 10.5 per cent and 98.1 per cent in 2020Q1 and 2020Q2, respectively.
- The ‘*manufacturing*’ sector, which was already facing difficulties with a struggling ‘*textile*’ sub-sector, contracted by 0.9 per cent and 43.2 per cent in 2020Q1 and 2020Q2, respectively, largely due to the lockdown as well as weak external demand conditions.
- Output generated by the ‘*agriculture*’ sector fell by 4.3 per cent in 2020Q1 and 6.8 per cent in 2020Q2.
- The contraction in the ‘*construction*’ sector deepened to nearly 90 per cent in 2020Q2, from 7.3 per cent in 2020Q1, reflecting largely the halt in activities.

- The '*transportation and storage*' sector was severely impacted by travel restrictions imposed domestically as well as the closure of borders and contracted by 14.3 per cent and 60.0 per cent in 2020Q1 and 2020Q2, respectively.
- The sanitary lockdown substantially affected consumer spending, as indicated by respective declines of 3.7 per cent and 24.1 per cent in the '*wholesale and retail trade*' sector in 2020Q1 and 2020Q2, respectively.
- The '*information and communication*' sector was supported by persistently high demand for data communication services, especially during the period of work from home arrangements, growing by 3.4 per cent and 6.9 per cent, respectively, in 2020Q1 and 2020Q2.

**Domestic demand was largely impaired in the first half of 2020 by the imposed movement restrictions, coupled with fragile consumer and business confidence in the wake of the pandemic.**

- Final consumption expenditure contracted by 5.0 per cent y-o-y in 2020Q1 and a further 36.1 per cent in 2020Q2. This was largely attributed to the drastic fall in household consumption spending by 5.5 per cent and 44.5 per cent in 2020Q1 and 2020Q2, respectively. Household spending was mostly constrained to basic necessities during the lockdown period and was also adversely impacted by income losses amid weak economic conditions. Nonetheless, stimulus measures from the Government such as the Wage Assistance Scheme and the implementation of the loan moratorium from the Bank of Mauritius helped to cushion consumption spending to some extent. Government consumption expanded by 4.2 per cent in 2020Q2 against a contraction of 2.6 per cent in 2020Q1, owing mainly to the support measures implemented to assist households and businesses who were adversely impacted by the COVID-19.
- Investment expenditure, on its part, declined by 6.8 per cent in 2020Q1 and 70.9 per cent in 2020Q2, led by sharp contractions in both '*building and construction work*' and '*machinery and equipment*', mostly on account of mobility restrictions which temporarily halted the implementation of projects.
- Net exports remained a drag on GDP growth as external demand took a toll from the pandemic. The decline in tourism earnings culminated in a negative growth of 52.5 per cent for total exports in 2020Q2, from a positive growth of 0.1 per cent in 2020Q1. Total imports fell by 23.4 per cent in 2020Q1 and 48.2 per cent in 2020Q2, explained by both lower goods and services imports".

**The WRI suggested an easing of input costs emanating from the labour market.** The overall WRI<sup>4</sup> rose at a slower pace of 0.1 per cent y-o-y in 2020Q2, from 2.5 per cent in 2020Q1. The softening of the overall index reflected mainly a decline of 0.8 per cent in private sector wages in 2020Q2 as against growth of 2.0 per cent in 2020Q1. Monthly earnings, as gauged in the Rapid Continuous Multi-Purpose Household Survey, provide further evidence of a broad-based moderation in wages. The average monthly salary of employees declined by around 18.0 per cent from Rs23,500 in 2020Q1 to Rs19,300 in July 2020.

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<sup>4</sup> Data are based on the Wage Rate Index - Second Quarter 2020 released on 24 September 2020.

## Impact on the Economy

The Gross Domestic Product (GDP) at market prices, as per SM, contracted year-on-year by 2.6% in Q1 and by 33.0% in Q2 of 2020, the deepest on record. The domestic economy, which slid into a technical recession following the two consecutive quarters of economic contraction, is forecasted to contract by 15.2% for the whole year of 2020.

The contraction of the economy is Covid-19 related and is reflected by the severe disruptions in economic activity.

The WRI increased at a slower pace of 0.1% in 2nd quarter 2020 indicating the response of the market to the effects of Covid-19.

*“Although subject to high uncertainty, growth is expected to gradually rebound to around 7.5 percent in 2021 under the upside scenario, assuming resumption of some domestic economic activities, supported by a gradual recovery in key trading partners.” (BoM – Appendix II)*

### Impact on Employment & Unemployment based on SM Figures

#### Evolution of Employment for Full-Time Mauritian Employees

2.12 Table 7 gives a summary of the number of full-time Mauritian employees in the Public and Private Sectors in 2017, 2018, 2019 and 2020. It should be noted that the figures are estimates based on (i) administrative data and surveys carried out by SM, namely the survey on the distribution of employees by basic wage range of public institutions and large establishments (March 2020) and (ii) the Continuous Multi-Purpose Household Survey (CMPHS) for Q1 2020 for employees in small establishments. **(Annex II, Annex IIA, Annex IIB & Annex IIC).**

**Table 7: Number of Full-Time Mauritian Employees in the Public & Private Sectors from 2017 to 2020**

Particulars	2017	2018	2019	2020*
Public Sector	101,975	103,830	106,740	107,540
Private Sector	316,903	321,597	322,513	326,800
<b>Total</b>	<b>418,878</b>	<b>425,427</b>	<b>429,253</b>	<b>434,340</b>

Source: Statistics Mauritius (\*The 2020 figures are based on the CMPHS Q1)

2.13 It is noted that:

- (a) the total number of full-time employees in both the Public and the Private Sectors which stood at 418,877 in 2017 increased to 425,427 in 2018, 429,254 in 2019 and to 434,340 in 2020 i.e. by 3.7% in 2020 compared to 2017 and by 1.2% in 2020 compared to 2019;
- (b) the total number of full-time employees in the Private Sector has increased by 9,898 i.e. by 3.1% in 2020 compared to 2017 and by 4,286 representing an increase of 1.3% in 2020 compared to 2019; and

- (c) the total number of full-time employees in the Public Sector has increased by 5,565 i.e. by 5.5% in 2020 compared to 2017 and by 800 representing an increase of 0.8 % in 2020 compared to 2019.

*Evolution of Employment from 1st Quarter of 2019 to 1st Quarter of 2020*

- 2.14 Table 8 compares the evolution of employment i.e. for employees aged 16 and above from 1<sup>st</sup> quarter 2019 to 1<sup>st</sup> quarter 2020 as well as from 4<sup>th</sup> quarter 2019 to 1<sup>st</sup> quarter 2020.

**Table 8: Evolution of Employment from Q1 of 2019 to Q1 of 2020**

Particulars	Q1 2019	Q4 2019	Q1 2020	Q1 2019 to Q1 2020	Q4 2019 to Q1 2020
Both Sexes	546,000	557,200	549,900	+3,900	-7,300
Male	335,800	339,800	330,200	-5,600	-9,600
Female	210,200	217,400	219,700	+9,500	+2,300

Source: Statistics Mauritius (SM)

- 2.15 Based on revised SM figures, total employment i.e. for employees aged 16 and above has increased by 3,900 from 546,000 in 1<sup>st</sup> quarter of 2019 to 549,900 in 1<sup>st</sup> quarter of 2020. While female employment increased by 9,500, male employment decreased by 5,600.

- 2.16 However, compared to 4<sup>th</sup> quarter of 2019, employment in 1<sup>st</sup> quarter of 2020 decreased by 7,300; male employment decreased by 9,600 while female employment increased by 2,300.

*Evolution of Unemployment from 1st Quarter of 2019 to 1st Quarter of 2020*

- 2.17 Table 9 compares the evolution of unemployment from 1<sup>st</sup> quarter of 2019 to 1<sup>st</sup> quarter of 2020 as well as from 4<sup>th</sup> quarter of 2019 to 1<sup>st</sup> quarter of 2020.

**Table 9: Evolution of Unemployment from Q1 of 2019 to Q1 of 2020**

Particulars	Q1 2019	Q4 2019	Q1 2020	Q1 2019 to Q1 2020	Q4 2019 to Q1 2020
Both Sexes	40,400	37,900	41,900	+1,500	+4,000

Source: Statistics Mauritius (SM)

- 2.18 It is noted that the number of unemployed persons increased by 1,500 from 1<sup>st</sup> quarter 2019 to 1<sup>st</sup> quarter 2020. The unemployment rate i.e. the ratio (%) of unemployment to labour force increased by 0.2 percentage point from 6.9% in 1<sup>st</sup> quarter 2019 to 7.1% in 1<sup>st</sup> quarter 2020.

- 2.19 While total unemployment increased from 6.9% in 1<sup>st</sup> quarter 2019 to 7.1% in 1<sup>st</sup> quarter of 2020 i.e. by 1,500, total employment equally increased by 3,900 over the corresponding period. This situation, while appearing a paradox, can be explained by the increase in the labour force by 5,400 from 586,400 in 1<sup>st</sup> quarter of 2019 to 591,800 in 1<sup>st</sup> quarter of 2020.

*Unemployment by Gender*

2.20 Table 10 compares the unemployment by gender in 1<sup>st</sup> quarter of 2019 with 1<sup>st</sup> quarter of 2020 and 4<sup>th</sup> quarter of 2019 with 1<sup>st</sup> quarter of 2020.

**Table 10: Unemployment by Gender from Q1 of 2019 to Q1 of 2020**

Particulars	Q1 2019	Q4 2019	Q1 2020	Q1 2019 to Q1 2020	Q4 2019 to Q1 2020
<b>No. of unemployed persons</b>					
Both Sexes	40,400	37,900	41,900	+1,500	+4,000
Male	17,400	14,500	18,000	+600	+3,500
Female	23,000	23,400	23,900	+900	+500
<b>Unemployment</b>					
	<b>Rate (%)</b>			<b>Percentage Points</b>	
Both Sexes	6.9	6.4	7.1	+0.2	+0.7
Male	4.9	4.1	5.2	+0.3	+1.1
Female	9.9	9.7	9.8	-0.1	+0.1

Source: Statistics Mauritius (SM)

2.21 It is noted that the number of unemployed persons which increased by 1,500 from 1<sup>st</sup> quarter of 2019 to 1<sup>st</sup> quarter of 2020 comprises 600 male unemployment and 900 female unemployment.

2.22 While the unemployment rate increased from 6.9% in 1<sup>st</sup> quarter of 2019 to 7.1% in 1<sup>st</sup> quarter of 2020, the male unemployment rate increased by 0.3 percentage point to 5.2% while female unemployment rate decreased by 0.1 percentage point to 9.8%.

2.23 However, compared to 4<sup>th</sup> quarter of 2019, the total number of unemployed persons in 1<sup>st</sup> quarter of 2020 increased by 4,000, with increases of 3,500 among males and 500 among females.

2.24 The unemployment rate increased by 0.7 percentage point from 6.4% in 4<sup>th</sup> quarter 2019 to 7.1% in 1<sup>st</sup> quarter 2020. Male unemployment rate increased by 1.1 percentage points from 4.1% to 5.2% while female unemployment rate increased by 0.1 percentage point from 9.7% to 9.8%.

*Unemployment of Youth aged 16-24 years (less than 25)*

2.25 Table 11 compares the unemployment of youth in 1<sup>st</sup> quarter of 2019 with 1<sup>st</sup> quarter of 2020 and 4<sup>th</sup> quarter of 2019 with 1<sup>st</sup> quarter of 2020.

Table 11: Unemployment by Youth (16-24 years) from Q1 2019 to Q1 2020

Particulars	Q1 2019	Q4 2019	Q1 2020	Q1 2019 to Q1 2020	Q4 2019 to Q1 2020
<b>No. of Unemployed Youth</b>					
Both Sexes	18,200	17,400	18,700	+500	+1,300
Male	8,100	7,500	9,800	+1,700	+2,300
Female	10,100	9,900	8,900	-1,200	-1,000
<b>Youth Unemployment</b>					
	<b>Rate (%)</b>			<b>Percentage Points</b>	
Both Sexes	23.4	23.2	25.5	+2.1	+2.3
Male	18.3	18.0	24.7	+6.4	+6.7
Female	30.1	29.7	26.5	-3.6	-3.2

Source: Statistics Mauritius (SM)

- 2.26 It is noted that the youth unemployment aged 16 to 24 years i.e. less than 25 years which was estimated at 18,200 (8,100 males and 10,100 females) in 1<sup>st</sup> quarter of 2019 increased by 500 to 18,700 (9,800 males and 8,900 females) in 1<sup>st</sup> quarter of 2020.
- 2.27 The youth unemployment rate increased from 23.4% in 1<sup>st</sup> quarter 2019 to 25.5% in the 1<sup>st</sup> quarter 2020. For the corresponding period, the youth unemployment rate for male increased by 6.4 percentage points to 24.7% and female youth unemployment rate decreased by 3.6 percentage points to 26.5%.
- 2.28 Compared to 4<sup>th</sup> quarter of 2019, the total number of unemployed persons in 1<sup>st</sup> quarter 2020 increased by 1,300, with an increase of 2,300 for males and a decrease of 1,000 for females.
- 2.29 The youth unemployment rate increased from 23.2% in 4<sup>th</sup> quarter 2019 to 25.5% in 1<sup>st</sup> quarter 2020, with an increase of 6.7 percentage points in the male youth unemployment rate and a decrease of 3.2 percentage points in the female youth unemployment rate.

### **Impact on National Minimum Wage on Employment & Unemployment**

- 2.30 Table 12 gives the evolution of employment and unemployment for Q1 to Q4 in respect of the period 2015 to 2020.

Table 12: Evolution of Employment &amp; Unemployment for Q1 to Q4 i.r.o the period 2015 - 2020

Year	Employment (000)				Unemployment (000)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2015	529.1	542.6	536.5	545.6	50.3	46.0	42.6	46.6
2016	528.2	537.0	536.3	546.6	43.5	43.1	44.4	38.9
2017	536.1	549.4	542.4	548.0	44.3	42.6	40.6	39.6
2018	540.0	541.5	536.8	553.2	41.0	40.5	39.8	38.1

Year	Employment (000)				Unemployment (000)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2019	546.0	553.8	545.7	557.2	40.4	39.1	39.3	37.9
2020	549.9	498.0	506.3		41.9	57.3	62.2	

Source: International Monetary Fund's Dissemination on Standards Bulletin Board (DSBB) - Statistics Mauritius/NSDP

Chart A

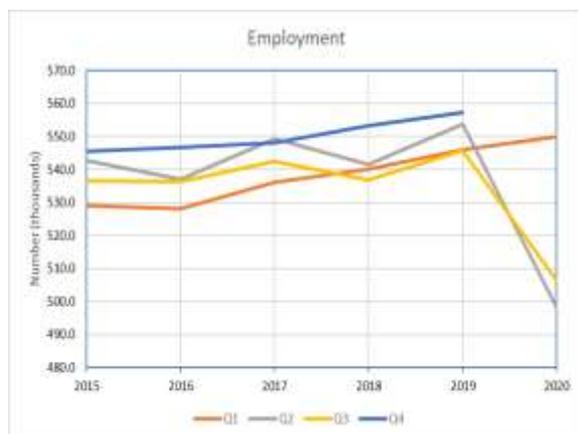
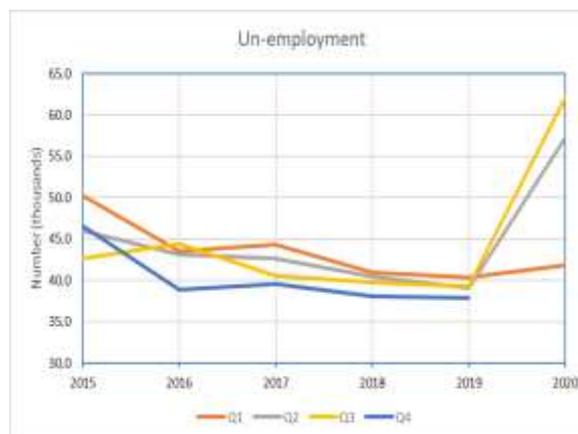


Chart B



- 2.31 Chart A and Chart B show that the introduction of NMW in 2018 and the review of NMW in 2020 have had no significant adverse impact on employment/unemployment.
- 2.32 Employment for Q1 has been on the rise since 2017. Employment in Q4 has always been higher than employment in Q1 in the corresponding year.
- 2.33 The important rise in unemployment for Q2 & Q3 of 2020 has been caused by Covid-19. (Report on Covid-19 – SM/WB).

### Impact on Employment and Unemployment based on SM Figures

The introduction of NMW in 2018 and the NMW Review 2020 did not have an adverse impact on aggregate employment as shown by the evolution of employment quarter wise from 2017 to 2020 (Chart A and B in Chapter 2). However, the NMW Review in 2020 may have had some adverse impact in certain sectors, for example, youth employment and Export Oriented Enterprises (EOEs).

Total employment (aged 16 and above) in fact increased by 3,900 from 546,000 in 1<sup>st</sup> quarter 2019 to 549,900 in 1<sup>st</sup> quarter 2020.

The youth unemployment rate however increased from 23.4% in 1<sup>st</sup> quarter 2019 to 25.5% in 1<sup>st</sup> quarter 2020.

### Movement of the Overall Wage Rate Index

- 2.34 The wage rate index measures changes in the price of labour, i.e., changes in the average rates actually paid by employers to their employees for work during normal working hours.
- 2.35 The Economic and Social Indicators (ESI) on wage rate index presents data for the 1<sup>st</sup> quarter and 2<sup>nd</sup> quarter of 2020 using as base the fourth quarter of 2016 (Q4 2016=100).

2.36 Table 13 gives the movement of the Quarterly Wage Rate Indices by Industry Group, Q1 to Q4 2019, Q1 2020 & Q2 2020.

**Table 13: Quarterly Wage Rate Indices by Industry Group, Q1 to Q4 2019, Q1 & Q2 2020**  
(Base: fourth quarter 2016 = 100)

Industry group	Weight	2019 <sup>1</sup>				2020 <sup>2</sup>	
		Q1	Q2	Q3	Q4	Q1	Q2
Agriculture, forestry and fishing	32	95.9	96.3	103.9	106.2	99.5	103.7
Mining and quarrying	3	111.3	116.0	118.4	122.6	125.1	124.8
Manufacturing	110	122.0	124.3	127.5	125.2	122.2	122.6
<i>of which Sugar</i>	4	105.8	110.7	119.4	127.8	112.5	122.8
<i>Food (excluding sugar)</i>	17	126.8	128.5	129.2	131.1	132.4	134.7
<i>Textiles</i>	46	127.7	131.0	136.9	128.4	125.3	124.4
Electricity, gas, steam and air conditioning supply	16	113.4	115.2	119.0	119.4	119.6	118.8
Water supply; sewerage, waste management and remediation activities	8	114.4	114.7	117.1	118.2	120.8	120.8
Construction	38	108.3	109.4	109.9	110.0	110.4	110.5
Wholesale and retail trade; repair of motor vehicles and motorcycles	73	114.7	116.6	116.8	117.4	116.7	111.6
Transportation and storage	69	114.0	114.9	115.4	116.3	116.2	105.0
Accommodation and food service activities	65	107.4	107.7	108.1	108.6	111.2	106.0
Information and communication	44	122.3	122.9	123.1	123.7	125.9	125.5
Financial and insurance activities	75	119.7	119.9	120.0	120.4	118.7	116.4
Real estate activities	4	109.0	109.5	110.2	110.4	113.6	114.2
Professional, scientific and technical activities	48	109.9	111.1	111.4	111.7	107.8	102.8
Administrative and support service activities	33	119.6	121.9	125.0	130.3	130.6	122.8
Public administration and defence; compulsory social security	181	105.6	105.0	105.3	105.2	109.8	109.6
Education	120	109.4	109.6	109.6	109.4	112.8	112.4
Human health and social work activities	69	106.5	105.8	105.7	105.2	109.5	109.7
Arts, entertainment and recreation	10	111.9	113.0	113.7	114.8	115.9	114.5
Other service activities	4	110.1	110.5	115.2	115.2	116.2	116.1
<b>All sectors</b>	<b>1000</b>	<b>111.8</b>	<b>112.4</b>	<b>113.4</b>	<b>113.6</b>	<b>114.6</b>	<b>112.5</b>
<i>of which General Government<sup>3</sup></i>	335	106.1	105.6	105.7	105.5	110.2	110.1

<sup>1</sup>Revised      <sup>2</sup>Provisional      <sup>3</sup>Ministries, government departments and agencies operating under them; municipalities; district councils and Rodrigues Regional Assembly.

Source: Statistics Mauritius (SM)

- 2.37 The overall wage rate index which stood at 111.8 in 1<sup>st</sup> quarter 2019 increased by 2.5% or 2.8 points to 114.6 in 1<sup>st</sup> quarter 2020 as against a headline inflation rate of 0.5% in 2019 as measured by the rise in Consumer Price Index. Increase in the wage rate index from 1<sup>st</sup> quarter 2019 to 1<sup>st</sup> quarter 2020 is noted across most industry groups except Textiles, Financial and insurance activities, and Professional, scientific and technical activities.
- 2.38 **The increase in the WRI may be attributed, *inter alia*, to (a) the review of the NMW scheme with effect from 1st January 2020; (b) the additional remuneration of Rs 300 effective from the same date; and (c) some market adjustment of relativity.**
- 2.39 **The WRI increased at a slower pace of 0.1% in 2<sup>nd</sup> quarter 2020 indicating the response of the market to the effects of Covid-19.**
- 2.40 ***“The WRI suggested an easing of input costs emanating from the labour market. The overall WRI<sup>5</sup> rose at a slower pace of 0.1 per cent y-o-y in 2020Q2, from 2.5 per cent in 2020Q1. The softening of the overall index reflected mainly a decline of 0.8 per cent in private sector wages in 2020Q2 as against growth of 2.0 per cent in 2020Q1.” (BoM Appendix II)***

#### ***Impact on Relativity***

- 2.41 A significant shift to the right of the Cumulative Frequency Curve (CFC)<sup>6</sup> of 2020 in relation to 2019 around the minimum wage up to salary point of Rs 16,000 indicates an adjustment of relativity in the wake of the review of the NMW in the Private Sector.

#### ***Impact on Employment based on Administrative Data from MRA***

- 2.42 **Employers are required to make contributions on behalf of their employees to the NPF. If all employers comply with the National Pension Fund Act, the number of employees in respect of whom contributions are made would broadly reflect the actual level of employment in the private sector.**

#### ***Impact on Number of NPF Contributors in Non-EOEs***

- 2.43 Table 14 below gives a summary of the number of employees on behalf of whom contributions were made to the NPF in Non-EOEs for December 2017, June 2018, June 2019 and June 2020. The information is from the MRA and includes foreign workers reckoning two years' service.

**Table 14: Number of workers (Mauritian and Foreign) on behalf of whom contributions are made to the NPF in Non-EOEs in December 2017, June 2018, June 2019 & June 2020**

Period	Full-Time	Part-Time	Not Stated	Total
December 2017	199,991	7,353	44,391	251,735
June 2018	229,604	8,857	39,311	277,772
June 2019	239,254	9,509	39,068	287,831
June 2020	245,585	8,111	26,293	279,989

**Source: Council based on data from Mauritius Revenue Authority (MRA)**

<sup>5</sup> Data are based on the Wage Rate Index - Second Quarter 2020 released on 24 September 2020.

<sup>6</sup> measures basic wages on the x-axis and the cumulative distribution of employees on the y-axis

- 2.44 It is noted that the total number of employees in Non-EOEs on behalf of whom contributions were made to the NPF which stood at 251,735 in December 2017 increased to 279,989 in June 2020 representing an increase of 11.2%.
- 2.45 The significant increase of 11.2% in the number of contributors from December 2017 to June 2020 could be explained, *inter alia*, by
- (a) the improved adherence to the National Pension Fund to benefit from the special allowance and the negative income tax schemes; and
  - (b) the likely movement from informal employment to formal employment in the wake of the introduction of the National Minimum Wage.
- 2.46 It is also noted that the total number of employees in respect of whom contributions were made to the NPF in Non-EOEs which were 277,772 in June 2018 and 287,831 in June 2019 stood at 279,989 in June 2020.
- 2.47 The number of contributors fell from 287,831 in June 2019 to 279,989 i.e. by 7,842 in June 2020.
- 2.48 It is also noted that the number of full-time employees in Non-EOEs on behalf of whom contributions are made to the NPF increased from 239,254 in June 2019 to 245,585 in June 2020 representing an increase of 2.7%. This increase can be attributed largely to the shift in the number of workers which did not state their employment status (whether full-time or part-time) to full-time status.

*Impact on Number of NPF Contributors in EOE*s

- 2.49 Table 15 below gives a summary of the number of workers (Mauritian and Foreign) contributing to the NPF in EOE)s for December 2017, June 2018, June 2019 and June 2020. The information is from the MRA and refers to the total number of employees in respect of whom contributions are made to the NPF including foreign workers reckoning two years' service.

**Table 15: Number of workers on behalf of whom contributions are made to the NPF in EOE)s in December 2017, June 2018, June 2019 and June 2020**

Period	Full-Time	Part-Time	Not Stated	Total
December 2017	N/A	N/A	N/A	38,633
June 2018	35,758	74	2,714	38,546
June 2019	31,803	76	3,758	35,637
June 2020	31,973	73	1,040	33,086

Source: Council based on data from Mauritius Revenue Authority (MRA)

- 2.50 It is noted that:
- (a) the total number of employees in EOE)s on behalf of whom contributions are made to the NPF which stood at 38,633 in December 2017 decreased to 33,086 in June 2020 representing a fall of 14.4%; and
  - (b) the total number of employees in respect of whom contributions are made to the NPF in EOE)s which were 35,637 in June 2019 (prior to 2020 NMW Review)

dropped to 33,086 in June 2020 (six months after the 2020 NMW Review) representing a fall of 7.2%.

- 2.51 The fall in the number of NPF contributors in the EOE may be due to the contraction of employment in the EOE. According to Statistics Mauritius, from March 2019 to March 2020, total employment in EOE decreased by 5,211 (-10.7%) from 48,699 to 43,488. The number of Mauritian workers decreased by 3,335 (-1,069 males and -2,266 females). Employment of foreign workers decreased by 1,876 (-2,124 males and +248 females). Job losses occurred mainly in enterprises engaged in the manufacture of “Wearing apparel” with a decrease of 4,668 jobs.

*Difference of Impact in Non-EOEs and EOE based on NPF contributions*

- 2.52 Notwithstanding the fact that other factors may have impacted on employment, the NMW appears to have impacted differently on employment in Non-EOEs and EOE as measured by the number of employees contributing to NPF.
- 2.53 While the total number of employees on behalf of whom contributions are made to the NPF in the Non-EOEs increased by the absolute amount of 28,254 i.e. by 11.2% from December 2017 to June 2020, the total number of employees in respect of whom contributions are made to NPF in the EOE decreased by the absolute amount of 5,547 i.e. by 14.4% from December 2017 compared to June 2020.

*Evolution of Number of Young Workers Contributing to NPF*

- 2.54 Table 16 below gives the total number of young workers, (full-time, part-time and those in respect of whom information regarding type of employment was not available), in respect of whom pension contributions are made to the NPF as at December 2017, June 2018, June 2019 and June 2020.

**Table 16: Number of young workers in respect of which pension contributions are made to the NPF at December 2017, June 2018, June 2019 and June 2020**

Particulars	Number of Young Workers Contributing to NPF (MRA)			
	Dec-17	Jun-18	Jun-19	Jun-2020
Between 17 to less than 18	2	529	423	119
Between 18 to less than 25	31,481	36,827	37,185	36,065
Total	31,483	37,356	37,608	36,184

*Source: Council based on data from Mauritius Revenue Authority*

- 2.55 The total number of young employees in respect of whom contributions have been made to the NPF which increased from 31,483 in December 2017 to 37,308 in June 2019 fell to 36,184 in June 2020.

*Fall in Employment as measured by Contributors to NPF*

- 2.56 The fall in the total number of employees in respect of whom contributions are made to the NPF from June 2019 to June 2020 worked out to 10,393 as follows:

Particulars	No. of Employees
Non-EOEs	7,842
EOEs	2,551
<b>Total</b>	<b>10,393</b>

Source: Council's Computation based on MRA figures

- 2.57 This fall can be explained by (a) specific market conditions; (b) the general economic conditions due to Covid-19; and (c) possibly the review of the NMW in January 2020.
- 2.58 The relatively low rate of the fall in spite of Covid-19 (less than 3.3% at June 2020) gives an indication of the effectiveness of the Government Wage Assistance Scheme (GWAS) implemented in the context of Covid-19 in the formal sector to maintain employment.

#### **Wage Distribution as measured by the Gini Coefficient**

- 2.59 Wage inequality has been the main contributor of income inequality in recent years – World Bank Report of July 2017 (Remuneration Regulations in Mauritius: An Overview).
- 2.60 The introduction of the NMW has raised the wage income of low-paid workers thereby reducing income inequality. Indeed, the Gini Coefficient, based on wage income, has continuously improved since 2017 as shown in Table 17 below.

Table 17: GINI Coefficient based on Employment Income

Measures of Income	2017	2018	(Q2) 2019	(Q2) 2020
<b>Gini Coefficient</b>	0.448	0.440	0.432	0.429

Source: Statistics Mauritius (SM)

- 2.61 This figure is conservative as it does not take into account the improvement resulting from the increase in income at the lower end of the income distribution through the special allowance and the negative income tax.

#### **Wage Differentials as measured by the Inter-Decile Ratios**

- 2.62 The inter-decile ratio (D9/D1) which measures the difference between the top and bottom of the distribution, where D1 is the maximum of the 10% of employees earning least and D9 is the minimum 10% of employees earning most, has decreased from 7.75 in 2017 to 6.30 in 2018 and 5.62 in 2019. The ratio increased slightly to 5.68 in 2020.

Inter-Decile Ratio	2017	2018	2019	2020
D9/D1	7.75	6.30	5.62	5.68
D5/D1	2.58	2.08	1.88	2.01
D9/D5	3.00	3.03	2.99	2.82

Source: NWCC based on SM Figures

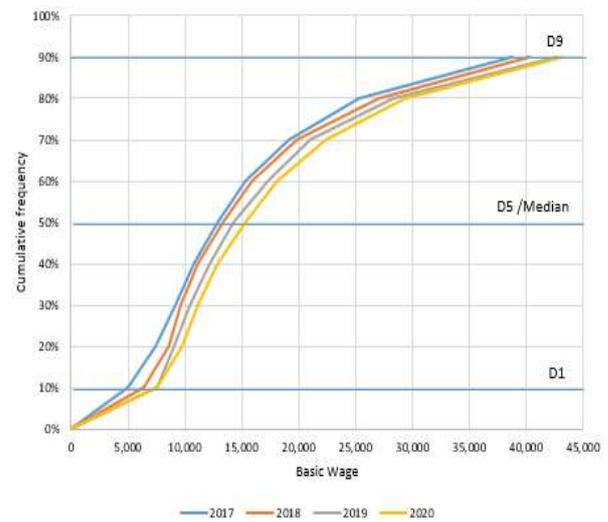
- 2.63 The decile ratios of (D9/D5) comparing the top of the distribution to the median value, where D5 is the maximum of the 50% of employees earning least and D9 is the minimum

of the 10% of employees earning most, has consistently decreased from 3.00 in 2017 to 3.03 in 2018, 2.99 in 2019 and 2.01 in 2020.

2.64 On the other hand, the decile ratio of D5/D1 which compares the median to the bottom of the distribution, where D5 is the maximum of the 50% of employees earning least and D1 is the maximum of the 10% of employees earning least has also decreased from 2017 to 2019 from 2.58 in 2017, 2.08 in 2018 and 1.88 in 2019. But increased slightly in 2020 to 2.01.

2.65 The cumulative frequency of the decile distribution as depicted in the table and the chart below shows that the income inequality between the bottom 10% of wage earners and the top 10% of the wage earners has reduced to some extent. The inter-decile curve 2020 flattening to the right compared to the curve of 2017 evidences the fact that the wage gap has reduced due to the introduction of the NMW.

Decile	Cum. Freq.	2017	2018	2019	2020
	0%	0	0	0	0
D1	10%	4,996	6,400	7,600	7,600
D2	20%	7,446	8,600	9,100	9,800
D3	30%	9,152	9,600	10,400	11,100
D4	40%	10,793	11,100	12,200	12,900
D5	50%	12,910	13,300	14,300	15,300
D6	60%	15,293	15,900	17,300	18,100
D7	70%	19,144	19,800	21,000	22,400
D8	80%	25,304	27,000	28,300	29,400
D9	90%	38,720	40,300	42,700	43,200
	100%				



Source: Council based on SM Figures

2.66 It is to be noted that basic wage has been used as a proxy for earnings in the computation of the decile ratios.

### Wage Distribution as measured by the Inter-Decile Ratios

The introduction of the NMW in 2018 and its review in 2020 have narrowed wage differentials as measured by the inter decile ratios as follows:

- The Decile 9/Decile 1 which is an indicator for the degree of spread across the outer segments of the wage distribution has been on a downward trend from 7.75 in 2017 to 5.68 in 2020.
- The Decile 5/Decile 1 which is an indicator of bottom-half of the earning distribution has also been on a downward trend from 2.58 in 2017 to 2.01 in 2020.
- The Decile 9/Decile 5 which is an indicator of the top-half of the earning distribution has equally been on a downward trend from 3.00 in 2017 to 2.82 in 2020.

### National Minimum Wage and Relative Poverty Line

2.67 As mentioned in our previous Reports, a national minimum wage is not generally prescribed as a measure for poverty alleviation as a Review of the NMW could be accompanied by some contraction of employment. However, as mentioned in its 2020 Review of NMW, the Council considers that it would be laudable if the minimum wage could ensure that households which have the minimum number of wage/income earners do not stay in poverty.

2.68 Table 18 below gives the relative poverty lines (RPL) for selected types of households, Republic of Mauritius, 2017 to 2020. The RPL is determined based on Household Budget Survey data (HBS) only, which is available every five years. The latest RPL refers to 2017 HBS which has then been adjusted for price changes only, to obtain equivalent thresholds for 2018, 2019 and 2020. The RPL by type of households is determined based on Bank & Johnson non-linear equivalence scale. Reviewed figures are based on final data of the 2017 HBS. 2020 figures have been adjusted using the forecasted inflation rate for the year.

**Table 18: RPL for selected types of households, Republic of Mauritius, 2017 to 2020**

RPL for selected types of households	2017	2018	2019	2020
Households with 1 adult member	7,509	7,700	7,800	8,000
Households with 2 adult members	12,200	12,600	12,700	13,000
Households with 2 adults and 2 children	17,700	18,300	18,300	18,800

Source: Statistics Mauritius

2.69 Table 19 below compares the RPL for selected types of household with the guaranteed income of the household based on different number of wage earners per family.

**Table 19: RPL for selected types of households, Republic of Mauritius**

Selected types of households	RPL 2020 (Rs)	No. of Wage Earners	Guaranteed Income (Rs)
Households with 1 adult member	8,000	1	10,200
Households with 2 adult members	13,000	2	20,400
Households with 2 adults and 2 children	18,800	2	20,400

Source: Statistics Mauritius

### National Minimum Wage and Relative Poverty Line

The review of the NMW in 2020 has improved the purchasing power and standard of living of households of NMW workers. Notwithstanding the fact that the NMW is not generally prescribed as a measure for poverty alleviation, its introduction and review have contributed to move households with adequate number of earners out of relative poverty.

It is noted that:

- (a) for households with one adult member who is a wage earner, the guaranteed income of Rs 10,200 is higher than the RPL of Rs 8,000 by 27.5%;
- (b) for households with two adult members who are full-time wage earners, the guaranteed income of Rs 20,400 is higher than the RPL of Rs 13,000 by 56.9%; and
- (c) for households with two adults and two children and two wage earners, the guaranteed income of Rs 20,400 is higher than the RPL of Rs 18,800 by 8.5%.

2.70 It is noted that the positive impact on income, standard of living and economic activity has been reinforced by the Government funding of the special allowance to achieve the guaranteed monthly income of Rs 10,200.

\*\*\*\*\*

### CHAPTER 3: Evolution of Wage Distribution

- 3.1 The National Wage Consultative Council (NWCC) is, in the discharge of its functions, required by virtue of Section 6(1)(e) of the National Wage Consultative Council Act No.6 of 2016, to submit to the Minister a report on the evolution of wage distribution. We give in this Chapter, the wage distribution for the total number of employees in full-time employment and the total number of employees in full-time employment by gender based on data from SM together with the wage distribution in the Non-EOEs as well as the EOEes for all employees contributing to NPF based on administrative data from the MRA.
- 3.2 We equally analyse the impact of the introduction of the NMW in 2018 and the review of the NMW in 2020 using the Cumulative Frequency Curves (CFC) of number of employees by basic wage groups which are inclusive of statutory additional remuneration.

#### *Evolution of Wage Distribution for Full-Time Mauritian Employees based on SM Figures*

- 3.3 Table 20 below, which is an extract of **Annex II, Annex IIA, Annex IIB and Annex IIC**, gives the distribution of employees by basic wage groups in 2017, 2018, 2019 and in 2020.

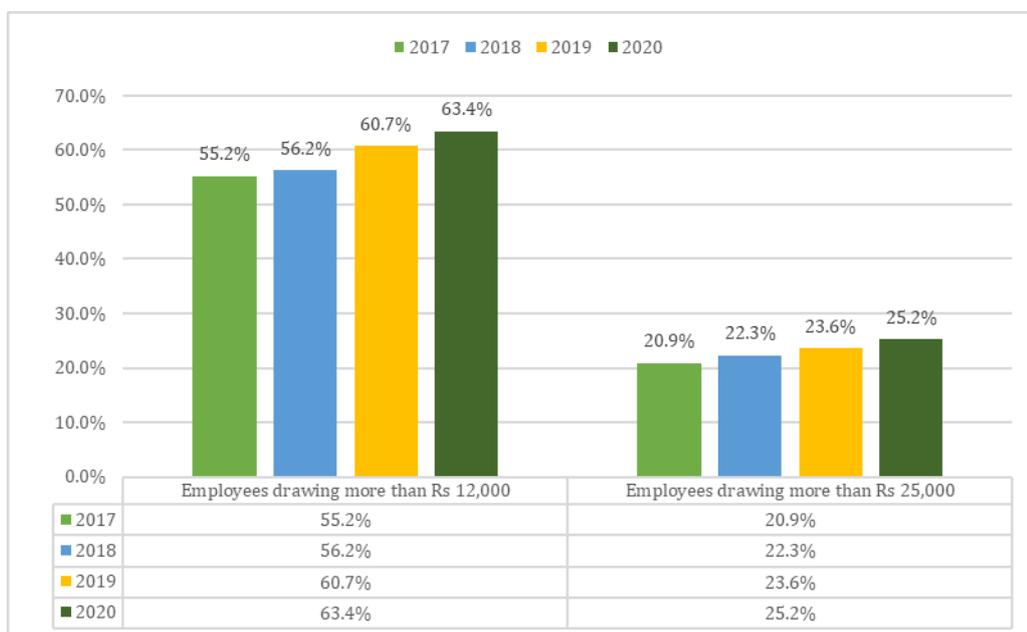
**Table 20: Distribution of Full-Time Mauritian Employees in 2017, 2018, 2019 and 2020**

Basic Wage Range (Rs)	Cumulated No. of Employees (Public & Private Sectors)			
	2017	2018	2019	2020*
Up to 12,000	187,669	186,149	168,664	158,970
Up to 25,000	331,424	330,522	328,138	324,820
Up to 75,001 and over	<b>418,878</b>	<b>425,427</b>	<b>429,253</b>	<b>434,340</b>

Source: NWCC based on SM Figures - (\*The 2020 figures are based on the CMPHS Q1)

3.4 The Bar Chart below further depicts the proportion of employees in different basic wage ranges from 2017 to 2020.

**Fig. 1: Proportion of employees in different wage groups from 2017 to 2020**



Source: NWCC based on SM Figures

3.5 The number of employees drawing basic wage up to Rs 12,000 a month in both the Public and the Private Sectors fell by 9,694 from 168,664 in 2019 to 158,970 in 2020 i.e. from a percentage of 39.3% in 2019 to 36.6% in 2020 of the total number of full-time employees. **Correspondingly, employees drawing basic wage of more than Rs 12,000 a month increased from 60.7% in 2019 to 63.4% in 2020 indicating a movement of the employees in higher wage bands.**

3.6 The number of employees drawing basic wage up to Rs 25,000 a month in both the Public and the Private Sectors fell by 3,318 from 328,138 in 2019 to 324,820 in 2020 i.e. from a percentage of 76.4% in 2019 to 74.8% in 2020. **Correspondingly, employees drawing basic wage of more than Rs 25,000 a month increased from 23.6% in 2019 to 25.2% in 2020 indicating a movement of the employees in higher wage bands.**

**Evolution of Wage Distribution by Gender based on SM Figures**

3.7 Table 21, which is an extract of **Annex III** and **Annex IIIB**, gives the distribution of Mauritian employees by gender for the year 2017 to 2020 in the Public and Private sectors.

**Table 21: Distribution of employees by basic wage range for full time Mauritian employees by gender for the year 2017 to 2020**

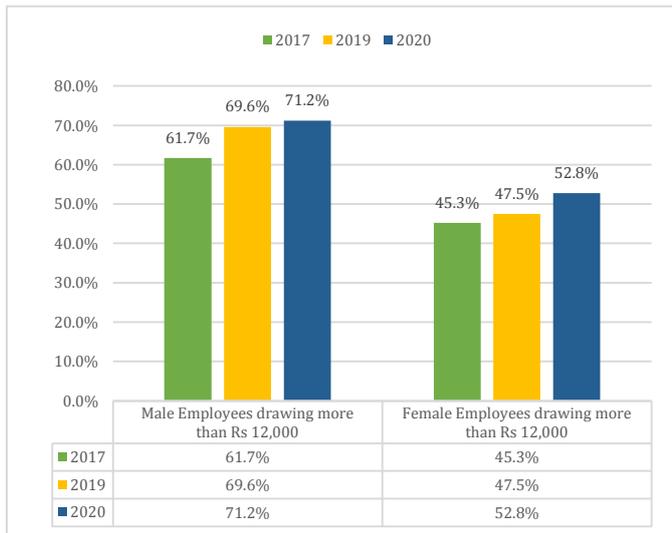
Basic Wage Range (Rs)	2017		2018		2019		2020*	
	C**.Male	C.Female	C.Male	C.Female	C.Male	C.Female	C.Male	C.Female
Up to 12,000	97,274	90,394	88,764	97,387	78,117	90,547	72,010	86,960
Up to 25,000	196,133	135,291	190,880	139,644	189,772	138,366	181,990	142,830
Up to 75,001 and over	<b>253,733</b>	<b>165,144</b>	<b>250,576</b>	<b>174,851</b>	<b>256,882</b>	<b>172,371</b>	<b>250,100</b>	<b>184,240</b>

Source: NWCC based on SM Figures (\*The 2020 figures are based on the CMPHS Q1)

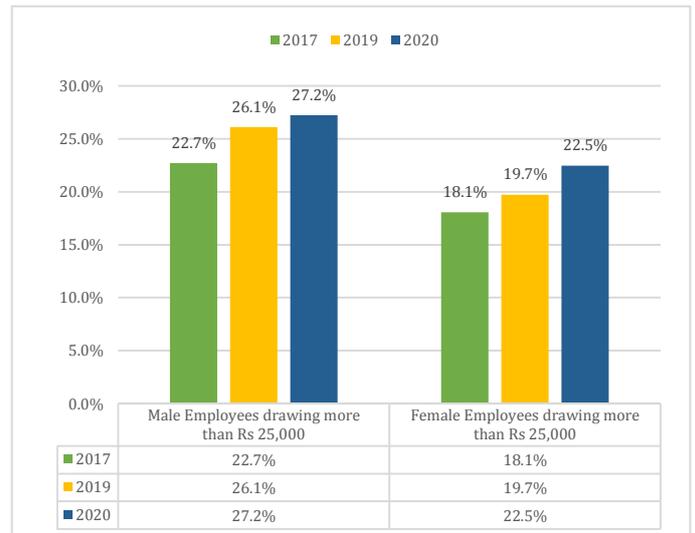
\*\*C - Cumulated

3.8 The Bar Charts below further depicts the proportion of employees by gender by basic wage ranges from 2017 to 2020.

**Fig. 2: Proportion of Employees by Gender drawing more than Rs 12,000 from 2017 to 2020**



**Fig. 3: Proportion of Employees by Gender drawing more than Rs 25,000 from 2017 to 2020**



Source: NWCC based on SM Figures

3.9 It is noted that:

- (a) the cumulative percentage of male employees drawing up to Rs 12,000 fell from 38.3% in 2017 to 30.4% in 2019 and to 28.8% in 2020; and
- (b) **Correspondingly, the cumulative percentage of male employees drawing more than Rs 12,000 increased from 61.7% in 2017 to 69.6% in 2019 and to 71.2% in 2020.**

3.10 Similarly, the cumulative percentage of female employees drawing up to Rs 12,000 fell from 54.7% in 2017 to 52.5% in 2019 and to 47.2% in 2020 and **correspondingly, the cumulative percentage of female employees drawing more than Rs 12,000 increased from 45.3% in 2017 to 47.5% in 2019 and to 52.8% in 2020.**

3.11 It is also noted that:

(a) the cumulative percentage of male employees drawing up to Rs 25,000 fell from 77.3% in 2017 to 73.9% in 2019 and to 72.8% in 2020; and

**(b) Correspondingly, the cumulative percentage of male employees drawing more than Rs 25,000 increased from 22.7% in 2017 to 26.1% in 2019 and to 27.2% in 2020.**

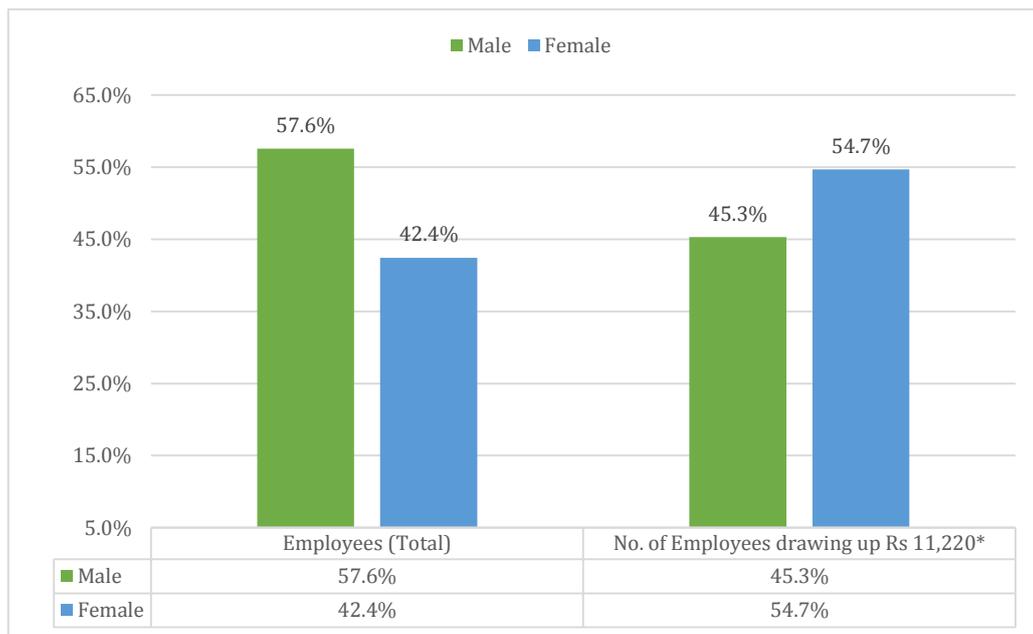
3.12 Similarly, the cumulative percentage of female employees drawing up to Rs 25,000 fell from 81.9% in 2017 to 80.3% in 2019 and to 77.5% in 2020 and **correspondingly, the cumulative percentage of female employees drawing more than Rs 25,000 increased from 18.1% in 2017 to 19.7% in 2019 and to 22.5% in 2020.**

3.13 **It follows that both male and female employees have moved in higher wage bands from 2017 and 2020.**

**Proportion of NMW Employees by Gender based on SM Figures**

3.14 Figure 4 below gives the proportion of employees by gender for (a) all employees and (b) employees drawing up to 10% above the guaranteed income under the NMWS.

**Fig. 4: Proportion of Employees by Gender in 2020**



*Source: NWCC based on SM Figures*

*\*10% above the guaranteed income of the NMWS*

3.15 It is noted that out of the total number of NMW workers, the proportion of NMW female worker i.e. 54.7% is significantly higher than the proportion of NMW male worker i.e. 45.3%.

**Evolution of Wage Distribution for the formal sector in the Non-EOEs based on MRA Figures**

3.16 Table 22, which is an extract of **Annex IV, Annex IVA and Annex IVB**, gives the number of employees (Mauritian and Foreign) by basic wage groups for December 2017,

December 2018, June 2019 and June 2020 in respect of whom contributions are made to the NPF in the Non-EOEs.

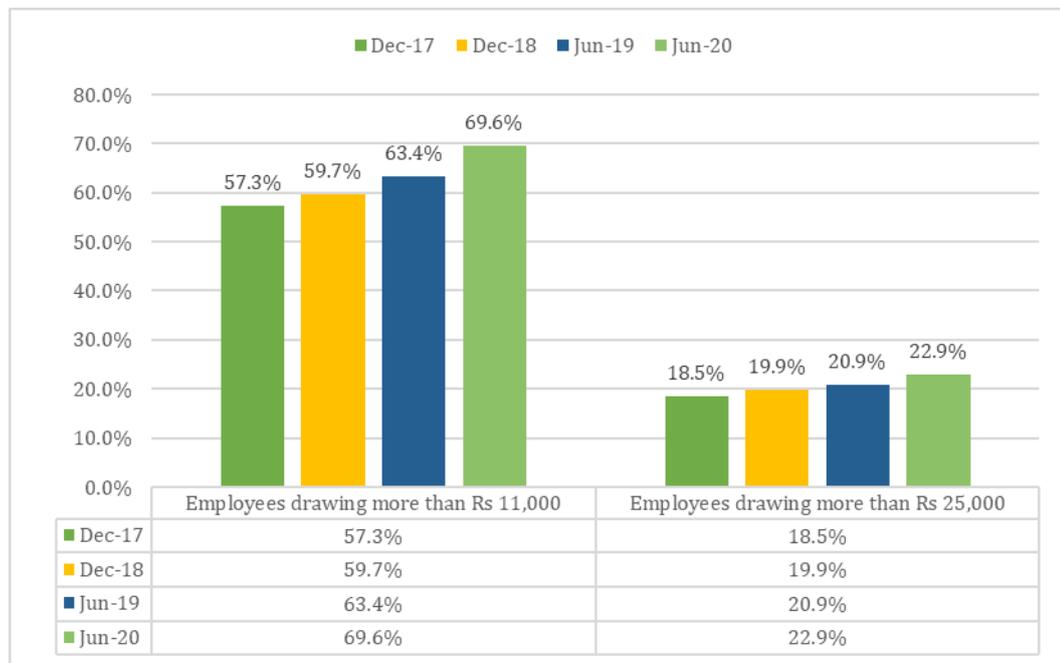
**Table 22: Evolution of Wage Distribution in Non-EOEs from December 2017, December 2018, June 2019 & June 2020**

Row Labels	Non-EOEs - Dec 2017	Non-EOEs - Dec 2018	Non-EOEs - June 2019	Non-EOEs - June 2020
	Total Cumulated (FT/PT/NA)	Total Cumulated (FT/PT/NA)	Total Cumulated (FT/PT/NA)	Total Cumulated (FT/PT/NA)
Up to ≤ 11,000	107,420	113,960	105,341	85,106
Up to ≤ 25,000	205,241	226,380	227,701	215,826
Up to ≤ 100,000	251,735	275,700	280,565	272,634
Up to 100,000 and more		282,502	287,831	279,989

Source: NWCC based on MRA figures

3.17 The Bar Chart below further depicts the proportion of employees by basic wage ranges from 2017 to 2020.

**Fig. 5: Proportion of employees in different wage groups from 2017 to 2020 - Non-EOEs**



Source: NWCC based on MRA Figures

3.18 It is noted that the percentage of employees drawing up to Rs 11,000 in the Non-EOEs fell from 42.7% in December 2017 to 40.3% in December 2018 to 36.6% in June 2019 and to 30.4% in June 2020. **Correspondingly, the percentage of employees drawing more than Rs 11,000 increased from 57.3% in December 2017, to 59.7% in December 2018, to 63.4% in June 2019 and to 69.6% in June 2020 indicating a movement of the employees to higher wage bands.**

3.19 It is also noted that the percentage of employees drawing up to Rs 25,000 in the Non-EOEs fell from 81.5% in December 2017 to 80.1% in December 2018 to 79.1% in June 2019 and to 77.1% in June 2020. **Correspondingly, the percentage of employees drawing more**

than Rs 25,000 increased from 18.5% in December 2017, to 19.9% in December 2018, to 20.9% in June 2019 and to 22.9% in June 2020.

**Evolution of Wage Distribution for the formal sector in the EOE based on MRA Figures**

3.20 Table 23, which is an extract of **Annex V, Annex VA and Annex VB**, gives the number of employees (Mauritian and Foreign) by basic wage groups for December 2017, December 2018, June 2019 and June 2020 in the EOE.

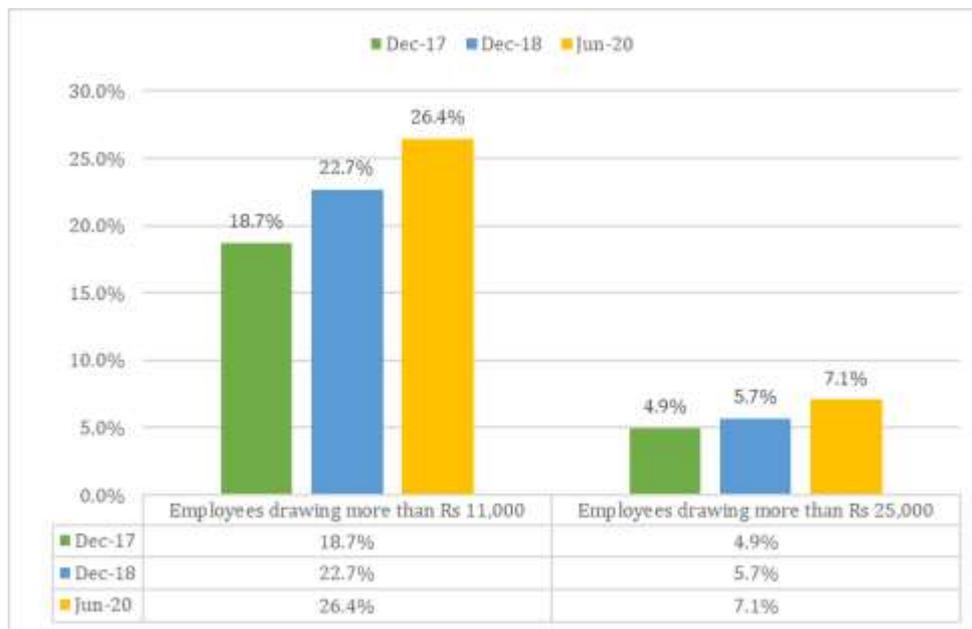
**Table 23: Evolution of Wage Distribution in EOE from December 2017 to June 2020**

Row Labels	EOEs – Dec 2017	EOEs – Dec 2018	EOEs – June 2019	EOEs – June 2020
	Total Cumulated (FT/PT/NA)	Total Cumulated (FT/PT/NA)	Total Cumulated (FT/PT/NA)	Total Cumulated (FT/PT/NA)
Up to ≤ 11,000	31,409	28,952	27,214	24,345
Up to ≤ 25,000	36,726	35,335	33,400	30,747
Up to ≤ 100,000	<b>38,633</b>	37,199	35,365	32,846
Up to 100,000 and more		<b>37,458</b>	<b>35,637</b>	<b>33,086</b>

Source: NWCC based on MRA figures

3.21 The Bar Chart below further depicts the proportion of employees by basic wage ranges from 2017 to 2020.

**Fig. 6: Proportion of employees in different wage groups from 2017 to 2020 – EOE**



Source: NWCC based on MRA Figures

3.22 It is noted that the total number of employees in the EOE in respect of whom contributions have been made to the NPF and drawing up to Rs 11,000 a month fell from 81.3% in December 2017 to 77.3% in December 2018 and to 73.6% in June 2020. **Correspondingly, the percentage of employees drawing more than Rs 11,000 increased from 18.7% in December 2017 to 22.7% in December 2018 and to 26.4%**

**in June 2020 indicating a movement of the employees to higher wage bands for EOE's too.**

3.23 It is also noted that the total number of employees in the EOE's in respect of whom contributions have been made to the NPF and drawing up to Rs 25,000 a month fell from 95.1% in December 2017 to 94.3% in June 2019 and to 92.9% in June 2020. **Correspondingly, the percentage of employees drawing more than Rs 25,000 increased from 4.9% in December 2017 to 5.7% in June 2019 and to 7.1% in June 2020.**

**Cumulative Frequency Curves**

3.24 Cumulative Frequency is an important tool to tabulate data in an organized manner. A curve that represents the cumulative frequency distribution of grouped data (e.g. basic wages) on a graph is called a Cumulative Frequency Curve (CFC). Representing cumulative frequency data on a graph is an efficient way to understand the data and derive results.

3.25 The number of employees by basic wage groups are obtained from two sources:

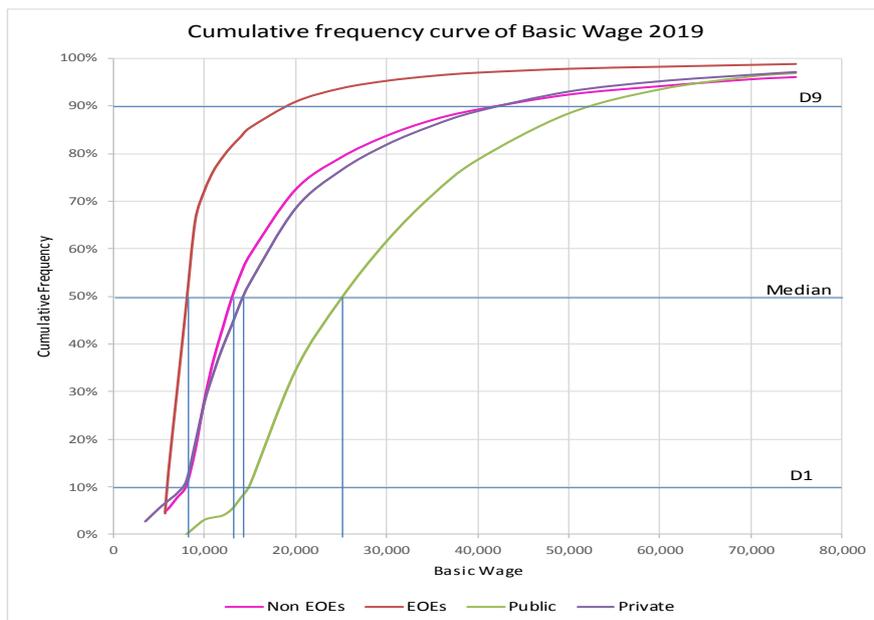
- Statistics Mauritius (For the country and two sub groups: Private & Public)
- Mauritius Revenue Authority (For two sub groups: EOE's & Non-EOE's)

**Wage Distribution**

3.26 As such the basic wages of the country and for the four sub-groups of employees can be analysed using cumulative frequency curves.

3.27 Figure 7 below gives the cumulative distribution of employees by basic wage in the Public sector, the Private sector, the Non-EOE's and the EOE's. The characteristics for each category of employees are displayed in the relevant curve.

**Fig. 7: Cumulative Frequency Curve of Basic Wage – 2019**



**Source: NWCC based on MRA and SM Figures**

3.28 The curve for public sector is to the right and is less steep whereas the one for EOE is much steeper and is at the left. The D1, Median and D9 values of the different categories of employees are clearly displayed in Figure 1 and are reproduced in table below.

Particulars	D1	Median (D5)	D9	D9/D1	D5/D1	D9/D5
Private	7,500	14,300	42,700	5.7	1.9	3.0
Public	14,800	25,200	53,300	3.6	1.7	2.1
EOE	5,900	8,100	19,200	3.3	1.4	2.4
Non EOE	7,900	13,100	42,600	5.4	1.7	3.3

Wage distribution in any sector is dependent on the nature of work and the market dynamics. Consequently, any inferences have to be interpreted within that framework.

With respect to distribution within each sector, the wage dispersion of public sector as measured by D9/D1 ratio is low compared to the private sector due to much higher D1 in the public sector.

Basic wages of EOE are the lowest with a median which is only 62% of that of Non-EOEs.

The lowest wage dispersion is observed within the EOE.

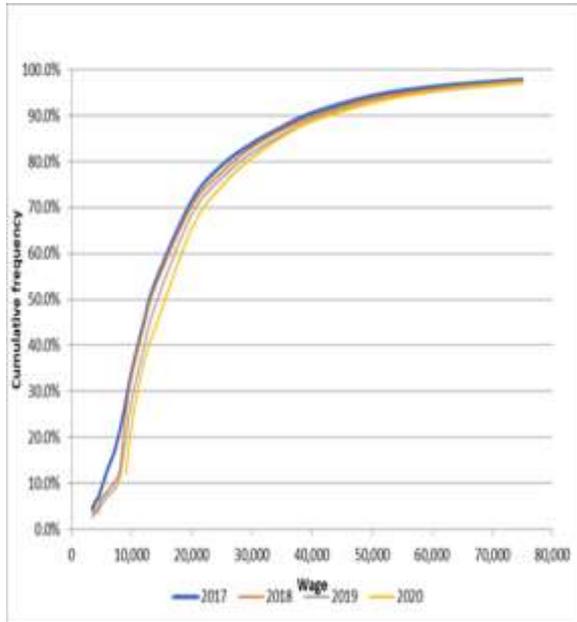
### ***Impact of NMW on Wage Distribution***

3.29 Analysis of the cumulative frequency curves, which measure basic wages on the x-axis and the cumulative distribution of employees on the y-axis, gives an insight on the impact of NMW in raising the wage of employees in the different sectors.

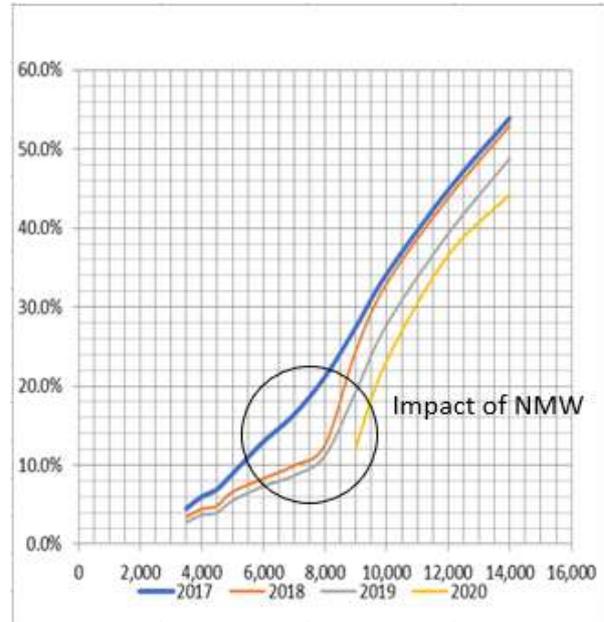
### ***Wage Distribution in the Country (Public and Private Sectors)***

3.30 Figure 8 below gives the cumulative distribution of employees by basic wage in Public and Private sectors. Figure 8.1 below gives the cumulative distribution of employees by basic wage in Public and Private sectors at the lower end up to Rs 14,000.

**Fig. 8: Cumulative Distribution of Employees by Basic Wage (Public & Private Sectors)**



**Fig. 8.1: Cumulative Distribution of Employees by Basic Wage at the lower end (Public & Private Sectors)**



Source: NWCC based SM figures

Figure 8 shows a shift of the cumulative frequency curve (CFC) in 2018 and 2020 from left to right indicating the impact of the introduction of the NMW with effect from 01 January 2018 and the review of the NMW in 2020 on the wage distribution.

The small shift of the CFC in 2019 compared to 2018 indicates the statutory wage compensation with effect from 01 January 2019.

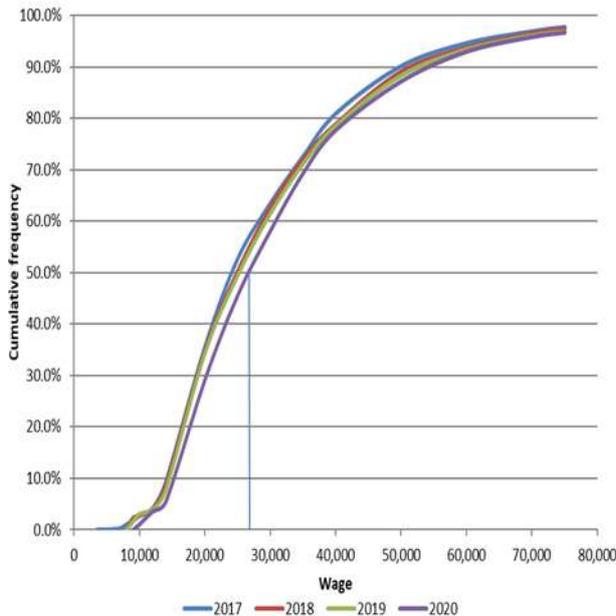
Figure 8.1 which depicts the cumulative distribution at the lower end shows more clearly the pronounced shift of the CFC in 2018 and 2020 from left to right for wages up to Rs 14,000.

These pronounced shifts may indicate an upward adjustment of market relativities in the wake of the introduction of the NMW in 2018 and the review of the NMW in 2020 for wages up to Rs 14,000.

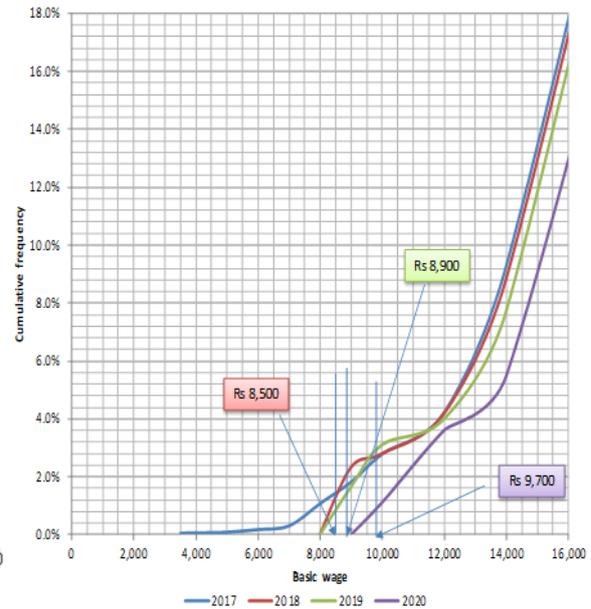
### Wage Distribution in the Public Sector

3.31 Figure 9 gives the cumulative distribution of employees by basic wage in the Public Sector. Figure 9.1 shows the cumulative distribution of employees in the Public sector at the lower end up to Rs 16,000.

**Fig. 9: Cumulative Frequency Curves by Basic Wage for Public Sector**



**Fig. 9.1: Cumulative Frequency Curves by Basic Wage for Public Sector at the lower end**



Source: NWCC based SM figures

Figure 9 depicts the movement of CFC from 2017 to 2020 in the public sector. Figure 9.1 depicts the movement at the lower end that is for wages up to Rs 16,000. These CFC curves indicate

- (a) a shift to the right showing a movement to higher wage brackets explained by the introduction and review of the NMW and additional remuneration.
- (b) a shift throughout the 2020 CFC curves compared to 2019 likely indicating the grant of the monthly interim PRB increase of Rs 1,000.
- (c) that practically all employees are compliant and that all those who were below the NMW have seen an important increase in their wage to match the NMW.

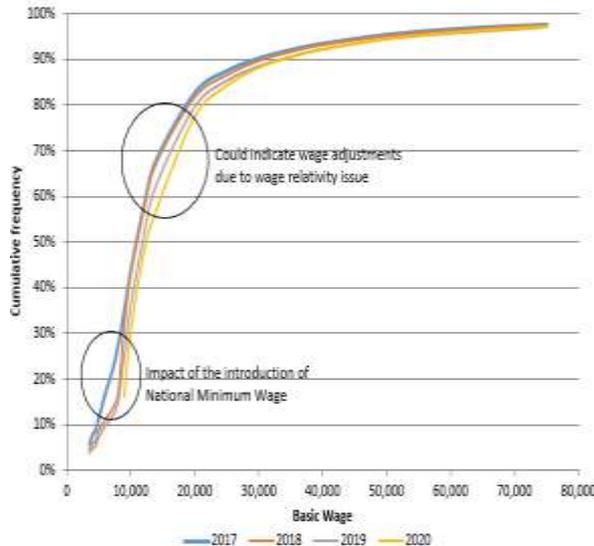
The slope of the CFC curve is less steep in the public sector –

- around only 3% of employees drawing less than Rs 12,000 a month in 2020.
- around 50% of employees draw up to Rs 28,000 a month in 2020.

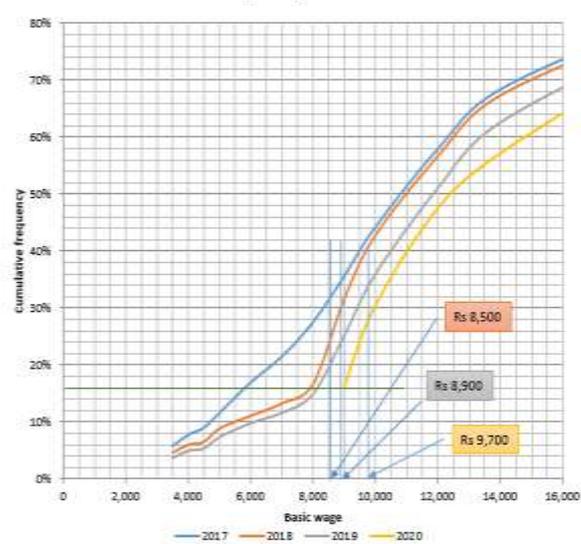
### Wage Distribution in the Private Sector

3.32 Figure 10 gives the cumulative distribution of employees by basic wage in the Private Sector. Figure 10.1 shows the cumulative distribution of employees in the Private sector at the lower end up to Rs 16,000.

**Fig. 10: Cumulative Frequency Curves by Basic Wage for the Private Sector**



**Fig. 10.1: Cumulative Frequency Curves by Basic Wage for the Private Sector at the lower end**



Source: NWCC based SM figures

Figure 10 depicts the movement of CFC from 2017 to 2020 in the private sector. Figure 10.1 depicts the movement at the lower end that is for wages up to Rs 16,000. These CFC curves indicate

- (a) a shift to the right showing a movement to higher wage brackets explained by the introduction and review of the NMW and additional remuneration.
- (b) an increase in salary for those just above the NMW, pointing to possible adjustments in relativity.
- (c) a significant increase in basic wage including additional remuneration at 16% of employees. The maximum salary for the lowest 16% of the employees rose from Rs 5,800 in 2017 to Rs 7,800 in 2018 and nearly Rs 8,200 in 2019 and Rs 9,000 in 2020. The biggest increase occurred when NMW was introduced in 2018.

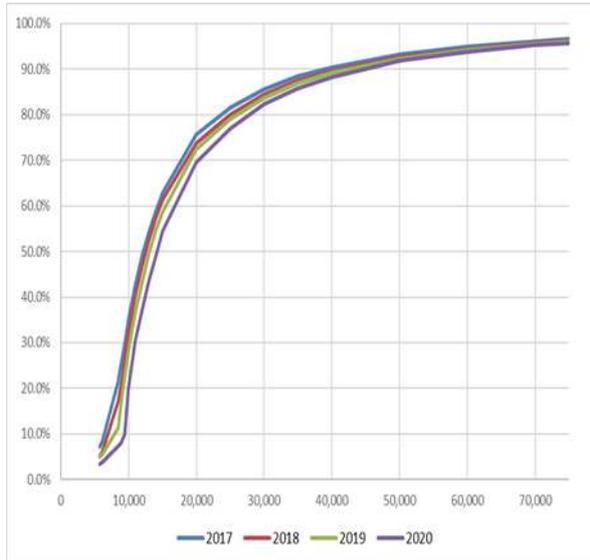
Figure 10 indicates likely market adjustment in the wake of the introduction and review of the NMW.

The steepness of all the CFC curves in the private sector indicates a concentration of employees at the lower end of the wage distribution – around 50% of employees drawing up to Rs 12,000 a month in 2020.

### Wage Distribution in the Non-EOEs

3.33 Figure 11 below gives the cumulative distribution of employees by basic wage in the Non-EOEs based on information received from the MRA. Figure 11.1 below gives the cumulative distribution of employees by basic wage in the Non-EOEs at the lower end up to Rs 16,000.

**Fig. 11: Cumulative Frequency Curves by Basic Wage in the Non-EOEs**



Source: NWCC based MRA figures

**Fig. 11.1: Cumulative Frequency Curves by Basic Wage in the Non-EOEs at the lower end**

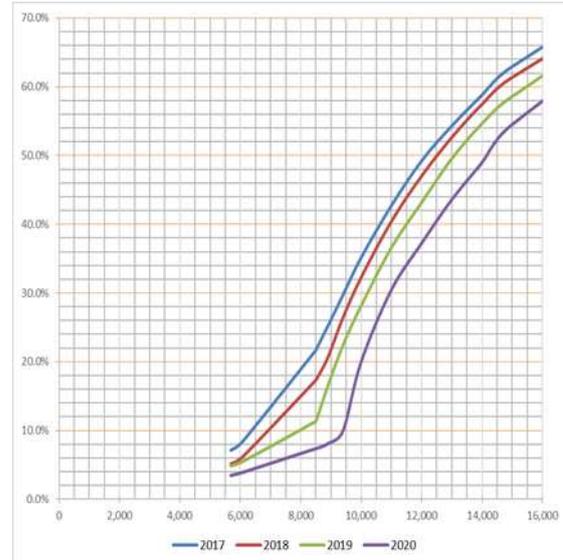


Figure 11 depicts the movement of CFC from 2017 to 2020 in the Non-EOEs. Figure 11.1 depicts the movement at the lower end that is for wages up to Rs 16,000. These CFC curves indicate

- (a) a shift of the curve from left to right from 2017 to 2018 indicating the introduction of the NMW.
- (b) a shift of the curve from left to right from 2019 to 2020 indicating the review of the NMW with effect from 01 January 2020.

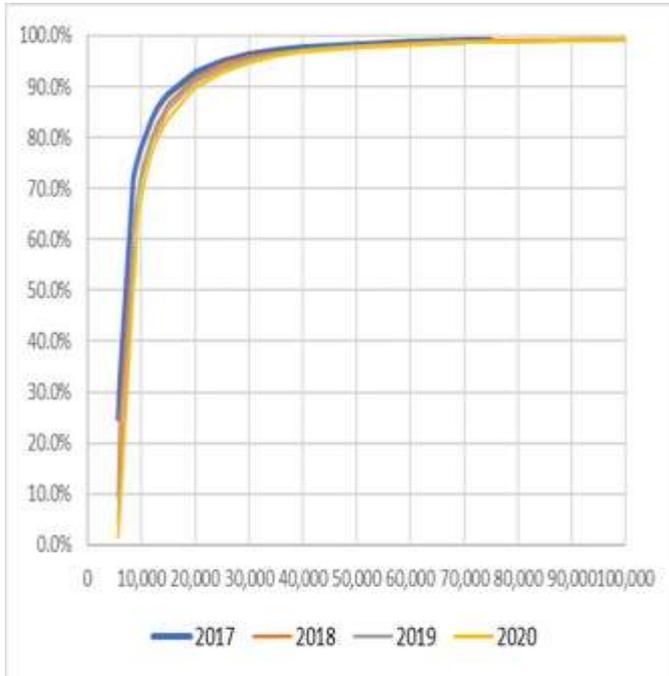
The steepness of all the CFC curves in the Non-EOEs indicates a concentration of employees at the lower end of the wage distribution –

- around 37% of employees drawing up to Rs 12,000 a month in 2020.
- around 50% of employees drawing up to Rs 14,000 a month in 2020.

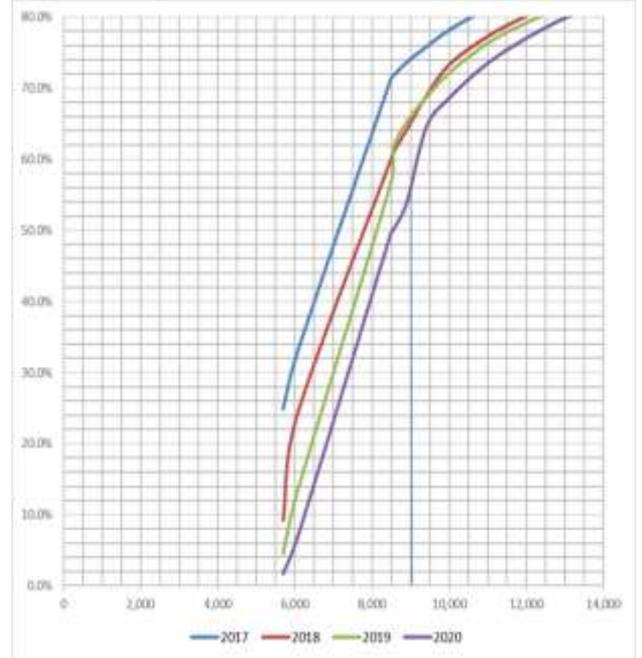
**Wage Distribution in the EOE**

3.34 Figure 12 below gives the cumulative distribution of employees by basic wage in the EOE based on information received from the MRA. Figure 12.1 below gives the cumulative distribution of employees by basic wage in the EOE at the lower end.

**Fig. 12: Cumulative Frequency Curves by Basic Wage in the EOE**



**Fig. 12.1: Cumulative Frequency Curves by Basic Wage in the EOE at the lower end**



Source: NWCC based MRA figures

Figure 12 depicts the movement of CFC from 2017 to 2020 in the EOE. Figure 12.1 depicts the movement at the lower end that is for wages up to Rs 14,000. These CFC curves indicate

- (a) a shift of the curve to the right from 2017 to 2018 indicating the introduction of the NMW
- (b) a shift of the curve to the right from 2019 to 2020 indicating the review of the NMW with effect from 01 January 2020.

The steepness of all the CFC curves in the EOE indicates a concentration of employees at the lower end of the wage distribution –

- around 55% of employees drawing up to Rs 9,000 a month in 2020.
- around 77% of employees drawing up to Rs 12,000 a month in 2020.
- around 80% of employees drawing up to Rs 14,000 a month in 2020.

### **Conclusion: Evolution of Wage Distribution**

**The introduction of the NMW in 2018 and its review in 2020 have moved employees in higher wage bands as evidenced by the general shift to the right of the Cumulative Frequency Curves (CFC) which measure the cumulative number of employees by basic wage group and by appropriate Bar Charts over the period 2017 to 2020.**

**The cumulative percentage of employees drawing basic wage of more than Rs 12,000 a month increased from 60.7% in 2019 to 63.4% in 2020 indicating a movement of the employees in higher wage bands.**

**The cumulative percentage of employees drawing basic wage of more than Rs 25,000 a month increased from 23.6% in 2019 to 25.2% in 2020 indicating a movement of the employees in higher wage bands.**

**The same trend i.e. movement of employees to higher wage bands is observed in the Non-EOEs and EOE.**

**The evolution of wage distribution by Gender also confirms the same trend i.e. both male and female moving to higher wage bands over the period.**

\*\*\*\*\*

## **CHAPTER 4: Export Oriented Enterprises (EOEs) and Micro, Small and Medium Enterprises (MSMEs)**

This Chapter comprises two sections. The first deals with the Export Oriented Enterprises (EOEs) and the second with the Micro, Small and Medium Enterprises (MSMEs).

### **4.1 Export Oriented Enterprises (EOEs)**

- 4.1.1 EOE consist of enterprises formerly holding an EPZ certificate as well as enterprises manufacturing goods for export and holding a registration certificate issued by the ex-Board of Investment.
- 4.1.2 This section deals with the evolution of the number of enterprises and employment from March 2019 to March 2020 in the EOE based on the Report on the Export Oriented Enterprises (EOEs) issued by Statistics Mauritius (SM) in July 2020. It also covers the impact on employment by sectors in the EOE as measured by the evolution of number contributors to the NPF from June 2019 to June 2020.

### ***Employment***

#### *Evolution of employment from March 2019 to March 2020*

- 4.1.3 Table 24 below gives the evolution of the number of enterprises and employment from March 2019 to March 2020 in the EOE sector.

**Table 24: Employment by size of Enterprise and Sex, EOE Sector – March 2019, December 2019 & March 2020**

Category	Number of enterprises as at			Employment								
				March 2019			December 2019			March 2020		
	March 2019	December 2019	March 2020	Male	Female	Both sexes	Male	Female	Both Sexes	Male	Female	Both sexes
Enterprises with less than 10 employees	52	44	47	91	86	177	73	64	137	77	70	147
Enterprises with 10 or more employees	206	195	192	25,777	22,548	48,325	22,962	20,899	43,861	22,591	20,545	43,136
Outworkers	N.A	N.A	N.A	22	175	197	20	142	162	29	176	205
<b>TOTAL</b>	<b>258</b>	<b>239</b>	<b>239</b>	<b>25,890</b>	<b>22,809</b>	<b>48,699</b>	<b>23,055</b>	<b>21,105</b>	<b>44,160</b>	<b>22,697</b>	<b>20,791</b>	<b>43,488</b>
<i>Mauritian</i>	N.A	N.A	N.A	10,017	16,694	26,711	8,966	14,781	23,747	8,948	14,428	23,376
<i>Foreign workers (Expatriates)</i>	N.A	N.A	N.A	15,873	6,115	21,988	14,089	6,324	20,413	13,749	6,363	20,112

N.A – Not Applicable

Source: Statistics Mauritius

4.1.4 It is noted that the number of enterprises in the EOE which stood at 258 in March 2019 fell to 239 in March 2020 i.e. a fall of 19 enterprises – 14 employing more than 10 persons and 5 less than 10 persons.

4.1.5 It is also noted that total employment in EOE decreased by 5,211 (-10.7%) from 48,699 to 43,488 from March 2019 to March 2020. The number of Mauritian workers decreased by 3,335 (-1,069 males and -2,266 females). Employment of foreign workers decreased by 1,876 (-2,124 males and +248 females).

*Employment – 1st Quarter 2020*

4.1.6 Compared to the fourth quarter of 2019, employment in EOE in 1<sup>st</sup> quarter 2020 decreased by 672 (-1.5%) from 44,160 to 43,488. Male employment dropped by 358 from 23,055 to 22,697 and female employment decreased by 314 from 21,105 to 20,791 (Table 2).

4.1.7 The number of Mauritians employed in the EOE sector went down by 371 (-1.6%) (-18 males and -353 females) from 23,747 to 23,376 and the number of foreign workers decreased by 301 (-1.5%) (-340 males and +39 females) from 20,413 at the end of December 2019 to 20,112 at the end of March 2020 (Table 2).

4.1.8 The decrease of 672 in employment in the EOE sector during the first quarter of 2020 is the net result of 1000 jobs lost and 328 jobs created due to expansion in existing enterprises. The job losses were due to the contraction of workforce.

*Impact on NPF Contributors by Sector of Activity in EOE*

4.1.9 Table 25 below, which is an extract of **Annex VI**, gives the number of NPF contributors as at June 2019 and June 2020 by sector of activity in EOE.

**Table 25: Number of NPF Contributors in the EOE as at June 2019 and June 2020 by Sector of Activity**

Sector of Activity	No. of Contributors as at June 2019	No. of Contributors as at June 2020	Change in Total Employment	% Change in Total Employment
Food & Beverages	5,157	5,223	66	1.3
Fishing and Aquaculture	142	139	-3	-2.1
Leather Products & Related Products	664	598	-66	-9.9
Textile, Fabrics & Wearing Apparel	24,089	21,681	-2,408	-10.0
Metals, Wood, Paper, Rubber & Plastic Products	1,129	1,032	-97	-8.6
Electrical, Electronic & Computer Products	814	764	-50	-6.1

Sector of Activity	No. of Contributors as at June 2019	No. of Contributors as at June 2020	Change in Total Employment	% Change in Total Employment
Pharmaceutical & Chemical Products	135	122	-13	-9.6
Furniture	68	56	-12	-17.6
Retail & Wholesale Trade	371	323	-48	-12.9
Services	523	551	28	5.4
Other Manufacturing	2,615	2,649	34	1.3
Research & Development	3	3	-	-
<b>Total</b>	<b>35,710</b>	<b>33,141</b>	<b>-2,569</b>	<b>-7.2</b>

Source: Council's Computation based on MRA figures

Note: The above data is based on MRA Returns as at November 2020

4.1.10 From June 2019 to June 2020, Textile, Fabrics & Wearing Apparel registered a fall of 2,408 representing around 10% of the contributing workers.

4.1.11 Decreases in the number of contributors to NPF in June 2020 compared to June 2019 are noted among mostly all sectors. However, increases in the number of contributors to NPF are noted in Food & Beverages, Services and Other Manufacturing.

#### 4.2 Micro, Small and Medium Enterprises (MSMEs)

4.2.1 MSMEs have always played a key role in providing the necessary impetus to the advancement of any economy. Their importance in economic development is a universally recognized reality as they constitute a vital part for generating vast production of outputs and job creation. They also act as a catalyst for restructuring and diversifying the productive base of an economy and for the industrial economy take-off.

4.2.2 In Mauritius, MSMEs are categorized based only on the turnover as per the SME Act 2017 as follows:

Category of Micro, Small and Medium Enterprises	
Type	SME Act 2017
	Turnover
Micro Enterprises	< Rs 2 M
Small Enterprises	> Rs 2 M ≤ Rs 10 M
Medium Enterprises	> Rs 10 M ≤ Rs 50 M

- 4.2.3 Statistics Mauritius, on the other hand, uses the employment criteria to define small enterprises. Small Enterprises are defined as those employing less than 10 persons.
- 4.2.4 Based on estimates from SM, in 2019, the contribution of MSMEs amounted to 35.7% of Gross Value Added (GVA). In addition, MSMEs are contributing to nearly 50% of employment creation and around 12% of total exports.
- 4.2.5 As per the estimates in 2018, the number of MSMEs operating in all sectors stood at 138,553, out of which the vast majority of businesses are micro-enterprises (81%), 18% are small enterprises and 1% are medium enterprises. At least one third of the MSMEs operates in the wholesale and retail trade sector.
- 4.2.6 The distribution of MSMEs registered at SME Registration Unit is as follows in 2019:

Segments	Turnover Per Annum (Rs)	Number of Firms Registered as MSMEs (2019)
Micro	Up to 2,000,000	12,077
Small	2,000,000-10,000,000	14,019
Medium	Above 10,000,000	1200
<b>TOTAL</b>		<b>27,296</b>

- 4.2.7 In February/March 2020, the SME Mauritius carried out a survey to assess, among others, the impact of the NMW in the MSME sector. The survey covered 380 out of some 4,500 registered enterprises which are active (more than one year of operation) and have been benefiting from various schemes provided by SME Mauritius Ltd. This figure excludes registered SMEs engaged in pure trading activities. It is to be noted that some respondents did not provide answers to all questions. In addition, given the small sample size of the survey, the results should be interpreted with caution.
- 4.2.8 The sample of 380 respondents from the following three segments of MSMEs were interviewed during the period February-March 2020.

Segments	Turnover Per Annum (Rs)	Number Interviewed
Micro	Up to 2,000,000	136
Small	2,000,000-10,000,000	179
Medium	Above 10,000,000	65
<b>TOTAL</b>		<b>380</b>

- 4.2.9 Some of the findings of the survey are highlighted below:

**(a) Workforce Profile**

The majority of workers in the MSMEs were Mauritians, namely 88% Mauritians and 12% foreign. The majority of foreign workers were men and were from Bangladesh.

**(b) Compliance to the National Minimum Wage**

65% of the respondents pay the NMW or more while 9% of respondents were not adhering to the NMW. The remaining 26% did not respond to the said question, implying to a certain extent their non-compliance.

***Impact on Overall Employment Level***

4.2.10 While 26% of the respondents stated that there has been a significant impact on overall employment level, a majority considered that the impact would be negligible.

***Impact on Cost of Products***

4.2.11 33% of respondents considered that operating cost would not impact upon the cost of products. The majority of respondents considered that increases would vary between 3% to 10% while 16% considered that increases could be above 10%.

***Salary Relativity***

4.2.12 While 56% of respondents mentioned that it was unlikely that they would plan any review of the salary of staff drawing more than the NMW, 25% declared that they would do so if market conditions were favourable while 19% did not give clear intentions.

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## CHAPTER 5: Compliance with the National Minimum Wage Regulations

- 5.1 Compliance with the National Minimum Wage Regulations (2017 as subsequently amended) remains a key consideration in examining the effects of the National Minimum Wage.
- 5.2 It is pertinent, through appropriate measures of compliance, to monitor the effectiveness of the National Minimum Wage Regulations' enforcement three years after the introduction and six months after the review of the National Minimum Wage.

### **Monthly Guaranteed Income and National Minimum Wage – Non-EOEs**

- 5.3 The National Minimum Wage payable by the employer, the special allowance payable by Government and the guaranteed minimum income of minimum wage workers in Non-Export Oriented Enterprises (Non-EOEs) with effect from 01 January 2020 are as follows:

**National Minimum Wage & Monthly Guaranteed Income – January 2020  
Non-Export Oriented Enterprises (Non-EOEs)**

Particulars	Mauritian Employees	Migrant Workers in post at 31 <sup>st</sup> December 2019	Migrant Workers taking up Employment on or after 1 <sup>st</sup> January 2020
National Minimum Wage including Salary Compensation 2020	9,700	9,700	9,700
Special Allowance	500	500	NIL
<b>Monthly Guaranteed Income Effective as from 1<sup>st</sup> January 2020</b>	<b>10,200*</b>	<b>10,200</b>	<b>9,700</b>

*\*In the case of a public officer, the Rs 1,000 interim allowance paid to him/her as from January 2020 is taken into account in the computation of the monthly guaranteed income.*

### **Monthly Guaranteed Income and National Minimum Wage – EOE**

- 5.4 The National Minimum Wage payable by the employer, the special allowance payable by Government and the guaranteed minimum income of minimum wage workers in Export Oriented Enterprises (EOEs) with effect from 01 January 2020 are as follows:

**National Minimum Wage & Monthly Guaranteed Income – January 2020  
Export Oriented Enterprises (EOEs)**

Particulars	Mauritian Employees	Migrant Workers in post at 31 <sup>st</sup> December 2019	Migrant Workers taking up Employment on or after 1 <sup>st</sup> January 2020
National Minimum Wage including Salary compensation 2020	9,000	9,000	9,000

Particulars	Mauritian Employees	Migrant Workers in post at 31 <sup>st</sup> December 2019	Migrant Workers taking up Employment on or after 1 <sup>st</sup> January 2020
Special allowance	860	860	NIL
Additional Allowance	340	NIL	NIL
<b>Monthly Guaranteed Income Effective as from 1<sup>st</sup> January 2020</b>	<b>10,200</b>	<b>9,860</b>	<b>9,000</b>

- 5.5 The component of the national minimum wage payable by the employer in the Non-EOEs stands at Rs 9,700 a month including additional remuneration of Rs 300 with effect from 1<sup>st</sup> January 2020.
- 5.6 The component of the national minimum wage payable by the employer in the EOE stands at Rs 9,000 a month including additional remuneration of Rs 300 with effect from 1<sup>st</sup> January 2020.
- 5.7 The NMW in the EOE, which with effect from 2020 stands at Rs 9,000 a month inclusive of additional remuneration of Rs 300. The NMW has four components namely (a) the basic wage; (b) additional remuneration 2018, 2019 and 2020; (c) the housing and/or food allowances or housing and/or food up to a maximum of Rs 2,500 a month, wherever relevant; and/or (d) other fixed pay components paid every month of the year.
- 5.8 For the NMW of Rs 9,000 in the EOE, the basic wage component in EOE cannot be less than Rs 6,375 for factory operator and Rs 5,996 for unskilled worker – a person who performs manual tasks requiring physical effort but no particular skill or aptitude and includes a cleaner, a packer and an employee, other than a trainee, who does not have the required skill and is employed to assist other employees as per Regulation 2 of the Export Enterprises (Remuneration) Regulations 2019.
- 5.9 All full-time employees drawing basic wages of at least Rs 9,700 a month in 2020 in the Non-EOEs are cases of compliance with the NMW Regulations. Employees in the EOE drawing at least Rs 6,375 a month (for factory operator) and Rs 5,996 a month (for unskilled worker) in 2020 together with housing allowance and/or other fixed pay components bringing the remuneration to Rs 9,000 or more would be cases of compliance with the NMW Regulations.

### ***Compliance with the National Minimum Wage Regulations***

- 5.10 The compliance to the NMW Regulations is examined based on (a) the wage distribution in the private sector using the SM wage distribution by basic wage range of full-time Mauritian employees and (b) the MRA distribution of full-time employees in respect of whom contributions are made to the National Pension Fund (NPF).
- 5.11 Table 26, which is an extract of **Annex II**, gives the distribution of full-time employees for the public and private sectors using SM figures by basic wage range in 2020.

**Table 26: Number of Full-Time Mauritian Employees by Basic Wage Range in the Public and Private Sectors – 2020**

Basic Wage Range (Rs)	Public Sector	Cumulated No. of Employees (Public)	Private Sector	Cumulated No. of Employees (Private)	Total Cumulated No. of Employees
Up to Rs 9,000	-	-	52,950	52,950	52,950
9,001 – 10000	1,200	1,200	46,500	99,450	100,650
10,001 – 12,000	2,680	3,880	55,640	155,090	158,970
12,001 and above	103,660	107,540	171,710	326,800	434,340
<b>Total</b>	<b>107,540</b>		<b>326,800</b>		<b>434,340</b>

Source: Council's Computation based on SM figures (The 2020 figures are based on the CMPHS Q1)

- 5.12 As per SM there are some 86,500 full-time Mauritian employees in both the Public and the Private sector earning a basic wage of less than Rs 9,700 monthly.
- 5.13 Table 27 below gives the distribution of full-time Mauritian employees in respect of whom contributions are made to the NPF using MRA figures by basic wage group in EOE.

**Table 27: Number of Full-Time Mauritian Employees in EOE's Contributing to the NPF by Basic Wage Group – June 2020**

Basic Salary	No. of Full-Time Mauritian Workers
< 5,996	601
≥ 5,996 & < 6,375	979
≥ 6,375 & < 9,000	5,834
≥ 9,000 & < 9,700	2,950
≥ 9,700 & ≤ 10,200	921
≥ 10,201 & ≤ 15000	3,960
≥ 15001 & ≤ 20000	1,857
≥ 20001	3,043
<b>Total</b>	<b>20,145</b>

Source: Mauritius Revenue Authority

- 5.14 It is noted from the above table that:
- (a) there are 601 full-time Mauritian workers who draw basic wage of less than Rs 5,996 monthly, that is, the lowest prescribed basic wage of an unskilled worker in the Export Enterprises Remuneration Regulations. These cases are not compliant with the NMW Regulations in 2020.

- (b) there are 6,813 full-time Mauritian workers who draw a basic wage of Rs 5,996 up to less than Rs 9,000. These cases would comply with the NMW if the basic wage together with the fixed pay components amount to at least Rs 9,000 a month.
- (c) there are 2,950 full-time Mauritian workers who draw a basic wage of Rs 9000 up to less than Rs 9,700. These cases would comply with the NMW.
- 5.15 *It is, therefore, concluded from the above that some 9,763 full-time Mauritian workers out of the 86,500 full-time Mauritian employees earning a basic wage of less than Rs 9,700 monthly may be complying to the NMW in the EOE.*
- 5.16 Assuming that all the 86,500 employees drawing less than Rs 9,700 are, as reported by SM, full-time employees, the number of workers not complying to the NMW is estimated at 76,737.
- 5.17 **The non-compliance rate which measures the proportion of cases not complying with the NMW as a proportion of the total number of full-time Mauritian workers is estimated at 17.7% for the country and 23.4% for the private sector in 2020.**

#### **Lower Non-Compliance Rates**

- 5.18 These non-compliance rates could actually be lower if account is taken of a number of part-time employees, particularly household workers, who may have been reported as full-time employees.
- 5.19 It is to be noted that as per the Workers' Rights Act, "a **part-time worker** is a worker whose normal hours of work are less than those of a comparable full-time worker." The normal hours of work of a full-time worker are prescribed in the relevant labour legislations. However, the hours of work of a **full-time worker** may be stipulated in his written contract of employment or verbally agreed upon between himself and his employer and may be lesser than prescribed in the labour legislations.
- 5.20 However, workers on task work could be working lower number of hours due to the specificity of their work and/or to the requirement of the relevant legislation.
- 5.21 Some 44,320 Mauritian workers draw basic wage less than Rs 9,700 and are employed in small establishments i.e. employing less than 10 persons. Among these employees, around 28,590 work for up to 30 hours weekly as shown in Table 28 below.

**Table 28: Full-Time Employees in Small Establishments Earning less than Rs 9,700 a month as at June 2020 by Working Hours**

Hours of Work	Number	%
0 up to ≤ 24	21,920	49.5
> 24 up to ≤ 30	6,670	15.0
> 30 up to ≤ 40	8,090	18.3
> 40 up to ≤ 45	2,610	5.9
more than 45	5,040	11.4
<b>Total</b>	<b>44,320</b>	<b>100.0</b>

Source: Statistics Mauritius

*Note: There are 6,360 full-time employees who work 45 hours or more representing 14.4% of the total number of full-time employees in small establishment.*

5.22 Considering that a significant proportion of the employees work for less than 40 hours and comprise household workers the majority of whom may not in effect be full-time workers, the cases of non-compliance to the NMW Regulations are further analysed in Table 29 below:

**Table 29: Percentage of Cases of Non-Compliance to the NMW Regulations**

Assumptions	All workers* are full-time (%)	Only workers working for more than 30 hours are full time (%)	Only workers working for 40 hours or more are full time (%)	Only workers working for 45 hours or more are full-time (%)
<b>Non-Compliance Rate for all workers including the Private and the Public sectors but excluding the foreign workers</b>	<b>17.7</b>	<b>11.9</b>	<b>10.1</b>	<b>9.9</b>
	i.e. (76,737/434,340)	i.e. <b>[48,147/405,750]</b> (76,737 – 28,590 = 48,147) (434,340 – 28,590 = 405,750)	i.e. <b>[40,057/397,660]</b> (76,737 – 36,680 = 40,057) (434,340 – 36,680 = 397,660)	i.e. <b>[38,777/396,380]</b> (76,737 – 37,960 = 38,777) (434,340 – 37,960 = 396,380)
<b>Non-Compliance Rate for Mauritian Private sector workers only</b>	<b>23.4</b>	<b>16.1</b>	<b>13.8</b>	<b>13.4</b>
	i.e. (76,737/326,800)	i.e. <b>[48,147/298,210]</b> (76,737 – 28,590 = 48,147) (326,800 – 28,590 = 298,210)	i.e. <b>[40,057/290,120]</b> (76,737 – 36,680 = 40,057) (326,800 – 36,680 = 290,120)	i.e. <b>[38,777/396,380]</b> (76,737 – 37,960 = 38,777) (326,800 – 37,960 = 288,840)

*Source: Council's Computation based on CMPHS Q2 2019 and SM Figures*

*Note: The estimated non-compliance rate refers to the number of cases not complying to the NMW as a proportion of the (a) total number of Mauritian workers; and (b) total number of Mauritian workers in the private sector.*

*\*All workers refer to the estimated 76,737 full-time Mauritian workers not complying to the national minimum wage*

5.23 The non-compliance rates would actually be lower if account is taken of a number of part-time employees, particularly household workers, who may have been reported as full-time employees.

5.24 **It is noted that the non-compliance rate for the country works out to 11.9% if only employees working for more than 30 hours are considered as full-time.**

5.25 **It is also noted that the non-compliance rate for all workers including the Private and Public sectors but excluding foreign workers works out to 10.1% if only workers working 40 hours or more are considered as full-time.**

**Deviation from NMW**

5.26 Table 30 below gives the weighted average (WAVG) basic wage (Rs) for full-time employees in Non-EOEs in June 2020.

**Table 30: WAVG Basic Wage (Rs) for Full-Time Employees in Non-EOEs – June 2020**

WAVG Basic Wage – June 2020				
Basic Salary	Foreign	Local	Not Available	Total WAVG Basic Wage
9,700	7,322.5	6,729.0	4,477.0	6802.4

Source: Council's Computation based on MRA Figures

5.27 It is noted that the weighted average basic wage of non-compliant cases stood at Rs 6,802.36 in June 2020 against a minimum basic wage of Rs 9,700 in the Non-EOEs.

**Table 31: Deviation from the Minimum Basic Wage Component of the NMW in Non-EOEs**

Basic Salary	WAVG Basic Wage of Non-Compliant Cases	Deviation from Rs 9,700
Rs 9,700	Rs 6,802.4	29.9%

Source: Council's Computation based on MRA Figures

5.28 The deviation from the national minimum wage i.e. the depth of underpayment is estimated at around 29.9% in the Non-EOEs as shown in Table 31 above compared to a deviation of 24.8% in 2019.

5.29 Table 32 below gives the WAVG basic wage (Rs) for non-conforming full-time employees in EOE in June 2020.

**Table 32: WAVG Basic Wage (Rs) for Full-Time Employees in EOE – June 2020**

WAVG Basic Wage – June 2020			
Basic Salary	Foreign	Local	Total WAVG Basic Wage
Rs 5,996	5,645.6	4,799.4	5,401.7
Rs 6,375	6,239.2	6,236.5	6,238.3

Source: Council's Computation based on MRA Figures

5.30 It is noted that the average basic wage of non-compliant cases stood at Rs 5,401.7 and Rs 6,238.3 for the two lowest basic wage brackets in June 2020 against a minimum basic wage of Rs 5,996 for unskilled worker and Rs 6,375 for factory worker in the EOE.

**Table 33: Deviation from the Minimum Basic Wage Component of the NMW in EOE**

Basic Salary	WAVG Basic Wage for Non-Compliant Cases	Deviation from Rs 5,996	Deviation from Rs 6,375
5,996	5,401.7	9.9%	6.3%
6,375	6,238.3	N/A	2.2%

Source: Council's Computation based on MRA Figures

- 5.31 The deviation from the national minimum wage i.e. the depth of underpayment is estimated at around 9.9% for unskilled worker and within the range of 2.2% to 6.3% for factory operator in 2020 as shown in Table 33 above compared to a deviation of 24.9% for unskilled worker and within the range of 4.4% to 29.6% for factory operator in 2019.

**Proportion of Contributions to the NPF on a lesser than Prescribed Wage in the Non-EOEs**

- 5.32 Employers are required, by virtue of the National Pension Fund Act, to make contributions on the prescribed or agreed basic wages of their employees to the NPF. The lowest prescribed basic wage in the Non-EOEs cannot be less than the national minimum wage. Consequently, all cases where contributions are made on a basic wage lesser than the national minimum wage i.e. Rs 9,700 in the Non-EOEs would not comply with the law and would be cases of under conformity to the NPF.
- 5.33 Table 34 below gives the distribution of full-time workers (Mauritian and Foreign workers) contributing to the NPF in the Non-EOEs at June 2020.

**Table 34: Number of Full-time Workers in Non-EOEs Contributing to NPF by Basic Wage Ranges – June 2020**

Basic Salary	Mauritian Workers	Foreign Workers	Not Available	TOTAL
< 9700	15,354	2,165	-	17,519
≥ 9700 & ≤ 10200	27,680	2,116	-	29,796
≥ 10201 & ≤ 15000	72,427	6,887	5	79,319
≥ 15001 & ≤ 20000	37,832	1,025	6	38,863
≥ 20001	77,390	2,698	-	80,088
<b>Total</b>	<b>230,683</b>	<b>14,891</b>	<b>11</b>	<b>245,585</b>

Source: Mauritius Revenue Authority

- 5.34 **As per 2019 Impact Report on the Introduction of the National Minimum Wage (Second Report), out of 236,846 full-time workers (Mauritian & Foreign) in the private sector in respect of whom contributions were made to the NPF in the Non-EOEs as at June 2019, for 20,739 cases or 8.8% of employees, contributions have been made on a basic wage lesser than the NMW plus relevant additional remuneration.**
- 5.35 **In June 2020, out of 245,585 full-time workers (Mauritian & Foreign) in respect of whom contributions were made to the NPF in the Non-EOEs for 17,519 cases or**

**7.13% of employees, contributions have been made on a basic wage lesser than the NMW plus relevant additional remuneration.**

- 5.36 **The proportion of cases where contributions have been made on a basic wage lesser than NMW improved from 8.8% in 2019 to 7.1% in 2020.**

***Proportion of Contributions to the NPF on a lesser than Prescribed Wage in the EOE***

- 5.37 Employers were required, by virtue of the National Pension Fund Act, to make contributions on the prescribed or agreed basic wages of their employees to the NPF. In the EOE, the national minimum wage comprises the basic wage of 2017 and other fixed pay components as defined in the Regulations. The lowest prescribed basic wage in 2020 stands at Rs 5,996 (i.e. the basic wage of 2017 plus the additional remuneration 2018, 2019 and 2020). Consequently, all cases where contributions are made on a basic wage lesser than Rs 5,996 would not comply with the law and would be cases of under conformity to the NPF.
- 5.38 Table 35 below gives the distribution of full-time Mauritian employees contributing to the NPF in the EOE at June 2019 and at June 2020.

**Table 35: Number of Full-time Mauritian Employees in EOE Contributing to NPF by Basic Wage Ranges – June 2020**

Basic Salary	Mauritian Workers	Foreign Workers	Total
< 5,996	601	1,484	2,085
≥ 5,996 & < 6,375	979	1,971	2,950
≥ 6,375 & < 9,000	5,834	6,747	12,581
≥ 9,000 & < 9,700	2,950	549	3,499
≥ 9701 & ≤ 10200	921	306	1,227
≥ 10201 & ≤ 15000	3,960	532	4,492
≥ 15001 & ≤ 20000	1,857	101	1,958
≥ 20001	3,043	138	3,181
<b>Total</b>	<b>20,145</b>	<b>11,828</b>	<b>31,973</b>

Source: Mauritius Revenue Authority

- 5.39 **In June 2020, out of 31,973 full-time workers (Mauritian & Foreign) in respect of whom contributions were made to the NPF in the EOE for 2085 cases or 6.5% of employees, contributions have been made on a wage lesser than the prescribed basic wage.**
- 5.40 **The proportion of cases where contributions have been made on a basic wage lesser than the prescribed basic wage increased from 4.2% in June 2019 to 6.5% in June 2020.**

***Sectors of High Non-Compliance***

- 5.41 The rate of non-compliance in Non-EOEs are mostly in respect of employees working in household activities and wholesale/retail trade e.g. carer, cleaner, cook, housemaid, maid, labourer etc.

**Household Employees Drawing less than Rs 9,700**

5.42 Table 36 gives the number of full-time household workers drawing basic wages of less than Rs 9,700 a month by hours of work for 2<sup>nd</sup> quarter of 2020 in Non-EOEs. A number of these household employees reported as full-time may in fact be part-time workers.

**Table 36: Number of Full-Time Household Workers by Hours of Work for 2020**

Hours of Work	Number of Household Workers
up to ≤ 24	11,800
> 24 up to ≤ 30	4,200
> 30 up to ≤ 40	3,670
> 40 up to ≤ 45	300
more than 45	1,040
<b>Total</b>	<b>21,010</b>

Source: Statistics Mauritius - (The 2020 figures are based on the CMPHS Q2)

**Monitoring of Compliance to the National Minimum Wage by the Ministry of Labour, Human Resource Development and Training**

5.43 The Inspection and Enforcement Section (I.E.S) of the Ministry of Labour, Human Resource Development and Training (MLHRDT) is responsible for monitoring enterprises to ensure compliance with the NMW Regulations. The I.E.S regularly carries out inspection visits and reports on the status of compliance of the NMW to the Ministry.

5.44 The monitoring of compliance to NMW has been done by the I.E.S through inspection of enterprises throughout the Island. These inspections have been carried out monthly in enterprises across sectors. The inspections were carried out in 19 sectors out of 31 governed by Remuneration Orders. They were also carried out in enterprises not governed by Remuneration Orders but falling under the Workers' Rights Act and paying wages around the NMW.

5.45 **It is noted, as summarised in Table 37 below (refer to Annex VIII), that during the inspections carried out by the I.E.S,**

**(a) out of 325 Non-EOEs visited, 315 i.e. 96.9% were complying with the NMW; and**

**(b) all the 64 EOE's visited i.e. 100% were complying with the NMW.**

5.46 **With regard to the 10 non-complying enterprises, they were required to comply with the National Minimum Wage Regulations 2019 (2017 as subsequently amended) failing which they would be liable to prosecution. A follow up is being carried out by the I.E.S of the MLHRDT with the enterprises and appropriate action will be taken accordingly.**

**Table 37: Number of Enterprises Visited for the period Jan to Sept 2020**

Particulars	No. of Enterprises Visited	No. of Enterprises Complying with NMW	Compliance Rate
Non-EOEs	325	315	96.9%

Particulars	No. of Enterprises Visited	No. of Enterprises Complying with NMW	Compliance Rate
EOEs	64	64	100%
<b>Total</b>	<b>389</b>	<b>379</b>	<b>97.4%</b>

Source: NWCC based on data from Ministry of Labour, Human Resource Development and Training (MLHRDT)

5.47 It is also noted, as summarised in Table 38 below (refer to Annex VIII), that during the inspections carried out by the I.E.S,

- (a) out of 20,083 workers (Mauritian and Expatriate) in the Non-EOEs covered, 20,026 i.e. 99.7% were earning the NMW or more; and
- (b) all the 14,107 workers in the EOE (4,431 Mauritian and 9,676 Expatriate workers) covered i.e. 100% were earning the NMW or more.

Table 38: Number of Employees Covered for the period Jan to Sept 2020

Particulars	No. of Workers Covered		No. of Workers Earning NMW or more		Compliance Rate (Total)
	Mauritian	Expatriate	Mauritian	Expatriate	
Non-EOEs	11,938	8,145	11,881	8,145	99.7%
EOEs	4,431	9,676	4,431	9,676	100%
<b>Total</b>	<b>16,369</b>	<b>17,821</b>	<b>16,312</b>	<b>17,821</b>	<b>99.8%</b>

Source: NWCC based on data from Ministry of Labour, Human Resource Development and Training (MLHRDT)

5.48 It is to be noted that due to Covid-19 the inspection could not be carried out for all sectors.

**Cases of Termination of Employment reported to the Ministry of Labour, Human Resource Development and Training (MLHRDT)**

5.49 From January 2020 to September 2020, 13,135 individual cases of termination of employment were reported to the Inspection and Enforcement Section (I.E.S) of the MLHRDT.

5.50 The cases include 5,947 for economic reasons (closure – 828, restructuring – 845, and reduction of workforce – 4,274), and 7,188 for non-economic reasons i.e. misconduct, poor performance, constructive dismissal, non-provision of work, non-payment of wages etc.

5.51 The highest number of job losses due to economic reasons has occurred in the catering and tourism industry, followed closely by construction, export and distributive trades respectively. It is however worth noting that out of 13,135 terminations during this period, 3,380 were in sectors not covered by any Remuneration Regulations, out of which 47.8% have been attributed to economic reasons.

- 5.52 A few Council members hold the view that the high number of job losses could be due to the legal provision whereby Section 72 of the Workers' Rights Act 2019 on reduction of workforce and closure of enterprise is not applicable to a person employing less than 15 workers in an undertaking or an undertaking having an annual turnover of less than 25 million rupees.
- 5.53 The Council considers that it would be pertinent for the Ministry to also indicate the cases of job loss that would be due to the level of the NMW as from January 2021.

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## **CHAPTER 6: Impact of Covid-19**

- 6.1 Mauritius, just like most countries around the world, witnessed one of the most serious sanitary and economic challenges of its history since decades – the Novel Coronavirus or COVID-19.
- 6.2 The slowdown in economic activity and transportation restrictions in affected countries have had an impact on the production and profitability of specific companies, particularly in manufacturing. Small and medium-sized firms have had greater difficulty surviving the disruption.
- 6.3 A lockdown had been put in place in Mauritius between 20 March 2020 to 01 June 2020, drastically reducing activities except for the essential services in both the private and public sectors. The airport as well as the country borders were closed. The Government has been mobilising efforts to support the most vulnerable families, workers and businesses grappling to survive the crisis.
- 6.4 The Cabinet agreed to a “Plan de Soutien” to give the necessary support to economic operators across all sectors of activities, including local manufacturing and Micro, Small and Medium Enterprises (MSMEs) so as to minimise the adverse impact of COVID-19.
- 6.5 The Government has implemented two schemes namely (i) the Self-Employed Assistance Scheme (SEAS) to provide financial support to self-employed employees and tradesperson who have suffered a loss of revenue during the national confinement and (ii) the Government Wage Assistance Scheme (GWAS) to ensure that all employees (both Mauritian and foreign employees) in the private sector are duly paid their salary.
- 6.6 Employees who were eligible for the SEAS have been entitled, upon application and on satisfying the relevant criteria, to an amount of Rs 5,100 i.e. 50% of the guaranteed minimum remuneration under the National Minimum Wage scheme for the relevant period between 16<sup>th</sup> March 2020 to 30<sup>th</sup> June 2020.
- 6.7 Under the GWAS, those employers in businesses adversely affected by Covid19 and the lockdown in Mauritius could apply to MRA and seek financial support. This measure only covers financial support for those employees earning a monthly basic salary of up to Rs 50,000.
- 6.8 For the month of March 2020, the Government contributes fifty percent (50%) of the basic salary capped at Rs 12,500 for employees drawing up to Rs 50,000, for example:
- If an employee earns a monthly basic salary of MUR 15,000, the Government contributes Rs 7,500 and the employer contributes Rs 7,500.
  - If an employee earns a monthly basic salary of MUR 25,000, the Government contributes Rs 12,500 and the employer contributes Rs 12,500.
  - If an employee earns a monthly basic salary of MUR 50,000, the Government contributes Rs 12,500 and the employer contributes Rs 37,500.
- 6.9 From April to May 2020, the Government contributed 100 percent of the basic salary for employees drawing up to Rs 25,000. For employees drawing more than Rs 25,000 up to Rs 50,000, Government contributed Rs 25,000.

- 6.10 From June to-date, the Government Wage Assistance Scheme (GWAS) is being implemented for employees in selected activities as per **Appendix III**.
- 6.11 The relevant implementation circulars (GWAS and SEAS) of the MRA are also provided at **Appendix III**.

***Impact of COVID-19 on Employment in Large Establishments***

- 6.12 During the 2020 round of the survey of Employment and Earnings, conducted by SM as from June 2020, establishments of the private sector were requested for some feedback on the impact of COVID-19 regarding changes in employment at their establishments. Out of around 2,100 establishments surveyed, 1,100 (52%) replied to the additional questions.
- 6.13 The salient features of the impact of Covid-19 on employment are as follows:
- (i) As at June 2020, 85% of establishments were fully operational, 11% were partially operational and 4% were not operational. Those not operating were mostly establishments engaged in "Accommodation and food service activities".
  - (ii) Compared to March 2020, some 78% of the establishments reported 'no change' in employment and 14% reported a decrease. On the other hand, 8% stated an increase.
  - (iii) Some 70% expect their workforce to remain at same level during the next 6 months while 15% expect a decrease and 13% an increase. The remaining 2% could not answer due to prevailing uncertainty.
  - (iv) Some 87% of the establishments had applied for/benefitted from the government wage assistance scheme.

***Monitoring the Socio-Economic Effects of Covid-19 on Mauritian Households***

- 6.14 Statistics Mauritius (SM) carried out a survey (Rapid CMPHS) through questionnaires to assess the impact of the socio-economic effects of Covid-19. The World Bank Group and SM has jointly issued up to now three Reports on the Socio-Economic Effects of Covid-19 covering the month of May 2020, for period May to July 2020, and for the month of September 2020.
- 6.15 The Reports highlighted, among others:
- (a) In July, nearly all households have been able to access medical treatment when needed compared to 89% in June and 71% in May.
  - (b) More than 80% of households with children in school age have been able to access home based education while schools remained closed in May and June.
  - (c) Compared to income prior to lockdown of 20 March 2020, around 83% of self-employed/employers reported a decline in their business income in September 2020. Among employees, around 28% reported a decrease in income in September 2020.

6.16 The Report also examined the impact on employment and unemployment as shown in Table 39 below.

**Table 39: Employed & Unemployed (Individuals aged 16-64 and not in Full-Time Education) by Sex and for Youth (16 - 24), by Survey Round**

Particulars	Q1 2020	May 2020	June 2020	July 2020	Sept 2020	Change				
						Q1 2020 to May 2020	Q1 2020 to June 2020	Q1 2020 to July 2020	Q1 2020 to Sept 2020	July 2020 to Sept 2020
<b>Men</b>										
<b>Labour Force</b>	<b>337,300</b>	<b>277,000</b>	<b>309,500</b>	<b>329,000</b>	<b>333,600</b>	<b>-60,300</b>	<b>-27,800</b>	<b>-8,300</b>	<b>-3,700</b>	<b>+4,600</b>
Employed	319,700	248,400	273,200	296,800	301,600	-71,300	-46,500	-22,900	-18,100	+4,800
Unemployed	17,600	28,600	36,300	32,200	32,000	+11,000	+18,700	+14,600	+14,400	-200
Unemployment Rate (%)	5.2	10.3	11.7	9.8	9.6	+5.1	+6.5	+4.6	+4.4	-0.2
<b>Women</b>										
<b>Labour Force</b>	<b>238,800</b>	<b>174,200</b>	<b>229,600</b>	<b>226,300</b>	<b>234,900</b>	<b>-64,600</b>	<b>-9,200</b>	<b>-12,500</b>	<b>-3,900</b>	<b>+8,600</b>
Employed	215,100	157,000	199,900	201,200	204,700	-58,100	-15,200	-13,900	-10,400	+3,500
Unemployed	23,700	17,200	29,700	25,100	30,200	-6,500	+6,000	+1,400	+6,500	+5,100
Unemployment Rate (%)	9.9	9.9	12.9	11.1	12.9	0.0	+3.0	+1.2	+3.0	+1.8
<b>Both Sexes</b>										
<b>Labour Force</b>	<b>576,100</b>	<b>451,200</b>	<b>539,100</b>	<b>555,300</b>	<b>568,500</b>	<b>-124,900</b>	<b>-37,000</b>	<b>-20,800</b>	<b>-7,600</b>	<b>+13,200</b>
Employed	534,800	405,400	473,100	498,000	506,300	-129,400	-61,700	-36,800	-28,500	+8,300
Unemployed	41,300	45,800	66,000	57,300	62,200	+4,500	+24,700	+16,000	+20,900	+4,900
Unemployment Rate (%)	7.2	10.2	12.2	10.3	10.9	+3.0	+5.0	+3.1	+3.7	+0.6
<b>Youth (16 - 24)</b>										
Labour Force	72,100	50,400	60,800	66,500	64,600	-21,700	-11,300	-5,600	<b>-7,500</b>	-1,900
Employed	54,000	40,600	44,300	45,900	44,100	-13,400	-9,700	-8,100	-9,900	-1,800
Unemployed	18,100	9,800	16,500	20,600	20,500	-8,300	-1,600	+2,500	+2,400	-100
Unemployment Rate (%)	25.1	19.4	27.1	31.0	31.7	-5.7	+2.0	+5.9	+6.6	+0.7

Source: NWCC computations based on data from the quarter 1 of 2020 of the Continuous Multi-Purpose Household Survey data and from the Rapid Continuous Multi-Purpose Household Survey of May, June, July and September 2020, Statistics Mauritius and World Bank.

*Note: Unemployment rate = unemployed over labour force.*

6.17 **It is noted that:**

- (i) employment levels at September remain below the level observed in the first quarter of 2020 by 28,500 or 5.3%.**
- (ii) total employment for aged group 16-64 which stood at 534,800 in 1<sup>st</sup> quarter of 2020 fell to 405,400 in May. The latter figure increased to 473,100 in June, 498,000 in July and to 506,300 in September 2020 i.e. an increase of 67,700 (+16.7%) in June compared to May, an increase of 24,900 (+5.3%) in July compared to June and an increase of 8,300 (+1.7%) in September compared to July. The significant increase in employment is explained by employees who could not work remotely during the national lockdown gradually going back to their workplace.**
- (iii) The unemployment rate (based on a labour force comprising individuals aged 16-64 not in full time education) is estimated at 10.2% in May, 12.2% in June, 10.3% in July and 10.9% in September 2020.**
- (iv) Male unemployment rate is estimated at 10.3% in May, 11.7% in June, 9.8% in July and 9.6% in September 2020.**
- (v) Female unemployment rate is estimated at 9.9% in May, 12.9% in June, 11.1% in July and 12.9% in September 2020.**

6.18 **The youth unemployment rate which stood at 25.1% in Q1 2020 increased to 31.7% in September 2020.**

6.19 **The Council considers that even if youth unemployment improves to its pre-Covid-19 level, the high rate of youth unemployment remains a major cause for concern and requires redress.**

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## CHAPTER 7: Other Pertinent Observations & Findings

7.1 This Chapter covers other pertinent observations and findings. These include compliance to the NPF for full-time Mauritian employees, contributions to the NPF on lesser than prescribed wage, classification of employees under employment/re-skilling schemes, definition/criteria for NMW and wage relativity arising from the introduction of the NMW. The issues are dealt with hereunder.

### ***Compliance to the NPF for Full-Time Mauritian Employees***

7.2 Table 40 below compares the number of full-time Mauritian employees contributing to the NPF as obtained from the MRA with the number of full-time Mauritian employees as estimated by Statistics Mauritius in the private sector. This comparison gives the compliance rate of NPF contributions.

**Table 40: Percentage of Compliance to the NPF for Full-Time Mauritian Employees – June 2020**

MRA	SM	% of Compliance to NPF for Full-Time Mauritian Employees
No. of Private Sector Full-Time Mauritian Employees Contributing to NPF	No. of Private Sector Full-Time Mauritian Employees	
250,828	326,800	76.8%

***Source: Council's Computation based on MRA's Data and SM***

7.3 As per SM, there were 326,800 full-time Mauritian private sector employees in 2020. Based on MRA figures, contributions were made in respect of 250, 828 employees to the NPF as at June 2020.

7.4 **The percentage number of Mauritian employees in respect of whom contributions are made to NPF is estimated at 76.8% as at June 2020.**

7.5 The rate of non-compliance, in terms of contribution to the NPF is to a large extent, in respect of employment in the informal sector including household employees (maid, gardeners and babysitters), and sales persons.

7.6 Notwithstanding the fact that the contributions to the NPF is mandatory, it was surmised during discussions with stakeholders for the first and second impact studies that the non-compliance could also be partly explained by the following factors which could still hold true today:

- (a) employees request their employer not to make contribution on their behalf in order not to forego other benefits such as social aid;
- (b) employers particularly in the informal sector are not making contributions on behalf of their employees; and
- (c) employees could be unaware of non-contributions to the NPF since they may not have been issued a payslip, despite the provisions of the Worker's Rights Act 2019 that every employer shall issue to every worker, at the time of paying remuneration, with a payslip in the form specified in the Second Schedule.

**Contributions to NPF on less than the Prescribed Basic Wage**

7.7 Table 41 below gives the number of full-time Mauritian employees in respect of whom contributions are made to the NPF on less than the prescribed basic wage as at June 2020.

**Table 41: Contributions to NPF on less than the prescribed Basic Wage in EOs and Non EOs – June 2020**

Basic Wage Range	EOs	Basic Wage Range	Non-EOs
< Rs 5,996	601	< Rs 9,700	15,354

Source: Mauritius Revenue Authority

7.8 As at June 2019, it was noted that:

- (a) contributions to the NPF have been made on a basic wage lesser than Rs 5,696 that is the basic wage for unskilled workers in the Export Enterprise Remuneration Regulations in respect of some 840 full-time Mauritian workers; and
- (b) contributions to the NPF have been made on a basic wage lesser than Rs 8,900 that is lesser than the prescribed national minimum wage in respect of some 19,016 full-time Mauritian workers in Non-EOs.

7.9 As at June 2020, it is noted that:

- (a) contributions to the NPF have been made on a basic wage lesser than Rs 5,996 that is the basic wage for unskilled workers in the Export Enterprise Remuneration Regulations in respect of some 601 full-time Mauritian workers; and**
- (b) contributions to the NPF have been made on a basic wage lesser than Rs 9,700 that is lesser than the prescribed national minimum wage in respect of some 15,354 full-time Mauritian workers in Non-EOs.**

**Income Distribution of Self-Employed in 2019 and 2020**

7.10 Table 42 below compares the distribution of self-employed by income range in year 2019 and 2020.

**Table 42: Distribution of Self-Employed by Income Range in Year 2019 and 2020**

Basic Wage Range (Rupees)	Self-Employment-2019			Self-Employment-2020*		
	No of Self-Employed	Cumulated no. of Self-Employed	Annual Income* (Rs MN)	No of Self-Employed	Cumulated no. of Self-Employed	Annual Income* (Rs MN)
9,000 or less	29,250	29,250	1,770	26,180	26,180	1,560
9,001 - 10,000	8,650	37,900	1,040	9,800	35,980	1,170
10,001 - 12,000	6,320	44,220	910	3,700	39,680	530
12,001 - 14,000	2,140	46,360	340	1,830	41,510	290
14,001 - 16,000	12,370	58,730	2,250	12,910	54,420	2,330
16,001 - 18,000	2,780	61,510	590	3,120	57,540	660
18,001 - 20,000	9,350	70,860	2,240	10,390	67,930	2,490
20,001 - 25,000	9,930	80,790	2,920	10,300	78,230	3,030
25,001 - 30,000	5,190	85,980	1,830	4,540	82,770	1,600
30,001 - 35,000	2,860	88,840	1,200	2,710	85,480	1,130

Basic Wage Range (Rupees)	Self-Employment-2019			Self-Employment-2020*		
	No of Self-Employed	Cumulated no. of Self-Employed	Annual Income* (Rs MN)	No of Self-Employed	Cumulated no. of Self-Employed	Annual Income* (Rs MN)
35,001 - 40,000	2,490	91,330	1,190	2,950	88,430	1,410
40,001 - 50,000	3,880	95,210	2,240	3,090	91,520	1,800
50,001 - 60,000	840	96,050	600	1,190	92,710	850
60,001 - 70,000	-	96,050	0	370	93,080	300
70,001 - 75,000	330	96,380	300	480	93,560	430
75,001 - 100,000	980	97,360	1,100	1,100	94,660	1,240
100,000 and over	1,360	98,720	2,860	1,740	96,400	4,310
<b>Total</b>	<b>98,720</b>		<b>23,380</b>	<b>96,400</b>		<b>25,130</b>

Source: Statistics Mauritius

\*The 2020 figures are based on Q1

Note: Refer to Annex IX for Income Distribution for Self Employed for previous years (2017 & 2018).

7.11 It is noted that:

- (a) The number of self-employed which were 97,008 in 2018 and 98,720 in 2019 stand at 96,400 in 2020; and
- (b) the average monthly income of self-employed has increased from Rs 16,172 in 2017 to Rs 17,856 in 2018, Rs 23,380 in 2019 and Rs 25,130 in 2020.

7.12 It is noted that the number of self-employed generating a monthly income of up to Rs 12,000 fell from 44,220 in 2019 to 39,680 in 2020.

7.13 The increase in the average monthly income of self-employed may be the result of (a) the fall in the number of self-employed with low average monthly income in the wake of Covid-19 and (b) a number of self-employed moving in higher income bracket.

7.14 As mentioned in the second Impact Report, the number of hours that the self-employed have to put in to earn the income is not known.

7.15 It is also argued that there may be a number of cases of underreporting of income for obvious reasons.

#### **Data for the Assessment of the Impact of the National Minimum Wage**

7.16 All stakeholders unanimously agreed on the need for collection of data specifically for the impact report. Business Mauritius has expressed regret that the Council does not “collect primary data and evidence through fieldwork and engage in conversations with players on the ground due to lack of resources”. While recognising the intrinsic worth of administrative data from the MRA and the NPF, Business Mauritius has nonetheless pointed to such “secondary data” having “their own limitations when they are being used to draw inferences”. Business Mauritius has proposed that, in addition to the export sector and MSMEs currently covered, other sectors and industries be also covered in future assessment reports.

7.17 In order to ensure continued improvement in the assessment of the impact of the NMW, the Council emphasises the need for coordination amongst stakeholders to capture information directly relevant for the Impact Report. Stakeholders include MRA for targeted statistics, SM and SME Mauritius for inclusion of relevant additional questions

in future surveys and sharing of pertinent information, the MLHRDT for improved monitoring of compliance (targeted inspections and identifications of sectors paying at the margin of the NMW), Government research bodies for pertinent research and knowledge sharing, Private sector employer organisations and employee organisations for necessary assistance with a view to increasing the response rate for any surveys.

### ***Resources at the Level of the Council***

- 7.18 All the various stakeholders have requested that the Council be provided with adequate human and financial resources to enable it to deliver on its statutory responsibilities. The Chairperson is supported by the Secretariat which comprises an Accountant and a support officer headed by an Executive Director.
- 7.19 Council members consider that the enlistment of an economist, preferably a labour economist, should be effected as a matter of priority.
- 7.20 It is also worth noting that the Technical Committee, in its endeavour for a quality impact assessment and continued improvement, sought the assistance of ILO for best practices in terms of accuracy, methodology and analysis for the Impact Report. The TORs submitted to ILO were first vetted by all Council members. Discussions with ILO started in August 2019. However, due to changes to the work calendar related to the pandemic as well as other technical reasons, the assistance could not be mobilised for the current report. The request is being maintained and the Council expects assistance on this front for the next Impact Report.
- 7.21 The Council has decided to also approach other local/international institutions to cater for the needs of the Council.

### ***Classification of Employees under Employment/Re-Skilling Schemes***

- 7.22 Representative of workers have requested that trainees under the Youth Employment Programme (YEP) be considered as employees given that they are regarded as such for the compilation of employment statistics.
- 7.23 Business Mauritius does not support this view. It has indicated that this issue requires adequate consultations. It, however, welcomes discussions on the introduction of a youth rate under the NMW.

### ***Definition/Criteria for NMW***

- 7.24 A few members representing workers consider that amendment should be brought to the NWCC Act 2016 to provide for definition/criteria for the determination of the grades that would be eligible to the NMW. The request is being made to prevent abuse in categorising relatively high skilled worker as a NMW worker.
- 7.25 Sub-section (b) (i) of Section 5 of the NWCC Act 2016 provides subject to sub-section (b) (iii) and (iv) for the introduction of a national minimum wage calculated ..... on a monthly rate for full-time workers equivalent to a proportion of the domestic median wage of the preceding year for the lowest paid workers.
- 7.26 It should be noted that, as per the NWCC Act, the NMW set at sub-section (b) (i) as a proportion of the median is applicable to the lowest paid workers (a) who are 18 years old; (b) not workers on accredited training, apprenticeship or probation having no

corresponding job experience, skills and competencies; and (c) not workers having no qualification, skill or experience.

7.27 However, in the wake of the introduction of the NMW in 2018, the Authorities decided to allow young workers, under section (b) (iii)<sup>7</sup> workers on accredited training, apprenticeship or probation ... and workers having no qualification, skill or experience under section (b) (iv)<sup>8</sup> of the Act to be eligible to the NMW set under section (b) (i) of the Act. This decision was maintained when the NMW was reviewed in 2020.

### **Relativity**

7.28 **Representative of workers have reiterated the need to**

- (a) address the issue of wage relativity in the private sector that may have arisen from the introduction of the NMW in Remuneration Regulations made under the Employment Relations Act (ERA); and**
- (b) address any problem of relativity distortion that may have arisen on the introduction of the NMW in the public sector in line with section 9 (1) of NWCC Act 2016.**

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<sup>7</sup> Sub-section (b) (iii) of the Act provides for a lower rate of national minimum wage for young persons.

<sup>8</sup> Sub-section (b) (iv) of the Act provides for a lower rate of national minimum wage for workers on accredited training, apprenticeship or probation having no corresponding job experience, skills and competencies, relevant accredited vocational or technical qualification, relevant and recognised proficiency certificate, diploma, degree or other professional qualifications in the field in which he is employed or where the job requires no qualification, skill or experience.

# ANNEXES

**GLOSSARY OF TERMS**

<p><b>Cumulative Frequency Curve (CFC)</b></p>	<p>It measures basic wages on the x-axis and the cumulative distribution of employees on the y-axis, gives an insight on the impact of NMW in raising the wage of employees in the different sectors.</p>
<p><b>Employment (Source: SM)</b></p>	<p>Employed population consists of Mauritians aged 16 years and above (16+) who have worked for pay, profit or family gain for at least one hour during the reference week of a month. It includes those who are temporarily absent from work for reasons such as leave with pay, leave without pay and temporary disorganisation of work (bad weather, breakdown of equipment, lack of order, etc.).</p> <p>It is to be noted that as from year 2007, labour force estimates are based on population aged 16 years and above, following the amendment to the Labour Act in December 2006 whereby the minimum legal working age is 16 years, and the subsequent recommendation by the ILO to be in line with the amended Labour Act.</p>
<p><b>Employment (Source: SM &amp; World Bank)</b></p>	<p>The employed population consists of Mauritians ages 16-64 not in full time education who have worked for pay, profit or family gain for at least one hour during the reference week of a month. It includes individuals who are <u>temporarily absent</u> from work for reasons such as working time arrangements, nature of their work, public holidays, annual leave, sick leave, maternity/paternity leave.</p> <p>Individuals <u>absent for other reasons</u> such as parental leave, education leave, other personal leave, furlough, layoff, temporary disorganization or suspension of work, lack of clients, capital or materials, strike, government lockdown, quarantine, disaster, etc. are classified as employed if one of the following two conditions hold:</p> <ul style="list-style-type: none"> <li>(i) total expected duration of absence is three months or less,</li> <li>(ii) a worker continues to receive a remuneration (full or partial) paid by the employer.</li> </ul>
<p><b>Export Oriented Enterprises (EOEs)</b></p>	<p>Export Oriented Enterprises comprise enterprises formerly operating with an export certificate and those export manufacturing enterprises holding a registration certificate issued by ex - Board of Investment.</p>
<p><b>Full-Time Employee</b></p>	<p>If a worker performs a number of working hours as prescribed in the relevant labour legislation or specified in his written contract</p>

	of employment or agreed upon between himself and his employer, he is considered to be a <b>full-time employee</b> .
<b>GDP at Market Prices</b>	GDP at market prices is equal to the Gross Value Added at basic prices plus taxes (net of subsidies) on products.
<b>Gross Value Added (GVA) at basic prices</b>	<p>Gross Value Added at basic prices is obtained as the difference between output and intermediate consumption whereby output is valued at basic prices and intermediate consumption at purchasers' prices.</p> <p>The basic price is the amount receivable by the producer exclusive of taxes on products and inclusive of subsidies on products. The equivalent for imported products is the c.i.f. value, i.e. the value at the border of the importing country.</p> <p>The purchasers' price is the amount payable by the purchaser exclusive of deductible taxes on products (e.g. deductible value added tax).</p>
<b>Gini Coefficient</b>	The degree of inequality in income is measured by the Gini coefficient that ranges between 0 (complete equality) and 1 (complete inequality).
<b>Labour Force</b>	Labour force or active population is made up of employed and unemployed population.
<b>National Minimum Wage Scheme</b>	<p>The revised NMW scheme, as recommended by the NWCC and approved by Government for implementation with effect from 01 January 2020, provides for a guaranteed income.</p> <p>The Guaranteed Minimum Income (GMI) comprises the NMW payable by the employer and a special allowance payable by Government.</p>
<b>Non-Compliance</b>	The non-compliance rate refers to the number of cases not complying to the national minimum wage as a proportion of the (a) total number of Mauritian workers; and (b) total number of Mauritian workers in the private sector.
<b>NPF Contributors</b>	In this Report, NPF contributors refer to the number of employees in respect of whom contributions are made to the NPF.
<b>Part-Time Employee</b>	In the event that a worker puts in a lesser number of hours of work than specified above, he is considered to be a <b>part-time employee</b> according to the Workers' Rights Act 2019.
<b>Primary, Secondary and Tertiary Sectors</b>	<p>The <b>primary sector</b> comprises "Agriculture, forestry and fishing" and "Mining and quarrying".</p> <p>The <b>secondary sector</b> includes "Manufacturing", "Electricity, gas, steam and air conditioning supply", "Water supply;</p>

	<p>sewerage, waste management and remediation activities” and “Construction”.</p> <p>The <b>tertiary sector</b> includes “Wholesale and retail trade; repair of motor vehicles and motorcycles”, “Transportation and storage”, “Accommodation and food service activities”, “Information and communication”, “Financial and insurance activities”, “Real estate activities”, “Professional, scientific and technical activities”, “Administrative and support service activities”, “Public administration and defence; compulsory social security”, “Education”, “Human health and social work”, “Arts, entertainment, recreation” and “Other services activities”.</p>
<b>Relative Poverty Line (RPL)</b>	<p>The relative poverty line is set at half median monthly household income per adult equivalent. The household income comprises disposable income and 'imputed rent' i.e. a rental value for non-renting households. Disposable income consists of income from work (paid and self-employment), transfers (e.g. government pensions and other social security benefits, regular allowances from relatives, organisations, alimony, etc.), property income and income received from own produced goods; it excludes compulsory deductions such as income tax and contributions to pension and social security schemes.</p>
<b>Unemployment Rate</b>	<p>Unemployment rate is the ratio (%) of unemployment to labour force.</p>
<b>Unemployment</b>	<p>Unemployed population comprises all Mauritians aged 16+ who are not working but who are looking for work and are available for work during the reference period.</p>
<b>Wage Rate Index</b>	<p>The wage rate index measures changes in the price of labour, i.e., changes in the average rates actually paid by employers to their employees for work during normal working hours.</p>

Distribution of Employees by Basic Wage Range for Full-Time Mauritian Employees, 2020

Basic Wage Range (Rs)	Number of Full-Time Employees					
	Public Sector	Private Sector	Public and Private Sectors	Distribution of Employees %	Cumulated no. of Employees	Cumulated Distribution of Employees %
9,000 or less	-	52,950	52,950	12.2	52,950	12.2
9,001 - 10,000	1,200	46,500	47,700	11.0	100,650	23.2
10,001 - 12,000	2,680	55,640	58,320	13.4	158,970	36.6
12,001 - 14,000	2,050	31,450	33,500	7.7	192,470	44.3
14,001 - 16,000	5,740	34,200	39,940	9.2	232,410	53.5
16,001 - 18,000	8,650	18,800	27,450	6.3	259,860	59.8
18,001 - 20,000	11,160	14,020	25,180	5.8	285,040	65.6
20,001 - 25,000	17,600	22,180	39,780	9.2	324,820	74.8
25,001 - 30,000	13,460	12,870	26,330	6.1	351,150	80.8
30,001 - 35,000	12,030	7,480	19,510	4.5	370,660	85.3
35,001 - 40,000	8,980	5,780	14,760	3.4	385,420	88.7
40,001 - 50,000	10,200	7,360	17,560	4.0	402,980	92.8
50,001 - 60,000	6,210	4,490	10,700	2.5	413,680	95.2
60,001 - 70,000	3,060	3,110	6,170	1.4	419,850	96.7
70,001 - 75,000	910	1,130	2,040	0.5	421,890	97.1
75,001 - 100,000	2,290	3,590	5,880	1.4	427,770	98.5
100,000 and over	1,320	5,250	6,570	1.5	434,340	100.0
<b>Total</b>	<b>107,540</b>	<b>326,800</b>	<b>434,340</b>	<b>100</b>		
<b>Median Wage &amp; Mean Wage of Full-Time Employees in Public &amp; Private Sector, 2020</b>				<b>Median (Rs)</b>	<b>15,200</b>	
				<b>Mean (Rs)</b>	<b>22,600</b>	

Source: Statistics Mauritius based on CMPHS Q1

Distribution of Employees by Basic Wage Range for Full-Time Mauritian Employees, 2019

Basic Wage Range (Rs)	Number of Full-Time Employees							
	Public Sector	Cu. Pub	Private Sector	Cu. Pri	Public and Private Sectors	Distribution of Employees %	Cumulated no. of Employees	Cumulated Distribution of Employees %
Up to 3,500			11,628	11,628	11,628	2.7	11,628	2.7
3,501 – 4,000			4,019	15,646	4,019	0.9	15,646	3.6
4,001 – 4,500			1,307	16,954	1,307	0.3	16,954	3.9
4,501 – 5,000			6,426	23,380	6,426	1.5	23,380	5.4
5,001 – 6,000			7,942	31,322	7,942	1.9	31,322	7.3
6,001 – 7,000			5,800	37,122	5,800	1.4	37,122	8.6
7,001 – 8,000			10,744	47,867	10,744	2.5	47,867	11.2
8,001 – 9,000	1,753	1,753	32,978	80,844	34,731	8.1	82,597	19.2
9,001 – 10,000	1,555	3,308	34,924	115,768	36,479	8.5	119,076	27.7
10,001 – 11,000	536	3,844	25,926	141,694	26,462	6.2	145,538	33.9
11,001 – 12,000	424	4,268	22,702	164,396	23,126	5.4	168,664	39.3
12,001 – 13,000	1,392	5,660	18,573	182,969	19,965	4.7	188,629	43.9
13,001 – 14,000	2,613	8,273	18,576	201,545	21,189	4.9	209,818	48.9
14,001 – 15,000	2,905	11,178	14,095	215,640	17,000	4.0	226,818	52.8
15,001 – 20,000	25,539	36,717	41,360	257,000	66,899	15.6	293,717	68.4
20,001 – 25,000	16,067	52,784	18,354	275,354	34,421	8.0	328,138	76.4

*Third Report on the Impact of the Introduction of the National Minimum Wage*

Basic Wage Range (Rs)	Number of Full-Time Employees							
	Public Sector	Cu. Pub	Private Sector	Cu. Pri	Public and Private Sectors	Distribution of Employees %	Cumulated no. of Employees	Cumulated Distribution of Employees %
25,001 – 30,000	12,858	65,642	10,341	285,695	23,199	5.4	351,337	81.8
30,001 – 35,000	10,313	75,955	6,679	292,375	16,992	4.0	368,330	85.8
35,001 – 40,000	7,941	83,896	5,292	297,666	13,233	3.1	381,562	88.9
40,001 – 50,000	10,400	94,296	7,287	304,953	17,687	4.1	399,249	93.0
50,001 – 60,000	5,389	99,685	3,907	308,859	9,296	2.2	408,544	95.2
60,001 – 70,000	2,896	102,581	2,902	311,761	5,798	1.4	414,342	96.5
70,001 – 75,000	799	103,380	1,786	313,547	2,585	0.6	416,927	97.1
75,001 and over	3,360	106,740	8,966	322,513	12,326	2.9	429,253	100.0
<b>Total</b>	<b>106,740</b>		<b>322,513</b>		<b>429,253</b>	<b>100.0</b>		

**Median Wage & Mean Wage of Full-Time Employees in Public & Private Sector, Year 2019**

Median (Rs)	14,100
Mean (Rs)	23,000

1) Source: Administrative data and surveys carried out by **Statistics Mauritius**, namely Survey on distribution of employees by basic wage range of public institutions and large establishments and the Continuous Multi-Purpose Household Survey (CMPHS Q2 2019) for employees in small establishments.

2) Data given for private sector excludes those employees who have not stated their basic wage.

**08/10/2019**

Distribution of Full-Time Mauritian Employees by Basic Wage Range – Year 2018

Basic Wage Range (Rs)	Number of Full-Time Employees					
	Public Sector	Private Sector	Public and Private Sectors	Distribution of Employees %	Cumulated no. of Employees	Cumulated Distribution of Employees %
Up to 3,500		14,602	14,602	3.4	14,602	3.4
3,501 - 4,000		4,340	4,340	1.0	18,942	4.5
4,001 - 4,500		1,692	1,692	0.4	20,635	4.9
4,501 - 5,000		7,548	7,548	1.8	28,182	6.6
5,001 - 6,000		7,127	7,127	1.7	35,309	8.3
6,001 - 7,000		6,990	6,990	1.6	42,300	9.9
7,001 - 8,000		10,940	10,940	2.6	53,240	12.5
8,001 - 8,499		4,898	4,898	1.2	58,138	13.7
8,500 - 9,000	2,407	43,165	45,572	10.7	103,710	24.4
9,001 - 10,000	487	35,897	36,384	8.6	140,094	32.9
10,001 - 11,000	706	23,580	24,286	5.7	164,381	38.6
11,001 - 12,000	751	21,019	21,770	5.1	186,151	43.8
12,001 - 13,000	1,704	15,342	17,046	4.0	203,197	47.8
13,001 - 14,000	3,148	18,950	22,098	5.2	225,295	53.0

*Third Report on the Impact of the Introduction of the National Minimum Wage*

Basic Wage Range (Rs)	Number of Full-Time Employees					
	Public Sector	Private Sector	Public and Private Sectors	Distribution of Employees %	Cumulated no. of Employees	Cumulated Distribution of Employees %
14,001 – 15,000	4,329	13,070	17,399	4.1	242,694	57.0
15,001 – 20,000	22,801	33,647	56,448	13.3	299,142	70.3
20,001 – 25,000	15,960	15,420	31,380	7.4	330,522	77.7
25,001 – 30,000	12,778	10,178	22,956	5.4	353,478	83.1
30,001 – 35,000	9,818	6,355	16,173	3.8	369,651	86.9
35,001 – 40,000	7,064	4,856	11,920	2.8	381,571	89.7
40,001 – 50,000	10,599	6,389	16,988	4.0	398,558	93.7
50,001 – 60,000	4,809	3,688	8,497	2.0	407,055	95.7
60,001 – 70,000	2,877	2,735	5,612	1.3	412,667	97.0
70,001 – 75,000	908	921	1,829	0.4	414,496	97.4
75,001 and over	2,684	8,247	10,931	2.6	425,427	100.0
<b>Total</b>	<b>103,830</b>	<b>321,597</b>	<b>425,427</b>			

Source: Statistics Mauritius

Distribution of Full-Time Employees by Basic Wage Range – Year 2017

Basic Wage Range (Rs)	Public Sector	Private Sector	Public and Private Sectors	Distribution of Employees %	Cumulated no. of Employees	Cumulated Distribution of Employees %
Up to 3,500	48	18,552	18,600	4.4	18,600	4.4
3,501 - 4,000	6	6,176	6,182	1.5	24,781	5.9
4,001 - 4,500	10	4,020	4,030	1.0	28,812	6.9
4,501 - 5,000	17	8,207	8,224	2.0	37,036	8.8
5,001 - 6,000	91	16,872	16,963	4.0	53,999	12.9
6,001 - 7,000	135	14,327	14,462	3.5	68,460	16.3
7,001 - 8,000	790	19,171	19,961	4.8	88,421	21.1
8,001 - 9,000	759	25,546	26,305	6.3	114,726	27.4
9,001 - 10,000	985	27,236	28,221	6.7	142,947	34.1
10,001 - 11,000	506	23,526	24,032	5.7	166,980	39.9
11,001 - 12,000	971	19,718	20,689	4.9	187,669	44.8
12,001 - 13,000	1,631	15,974	17,605	4.2	205,274	49.0
13,001 - 14,000	3,560	17,081	20,641	4.9	225,915	53.9
14,001 - 15,000	3,774	13,415	17,189	4.1	243,104	58.0
15,001 - 20,000	23,113	32,854	55,967	13.4	299,072	71.4
20,001 - 25,000	17,377	14,976	32,353	7.7	331,424	79.1
25,001 - 30,000	11,016	8,694	19,710	4.7	351,135	83.8
30,001 - 35,000	9,296	5,799	15,095	3.6	366,230	87.4
35,001 - 40,000	8,452	4,331	12,783	3.1	379,013	90.5
40,001 - 50,000	9,423	6,255	15,678	3.7	394,691	94.2
50,001 - 60,000	4,517	3,753	8,270	2.0	402,961	96.2
60,001 - 70,000	2,348	2,296	4,644	1.1	407,605	97.3
70,001 - 75,000	861	899	1,760	0.4	409,365	97.7
75,001 and over	2,289	7,224	9,513	2.3	418,878	100.0
<b>Total</b>	<b>101,975</b>	<b>316,903</b>	<b>418,878</b>			

Source: Statistics Mauritius

Distribution of Employees by Basic Wage Range for Full Time Employees by Gender – 2019 & Q1 2020

Basic Wage Range (Rs)	Number of Full-Time Employees – 2019*				Number of Full-Time Employees – Q1 2020			
	Male	Female	Total	Total Cumulated	Male	Female	Total	Total Cumulated
up to 9,000	28,544	54,053	82,597	82,597	16,430	36,520	52,950	52,950
9,001-10,000	16878	19601	36,479	119,076	24,330	23,370	47,700	100,650
10,001-12,000	32,695	16,893	49,588	168,664	31,250	27,070	58,320	158,970
12,001 - 14,000	30,261	10,893	41,154	209,818	20,710	12,790	33,500	192,470
14,001 - 20,000	59,797	24,102	83,899	293,717	65250	27320	92,570	285,040
20,001 - 25,000	21597	12824	34,421	328,138	24,020	15,760	39,780	324,820
25,001 - 30,000	13636	9563	23,199	351,337	13,270	13,060	26,330	351,150
30,001 - 35,000	10172	6820	16,992	368,329	11,590	7,920	19,510	370,660
35,001 - 40,000	8622	4611	13,233	381,562	9,890	4,870	14,760	385,420
40,001 - 50,000	10758	6929	17,687	399,249	9,510	8,050	17,560	402,980
50,001 - 60,000	7301	1995	9,296	408,545	7,990	2,710	10,700	413,680
60,001 - 70,000	3630	2168	5,798	414,343	4,500	1,670	6,170	419,850
70,001 - 75,000	2162	423	2,585	416,928	1,920	120	2,040	421,890
75,001 - over	10830	1496	12,326	<b>429,253</b>	9520	2,930	12,450	<b>434,340</b>
<b>Total</b>	<b>256,882</b>	<b>172,371</b>	<b>429,253</b>		<b>250,100</b>	<b>184,240</b>	<b>434,340</b>	

Source: Statistics Mauritius (The 2019 figures are based on CMPHS Q2)

Distribution of Employees by Basic Wage Range for Full Time Employees by Gender - 2017 & 2018

Basic Wage Range (Rs)	Number of Full-Time Employees - 2017				Number of Full-Time Employees - 2018			
	Male	Female	Total	Total Cumulated	Male	Female	Total	Total Cumulated
up to 9,000	46692	68,033	114725	114725	38,036	65,675	103,711	103,711
9,001-10,000	18754	9,467	28221	142946	20820	15564	36,384	140,095
10,001-12,000	31828	12,894	44722	187668	29,908	16,148	46,056	186,151
12,001 - 14,000	26544	11,703	38247	225915	29,208	9,938	39,146	225,297
14,001 - 20,000	51481	21,675	73156	299071	52,151	21,696	73,847	299,144
20,001 - 25,000	20834	11519	32353	331424	20757	10623	31,380	330,524
25,001 - 30,000	11451	8260	19711	351135	13137	9819	22,956	353,480
30,001 - 35,000	9188	5908	15096	366231	8888	7285	16,173	369,653
35,001 - 40,000	8430	4353	12783	379014	8060	3860	11,920	381,573
40,001 - 50,000	10244	5434	15678	394692	10252	6736	16,988	398,561
50,001 - 60,000	5831	2438	8269	402961	5721	2776	8,497	407,058
60,001 - 70,000	3801	843	4644	407605	3231	2380	5,611	412,669
70,001 - 75,000	1267	494	1761	409366	1590	240	1,830	414,499
75,001 - over	7387	2125	9512	<b>418878</b>	8820	2111	10,931	<b>425,427</b>
<b>Total</b>	<b>253,733</b>	<b>165,144</b>	<b>418,878</b>		<b>250,576</b>	<b>174,851</b>	<b>425,427</b>	

Source: Statistics Mauritius

Number of Employees Contributing to NPF in Non-EOEs by Wage Groups in June 2019 & June 2020

Basic Salary	June 2019					June 2020				
	FT	PT	N/A	Total	Cumulated No. of Employees	FT	PT	N/A	Total	Cumulated No. of Employees
≤ 5695	5,449	4,102	4,510	<b>14,061</b>	<b>14,061</b>	3,775	2,727	3,025	<b>9,527</b>	<b>9,527</b>
≥ 5696 & ≤ 6075	842	399	547	<b>1,788</b>	<b>15,849</b>	531	366	340	<b>1,237</b>	<b>10,764</b>
≥ 6076 & ≤ 8500	11,519	2,150	3,229	<b>16,898</b>	<b>32,747</b>	5,655	1,924	2,131	<b>9,710</b>	<b>20,474</b>
≥ 8501 & ≤ 8540	381	4	768	<b>1,153</b>	<b>33,900</b>	70	23	18	<b>111</b>	<b>20,585</b>
≥ 8541 & ≤ 8900	11,452	258	1,839	<b>13,549</b>	<b>47,449</b>	1,309	265	314	<b>1,888</b>	<b>22,473</b>
≥ 8901 & ≤ 9400	14,433	343	2,259	<b>17,035</b>	<b>64,484</b>	3,896	444	731	<b>5,071</b>	<b>27,544</b>
≥ 9401 & ≤ 10000	14,101	244	2,182	<b>16,527</b>	<b>81,011</b>	24,281	524	3,343	<b>28,148</b>	<b>55,692</b>
≥ 10001 & ≤ 11000	20,856	312	3,162	<b>24,330</b>	<b>105,341</b>	26,526	429	2,459	<b>29,414</b>	<b>85,106</b>
≥ 11001 & ≤ 12000	16,334	183	2,409	<b>18,926</b>	<b>124,267</b>	17,193	219	1,583	<b>18,995</b>	<b>104,101</b>
≥ 12001 & ≤ 13000	15,553	171	2,661	<b>18,385</b>	<b>142,652</b>	15,624	149	2,049	<b>17,822</b>	<b>121,923</b>
≥ 13001 & ≤ 14000	12,721	133	1,845	<b>14,699</b>	<b>157,351</b>	13,458	135	1,506	<b>15,099</b>	<b>137,022</b>
≥ 14001 & ≤ 15000	9,869	144	1,384	<b>11,397</b>	<b>168,748</b>	14,316	137	1,129	<b>15,582</b>	<b>152,604</b>
≥ 15001 & ≤ 20000	34,243	662	4,565	<b>39,470</b>	<b>208,218</b>	38,863	359	3,163	<b>42,385</b>	<b>194,989</b>

*Third Report on the Impact of the Introduction of the National Minimum Wage*

Basic Salary	June 2019					June 2020				
	FT	PT	N/A	Total	Cumulated No. of Employees	FT	PT	N/A	Total	Cumulated No. of Employees
≥ 20001 & ≤ 25000	16,977	134	2,372	<b>19,483</b>	<b>227,701</b>	19,541	125	1,171	<b>20,837</b>	<b>215,826</b>
≥ 25001 & ≤ 30000	11,375	104	1,625	<b>13,104</b>	<b>240,805</b>	13,593	97	903	<b>14,593</b>	<b>230,419</b>
≥ 30001 & ≤ 35000	8,502	46	951	<b>9,499</b>	<b>250,304</b>	9,318	49	452	<b>9,819</b>	<b>240,238</b>
≥ 35001 & ≤ 40000	5,815	25	548	<b>6,388</b>	<b>256,692</b>	6,721	23	275	<b>7,019</b>	<b>247,257</b>
≥ 40001 & ≤ 50000	8,288	27	718	<b>9,033</b>	<b>265,725</b>	9,346	33	383	<b>9,762</b>	<b>257,019</b>
≥ 50001 & ≤ 60000	4,702	17	349	<b>5,068</b>	<b>270,793</b>	5,378	15	257	<b>5,650</b>	<b>262,669</b>
≥ 60001 & ≤ 70000	3,832	13	336	<b>4,181</b>	<b>274,974</b>	3,946	14	256	<b>4,216</b>	<b>266,885</b>
≥ 70001 & ≤ 75000	1,277	5	97	<b>1,379</b>	<b>276,353</b>	1,212	4	74	<b>1,290</b>	<b>268,175</b>
≥ 75001 & ≤ 100000	3,929	18	265	<b>4,212</b>	<b>280,565</b>	4,171	13	275	<b>4,459</b>	<b>272,634</b>
> 100000	6,804	15	447	<b>7,266</b>	<b>287,831</b>	6,862	37	456	<b>7,355</b>	<b>279,989</b>
<b>TOTAL</b>	<b>239,254</b>	<b>9,509</b>	<b>39,068</b>	<b>287,831</b>		<b>245,585</b>	<b>8,111</b>	<b>26,293</b>	<b>279,989</b>	

Source: Mauritius Revenue Authority

Number of Employees Contributing to NPF in Non-EOEs by Wage Groups - December 2018

Row Labels	Non-EOEs - December 2018				
	Local Residents	Foreign Residents	Full-Time	Total (FT/PT/NA)	Cumulated No. of Employees
≤ 5695	13,788	667	5,511	14,455	14,455
≥ 5696 & ≤ 6075	2,126	672	1,522	2,798	17,253
≥ 6076 & ≤ 8500	30,444	1,082	23,792	31,526	48,779
≥ 8501 & ≤ 8540	820	31	696	851	49,630
≥ 8541 & ≤ 8900	7,791	674	7,034	8,465	58,095
≥ 8901 & ≤ 9400	15,456	881	14,175	16,337	74,432
≥ 9401 & ≤ 10000	15,543	958	14,244	16,501	90,933
≥ 10,001 & ≤ 11,000	22,103	924	19,413	23,027	113,960
≥ 11,001 & ≤ 12,000	16,959	1,721	15,540	18,680	132,640
≥ 12,001 & ≤ 13,000	14,518	1,359	13,393	15,877	148,517
≥ 13,001 & ≤ 14,000	13,277	374	11,290	13,651	162,168
≥ 14,001 & ≤ 15,000	10,876	214	9,524	11,090	173,258
≥ 15,001 & ≤ 20,000	34,242	680	30,540	34,922	208,180
≥ 20,001 & ≤ 25,000	17,899	301	16,441	18,200	226,380
≥ 25,001 & ≤ 30,000	11,746	210	10,912	11,956	238,336
≥ 30,001 & ≤ 35,000	8,511	258	8,043	8,769	247,105
≥ 35,001 & ≤ 40,000	5,708	101	5,342	5,809	252,914
≥ 40,001 & ≤ 50,000	8,706	175	8,310	8,881	261,795
≥ 50,001 & ≤ 60,000	4,622	124	4,371	4,746	266,541

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Row Labels	Non-EOEs - December 2018				
	Local Residents	Foreign Residents	Full-Time	Total (FT/PT/NA)	Cumulated No. of Employees
≥ 60,001 & ≤ 70,000	3,529	388	3,582	3,917	270,458
≥ 70,001 & ≤ 75,000	1,223	72	1,181	1,295	271,753
≥ 75,001 & ≤ 100,000	3,711	236	3,592	3,947	275,700
> 100,000	6,142	660	6,248	6,802	<b>282,502</b>
<b>GRAND TOTAL</b>	<b>269,740</b>	<b>12,762</b>	<b>234,696</b>	<b>282,502</b>	

Source: Mauritius Revenue Authority

Number of Employees in Non-EOEs Contributing to NPF by Basic Wage Group – December 2017

Row Labels	Full Time	Part Time	Not Available	Total No. of Employees	Cumulated No. of Employees
< 3,500	2,032	1,009	2,189	5,230	5,230
≥ 3,500 & ≤ 5,000	3,181	1,098	2,670	6,949	12,179
≥ 5,001 & ≤ 7,000	9,510	1,623	5,256	16,389	28,568
≥ 7,001 & ≤ 8,140	11,733	700	4,338	16,771	45,339
≥ 8,141 & ≤ 8,500	6,849	182	2,101	9,132	54,471
≥ 8,501 & ≤ 9,000	8,598	195	2,288	11,081	65,552
≥ 9,001 & ≤ 10,000	18,359	334	4,133	22,826	88,378
≥ 10,001 & ≤ 11,000	15,326	192	3,524	19,042	107,420
≥ 11,001 & ≤ 12,000	13,408	156	2,853	16,417	123,837
≥ 12,001 & ≤ 13,000	10,529	95	2,201	12,825	136,662
≥ 13,001 & ≤ 14,000	9,691	108	1,535	11,334	147,996
≥ 14,001 & ≤ 15,000	9,023	93	1,333	10,449	158,445
≥ 15,001 & ≤ 20,000	27,931	687	3,550	32,168	190,613
≥ 20,001 & ≤ 25,000	13,104	158	1,366	14,628	205,241
≥ 25,001 & ≤ 30,000	9,173	97	798	10,068	215,309
≥ 30,001 & ≤ 35,000	6,597	85	584	7,266	222,575
≥ 35,001 & ≤ 40,000	4,524	63	394	4,981	227,556
≥ 40,001 & ≤ 50,000	6,536	108	577	7,221	234,777
≥ 50,001 & ≤ 60,000	3,694	65	387	4,146	238,923
≥ 60,001 & ≤ 70,000	2,530	54	499	3,083	242,006
≥ 70,001 & ≤ 75,000	933	16	117	1,066	243,072
≥ 75,001	6,730	235	1,698	8,663	251,735
<b>Grand Total</b>	<b>199,991</b>	<b>7,353</b>	<b>44,391</b>	<b>251735</b>	

Source: Mauritius Revenue Authority

Number of Employees Contributing to NPF in EOE by Wage Groups in June 2019 & June 2020

Basic Salary	June 2019					June 2020				
	FT	PT	N/A	Total	Cumulated No. of Employees	FT	PT	N/A	Total	Cumulated No. of Employees
≤ 5695	1,390	16	188	1,594	1,594	494	14	69	577	577
≥ 5696 & ≤ 6075	3,105	2	79	3,186	4,780	1,712	3	7	1,722	2,299
≥ 6076 & ≤ 8500	13,927	38	1,546	15,511	20,291	13,780	20	374	14,174	16,473
≥ 8501 & ≤ 8540	1,240	3	338	1,581	21,872	76		3	79	16,552
≥ 8541 & ≤ 8900	1,255	1	116	1,372	23,244	1,260	5	27	1,292	17,844
≥ 8901 & ≤ 9400	1,043	1	182	1,226	24,470	3,313	6	167	3,486	21,330
≥ 9401 & ≤ 10000	1,101	4	143	1,248	25,718	1,344	7	36	1,387	22,717
≥ 10001 & ≤ 11000	1,334		162	1,496	27,214	1,582	3	43	1,628	24,345
≥ 11001 & ≤ 12000	920	2	97	1,019	28,233	1,120	3	35	1,158	25,503
≥ 12001 & ≤ 13000	756	2	79	837	29,070	909	4	28	941	26,444
≥ 13001 & ≤ 14000	604	2	97	703	29,773	664	2	19	685	27,129
≥ 14001 & ≤ 15000	540		139	679	30,452	580		11	591	27,720

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Basic Salary	June 2019					June 2020				
	FT	PT	N/A	Total	Cumulated No. of Employees	FT	PT	N/A	Total	Cumulated No. of Employees
≥ 15001 & ≤ 20000	1,673	1	265	1,939	32,391	1,958	3	43	2,004	29,724
≥ 20001 & ≤ 25000	900	2	107	1,009	33,400	990		33	1,023	30,747
≥ 25001 & ≤ 30000	524	1	39	564	33,964	578	2	20	600	31,347
≥ 30001 & ≤ 35000	336		31	367	34,331	391		11	402	31,749
≥ 35001 & ≤ 40000	223		23	246	34,577	254		11	265	32,014
≥ 40001 & ≤ 50000	274		17	291	34,868	299		17	316	32,330
≥ 50001 & ≤ 60000	137		15	152	35,020	157		10	167	32,497
≥ 60001 & ≤ 70000	125		14	139	35,159	132		10	142	32,639
≥ 70001 & ≤ 75000	54		15	69	35,228	44		7	51	32,690
≥ 75001 & ≤ 100000	113		24	137	35,365	139		17	156	32,846
> 100000	229	1	42	272	35,637	197	1	42	240	33,086
<b>TOTAL</b>	<b>31,803</b>	<b>76</b>	<b>3,758</b>	<b>35,637</b>		<b>31,973</b>	<b>73</b>	<b>1,040</b>	<b>33,086</b>	

Source: Mauritius Revenue Authority

Number of Employees Contributing to NPF in EOE by Wage Groups - December 2018

Row Labels	EOEs - December 2018		
	Full Time	Total (PT/FT/NA)	Cumulated No. of Employees
≤ 5695	3,053	3,462	3,462
≥ 5696 & ≤ 6075	5,282	5,625	9,087
≥ 6076 & ≤ 8500	12,594	13,424	22,511
≥ 8501 & ≤ 8540	281	285	22,796
≥ 8541 & ≤ 8900	1,155	1,227	24,023
≥ 8901 & ≤ 9400	1,686	1,752	25,775
≥ 9401 & ≤ 10000	1,616	1,676	27,451
≥ 10,001 & ≤ 11,000	1,430	1,501	28,952
≥ 11,001 & ≤ 12,000	1,041	1,074	30,026
≥ 12,001 & ≤ 13,000	930	964	30,990
≥ 13,001 & ≤ 14,000	694	718	31,708
≥ 14,001 & ≤ 15,000	708	733	32,441
≥ 15,001 & ≤ 20,000	1,826	1,927	34,368
≥ 20,001 & ≤ 25,000	943	967	35,335
≥ 25,001 & ≤ 30,000	496	509	35,844
≥ 30,001 & ≤ 35,000	328	335	36,179
≥ 35,001 & ≤ 40,000	244	255	36,434
≥ 40,001 & ≤ 50,000	268	282	36,716
≥ 50,001 & ≤ 60,000	152	160	36,876

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Row Labels	EOEs – December 2018		
	Full Time	Total (PT/FT/NA)	Cumulated No. of Employees
≥ 60,001 & ≤ 70,000	122	128	37,004
≥ 70,001 & ≤ 75,000	54	62	37,066
≥ 75,001 & ≤ 100,000	114	133	37,199
> 100,000	225	259	<b>37,458</b>
<b>GRAND TOTAL</b>	<b>35,242</b>	<b>37,458</b>	

*Source: Mauritius Revenue Authority*

Number of Employees in EOE's Contributing to NPF by Basic Wage Group - December 2017

Row Labels	Full Time	Part Time	Not Available	Total No. Of Employees	Cumulated No. of Employees
< 3500	330	11	226	567	567
≥ 3500 & ≤ 5000	2,630	15	661	3,306	3,873
≥ 5001 & ≤ 7000	13,018	32	3,521	16,571	20,444
≥ 7001 & ≤ 8140	5,549	11	604	6,164	26,608
≥ 8141 & ≤ 8500	886	2	120	1,008	27,616
≥ 8501 & ≤ 9000	958	4	97	1,059	28,675
≥ 9001 & ≤ 10000	1,393	5	139	1,537	30,212
≥ 10001 & ≤ 11000	1,084	2	111	1,197	31,409
≥ 11001 & ≤ 12000	867	2	79	948	32,357
≥ 12001 & ≤ 13000	710		62	772	33,129
≥ 13001 & ≤ 14000	541	2	59	602	33,731
≥ 14001 & ≤ 15000	450	5	38	493	34,224
≥ 15001 & ≤ 20000	1,554	4	133	1,691	35,915
≥ 20001 & ≤ 25000	757	7	47	811	36,726
≥ 25001 & ≤ 30000	458	1	34	493	37,219
≥ 30001 & ≤ 35000	275		13	288	37,507
≥ 35001 & ≤ 40000	209		8	217	37,724
≥ 40001 & ≤ 50000	223		33	256	37,980
≥ 50001 & ≤ 60000	125	3	24	152	38,132
≥ 60001 & ≤ 70000	91	2	22	115	38,247
≥ 70001 & ≤ 75000	42		4	46	38,293
≥ 75001	245	2	93	340	38,633
<b>GRAND TOTAL</b>	<b>32,395</b>	<b>110</b>	<b>6,128</b>	<b>38,633</b>	

Source: Mauritius Revenue Authority

Distribution of the 278 Firms Registered as Export Enterprises by Sector as at June 2019 and June 2020 Indicating also the Distribution for the 170 Firms Currently Exporting

Sector of Activity	June 2019										June 2020									
	No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms				No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms			
		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total
MANUFACTURE OF FOOD PRODUCTS	13	1,828	3	2,628	4,459	8	1,671	3	2,626	4,300	12	4,416	2	19	4,437	7	4,265	2	19	4,286
CROP ANI PROD,HUNT&REL SER ACT	6	641	2	40	683	6	641	2	40	683	6	676	2	93	771	6	676	2	93	771
MANUFACTURE OF BEVERAGES	1	15			15	1	15			15	1	15			15	1	15			15
<b>FOOD &amp; BEVERAGES</b>	<b>20</b>	<b>2,484</b>	<b>5</b>	<b>2,668</b>	<b>5,157</b>	<b>15</b>	<b>2,327</b>	<b>5</b>	<b>2,666</b>	<b>4,998</b>	<b>19</b>	<b>5,107</b>	<b>4</b>	<b>112</b>	<b>5,223</b>	<b>14</b>	<b>4,956</b>	<b>4</b>	<b>112</b>	<b>5,072</b>
FISHING AND AQUACULTURE	2	142			142	2	142			142	2	139			139	2	139			139
<b>FISHING AND AQUACULTURE</b>	<b>2</b>	<b>142</b>			<b>142</b>	<b>2</b>	<b>142</b>			<b>142</b>	<b>2</b>	<b>139</b>			<b>139</b>	<b>2</b>	<b>139</b>			<b>139</b>
MAN. OF LEATHER AND REL PROD	4	663		1	664	4	663		1	664	4	570		28	598	4	570		28	598
<b>LEATHER PRODUCTS &amp; RELATED PRODUCTS</b>	<b>4</b>	<b>663</b>		<b>1</b>	<b>664</b>	<b>4</b>	<b>663</b>		<b>1</b>	<b>664</b>	<b>4</b>	<b>570</b>		<b>28</b>	<b>598</b>	<b>4</b>	<b>570</b>		<b>28</b>	<b>598</b>

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Sector of Activity	June 2019										June 2020									
	No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms				No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms			
		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total
MANUFACTURE OF TEXTILES	25	8,077	11	54	8,142	17	7,654	2	23	<b>7,679</b>	25	7,032	10	505	<b>7,547</b>	17	6,607	1	477	<b>7,085</b>
MANUFACTURE OF WEARING APPAREL	73	15,275	21	651	15,947	59	16,294	14	615	<b>16,923</b>	69	13,860	18	256	<b>14,134</b>	56	15,015	16	217	<b>15,248</b>
<b>TEXTILE, FABRICS &amp; WEARING APPAREL</b>	<b>98</b>	<b>23,352</b>	<b>32</b>	<b>705</b>	<b>24,089</b>	<b>76</b>	<b>23,948</b>	<b>16</b>	<b>638</b>	<b>24,602</b>	<b>94</b>	<b>20,892</b>	<b>28</b>	<b>761</b>	<b>21,681</b>	<b>73</b>	<b>21,622</b>	<b>17</b>	<b>694</b>	<b>22,333</b>
MAN. OF BASIC METALS	1	42			42	1	42			<b>42</b>	1	41			<b>41</b>	1	41			<b>41</b>
MAN. OF FAB METAL PROD, ECP MA	5	200	1		201	3	166			<b>166</b>	5	200	1		<b>201</b>	3	164			<b>164</b>
MAN. OF PAPER AND PAPER PROD	3	234			234	3	234			<b>234</b>	3	182			<b>182</b>	3	182			<b>182</b>
MAN. OF RUBBER & PLASTIC PRODS	9	539	1	2	542	6	494		2	<b>496</b>	9	509	1	3	<b>513</b>	6	461		3	<b>464</b>
MAN. OF WOOD PROD OF CORK STRA	5	108	2		110	2	69	2		<b>71</b>	4	91	1	3	<b>95</b>	2	55	1	3	<b>59</b>
<b>METALS, WOOD, PAPER, RUBBER &amp; PLASTIC PRODUCTS</b>	<b>23</b>	<b>1,123</b>	<b>4</b>	<b>2</b>	<b>1,129</b>	<b>15</b>	<b>1,005</b>	<b>2</b>	<b>2</b>	<b>1,009</b>	<b>22</b>	<b>1,023</b>	<b>3</b>	<b>6</b>	<b>1,032</b>	<b>15</b>	<b>903</b>	<b>1</b>	<b>6</b>	<b>910</b>

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Sector of Activity	June 2019										June 2020									
	No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms				No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms			
		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total
MAN. OF COMPU, ELEC AND OPT PR	7	640	3	20	663	7	640	3	20	663	6	633	3	2	638	6	633	3	2	638
MANUFACTURE OF ELECTRICAL EQUI	4	148	2	1	151	2	53	2	1	56	3	126			126	1	28			28
<b>ELECTRICAL, ELECTRONIC &amp; COMPUTER PRODUCTS</b>	<b>11</b>	<b>788</b>	<b>5</b>	<b>21</b>	<b>814</b>	<b>9</b>	<b>693</b>	<b>5</b>	<b>21</b>	<b>719</b>	<b>9</b>	<b>759</b>	<b>3</b>	<b>2</b>	<b>764</b>	<b>7</b>	<b>661</b>	<b>3</b>	<b>2</b>	<b>666</b>
MAN. OF BASIC PHARMA PROD	1	48			48	1	48			48	1	53			53	1	53			53
MAN. OF CHEMICAL & PRODUCTS	3	29		58	87	3	29		58	87	2	43		26	69	2	43		26	69
<b>PHARMACEUTICAL &amp; CHEMICAL PRODUCTS</b>	<b>4</b>	<b>77</b>	<b>-</b>	<b>58</b>	<b>135</b>	<b>4</b>	<b>77</b>	<b>-</b>	<b>58</b>	<b>135</b>	<b>3</b>	<b>96</b>	<b>-</b>	<b>26</b>	<b>122</b>	<b>3</b>	<b>96</b>	<b>-</b>	<b>26</b>	<b>122</b>
MAN. OF FURNITURE	3	65		3	68	2	13		3	16	1	56			56					
<b>FURNITURE</b>	<b>3</b>	<b>65</b>		<b>3</b>	<b>68</b>	<b>2</b>	<b>13</b>		<b>3</b>	<b>16</b>	<b>1</b>	<b>56</b>			<b>56</b>					
RETAIL TRADE EXCEPT MOTOR VEH	5	60	1		61	1	13			13	4	51			51	1	1			1

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Sector of Activity	June 2019										June 2020									
	No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms				No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms			
		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total
WHOLESALE TRADE EXCPT MOTOR VEH	8	301	7	2	310	4	71	1		72	8	215	5	52	272	4	66	2		68
<b>RETAIL &amp; WHOLESALE TRADE</b>	<b>13</b>	361	8	2	<b>371</b>	<b>5</b>	84	1	-	<b>85</b>	<b>12</b>	266	5	52	<b>323</b>	<b>5</b>	67	2	-	<b>69</b>
COMPUTER PROGRAMMING, CONSULTA	4	275		3	278	1	257			257	3	313	1	3	317	1	297			297
PRINTING & REP OF REC.MEDIA	4	126		10	136	2	58			58	4	117			117	2	53			53
PUBLISHING ACTIVITIES	1	1			1						1	1			1					
REAL ESTATE ACTIVITIES	1	8			8						1	7	1	1	9					
WASTE COLLECTION, TREATMENT AN	4	94		6	100	4	94		6	100	4	105		2	107	4	105		2	107
<b>SERVICES</b>	<b>14</b>	504	-	19	<b>523</b>	<b>7</b>	409	-	6	<b>415</b>	<b>13</b>	543	2	6	<b>551</b>	<b>7</b>	455	-	2	<b>457</b>
OTHER MANUFACTURING	24	2,286	31	282	2,599	20	2,253	31	281	2,565	24	2,548	31	53	2,632	20	2,519	30	51	2,600

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Sector of Activity	June 2019										June 2020									
	No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms				No. of Firms	Distribution of 278 EOE Firms				No. of Firms	Distribution of 170 EOE Firms			
		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total		FT	PT	N/A	Total
MAN. OF OTH NON METALLIC PRODS	1			16	16	1			16	16	1	17			17	1	17			17
<b>OTHER MANUFACTURING</b>	<b>25</b>	2,286	31	298	<b>2,615</b>	<b>21</b>	2,253	31	297	<b>2,581</b>	<b>25</b>	2,565	31	53	<b>2,649</b>	<b>21</b>	2,536	30	51	<b>2,617</b>
SCIENTIFIC RESEARCH & DEVELOP	1	3			3						1	3			3					
<b>RESEARCH &amp; DEVELOPMENT</b>	<b>1</b>	<b>3</b>			<b>3</b>						<b>1</b>	<b>3</b>			<b>3</b>					
<b>TOTAL</b>	<b>218</b>	<b>31,848</b>	<b>85</b>	<b>3,777</b>	<b>35,710</b>	<b>160</b>	<b>31,614</b>	<b>60</b>	<b>3,692</b>	<b>35,366</b>	<b>205</b>	<b>32,019</b>	<b>76</b>	<b>1,046</b>	<b>33,141</b>	<b>151</b>	<b>32,005</b>	<b>57</b>	<b>921</b>	<b>32,983</b>

Source: Mauritius Revenue Authority

Termination of Employment by Sector of Activity as at September 2020

SN.	Sector	Economic	Misconduct	Performance	Others	Total
1	Attorneys and Notaries	4	0	1	4	9
2	Baking Industry	6	1	3	23	33
3	Banks Fisherman	4	0	0	4	8
4	Blockmaking	673	55	17	525	1270
5	Catering & Tourism	1060	127	120	1169	2476
6	Cinema Employees	37	0	1	13	51
7	Cleaning Enterprises	151	25	34	138	348
8	Distributive Trades	548	187	149	702	1586
9	Domestic Workers	144	14	21	337	516
10	Electrical, Engineering, etc.	20	18	10	49	97
11	Export Enterprises	664	21	23	245	953
12	Factory Employees	415	70	41	211	737
13	Field Crop & Orchard	11	2	1	29	43
14	ICT	123	5	22	23	173
15	Light Metal	28	7	2	40	77
16	Livestock	9	10	5	7	31
17	Newspaper & Periodicals	13	1	1	9	24
18	Office Attendants	12	1	0	0	13

*Third Report on the Impact of the Introduction of the National Minimum Wage*

SN.	Sector	Economic	Misconduct	Performance	Others	Total
19	Preprimary Schools	18	6	1	30	55
20	Printing Industry	74	4	2	29	109
21	Private Hospitals	3	2	3	13	21
22	Private Secondary Schools	6	1	0	6	13
23	Private Security Services	21	31	13	214	279
24	Public Transport	11	8	5	65	89
25	Road Haulage	17	6	1	57	81
26	Salt Manufacturing	0	0	0	1	1
27	Sugar Industry (Agri)	28	1	0	39	68
28	Sugar Industry (Non-Agri)	21	0	1	279	301
29	Tailoring Trade	2	0	0	3	5
30	Tea Industry	7	1	0	12	20
31	Travel Agents & Tour Operators	200	4	3	60	267
32	Workers covered by the WRA	1617	189	257	1317	3380
<b>Total</b>		<b>5947</b>	<b>797</b>	<b>737</b>	<b>5653</b>	<b>13134</b>

Source: Ministry of Labour, Human Resource Development and Training (MLHRT)

## Number of Enterprises Visited and Employees Covered for the Period Jan to Sept 2020

SN.	Sector	ENTERPRISES			MAURITIAN WORKERS		EXPATRIATE WORKERS	
		No. of Enterprises Visited	No. of Enterprises Complying with NMW	No. of Enterprises NOT Complying with NMW	No. of Workers Earning NMW or More	No. of Workers Earning less than NMW	No. of Workers Earning NMW or More	No. of Workers Earning less than NMW
1.	Baking Industry	9	8	1	26	12	25	0
2.	Blockmaking	37	37	0	6,861	0	7,160	0
3.	Catering & Tourism	27	26	1	442	8	40	0
4.	Cleaning Enterprises	7	4	3	680	24	93	0
5.	Distributive Trades	88	84	4	704	6	32	0
6.	Electrical, Engineering, etc.	10	10	0	117	0	27	0
7.	<i>Export Enterprises</i>	64	64	0	4,431	0	9,676	0
8.	Factory Employees	60	60	0	1,822	0	619	0
9.	Field Crop & Orchard	4	4	0	216	0	19	0
10.	Information & Communication Tech.	1	1	0	30	0	0	0
11.	Light Metal	22	22	0	462	0	100	0
12.	Livestock	1	1	0	27	0	11	0
13.	Preprimary Schools	3	3	0	5	0	0	0

*Third Report on the Impact of the Introduction of the National Minimum Wage*

SN.	Sector	ENTERPRISES			MAURITIAN WORKERS		EXPATRIATE WORKERS	
		No. of Enterprises Visited	No. of Enterprises Complying with NMW	No. of Enterprises NOT Complying with NMW	No. of Workers Earning NMW or More	No. of Workers Earning less than NMW	No. of Workers Earning NMW or More	No. of Workers Earning less than NMW
14.	Printing Industry	1	1	0	8	0	5	0
15.	Private Secondary Schools	2	2	0	41	0	0	0
16.	Private Security Services	1	1	0	16	0	0	0
17.	Tailoring Trade	1	1	0	1	0	4	0
18.	Tea Industry	1	1	0	5	0	2	0
19.	Travel Agents & Tour Operators	1	1	0	6	0	0	0
20.	<i>Other Workers covered by the Workers' Rights Act</i>	49	48	1	412	7	8	0
<b>TOTAL</b>		<b>389</b>	<b>379</b>	<b>10</b>	<b>16,312</b>	<b>57</b>	<b>17,821</b>	<b>0</b>

Source: NWCC based on data from Ministry of Labour, Human Resource Development and Training (MLHRDT)

Distribution of Self Employed by Income Range – 2017, 2018

Income Range	Self-Employment – 2017			Self-Employment – 2018		
	No. of Self-Employed	Cumulated No. of Self-Employed	Annual Income* (Rs MN)	No. of Self-Employed	Cumulated No. of Self-Employed	Annual Income* (Rs MN)
Up to 3,500	15,263	15,263	371.2	9,978	9,978	247
3,501 – 4,000	2,722	17,985	130.4	3,020	12,998	145
4,001 – 4,500	782	18,767	41.9	448	13,446	24
4,501 – 5,000	5,941	24,708	356.1	5,260	18,705	315
5,001 – 6,000	4,329	29,037	310.2	4,130	22,835	295
6,001 – 7,000	4,197	33,234	348.9	3,456	26,291	288
7,001 – 8,000	6,332	39,566	603.9	5,552	31,843	530
8,001 – 9,000	2,885	42,451	309.4	2,298	34,141	245
9,001 – 10,000	10,588	53,039	1,268.9	8,523	42,664	1,021
10,001 – 11,000	553	53,592	71.8	806	43,469	105
11,001 – 12,000	3,917	57,509	563.3	4,731	48,200	681
12,001 – 13,000	971	58,480	150.5	1,631	49,831	254
13,001 – 14,000	1,080	59,560	180.7	935	50,766	157
14,001 – 15,000	9,208	68,768	1,656.7	10,697	61,463	1,926
15,001 – 20,000	13,122	81,890	2,977.3	12,889	74,352	2,934
20,001 – 25,000	5,942	87,832	1,735.8	7,932	82,283	2,343
25,001 – 30,000	4,381	92,213	1,559.0	4,730	87,014	1,674
30,001 – 35,000	1,948	94,161	806.2	1,807	88,821	749
35,001 – 40,000	1,946	96,107	924.0	1,871	90,692	893
40,001 – 50,000	2,394	98,501	1,400.5	2,485	93,176	1,451
50,001 – 60,000	547	99,048	379.7	1,076	94,252	758
60,001 – 70,000	415	99,463	327.7	538	94,790	443
70,001 – 75,000	339	99,802	305.3	463	95,254	414
75,001 and over	1,801	<b>101,603</b>	2,938.3	1,754	<b>97,008</b>	2,894
<b>Total</b>	<b>101,600</b>		<b>19,718</b>	<b>97,008</b>		<b>20,786</b>

Source: Statistics Mauritius

\*Annual Income=Monthly Income x 12

# APPENDICES

**BOARD MEMBERS**

<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>ORGANISATION</b>
1	<b>Mr APPANNA Beejaye Coomar</b>	<b>Chairperson</b>	National Wage Consultative Council
2	Mr BHONOO Sanjev	Statistician	Statistics Mauritius
3	Mr CHELLUM Jayen	Representative	Association des Consommateurs de L'Ile Maurice (ACIM)
4	Mrs CHEUNG Linda	Manager Human Resource	Ministry of Tourism
5	Mr CHUTTOO M. Reez	Representative	Confédération des Travailleurs du Secteur Privé
6	Mr CONHYE Dhanraj	Deputy Permanent Secretary	Ministry of Industrial Development, SMEs and Cooperatives (SMEs Division)
7	Mrs DHANOOPA Naveena	Industrial Relations Officer	Business Mauritius
8	Mr DUMUR Arvind	Ag. Principal Job Analyst	Pay Research Bureau
9	Mr DURSUN Pradeep	Chief Operating Officer	Business Mauritius
10	Miss GOPAUL Chandrani Devi	Lead Analyst	Ministry of Finance, Economic Planning and Development
11	Mr GUILDHARY Paul Desire Armand	Representative	Free Democratic Unions Federation
12	Mr IMRITH Rashid	Representative	Federation of Public Sector & Other Unions (FPSOU)
13	Mr KWOK YIN SIONG Yen Jocelyn	Chief Executive Officer	AHRIM
14	Mr L'ACARIATE Didier	Human Resource Manager	AVIPRO Co Ltd (Groupe Eclasia)
15	Mr LAN HING PO Pierre	Representative	Mauritius Labour Federation

<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>ORGANISATION</b>
16	Mr LI YUEN FONG Jean	Consultant	Business Mauritius
17	Miss MOONIAN Veeveghee	Deputy Director	Ministry of Labour, Human Resource Development and Training
18	Mr NUNDLOLL Santaram	Manager Human Resource	Prime Minister's Office
19	Mrs RAJMUN-JOOSEERY Lilowtee	Director	Mauritius Export Association
20	Mr RUHOMUTALLY Shahbaan	Human Resource Coordinator	Mauritius Export Association
21	Mr SADIEN Radhakrisna	Representative	State and Other Employees Federation (SEF)
22	Mrs SAWMY Heemawtee Amrita	Head Remuneration Analyst	National Remuneration Board
23	Mrs SOBORUN Soondaree Devi	Deputy Permanent Secretary	Ministry of Agro Industry and Food Security
24	Mr SULTAN M. A. Riad	Senior Lecturer	Dept of Economics and Statistics, Faculty of Social Studies and Humanities – UOM
25	Mr SUNGKUR Rajcoomar	Principal Analyst (Industry)	Ministry of Industrial Development, SMEs and Cooperatives (Cooperatives Division)
26	Mrs TANDRAYEN-RAGOOBUR Verena	Associate Professor	Dept of Economics and Statistics, Faculty of Social Studies and Humanities – UOM
27	Mr TENGUR Sutyhudeo	Representative	Association for the Protection of the Environment and Consumers (APEC)

**National Wage Consultative Council, Ministry of Labour, Human Resource Development and Training**

**Secretariat**

Mr MUDHOO Vijay Kumar, Officer in Charge

Miss DEERPAUL Saveetah, Senior Analyst

Mrs ROJAH Kulshid, Management Support Officer

**COMPOSITION OF TECHNICAL COMMITTEE**

<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>ORGANISATION</b>
1	<b>Mr APPANNA Beejaye Coomar</b>	<b>Chairperson</b>	National Wage Consultative Council
2	Mr BHONOO Sanjev	Statistician	Statistics Mauritius
3	Mr CONHYE Dhanraj	Deputy Permanent Secretary	Ministry of Industrial Development, SMEs and Cooperatives (SME Division)
4	Mr DUMUR Arvind	Ag. Principal Job Analyst	Pay Research Bureau
5	Miss GOPAUL Chandrani Devi	Lead Analyst	Ministry of Finance, Economic Planning and Development
6	Mrs SAWMY H. Amrita Mrs BISSONAUTH Benoomati	Head Remuneration Analyst Senior Remuneration Analyst	National Remuneration Board
7	Mr SUNGKUR Rajcoomar	Principal Analyst (Industry)	Ministry of Industrial Development, SMEs and Cooperatives (Cooperatives Division)
8	Mr LAN HING PO Pierre	Representative	Mauritius Labour Federation
9	Mr MUDHOO Vijay Kumar	Officer in Charge	National Wage Consultative Council
10	Miss DEERPAUL Saveetah	Senior Analyst	National Wage Consultative Council

**COMPOSITION OF SUB COMMITTEE**

<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>ORGANISATION</b>
1	<b>Miss GOPAUL Chandrani Devi</b>	<b>Chairperson</b>	Ministry of Finance, Economic Planning and Development
2	Mr BHONOO Sanjev	Statistician	Statistics Mauritius
3	Mr CONHYE Dhanraj	Deputy Permanent Secretary	Ministry of Industrial Development, SMEs and Cooperatives (SME Division)
4	Mr DUMUR Arvind	Ag. Principal Job Analyst	Pay Research Bureau
5	Miss MOONIAN Veeveghee	Deputy Director	Ministry of Labour, Human Resource Development and Training
6	Mrs SAWMY H. Amrita	Head Remuneration Analyst	National Remuneration Board
	Mrs BISSONAUTH Benoomati	Senior Remuneration Analyst	
7	Mr SUNGKUR Rajcoomar	Principal Analyst (Industry)	Ministry of Industrial Development, SMEs and Cooperatives (Cooperatives Division)
8	Mr LAN HING PO Pierre	Representative	Mauritius Labour Federation
9	Mr SADIEN Radhakrisna	Representative	State and Other Employees Federation
10	Mr CHUTTOO M. Reez	Representative	Confédération des Travailleurs des Secteurs Publique et Privé
11	Mr CHELLUM Jayen	Representative	Association des Consommateurs de L'Ile Maurice
12	Mrs DHANOOPA Naveena	Industrial Relations Officer	Business Mauritius
13	Mr SULTAN M. A. Riad	Senior Lecturer	Dept of Economics & Statistics, Faculty of Social Sciences & Humanities – University of Mauritius
14	Mrs RAJMUN-JOOSEERY Lilowtee	Director	Mauritius Export Association
15	Mr DURSUN Pradeep	Chief Operating Officer	Business Mauritius
16	Mr RUHOMUTALLY Shahbaan	Human Resource Coordinator	Mauritius Export Association

<b>SN</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>ORGANISATION</b>
17	Mr MUDHOO Vijay Kumar	Officer in Charge	National Wage Consultative Council
18	Miss DEERPAUL Saveetah	Senior Analyst	National Wage Consultative Council

**LIST OF MEETINGS HELD**

<b>SN</b>	<b>TECHNICAL COMMITTEE</b>	<b>SUB COMMITTEE</b>	<b>BOARD MEETING</b>
1	18 March 2020	04 December 2020	18 November 2020
2	10 July 2020	28 December 2020	04 December 2020
3	05 August 2020	08 January 2021	11 December 2020
4	16 September 2020		18 December 2020
5	11 November 2020		21 January 2021
6	18 November 2020		
7	11 December 2020		
8	18 December 2020		
9	15 January 2021		

### **Note on Recent Economic Developments to the National Wage Consultative Council**

The COVID-19 pandemic brought about an unprecedented economic downturn across the world. Mauritius, as a small open economy, was not spared. However, thanks to the prompt response of the authorities, the severity of the impact was contained by the implementation of relief measures, which supported businesses and households.

The domestic economy was influenced through several channels including tourism, international trade, foreign direct investment inflows, commodity prices, and exchange rates. The travel and tourism sectors were immediately affected with the closure of air space, with containment measures having knock-on effects on tourism-supporting sectors. The tourism sector is among the major sources of foreign currency earnings for the country and the quasi-absence of tourism activity has induced lower income for tour operators, accommodations, and transport.

COVID-19 mitigation measures also weighed down on private consumption and consumer confidence, and adversely impacted the wholesale and retail trade sector. The lockdown caused disruptions to production and services, decline in firms' revenues, job losses, and disrupted household income. Working together, these led to reduced disposable income and consumption. The weak performance of operators in the real sector would affect business income, thereby impacting government revenue collection.

### **Review of Economic and Financial Developments**

1. The domestic economy grew at a slower pace of 3.2 per cent in 2019 compared to 3.6 per cent in 2018, largely reflecting an underperformance of key export-reliant sectors, as a result of deteriorating external demand. The '*accommodation and food service activities*' sector contracted by 1.1 per cent, mirroring the decline in tourist arrivals. Growth in the '*manufacturing*' and '*financial and insurance activities*' sectors decelerated to 0.5 per cent and 5.2 per cent, respectively. However, the '*construction*' sector remained supportive of domestic economic activity in 2019, expanding by 8.5 per cent, while the '*information and communication*' sector grew at a stable rate of 5.5 per cent.
2. Mauritius remained a services-oriented economy, with the tertiary sector accounting for 77.0 per cent of GDP, followed by industry (19.5 per cent) and agriculture (3.5 per cent). The '*financial and insurance activities*' sector remained the main contributor to growth in 2019 (0.6 percentage point), followed by '*wholesale & retail trade, repair of motor vehicles and motor cycles*' (0.4 percentage point) and '*construction*' (0.4 percentage point).
3. Domestic demand lost momentum in 2019 on the back of lower growth in its main components. Final consumption expenditure rose at a slower rate of 3.0 per cent in 2019 compared to 3.4 per cent in 2018. While household consumption expenditure consolidated its growth pace of 3.2 per cent, the rate of growth of Government consumption spending halved to about 2.0 per cent, from 4.2 per cent. Growth in total investment decelerated to 6.2 per cent in 2019 from 10.9 per cent in 2018, dragged down by a marked slowdown in machinery and equipment, albeit building and construction activities remained sustained by the ongoing public infrastructural expenditure. Net exports continued to take a toll on GDP growth, with

the contraction of 4.1 per cent in exports of goods and services as against an expansion of 2.7 per cent in 2018. Imports of goods and services grew by 2.1 per cent in 2019 as against a marginal contraction of 0.2 per cent in 2018.

4. Labour market conditions improved further in 2019, with the unemployment rate declining from 6.9 per cent in 2018 to 6.7 per cent, the lowest level since 2000. Mauritian employment increased by 7,600 from 543,700 in 2018 to 551,300 in 2019 while labour force rose by 7,200 from 583,800 to 591,000, thus reducing the number of unemployed by 400. The *'construction'* sector registered the highest increase in employment (+3,800), followed by *'accommodation and food service activities'* (+2,400) and *'public administration and defence'* (+2,000), although gains were partly offset by lower employment in *'manufacturing'* (-1,100) and *'agriculture, forestry and fishing'* (-700), reflecting mainly the challenges faced by these sectors. The labour force participation rate, measured as the labour force divided by the population aged 16 years and over, increased from 58.9 per cent in 2018 to 59.3 per cent in 2019.

5. The annual inflation rate declined from 3.2 per cent in 2018 to a historical low of 0.5 per cent in 2019, reflecting the absence of demand pressures as the economy was deemed to be operating below potential. Cyclical factors such as falling global prices for food commodities and domestic fresh food products led to a cooling of inflationary pressures. In addition, the reduction in the prices of petroleum products and cooking gas contributed negatively to the inflation outcome. The persistence of low inflation in main trading partner countries culminated into subdued imported inflation, thus limiting the pass-through to domestic prices.

6. The Wage Rate Index (WRI) grew at a reduced pace in 2019. Wage growth decelerated from 4.4 per cent in 2018 to 4.1 per cent in 2019, mostly due to a moderation in private sector wages from 5.6 per cent to 5.1 per cent over the same period. In the private sector, wages increased at a lower pace in *'manufacturing'* (7.5 per cent), *'accommodation and food service activities'* (2.2 per cent), *'financial and insurance activities'* (3.5 per cent) and *'professional, scientific and technical activities'* (3.0 per cent). Wages accelerated in *'construction'* (4.4 per cent), *'transport and storage'* (6.9 per cent), *'information and communication'* (5.2 per cent) and *'administrative and support service activities'* (11.2 per cent). Growth in public sector wages was marginally down from 3.0 per cent in 2018 to 2.9 per cent in 2019, driven by deceleration in wages in *'information and communication'* (2.2 per cent) and *'financial and insurance activities'* (11.3 per cent).

7. Labour productivity continues to recede. Growth in labour productivity, a key component of output growth and primary determinant of future gains in GDP per capita, slowed sharply to 1.8 per cent in 2019, from 3.7 per cent in 2018, reflecting predominantly an increase of 1.6 per cent in the labour input. Dampening labour productivity growth was partly offset by slower compensation of employees' growth, which limited the growth in unit labour costs. Average compensation of employees, which rises by an annual average of around 5 per cent, halved to 2.5 per cent in 2019. This stemmed the growth in unit labour cost from 1.3 per cent in 2018 to 0.8 per cent in 2019. Given the 4.0 per cent depreciation of the rupee in 2019, following an appreciation of 1.8 per cent in 2018, unit labour cost in US dollar terms fell for the first time since 2015, declining by 3.3 per cent in 2019 after going up by 3.1 per cent in 2018.

8. The current account deficit widened from Rs19.0 billion in 2018 to Rs27.1 billion in 2019, on the back of a higher deficit on the goods account and lower surplus on the services account. As a ratio to GDP, the current account deficit increased from 3.9 per cent to 5.4 per cent over the same period. The goods account deficit rose by 6.4 per cent from Rs102.6 billion (21.3 per cent of GDP) in 2018 to Rs109.1 billion (21.9 per cent of GDP) in 2019. Total imports (f.o.b.) increased by 2.7 per cent from Rs182.9 billion in 2018 to Rs187.9 billion in 2019, driven mainly by higher imports of '*manufactured goods classified chiefly by material*' and '*machinery and transport equipment*'. Total exports (f.o.b.) declined by 1.9 per cent from Rs80.3 billion in 2018 to Rs78.8 billion in 2019 on the back of decreases of 13.9 per cent and of 4.8 per cent in 're-exports' and 'ship's stores and bunkers', respectively. The services account posted a lower surplus of Rs29.6 billion in 2019 compared to Rs36.3 billion in 2018, due to a decline in tourism earnings and lower exports of 'other business' services. An overall balance of payments surplus of Rs32.8 billion was recorded in 2019, higher compared to a surplus of Rs16.6 billion in the preceding year.

9. The exchange rate of the rupee broadly reflected movements of global currencies, in addition to domestic market conditions, including the Bank's intervention on the domestic foreign exchange market. On a weighted average dealt selling rate basis, the rupee depreciated vis-à-vis the US dollar but appreciated against the euro and Pound sterling in 2019 compared to 2018. The rupee weakened by 4.4 per cent vis-à-vis the US dollar from Rs34.031 in 2018 to Rs35.581 in 2019. The rupee, however, strengthened against the euro and Pound sterling by 1.0 per cent and 0.2 per cent, from Rs40.278 and Rs45.711 to Rs39.886 and Rs45.638, respectively. On a nominal effective exchange rate basis, as measured by MERI1, the rupee depreciated by 1.9 per cent in 2019 compared to the preceding year. In real effective terms, the rupee weakened by 2.1 per cent over the same period.

10. The year 2020 was marked by the spread of the COVID-19 pandemic globally, and Mauritius was not left unscathed, albeit the magnitude of the effect varied across sectors. The domestic economy slid into a technical recession following two consecutive quarters of economic contraction as the COVID-19 pandemic took a huge toll on economic activity with concurrent demand and supply shocks. The economy contracted by 33.0 per cent year-on-year (y-o-y) in 2020Q2, the deepest on record. This followed from a negative growth of 2.6 per cent in the previous quarter, with nascent damage to economic activity felt around mid-February 2020. The growth outcome for the first semester of 2020 reflected the severe disruptions in domestic economic activity, with the national confinement spanning over ten weeks and closure of borders for more than six months affecting most sectors of the economy.

11. On the production side, most sectors registered negative growth in 2020H1 given that they either ceased operations or operated at reduced capacity.

- The '*accommodation and food service activities*' sector, which was severely hit with a cessation of international tourist arrivals in 2020Q1, shrank by 10.5 per cent and 98.1 per cent in 2020Q1 and 2020Q2, respectively.
- The '*manufacturing*' sector, which was already facing difficulties with a struggling '*textile*' sub-sector, contracted by 0.9 per cent and 43.2 per cent in 2020Q1 and 2020Q2, respectively, largely due to the lockdown as well as weak external demand conditions.

- Output generated by the '*agriculture*' sector fell by 4.3 per cent in 2020Q1 and 6.8 per cent in 2020Q2.
- The contraction in the '*construction*' sector deepened to nearly 90 per cent in 2020Q2, from 7.3 per cent in 2020Q1, reflecting largely the halt in activities.
- The '*transportation and storage*' sector was severely impacted by travel restrictions imposed domestically as well as the closure of borders and contracted by 14.3 per cent and 60.0 per cent in 2020Q1 and 2020Q2, respectively.
- The sanitary lockdown substantially affected consumer spending, as indicated by respective declines of 3.7 per cent and 24.1 per cent in the '*wholesale and retail trade*' sector in 2020Q1 and 2020Q2, respectively.
- The '*financial and insurance activities*' sector expanded by 4.2 per cent in 2020Q1 but contracted by 1.5 per cent in 2020Q2.
- The '*information and communication*' sector was supported by persistently high demand for data communication services, especially during the period of work from home arrangements, growing by 3.4 per cent and 6.9 per cent, respectively, in 2020Q1 and 2020Q2.

12. Domestic demand was largely impaired in the first half of 2020 by the imposed movement restrictions, coupled with fragile consumer and business confidence in the wake of the pandemic.

- Final consumption expenditure contracted by 5.0 per cent y-o-y in 2020Q1 and a further 36.1 per cent in 2020Q2. This was largely attributed to the drastic fall in household consumption spending by 5.5 per cent and 44.5 per cent in 2020Q1 and 2020Q2, respectively. Household spending was mostly constrained to basic necessities during the lockdown period and was also adversely impacted by income losses amid weak economic conditions. Nonetheless, stimulus measures from the Government such as the Wage Assistance Scheme and the implementation of the loan moratorium from the Bank of Mauritius helped to cushion consumption spending to some extent. Government consumption expanded by 4.2 per cent in 2020Q2 against a contraction of 2.6 per cent in 2020Q1, owing mainly to the support measures implemented to assist households and businesses who were adversely impacted by the COVID-19.
- Investment expenditure, on its part, declined by 6.8 per cent in 2020Q1 and 70.9 per cent in 2020Q2, led by sharp contractions in both '*building and construction work*' and '*machinery and equipment*', mostly on account of mobility restrictions which temporarily halted the implementation of projects.
- Net exports remained a drag on GDP growth as external demand took a toll from the pandemic. The decline in tourism earnings culminated in a negative growth of 52.5 per cent for total exports in 2020Q2, against a marginal expansion of 0.1 per cent in 2020Q1. Total imports fell by 23.4 per cent in 2020Q1 and 48.2 per cent in 2020Q2, explained by both lower goods and services imports.

13. The labour market remained strained amidst challenging economic conditions due to COVID-19. The number of persons who were registered as unemployed rose by 16,000 to 57,300 in July 2020, from 41,300 in 2020Q1. Total employment declined by 36,800 from 534,800 in 2020Q1 to 498,000 in July 2020. As a result, the unemployment rate was up by 3.1 percentage points from 7.2 per cent to 10.3 per cent over the same period. The Wage Assistance Scheme, implemented since March 2020 and which provides a wage subsidy to

employers whose operations have been impacted by the pandemic, has to a large extent mitigated labour market disruptions.

14. The WRI suggested an easing of input costs emanating from the labour market. The overall WRI<sup>9</sup> rose at a slower pace of 0.1 per cent y-o-y in 2020Q2, from 2.5 per cent in 2020Q1. The softening of the overall index reflected mainly a decline of 0.8 per cent in private sector wages in 2020Q2 as against growth of 2.0 per cent in 2020Q1. Monthly earnings, as gauged in the Rapid Continuous Multi-Purpose Household Survey, provide further evidence of a broad-based moderation in wages. The average monthly salary of employees declined by around 18.0 per cent from Rs23,500 in 2020Q1 to Rs19,300 in July 2020.

15. Wages have tended to increase at a higher pace than inflation (Chart 1). Since 2012 and up till 2020Q2, the increase in the WRI has been, for most of the period, higher than the y-o-y inflation rate. In the medium term, wage developments in excess of both inflation and productivity growth, if sustained, could constitute a major upside risk to price stability. Maintaining real wage growth in line with labour productivity is generally considered as a necessary condition for long-term macroeconomic stability as this helps to uphold the competitiveness of a country while at the same time keeping a lid on inflationary pressures and averting the risk of a wage-price spiral.

Chart 1: Annual Growth in Wage Rate Index and Consumer Price Index



16. The current account deficit is estimated to have worsened in 2020H1 relative to 2019H1, reflecting the impact of COVID-19 on the economy, specifically on the back of lower trade and tourism activities. The deficit on the goods and services account has worsened due to supply and demand shocks causing lower trade and tourism flows. Manufacturing exports could be subject to demand-side risk while imports could be expected to be lower both in volume and price terms. Supply disruptions due to border closure, followed by the local lockdown would result in lower imports of capital, construction, and consumption goods, offsetting an increase in the import of medical equipment needed to prevent local contagion. A reduction in tourism activities and travel has mainly caused falling service exports.

17. The current account deficit is estimated at Rs21.0 billion in 2020H1 compared to Rs8.6 billion in 2019H1, stemming from significantly lower surpluses in the services and income

<sup>9</sup> Data are based on the Wage Rate Index - Second Quarter 2020 released on 24 September 2020.

accounts. As a ratio to GDP, the deficit rose to 10.5 per cent, from 3.6 per cent over the same period. The goods account deficit declined from Rs49.9 billion in 2019H1 to Rs42.2 billion in 2020H1, benefitting from a pronounced decline in nominal imports relative to nominal exports. As a ratio to GDP, the deficit increased from 20.7 per cent to 21.0 per cent. Total exports (f.o.b.) declined by 21.3 per cent from Rs39.7 billion in 2019H1 to Rs31.3 billion in 2020H1, dragged down by decreases in 'domestic exports' and 're-exports'. Imports of goods (f.o.b.) were down by 18.1 per cent from Rs89.6 billion to Rs73.4 billion, reflecting declines in all main categories of imports. The surplus on the services account dropped by 62.9 per cent from Rs14.8 billion in 2019H1 to Rs5.5 billion in 2020H1, directly impacted by transport and travel restrictions imposed due to COVID-19. Tourism earnings slumped by Rs15.0 billion from Rs31.1 billion in 2019H1 to Rs16.1 billion in 2020H1. An overall balance of payments deficit of Rs9.8 billion was recorded in 2020H1 as against a surplus of Rs26.6 billion in 2019H1.

18. The exchange rate of the rupee depreciated against all the major currencies as a result of the adverse impact of the COVID-19 on the domestic economy. On a point-to-point basis, between end-October 2019 and end-October 2020, and on a weighted average dealt selling rate basis, the rupee depreciated by 9.8 per cent and 9.7 per cent vis-à-vis the US dollar and the Pound sterling from Rs36.361 and Rs47.279 to Rs40.319 and Rs52.366, respectively. The depreciation against the euro was more pronounced at 13.5 per cent from Rs40.732 to Rs47.106. On a nominal effective exchange rate basis, as gauged by MER11, the rupee depreciated by 11.7 per cent between October 2019 and October 2020. In real effective terms, the rupee weakened by 10.1 per cent over the same period.

19. Monetary expansion maintained a sustained momentum, thus ensuring an adequate availability of liquidity in the banking system. Following the accommodative monetary policy measures initiated by the Bank of Mauritius to support the domestic economy after the outbreak of COVID-19 in March 2020, monetary expansion recorded double-digit growth in March 2020 throughout October 2020. Y-o-y growth in Broad Money Liabilities (BML) increased from 6.3 per cent in December 2018 to 8.5 per cent in December 2019 and further to 18.3 per cent in October 2020. On average, the y-o-y growth in BML remained broadly contained at around 7.1 per cent in 2019. For the first ten months of 2020, average BML growth stood at 12.5 per cent compared to an average growth of 6.8 per cent in the first ten months of 2019. The monetary base, which comprises the central bank liabilities that support the expansion of credit and broad money, also called high-powered money, grew, on average, by 33.9 per cent in the first ten months of 2020 compared to an average growth of 3.7 per cent in the first ten months of 2019.

20. Y-o-y growth in bank loans to the private sector<sup>10</sup> (excluding Global Business Companies) rose from 2.3 per cent in October 2019 to 4.9 per cent in March 2020 but the pace of acceleration has slowed down in October 2020. The disruption in economic activity in the wake of the global pandemic has posed substantial challenges to loan growth, which the Bank is trying to mitigate through specific measures to support the flow of credit in the economy. Potential vulnerabilities in lending activities have increased from both the demand and supply sides. To counter the effect of the COVID-19 crisis on the domestic economy and to boost

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<sup>10</sup> Private sector includes Other Nonfinancial Corporations, Other Financial Corporations, Public Nonfinancial Corporations and households.

private investment, the Bank has implemented a number of accommodative monetary policy measures, amongst others, the two successive cuts of 50 basis points (bps) and 100 bps in the Key Repo Rate (KRR) by the Monetary Policy Committee in March 2020 and April 2020, respectively, coupled with the reduction of the Cash Reserve Ratio from 9.0 per cent to 8.0 per cent in March 2020. These supportive measures have contributed to limit the downside risks to credit growth. Subsequently, y-o-y growth in bank loans which peaked at 5.1 per cent in July 2020, dipped to 0.9 per cent in September 2020, before recovering to 1.8 per cent in October 2020.

21. Inflation has increased during the first half of 2020. Adverse climatic conditions led to higher prices for vegetables and fresh products in earlier months. With the onset of the COVID-19, supply disruptions caused an increase in prices of vegetables and imported items. However, with the subsequent lifting of confinement measures in June 2020, supply and distribution channels improved and contributed to the normalisation of prices for most food items. The absence of demand from the tourism sector, which is at a halt with the closure of borders, resulted in increased supply of food items, thus adding to downward pressures on prices.

- Headline inflation increased from 0.5 per cent in December 2019 to 2.1 per cent in October 2020.
- Y-o-y inflation accelerated from 0.9 per cent to 3.2 per cent over the same period.
- However, the underlying inflationary pressures warrant close monitoring as they point towards some firming up in the underlying price momentum. On a 12-month average period, CORE1 inflation increased from 0.4 per cent in December 2019 to 1.4 per cent in October 2020, and CORE2 inflation rose from 1.8 per cent to 2.7 per cent. Y-o-y CORE1 inflation reached 2.9 per cent in October 2020, from 0.1 per cent in December 2019, while y-o-y CORE2 inflation accelerated to 4.1 per cent, from 1.9 per cent over the same period.

## **Outlook**

22. The economic outlook will depend on the depth and duration of the global downturn and the effectiveness of domestic economic relief measures. Although subject to high uncertainty, growth is expected to gradually rebound to around 7.5 percent in 2021 under the upside scenario, assuming resumption of some domestic economic activities, supported by a gradual recovery in key trading partners. The labour market is projected to remain under the spell of the economic fallout of the COVID-19. Economic activities in the main employment sectors continue to remain subdued given weak domestic and external demand, resulting in limited employment opportunities over the next few quarters. Government, through the various measures rolled out, has been able to avert massive layoffs which would have had a significant economic and social impact.

23. The fragile external sector outlook stems principally from substantial contraction in services trade amid the prevailing transport and travel restrictions and lower income surplus. The income account continues to be impacted by record low international interest rates and subdued economic activity abroad. The goods account deficit is projected to improve on account of a pronounced slowdown in imports of goods relative to exports of goods. As a ratio to GDP, the current account deficit is projected to widen from 5.4 per cent in 2019 to about

13.0 per cent in 2020. The financial account would remain under the threat of a potential slowdown of capital flows.

24. For 2021, inflationary developments will be dominated by subdued demand-side and transitory supply-side pressures. However, weather-related disturbances are expected to influence domestic inflationary developments during 2021Q1. The impact of adverse weather due to heavy rain and cyclonic conditions is projected to lead to a temporary but significant increase in prices of fresh vegetables. Nonetheless, they are expected to normalise once demand and supply forces stabilise at the start of 2021Q2. In addition, the weak pass-through of the rupee exchange rate to CPI inflation is likely to persist over the medium-term. The pass-through of administered domestic petroleum prices to CPI inflation will likely remain low, as global oil prices are foreseen to stabilise at current levels over the near-term with fears of reduced global oil demand emanating from the negative economic impact of COVID-19. Trading partners' inflation is projected to remain subdued and is likely to stifle imported inflationary pressures. In light of the above, domestic inflation is expected to remain under the influence of volatile fresh vegetables prices over the coming months, with a low and stable inflation rate achievable towards end of 2021. Barring exogenous shocks, the headline inflation rate is projected between 2.5-3.5 per cent, in line with subdued economic conditions, both global and at home.

25. The domestic growth outlook remains fraught with a high degree of uncertainty. The economic damage linked to the outbreak and proliferation of the COVID-19 has substantially derailed the domestic growth trajectory. Our key trading partner countries are bearing the brunt of a second wave of the global pandemic, thus impacting adversely on the domestic export performance. On the domestic front, the '*accommodation and food service activities*' and '*manufacturing*' sectors would be the hardest hit, contributing negatively to domestic output. Spill-over effects of the sectoral contractions would be perceptible through deterioration in labour market conditions and closure of businesses. Other sectors would also take a toll through the second-round impact, posting below-par performances as a consequence of contagion effects on key sectors, albeit with varying magnitude. The sharp drop of tourist arrivals following the closure of borders would not only have an impact on income and employment in sectors directly related to travel but will also have indirect effects on agriculture, distributive trade, transport and construction sectors.

26. Aggregate demand is anticipated to be largely impacted by the pandemic-related disruptions. Household consumption spending is estimated to have suffered from measures such as social distancing, restrictions in movement during the confinement period as well as spending being limited to essential items during the lockdown period. Income losses for employees in distressed sectors are likely to influence their purchasing power over the near term. Albeit, final consumption spending will benefit from fiscal measures implemented to assist financially distressed individuals and businesses, including provision of basic necessities during the lockdown period, the Wage Assistance Scheme and the Self-Employed Assistance Scheme. Looking ahead, subdued consumption spending would be detrimental to output, the more so that it has the largest share in GDP.

27. Although Mauritius has successfully contained the first wave of the pandemic, the economic and social consequences of a second wave would be devastating, putting additional pressure on fiscal and monetary policies. The baseline scenario assumes that there would be

no significant COVID-19 outbreaks and accompanying strict containment measures. Policy support measures, especially regarding the labour market, are also projected to be maintained. For 2021, the outlook is even more uncertain given the resurgence of COVID-19 infections in a number of trading partner economies. While vaccine news are clearly encouraging, a rapid return to normality is not on the cards yet. Given the unparalleled degree of uncertainty presently surrounding the projections, they are based on the most plausible scenario, taking into account available information.

28. The medium-term outlook is characterised by significant downside risks, which mainly include a more prolonged and/or severe outbreak of COVID-19, exacerbated by more sluggish recovery in our key trading partners. Adverse weather-related events affecting the agriculture sector are added risks. Accordingly, accelerating reforms to promote diversification and improve competitiveness will be vital to strengthen economic and social resilience. An adequate and appropriate macroeconomic policy framework that can support stronger economic growth and ensure macroeconomic stability over the medium term will be necessary to cushion negative shocks to the economy. Better investment in human capital and social protection will enable households to handle the impacts of shocks.



# COMMUNIQUE

## WAGE ASSISTANCE SCHEME

The Government of the Republic of Mauritius has announced the Wage Assistance Scheme (The Scheme) to ensure that all employees in the private sector are duly paid their salary for the month of March 2020. The scheme concerns both Mauritians and foreign employees working in Mauritius.

- Employers should effect payment of the monthly salary as usual and in case their business has been adversely affected by Covid19 and the lockdown in Mauritius, they may after payment of the salary, apply to MRA for financial support under **The Scheme**.
- Under the scheme, a business entity in the private sector is entitled to receive in respect to its wage bill for the month of March 2020, an amount equivalent to 15 days' basic wage bill for all of its employees drawing a monthly basic wage of up to Rs 50,000 subject to a cap of Rs 12,500 of assistance per employee as set out in table below:

For every employee with basic salary in March 2020	Basis	Assistance per employee (Rs)
From 9,700 to Rs 25,000	15-days wages	From Rs 4,850 to Rs 12,500
From Rs 25,000 to Rs 50,000	Fixed Amount	Rs 12,500
Above Rs 50,000	Nil	Nil

- Exceptionally, where a business is unable to effect payment of salary for the current month due to cash flow problem, it may apply to the MRA for assistance under the scheme so that the salaries may be paid in a timely manner.
- For any information or assistance under the Scheme, the MRA may be reached by email on the following address: **headoffice@mra.mu** or by calling on **5 941 2782** or **5 941 2783**.

MAURITIUS REVENUE AUTHORITY

23 March 2020

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# COMMUNIQUE

## GOVERNMENT WAGE ASSISTANCE SCHEME and SELF-EMPLOYED ASSISTANCE SCHEME

*Extension for the Month of June 2020*

The Mauritius Revenue Authority (MRA) informs the public that the Government Wage Assistance Scheme (GWAS) and the Self-Employed Assistance Scheme (SEAS) have been extended for the month of June 2020 to operators having the necessary licence/permit from the relevant authorities to operate the following activities:

### (a) Tourism sector

1. Hotels, guest houses, tourist residences and domains;
2. Tourist enterprises, except restaurants, pubs and tables d'hôte;
3. Pleasure crafts engaged in commercial nautical activities;
4. Travel agencies, tour operators, tourist guides or canvassers;
5. National airline including Air Mauritius Ltd and Airmate Ltd;
6. Businesses deriving at least 50% of their income from goods sold or services provided to persons engaged in tourism activities as listed at (a)(1) to (5) above\*;
7. Restaurants, pubs, tables d'hôte holding a tourist enterprise licence\*\*;
8. Contract car businesses, event management companies\*\*; and
9. Attractions, amusement parks, natural sites and museums\*\*.

#### Note:

\*A self-employed engaged in activities falling under item (6) above is entitled to GWAS only.

\*\*Items (7) to (9) are applicable to businesses whose turnover has fallen by more than 50% in June 2020 as compared to the corresponding turnover in June 2019. However, this condition does not apply to an enterprise which has been set up after June 2019.

### (b) Premises that remained closed or activities that were not allowed to be carried out under Covid-19 Regulations 2020

1. Fitness centres (gymnasium/sports complex);
2. Horse racing, bookmakers, casinos and gaming houses;
3. Leisure parks, amusement centres, including aquariums;
4. Multi-purpose halls, including wedding halls;
5. Nightclubs and private clubs licensed by the Tourism Authority;
6. Professional sports, and
7. Theatres and cinema halls.

### (c) Self-employed

1. Artists;
2. Haberdashers operating in a market fair;
3. Holders of a license, certificate or permit issued by the Tourism Authority or Beach Authority other than for skippers and non-commercial pleasure crafts;
4. Persons making handicrafts;
5. Persons working in school canteen, and
6. Taxi drivers operating at the airport, or based at a hotel.

All employers and self-employed persons who satisfy the conditions for the Government Wage Assistance Scheme and the Self-Employed Assistance Scheme, as applicable, and who are engaged in the above mentioned activities, may submit their applications through the MRA website: [www.mra.mu](http://www.mra.mu) for financial support.

For any additional information, applicants may phone MRA helpdesk on: 207 6000.

MAURITIUS REVENUE AUTHORITY

02 July 2020

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# COMMUNIQUE

## GOVERNMENT WAGE ASSISTANCE SCHEME (GWAS) Extension for the Month of July 2020

The Mauritius Revenue Authority (MRA) informs the public that the Government Wage Assistance Scheme (GWAS) has been extended for the month of July 2020, to ensure that employees in the tourism sector are duly paid their basic salary.

The scheme is applicable to businesses which have the necessary licence/permit from the relevant authorities to operate the following activities in the tourism sector:

### Tourism sector

1. Hotels, guest houses, tourist residences and domains;
2. Tourist enterprises;
3. Pleasure crafts engaged in commercial nautical activities;
4. Travel agencies, tour operators, tourist guides or canvassers;
5. National airline including Air Mauritius Ltd and Airmate Ltd;
6. Businesses deriving at least 50% of their income from goods sold or services provided to persons engaged in tourism activities as listed at (a)(1) to (5) above\*;
7. Restaurants, pubs, tables d'hôtes holding a tourist enterprise licence\*\*;
8. Contract car businesses contract bus businesses, event management companies\*\*, and
9. Public Attractions, amusement parks, natural sites and museums\*\*.

### Note:

\*A self-employed engaged in activities falling under item (6) above is entitled to GWAS only.

\*\*Items (7) to (9) are applicable to businesses whose turnover has fallen by more than 50% in July 2020 as compared to the corresponding turnover in July 2019. However, this condition does not apply to an enterprise which has been set up on or after 01 July 2019.

The scheme covers both Mauritians and expatriate employees working in Mauritius. However, the scheme is not applicable to Ministries and Government Departments, Local Authorities, Statutory Bodies and Government Owned Companies.

The Eligible Employers will benefit a financial assistance from the Government as per the table below:

For every employee with basic salary (Rs) in July 2020	Basis	Assistance per employee (Rs)
From 9,700 to 25,000	One month wages	From 9,700 to 25,000
From 25,000 to 50,000	Fixed Amount	25,000
Above 50,000	Nil	Nil

The quantum of assistance claimed should be based on the basic salary of the employees as normally declared by employers in their monthly NPS Contribution Returns.

In processing the applications under WAS, the MRA will carry out internal checks to verify the correctness of claims. Thereafter, MRA will credit the approved amount to the employer's bank account used by him for payment of monthly NPS contribution.

Applications should be made through the MRA website: [www.mra.mu](http://www.mra.mu)

For any additional information, applicants may phone MRA helpdesk on: 207 6000.

MAURITIUS REVENUE AUTHORITY

24 July 2020

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# COMMUNIQUE

## GOVERNMENT WAGE ASSISTANCE SCHEME (GWAS) Extension for the Month of August 2020

The Mauritius Revenue Authority (MRA) informs the public that the Government Wage Assistance Scheme (GWAS) has been extended for the month of August 2020 to ensure that employees in the tourism sector are duly paid their basic salary.

The scheme is applicable to businesses which have the necessary licence/permit from the relevant authorities to operate the following activities in the tourism sector:

### Tourism sector

1. Hotels, guest houses, tourist residences and domains;
2. Tourist enterprises;
3. Pleasure crafts engaged in commercial nautical activities;
4. Travel agencies, tour operators, tourist guides or canvassers;
5. National airline including Air Mauritius Ltd and Airmate Ltd;
6. Businesses deriving at least 50% of their income from goods sold or services provided to persons engaged in tourism activities as listed at (a)(1) to (5) above\*;
7. Restaurants, pubs, tables d'hôtes holding a tourist enterprise licence\*\*;
8. Contract car businesses, contract bus businesses, event management companies\*\*, and
9. Public Attractions, amusement parks, natural sites and museums\*\*.

### Note:

\*A self-employed engaged in activities falling under item (6) above is entitled to GWAS only.

\*\*Items (7) to (9) are applicable to businesses whose turnover has fallen by more than 50% in August 2020 as compared to the corresponding turnover in August 2019. However, this condition does not apply to an enterprise which has been set up on or after 01 July 2019.

The scheme covers both Mauritians and expatriate employees working in Mauritius. However, the scheme is not applicable to Ministries and Government Departments, Local Authorities, Statutory Bodies and Government Owned Companies.

The Eligible Employers will benefit a financial assistance from the Government as per the table below:

For every employee with basic salary (Rs) in August 2020	Basis	Assistance per employee (Rs)
From 9,700 to 25,000	One month wage	From 9,700 to 25,000
From 25,000 to 50,000	Fixed Amount	25,000
Above 50,000	Nil	Nil

The quantum of assistance claimed should be based on the basic salary of the employees as normally declared by employers in their monthly NPS Contribution Returns.

In processing the applications under GWAS, the MRA will carry out internal checks to verify the correctness of claims. Thereafter, MRA will credit the approved amount to the employer's bank account used by him for payment of monthly NPS contribution.

Applications should be made through the MRA website: [www.mra.mu](http://www.mra.mu)

For any additional information, applicants may phone MRA helpdesk on: 207 6000 during office hours.

MAURITIUS REVENUE AUTHORITY

25 August 2020

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# COMMUNIQUE

## GOVERNMENT WAGE ASSISTANCE SCHEME (GWAS)

### Extension for the Month of September 2020

The Mauritius Revenue Authority (MRA) informs the public that the Government Wage Assistance Scheme (GWAS) has been extended for the month of September 2020 to ensure that employees in the tourism sector are duly paid their basic salary.

The scheme is applicable to businesses which have the necessary licence or permit from the relevant authorities to operate the following activities in the tourism sector:

#### Tourism Sector

1. Hotels, guest houses, tourist residences and domains;
2. Tourist enterprises;
3. Pleasure crafts engaged in commercial nautical activities;
4. Travel agencies, tour operators, tourist guides or canvassers;
5. National airline including Air Mauritius Ltd and Airmate Ltd;
6. Businesses deriving at least 50% of their income from goods sold or services provided to persons engaged in tourism activities as listed at (a)(1) to (5) above\*;
7. Restaurants, pubs, tables d'hôtes holding a tourist enterprise licence\*\*;
8. Contract car businesses, contract bus businesses, event management companies\*\*, and
9. Public Attractions, amusement parks, natural sites and museums\*\*.

#### Note:

- \* *A self-employed engaged in activities falling under item (6) above is entitled to GWAS only.*  
 \*\* *Items (7) to (9) are applicable to businesses whose turnover has fallen by more than 50% in September 2020 as compared to the corresponding turnover in September 2019. However, this condition does not apply to an enterprise which has been set up on or after 01 July 2019.*

The scheme covers both Mauritians and expatriate employees working in Mauritius. However, the scheme is not applicable to Ministries and Government Departments, Local Authorities, Statutory Bodies and Government Owned Companies.

The Eligible Employers will benefit a financial assistance from the Government as per the table below:

For every employee with basic salary (Rs) in September 2020	Basis	Assistance per employee (Rs)
From 9,700 To 25,000	One Month Wage	From 9,700 To 25,000
From 25,000 To 50,000	Fixed Amount	25,000
Above 50,000	Nil	Nil

The quantum of assistance claimed should be based on the basic salary of the employees as normally declared by employers in their monthly NPS Contribution Returns.

In processing the applications under GWAS, the MRA will carry out internal checks to verify the correctness of claims. Thereafter, MRA will credit the approved amount to the employer's bank account used by him for payment of monthly NPS contribution.

Applications should be made through the MRA website: [www.mra.mu](http://www.mra.mu).

For any additional information, applicants may phone the MRA helpdesk on: 207 6000 during office hours.

MAURITIUS REVENUE AUTHORITY

13 October 2020

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# COMMUNIQUE

## GOVERNMENT WAGE ASSISTANCE SCHEME (GWAS)

Extension for the Month of October 2020

The Mauritius Revenue Authority (MRA) informs the public that the Government Wage Assistance Scheme (GWAS) has been extended for the month of October 2020 to ensure that employees in the tourism sector are duly paid their basic salary.

The scheme is applicable to businesses which have the necessary licence or permit from the relevant authorities to operate the following activities in the tourism sector:

### Tourism Sector

1. Hotels, guest houses, tourist residences and domains;
2. Tourist enterprises;
3. Pleasure crafts engaged in commercial nautical activities;
4. Travel agencies, tour operators, tourist guides or canvassers;
5. National airline including Air Mauritius Ltd and Airmate Ltd;
6. Businesses deriving at least 50% of their income from goods sold or services provided to persons engaged in tourism activities as listed at (a)(1) to (5) above\*;
7. Restaurants, pubs, tables d'hôtes holding a tourist enterprise licence\*\*;
8. Contract car businesses, contract bus businesses, event management companies\*\*, and
9. Public Attractions, amusement parks, natural sites and museums\*\*.

### Note:

- \* *A self-employed engaged in activities falling under item (6) above is entitled to GWAS only.*
- \*\* *Items (7) to (9) are applicable to businesses whose turnover has fallen by more than 50% in October 2020 as compared to the corresponding turnover in October 2019. However, this condition does not apply to an enterprise which has been set up on or after 01 July 2019.*

The scheme covers both Mauritians and expatriate employees working in Mauritius. However, the scheme is not applicable to Ministries and Government Departments, Local Authorities, Statutory Bodies and Government Owned Companies.

The Eligible Employers will benefit a financial assistance from the Government as per the table below:

For every employee with basic salary (Rs) in October 2020	Basis	Assistance per employee (Rs)
From 9,700 To 25,000	One Month Wage	From 9,700 To 25,000
From 25,000 To 50,000	Fixed Amount	25,000
Above 50,000	Nil	Nil

The quantum of assistance claimed should be based on the basic salary of the employees as normally declared by employers in their monthly NPS Contribution Returns.

In processing the applications under GWAS, the MRA will carry out internal checks to verify the correctness of claims. Thereafter, MRA will credit the approved amount to the employer's bank account used by him for payment of monthly NPS contribution.

Applications should be made through the MRA website: [www.mra.mu](http://www.mra.mu).

For any additional information, applicants may phone the MRA helpdesk on: 207 6000 during office hours.

MAURITIUS REVENUE AUTHORITY

23 October 2020

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## COMMUNIQUE

### COVID-19 SELF-EMPLOYED ASSISTANCE SCHEME

The Government of the Republic of Mauritius has decided to implement a **Self-Employed Assistance Scheme (SEAS)** through the Mauritius Revenue Authority (MRA) to assist self-employed persons who have suffered a loss of revenue as a consequence of the lockdown in the fight against Covid-19.

1. A self-employed individual who is in business, or a tradesperson operating in the informal sector, e.g. a mason, a cabinet maker, a plumber, a hairdresser and an artist is entitled to join the assistance scheme provided he is a **Mauritian national above 18 years of age** and who has been in business for the **last 3 months**.
2. The following individuals are **NOT** eligible to the assistance:
  - a. an individual who is an employee, whether full-time or part-time;
  - b. a person who is eligible to receive basic retirement pension;
  - c. an individual who receives monthly social benefits;
  - d. an individual pursuing higher studies on a full time basis;
  - e. a person who is a dependent spouse;
  - f. a person who was unemployed at the beginning of March 2020;
  - g. an individual who forms part of a household having total monthly income (including passive income, e.g rent, dividends, interests or profits) exceeding Rs. 50,000;
  - h. an individual who is in a business where he earns only passive income, e.g rent; or
  - i. a fisherman.
3. Eligible self-employed individuals and tradespersons will receive a financial support of Rs 5,100 each for the period 16 March 2020 to 15 April 2020. They must submit their applications **online** on MRA's website: **www.mra.mu** All payments will be credited to their respective bank accounts.
4. For any further information or assistance under the scheme, the MRA may be reached by email on **headoffice@mra.mu** or by calling on **207 6000**.

MAURITIUS REVENUE AUTHORITY

31 March 2020

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius  
T: +230 207 6000 | F: +230 211 8099 | E: headoffice@mra.mu | W: www.mra.mu





## SELF-EMPLOYED ASSISTANCE SCHEME

### ADDITIONAL INFORMATION

During the implementation of the **Self-Employed Assistance Scheme (SEAS)**, a series of issues have been noted. The Mauritius Revenue Authority (MRA) wishes to apprise applicants of the following, so that eligible applicants may avail themselves of the assistance in the most effective manner:

1. All applications must be made online on MRA website: [www.mra.mu](http://www.mra.mu). The MRA will not entertain any application made by email or via phone. Individuals who are having difficulties to apply may call MRA Helpdesk on 207 6000.
2. Self-employed individuals who have already applied for the assistance for the period 16<sup>th</sup> of March to 15<sup>th</sup> of April 2020 **need not submit a new application** for the period 16<sup>th</sup> of April to 30<sup>th</sup> of April 2020.
3. Self-employed individuals in Rodrigues and in Agalega, who are eligible for the Self-Employed Assistance Scheme, are entitled to an assistance of Rs 5,100 for the period 16<sup>th</sup> of March to 15<sup>th</sup> of April 2020 only as the confinement period in those islands ended on 15<sup>th</sup> of April, 2020.
4. As at date, the MRA has received more than 251,000 applications for SEAS and payment has already been credited to the bank accounts of some 172,000 applicants. All applications received have already been processed and the unpaid cases relate to applicants who have not passed the eligibility criteria, or are entitled to the financial assistance but have an issue with their Bank Account.
5. An applicant who does not have a Bank Account may still make an application. However, he will have to open a Bank Account at the earliest and, thereafter, revert to his application form and insert his bank details.
6. Banks would henceforth make verifications to ensure that the applicant is the holder of the Bank Account before crediting the payment into that account. An applicant should, therefore, ensure that the Bank Account Number inserted in his online application form is in his own name.
7. An applicant who has inserted the Bank Account Number of another person, and gets the message that the account has been used more than once, may now amend his application, online, to insert a Bank Account which is in his own name.
8. An applicant, including a student, who has inserted incorrect information in his application form and who now wishes to withdraw his application, has been provided with an online facility to do so. In case he has already been paid, he will also be able to refund the amount using the same facility.
9. **All emails regarding SEAS must be addressed to [headoffice@mra.mu](mailto:headoffice@mra.mu)**. No consideration may be given to emails sent directly to the mail box of MRA officers.
10. The MRA informs the public that a post audit exercise has been initiated to detect cases where misrepresentations have been made in application forms so as to benefit from the Self-Employed Assistance Scheme. Cases deemed fraudulent will be referred to the Police for appropriate action as provided in Law.

For further information regarding the Self-Employed Assistance Scheme, members of the public are requested to call MRA Helpdesk on **207 6000**.

MAURITIUS REVENUE AUTHORITY

29 April 2020

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius  
T: +230 207 6000 | F: +230 211 8099 | E: [headoffice@mra.mu](mailto:headoffice@mra.mu) | W: [www.mra.mu](http://www.mra.mu)





# COMMUNIQUE

## SELF-EMPLOYED ASSISTANCE SCHEME (SEAS)

### Extension for the Month of July 2020

The Mauritius Revenue Authority (MRA) informs the public that the Self-Employed Assistance Scheme (SEAS) has been extended for the month of July 2020 to self-employed individuals in the tourism sector, and who have the necessary licence/permit from the relevant authorities to operate the following activities:

1. Hotels, guest houses, tourist residences and domains;
2. Tourist enterprises;
3. Pleasure crafts engaged in commercial nautical activities;
4. Travel agencies, tour operators, tourist guides or canvassers;
5. Businesses deriving at least 50% of their income from goods sold or services provided to persons engaged in tourism activities as listed at 1 to 4 above;
6. Restaurants, pubs or tables d'hôtes holding a tourist enterprise licence;\*\*
7. Contract car businesses or contract bus businesses; and\*\*
8. Public attractions, amusement parks, natural sites and museums.\*\*
9. Artists;
10. Holders of a licence, certificate or permit issued by the Tourism Authority or Beach Authority other than for skippers, or non-commercial pleasure crafts;
11. Licensee of Beach Authority;
12. Persons making handicrafts;
13. Stall holder in the Central Market engaged in the sale of tourist products as certified by the Municipal Council of Port Louis;
14. Taxi drivers operating at the airport, or based at a hotel

**Note:**

**\*\* Item (6) to (8) are applicable to businesses whose turnover has fallen by more than 50% in July 2020 as compared to the corresponding turnover in July 2019. However, this condition does not apply to an enterprise which has been set up on or after 01 July 2019**

The applicant must be a self-employed or tradesperson of Mauritian nationality aged above 18 years and who has been economically active for the **last 3 months**.

The following individuals are **NOT** eligible to the scheme:

1. an individual who is an employee, whether full-time or part-time;
2. a person who is eligible to receive basic retirement pension;
3. an individual who receives monthly social benefits;
4. an individual pursuing higher studies on a full time basis;
5. a person who is a dependent spouse;
6. a person who was unemployed at the beginning of March 2020;
7. an individual who forms part of a household having total monthly income (including passive income, e.g rent, dividends, interests or profits) exceeding Rs. 50,000;
8. an individual who is in a business where he earns only passive income, e.g rent; or
9. fisherman.

Eligible self-employed individuals and tradespersons will receive a financial support of Rs 5,100 for the period 01 July 2020 to 31 July 2020. All payments will be credited to the applicants' bank account.

Applications should be made through the MRA website; [www.mra.mu](http://www.mra.mu)

For any additional information, applicants may phone MRA helpdesk on: 207 6000.

MAURITIUS REVENUE AUTHORITY

24 July 2020

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius  
T: +230 207 6000 | F: +230 207 6048 | M: [headoffice@mra.mu](mailto:headoffice@mra.mu) | W: [www.mra.mu](http://www.mra.mu)





# COMMUNIQUE

## SELF-EMPLOYED ASSISTANCE SCHEME (SEAS)

### Extension for the Month of August 2020

The Mauritius Revenue Authority (MRA) informs the public that the Self-Employed Assistance Scheme (SEAS) has been extended for the month of August 2020 to self-employed individuals in the tourism sector, and who have the necessary licence/permit from the relevant authorities to operate the following activities:

1. Hotels, guest houses, tourist residences and domains;
2. Tourist enterprises;
3. Pleasure crafts engaged in commercial nautical activities;
4. Travel agencies, tour operators, tourist guides or canvassers;
5. Businesses deriving at least 50% of their income from goods sold or services provided to persons engaged in tourism activities as listed at 1 to 4 above;
6. Restaurants, pubs or tables d'hôtes holding a tourist enterprise licence;\*\*
7. Contract car businesses or contract bus businesses; and\*\*
8. Public attractions, amusement parks, natural sites and museums.\*\*
9. Artists;
10. Holders of a licence, certificate or permit issued by the Tourism Authority or Beach Authority other than for skippers, or non-commercial pleasure crafts;
11. Licensee of Beach Authority;
12. Persons making handicrafts;
13. Stall holder in the Central Market engaged in the sale of tourist products as certified by the Municipal Council of Port Louis;
14. Taxi drivers operating at the airport, or based at a hotel

**Note:**

\*\* Item (6) to (8) are applicable to businesses whose turnover has fallen by more than 50% in August 2020 as compared to the corresponding turnover in August 2019. However, this condition does not apply to an enterprise which has been set up on or after 01 July 2019

The applicant must be a self-employed or tradesperson of Mauritian nationality aged above 18 years and who has been economically active for a period of **at least three months** prior to the introduction of the sanitary curfew in Mauritius.

The following individuals are **NOT** eligible to the scheme:

1. an individual who is an employee, whether full-time or part-time;
2. a person who is eligible to receive basic retirement pension;
3. an individual who receives monthly social benefits;
4. an individual pursuing higher studies on a full time basis;
5. a person who is a dependent spouse;
6. a person who was unemployed at the beginning of March 2020;
7. an individual who forms part of a household having total monthly income (including passive income, e.g rent, dividends, interests or profits) exceeding Rs. 50,000;
8. an individual who is in a business where he earns only passive income, e.g rent; or
9. fisherman.

Eligible self-employed individuals and tradespersons will receive a financial support of Rs 5,100 for the period 01 August 2020 to 31 August 2020. All payments will be credited to the applicants' bank account.

Applications should be made through the MRA website: [www.mra.mu](http://www.mra.mu)

For any additional information, applicants may phone MRA helpdesk on: 207 6000 during office hours.

MAURITIUS REVENUE AUTHORITY

25 August 2020

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius  
T: +230 207 6000 | F: +230 207 6048 | M: [headoffice@mra.mu](mailto:headoffice@mra.mu) | W: [www.mra.mu](http://www.mra.mu)





# COMMUNIQUE

## SELF-EMPLOYED ASSISTANCE SCHEME (SEAS)

### Extension for the Month of September 2020

The Mauritius Revenue Authority (MRA) informs the public that the Self-Employed Assistance Scheme (SEAS) has been extended for the month of September 2020 to self-employed individuals in the tourism sector, and who have the necessary licence/permit from the relevant authorities to operate the following activities:

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11. Licensee of Beach Authority;
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14. Taxi drivers operating at the airport, or based at a hotel.

**Note:**

\*\* Item (6) to (8) are applicable to businesses whose turnover has fallen by more than 50% in September 2020 as compared to the corresponding turnover in September 2019. However, this condition does not apply to an enterprise which has been set up on or after 01 July 2019.

The applicant must be a self-employed or tradesperson of Mauritian nationality aged above 18 years and who has been economically active for a period of at least three months prior to the introduction of the sanitary curfew in Mauritius.

The following individuals are **NOT** eligible to the scheme:

1. an individual who is an employee, whether full-time or part-time;
2. a person who is eligible to receive basic retirement pension;
3. an individual who receives monthly social benefits;
4. an individual pursuing higher studies on a full time basis;
5. a person who is a dependent spouse;
6. a person who was unemployed at the beginning of March 2020;
7. an individual who forms part of a household having total monthly income (including passive income, e.g. rent, dividends, interests or profits) exceeding Rs. 50,000;
8. an individual who is in a business where he earns only passive income, e.g. rent; or
9. fisherman.

Eligible self-employed individuals and tradespersons will receive a financial support of Rs 5,100 for the period 01 September 2020 to 30 September 2020. All payments will be credited to the applicants' bank account.

Applications should be made through the MRA website: [www.mra.mu](http://www.mra.mu).

For any additional information, applicants may phone MRA helpdesk on: 207 6000 during office hours.

MAURITIUS REVENUE AUTHORITY

13 October 2020

Ehram Court, Cnr Mgr. Gonin & Sir Virgil Naz Streets, Port Louis, Mauritius  
T: +230 207 6000 | F: +230 207 6048 | M: headoffice@mra.mu | W: www.mra.mu





## COMMUNIQUE

### SELF-EMPLOYED ASSISTANCE SCHEME (SEAS)

#### Extension for the Month of October 2020

The Mauritius Revenue Authority (MRA) informs the public that the Self-Employed Assistance Scheme (SEAS) has been extended for the month of October 2020 to self-employed individuals in the tourism sector, and who have the necessary licence/permit from the relevant authorities to operate the following activities:

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**Note:**

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5. a person who is a dependent spouse;
6. a person who was unemployed at the beginning of March 2020;
7. an individual who forms part of a household having total monthly income (including passive income, e.g. rent, dividends, interests or profits) exceeding Rs. 50,000;
8. an individual who is in a business where he earns only passive income, e.g. rent; or
9. fisherman.

Eligible self-employed individuals and tradespersons will receive a financial support of Rs 5,100 for the period 01 October 2020 to 31 October 2020. All payments will be credited to the applicants' bank account.

Applications should be made through the MRA website: [www.mra.mu](http://www.mra.mu).

For any additional information, applicants may phone MRA helpdesk on: **207 6000** during office hours.

MAURITIUS REVENUE AUTHORITY

23 October 2020

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