

Republic of Mauritius

**NATIONAL WAGE
CONSULTATIVE COUNCIL (NWCC)**

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

31 JANUARY 2019

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Salient Findings

The Salient Findings have been particularly arrived at after proper comparison and thorough analysis of aggregate data from Statistics Mauritius and the Mauritius Revenue Authority.

In contrast, salient findings at paragraph (iv) below refer to results from the three surveys carried out by the Council and should be read in that particular perspective as further detailed in the **Caution Note**.

i) Non-Compliance with the National Minimum Wage Regulations

The non-compliance rate, which measures the proportion of cases not complying to the NMW as a proportion of the total number of full-time workers, was estimated at 10.9% for the country and 14.4% for the private sector as at June 2018.

a) Lower Non-Compliance Rates

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.

b) Non-compliance to NMW as a proportion of NPF contributors in EOE

It is noted that out of 24,417 Mauritian workers in EOE contributing to the NPF at June 2018, 4% or 976 cases have not been complying to the NMW.

c) Non-compliance to NMW as a proportion of NPF contributors in Non-EOE

It is noted that out of 235,336 Mauritian workers contributing to the NPF in the Non-EOEs at June 2018, 8.6% or 20,221 cases have not been complying to the NMW.

d) Sectors of High Non-Compliance

The rate of non-compliance in Non-EOEs are mostly in respect of employees working in small businesses and those employed in grades such as household employees (maid, gardeners and babysitters), and sales persons.

ii) Impact of the National Minimum Wage

a) Impact on the Economy

The introduction of the NMW, coupled with the special allowance and the negative income tax, has positively impacted upon consumption expenditure which in turn has been one of the drivers of economic growth.

According to the Bank of Mauritius:

- *“Economic growth remains broad-based, benefitting from both business and consumer optimism and supported by positive contributions from all but one sector.”*
- *“Consumer optimism continues to back household consumption expenditure, which is also upheld by fiscal incentives such as the negative income tax and minimum wages.”*
- *“Final consumption expenditure growth has been revised up to 3.4 per cent in 2018, due to higher consumption expenditure of general government, while household consumption expenditure growth would be sustained at 3.4 per cent.”*

b) Impact on Employment

It has been noted that total employment has not been negatively impacted in 2018 compared to 2017.

In fact, based on SM figures, total employment is expected to increase by 1,400 in 2018 to reach 546,500 compared to 545,100 in 2017.

Full time employment in the private sector in both the secondary and tertiary sectors increased in 2018 compared to the years 2016 and 2017 while in the primary sector

employment continued on a downward trend from 21,300 in 2016 to 20,900 in 2017 and to 15,400 in 2018.

c) Impact on Employment as measured by the number of employees contributing to the NPF

Notwithstanding the fact that other factors may have impacted on employment, the NMW appears to have impacted differently on employment in EOE and Non-EOEs as measured by the number of employees contributing to the NPF. The total number of employees contributing to NPF in Non-EOEs increased by 9% from 251,735 in December 2017 to 275,235 in June 2018. The total number of employees in the EOE contributing to the NPF fell slightly from 38,633 in December 2017 to 38,543 as at June 2018.

Analysis indicates that the introduction of the NMW, coupled with the special allowance and negative income tax, has improved adherence to the National Pension Fund Act as indicated by the increase in the number of contributors to the National Pension Fund from 290,368 in December 2017 to 313,778 in June 2018.

Thus, the introduction of the NMW may have led to movement from informal employment to formal employment.

d) Impact on Employment for Young Workers

The total number of full-time young workers decreased by 31.3% from 3,200 in December 2017 to 2,200 in June 2018.

The number of young employees in respect of whom contributions have been made to the NPF increased from two in December 2017 to 529 in June 2018. This indicates that the introduction of the NMW has also encouraged registration and contributions to the NPF in respect of young workers.

e) Characteristics of Employment/Unemployment by Gender

It is noted that both male and female unemployment decreased in the second quarter 2018 as compared to the second quarter 2017.

It is noted that while male employment has fallen from 253,733 to 250,576, female employment has increased from 165,144 to 174,851. The total number of Mauritians in full-time employment has increased from 418,878 in December 2017 to 425,427 in June 2018.

f) National Minimum Wage and Standard of Living

The introduction of the NMW has supplemented the income of minimum wage workers thereby increasing the purchasing power and positively impacting household expenditure and the standard of living of households.

According to the Bank of Mauritius, final consumption expenditure has increased by 3.8 per cent in real terms in the first semester of 2018. Consumer optimism continues to back household consumption expenditure, which is also upheld by fiscal incentives such as the negative income tax and minimum wages.

g) National Minimum Wage and Relative Poverty Line

The introduction of the NMW has presumably moved a number of households out of relative poverty.

The positive impact on income and economic activity has been reinforced by the Government funding of the special allowance to achieve the guaranteed income of Rs 9,000.

iii) Evolution of Wage Distribution

a) Wage Distribution as measured by the Gini Coefficient

The introduction of the NMW has raised the earnings of low-paid workers and thereby reduced income inequality. Indeed, the wage Gini Coefficient based on basic wage, which measures wage distribution, has improved from 0.448 in 2017 to 0.440 in 2018.

b) Wage differentials following National Minimum Wage

The introduction of the NMW, has narrowed the wage differential. In effect, the wage differential measured by the ratio of the average monthly income of the 9th decile to the 1st decile has narrowed down from 9.37 in 2017 to 8.04 in 2018.

c) Evolution of Wage Distribution in EOE's from December 2017 to June 2018

The number of full-time employees with basic wages of up to Rs 9,000 a month fell down from 28,675 in 2017 to 27,204 in 2018 probably indicating an upward movement of the employees in higher wage bands.

d) Evolution of Wage Distribution in Non-EOE's from December 2017 to June 2018

The number of employees drawing basic wage up to Rs 9,000 a month fell from 65,552 at December 2017 to 63,901 at June 2018 probably indicating an upward movement of the employees in higher wage bands.

iv) Impact of the National Minimum wage – Survey Analysis

- a) The methodology adopted to assess the different impacts is based on three surveys which collect both enterprise and employee level data. Two surveys were carried out at the firm level namely one targeted at all 170 EOE's exporting in 2018 and the second one focused on the non-EOE's in low paying sectors (where the prescribed minimum wage as per Remuneration Order Regulations was less than Rs 8,000 in December 2017). The last survey collects data on low wage workers.
- b) The firm level survey targeted 170 EOE's and 501 Non-EOE's all over Mauritius. A total of 59 EOE's and 58 Non-EOE's responded to the survey whilst responses from employees amounted to 447, representing 56% of the 800 lowest wage earners targeted under the employee's level survey.
- c) Firms surveyed within the EOE sector represents around 35 per cent of 170 EOE firms whilst Non-EOE firms in the sample represents around 12 per cent of the total number of non-exporting enterprises in low paying activities. Moreover, some respondents did not provide answers to all questions. This was so despite continuous follow-up done by NWCC.

CAUTION NOTE

Given the lower than expected response rate obtained, the results of the surveys should be read and interpreted with necessary caution.

Summary of Main Results on Employment based on Survey Information

1. Around 8.5 per cent of the 59 EOE and 5.4 per cent of the 58 Non-EOEs surveyed, reported to have laid off workers with the introduction of the NMW.
2. The introduction of the NMW did not seem to have negatively affected overall employment in the EOE and Non-EOEs in the sample. There is no statistical difference between total employment level over the period December 2017 and June 2018, across both exporting and non-exporting firms surveyed. However, specific activities within EOE and Non-EOEs appear to have registered a fall in employment. These are food, textile yarn and fabrics and wearing apparel within the EOE surveyed, while across the Non-EOEs in the sample, they are cleaning services; wood and paper products and the pre-primary education sectors.
3. With regards to employment of young persons among the few firms employing young persons in the survey, the data indicates an overall fall of around 10.7 per cent in the number of young persons employed across the EOE and an overall improvement of 10 per cent across the Non-EOEs surveyed.
4. From the survey, there is a slight rise in the number of male disabled employees across both the EOE and Non-EOE sectors.
5. There is a fall in the number of employees in the lowest basic wage range across both the EOE and Non-EOEs surveyed. Low-wage workers seem to have benefitted by moving up to higher wage bands. This is also followed by a rise in the number of workers in the other basic wage bands, reflecting upward wage adjustments by enterprises in the sample.
6. As at June 2018, within the EOE sample, around 8.5 per cent of employees were receiving a basic wage ranging from Rs 5,315 to Rs 7,780 and more than 56.7 per cent of employees were drawing a basic wage higher than the NMW of Rs 8,140.
7. As at June 2018, within the Non-EOE survey, 12.3 per cent of employees in the Non-EOE sector earn monthly basic wages in the range of Rs 5,315 to Rs 8,500 whilst 87.7 per cent of employees in the sample draw a monthly basic wage above Rs 8,500.

Summary of Main Results on Costs of Doing Business and Competitiveness based on Survey Information

8. The majority of firms surveyed in the EOE and Non-EOE sectors stated that there has been no change in the selling price of their product and employment level.
9. However, 7.1 per cent of Non-EOEs surveyed reported that there has been a slight reduction in employment. Similarly, employment appears to have fallen slightly in 17.6 per cent of firms while around 4 per cent of enterprises in the EOE sample have faced a significant decrease in employment.
10. Profits were reported to have declined slightly in 32.5 per cent of Non-EOEs and 32 per cent of EOE in the sample.
11. Around 38.5 per cent of the surveyed EOE and 24.4 per cent of the surveyed Non-EOEs have reported a slight increase in costs of products/services.

Summary of Main Results on Workers Surveyed

12. Low wage workers in the sample tend to be primarily women and those employed in the EOE sector with the highest percentage operating in the textile industry. The employees surveyed are mainly full-time employees and aged above 18 years.
13. Around 97.3 per cent of employees in the survey stated that they were aware of the implementation of the NMW.
14. There has been an overall improvement in the wage distribution of workers in the sample with an important decline in the percentage of employees in the lowest wage

brackets. A significant shift in the percentage of workers is observed, in the wage range of Rs 8,001 to Rs 9,000, from 16.1 per cent in December 2017 to 60.2 per cent in June 2018.

15. Around 55 per cent of workers surveyed, stated that they have either received the negative income tax or the special allowance.
16. Around 93 per cent of employees in the sample indicated that following the introduction of the NMW, their employer did not change any other elements of remuneration such as bonuses, commissions or other non-wage benefits. Around 7 per cent of workers were affected by changes in other elements of remuneration – either their bonus was altered or their allowance converted and included in the basic wage.
17. Around 61 per cent of workers reported improvement in their standard of living following the introduction of the NMW. The NMW has enabled many to buy more food and other basic necessities.

v) Other Pertinent Observations & Findings

a) Non-Compliance to the National Pension Fund

1. The number of cases of non-compliance, in terms of contribution to the NPF, is estimated at around 71,152 or 22% of full-time Mauritian employees. This figure includes 45,600 cases pertaining to small establishments.
2. This high 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.
3. Notwithstanding the fact that the contributions to the NPF is mandatory, it has been surmised during discussions with stakeholders that the non-compliance could be partly explained by the fact that:
 - (a) employees request their employer not to make contribution on their behalf in order not to forego other benefits such as pensions;
 - (b) employers are not making contributions on behalf of their employees; and
 - (c) employees could be unaware of non-contributions to the NPF since they are not issued a payslip (despite the provisions of the Employment Rights Act that every employer shall issue to every worker, at the time of paying remuneration, with a payslip in the form specified in the Fourth Schedule).

b) Contributions to NPF on less than the prescribed basic wage

It is noted that:

1. contributions to the NPF are made on a basic wage lesser than Rs 5,296 that is the basic wage for unskilled workers in the Export Enterprise Remuneration Order in respect of some 976 full time Mauritian workers; and
2. contributions to the NPF are being made on a basic wage lesser than Rs 8,500 that is lesser than the prescribed NMW plus the Additional Remuneration 2018 in respect of some 18,113 full time Mauritian workers in Non-EOEs.

c) EOE's currently not exporting and entitled to pay lower basic wages

MRA has confirmed that, as at September 2018, some 277 enterprises were taking advantage of the higher special allowance paid to employees by Government (and therefore concurrently lower basic wage meant for EOE's under the NMW Scheme). However, according to the Ministry of Industry, Commerce and Consumer Protection (Industry Division), only around 170 of these enterprises were exporting as at September 2018.

d) Number of Persons benefitting from Special Allowance/Negative Income Tax

1. As at June 2018, some 36,388 workers benefitted from the monthly Special Allowance and some 29,259 from the Negative Income Tax.
2. For the period 01 July 2017 to 16 August 2018, the number of beneficiaries of Special Allowance/Negative Income Tax stood at 81,000.

e) Implementation Issues

National Minimum Wage – Premium for Part-time Work

The Council considers that appropriate correction should be made so that a part-time employee is paid at the notional hourly rate increased by (a) 10 percent for the first 100 hours of work and (b) 7 percent for any additional hour above 100 hours per month.

Food and Housing Allowance

The Regulations provide for a food and housing allowance of up to Rs 2,500 applicable to foreign minimum wage workers. Some Council members have drawn attention on the manner that this provision is being implemented – in terms of the accommodation and food provided. The Council considers that this is an operational issue to be addressed at the level of the Ministry.

Note: This Report has been prepared in a constant interactive and collaborative mode involving the participation of Council's members representing employers, employees, civil societies and Government institution

STATUTORY REQUIREMENT & TERMS OF REFERENCE

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 Terms of Reference (TORs) of the impact study, as may be implied from the statutory objectives of the Council, is to evaluate, inter alia, the effect of the introduction of the national minimum wage on the following:

- *The lowest wage earners*
- *The Economy*
- *Poverty*
- *Pay Differentials and the Wage Ratio*
- *Income Distribution*
- *Employment, including women, young persons, persons with disabilities and foreign workers*
- *Inflation*
- *The cost of doing business and competitiveness, particularly in low paying sectors and small firms*

Chapter 1: Background and Methodology

This is the first impact assessment report of the National Wages Consultative Council (NWCC) following the implementation of the National Minimum Wage (NMW) in January 2018.

Considering the unavailability of relevant annual data for 2018 (which will only be available by the second quarter of year 2019) and the statutory requirement to produce the first impact assessment report within twelve months of the date of introduction of the NMW, the Council has particularly compared the position in 2017 with that in mid-2018 or thereafter to the extent that information has been available. Moreover, the Council has reported on compliance with the NMW Regulations.

- **Chapter 1** covers the background to the exercise as well as the approach and methodology adopted for the Report.
- **Chapter 2** deals with the enforcement of and compliance with the NMW Regulations 2018.
- **Chapter 3** 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 National Minimum Wage.
- **Chapter 4** deals with the results of the survey carried out by the Council on the impact assessment of the NMW.
- **Chapter 5** covers the evolution of Wage Distribution.
- **Chapter 6** deals with other pertinent observations and findings.

1.1 Background

- 1.1.1 On 14 August 2015, Cabinet agreed to the setting up of the National Wage Consultative Council to make recommendations on the introduction of a NMW in the Republic of Mauritius. Subsequently, the National Wage Consultative Council Act No.6 of 2016 was passed in the National Assembly on 26 May 2016 and the Council was constituted on 20 January 2017 as at **Appendix I**. The Council submitted its report to the Ministry of Labour, Industrial Relations, Employment and Training (MLIRET) on 16 November 2017 and Cabinet took note of the recommendations of the report on 17 November 2017.
- 1.1.2 The NMW scheme, as approved by Government for implementation with effect from 01 January 2018, provides for a national minimum wage payable by the employer and a special allowance payable by Government.
- 1.1.3 The NMW payable by the employer is Rs 8,140 inclusive of the 2018 additional remuneration for the Export Oriented Enterprises (EOEs), and Rs 8,140 plus the 2018 additional remuneration of Rs 360 i.e. Rs 8,500, for other enterprises.
- 1.1.4 As an additional measure of protection to EOE's and, particularly to prevent job losses, Government has promulgated that overtime, piece rate and attendance bonus be calculated on the basic wage prescribed in the Remuneration (Order) Regulations or agreed upon between a worker and his employer, whichever is the higher as at 31 December 2017, plus the additional remuneration of Rs 360 granted as from 01 January 2018. It is noteworthy that contributions to the National Pension Fund in EOE's are also based on the basic wage drawn by the worker in December 2017 plus the additional remuneration 2018 as prescribed by the 2017 NMW Regulations and not on the NMW of Rs 8,140 a month.
- 1.1.5 The policy of Government to grant a Special Allowance of up to Rs 860 and up to Rs 500 monthly respectively to employees of the EOE's and the Non-EOE's has ensured that all minimum wage workers receive a guaranteed monthly income of Rs 9,000.

- 1.1.6 Government has fairly recently announced that the special allowances introduced along with the NMW in 2018, which were meant to supplement the income of NMW workers, have been extended for one more year up to December 2019.
- 1.1.7 The remuneration for part-time minimum wage workers has been set at 110% of the normal hourly rate for the first 100 hours and 107% of the hourly rate for any additional hours.
- 1.1.8 Following the introduction of the NMW, a Flying Squad was set up at the MLIRET to ensure compliance with the NMW Regulations 2017 which came into force as from 01 January 2018. A moratorium of up to March 2018 was granted to employers to comply with the NMW Regulations. The Flying Squad regularly carried out inspection visits and reported on the status of compliance of the NMW to the Ministry.
- 1.1.9 It is also noted that, following the publication of the NMW Regulations, the general public and various sectors of the economy were constantly apprised of the provisions and requirements of the Regulations.
- 1.1.10 Relevant training and briefing sessions were organized to disseminate information on the introduction of the NMW. Guidelines and leaflets were issued to the general public. Media communications through the press and audio visuals were also organized to better inform the public.
- 1.1.11 The MLIRET is closely monitoring the enterprises to ensure compliance with the NMW Regulations.

1.2 Approach and Methodology

- 1.2.1 With a view to having an objective assessment of the impact of the introduction of the NMW, the NWCC has adopted a consultative, participative and evidence-based approach. In this regard, it was deemed appropriate to set up, under the chairmanship of the representative of the Ministry of Finance and Economic Development, a Technical Committee comprising representatives of Ministries/Departments. A Sub-Committee of the Council was also set up with representatives of both employers and workers and all the Technical Committee members to assist the Council in matters related to the Impact Study, including the Terms of Reference and the methodology to be adopted. The composition of the Committees is as shown at **Appendix 2**.
- 1.2.2 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.
- 1.2.3 The impact assessment has been made after thorough analysis of data from various sources including the following:
- Feedback from the MLIRET
 - Data from Statistics Mauritius
 - Data from the MRA
 - Feedback from Business Mauritius and Workers' organisations
 - Response to the Council's Survey
- 1.2.4 The Council has carried out three surveys through questionnaires specifically designed to capture relevant information from employers and employees. The first survey concerned all EOE's, the second one the Non-EOE's in low paying sectors, and the third one the low wage employees.

- 1.2.5 A systematic sampling approach was adopted to ensure randomness of all the three surveys. Given that the number of EOE's was relatively small, it was deemed appropriate to survey the whole population. As regards the Non-EOE's, it was decided to cover only those enterprises in sectors where the minimum wage in the respective remuneration orders was less than Rs 8,000 a month as at December 2017.
- 1.2.6 The Survey Questionnaires designed for the purpose of collecting data were, in the first instance, pre-tested on a pilot basis to ensure that the questions were meaningful and easy to understand. For this purpose, a random sample of 30 Export Oriented Enterprises and 70 Non-EOE's were chosen. The survey questionnaires were amended based on the comments received from the pilot test.
- 1.2.7 The final Survey in respect of the EOE's and the non-EOE's was launched on 10 October 2018 with closing date initially fixed for 31 October 2018 for the submission of the duly filled in questionnaires. The closing date was subsequently extended to 30 November 2018.
- 1.2.8 The survey of employees which was entrusted to the Ministry was carried out in December 2018 and early January 2019.
- 1.2.9 The data from all questionnaires was captured systematically by the Office of the Council under the direction of the Council Member representing Statistics Mauritius and the data analysis was carried out by the University of Mauritius in December 2018/January 2019.
- 1.2.10 The Technical committee, Sub-committee and Board met as often as required as shown at Appendix 2 A, to discuss and finalize the report
- 1.2.11 The NWCC acknowledges the contributions of all stakeholders involved in the preparation of this first report on the impact of the introduction of the NMW. In the first instance, we thank all the members of the Council for their collaboration and valuable insight. The Council would also like to express its gratitude to the representatives of the Statistics Mauritius and University of Mauritius for validation of data and analysis of survey results respectively. The Council also places on record the contributions of the Mauritius Revenue Authority for providing relevant data for the study; the Bank of Mauritius for providing valuable inputs concerning the evolution of relevant economic indicators; the Labour and Industrial Relations Officers of the MLIRET for their valuable contributions in the conduct of the Survey of employees; and all the employees and employers of both the Export Oriented Enterprises and the Non-Export Oriented Enterprises, without whom the surveys would not have been possible. We are also grateful to the State Bank of Mauritius.

Chapter 2: Compliance with the National Minimum Wage Regulations

Compliance with NMW Regulations, both in terms of absolute and relative levels, is generally considered in discussions on the effects of the National Minimum Wage. (Source: *World Bank Report – Remuneration Orders in Mauritius: An overview – July 2017*)

International literature on *minimum wage* indicates high rates of non-compliance in many developing countries. Research provides unambiguous evidence that a significant proportion of covered workers continue to earn sub-minimum wages, due to factors such as the levels of unemployment, firm size, informality, intensity of inspections and the level of fines for non-compliance, all of which influence the rate of compliance to varying degrees. (Source: *World Bank Report – Remuneration Orders in Mauritius: An overview – July 2017*)

While concerns over the economic effects of minimum wage laws on employment are understandably prominent in the active labour market policy agenda, the importance of these laws should not be ignored.

The NWCC holds the view that, while the introduction of the NMW has been a success, there is a need to continue monitoring so as to ensure maximum compliance. It is in this context that the NWCC has taken note of and welcomed the arrangements, in relation to enforcement, made by the MLIRET, following the enactment of the NMW Regulations. The Council considers that it is important, through systematic measures of compliance and non-compliance, to examine the extent to which the laws are being enforced one year after the introduction of the NMW.

2.1 The 2018 National Minimum Wage Scheme

2.1.1 The NMW scheme, as approved by Government for implementation, with effect from 01 January 2018, provides for a NMW payable by the employer and a special allowance payable by Government. The NMW payable by the employer is Rs 8,140 inclusive of the 2018 additional remuneration for the Export Oriented Enterprises (EOEs) and Rs 8,140 plus the 2018 additional remuneration of Rs 360 i.e. Rs 8,500, for the other enterprises. In addition, Government pays a special allowance of up to Rs 860 to the EOE employees and up to Rs 500 to the employees of the other sectors. Consequently, under this scheme the guaranteed income of a NMW worker in 2018, stands at Rs 9,000 a month as shown in the table below.

Table 1: National Minimum Wage Scheme 2018

PARTICULARS	EOES (RS)	OTHER SECTORS (RS)
Minimum Wage	8,140 (including 2018 salary compensation)	8,140
2018 Salary Compensation	-	360
Government Special Allowance	860	500
Total Minimum Guaranteed Income	9,000	9,000

Source: NWCC

2.2 Institutional Arrangement to enforce the Regulations

- 2.2.1 To effectively monitor the implementation of, and to ensure compliance with the NMW Regulations, an Inspection Squad was instituted at the Enforcement Unit of the MLIRET. The Squad visited companies island wide in different sectors of the economy and reported to the Ministry on the status of the implementation of the NMW. As at end of October 2018, it was revealed that 78% of the private sector companies inspected had successfully complied to the regulations while 22% were still non-compliant. Regarding those falling in the latter category, legal actions are being instituted against them before the Industrial Court.
- 2.2.2 In addition to the Inspection Squad, officers of the Labour and Industrial Relations Section posted in the 17 Labour Offices around the island visited enterprises engaged in different economic activities to ensure compliance with the Remuneration Order Regulations (30 in all) as well as the NMW Regulations.
- 2.2.3 For the period February 2018 to September 2018; 4,612 out of 5,940 enterprises visited, that is 78% were complying with the NMW Regulations and 1,328 that is 22% of enterprises were not complying therewith. The details are at **Appendix 3**.
- 2.2.4 The compliance rate to the NMW Regulations based on (a) the wage distribution in the private sector using the Statistics Mauritius (SM) wage distribution by basic wage range of full-time employees and (b) the MRA distribution of full-time employees contributing to the National Pension Fund (NPF) are elaborated upon below.

2.3 Compliance with the National Minimum Wage Regulations

- 2.3.1 Table 2 which is an extract of **Annex I** gives the distribution of full-time employees for the private and public sectors, by basic wage range for the year 2018. 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 and (ii) the Continuous Multi-Purpose Household Survey (CMPHS) for Quarter 2 2018, for employees in small establishments. The data given for the private sector excludes both those employees who have not stated their basic wage and foreign workers.

Table 2: Number of full-time Mauritian Employees by basic wage range in the Private and Public Sectors – 2018

Basic wage range (Rs)	Private sector	Cumulative No. of Employees	Public Sector	Cumulative No. of Employees
Up to Rs 8,000*	53,240	53,240	-	-
8,001 – 8,499	4,898	58,138	-	-
8,500 – 9,000	43,165	101,303	2,407	2,407
9,000 – 10,000	35,897	137,200	487	3,254
10,001 and above	184,397	321,597	100,576	103,830
Total		321,597		103,830

Source: Statistics Mauritius

- 2.3.2 It is noted from Table 2 that:
- a. the total number of full-time Mauritian employees in the private sector stands at 321,597;
 - b. the total number of full-time Mauritian employees in both the public and the private sector stands at 425,427;
 - c. there are some 58,138 Mauritian employees in the private sector earning a basic wage of less than Rs 8,500 monthly.
- 2.3.3 The NMW in Non-EOEs stands at Rs 8,140 plus Rs 360 i.e. Rs 8,500 with effect from 01 January 2018.
- 2.3.4 The NMW in EOE's which, in 2018 stands at Rs 8,140, is inclusive of (a) the basic wage; (b) the housing and/or food allowances or housing and/or food up to a maximum of Rs 2,500 per month, wherever relevant; and/or (c) other fixed pay components paid every month of the year. However, the basic wage component in EOE's cannot be less than Rs 5,675 for factory workers (Rs 5,296 for unskilled worker) as prescribed in the relevant Remuneration Order, increased by additional remuneration 2018.
- 2.3.5 Consequently, all cases where full time employees draw basic wages of less than Rs 8,500 a month in the Non-EOEs and less than Rs 5,675 a month in the EOE's (Rs 5,296 for unskilled worker) in 2018 are cases of non-compliance to the NMW Regulations.
- 2.3.6 Table 3 gives the distribution of employees contributing to the NPF by basic wage group in EOE's.

Table 3: Number of workers in EOE's contributing to the NPF by basic wage group – June 2018

Basic Salary	No. of full-time Mauritian Workers	No. of full-time Foreign Workers
< Rs 5,295	976	653
Rs 5,295 up to < Rs 5,675	941	3,976
Rs 5,675 up to < Rs 8,100	8,547	6,857
Rs 8,100 up to < Rs 8,140	174	50
Rs 8,140 up to < Rs 8,500	2,311	376
Rs 8,500 up to < Rs 9,000	1,187	200
Rs 9,000 up to Rs 10,000	1,748	240
Above Rs 10,000	8,533	475
Total	24,417	12,827

Source: Mauritius Revenue Authority

- 2.3.7 It is noted from the above table that:
- a. there are 976 full-time Mauritian workers who draw basic wage of less than Rs 5,295 monthly, that is, the lowest prescribed basic wage of an unskilled worker in the Export Enterprises Remuneration Order. These cases were not compliant with the NMW Regulations.

- b. there are 941 full-time Mauritian workers who draw basic wage of Rs 5,295 up to less than Rs 5,675. These cases would comply to the Export Enterprises Remuneration Order if the workers are unskilled workers. These cases would comply with the NMW if the basic wage together with the fixed pay components amount to at least Rs 8,140 a month.
 - c. there are 8,721 full-time Mauritian workers who draw a basic wage of Rs 5,675 up to less than Rs 8,140. These cases would comply with the NMW if the basic wage together with the fixed pay components amount to at least Rs 8,140 a month.
 - d. there are some 2,311 full-time Mauritian workers who draw a basic wage of Rs 8,140 up to less than Rs 8,500. These cases comply with the NMW in the EOE sector.
- 2.3.8 *It is concluded from the above that some 11,973 full-time Mauritian workers out of the 58,138 Mauritian employees in the private sector earning a basic wage of less than Rs 8,500 monthly may be complying to the NMW in the EOE.*
- 2.3.9 Assuming that all the 58,138 employees drawing less than Rs 8,500 in Table 2 above are, as reported by SM, full-time employees, the number of workers not complying to the NMW is estimated at 46,165.
- 2.3.10 **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 workers was estimated at 10.9% for the country and 14.4% for the private sector as at June 2018.**

2.4 Lower Non-Compliance Rates

- 2.4.1 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
- 2.4.2 It is to be noted that as per the Employment Rights Act 2008, “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 is 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.
- 2.4.3 It is also to be noted that 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.
- 2.4.4 Out of the 53,240 Mauritian employees drawing basic wages up to Rs 8,000 a month in Table 2, 50,430 are employed in small establishments among whom 30,440 work for up to 30 hours weekly as shown in Table 4.

Table 4: Full-Time Employees in small establishments earning less than Rs 8,000 a month as at June 2018 by working hours

Hours of work	Number	%
0 up to < 24	24,049	47.7
> 24 up to ≤ 30	6,391	12.7
> 30 up to ≤ 40	8,487	16.8
> 40 up to ≤ 45	4,200	8
45 or more	7,303	14.4
Total	50,430	100.0

Source: CMPHS Q2 2018

2.4.5 Considering the foregoing and particularly taking into account that a significant proportion of the employees work for less than 45 hours and the majority of household workers may not in effect be full-time workers, the cases of non-compliance to the NMW Regulations are further analysed in Table 5 below:

Table 5: Percentage of cases of non-compliance to the NMW Regulations

Assumptions	All workers* are full-time (%)	All workers minus Household Workers are full-time (%) i.e. 26,265 (46,165 -19900)	Only workers working for more than 30 hours are full time (%) i.e. 15,745 (46165 -24,029 -6391)	Only workers working for more than 40 hours are full time (%) i.e. 7238 (46,165 -38927)	Only workers working for 45 hours or more are full time (%) i.e. 3038 (46,165 - 43,127)
Non-Compliance Rate for all workers including the Private and the Public sectors but excluding the foreign workers	10.9	6.5	4.0	1.9	0.8
Non-Compliance Rate for Mauritian Private sector workers only	14.4	8.7	5.4	2.6	1.1

Source: Council's Computation based on CMPHS Q2 2018 and SM Figures

Note: The 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 58,138 full-time Mauritian workers drawing a basic wage of less than Rs 8,500 minus the 11,973 full-time workers in the EOE's who may be complying to the NMW i.e. 46,165.*

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

2.5 Deviation from NMW

2.5.1 Table 6 below gives the average basic wage (Rs) for full-time employees in EOE in December 2017 and June 2018.

Table 6: Average Basic Wage (Rs) for full-time employees in EOE – December 2017 & June 2018

Basic Salary	December 2017			June 2018		
	FOREIGN	LOCAL	BOTH	FOREIGN	LOCAL	BOTH
< 5,295	4,933	4,508	4,589	4,208	4,046	4,115
≥ 5,295 and < 5,675	5,662	5,452	5,505	5,362	5,513	5,392

Source: Council's Computation based on MRA Figures

2.5.2 It is noted that the average basic wage of non-compliant cases stood at Rs 4,115 and Rs 5,392 for the two lowest basic wage brackets in June 2018 against a minimum basic wage of Rs 5,296 for unskilled worker and Rs 5,675 for factory worker in the EOE. The deviation from the minimum basic wage component of the NMW is given Table 7 below.

Table 7: Deviation from the minimum basic wage component of the NMW in EOE

Basic Salary	Average Basic Wage	Deviation from Rs 5,295	Deviation from Rs 5,675
< 5,295	4,115	22.3%	27.5%
≥ 5,295 and < 5,675	5,392	N/A	5.0%

Source: Council's Computation based on MRA Figures

2.5.3 Table 8 below gives the average basic wage (Rs) for full-time employees in Non-EOE in December 2017 and June 2018.

Table 8: Average Basic Wage (Rs) for full-time employees in Non-EOE – December 2017 & June 2018

Basic Salary	December 2017			June 2018		
	FOREIGN	LOCAL	BOTH	FOREIGN	LOCAL	BOTH
< 8,500	6,519	6,766	6,760	6,777	6,375	6,397

Source: Council's Computation based on MRA Figures

2.5.4 It is noted that the average basic wage of non-compliant cases stood at Rs 6,397 in June 2018 against a minimum basic wage of Rs 8,500 in the Non-EOE. The deviation from the NMW is given Table 9.

Table 9: Deviation from the minimum basic wage component of the NMW in Non-EOE

Basic Salary	Average Basic Wage	Deviation from Rs 8,500
< 8,500	6,397	24.7%

Source: Council's Computation based on MRA Figures

2.5.5 As explained above, the rate of non-compliance in Non-EOEs are mostly attributable to employees working in small businesses and those employed in grades such as household employees (maid, gardeners and babysitters), and sales persons.

2.6 Non-Adherence Rate

2.6.1 The NWCC has also considered it appropriate to compute a new measure to be known as the non-adherence rate to, among others, assist the authorities in implementation and operational policy.

2.6.2 The non-adherence rate refers to the ratio of cases of non-adherence to the number of Mauritian workers drawing basic wage up to less than Rs 9,000 i.e. 101,303 at June 2018. The term non-adherence is being used so as not to confuse with non-compliance which internationally is based on a proportion of aggregate of total employment.

2.6.3 For computing the non-adherence rate the cut point of Rs 9,000 has been used as it is the guaranteed minimum monthly income based on the NMW topped up by the special allowance. In fact, all basic wages from Rs 8,500 to less than Rs 9,000 are topped up to Rs 9,000.

2.6.4 Table 10 gives the percentage of cases of non-adherence that is the number of cases not complying to NMW as a proportion of number of Mauritian workers drawing basic wage up to less than Rs 9,000.

Table 10: Rate of non- adherence to the NMW

Assumptions	All workers* are full-time (%)	All workers minus Household Workers are full-time (%) i.e. 26,265 (46,165 – 19,900)	Only workers working for more than 30 hours are full time (%) i.e. 15,745 (46165 - 24,029 - 6,391)	Only workers working for more than 40 hours are full time (%) i.e. 7,238 (46,165 – 38,927)	Only workers working for 45 hours or more are full time (%) i.e. 3,038 (46,165 - 43,127)
Cases of non-adhering to NMW: Mauritian Private Sector workers as a proportion of number of Mauritian workers drawing basic wage up to less than Rs 9,000	45.6	32.2	22.2	11.6	5.2

Source: Council's Computation based on CMPHS Q2 2018 and SM Figures

2.7 Non-compliance to NMW as a proportion to NPF contributory cases in EOE's

2.7.1 Employers are required, by virtue of the National Pension Fund Act, to make contributions on behalf of their employees to the NPF. If all employers comply with the legislation, the number of employees in respect of whom contributions are made would broadly reflect the actual level of employment for enterprises.

2.7.2 Table 11 gives the distribution of full-time employees contributing to the NPF in the EOE's in 2018.

Table 11: Number of Full-time Employees contributing to NPF by basic wage ranges – June 2018

Basic Salary	No. of full-time Mauritian Workers	No. of full-time Foreign Workers
< Rs 5,295	976	653
Rs 5,295 up to < Rs 5,675	941	3,976
Rs 5,675 up to < Rs 8,100	8,547	6,857
Rs 8,100 up to < Rs 8,140	174	50
Rs 8,140 up to < Rs 8,500	2,311	376
Rs 8,500 and above Rs 10,000	11,468	915
Total	24,417	12,827

Source: Mauritius Revenue Authority

2.7.3 It is noted that out of 24,417 Mauritian workers in EOE's contributing to the NPF at June 2018, 4% or 976 cases have not been complying to the NMW.

2.8 Non-compliance to NMW as a proportion to NPF contributory cases in Non-EOEs

2.8.1 Table 12 gives the distribution of full-time employees contributing to the NPF in the Non-EOEs in 2018.

Table 12: Number of Full-time Employees in Non-EOEs contributing to NPF by basic wage ranges – June 2018

Basic Salary	No. of full-time Mauritian Workers
Up to ≤ 8,140	16,364
Rs 8,141 up to < Rs 8,500	3,857
Rs 8,500 and above	215,115
Total	235,336

Source: Mauritius Revenue Authority

2.8.2 It is noted that out of 235,336 Mauritian workers contributing to the NPF in the Non-EOEs at June 2018, it is estimated that around 20,221 cases representing 8.6% have not been complying to the NMW.

2.9 Sectors of High Non-Compliance

2.9.1 The rate of non-compliance in Non-EOEs are mostly in respect of employees working in small businesses and those employed in grades such as household employees (maid, gardeners and babysitters), and sales persons.

2.10 Sectors where employees draw less than Rs 8,000

2.10.1 Table 13 gives the number of employees drawing basic wages of up to Rs 8,000 a month in Non-EOEs by certain major sectors.

Table 13: Number of employees drawing basic wages of up to Rs 8,000* a month in Non-EOEs

Particulars	Number of Workers
Household Activities such as maid, gardeners, etc	19,900
Wholesale and Retail Trade	8,300
Construction	5,000

Source: Statistics Mauritius

CHAPTER 3: Impact of the National Minimum Wage

Chapter 3 provides an overview of the movement of certain relevant indicators in the wake of the introduction of the NMW in 2018. For certain indicators, we compare the position in 2017 with estimates/forecast for 2018. Owing to unavailability of information, it has not been possible in several instances to isolate the impact/contribution of the NMW on the indicators.

3.1 Impact on the Economy

3.1.1 The introduction of the NMW, coupled with the special allowance and the negative income tax, has positively impacted upon consumption expenditure which in turn has been one of the drivers of economic growth.

3.1.2 Feedback received from the Bank of Mauritius on the “Recent Economic Indicators” (copy **Annexed**) mentions that:

“The Mauritian economy has displayed a fair degree of resilience in the face of an uncertain global economic and financial environment.”

“Economic growth remains broad-based, benefitting from both business and consumer optimism and supported by positive contributions from all but one sector.”

*“Domestic growth performance remains under the spell of sustained consumption expenditure and public investment performance. Final consumption expenditure performance in the first three quarters of 2018 remained quite upbeat and has increased by 3.5 per cent in real terms. **Consumer optimism continues to back household consumption expenditure, which is also upheld by fiscal incentives such as the negative income tax and minimum wages.**”*

*On the expenditure side, growth remains underpinned by consumption expenditure and, to a large extent, by public sector investment thanks to infrastructural projects. Investment growth is projected to accelerate to 6.6 per cent in 2018, the highest since 2009. Public investment is projected to expand by 17.8 per cent after two consecutive years of contraction. Private sector investment, which accounts for slightly over 70 per cent of total investment, is forecast to increase by 3.1 per cent in 2018. **Final consumption expenditure growth has been revised up to 3.4 per cent in 2018, due to higher consumption expenditure of general government, while household consumption expenditure growth would be sustained at 3.4 per cent.**”*

*“The **growth in the wage rate index (WRI) points towards confidence in the economy.** The WRI rose by 4.1 per cent between 2017Q3 and 2018Q3, broadly in line with past trends. This was due to an increase of 5.1 per cent in the private sector, mainly a result of marked increases in wages in manufacturing (including EOE, Non-EOE and SME) (10.1 per cent), transportation and storage (7.0 per cent) and wholesale and retail trade (6.0 per cent) sectors. The rise in the WRI also reflected higher public sector wages of 2.9 per cent due to higher wages in the information and communication (14.0 per cent) and financial and insurance activities (10.3 per cent) sectors. Within the different sectors of the economy, wages in the manufacturing sector increased, year-on-year, by 10.3 per cent in 2018Q1, 11.4 per cent in 2018Q2 and 10.1 per cent in 2018Q3.”*

Note: The pertinent observations in relation to consumer optimism and household consumption expenditure of the Bank of Mauritius have been highlighted in bold characters by the Council.

3.1.3 Table 14 below from SM shows the evolution of the main economic indicators since the year 2011 to 2017 and the forecast for 2018.

Table 14: Evolution of the main economic indicators since the year 2011 to 2017 and the forecast for year 2018

Particulars	Unit	2011	2012	2013	2014	2015	2016	2017	2018*
GDP at market prices	%	4.1	3.5	3.4	3.7	3.6	3.8	3.8	3.8
Gross Value Added at current basic prices	%	3.9	3.6	3.4	3.6	3.1	3.6	3.6	3.6
Saving Rate (GDS/GDP)**	%	13.2	12.4	11.1	10.6	10.4	11.0	10.1	9.6
Investment Rate***	%	23.5	22.6	20.8	18.9	17.4	17.2	17.4	18.0
Consumption Expenditure	%	2.5	2.7	2.6	2.6	2.9	3.0	3.2	3.4
Headline Inflation rate	%	6.5	3.9	3.5	3.2	1.3	1.0	3.7	3.2

Source: Statistics Mauritius

*forecast June 2018 **Gross Domestic Saving (GDS) as a % of GDP at market prices ***Investment (GFCF) as a % of GDP at market prices

3.1.4 It is noted that (a) **Gross Domestic Product (GDP)** at market prices is forecasted to reach 3.8%, based on information gathered on key sectors of the economy, the performance observed in the first semester of 2018 and policy measures announced in the Budget 2017/2018; (b) **Investment rate**, defined as the ratio of investment to GDP at market prices, would increase to 18.0% in 2018, compared to 17.4% in 2017.

3.2 Impact on Employment based on SM Figures

3.2.1 ***It has been noted that total employment has not been negatively impacted in 2018 compared to 2017.***

3.2.2 ***In fact, based on SM figures, total employment is expected to increase by 1,400 in 2018 to reach 546,500 compared to 545,100 in 2017.***

3.2.3 *Full time employment in the private sector in both the secondary and tertiary sectors increased in 2018 compared to the years 2016 and 2017 while in the primary sector employment decreased from 21,300 in 2016 to 20,900 in 2017 and to 15,400 in 2018 (see **Annex III**).*

3.2.4 *However, it is noted that full time employment in the Private Sector declined in the Manufacturing, Wholesale and Retail Trade, Transportation and Storage, Education, Health, Social Work and other services in 2018 while a significant increase has been noted in the Construction Industry.*

3.3 Impact on Employment based on number of workers contributing to the NPF in EOE

3.3.1 As mentioned in Chapter 2, employers are required to make contributions on their behalf and 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.

3.3.2 Table 15 below gives a summary of the number of workers contributing to the NPF in EOE for December 2017 and June 2018. The information is from the MRA and refers to the total number of employees contributing to the NPF including foreign workers reckoning two years' service.

Table 15: Number of employees contributing to NPF in EOE in December 2017, June 2018

Particulars	No. of Mauritian Workers				No. of Foreign Workers				Total No. of workers including Foreign workers
	Full-Time	Part-Time	Not Av.	Total	Full-Time	Part-Time	Not Av.	Total	
December 2017									38,633
June 2018	24,417	116	780	25,313	12,827	-	403	13,230	38,543

Source: Council's Computation based on MRA Figures

3.3.3 It is noted that the total number of workers contributing to the NPF decreased from 38,633 in December 2017 to 38,543 in June 2018.

3.4 Impact on Employment based on number of employees contributing to the NPF in Non – EOE

3.4.1 Table 16 below gives a summary of the number of employees contributing to the NPF in Non-EOEs for December 2017 and June 2018. The information is from the MRA and refers to the total number of employees contributing to the NPF including foreign workers reckoning two years' service.

Table 16: Number of employees contributing to NPF in Non-EOEs in December 2017 and June 2018

Particulars	Full-Time	Part-Time	Not Av.	Total
December 2017	199,991	7,353	44,391	251,735
June 2018	235,336	10,249	29,650	275,235

Source: Mauritius Revenue Authority

3.4.2 It is noted that the number of full-time employees in Non-EOEs contributing to the NPF increased by 18% from 199,991 in December 2017 to 235,336 in June 2018.

3.4.3 It is equally noted that the total number of employees, including full-time, part-time and those in respect of whom information regarding the type of employment was not available, increased by 9.3% from 251,735 in December 2017 to 275,235 in June 2018.

3.4.4 Notwithstanding the fact that other factors may have impacted on employment, the NMW appears to have impacted differently on employment in EOEes and Non-EOEs as measured by the number of employees contributing to NPF. The total number of employees contributing to NPF in Non-EOEs increased by 9% from 251,735 in December 2017 to 275,235 in June 2018, the number in EOEes decreased slightly from 38,633 in December 2017 to 38,543 in June 2018.

3.4.5 Table 17 below gives a summary of the number of employees contributing to the NPF in the EOEes and Non-EOEs at December 2017 and at June 2018 respectively.

Table 17: Number of Employees in EOEes and Non-EOEs in December 2017 and in June 2018

Particulars	December 2017				June 2018			
	Full Time	Part Time	Not Available	Total	Full Time	Part Time	Not Available	Total
EOEs	32,395	110	6,128	38,633	37,244	116	1,183	38,543
Non-EOEs	199,991	7,353	44,391	251,735	235,336	10,249	29,650	275,235
TOTAL	232,386	7,463	50,519	290,368	272,580	10,365	30,833	313,778

Source: Mauritius Revenue Authority

3.4.6 Analysis indicates that the introduction of the NMW, coupled with the special allowance scheme and the negative income tax, has improved adherence to the National Pension Fund Act as indicated by the increase in the number of contributors to the National Pension Fund from 290,368 in December 2017 to 313,778 in June 2018.

3.4.7 Thus, the introduction of the NMW may have led to movement from informal employment to formal employment.

3.5 Impact on Employment for Young workers

3.5.1 Table 18 below gives the number of young workers aged between 17 and 18 as well as the number of cases in respect of which pension contributions are made to the NPF at December 2017 and June 2018.

Table 18: Number of young workers aged between 17 and 18 and the number of cases in respect of which pension contributions are made to the NPF at December 2017 and June 2018

Particulars	Number of young workers contributing to NPF (MRA)		Number of young full-time employees (SM)	
	Dec-17	Jun-18	Dec-17	Jun-18
Between 17 and 18	2	529	3,200	2,200

Source: Mauritius Revenue Authority

3.5.2 The total number of full-time young workers decreased by 31.3% from 3200 in December 2017 to 2200 in June 2018.

3.5.3 The number of young employees in respect of whom contributions have been made to the NPF increased from two in December 2017 to 529 in June 2018. This

indicates that the introduction of the NMW has also encouraged registration and contributions to the NPF in respect of young workers.

3.6 Characteristics of Unemployment

3.6.1 With the increase in employment, the unemployment rate is forecasted at 6.9% for 2018 compared to 7.1% for 2017 (SM).

3.6.2 Table 19 below compares unemployment by gender for 2017 with the second quarter of 2018.

Table 19: Unemployment by Gender

Particulars	2017 Second Quarter	2018 Second Quarter
Male	19,000	18,500
Female	23,600	22,000
TOTAL	42,600	40,500

Source: Statistics Mauritius

3.6.3 **It is noted that both male and female unemployment decreased in the second quarter 2018 as compared to the second quarter 2017.**

3.6.4 It is noted that while male employment has fallen from 253,733 to 250,576, female employment has increased from 165,144 to 174,851. The total number of Mauritians in full-time employment has increased from 418,878 in December 2017 to 425,427 in June 2018.

3.7 Wage Distribution as measured by the Gini Coefficient

3.7.1 According to the World Bank Report of July 2017 (Remuneration Orders in Mauritius: An Overview), wage inequality has been the main contributor of income inequality in recent years.

3.7.2 The introduction of the NMW has raised the earnings of low-paid workers and thereby reduced income inequality. Indeed, the wage Gini Coefficient (**see definition Annex IV**) based on basic wage, which measures wage distribution, has improved from 0.448 in 2017 to 0.440 in 2018 **as shown in Table 20 below. 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 negative income tax.**

Table 20: GINI Coefficient based on Employment wages

Measures of Income	2016	2017	2018
Gini coefficient	0.448* (revised)	0.448	0.440

Source: Statistics Mauritius

3.7.3 **The introduction of the NMW, has narrowed the wage differential (see Annex VA & Annex VB). In effect, the wage differential as measured by the ratio of the 9th decile to the 1st decile has narrowed down from 9.37 in 2017 to 8.04 in 2018 as shown in Table 21 below.**

Table 21: Wage differential measured by the ratio of the average monthly income of the 9th decile to the 1st decile

Particulars	Average monthly Income of 9 th Decile	Average monthly Income of 1 st Decile	Wage differential
2017	31,294	3,340	9.37
2018	32,161	4,001	8.04

Source: Statistics Mauritius

3.8 National Minimum Wage and Standard of Living

3.8.1 The introduction of the NMW has supplemented the income of minimum wage workers thereby increasing the purchasing power and positively impacting household expenditure and the standard of living of workers.

3.8.2 According to the Bank of Mauritius final consumption expenditure growth has been revised up to 3.4 per cent in 2018, due to higher consumption expenditure of general government, while household consumption expenditure growth would be sustained at 3.4 per cent. (see Annex VI)

3.9 National Minimum Wage and Relative Poverty Line

3.9.1 The introduction of NMW is not a panacea for poverty alleviation on account of possible loss of employment. However, as mentioned in its 2017 Report – Introduction of the National Minimum Wage, 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.

3.9.2 Table 22 below gives the relative poverty lines (RPL) (see **Annex IV** – Definition) for selected types of households, Republic of Mauritius, 2017 & 2018. It is to be noted that the poverty lines of 2018 have been obtained following adjustment of the 2017 figures (based on Household Budget Survey 2017) with the inflation rate.

Table 22: RPL for selected types of households, Republic of Mauritius, 2017 & 2018

RPL for selected types of households	2017	2018
Households with 1 adult member (Rs)	7,497	7,740
Households with 2 adult members (Rs)	12,179	12,580
Households with 2 adults and 2 children (Rs)	17,657	18,240

Source: Statistics Mauritius

3.9.3 With the introduction of the NMW, a household with one adult and having one NMW worker would be beyond the relative poverty line. A household with two adult members and with two minimum wage workers would similarly be beyond the relative poverty line.

3.9.4 On the other hand, a household with two adults and two children, with a household monthly income of Rs 18,000 would be below the relative poverty line. However, with the end of year bonus, the average monthly household income would be beyond the relative poverty line of Rs 18,240.

3.9.5 The introduction of the NMW has presumably moved a number of households out of relative poverty.

- 3.9.6 The positive impact on income and economic activity has been reinforced by the Government funding of the special allowance to achieve the guaranteed income of Rs 9,000.

CHAPTER 4: Impact of the National Minimum Wage – Survey Analysis

4.1 Overview

- 4.1.1 This chapter uses firm and employee level survey data to analyse the impact of the implementation of the National Minimum Wage (NMW) on the following indicators:
- Employment, including women, young persons, persons with disabilities and foreign workers in the Export-Oriented Enterprises (EOEs) and Non- Export Oriented Enterprises (Non-EOEs) (Enterprise Survey)
 - Cost of doing business and competitiveness, particularly in low paying sectors and small firms (Enterprise Survey)
 - The impact on lowest wage earners (Employee Survey)
- 4.1.2 The methodology adopted to assess the different impacts is based on three surveys which collect both enterprise and employee level data. Two surveys were carried out at the firm level namely one targeted at all 170 EOE's exporting in 2018 and the second one focused on the non-EOEs in low paying sectors (where the prescribed minimum wage as per Remuneration Order Regulations was less than Rs 8,000 in December 2017). The last survey collects data on low wage workers.
- 4.1.3 A systematic sampling strategy was applied to ensure randomness and representativeness of all three surveys. The questionnaires specifically designed for the surveys are at Appendix 4A, 4B and 4C.
- 4.1.4 Table 23 below shows the firm level survey targeted 170 EOE's and 501 Non-EOEs all over Mauritius. A total of 59 EOE's and 58 Non-EOEs responded to the survey whilst responses from employees amounted to 447. The employee level survey targeted 800 lowest wage earners. Firms surveyed within the EOE sector represents around 35 per cent of 170 EOE firms whilst Non-EOE firms in the sample represents around 12 per cent of the total number of non-exporting enterprises in low paying activities.

Table 23: Number of Respondents for the Enterprise and Employee Level Surveys

Survey Level	Number of Questionnaires Sent	Number of Questionnaires Received
EOE	170	59
Non- EOE	501	58
Employees	(250 enterprises:3-4 workers per firm)	447

Source: NWCC, 2018

CAUTION NOTE

Given the low response rate obtained, the results of the surveys should be read and interpreted with caution. The results for employer survey for EOE's stood at 35% and Non-EOEs stood at 12% despite continuous follow-up done by NWCC. Moreover, some respondents did not provide answers to all questions. On the other hand, the response rate for the employee survey stood at 56%.

4.1.5 The firm-level analysis is based on the firm responses available from the two surveys as they have been reported by the firms. There has been particularly a low response rate for the following questions:

- Number of young persons, aged between 16 and 18 years employed in the firm as at December 2017 and June 2018;
- Outsourcing of the firm's operations, name of contractors, number of employees and contract amounts;
- Financial details of the enterprise in terms of payment of corporate tax for the calendar year 2017 and budgeted for calendar year 2018;
- Firm's cost attributable to increase in wages after implementation of NMW;
- Number of workers laid off following the introduction of the NMW; and
- Total piece rate earnings for minimum wage earners from January to June 2018

4.2 Impact on Employment: EOE Sector

4.2.1 **Around 8.5 per cent of the 59 EOE's surveyed, reported they have laid off workers following the introduction of the NMW.**

4.2.2 From the sample of EOE's, a fall in the number of employees can be noted in different activities namely food, textile yarn, fabrics and wearing apparel sector and metals, electronics, wood and paper products. This fall has, however, been offset by a rise in the number of employees in other sub sectors like leather products and footwear, services and jewelry and other related articles.

4.2.3 Overall, from the sample of EOE's surveyed, the introduction of the NMW does not seem to have a negative impact on total employment (see Table 24 below). Total employment across the EOE's surveyed is not statistically different over the period December 2017 and June 2018¹ that is **there has been no fall in employment across EOE's in the sample as a consequence of the introduction of the NMW.**

Table 24: Total Number of Employees in EOE's Surveyed as at December 2017 and June 2018

Sector of Activity	Number of Employees as at December 2017	Number of Employees as at June 2018	Change in Total Employment	% change in Total Employment
Food	322	292	-30	-9.3
Jewelry and related articles	593	613	20	3.4
Leather products and footwear	809	924	115	14.2
Textile Yarn, Fabrics and Wearing Apparel	2,336	2,216	-120	-5.1
Metals, Electronic, Wood and Paper Products	713	685	-28	-3.9
Services	603	660	57	9.5
Others*	216	205	-11	-5.1
Total Employment	5,592	5,595	3	0.1

Source: NWCC EOE Survey, 2018

Note: * Others includes activities such as flower, building chemicals, toys and carnival articles.

4.2.4 With regards to the number of young persons (aged between 16 and 18 years) employed in the sampled EOE's as at June 2018 compared to December 2017, there seems to be a fall in both female and male young employees across the surveyed enterprises employing young persons.

¹ The t-test was computed to analyse any difference in employment across the sample of EOE's surveyed and a p-value of 0.49 denotes no statistical difference in employment over the periods of study.

Table 25: Employment of Male Young Persons (MYP) and Female Young Persons (FYP) in EOE's Surveyed in December 2017 and June 2018

Sector of Activity	MYP in Dec 2017	MYP in June 2018	% Change in MYP	FYP in Dec 2017	FYP in Jan 2018	% Change in FYP	% Change in Total Number of Young Persons Employed	% Change in Total Number of Young Persons Employed
Wearing Apparel: Other Garments	44	41	-6.8	28	19	-32.1	-12	-16.7
Metals, Electronic, Wood and Paper Products	18	17	-5.6	28	19	-32.1	-10	-21.7
Others*	5	4	-20.0	8	17	112.5	8	61.5
Total	67	62	-7.5	64	55	-14.1	-14	-10.7

Source: NWCC EOE Survey, 2018

Note: * Others includes activities such as jewelry and related articles and leather products and footwear, food and services.

- 4.2.5 The fall in the number of young female employees (14.1 per cent) is much higher than that of male (7.5 per cent) in the sample. **Overall, there seems to be a fall of around 10.7 per cent in the number of young persons employed across the EOE's surveyed.** The sectors which were more likely to face a decline in employment of young persons in the sample, were metals, electronic, wood and paper products followed by wearing apparel. Though the majority of enterprises surveyed, stated that the NMW did not discourage them from employing young persons, for some the minimum wage led to a significant rise in their wage bill which made it difficult to abide to the legislation. Further, other enterprises stated that they had already negotiated their orders at a given price, prior to the introduction of the NMW and had no choice than to reduce the number of young persons employed.
- 4.2.6 Whilst there does not seem to be a change in the number of female disabled workers employed in the sample of export oriented enterprises as at June 2018, the number of male disabled employees has slightly increased.
- 4.2.7 Next, we examine the number of employees in different basic wage brackets across the 59 EOE's as at December 2017 and June 2018. From Table 26 below, **there is a fall in the number of employees in the lowest basic wage range from Rs 5,315 to Rs 7,780 followed by a rise in the number of workers in the other basic wage bands, reflecting upward wage adjustments by enterprises in the sample.**
- 4.2.8 The percentage of employees drawing a monthly basic wage ranging between Rs 5,315 and Rs 7,780 has declined from 50 per cent in December 2017 to 8.5 per cent in June 2018. The percentage of employees in the wage bracket of Rs 7,781

to Rs 8,140 has increased from 4.9 per cent in December 2017 to 34.9 per cent in June 2018. There has also been a rise in the percentage of employees in the higher wage brackets from Rs 8,141 onwards. Low-paid workers in the EOE's surveyed, seem to have benefitted from the introduction of the NMW by moving to higher basic wage ranges.

Table 26: Total Number of Employees per Basic Wage Range in EOE's Surveyed as at December 2017 and June 2018

Basic Wage Range (Rs)	December 2017		June 2018		Dec 2017-June 2018
	Number of Employees	% of Employees	Number of Employees	% of Employees	Change in Employment
5,315 - 7,780	2,561	50.0	464	8.5	-2,097
7,781 - 8,140	249	4.9	1,900	34.9	1,651
8,141 - 8,500	148	2.9	357	6.6	209
8,501 - 9,000	227	4.4	402	7.4	175
9,001 - 10,000	254	5.0	376	6.9	123
10,001 and above	1,684	32.9	1,951	35.8	267
Total*	5,123	100	5,450	100	328

Source: NWCC EOE Survey, 2018

*Note: The total number of employees differs from Table 4.2 above due to missing responses from a few firms.

- 4.2.9 As at June 2018, (a) around 8.5 per cent of employees within the EOE's surveyed, were receiving a basic wage ranging from Rs 5,315 to Rs 7,780; (b) **more than 56.7 percent of employees were drawing a basic wage higher than the NMW of Rs 8,140.**
- 4.2.10 Since foreign workers are highly concentrated in the EOE sector, Table 27 below indicates the number and percentage of male and female foreign and local workers within the lowest income brackets across the 59 EOE's in the sample. In terms of wage brackets, out of the total percentage of workers earning between Rs 5,315 and Rs 7,780 in December 2017, 46.8 per cent were foreign workers and the rest (53.3 per cent) were locals. As at June 2018, 49 per cent of workers earning a minimum wage of Rs 8,140, and 43.3 workers with a minimum wage between Rs 8,140 and Rs 9,000 were foreign.
- 4.2.11 In June 2018, out of the total number of foreign workers employed across the different EOE's in the sample, 59.4 per cent earned Rs 8,140 and 40.6 per cent had a basic wage between Rs 8,140 to less than Rs 9,000.

Table 27: Foreign and Local Employees per Basic Wage Range by Sex in the EOE's Surveyed

Basic Wage (Rs)	Foreign (Number)	Foreign (%)	Local (Number)	Local (%)	Total (%)
Rs 5,315 to Rs 7,780 (December 2017)					
Male	1,330	45.3	161	5.5	50.8
Female	43	1.5	1,403	47.8	49.2
Total	1,373	46.8	1,564	53.3	100
NMW of Rs 8,140 (June 2018)*					
Male	1,119	46.5	142	5.9	52.5
Female	60	2.5	1,083	45.0	47.5
Total	1,179	49.0	1,225	50.9	100
Minimum wage between Rs 8,140 to less than Rs 9,000 (June 2018)*					
Male	763	41.0	146	7.9	48.9
Female	42	2.3	908	48.8	51.1
Total	805	43.3	1054	52.7	100

Source: NWCC EOE Survey, 2018

*Note: The monthly NMW for foreign workers include income in kind that is food and lodging/accommodation.

4.3 Impact on Employment: Non- EOE Sector

4.3.1 **Around 5.4 per cent of the 58 Non-EOEs surveyed, have reported they have laid off workers following the introduction of the NMW.**

4.3.2 During the period December 2017 to June 2018, a fall in employment of 3.7 per cent can be noted in the sample. However, **this fall has been across specific sectors within the Non-EOEs surveyed namely in cleaning services, followed by wood and paper products and the pre-primary education sector.** Employment has increased in accommodation and food services, agriculture, metals, plastics, glass and steel activities and human health and social work activities, amongst others.

4.3.3 From the statistical analysis, overall total employment across the Non-EOEs in the sample is not statistically different over the period December 2017 and June 2018² **that is it is not to be interpreted as a fall in employment as a consequence of the introduction of the NMW.**

² The t-test was computed to assess any difference in employment across the sample of Non-EOEs surveyed and a p-value of 0.28 denotes no statistical difference in employment over the periods of study.

Table 28: Total Number of Employees in Non-EOEs Surveyed as at December 2017 and June 2018

Sector of Activity	December 2017	June 2018	Change in Employment	% Change in Employment
Agriculture	417	463	46	11.0
Pre-Primary Education	181	169	-12	-6.6
Primary and Secondary Education	234	241	7	3.0
Cleaning Services	1,447	1,252	-195	-13.5
Others*	1,146	1,173	27	2.4
Total	3,425	3,298	-127	-3.7

Source : NWCC Non-EOE Survey, 2018

Note: * Others includes activities such as Arts, Entertainment and Recreation; Fish Processing; Logistics and Transport; Wholesale and Retail Trade; Accommodation and Food Service Activities; Human Health and Social Work Activities and Metals, Electronic, Wood and Paper Products.

4.3.4 Employment of young persons (aged between 16 and 18 years) across the Non-EOEs surveyed shows an overall improvement of 10 per cent (Table 29).

It is to be noted that only a few Non-EOEs in the sample, employ young persons and they operate mainly in agriculture and metals, plastic, steel and wood and paper products. Employment of female and male young persons across these sectors, shows a rise of 7.7 per cent and 11.8 per cent, respectively.

Table 29: Employment of Male Young Persons (MYP) and Female Young Persons (FYP) in Non-EOEs Surveyed in December 2017 and June 2018

Sector of Activity	MYP in Dec 2017	MYP in June 2018	% Change in MYP	FYP in Dec 2017	FYP in Jan 2018	% Change in FYP	% Change in Total Number of Young Persons Employed	% Change in Total Number of Young Persons Employed
Agriculture	130	146	12.3	64	72	12.5	24	12.4
Metals, Wood and Paper Products	9	10	11.1	2	2	0	1	9.1
Others*	5	5	0.0	25	24	-4	-1	-3.3
Total	144	161	11.8	91	98	7.7	24	10.2

Source : NWCC Non-EOE Survey, 2018

Note: * Others includes activities such as Human health and social work activities.

4.3.5 Around 11 per cent of firms in the survey, have stated that they have been discouraged to employ more young persons. The main reason for this results from the fact that firms find it difficult to pay the same salary to a young person and an employee who has been working for several years.

4.3.6 Similar to the firms surveyed within the EOE sector, there is no change in the number of female disabled workers employed in Non-EOEs in the sample as at June 2018 whilst the number of male disabled employees has slightly increased.

- 4.3.7 The total number of employees per basic wage range for Non-EOEs surveyed is next examined (Table 30 below). The percentage of employees with a basic wage between Rs 5,315 and Rs 7,780 as at December 2017 has declined from 9.2 per cent to 1.4 per cent in June 2018. The percentage of non-EOE employees in the wage range of Rs 7,781 and Rs 8,140 has also dropped from 4.5 to 0.6 over the same period while an increase in the percentage of employees can be noted in the higher wage brackets. This may reflect upward wage adjustments across the different basic wage bands.
- 4.3.8 From the survey, **(a) 12.3 per cent of employees in the Non-EOE sector earn monthly basic wages in the range of Rs 5,315 to Rs 8,500 and (b) 87.7 per cent of employees in the sample draw a monthly basic wage above Rs 8,500.**

Table 30: Total Number of Employees per Basic Wage Range in Non-EOEs Surveyed as at December 2017 and June 2018

Basic Wage Brackets	December 2017		June 2018		Dec 2017-June 2018
	Number of Employees	Percentage of Employees	Number of Employees	Percentage of Employees	Change in Employment
5,315 - 7,780	220	9.2	38	1.4	-182
7,781 - 8,140	107	4.5	16	0.6	-91
8,141 - 8,500	114	4.8	287	10.3	173
8,501 - 9,000	364	15.3	451	16.2	87
9,001 - 10,000	404	17.0	680	24.4	276
10,001 and above	1,173	49.2	1,312	47.1	139
Total*	2,382		2,784		402

Source : NWCC Non-EOE Survey, 2018

*Note: The total number of employees differ from Table 4.6 above due to missing responses from a few firms.

- 4.3.9 There are around 50 foreign employees in the survey scattered across only a few non-EOEs in sub-sectors such as wood, metal, steel and wholesale and retail trade. Out of these 50 workers, 40 per cent drew a basic wage between Rs 5,315 and Rs 7,780 as at December 2017 whilst 46 per cent earn a basic wage of Rs 8,140 and 14 per cent has a basic wage in the range of Rs 8,140 to Rs 9,000 as at June 2018.

4.4 Summary of Main Results on Employment based on Survey Information

To sum up the above analysis based on both the EOE and Non-EOE firm level data, the following points were noted:

- 4.4.1 **Around 8.5 per cent of the 59 EOE and 5.4 per cent of the 58 Non-EOEs surveyed, reported to have laid off workers with the introduction of the NMW.**
- 4.4.2 **The introduction of the NMW did not seem to have negatively affected overall employment in the EOE and Non-EOEs in the sample. There is no statistical difference between total employment level over the period December 2017 and June 2018, across both exporting and non-exporting firms surveyed. However, specific activities within EOE and Non-EOEs appear to have registered a fall in employment.** These are food, textile yarn and fabrics and wearing apparel within the EOE surveyed, while across the Non-EOEs in the sample, they are cleaning services; wood and paper products and the pre-primary education sectors.
- 4.4.3 **With regards to employment of young persons among the few firms employing young persons in the survey, the data indicates an overall fall of around 10.7 per cent in the number of young persons employed across the EOE and an overall improvement of 10 per cent across the Non-EOEs surveyed.**
- 4.4.4 **From the survey, there is a slight rise in the number of male disabled employees across both the EOE and Non-EOE sectors.**
- 4.4.5 **There is a fall in the number of employees in the lowest basic wage range across both the EOE and Non-EOEs surveyed. Low-wage workers seem to have benefitted by moving up to higher wage bands. This is also followed by a rise in the number of workers in the other basic wage bands, reflecting upward wage adjustments by enterprises in the sample.**
- 4.4.6 **As at June 2018, within the EOE sample, around 8.5 per cent of employees were receiving a basic wage ranging from Rs 5,315 to Rs 7,780 and more than 56.7 per cent of employees were drawing a basic wage higher than the NMW of Rs 8,140.**
- 4.4.7 **As at June 2018, within the Non-EOE survey, 12.3 per cent of employees in the Non-EOE sector earn monthly basic wages in the range of Rs 5,315 to Rs 8,500 whilst 87.7 per cent of employees in the sample draw a monthly basic wage above Rs 8,500.**

4.5 Impact on Cost of Doing Business and Competitiveness of Enterprises: EOE Sector

4.5.1 The cost of doing business and competitiveness of enterprises are measured in the survey by the financial details of the firm in terms of its total operational expenses, operational revenue, profit or loss and wage costs after the implementation on the NMW. Information on total basic wage bill, employees' earnings and total basic wage and earnings of minimum wage workers was also gathered.

4.5.2 There has been a **rise in the average percentage change in total basic wage bill across the 59 EOE's surveyed** over the period December 2017 and June 2018. The same holds for their basic wage bill for minimum wage workers. **Total employees' earnings have also increased** except for metals, plastic, steel and textile yarn, fabrics and wearing apparel (Table 31). **This may indicate adjustments in earnings in those sectors.**

Table 31: Average Change in Total Basic Wage (TBW), Total Employees' Earnings (TEE) and Ratio of Earnings to Basic Wage from December 2017 to June 2018, across EOE's Surveyed

Sub Sector/ Product	Average % Change in TBW	Average % Change in TEE	Ratio of Earnings to Basic Wage 2017	Ratio of Earnings to Basic Wage 2018	Average % Change in TBW for Minimum Wage Workers	Average % Change in TE for Minimum Wage Workers
Jewelry and related articles	9.8	4.9	1.17	1.12	18.0	4.1
Leather products and footwear	28.7	9.1	1.45	1.21	45.2	5.6
Metals, Plastics, Rubber, Steel, Wood and Paper Products etc.	7.9	-6.6	1.38	1.07	22.5	4.4
Services	6.5	11.6	1.08	1.13	n/a	n/a
Textile yarn, fabrics and Wearing Apparel	20.0	-1.1	1.64	1.37	15.3	3.8
Others*	14.1	-2.5	1.38	1.18	8	-12.3

Source: NWCC EOE Survey, 2018

Note: * Others includes activities such as food, flower, building chemicals, toys and carnival articles.

4.5.3 It is further observed that from December 2017 to June 2018, **the ratio of earnings to basic wage has fallen across the different sub-sectors with the exception of services.**

4.5.4 Around 39 per cent of EOE's surveyed have stated that they have modified their system of payroll to implement the NMW.

4.5.5 Enterprises in the sample also reported that the elements of remuneration have been merged with the minimum wage of Rs 8,140 and in many instances, allowances have been revised. **In fact, around 14.5 per cent of EOE's surveyed stated that they have brought changes to other elements of remuneration for instance, bonuses, commissions or other non-wage benefits.** Out of 26 firms

which responded to when the change in other elements of remuneration happened, 20 (that is 77 per cent) indicated that the change took place after the introduction of the NMW.

4.5.6 Next, **the average basic wage for Minimum Wage workers as a share of the total basic wage bill of EOE**s in the sample is considered. Table 32 indicates that there has been a rise in the basic wage bill for minimum wage workers as a share of the total basic wage bill, across the different sub-sectors in the survey from December 2017 to June 2018. The increase tends to be more pronounced for the seven firms surveyed in jewelry and related articles. The share of basic wage of Minimum Wage workers in the total earnings of Minimum Wage workers has also increased in the sample over the same period.

4.5.7 Firms surveyed also reported on their total operational expenses, revenues and profits and costs attributable to the increase in wages after the implementation of the NMW. The share of basic wage for Minimum Wage workers to total operating expenses of EOE's surveyed is calculated and tabled below. There **has been a slight increase in the share of basic wage of Minimum Wage Workers to the total operational expenses of EOE**s in the sample.

Table 32: Average Basic Wage (BW) of Minimum Wage (MW) Workers as a Share of Total Basic Wage Bill, Earnings of Minimum Wage Workers and Total Operational Expenses (TOE) from December 2017 to June 2018, across EOE's Surveyed

Sector of Activity	BW for MW Workers/ BW Bill 2017 (%)	BW for MW Workers/ BW Bill 2018 (%)	BW for MW Workers/ Earnings of MW Workers 2017 (%)	BW for MW Workers/ Earnings of MW Workers 2018 (%)	BW for MW workers as a share of TOE 2017 (%)	BW for MW workers as a share of TOE 2018 (%)
Jewelry and related articles	25.8	49.4	62.5	79.4	0.82	1.41
Leather products and footwear	46.2	46.6	52.7	81.4	0.49	0.75
Metals, Plastics, Rubber, Steel, Wood and Paper Products etc.	26.9	29.4	77.3	90.4	0.70	0.69
Textile yarn, fabrics and Wearing Apparel	55.5	53.4	68.2	73.1	0.87	0.94
Others*	46.6	52.1	69.1	80.0	0.90	1.20

Source: NWCC EOE Survey, 2018

Note: * Others includes activities such as food, flower, building chemicals, toys and carnival articles.

'Basic Wage for Minimum Wage Workers for 2018 are as at June 2018 and Total Operating Expenses are budgeted for calendar year 2018. Data for the services sector is not available.

4.5.8 With regards to earnings of Minimum Wage workers, its share to total employees' earnings, has increased between December 2017 and June 2018. From the survey, information on attendance bonuses and overtime bill of minimum wage workers was also obtained. The firms' response rate on attendance bonus was 69 per cent whilst that on overtime bill was only around 53 per cent. Based on these responses, overtime represents a major component of total employees' earnings in the textile, yarn, fabrics and wearing apparel (Table 33).

Table 33: Average Earnings of Minimum Wage (MW) Workers and Overtime as a Share of Total Employees' Earnings (TEE) and Basic Wage (BW) as at June 2018, across EOE's Surveyed

	Earnings of MW Workers as a Share of TEE 2017 (%)	Earnings of MW Workers as a Share of TEE 2018 (%)	Overtime as a Share of TEE 2018 (%)	Ratio of Overtime to BW 2018
Jewelry and related articles	29.3	37.1	6.6	0.08
Leather products and footwear	58.3	46.3	17.5	0.24
Metals, Plastics, Rubber, Steel, Wood and Paper Products etc.	53.7	76.7	7.3	0.08
Textile yarn, fabrics and Wearing Apparel	48.3	53.7	81.5	0.62
Others*	47.1	66.4	31.9	0.43

Source: NWCC EOE Survey, 2018

Note: *(1) Others includes activities such as food, flower, building chemicals, toys and carnival articles.

(2) Attendance bonus for minimum wage earners is based on December 2017 wages plus additional remuneration of Rs 360. Overtime bill for minimum wage earners is also based on December 2017 wages plus additional remuneration of Rs 360

(3) Data for the services sector is not available

4.5.9 The ratio of attendance bonus to basic wage and ratio of overtime to basic wage were computed and both are more pronounced in the textile yarn, fabrics and wearing apparel sector.

4.5.10 Other incidence of the NMW on EOE's is next examined. Firms were asked about their outsourcing activities, and **8.5 per cent of EOE's surveyed engaged in outsourcing**. These EOE's are in the wood and paper products, wearing apparel and toys and carnival articles. The response rate on outsourcing activities has been on the low side with firms not providing information on the name of contractors where activities are outsourced, number of employees and contract amounts being outsourced.

4.5.11 The impact of the implementation of the NMW on the firm's selling price of products/services, costs of products/services, overall employment level and profits

is also probed into. Around **68.6 per cent of enterprises surveyed reported that they have not changed the selling price of their products, and around 40 per cent stated that they have not faced any change in their costs** (Table 34).

4.5.12 Similarly, out of the 59 EOE's surveyed, **72.5 per cent reported that there has been no change in employment level. Employment appears to have fallen slightly in 17.6 per cent of firms while around 4 per cent of enterprises in the sample have faced a significant decrease in employment.** The firms' response rate on the change in overall employment level after the introduction of the NMW was much lower relative to the question whereby firms were asked their total employment level as at December 2017 and June 2018³.

4.5.13 With regards to profits, **28 per cent of firms in the survey stated that their profits went down significantly and while there has been a slight fall in profits for 32 per cent of firms.**

Table 34: The Extent of the Impact of the Introduction of the NMW on EOE's Surveyed as at June 2018

	Significant increase (20% or more)	Slight increase (less than 20%)	No change	Slight decrease (less than 20%)	Significant decrease (20% or more)
Selling Price of Products	9.8	11.8	68.6	7.8	2.0
Cost of Products	13.5	38.5	40.4	3.8	3.8
Overall Employment level	0	5.9	72.5	17.6	3.9
Profits	2	0	0.4	32	28

Source: NWCC EOE Survey, 2018

³ Response rate for this question was around 86.4 per cent compared to 100 per cent for that on the firm's total employment level as at December 2017 and June 2018.

4.6 Impact on Cost of Doing Business and Competitiveness of Enterprises: Non-EOE Sector

4.6.1 In terms of change in total basic wage for the period December 2017 to June 2018, an increase in total basic wage can be noted across sub-sectors in the sample except Cleaning (Table 35). This may be linked to the fall in employment among the surveyed enterprises in the Cleaning sector. Total earnings for minimum wage workers tend to follow more or less the same upward trend as basic wage bill for the same workers across the Non-EOEs surveyed.

Table 35: Average Percentage Change in Total Basic Wage (TBW), Total Employees' Earnings (TEE) and Ratio of Earnings to Basic Wage (BW) from December 2017 to June 2018, in Non-EOEs Surveyed

	% Change in TBW	% Change in TEE	Ratio of Earnings to BW 2017	Ratio of Earnings to BW 2018	Average % Change in TBW for Minimum Wage Workers	Average % Change in TE for Minimum Wage Workers
Agriculture	10	-35.8	2.8	1.1	n/a	n/a
Pre-Primary Education	9.8	-10.0	1.5	1.1	25.5	21.9
Primary and Secondary Education	25.5	6.8	1.4	1.1	27.2	14.6
Cleaning Services	-17.1	-4.8	1.2	1.3	2.2	4.2
Metals, Plastics, Glass, Steel and Wood and Paper Products etc.	6.0	-14.8	2.0	1.6	16.5	23.5
Others*	15	-3.5	1.5	1.1	16	-12.4

Source : NWCC Non-EOE Survey, 2018

Note: n/a means not available. Others include sub-sectors like Fish Processing; Logistics and Transport; Wholesale and Retail Trade and Human Health and Social Work Activities

4.6.2 Next, the financial details of the Non-EOEs are examined through their cost attributable to increase in wages after implementation of the NMW. The average basic wage of Minimum Wage workers as a share of total wage bill, earnings of Minimum Wage Workers and total operational costs are calculated (Table 36). **The basic wage of Minimum Wage workers as a share of total wage bill of enterprises surveyed has increased slightly across the sub sectors from December 2017 to June 2018.**

4.6.3 **There has also been a rise in the share of basic wage to earnings of Minimum Wage workers**, from December 2017 to June 2018 across the Non-EOEs in the sample. The ratio of earnings to basic wage has in turn dropped across all sectors of activity surveyed (with the exception of a slight rise for cleaning).

4.6.4 **The share of basic wage for Minimum Wage workers to total operating expenses of EOEes surveyed also showed an upward movement across Non-EOEs surveyed.**

Table 36: Average Basic Wage (BW) of Minimum Wage (MW) Workers as a Share of Total Basic Wage Bill, Earnings of Minimum Wage Workers and Total Operational Expenses (TOE) from December 2017 to June 2018, across EOE's Surveyed

Sector of Activity	BW for MW Workers/ BW Bill 2017	BW for MW Workers/ BW Bill 2018	BW for MW Workers/ Earnings of MW Workers 2017	BW for MW Workers/ Earnings of MW Workers 2018	BW for MW Workers/ TOE 2017	BW for MW Workers/ TOE 2018'
Agriculture	39.6	n/a	n/a	n/a	0.15	0.23
Metals, Plastics, Glass, Steel, Wood and Paper Products etc.	14.8	15.9	64.2	77.8	0.04	0.05
Pre-Primary	47.1	48.1	76.9	94.9	0.01	0.02
Primary and Secondary	9.9	11.2	65.7	91.9	0.004	0.008
Cleaning Services	18.0	18.6	n/a	n/a	n/a	n/a
Others	40.3	40.0	63.4	81.4	0.013	0.014

Source : NWCC Non-EOE Survey, 2018

Note: n/a means not available. Others include sub-sectors like Fish Processing; Logistics and Transport; Wholesale and Retail Trade and Human Health and Social Work Activities

'Basic Wage for Minimum Wage Workers for 2018 are as at June 2018 and Total Operating Expenses are budgeted for calendar year 2018.

- 4.6.5 From the sample of 58 Non-EOEs, 12.3 per cent engage in outsourcing and operate mainly in the sugar sector.
- 4.6.6 From Table 37, **the majority of Non-EOEs surveyed do not seem to have changed the selling price of their products/ services or experience any change in costs of products/ services, overall employment level and profits, following the NMW.** It is noted that for 24.4 per cent of the 58 Non-EOE firms in the sample, there has been a slight increase in costs of products and 32.5 per cent face a slight decrease in profits.
- 4.6.7 With respect to employment, **7.1 per cent of Non-EOEs surveyed reported that there has been a slight reduction in employment.** The firms' response rate on the change in overall employment level after the introduction of the NMW was much lower relative to the question whereby Non-EOEs were asked their total employment level as at December 2017 and June 2018⁴.

⁴ Response rate for this question was around 72.4 per cent compared to 100 per cent for that on the Non-EOEs' total employment level as at December 2017 and June 2018.

Table 37: The Extent of the Impact of the introduction of NMW on Non-EOEs as at June 2018

	Significant increase (20% or more)	Slight increase (less than 20%)	No change	Slight decrease (less than 20%)	Significant decrease (20% or more)
Selling Price of products/ Services	4.8	7.1	83.3	4.8	0
Costs of products/services	4.9	24.4	68.3	2.4	0
Overall employment level	2.4	7.1	83.3	7.1	0
Profits	0	2.5	57.5	32.5	7.5

Source : NWCC Non-EOE Survey, 2018

4.7 Summary of Main Results on Costs of Doing Business and Competitiveness based on Survey Information

- 4.7.1 Total basic wage bill has increased for all firms surveyed in the EOE and Non-EOE sectors and the same holds for their basic wage bill for minimum wage workers.
- 4.7.2 **In fact, around 14.5 per cent of the 59 EOE have brought changes to other elements of remuneration for instance, bonuses, commissions or other non-wage benefits.**
- 4.7.3 In both the EOE and Non-EOE sample of firms, **basic wage of Minimum Wage workers as a share of the total wage bill has increased** from December 2017 to June 2018. The same trend holds for the share of basic wage of Minimum Wage workers to total operational expenses of firms.
- 4.7.4 **Around 8.5 per cent of EOE and 12.3 per cent of Non-EOEs surveyed reported that they engaged in outsourcing activities.** The majority of firms which outsourced their activities, however, did not report on the number of employees outsourced and the contract amounts.
- 4.7.5 **The majority of firms surveyed in the EOE and Non-EOE sectors stated that there has been no change in the selling price of their product and employment level.**
- 4.7.6 **However, 7.1 per cent of Non-EOEs surveyed reported that there has been a slight reduction in employment. Similarly, employment appears to have fallen slightly in 17.6 per cent of firms while around 4 per cent of enterprises in the EOE sample have faced a significant decrease in employment.**
- 4.7.7 **Profits were reported to have declined slightly in 32.5 per cent of Non-EOEs and 32 per cent of EOE in the sample.**
- 4.7.8 **Around 38.5 per cent of the surveyed EOE and 24.4 per cent of the surveyed Non-EOEs have reported a slight increase in costs of products/services.**

4.8 Impact of the NMW on Lowest Wage Workers

4.8.1 Using the employee level survey of 447 lowest wage workers, an overview of the profile of the employees in the sample is provided in terms of their age, gender, economic sector of employment and full-time or part-time employment status (Table 38).

Table 38: Profile of Workers Surveyed

	Number	Percentage (%)
Sample Size	447	
<u>Gender</u>		
Male	146	33.11
Female	295	66.89
<u>Sector</u>		
EOE	285	65.5
Non-EOE	150	34.5
<u>Nature of Business</u>		
Agriculture	45	10.3
Textile	152	34.6
Jewelry and other products	30	6.8
Leather products and footwear	11	2.5
Metals, Electric and Electronics Products, Wood and Paper Products	45	10.3
Other manufacturing	108	24.6
Human health and social work activities	19	4.3
Services (ICT, Education, Cleaning, etc.)	29	6.6
<u>Age Group</u>		
16-18	10	2.25
Above 18	435	97.75
<u>Employment Status</u>		
FT Employees	435	97.5
PT Employees	11	2.5

Source: NWCC Employee Survey, 2018

4.8.2 From the survey, around 67 per cent were women and 33 per cent were men. Most of the workers (65.5 per cent) in the sample operate in EOE. Their sector of activities is mainly in textile, yarn and fabric (34.6 per cent) and other manufacturing (24.6 per cent). The workers surveyed are mostly full time employees (97.5 per cent) relative to 2.5 per cent for part-time workers. The majority of part-time workers in the sample were women. In terms of age group, 97.8 per cent were aged above 18.

4.8.3 Around 97.3 per cent of employees in the survey reported that they were aware of the implementation of the NMW. Unawareness of the NMW was neither linked to age nor gender. Information on the NMW was obtained mainly from the employer, radio, television and newspaper.

4.8.4 We next analysed the wage distribution of employees in the sample as at December 2017 and June 2018. Table 39 shows a significant shift in the

percentage of workers in the wage range of Rs 8,001 to Rs 9,000, from 16.1 per cent in December 2017 to 60.2 per cent in June 2018. There has been an overall improvement in the wage distribution with an important decline in the percentage of workers in the lowest wage brackets.

Table 39: Wage Distribution of Workers Surveyed as at December 2017 and June 2018

Basic Salary Brackets	Basic Salary December 2017		Basic Salary June 2018	
	Number	%	Number	%
Less than Rs 6,000	68	17.4	2	0.5
Rs 6,001- Rs 7,000	74	18.9	3	0.7
Rs 7,001- Rs 8,000	82	21.0	9	2.2
Rs 8,001- Rs 9,000	63	16.1	251	60.2
Rs 9,001- Rs 10,000	28	7.2	62	14.9
Rs 10,001- Rs 11,000	16	4.1	17	4.1
Rs 11,001- Rs 12,000	11	2.8	13	3.1
Rs 12,001- Rs 15,000	27	6.9	31	7.4
> Rs 15,000	22	5.6	29	7.0
Total	391	100.0	417	100.0

Source: NWCC Employee Survey, 2018

Note: The total number of workers as at December 2017 and June 2018 differ since workers had either not reported their basic salary as at December 2017 or were not in employment as at that date.

4.8.5 **Around 55 per cent of workers surveyed, stated that they have either received the negative income tax or the special allowance.**

4.8.6 Around 93 per cent of employees in the sample indicated that following the introduction of the NMW, their employer did not change any other elements of remuneration such as bonuses, commissions or other non-wage benefits. Around 7 per cent of workers were affected by changes in other elements of remuneration – either their bonus was altered or their allowance converted and included in the basic wage. For those 7 per cent of workers affected by changes in other elements of remuneration, changes brought are shown in Table 40, where for most of them either their bonus was altered (35.5 per cent) or their allowance converted and included in the basic wage (35.5 per cent).

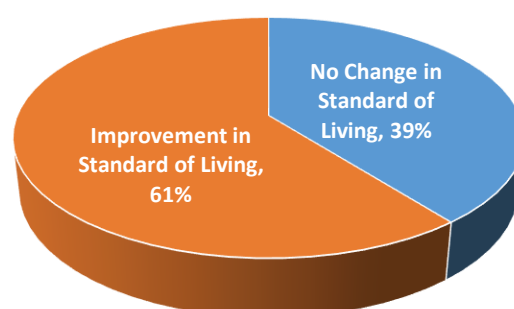
Table 40: Low Wage Workers Affected by Changes in Other Elements of Remuneration

Remuneration Elements	Number	%
Food Allowance Included in Basic Wage	3	9.7
Allowance Converted and Included in Basic Wage	11	35.5
Regularity bonus included in basic wages	4	12.9
Change in Bonus	11	35.5
Others	2	6.5
	31	100

Source: NWCC Employee Survey, 2018

- 4.8.7 Respondents were also asked of any changes in their working hours or job title following the introduction of the NMW. Around 99 per cent of workers surveyed encountered no change in working hours and 98.6 per cent stated that there was also no amendment in their job title.
- 4.8.8 Employees in the sample reported on the impact of the introduction of the NMW on their purchasing power and standard of living. Figure 1 below indicates that 61 per cent of workers stated that there has been an improvement in their standard of living while around 39 per cent reported no change in living standard.

Figure 1: The impact of the introduction of the NMW on purchasing power and standard of living of workers surveyed



Source: NWCC Employee Survey, 2018

- 4.8.9 Out of 77 responses of employees in the sample as to how their standard of living or purchasing power has been changed with the introduction of the NMW, **around 66 per cent stated that they were able to purchase more goods in terms of food stuffs and other basic necessities**. Around 17 per cent reported they were able to save, 9 per cent indicated that they could pay their debts and around 8 per cent highlighted that they could contribute further to their children's education by paying tuitions and transport (Table 41).

Table 41: Changes in Purchasing Power and Standard of Living of Workers with the Introduction of the NMW

	Number	%
Purchase of Goods (food and other basic necessities)	51	66.2
Savings	13	16.9
Children's Education and Transport Facilities (paying tuitions)	6	7.8
Payment of Debts	7	9.1
Total	77	100

Source: NWCC Employee Survey, 2018

4.9 Summary of Main Results on Workers Surveyed

- 4.9.1 **Low wage workers in the sample tend to be primarily women and those employed in the EOE sector** with the highest percentage operating in the textile industry. The employees surveyed are mainly full-time employees and aged above 18 years.
- 4.9.2 Around 97.3 per cent of employees in the survey stated that they were aware of the implementation of the NMW.
- 4.9.3 There has been an overall improvement in the wage distribution of workers in the sample with an important decline in the percentage of employees in the lowest wage brackets. A significant shift in the percentage of workers is observed, in the wage range of Rs 8,001 to Rs 9,000, from 16.1 per cent in December 2017 to 60.2 per cent in June 2018.
- 4.9.4 **Around 61 per cent of workers reported improvement in their standard of living following the introduction of the NMW. The NMW has enabled many to buy more food and other basic necessities.**

CHAPTER 5: Evolution of Wage Distribution

5.1 Overview

- 5.1.1 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 in respect of occupations, worker status, gender and sectors, every year.
- 5.1.2 We give hereunder the relevant information with regards to the evolution of wage distribution based on information available at the Council to date.
- 5.1.3 Table 42 gives the number of employees by basic wage groups at December 2017 and at June 2018 in the Export Oriented Enterprise Sector. The information is from the Mauritius Revenue Authority and concerns only employees in respect of whom contributions have been made to the NPF.
- 5.1.4 The analysis of the information in the above table reveals that **the number of full-time employees in the EOE's contributing to the NPF has increased from 32,395 to 37,244, i.e. by a percentage of 15%. However, the analysis also shows that the total number of employees (part time, full time and employees in respect of whom information not specified) in the EOE's contributing to the NPF fell slightly from 38,633 to 38,543.**
- 5.1.5 **The number of full-time employees with basic wages of up Rs 9,000 a month fell down from 28,675 to 27,204 probably indicating an upward movement of the employees in higher wage bands.**
- 5.1.6 Table 43 gives the number of employees by basic wage groups at December 2017 and at June 2018 in the Non-EOEs. The information is from the Mauritius Revenue Authority and concerns only employees in respect of whom contributions have been made to the NPF.

Table 42: Evolution of Wage Distribution in EOE's from December 2017 to June 2018

Row Labels	EOEs - 2017			EOEs - 2018		
	Full Time	Total (Incl. Full Time, Part Time & Not Avail.)	Cumulated No. of Employees	Full Time	Total (Incl. Full Time, Part Time & Not Avail.)	Cumulated No. of Employees
< 3,500	330	567	567	468	536	536
≥ 3,500 & ≤ 5,000	2,630	3,306	3,873	559	598	1,134
≥ 5,001 & ≤ 7,000	13,018	16,571	20,444	16,792	17,099	18,233
≥ 7,001 & ≤ 8,140	5,549	6,164	26,608	5,767	6,100	24,333
≥ 8,141 & ≤ 8,500	886	1,008	27,616	1,434	1,493	25,826
≥ 8,501 & ≤ 9,000	958	1,059	28,675	1,322	1,378	27,204
≥ 9,001 & ≤ 10,000	1,393	1,537	30,212	1,894	1,987	29,191
≥ 10,001 & ≤ 11,000	1,084	1,197	31,409	1,311	1,373	30,564
≥ 11,001 & ≤ 12,000	867	948	32,357	896	925	31,489
≥ 12,001 & ≤ 13,000	710	772	33,129	798	816	32,305
≥ 13,001 & ≤ 14,000	541	602	33,731	644	663	32,968
≥ 14,001 & ≤ 15,000	450	493	34,224	573	592	33,560
≥ 15,001 & ≤ 20,000	1,554	1,691	35,915	1,804	1,867	35,427
≥ 20,001 & ≤ 25,000	757	811	36,726	955	981	36,408
≥ 25,001 & ≤ 30,000	458	493	37,219	511	523	36,931
≥ 30,001 & ≤ 35,000	275	288	37,507	323	327	37,258
≥ 35,001 & ≤ 40,000	209	217	37,724	252	254	37,512
≥ 40,001 & ≤ 50,000	223	256	37,980	287	294	37,806
≥ 50,001 & ≤ 60,000	125	152	38,132	139	153	37,959
≥ 60,001 & ≤ 70,000	91	115	38,247	120	129	38,088
≥ 70,001 & ≤ 75,000	42	46	38,293	53	58	38,146
≥ 75,001	245	340	38,633	342	397	38,543
Grand Total	32,395	38,633		37,244	38,543	

Source: Mauritius Revenue Authority

Table 43: Evolution of Wage Distribution in Non-EOEs from December 2017 to June 2018

Row Labels	Non EOE – 2017			Non EOE – 2018		
	Full Time	Total (Incl. Full Time, Part Time & Not Avail.)	Cumulated No. of Employees	Full Time	Total (Incl. Full Time, Part Time & Not Avail.)	Cumulated No. of Employees
< 3,500	2,032	5,230	5,230	3,065	6,412	6,412
≥ 3,500 & ≤ 5,000	3,181	6,949	12,179	2,647	5,721	12,133
≥ 5,001 & ≤ 7,000	9,510	16,389	28,568	5,255	9,935	22,068
≥ 7,001 & ≤ 8,140	11,733	16,771	45,339	5,397	8,024	30,092
≥ 8,141 & ≤ 8,500	6,849	9,132	54,471	15,557	18,268	48,360
≥ 8,501 & ≤ 9,000	8,598	11,081	65,552	13,305	15,541	63,901
≥ 9,001 & ≤ 10,000	18,359	22,826	88,378	21,008	24,096	87,997
≥ 10,001 & ≤ 11,000	15,326	19,042	107,420	19,205	21,837	109,834
≥ 11,001 & ≤ 12,000	13,408	16,417	123,837	15,065	17,305	127,139
≥ 12,001 & ≤ 13,000	10,529	12,825	136,662	13,797	15,818	142,957
≥ 13,001 & ≤ 14,000	9,691	11,334	147,996	11,814	13,436	156,393
≥ 14,001 & ≤ 15,000	9,023	10,449	158,445	10,190	11,580	167,973
≥ 15,001 & ≤ 20,000	27,931	32,168	190,613	32,998	36,775	204,748
≥ 20,001 & ≤ 25,000	13,104	14,628	205,241	15,736	17,203	221,951
≥ 25,001 & ≤ 30,000	9,173	10,068	215,309	10,937	11,766	233,717

Report on the impact of the Introduction of the National Minimum Wage

Row Labels	Non EOE – 2017			Non EOE – 2018		
	Full Time	Total (Incl.Full Time, Part Time & Not Avail.)	Cumulated No. of Employees	Full Time	Total (Incl. Full Time, Part Time & Not Avail.)	Cumulated No. of Employees
≥ 30,001 & ≤ 35,000	6,597	7,266	222,575	7,951	8,386	242,103
≥ 35,001 & ≤ 40,000	4,524	4,981	227,556	5,023	5,322	247,425
≥ 40,001 & ≤ 50,000	6,536	7,221	234,777	7,855	8,227	255,652
≥ 50,001 & ≤ 60,000	3,694	4,146	238,923	4,383	4,579	260,231
≥ 60,001 & ≤ 70,000	2,530	3,083	242,006	3,572	3,737	263,968
≥ 70,001 & ≤ 75,000	933	1,066	243,072	1,124	1,173	265,141
≥ 75,001	6,730	8,663	251,735	9,452	10,094	275,235
Grand Total	199,991	251,735		235,336	275,235	

Source: Mauritius Revenue Authority

- 5.1.7 It is noted that the total number of employees in the Non-EOEs contributing to the NPF has increased from 251,735 at December 2017 to 275,235 at June 2018, i.e. by a percentage of 9%.
- 5.1.8 It is also noted that the number of employees drawing basic wage up to Rs 9,000 a month fell from 65,552 at December 2017 to 63,901 at June 2018 probably indicating an upward movement of the employees in higher wage bands.

5.2 Evolution of Wage Distribution

5.2.1 Table 44 below gives the distribution of employees by basic wage groups in 2017 and at June 2018. The information is from Statistics Mauritius and concerns only Mauritian employees who have provided information regarding their basic wages.

Table 44: Distribution of Full-Time Mauritian Employees by Basic Wage Range in Year 2017 and as at June 2018

Basic wage range (Rs)	2017			2018		
	Public sector	Private sector	Cumulated no. of employees	Public sector	Private sector	Cumulated no. of employees
Up to 3,500	48	18,552	18,600		14,602	14,602
3,501 - 4,000	6	6,176	24,781		4,340	18,942
4,001 - 4,500	10	4,020	28,812		1,692	20,635
4,501 - 5,000	17	8,207	37,036		7,548	28,182
5,001 - 6,000	91	16,872	53,999		7,127	35,309
6,001 - 7,000	135	14,327	68,460		6,990	42,300
7,001 - 8,000	790	19,171	88,421		10,940	53,240
8,001 - 9,000	759	25,546	114,726	2,407	48,063	103,710
9,001 - 10,000	985	27,236	142,947	487	35,897	140,094
10,001 - 11,000	506	23,526	166,980	706	23,580	164,381
11,001 - 12,000	971	19,718	187,669	751	21,019	186,151
12,001 -13,000	1,631	15,974	205,274	1,704	15,342	203,197
13,001 -14,000	3,560	17,081	225,915	3,148	18,950	225,295
14,001 - 15,000	3,774	13,415	243,104	4,329	13,070	242,694
15,001 - 20,000	23,113	32,854	299,072	22,801	33,647	299,142
20,001 - 25,000	17,377	14,976	331,424	15,960	15,420	330,522
25,001 - 30,000	11,016	8,694	351,135	12,778	10,178	353,478
30,001 - 35000	9,296	5,799	366,230	9,818	6,355	369,651
35,001 - 40,000	8,452	4,331	379,013	7,064	4,856	381,571
40,001 - 50000	9,423	6,255	394,691	10,599	6,389	398,558

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Basic wage range (Rs)	2017			2018		
	Public sector	Private sector	Cumulated no. of employees	Public sector	Private sector	Cumulated no. of employees
50,001 - 60,000	4,517	3,753	402,961	4,809	3,688	407,055
60,001 - 70000	2,348	2,296	407,605	2,877	2,735	412,667
70,001 - 75,000	861	899	409,365	908	921	414,496
75,001 and over	2,289	7,224	418,878	2,684	8,247	425,427
Total	101,975	316,903		103,830	321,597	

Source: Statistics Mauritius

- 5.2.2 Analysis reveals that (a) the total number of full-time employees in both the Public and the Private Sectors has increased from 418,878 in 2017 to 425,427 at June 2018, i.e. an increase of 2%; and (b) the total number of full-time employees in the Private Sector has increased from 316,903 in 2017 to 321,597 at June 2018, i.e. an increase of 1%.
- 5.2.3 It is also noted that the number of employees drawing basic wage up to Rs 9,000 a month in Non-EOEs fell from 114,726 in 2017 to 103,710 at June 2018 probably indicating a general upward movement of the employees.

5.2.4 Table 45 below from SM gives the distribution of Mauritian employees by gender for the year 2017 and 2018.

Table 45: Distribution of employees by basic wage range for full time employees by gender

Basic wage range (Rs)	Number of Full-Time employees – 2017			Number of Full-Time employees - 2018		
	Male	Female	Total	Male	Female	Total
Up to 3,500	3,848	14,751	18,600	2,823	11,779	14,602
3,501 – 4,000	1,716	4,465	6,182	365	3,975	4,340
4,001 – 4,500	1,080	2,950	4,030	359	1,334	1,692
4,501 – 5,000	2,344	5,880	8,224	2,497	5,051	7,548
5,001 – 6,000	5,683	11,280	16,963	3,231	3,896	7,127
6,001 – 7,000	6,457	8,005	14,462	2,259	4,731	6,990
7,001 – 8,000	10,182	9,779	19,961	5,017	5,924	10,940
8,001 – 9,000	15,382	10,923	26,305	21,485	28,985	50,470
9,001 – 10,000	18,754	9,467	28,221	20,820	15,564	36,384
10,001 – 11,000	16,638	7,395	24,032	14,743	9,543	24,286
11,001 – 12,000	15,190	5,499	20,689	15,165	6,605	21,770
12,001 – 13,000	12,029	5,576	17,605	13,636	3,411	17,046
13,001 – 14,000	14,515	6,127	20,641	15,572	6,527	22,098
14,001 – 15,000	12,446	4,743	17,189	12,561	4,838	17,399
15,001 – 20,000	39,035	16,932	55,967	39,590	16,858	56,448
20,001 – 25,000	20,834	11,519	32,353	20,757	10,623	31,380
25,001 – 30,000	11,451	8,260	19,710	13,137	9,819	22,956
30,001 – 35,000	9,188	5,908	15,095	8,888	7,285	16,173
35,001 – 40,000	8,430	4,353	12,783	8,060	3,860	11,920
40,001 – 50,000	10,244	5,434	15,678	10,252	6,736	16,988
50,001 – 60,000	5,831	2,438	8,270	5,721	2,776	8,497
60,001 – 70,000	3,801	843	4,644	3,231	2,380	5,612
70,001 – 75,000	1,267	494	1,760	1,590	240	1,829

Basic wage range (Rs)	Number of Full-Time employees – 2017			Number of Full-Time employees - 2018		
	Male	Female	Total	Male	Female	Total
75,001 and over	7,387	2,125	9,513	8,820	2,111	10,931
Total	253,733	165,144	418,878	250,576	174,851	425,427

Source: Statistics Mauritius

- 5.2.5 **It is noted that while male employment has fallen from 253,733 to 250,576, female employment has increased from 165,144 to 174,851. The total employment has increased from 418,878 to 425,427.**
- 5.2.6 *The information with regards to the evolution of wage distribution in respect of occupations and worker status is not available at the Council at this stage. The Council is therefore reporting only on information with regards to the number of contributors to the NPF by sectors, age group and gender as at June 2018.*

5.2.7 Table 46 below which is an extract of **Annex VII** gives the distribution of employees contributing to the NPF by sectors and gender at June 2018.

Table 46: Distribution of employees contributing to the NPF by sectors and gender at June 2018

Row Labels	Full Time			Part Time			Not Available			Grand Total
	Foreign	Local	Total	Foreign	Local	Total	Foreign	Local	Total	
▪ PRIMARY	71	692	763		34	34		12	12	809
• FEMALE	5	145	150		11	11		2	2	163
• MALE	66	547	613		23	23		10	10	646
▪ SECONDARY	17,915	62,435	80,350	131	2,128	2,259	1,367	5,305	6,672	89,281
• FEMALE	5,056	24,912	29,968	4	819	823	36	1,624	1,660	32,451
• MALE	12,859	37,523	50,382	127	1,309	1,436	1,331	3,681	5,012	56,830
▪ TERTIARY	4,147	187,015	191,162	58	7,818	7,876	525	22,240	22,765	221,803
• FEMALE	803	80,163	80,966	20	4,447	4,467	129	11,270	11,399	96,832
• MALE	3,344	106,852	110,196	38	3,371	3,409	396	10,970	11,366	124,971
▪ NOT AVAILABLE	2	303	305	1	195	196	7	1,377	1,384	1,885
• FEMALE		138	138		134	134	5	1,237	1,242	1,514
• MALE	2	165	167	1	61	62	2	140	142	371
Grand Total	22,135	250,445	272,580	190	10,175	10,365	1,899	28,934	30,833	313,778

Source: Mauritius Revenue Authority

The number of employees refer to those in respect of whom contributions are made to the MRA and include foreign workers with more than two years' service.

5.2.8 The number of employees contributing to NPF by sectors is given below:

Table 47: The number of employees contributing to NPF by sectors

Sectors	Total	%
Primary	809	0.26
Secondary	89,281	28.5
Tertiary	221,803	70.7
Not Available	1,885	0.6
Grand Total	313,778	100

Source: Council's Computation based on MRA Figures

5.2.9 The distribution of workers contributing to NPF by age group is given below:

Table 48: The distribution of workers contributing to NPF by age group

Age Group	Total	%
Less than 18	7	0.002
Between 18 and 24	36,827	11.7
25 and above	276,944	88.26
Grand Total	313,778	100

Source: Council's Computation based on MRA Figures

5.2.10 The distribution of workers contributing to NPF by gender is given below:

Table 49: The distribution of workers contributing to NPF by gender

Gender	Total	%
Female	130,960	41.7
Male	182,818	58.3
Grand Total	313,778	100

Source: Council's Computation based on MRA Figures

5.2.11 Table 50 below compares the distribution of full-time employees in the private sector with the number of contributors to the NPF by sector.

Table 50: Comparison between the distribution of full-time employees in the private sector and the number of contributors to the NPF by sector

Particulars	Number of contributors (MRA)	Number of full-time employees in the private sector (SM)	Registration Rate to the NPF (%)
Primary	692	15,400	4.5
Secondary	62,435	78,500	79.5
Tertiary	187,015	227,700	82.1
Total	250,142	321,600	77.8

Source: Council's Computation based on MRA and SM figures

5.2.12 It is noted that the highest registration rate to the NPF is in the tertiary sector with a rate of 82.1% while the lowest rate is in the primary sector with a rate of 4.5%.

CHAPTER 6: Other Pertinent Observations & Findings

6.1 Non-Compliance to the National Pension Fund

6.1.1 Table 51 below compares the number of employees contributing to the NPF as obtained from the MRA with the employment figures as estimated by Statistics Mauritius. The number of employees contributing to the NPF as a proportion of the number of private sector employees gives the compliance rate to the NPF. The difference gives an indication of non-compliance in terms of contribution to the NPF.

Table 51: Number of employees contributing to the NPF

MRA		SM	Percentage of Compliance to NPF for Mauritian Employees
No of Employees contributing to NPF including Foreign Workers	No of Mauritian Employees contributing to NPF	No of Private Sector Mauritian Employees	
272,580	250,445	321,597	77.9%

Source: Council's Computation based on MRA's Data (Annex II) and SM (Annex I)

6.1.2 As may be noted, the total number of full-time Mauritian employees *contributing to the NPF* stands at 250,445 (out of a total of 272,580 which includes 22,135 foreign workers (see Annex VII) while the total estimated number of full-time employees in the private sector, excluding foreign workers, stands at 321,597.

6.1.3 *This might indicate that the number of cases of non-compliance, in terms of contribution to the NPF, is around 71,152. However, this figure of non-compliance might be lower having regards to the fact that there were 28,934 cases of employees contributing to NPF, where the type of employment in terms of full time and part time were not available.*

6.1.4 The high 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.

6.1.5 Notwithstanding the fact that the contributions to the NPF is mandatory, it has been surmised during discussions with stakeholders that the non-compliance could also be partly explained by the fact that:

- (a) employees request their employer not to make contribution on their behalf in order not to forego other benefits such as pensions;
- (b) employers are not making contributions on behalf of their employees; and
- (c) employees could be unaware of non-contributions to the NPF since they are not issued a payslip (despite the provisions of the Employment Rights Act that every employer shall issue to every worker, at the time of paying remuneration, with a payslip in the form specified in the Fourth Schedule).

6.2 Contributions to NPF on less than the prescribed basic wage

Table 52 below gives the number of cases of contribution to NPF on less than the prescribed basic wage

Table 52: Contributions to NPF on less than the prescribed Basic Wage in EOE's and Non EOE's

Basic Wage Range	Number of full-time Mauritian Workers contributing to the NPF in EOE's
< Rs 5,296	976
Basic Wage Range	Number of full-time Mauritian Workers contributing to the NPF in Non-EOE's
< Rs 8,500	18,113

Source: Mauritius Revenue Authority

6.2.1 It is noted that:

- (d) contributions to the NPF are made on a basic wage lesser than Rs 5296 that is the basic wage for unskilled workers in the Export Enterprise Remuneration Order in respect of some 976 full time Mauritian workers; and
- (e) contributions to the NPF are being made on a basic wage lesser than Rs 8,500 that is lesser than the prescribed NMW plus the Additional Remuneration 2018 in respect of some 18,113 full time Mauritian workers in Non-EOE's.

6.3 EOE's currently not exporting and benefitting from Higher Special Allowance

- 6.3.1 Export Oriented Enterprises comprise enterprises formerly holding an EPZ certificate as well as enterprises manufacturing goods for export and holding a registration certificate issued by the former Board of Investment. According to an administrative list submitted by the Ministry of Industry to the Council, there are some 277 EOE enterprises as at September 2018.
- 6.3.2 MRA has confirmed that, as at September 2018, some 277 enterprises were taking advantage of the higher special allowance paid to employees by Government (and therefore concurrently lower basic wage meant for EOE's under the NMW Scheme). However, according to the Ministry of Industry, Commerce and Consumer Protection (Industry Division), only around 170 of these enterprises were exporting as at September 2018.

6.4 Number of Persons benefitting from Special Allowance/Negative Income Tax

6.4.1 Table 53 below gives (a) the distribution of workers benefitting from special allowance; and (b) the distribution of workers by range of basic wage benefitting from the Negative Income Tax in EOE's and Non-EOEs.

Table 53: No. of workers obtaining Special Allowance/Negative Income Tax for the month of June 2018

As at June 2018	Number of Workers		Total
	EOEs	Non-EOEs	
Monthly Special Allowance			
Up to Rs 500	2,921	14,793	
Rs 501 - Rs 860	18,674	-	
Total	21,595	14,793	36,388
Negative Income Tax			
For employees drawing up to Rs 9,000 as basic wage	5,594	14,660	
For employees drawing above Rs 9,000 as basic wage	987	8,018	
Sub Total	6,581	22,678	29,259
Total	28,176	37,471	65,647

Source: Mauritius Revenue Authority

6.4.2 As at June 2018, some 36,388 workers benefitted from the monthly Special Allowance and some 29,259 from the Negative Income Tax.

6.4.3 For the period 01 July 2017 to 16 August 2018, the number of beneficiaries of Special Allowance/Negative Income Tax stood at 81,000.

6.5 Implementation Issues

6.5.1 National Minimum Wage – Premium for Part-time Work

- a) In consonance with the provisions of Section 5 sub-section (b) (ii) of the NWCC Act and in conformity with the relevant provisions of the Employment Rights Act, the Council had, in its 2018 Report on the Introduction of a National Minimum Wage, recommended that the rate of remuneration for part time workers should be as shown below:

Table 54: Rate of Remuneration for Part-Time Workers

No of hours of part time work per month	Rate as a percentage of notional hourly rate
Up to 100 hours	110%
Above 100 hours	107%

Source: NWCC

- b) The recommendation provides that a part-time employee should be paid the notional hourly rate increased by (a) 10 percent for the first 100 hours of work and (b) 7 percent for any additional hour above 100 hours per month.

- c) However, in the implementation of the recommendation a worker putting in more than 100 hours e.g. 101 hours is being paid the whole of the 101 hours at the rate of 107 percent of the normal hourly rate. In effect, the first 100 hours ought to have been paid at the rate of 110 percent and the additional hour beyond 100 hours at the rate of 107 percent.

6.5.2 National Minimum Wage – Premium for Part-time Work

The Council considers that appropriate correction should be made so that a part-time employee is paid at the notional hourly rate increased by (a) 10 percent for the first 100 hours of work and (b) 7 percent for any additional hour above 100 hours per month.

6.5.3 Food and Housing Allowance

The Regulations provide for a food and housing allowance of up to Rs 2,500 applicable to foreign minimum wage workers. Some Council members have drawn attention on the manner that this provision is being implemented – e.g. in terms of the accommodation and food provided. The Council considers that this is an operational issue to be addressed at the level of the Ministry.

6.6 Income distribution of Self-Employed in 2017 and 2018

Table 55 below compares the distribution of self-employed by income range in year 2017 and 2018.

Table 55: Distribution of Self Employed by Income Range – 2017 and 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	11,807	11,807	289.8
3,501 – 4,000	2,722	17,985	130.4	3,077	14,884	147.7
4,001 – 4,500	782	18,767	41.9	177	15,061	9.5
4,501 – 5,000	5,941	24,708	356.1	6,927	21,988	414.3
5,001 – 6,000	4,329	29,037	310.2	5,394	27,382	386.2
6,001 – 7,000	4,197	33,234	348.9	3,862	31,244	321.9
7,001 – 8,000	6,332	39,566	603.9	5,443	36,687	515.4
8,001 – 9,000	2,885	42,451	309.4	3,056	39,743	326.7
9,001 – 10,000	10,588	53,039	1,268.9	10,461	50,204	1,253.8
10,001 – 11,000	553	53,592	71.8	814	51,018	105.4
11,001 – 12,000	3,917	57,509	563.3	5,671	56,689	816.6
12,001 – 13,000	971	58,480	150.5	2,900	59,589	451.9
13,001 – 14,000	1,080	59,560	180.7	732	60,321	123.0
14,001 – 15,000	9,208	68,768	1,656.7	10,364	70,685	1,865.6
15,001 – 20,000	13,122	81,890	2,977.3	14,012	84,697	3,150.5
20,001 – 25,000	5,942	87,832	1,735.8	6,053	90,750	1,800.6
25,001 – 30,000	4,381	92,213	1,559.0	4,237	94,987	1,486.1
30,001 – 35,000	1,948	94,161	806.2	1,539	96,526	634.3

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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)
35,001 – 40,000	1,946	96,107	924.0	2,149	98,675	1,029.3
40,001 – 50,000	2,394	98,501	1,400.5	2,126	100,801	1,244.0
50,001 – 60,000	547	99,048	379.7	1,192	101,993	840.8
60,001 – 70,000	415	99,463	327.7	632	102,625	527.2
70,001 – 75,000	339	99,802	305.3	1,042	103,667	926.0
75,001 and over	1,801	101,603	2,938.3	1,732	105,399	3,274.2
Total	101,600		19,718	105,399		21,940.7

Source: Statistics Mauritius

**Annual Income=monthly income x 12*

Note: The above surveys are not completed yet and estimates have been based on those who responded. Final estimates will be available in April 2019.

- 6.6.1 It is noted that
- (a) the number of self-employed has increased from 101,600 in 2017 to 105,399 in 2018; and
 - (b) the average monthly income of self-employed has increased from Rs16,172 in 2017 to Rs 17,347 in 2018.
- 6.6.2 It is noted that the number of self-employed generating a monthly income of less than Rs 9,000 that is equivalent to the guaranteed income of a minimum wage worker fell down from 42,450 in 2017 to 39,743 in 2018.
- 6.6.3 However, the number of hours that the self-employed have to put in to earn the income is not known.
- 6.6.4 It is also argued that there may be a number of cases of underreporting of income for obvious reasons.

ANNEX I

Table 56: Distribution of Full-Time Mauritian Employees by Basic Wage Range – Year 2018

Basic wage range (rupees)	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
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

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Basic wage range (rupees)	Number of Full-Time employees					
	Public sector	Private sector	Public and Private sectors	Distribution of employees %	Cumulated no. of employees	Cumulated distribution of employees %
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 – 70000	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
Total	103,830	321,597	425,427			

Source: Statistics Mauritius

Table 57: Distribution of Full-Time Employees by Basic Wage Range – Year 2017

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	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 - 35000	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 - 50000	9,423	6,255	15,678	3.7	394,691	94.2

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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 %
50,001 - 60,000	4,517	3,753	8,270	2.0	402,961	96.2
60,001 - 70000	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
Total	101,975	316,903	418,878			

Source: Statistics Mauritius

Table 58: Number of Employees contributing to NPF by Basic Wage Group – June 2018

Rows Labels	EOEs				Non-EOEs				GRAND TOTAL
	Full-Time	Part-Time	Not Available	Total	Full-Time	Part-Time	Not Available	Total	
< 3,500	468	21	47	536	3,065	1,461	1,886	6,412	6,948
≥ 3,500 & ≤ 5,000	559	10	29	598	2,647	1,681	1,393	5,721	6,319
≥ 5,001 & ≤ 7,000	16,792	21	286	17,099	5,255	2,282	2,398	9,935	27,034
≥ 7,001 & ≤ 8,140	5,767	17	316	6,100	5,397	1,066	1,561	8,024	14,124
≥ 8,141 & ≤ 8,500	1,434	3	56	1,493	15,557	437	2,274	18,268	19,761
≥ 8,501 & ≤ 9,000	1,322		56	1,378	13,305	318	1,918	15,541	16,919
≥ 9,001 & ≤ 10,000	1,894	6	87	1,987	21,008	466	2,622	24,096	26,083
≥ 10,001 & ≤ 11,000	1,311	3	59	1,373	19,205	285	2,347	21,837	23,210
≥ 11,001 & ≤ 12,000	896	6	23	925	15,065	199	2,041	17,305	18,230
≥ 12,001 & ≤ 13,000	798	1	17	816	13,797	144	1,877	15,818	16,634
≥ 13,001 & ≤ 14,000	644	1	18	663	11,814	143	1,479	13,436	14,099
≥ 14,001 & ≤ 15,000	573	2	17	592	10,190	241	1,149	11,580	12,172
≥ 15,001 & ≤ 20,000	1,804	5	58	1,867	32,998	603	3,174	36,775	38,642
≥ 20,001 & ≤ 25,000	955	6	20	981	15,736	191	1,276	17,203	18,184
≥ 25,001 & ≤ 30,000	511	2	10	523	10,937	108	721	11,766	12,289
≥ 30,001 & ≤ 35,000	323	1	3	327	7,951	91	344	8,386	8,713
≥ 35,001 & ≤ 40,000	252	1	1	254	5,023	56	243	5,322	5,576
≥ 40,001 & ≤ 50,000	287		7	294	7,855	83	289	8,227	8,521
≥ 50,001 & ≤ 60,000	139	3	11	153	4,383	60	136	4,579	4,732
≥ 60,001 & ≤ 70,000	120		9	129	3,572	47	118	3,737	3,866

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Rows Labels	EOEs				Non-EOEs				GRAND TOTAL
	Full-Time	Part-Time	Not Available	Total	Full-Time	Part-Time	Not Available	Total	
≥ 70,001 & ≤ 75,000	53		5	58	1,124	16	33	1,173	1,231
≥ 75,001	342	7	48	397	9,452	271	371	10,094	10,491
Grand Total	37,244	116	1,183	38,543	235,336	10,249	29,650	275,235	313,778

Source: Mauritius Revenue Authority

ANNEX IIA

Table 59: Number of Employees contributing to NPF by Basic Wage Group – December 2017

Row Labels	EOEs				Non - EOE				Grand Total
	Full Time	Part Time	Not Available	Total	Full Time	Part Time	Not Available	Total	
< 3,500	330	11	226	567	2,032	1,009	2,189	5,230	5,797
≥ 3,500 & ≤ 5,000	2,630	15	661	3,306	3,181	1,098	2,670	6,949	10,255
≥ 5,001 & ≤ 7,000	13,018	32	3,521	16,571	9,510	1,623	5,256	16,389	32,960
≥ 7,001 & ≤ 8,140	5,549	11	604	6,164	11,733	700	4,338	16,771	22,935
≥ 8,141 & ≤ 8,500	886	2	120	1,008	6,849	182	2,101	9,132	10,140
≥ 8,501 & ≤ 9,000	958	4	97	1,059	8,598	195	2,288	11,081	12,140
≥ 9,001 & ≤ 10,000	1,393	5	139	1,537	18,359	334	4,133	22,826	24,363
≥ 10,001 & ≤ 11,000	1,084	2	111	1,197	15,326	192	3,524	19,042	20,239
≥ 11,001 & ≤ 12,000	867	2	79	948	13,408	156	2,853	16,417	17,365
≥ 12,001 & ≤ 13,000	710		62	772	10,529	95	2,201	12,825	13,597
≥ 13,001 & ≤ 14,000	541	2	59	602	9,691	108	1,535	11,334	11,936
≥ 14,001 & ≤ 15,000	450	5	38	493	9,023	93	1,333	10,449	10,942
≥ 15,001 & ≤ 20,000	1,554	4	133	1,691	27,931	687	3,550	32,168	33,859
≥ 20,001 & ≤ 25,000	757	7	47	811	13,104	158	1,366	14,628	15,439
≥ 25,001 & ≤ 30,000	458	1	34	493	9,173	97	798	10,068	10,561
≥ 30,001 & ≤ 35,000	275		13	288	6,597	85	584	7,266	7,554
≥ 35,001 & ≤ 40,000	209		8	217	4,524	63	394	4,981	5,198
≥ 40,001 & ≤ 50,000	223		33	256	6,536	108	577	7,221	7,477
≥ 50,001 & ≤ 60,000	125	3	24	152	3,694	65	387	4,146	4,298
≥ 60,001 & ≤ 70,000	91	2	22	115	2,530	54	499	3,083	3,198

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Row Labels	EOEs				Non - EOE				Grand Total
	Full Time	Part Time	Not Available	Total	Full Time	Part Time	Not Available	Total	
≥ 70,001 & ≤ 75,000	42		4	46	933	16	117	1,066	1,112
≥ 75,001	245	2	93	340	6,730	235	1,698	8,663	9,003
Grand Total	32,395	110	6,128	38,633	199,991	7,353	44,391	251,735	290,368

Source: Mauritius Revenue Authority

ANNEX III

Table 60: Number of full-time private sector Mauritian employees by industrial sector, 2014 – 2018

Industrial sector	2014	2015	2016	2017	2018
Primary	18,300	19,000	21,300	20,900	15,400
Secondary	72,100	69,600	68,600	72,300	78,500
<i>of which Manufacturing</i>	<i>59,400</i>	<i>55,900</i>	<i>57,100</i>	<i>60,600</i>	<i>50,000</i>
<i>Construction</i>	<i>11,500</i>	<i>12,400</i>	<i>9,800</i>	<i>10,200</i>	<i>26,800</i>
Tertiary	199,700	206,300	218,500	223,700	227,700
<i>of which Wholesale and retail trade</i>	<i>58,200</i>	<i>59,300</i>	<i>64,300</i>	<i>60,600</i>	<i>55,500</i>
<i>Accommodation and food service activities</i>	<i>29,600</i>	<i>31,100</i>	<i>32,700</i>	<i>31,900</i>	<i>41,700</i>
<i>Transportation and storage</i>	<i>16,200</i>	<i>17,700</i>	<i>18,300</i>	<i>18,000</i>	<i>15,900</i>
<i>Education, health and social work & other services</i>	<i>36,300</i>	<i>37,200</i>	<i>38,700</i>	<i>49,200</i>	<i>35,600</i>
Total	290,100	294,900	308,400	316,900	321,600

Source: Statistics Mauritius

Glossary of Terms

Gini Coefficient

The degree of inequality in income is measured by the Gini coefficient that ranges between 0 (complete equality) and 1 (complete inequality).

Relative Poverty Line

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.

Primary, Secondary and Tertiary Sectors

- The primary sector comprises "Agriculture, forestry and fishing" and "Mining and quarrying".
- The secondary sector includes "Manufacturing", "Electricity, gas, steam and air conditioning supply", "Water supply; sewerage, waste management and remediation activities" and "Construction".
- The tertiary sector 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".

Full-Time Employee

"If a worker performs a number of working hours as prescribed in the relevant labour legislation or specified in his written contract of employment or agreed upon between himself and his employer, he is considered to be a **full-time employee**."

Part-Time

In the event that a worker puts in a lesser number of hours of work than specified above, he is considered to be a **part-time employee** according to the Employment Rights Act 2008."

Non-Compliance

The 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.

Non-Adherence

The non-adherence rate refers to the ratio of cases of non-adherence of Mauritian workers to Mauritian workers drawing basic wage up to less than Rs 9,000 i.e. 101,303. The term non-adherence is being used so as not to confuse with non-compliance which internationally is based on a proportion of aggregate of total employment.

Annex VA

Table 61: Decile Distribution of full-time employees & monthly income in the public and private sectors - 2018

Decile employment income	Number of employees	Total monthly income (Rs Million)	Average monthly income (Rs)
1 st	43,356	173	4,001
2 nd	43,356	352	8,130
3 rd	43,356	390	9,004
4 th	43,356	441	10,175
5 th	43,356	531	12,242
6 th	43,356	641	14,789
7 th	43,356	750	17,293
8 th	43,356	990	22,827
9 th	43,356	1,394	32,161
10 th	43,356	3,137	72,357
All deciles	433,563	8,800	20,298

Annex VB

Table 62: Decile Distribution of full-time employees & monthly income in the public and private sectors - 2017

Decile employment income	Number of employees	Total monthly income (Rs Million)	Average monthly income (Rs)
1st	43,148	144	3,340
2nd	43,148	280	6,484
3rd	43,148	364	8,446
4th	43,148	432	10,022
5th	43,148	509	11,805
6th	43,148	611	14,159
7th	43,148	745	17,258
8th	43,148	924	21,405
9th	43,148	1,350	31,294
10th	43,148	2,977	68,986
All deciles	431,478	8,336	19,320

Recent Economic Developments

(Submitted by the Bank of Mauritius at the request of the Council in the context of the Impact Study on Introduction of Minimum Wage)

I. Domestic Developments

- 1. The Mauritian economy has displayed a fair degree of resilience in the face of an uncertain global economic and financial environment.** Its sound economic policies continue to support macroeconomic stability; thereby sustaining the domestic growth momentum and ensuring inclusive growth. Government's initiatives have been reflected in its efforts to further improve the business climate, with Mauritius ranked 20th in the World Bank's 2019 Doing Business Report.
- 2. Economic growth remains broad-based, benefitting from both business and consumer optimism and supported by positive contributions from all but one sector.** Growth performance in 2018 remains commendable, with only the *Agriculture, Forestry & Fishing* sector estimated to contract in 2018, due to the lower production of sugarcane. Economic activity continues to be driven by key services sectors such as the financial and insurance activities, wholesale and retail trade and tourism, which would contribute around 40 per cent of the growth performance in 2018. This will be supplemented by rebounding growth in the construction sector, which is expected to contribute 0.4 percentage point to growth, and create spill-over effects on other sectors of the economy.
- 3. On the expenditure side, growth remains underpinned by consumption expenditure and, to a large extent, by public sector investment thanks to infrastructural projects.** Investment growth is projected to accelerate to 6.6 per cent in 2018, the highest since 2009. Investment would be driven by both the public and private sector. Public investment is projected to expand by 17.8 per cent after two consecutive years of contraction. Private sector investment, which accounts for slightly over 70 per cent of total investment, is forecast to increase by 3.1 per cent in 2018. Final consumption expenditure growth has been revised up to 3.4 per cent in 2018, due to higher consumption expenditure of general government, while household consumption expenditure growth would be sustained at 3.4 per cent.
- 4. Domestic growth performance remains under the spell of sustained consumption expenditure and public investment performance.** Final consumption expenditure performance in the first three quarters of 2018 remained quite upbeat and has increased by 3.5 per cent in real terms. Consumer optimism continues to back household consumption expenditure, which is also upheld by fiscal incentives such as the negative income tax and minimum wages. The government's infrastructure push and stable FDI are expected to support investment growth. Heavy public spending in infrastructural projects continue to positively impact real GDP, imparting the associated second-round impetus to other sectors of the economy. The prevailing somewhat accommodative monetary conditions continue to favourably influence domestic economic activity. Against such a background, the Bank projects real GDP to grow at 4 per cent in 2019.

5. **Improvements in the business environment for private sector development, including the SME sector, will also contribute positively to the domestic growth agenda.** These policies are consistent with the country's structural change programme, underpinned by digital and business processes transformation as well as continued efforts in enhancing domestic revenue mobilisation, maintaining prudent monetary policy stance and fostering financial deepening. Against this background, Moody's Investors Service has kept the Baa1 rating for Mauritius and maintained its stable outlook, reflecting the country's robust and stable growth performance as well as the expectation for government to stabilise the debt-to-GDP ratio. It may be noted that Mauritius has an investment-grade rating in terms of sovereign rating in Africa.
6. **Ongoing infrastructural projects and employment of new recruits in the public sector have contributed to employment creation.** Specifically, the construction, administrative and support service activities and public administration sectors have witnessed higher employment in 2018Q2 compared to 2017Q2. The labour market has continued to strengthen, such that the unemployment rate remains on a downtrend, with some challenges persisting for the youth and women. The labour force in Mauritius is expected to remain flat at 586,900 in 2018 compared to 2017, the result of an increase of 1,400 in employment combined with a decline in unemployment by 1,400. The unemployment rate is projected to drop to 6.9 per cent in 2018, from 7.1 per cent in 2017.
7. **Growth in the wage rate index (WRI) also points towards confidence in the economy.** The WRI rose by 4.1 per cent between 2017Q3 and 2018Q3, broadly in line with past trends. This was due to an increase of 5.1 per cent in the private sector, mainly a result of marked increases in wages in manufacturing (10.1 per cent), transportation and storage (7.0 per cent) and wholesale and retail trade (6.0 per cent) sectors. The rise in the WRI also reflected higher public sector wages of 2.9 per cent due to higher wages in the information and communication (14.0 per cent) and financial and insurance activities (10.3 per cent) sectors. Within the different sectors of the economy, wages in the manufacturing sector increased, year-on-year, by 10.3 per cent in 2018Q1, 11.4 per cent in 2018Q2 and 10.1 per cent in 2018Q3.
8. **Broadly, the growth in labour productivity has continued to lag the pace of average compensation of employees.** In 2017, labour productivity grew at a lower rate of 2.4 per cent compared to 3.4 per cent in 2016. This was the result of a lower Gross Value Added growth of 3.5 per cent compared to 3.6 per cent in 2016, while labour input grew at a higher rate of 1.1 per cent in 2017 compared to 0.1 per cent in 2016. A further increase in compensation of employees would dent gains in labour productivity and thus, affect competitiveness.
9. **Current account developments during the first three quarters of 2018 have pointed to a widening trade deficit but were partly kept in check by improving surpluses on the services and income accounts.** Preliminary data on the balance of payments pointed to an increase, in absolute terms, in the current account deficit in 2018Q3 compared to 2017Q3, mainly attributable to a widening deficit on the goods account. The current account deficit has been estimated at Rs9.8 billion (or 8.1 per cent of GDP) in 2018Q3 compared to Rs5.2 billion (or 4.6 per cent of GDP) in 2017Q3. The deficit on the goods

account rose from Rs20 billion (or 17.8 per cent of GDP) in 2017Q3 to Rs27 billion in 2018Q3 (or 22.6 per cent of GDP), reflecting a further rise in imports, while exports declined. Total imports (f.o.b.) increased by Rs7 billion, or 17.2 per cent, from Rs41 billion in 2017Q3 to Rs48 billion in 2018Q3, as a result of a higher import bill for petroleum products and other goods meant for infrastructure investments. Total exports (f.o.b.) decreased by 0.8 per cent, from Rs21.1 billion to Rs20.9 billion, led by the declines in both 're-exports' and 'domestic exports' that were partly offset by a significant increase in 'ship's stores and bunkers'. In 2018Q3, the surplus on the services account has been estimated at Rs5.9 billion, up from Rs5.1 billion in 2017Q3, reflecting higher net surpluses on the 'travel' sub-account. The surplus on the primary income account has been estimated at Rs13.9 billion compared to Rs12.7 billion in 2017Q3.

10. **The current account deficit as a proportion of GDP is projected to increase from 5.6 per cent in 2017 to 5.8 per cent in 2018**, reflecting higher imports associated to infrastructure projects as well as higher oil prices that prevailed during most of the year. The financial account is expected to record net inflows of Rs28.2 billion in 2018 while a balance of payments surplus has been forecast at Rs16.3 billion. Preliminary projections for 2019 point to a current account deficit of about Rs38 billion, equivalent to around 7.4 per cent of GDP.
11. **The recent widening of the current account deficit, in absolute terms, has been driven by imports of capital goods, raw materials and intermediate/manufactured goods related to infrastructure investment and overall strong domestic demand.** While goods' export growth is expected to remain subdued in 2018, infrastructure investment including port development and higher oil prices are driving imports up, thereby increasing the trade deficit. The impact on the current account is, however, mitigated by continued surpluses on both the services and income accounts. Looking ahead, the current account balance is projected to improve over the medium-term as measures under the "Made in Moris" policy, new and diversified export products and markets, and investments in the services sector through the financial services sector blueprint would come to fruition. In addition, Government has strategised Mauritius as a reputed and effective trade and investment platform for the African continent, which is expected to contribute to the country's gross national product.
12. **The Gross Official International Reserves (GOIR) of the country remained a broadly adequate buffer against any potential headwinds.** GOIR increased by Rs17 billion, from Rs200 billion as at End-December 2017 to Rs218 billion as at End-December 2018. In US dollar terms, the GOIR increased from USD6.0 billion to USD6.4 billion over the same period. Based on the value of imports of goods (f.o.b.) and services for calendar year 2017, GOIR of the country represented 10.5 months of imports as at End-December 2018 compared to 9.7 months as at End-December 2017.
13. **The ratio of public sector debt to GDP remained below the 65 per cent threshold as at End-September 2018, and comprised a lower proportion of external debt.** It fell from 64.8 per cent as at End-September 2017 to 64.2 per cent as at End-September 2018. Public sector debt went up by 5.1 per cent, from Rs292.5 billion to Rs307.3 billion, with the increase due to higher domestic debt while external debt declined. Public sector domestic

debt rose by 7.2 per cent to Rs252 billion as at End-September 2018, whereas external debt dropped by 3.6 per cent to Rs55 billion. Budgetary central government debt accounted for around 90 per cent of public sector debt and comprised nearly 85 per cent of domestic debt and 15 per cent of external debt. To lengthen debt maturity and reduce rollover risks, long-term debt as a share of budgetary central government domestic debt has increased to 64 per cent as at End-September 2018, from nearly 62 per cent as at End-September 2017. Budgetary central government external debt remained mainly denominated in the two most liquid currencies, the US dollar, which accounted for about 31 per cent of the total and the euro, accounting for around 42 per cent.

14. **The rupee exchange rate remained influenced by developments on the global currency markets as well as domestic demand and supply conditions, and was rather stable over the year.** The Bank continued to intervene on the domestic foreign exchange market to smooth out undue volatility in the rupee exchange rate and ensure that the rupee broadly reflects domestic economic fundamentals. Between End-December 2017 and End-December 2018, on a point-to-point basis, the weighted average rupee dealt rate appreciated against the Pound sterling and the euro by 3.4 per cent and 2.3 per cent, respectively, but depreciated by 2.5 per cent vis-à-vis the US dollar. In nominal effective terms, as gauged by MERI1, the rupee appreciated by 1.0 per cent between December 2017 and December 2018.
15. **The banking sector remains broadly sound, underpinned by strong regulatory and supervisory frameworks and bank credit continues to expand at a commendable rate.** The banking sector's capital adequacy ratio remains above the minimum requirement under Basel III, and the Non-Performing Loans ratio has continued to decline. The Bank introduced the Liquidity Coverage Ratio since November 2017, which aims to promote short-term resilience of the liquidity risk profile of banks to ensure that they have sufficient High Quality Liquid Assets to survive a significant stress scenario lasting 30 calendar days. In addition, important steps have been taken in reforming the banking sector's legal, regulatory, and supervisory frameworks.
16. **Bank credit to corporates also gathered momentum during 2018Q3, benefitting from the dynamism of some sectors in the economy and the low interest rate environment.** The weighted average lending rate has been hovering around 6.2 per cent since October 2017. Corporates' borrowings from banks increased from Rs219.3 billion at the end of June 2018 to Rs226.3 billion at the end of September 2018. Corporate credit stood at nearly 47 per cent of GDP. Year-on-year, corporate credit increased by 7.6 per cent, indicating an enthusiastic demand for credit, thus supporting real activity in the economy. It is worth noting, the major sectors drawing additional credit included the financial services and tourism which account for 21 per cent and 20 per cent of total corporate credit, respectively. The '*Construction*', '*Financial and Business Services*', '*Tourism*' and '*Traders*' sectors were the major contributors to the rise in credit to the private sector.
17. **Household debt kept pace on account of borrowings for housing purposes.** Bank credit to household increased from nearly Rs97.0 billion in June 2018 to Rs99.3 billion in September 2018, that is, by Rs2.3 billion, of which additional credit for housing purposes amounted to Rs1.5 billion. Credit for housing purposes increased from Rs65.3 billion to

Rs66.8 billion over the same period. As a ratio to GDP, household credit stood at about 20.5 per cent.

18. **Broad money supply growth maintained momentum in November 2018, ensuring an adequate provision of liquidity in the banking system.** Broad Money Liabilities (BML) grew by 7.5 per cent, year-on-year, in November 2018, from 4.4 per cent in September 2018. All the components of BML contributed to its increase over the year, albeit the major contributions emanating from deposit liabilities and debt securities. Year-on-year, currency with public was flat in November 2018, while debt securities posted triple-digit increases, mostly reflecting the issue of the 3-Year BoM Golden Jubilee Bonds. Deposit liabilities increased by 5.4 per cent, year-on-year, in November 2018, with rupee deposits accounting for 66 per cent of the absolute increase in total deposits and foreign currency deposits making up for the remainder.
19. **The Bank's open market operations have contributed to keep the level of rupee excess liquidity in the banking system within tolerable limits such that short-term interest rates, particularly the 91-Day yield, have remained close to the Key Repo Rate, the Bank's policy rate.** Rupee excess reserves averaged around Rs10 billion for the two-weeks' period ended 3 January 2019. But the Bank estimated that of this amount, some Rs6 billion was held by banks as precautionary free reserves. The Bank has continued issuance of its own instruments to manage excess liquidity and preserve short-term yields within the interest rate corridor.
20. **Banks' interest rates have remained broadly unchanged for almost over a year, albeit a few banks increased their Savings Deposit Rates (SDR) following the rise in short-term money market rates.** Banks' SDR fluctuated in a range of 1.35-2.10 per cent in November 2018 as compared to a lower range of 1.20-2.00 per cent in June 2018, while banks' Prime Lending Rates (PLR) were unchanged within the range of 5.65-8.50 per cent in November 2018. The modal SDR and modal PLR were unchanged at 1.80 per cent and 6.25 per cent, respectively. In November 2018, the weighted average interest rate on rupee deposits stood at 1.70 per cent, up from 1.64 per cent in June 2018 while weighted average interest rate on rupee advances rose from 6.24 per cent to 6.34 per cent. Consequently, the spread between weighted average rupee lending rate and weighted average rupee deposit rate widened from 4.60 per cent in June 2018 to 4.64 per cent in November 2018.
21. **Domestic inflation dynamics remain under the spell of benign demand-side pressures in the absence of supply shocks.** Domestic inflation has dropped from its peak of March 2018. Domestic price pressures were somewhat limited, leading to a deceleration in the inflation rate. Headline inflation declined from 5.0 per cent in March 2018 to 3.2 per cent in December 2018. Year-on-year inflation decelerated from 7.0 per cent in February 2018 to 1.8 per cent in December 2018. The sharp rise in inflation during beginning of the year was mainly due to large increases in prices of fresh food. The supply shock, however, faded in the following two quarters of 2018 due to a normalization of fresh vegetables; production, thus leading to a fall in prices. Core inflation measures remained broadly contained below 3 per cent. Year-on-year CORE1 inflation fell from 2.5 per cent in July 2018 to 2.1 per cent in December 2018, while CORE2 inflation edged up from 1.9 per cent to 2.1 per cent.

22. **Global inflation is projected to remain tame over the medium-term.** Our trading partners' inflation continue to remain moderate and imported inflation is expected to be low in the near-term. Inflation in major advanced economies such as United States, United Kingdom and Eurozone is expected to remain contained in 2019. Pressures from global commodity prices are expected to remain mild over the medium term, while the volatility in global oil prices would add to the uncertainty in predicting its path and hence, its consequence on the inflation trajectory.
23. **Thanks to the decline in domestic food prices and the prevalence of a negative output gap, inflation has been trending down.** While supply-side factors explain much of the decline in headline inflation, demand-side pressures also contributed somewhat. The price change in core services, which is less affected by those factors and hence a better indicator of domestic demand pressure, has remained subdued since the past two years. The Bank forecasts headline inflation at 3 per cent in 2019, conditional on the absence of a major supply shock and unchanged prices of administered products.
24. **External risks could pose hurdles to Mauritius' quest toward reaching its potential output.** Rising global protectionism and a no-deal Brexit could weigh on trade, potentially hurting exports and investment. Domestic risks could include unpredictable weather, delay in the implementation of planned infrastructure projects, together with risks of further adverse movements in international commodity prices. In this context, policies should, on the one hand, cement the improved macroeconomic conditions by preserving low inflation and, on the other, continue to increase external buffers, and maintain internal stability by ensuring that productivity growth broadly matches wage growth. The Bank endeavours to strike the right balance in setting its policy to ensure that the country achieves its broad macroeconomic objectives. The Bank remains focused on maintaining macroeconomic stability and financial system stability.
25. **Growth- and socially-oriented structural reforms will be important to enhancing the economy's potential.** Ongoing reforms to strengthen the doing-business environment and improve outcomes in health, education and infrastructure, as well as to advance the reform agenda for the green energy, are welcome and will help to boost the economy's growth potential. External vulnerabilities appear to be somewhat contained at the current juncture and the country's external debt remains low and sustainable. Higher reserve buffers have contributed to enhance the resilience of the economy. The Bank is rather optimistic over the domestic economic outlook, which should benefit from the positive impact of planned public investment projects and medium-term policies. The economic prospects offered by recent and current investment projects, tourism-related activities, and the services sector, would drive forward the domestic growth momentum.

II. External Developments

26. **Global economic activity has shown some signs of fragility.** While the world economy continues to expand, there are signs that growth has peaked as the US, European and Asian economies slow. Notwithstanding the recent 90-day truce, trade tensions between the US and China are expected to persist well into next year with higher tariffs creating an environment of lower growth. It is projected that global economic and political

uncertainties would pave the way to a more synchronised deceleration of growth in 2019, with the 'big three' (US, Eurozone and China) all recording lower real GDP growth. Growth in advanced economies is expected to ease from 2.4 per cent in 2018 to 2.1 per cent in 2019. Growth in the US should soften from 2.9 per cent in 2018 to 2.5 per cent in 2019, as the effects of its fiscal stimulus wane and ongoing interest rate normalisation holds back investment spending. The euro area's growth is expected to slow from 2.0 per cent in 2018 to 1.9 per cent in 2019, reflecting weaker external demand, soft job creation, political tensions and rising oil prices. GDP growth in the UK should remain modest at 1.4 per cent in 2018 and 1.5 per cent in 2019, amidst uncertainties pertaining to Brexit which continue to weigh on business investment.

27. **The growth outlook for Emerging Market and Developing Economies (EMDEs) is weakening.** Growth has been revised down by 0.2 percentage point and 0.4 percentage point to 4.7 per cent in both 2018 and 2019, respectively. Growth in China is projected to decline from 6.6 per cent in 2018 to 6.2 per cent in 2019, reflecting moderation in infrastructure investment and credit growth. Headwinds from trade tensions with the US may potentially undermine external demand. Growth prospects have also weakened for other emerging economies facing elevated financial vulnerabilities and uncertainties about future reforms, notably Turkey, Argentina, South Africa and Brazil. Meanwhile, India should support economic activity in the EMDEs, with growth expected at 7.3 per cent in 2018 and 7.4 per cent in 2019, on account of strong public investment spending and structural reforms.
28. **Global oil prices have been quite volatile, but are forecast to stabilise at a lower level in 2019 compared to 2018.** Crude oil prices exceeded the US\$80/barrel threshold, rising to a four-year high of US\$86.2/barrel in early October 2018, due to concerns on the impact of US sanctions on Iran. However, oil prices dipped, thereafter, on rising US production and assurances of higher production from Saudi Arabia. Crude oil prices are currently hovering at around US\$60/barrel. The US Energy Information Administration, in its January 2019 Short-Term Energy Outlook, projects oil prices to average around US\$61/barrel in 2019 as oil demand is expected to dampen in response to the loss in the global growth momentum.
29. **Global inflation has, so far, remained subdued and almost in line with targets but are set to rise moderately.** Looking ahead, the October 2018 WEO projects inflation in advanced economies to drop from 2.0 per cent in 2018 to 1.9 per cent in 2019, while for EMDEs, inflation is forecast to rise from 5.0 per cent in 2018 to 5.2 per cent in 2019.
30. **Major central banks are projected to continue to progressively withdraw monetary accommodation, with the US Federal Reserve (Fed) heavily on course to widen its policy divergence stance vis-à-vis other major central banks.** The Fed is tipped to move for two more interest rate increases, taking the Fed funds policy rate to a peak of 3.00 per cent in 2019. For the Bank of England, two rate rises would be on the cards in 2019, although this would be conditional on a smooth exit from the EU with a transition period for the economy. The European Central Bank ended its asset purchase programme in December 2018 and is expected to raise interest rates in September 2019. Although Eurozone growth is expected to be weaker this year, it will still be above trend and sufficient for a central bank keen to start raising interest rates from ultra-low levels.

31. **On the currency front, notwithstanding higher US rates, the US dollar could weaken in 2019.** Although the difference between US interest rates and those elsewhere will remain in favour of the US, currency markets are likely to have priced this in already. Thus, the focus would be on the growing budget and current account deficits in the US, which will drag the currency lower. Although an escalation of the trade wars and the prospect of slower global growth do not bode well, a weaker US dollar would help ease pressure on some emerging markets.

Source: Bank of Mauritius

ANNEX VII

Distribution of Employees by Sectors, Age Group and Gender – June 2018

Row Labels	Full Time			Part Time			Not Available			Grand Total
	Foreign	Local	Total	Foreign	Local	Total	Foreign	Local	Total	
▪ PRIMARY	71	692	763		34	34		12	12	809
• FEMALE	5	145	150		11	11		2	2	163
BETWEEN 18 AND 24		12	12		1	1				13
25 AND ABOVE	5	133	138		10	10		2	2	150
• MALE	66	547	613		23	23		10	10	646
BETWEEN 18 AND 24	1	26	27		3	3		3	3	33
25 AND ABOVE	65	521	586		20	20		7	7	613
▪ SECONDARY	17,915	62,435	80,350	131	2,128	2,259	1,367	5,305	6,672	89,281
• FEMALE	5,056	24,912	29,968	4	819	823	36	1,624	1,660	32,451
BETWEEN 18 AND 24	52	2,285	2,337		95	95	2	123	125	2,557
25 AND ABOVE	5,004	22,627	27,631	4	724	728	34	1,501	1,535	29,894
• MALE	12,859	37,523	50,382	127	1,309	1,436	1,331	3,681	5,012	56,830
LESS THAN 18		1	1							1
BETWEEN 18 AND 24	686	3,224	3,910	8	149	157	146	392	538	4,605
25 AND ABOVE	12,173	34,298	46,471	119	1,160	1,279	1,185	3,289	4,474	52,224
▪ TERTIARY	4,147	187,015	191,162	58	7,818	7,876	525	22,240	22,765	221,803
• FEMALE	803	80,163	80,966	20	4,447	4,467	129	11,270	11,399	96,832
LESS THAN 18		1	1							1
BETWEEN 18 AND 24	54	12,012	12,066	1	539	540	33	1,693	1,726	14,332
25 AND ABOVE	749	68,150	68,899	19	3,908	3,927	96	9,577	9,673	82,499
• MALE	3,344	106,852	110,196	38	3,371	3,409	396	10,970	11,366	124,971

Report on the impact of the Introduction of the National Minimum Wage

Row Labels	Full Time			Part Time			Not Available			Grand Total
	Foreign	Local	Total	Foreign	Local	Total	Foreign	Local	Total	
LESS THAN 18		4	4					1	1	5
BETWEEN 18 AND 24	294	13,029	13,323	5	468	473	37	1,412	1,449	15,245
25 AND ABOVE	3,050	93,819	96,869	33	2,903	2,936	359	9,557	9,916	109,721
▪ NOT AVAILABLE	2	303	305	1	195	196	7	1,377	1,384	1,885
• FEMALE		138	138		134	134	5	1,237	1,242	1,514
BETWEEN 18 AND 24		8	8		3	3		12	12	23
25 AND ABOVE		130	130		131	131	5	1,225	1,230	1,491
• MALE	2	165	167	1	61	62	2	140	142	371
BETWEEN 18 AND 24		14	14		2	2		3	3	19
25 AND ABOVE	2	151	153	1	59	60	2	137	139	352
Grand Total	22,135	250,445	272,580	190	10,175	10,365	1,899	28,934	30,833	313,778

Source: Mauritius Revenue Authority

APPENDIX 1

BOARD MEMBERS

SN	NAME	DESIGNATION	ORGANISATION
1	Mr APPANNA Beejaye Coomar	Chairperson	
2	Mr BAUMY Beezai Coomar	Secretary	Mauritius Labour Federation (MLF)
3	Mr BHONOO Sanjev	Statistician	Statistics Mauritius
4	Mr CONHYE Dhanraj	Deputy Permanent Secretary	Ministry of Business Enterprise and Cooperatives
5	Ms GOPAUL Chandrani Devi	Lead Analyst	Ministry of Finance and Economic Development
6	Dr GUNPUTH Rajendra Parsad	Associate Professor	Dept of Law, Faculty of Law and Management - UOM
7	Mrs JHOWRY Chandanee	Deputy Permanent Secretary	Ministry of Agro Industry and Food Security
8	Mr LAN PIN WING Marcel	Ag. Director	Ministry of Industry, Commerce & Consumer Protection
9	Mr NUNDLOLL Santaram	Manager Human Resource	Prime Minister's Office
10	Mr NUNDOO Satiawan	Asst. Director	Ministry of Labour, Industrial Relations, Employment and Training
11	Mr NURSING Sadanand	Deputy Director	Pay Research Bureau
12	Mr PADDIA Christ	Lead Analyst	Ministry of Finance and Economic Development
13	Mr PHOOLCHAND Tarasingh	Manager Human Resources	Ministry of Tourism & External Communication
14	Mrs SAWMY Heemawtee Amrita	Head Remuneration Analyst	National Remuneration Board
15	Mrs TANDRAYEN-RAGOOBUR Verena	Associate Professor	Dept of Economics and Statistics, Faculty of Social Studies and Humanities - UOM
16	Mr BIZLALL Jack	Representative of FPU	Federation of Progressive Unions (FPU)
17	Mr CHELLUM Jayen	Secretary	Association des Consommateurs de L'Ile Maurice (ACIM)

Report on the impact of the Introduction of the National Minimum Wage

18	Mr CHUTTOO Mohumad Reeaz	President	Confederation des Travailleurs du Secteur Prive (CTSP)
19	Mr BUNDHUN Manish	Chief Human Resource	Rogers & Co Ltd
20	Mr GUILDHARY Paul Desire Armand	President	Free Democratic Unions Federation
21	Mr IMRITH Rashid	President	Federation of Public Sector & Other Unions (FPSOU)
22	Mr SADIEN Radhakrisna	President	State and Other Employees Federation (SEF)
23	Mr TENGUR Suttihudeo	President	Association for the Protection of the Environment and Consumers (APEC)
24	Mr DE LABAUVE D'ARIFAT Vincent	Managing Director	Precigraph
25	Mr DURSUN Pradeep	Chief Operating Officer	Business Mauritius
26	Mr KWOK YIN SIONG Yen Jocelyn	Chief Executive Officer	AHRIM
27	Mr L'ACARIATE Didier	Human Resource Manager	Groupe Eclasia
28	Mr LI YUEN FONG Jean	Consultant	Business Mauritius
29	Mrs RAJMUN-JOOSEERY Lilowtee	Director	MEXA

National Wage Consultative Council, Ministry of Labour, Industrial Relations, Employment and Training

a) Staff

SN	NAME	DESIGNATION
1	Mr MUDHOO Vijay Kumar	Officer in Charge
2	Miss DEERPAUL Saveetah	Senior Analyst

b) Support Team

Miss LOLLDHARRY Indira Luxmi, Management Support Officer

Mr NUNDLOLL Pravin, Management Support Officer

Mrs ROJAH Kulshid, Management Support Officer

APPENDIX 2

LIST OF MEMBERS OF THE COMMITTEES

SUB COMMITTEE MEMBERS

SN	NAME	DESIGNATION	ORGANISATION
1	Mr PADDIA Christ Ms GOPAUL Chandrani Devi	Chairperson	MOFED
2	Mr BHONOO Sanjev	Statistician	Statistics Mauritius
3	Mr CHELLUM Jayen	Secretary	Association des Consommateurs de L'Ile Maurice (ACIM)
4	Mr CHUTTOO Mohumad Reeaz	President	Confederation des Travailleurs du Secteur Prive (CTSP)
5	Mr CONHYE Dhanraj	Deputy Permanent Secretary	Ministry of Business Enterprise and Cooperatives
6	Mr DURSUN Pradeep	Chief Operating Officer	Business Mauritius
7	Mr LAN PIN WING Marcel	Ag. Director	Ministry of Industry, Commerce & Consumer Protection
8	Mr NUNDOO Satiawan	Asst. Director	Ministry of Labour, Industrial Relations, Employment and Training
9	Mr NURSING Sadanand	Deputy Director	Pay Research Bureau
10	Mrs RAJMUN-JOOSEERY Lilowtee	Director	MEXA
11	Mr RUHOMUTALLY Shahbaan	Human Resource Coordinator	MEXA
12	Mr SADIEN Radhakrisna	President	State and Other Employees Federation (SEF)
13	Mr SEEDOYAL Bhoyasheel Akshay	Analyst	Ministry of Industry, Commerce & Consumer Protection
14	Mrs SAWMY Heemawtee Amrita	Head Remuneration Analyst	National Remuneration Board
15	Mrs TANDRAYEN-RAGOOBUR Verena	Associate Professor	Dept of Economics and Statistics, Faculty of Social Studies and Humanities - UOM

TECHNICAL COMMITTEE MEMBERS

SN	NAME	DESIGNATION	ORGANISATION
1	Mr PADDIA Christ Ms GOPAUL Chandrani Devi	Chairperson	MOFED
2	Mr BHONOO Sanjev	Statistician	Statistics Mauritius
3	Mr CONHYE Dhanraj	Deputy Permanent Secretary	Ministry of Business Enterprise and Cooperatives
4	Mr LAN PIN WING Marcel	Ag. Director	Ministry of Industry, Commerce & Consumer Protection
5	Mr NUNDOO Satiawan	Asst. Director	Ministry of Labour, Industrial Relations, Employment and Training
6	Mr NURSING Sadanand	Deputy Director	Pay Research Bureau
7	Mr SEEDOYAL Bhoyasheel Akshay	Analyst	Ministry of Industry, Commerce & Consumer Protection
8	Mrs SAWMY Heemawtee Amrita	Head Remuneration Analyst	National Remuneration Board
9	Mrs TANDRAYEN-RAGOOBUR Verena	Associate Professor	Dept of Economics and Statistics, Faculty of Social Studies and Humanities - UOM

APPENDIX 2A

List of Meetings held			
SN	Technical Committee	Sub Committee	Board Meeting
Chaired by Mr PADDIA Christ		Chaired by Mr APPANNA Beejaye Coomar	
1	7-Sep-18	31-Aug-18	28-Mar-18
2	5-Oct-18	24-Sep-18	8-Aug-18
3	9-Nov-18		26-Sep-18
4	19-Nov-18		14-Dec-18
Chaired by Miss GOPAUL Chandrani Devi			28-Jan-19
5	5-Dec-18	12-Dec-18	
6	10-Dec-18	16-Jan-19	
7	12-Dec-18	25-Jan-19	
8	23-Jan-19		
9	25-Jan-19		

APPENDIX 3

National Minimum Wage

Number of organization complying to National Minimum Wage based on inspection carried out as from February 2018 to September 2018

SN	REMUNERATION ORDER	TOTAL as per RO	Comply	Not Comply	Job Losses
1	Attorneys and Notaries Employees	23	13	10	0
2	Baking Industry	171	128	43	0
3	Blockmaking	82	67	15	0
4	The Catering and Tourism Industries	490	385	105	0
5	The Cinema Employees	6	5	1	0
6	The Cleaning Enterprises	46	22	24	0
7	The Distributive Trades	3127	2392	735	6
8	Electrical, Eng & Mechanical workop	109	94	15	0
9	Export Enterprise	318	263	55	0
10	Factory Employees	433	353	80	0
11	Field Crop	32	28	4	0
12	Light Metal	89	73	16	0
13	Printing	18	14	4	0
14	The Pre-Primary School Employees	160	85	75	0
15	The Private Secondary Schools Employees	9	9	0	0

Report on the impact of the Introduction of the National Minimum Wage

16	The Road Haulage Industry	1	0	1	0
17	The Salt Manufacturing Industry	0	0	0	0
18	The Sugar Manufacturing (Agricultural Workers)	2	2	0	0
19	The Tailoring Trade	12	9	3	0
20	The Tea Industry Workers	1	1	0	0
21	The Travel Agents and Tours Operators Workers	30	25	5	0
22	Security Guard	23	10	13	0
23	Employment Rights Act 08	719	600	119	0
24	Livestock Workers	26	25	1	0
25	Nursing Homes	8	6	2	0
26	Office Attendant	2	1	1	0
27	Public Transport	1	1	0	0
28	Bank Fisherman	2	1	1	0
	TOTAL	5940	4612	1328	6
	Percentage		78%	22%	

Employee Questionnaire

No. 1 of 2018

MINISTRY OF LABOUR, INDUSTRIAL RELATIONS, EMPLOYMENT AND TRAINING
NATIONAL WAGE CONSULTATIVE COUNCIL
8th Floor, Victoria House
Port Louis



INSPECTION CHECKLIST
NATIONAL MINIMUM WAGE

The National Minimum Wage Act 2016 provides for the Council to report annually on the impact of the National Minimum Wage and to review the National Minimum Wage in 2020. The purpose of this questionnaire is to assess the impact of the National Minimum Wage from the employees' perspectives .

PART A: Employee Profile

(Tick as appropriate, where applicable)

1. Name of company:
2. Sector (EOE/ NON-EOE):
3. Address of company:
4. Nature of Business:
5. Gender: Male Female
6. Age Group (yrs)
16 - 18
Above 18

Part B: General

7. Are you aware that a national minimum wage is in force in Mauritius since January 2018?
Yes
No
8. If yes, how did you come to know about the National Minimum Wage?
From Employer
From Trade Union
From Radio/Television
From Newspapers
Other source

Part C: Employment, Wages and Earnings

9. You are employed on:

Full-time basis

Part-time basis

10. What was your basic salary in Dec 2017 and June 2018?

Dec 2017

Jun 2018

11. What was your fixed pay component in Dec 2017 and June 2018?

Dec 2017

Jun 2018

12. Have you received the Negative Income Tax / Special Allowance?

If **yes**, state the monthly amount received :-

Negative Income Tax

Special Allowance

13. Other remuneration:

	Dec 2017	Jun 2018
(a) Piece rate earnings	<input type="text" value="Rs"/>	<input type="text" value="Rs"/>
(b) Attendance bonus/"prime assidue"	<input type="text" value="Rs"/>	<input type="text" value="Rs"/>
(c) Production bonus	<input type="text" value="Rs"/>	<input type="text" value="Rs"/>
(d) Food and accommodation	<input type="text" value="Rs"/>	<input type="text" value="Rs"/>
(e) Meal allowance when performing 2 hours or more of extra work	<input type="text" value="Rs"/>	<input type="text" value="Rs"/>
(f) Other allowances (Please specify)	<input type="text" value="Rs"/>	<input type="text" value="Rs"/>
(g) Overtime	<input type="text" value="Rs"/>	<input type="text" value="Rs"/>

Part D: Other Incidence of the National Minimum Wage

14. Did your employer make changes to any other elements of remuneration such as bonuses, commissions or other non-wage benefits, following the introduction of the National Minimum Wage? (eg: converting a variable earning into a fixed earning)

Yes

No

If yes, please indicate which element was changed.

15. Have your working hours changed due to the introduction of the National Minimum Wage?

Yes

No

Please give details

16. Has your job title been changed following the introduction of the National Minimum Wage?

Yes

No

Please give details

17. To what extent has the introduction of the National Minimum Wage affected your purchasing power and standard of living:

(Tick as appropriate)

No change

Slight improvement

Significant improvement

Details of improvement, if any

~ THANK YOU FOR YOUR COOPERATION ~

Questionnaire for EOE's

No. 1 of 2018

NATIONAL WAGE CONSULTATIVE COUNCIL
8th Floor, Victoria House
Port Louis



SURVEY QUESTIONNAIRE
EXPORT ORIENTED ENTERPRISES

NATIONAL MINIMUM WAGE

The National Minimum Wage Act 2016 provides for the Council to report annually on the impact of the National Minimum Wage and to review the National Minimum Wage in 2020. The purpose of this questionnaire is, therefore, to assess the impact of the National Minimum Wage on employment, wages, costs, profits/losses and other related market indicators in relation to firms.

Employer Details

1. Name of Firm
2. Business Registration Number
3. Nature of Business/Business Sector
4. Business Address
5. Contact Person
6. Telephone/Mobile Number:
7. Email Address:

Questionnaire Outline

The questionnaire is divided into five parts:

- 'Part A: Employment
- 'Part B: Wages/Earnings
- 'Part C: Other Financial Details
- 'Part D: Operations Outsourced
- 'Part E: Other Incidences of the National Minimum Wage

Part A: Employment

8. Number of employees as at:

December 2017

June 2018

9. Number of young persons, aged between 16 and 18 years employed in your firm as at:

	Male	Female	Total
December 2017			
June 2018			

10. Number of employees with disabilities as at:

	Male	Female	Total
December 2017			
June 2018			

11. Number of employees by basic wage groups:

Basic Wage	As at December 2017	As at June 2018
Rs 5,315 to 7,780		
Rs 7,781 to Rs 8,140		
Rs 8,141 - Rs 8,500		
Rs 8,501 - Rs 9,000		
Rs 9,001 - Rs 10,000		
Rs 10,001 plus		

Report on the impact of the Introduction of the National Minimum Wage

12. Number of employees drawing basic wage of Rs 5,315 to Rs 7,780 as at December 2017:

	Male	Female	Total
Foreign			
Local			

13. Number of employees drawing a national minimum wage of Rs 8,140 as at June 2018:

	Male	Female	Total
Foreign (Include income in kind)*			
Local			

14. Number of employees drawing monthly minimum wage between Rs 8,140 to less than Rs 9,000 as at June 2018:

	Male	Female	Total
Foreign(include income in kind)*			
Local			

* Income in kind comprises food and lodging accomodation

Part B: Wages/Earnings

15. Details on wages and earnings

	Dec 2017	Jun 2018
(a) Total Basic Wage	<input type="text"/>	<input type="text"/>
(b) Total Earnings*	<input type="text"/>	<input type="text"/>
(c) Total Basic Wage for minimum wage workers**	<input type="text"/>	<input type="text"/>
(d) Total Earnings for minimum wage workers	<input type="text"/>	<input type="text"/>

** Earnings comprise basic salary/wages, bonuses, regular allowances and overtime pay. It excludes irregular allowances, travelling and arrears.*

*** A minimum wage worker is one who has been paid a monthly remuneration of Rs 8,140 including additional remuneration 2018. In respect of year 2017, a minimum wage worker is deemed to be one who was paid a monthly basic wage of less than or equal to Rs 7,780 in that year.*

Part C: Operations Outsourced

16. Do you outsource any of your operations?

- 1 - YES
- 2 - NO

If yes, please give the following details for each contractor:

Name of Contractor	Number of employees	Contract amounts

Part D: Other Financial Details

17. Financial details

Particulars	For calendar year 2017	Budgeted for calendar year 2018
Total operational expenses (<i>costs of running the business including cost of sales /services, rent, transportation, advertising and payroll</i>)		
Total operational revenue from sales/services		
Operational Profits/Loss		
Payment of corporate tax		
Cost attributable to increase in wages after implementation of National Minimum Wage	Not Applicable	

Part E: Other Incidence of the National Minimum Wage

Please tick as appropriate.

18. Has the National Minimum Wage been fully implemented in your organisation?

1 - YES

2 - NO

If No, Please give reasons.

1.
2.

19. Has there been any laid off workers following the introduction of the National Minimum Wage?

1 - YES

2 - NO

If Yes, how many

20(a). Has the National Minimum Wage discouraged you from employing young persons?

1 - YES

2 - NO

If yes, please give details.

20(b). Has any change been made to the other elements of remuneration e.g. bonuses, commissions or other non-wage benefits as a consequence of the introduction of National Minimum Wage?

1 - YES

2 - NO

If yes, please give details.

20(c). Has the change been effected before or after the introduction of the National Minimum Wage?

1- Before

2 - After

21. Have the working hours of employees been changed due to the introduction of National Minimum Wage?

1- YES

2 - NO

22. Has there been need to modify the system of payroll for the implementation of the National Minimum Wage?

1 - YES

2 - NO

23. Total Piece rate earnings for minimum wage earners:

January to June 2018

Rs

Report on the impact of the Introduction of the National Minimum Wage

24. Attendance bonus for minimum wage earners based on December 2017 wages plus additional remuneration of Rs 360:

January to June 2018

Rs

25. Overtime bill for minimum wage earners based on December 2017 wages plus additional remuneration of Rs 360:

January to June 2018

Rs

26. To what extent has the introduction of National Minimum Wage affected the business with respect to:

Please tick as appropriate.

Particulars	1 - Significant increase (20% or more)	2 - Slight increase (less than 20%)	3 - No change	4 - Slight decrease (less than 20%)	5 - Significant decrease (20% or more)
Selling Price of products/Services					
Costs of products/services					
Overall employment level					
Profits					

Comment, if any.

--

~ THANK YOU FOR YOUR COOPERATION ~

Questionnaire for Non-EOEs

No. 1 of 2018

NATIONAL WAGE CONSULTATIVE COUNCIL
8th Floor, Victoria House
Port Louis



SURVEY QUESTIONNAIRE
NON - EXPORT ORIENTED ENTERPRISES

NATIONAL MINIMUM WAGE

The National Minimum Wage Act 2016 provides for the Council to report annually on the impact of the National Minimum Wage and to review the National Minimum Wage in 2020. The purpose of this questionnaire is, therefore, to assess the impact of the National Minimum Wage on employment, wages, costs, profits/losses and other related market indicators in relation to firms.

Employer Details

1. Name of Firm
2. Business Registration Number
3. Nature of Business/Business Sector
4. Business Address
5. Contact Person.....
6. Telephone/Mobile Number:
7. Email Address:

Questionnaire Outline

The questionnaire is divided into five parts:

- *Part A:** Employment
- *Part B:** Wages/Earnings
- *Part C:** Other Financial Details
- Part D:** Operations outsourced
- *Part E:** Other Incidences of the National Minimum Wage

Part A: Employment

8. Number of employees as at:

December 2017

June 2018

9. Number of young persons, aged between 16 and 18 years employed in your firm as at:

	Male	Female	Total
December 2017			
June 2018			

10. Number of employees with disabilities as at:

	Male	Female	Total
December 2017			
June 2018			

11. Number of employees by basic wage groups:

Basic Wage	As at December 2017	As at June 2018
Rs 5,315 to 7,780		
Rs 7,781 to Rs 8,140		
Rs 8,141 - Rs 8,500		
Rs 8,501 - Rs 9,000		
Rs 9,001 - Rs 10,000		
Rs 10,001 plus		

12. Number of employees drawing basic wage up to Rs 8,140 as at December 2017

	Male	Female	Total
Foreign			
Local			

13. Number of employees drawing minimum wage of Rs 8,500 monthly as at June 2018:

	Male	Female	Total
Foreign(Including income in kind)*			
Local			

14. Number of employees drawing a monthly minimum wage more than Rs 8,500 to less than Rs 9,000 as at June 2018

	Male	Female	Total
Foreign(Including income in kind)*			
Local			

* *Income in kind comprises food and lodging accomodation*

Part B: Wages/Earnings

15. Details on wages and earnings

	Dec 2017	Jun 2018
(a) Total Basic Wage	<input type="text"/>	<input type="text"/>
(b) Total Earnings*	<input type="text"/>	<input type="text"/>
(c) Total Basic Wage for minimum wage workers**	<input type="text"/>	<input type="text"/>
(d) Total Earnings for minimum wage workers	<input type="text"/>	<input type="text"/>

* Earnings comprise basic salary/wages, bonuses, regular allowances and overtime pay. It excludes irregular allowances, travelling and arrears.

**A minimum wage worker is one who has been paid a monthly remuneration of Rs 8,140 together with additional remuneration of Rs 360 in January 2018. In respect of year 2017, a minimum wage worker is deemed to be one who was paid a monthly basic wage of less than or equal to Rs 8,140 in that year.

Part C: Other Financial Details

16. Financial Details

Particulars	For calendar year 2017	Budgeted for calendar year 2018
Total operational expenses (costs of running the business including cost of sales /services, rent, transportation, advertising and payroll)		
Total operational revenue from sales/services		
Operational Profits/Loss		
Payment of corporate tax		
Cost attributable to increase in wages after implementation of National Minimum Wage	Not Applicable	

Part D: Operations Outsourced

17. Do you outsource any of your operations?

1 - YES

2 - NO

If yes, please give the following details for each contractor:

Name of Contractor	Number of employees	Contract amounts

Part E: Other Incidence of the National Minimum Wage

Please tick as appropriate.

18. Has the National Minimum Wage been fully implemented in your organisation?

- 1- YES
- 2- NO

If NO, please give reasons.

1.
2.

19. Has there been any laid off workers following the introduction of the National Minimum Wage?

- 1- YES
- 2- NO

If Yes, how many.....

20. Has the minimum wage discouraged you from employing young persons?

- 1- YES
- 2- NO

If yes, please give details.

--

21. Has any change been made to the other elements of remuneration e.g. bonuses, commissions or other non-wage benefits as a consequence of the introduction of the National Minimum Wage?

- 1- YES
- 2- NO

--

Report on the impact of the Introduction of the National Minimum Wage

22. Have the working hours of employees been changed due to the introduction of the National Minimum Wage?

1- YES

2- NO

If yes, please give details

23. Has there been need to modify the system of payroll for the implementation of the National Minimum Wage?

1- YES

2- NO

24. To what extent has the introduction of National Minimum Wage affected the business with respect to:

Please tick as appropriate.

Particulars	1- Significant increase (20% or more)	2- Slight increase (less than 20%)	3- No change	4- Slight decrease (less than 20%)	5- Significant decrease (20% or more)
Selling Price of products/Services					
Costs of products/services					
Overall employment level					
Profits					

Comment, if any.

~ THANK YOU FOR YOUR COOPERATION ~