

(C) INDUSTRIAL PRODUCTION**1. Introduction**

Data on manufacturing industry for the year 1973 were obtained by means of two questionnaires addressed to industrial firms by the Ministry of Industries and Scientific Affairs and the Central Bank. The former covered industrial units in the private sector which are dependent on foreign exchange allocations for the import of raw materials, while the latter covered state industrial corporations and private sector industries which do not obtain allocations of foreign exchange from the Ministry of Industries.

The questionnaire sent by the Ministry of Industries and Scientific Affairs was the first of its kind, in that, it incorporated all the data required by the Ministry, the Central Bank, the Ministry of Planning and Economic Affairs and other government departments and agencies. The form and content of the questionnaire was jointly decided upon by a representative sub-committee appointed for the purpose by the Ministry of Industries and Scientific Affairs. It was anticipated that the questionnaire would obviate the need for government institutions to send individual questionnaires.

Industrialists were informed by Gazette notification and press notice that the completed forms were to be sent in to the Ministry before the 31st January, 1974. The notification carried the threat of penal action to industrialists who defaulted, but despite this, the response was disappointing. According to the Ministry, 3,572 questionnaires were issued but only 1,752 completed questionnaires were received.

2. Production

In 1973, the value of industrial production at current prices was Rs. 2,651.3 million. This is an increase of Rs. 208.9 million or 8.6 per cent over 1972. The value of production of firms that reported both in 1972 and 1973 was Rs. 2,140.0 million. This represents an increase of 8.0 per cent. The latter figure is a better indicator of the relative performance of industry in 1973 because it is based on data that is comparable. The corresponding rates of growth in industry in 1972 were 10.6 per cent in respect of all industrial units and 9.7 per cent in respect of industrial units that reported both in 1971 and 1972.

It must, however, be emphasised that these growth rates of industrial production have been calculated at current prices and they do not fully reflect the performance of industry in real or physical terms. If the value of output is measured in real terms by making allowance for price increases, the growth rate will be appreciably less. No attempt has been made to present the data at constant prices because deflators are currently not available for the industrial sector as a whole. The domestic price level which had hitherto maintained a fair degree of stability, moved sharply upwards in 1973. The cost of living index increased by 9.7 per cent in 1973 while the increases in 1972 and 1971 were 6.3 per cent and 2.7 per cent, respectively. The escalation in prices in 1973 is also evidenced by the decrease in output at constant prices of 13 major industrial corporations. The

value of output of these corporations at constant prices showed a decline of 2.1 per cent as against an increase of 18.7 per cent when measured, at current prices. When the rate of growth in industry at current prices is set against this background, the picture that emerges in real terms is unsatisfactory.

The deceleration of industrial activity in 1973, as suggested by the above figures, may be attributed to the very rigid limits imposed on the use of foreign exchange for imports of raw materials and spares as well as the increase in world market prices of industrial inputs, which have drastically eroded the real value of import allocations.

Public sector industrial corporations have increased the value of their output from Rs. 947.5 million in 1972 to Rs. 1,074.1 million in 1973, increasing their share in the value of total output from 35.6 per cent in 1972 to 42.8 per cent in 1973. The increase in the share of output of the public corporations in 1973 is significant in the context of an overall growth rate in the industrial sector of 8.6 per cent.

Three main tables and three supplementary tables on industrial production are included in this section. The first, table II (C) 1 gives a comprehensive statistical picture of production and employment for the years 1970 to 1973. Table II (C) 2 gives production data classified by industry and principal products for the years 1969 to 1973; while table II (C) 3 gives production data for industrial units that reported both in 1972 and 1973.

Table II (C) 2, identifies the main industrial groups and their corresponding sub-groups and focuses attention on those groups and sub-groups that have expanded or contracted within the five year period 1969-73. This table also draws attention to the relative weight of individual groups and sub-groups within the industrial structure.

Industries engaged in the production of Food, Beverages and Tobacco are by far, the largest single group in the manufacturing field. This group accounted for Rs. 919.6 million or 34.7 per cent of total output and in 1973 showed an increase of Rs. 120.9 million in the value of its output. Within this group the major industrial sub-groups are (a) Food Preparations, (b) Tobacco, and (c) Vegetable Oils and Fats. In the first sub-group, namely, Food Preparations production is carried out by a number of firms, both big and small. Tobacco is represented by a relatively few units while in the sub-group Vegetable Oils and Fats two firms hold a dominant position. The commanding position held by this group is in part due to its agro-industrial bias and in part due to the exclusion of foreign competition in this field. Within this group are also to be found some old and well established industrial firms who were in some cases the pioneers of manufacturing industry in Sri Lanka.

The second largest industrial group comprises units producing Chemicals, Petroleum, Coal, Rubber and Plastic Products. The value of output of this group was Rs. 543.4 million, representing a decrease of Rs. 20.4 million over the preceding year. This contraction in value was the result of a sharp drop of Rs. 52.1 million in the sub-group Miscellaneous Chemical products. This decrease was partly offset by an increase in the sub-group Petroleum and Coal

INDUSTRIAL PRODUCTION AND

| Industrial Group | Number of Firms | | | | Number of Employees | | | | Total Man-days (Thousand) | | | |
|--|-----------------|-------------|--------------|--------------|---------------------|---------------|---------------|---------------|------------------------------|--------------|--------------|--------------|
| | 1970 | 1971 | 1972 | 1973 | 1970 | 1971 | 1972 | 1973 | 1970 | 1971 | 1972 | 1973 |
| I. Manufacture of Food, Beverages and Tobacco .. | 649 | 527 | 304* | 251* | 33734 | 33866 | 32776 | 23879 | 9651 | 7747 | 7856 | 4749 |
| II. Textiles, Wearing Apparel and Leather Industries .. | 530 | 634 | 639 | 535 | 27069 | 22568 | 29083 | 29994 | 7352 | 5254 | 8536 | 7090 |
| III. Manufacture of Wood and Wood Products including Furniture .. | 11 | 15 | 11 | 8 | 2907 | 4127 | 4668 | 4058 | 738 | 798 | 1099 | 1164 |
| IV. Manufacture of Paper and Paper Products .. | 74 | 74 | 67 | 63 | 4462 | 4645 | 4323 | 5105 | 1195 | 1228 | 1262 | 1303 |
| V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products .. | 244 | 244 | 196 | 169 | 16610 | 16888 | 15769 | 12113 | 3782 | 4358 | 4504 | 2931 |
| VI. Manufacture of Non-Metallic Mineral Products except Petroleum and Coal .. | 67 | 51 | 64 | 71 | 8545 | 9929 | 8595 | 8532 | 2287 | 2193 | 2345 | 2175 |
| VII. Basic Metal Products .. | 1 | 1 | 1 | 1 | 963 | 952 | 1011 | 1167 | 270 | 220 | 304 | 350 |
| VIII. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment .. | 228 | 287 | 280 | 274 | 12448 | 15089 | 21483 | 18663 | 3320 | 3960 | 5033 | 4621 |
| IX. Manufactured Products, (Not Elsewhere Specified) .. | 49 | 64 | 64 | 47 | 1367 | 2127 | 2453 | 2204 | 395 | 474 | 671 | 579 |
| Total .. | 1853 | 1897 | 1626* | 1415* | 108105 | 110191 | 123986 | 105715 | 28990 | 26232 | 31610 | 24962 |

* The drop in the number of reporting firms from 1972 is largely due to the Sri Lanka Tobacco Industries

TABLE II (C) 1

EMPLOYMENT 1970-1973 STATISTICAL SUMMARY

| Wage Bill (Rupees Million) | | | | Production Value (Rupees Million) | | | | Wage per Man-day (Rupees) | | | | Man-days per Employee | | | |
|-------------------------------|-------|-------|-------|--------------------------------------|--------|--------|--------|------------------------------|-------|-------|-------|--------------------------|------|------|------|
| 1970 | 1971 | 1972 | 1973 | 1970 | 1971 | 1972 | 1973 | 1970 | 1971 | 1972 | 1973 | 1970 | 1971 | 1972 | 1973 |
| 64.4 | 70.5 | 82.7 | 59.2 | 684.5 | 743.0 | 798.7 | 919.6 | 6.67 | 9.10 | 10.52 | 12.46 | 286 | 229 | 239 | 199 |
| 46.0 | 43.3 | 72.9 | 61.4 | 282.7 | 306.2 | 394.5 | 420.8 | 6.25 | 8.24 | 8.54 | 8.67 | 272 | 233 | 259 | 236 |
| 8.8 | 8.8 | 13.3 | 15.4 | 21.2 | 26.6 | 30.7 | 43.0 | 11.89 | 11.03 | 12.09 | 13.25 | 254 | 193 | 235 | 287 |
| 10.7 | 11.9 | 14.6 | 17.3 | 65.0 | 70.3 | 79.1 | 101.0 | 8.92 | 9.69 | 11.52 | 13.24 | 268 | 264 | 291 | 255 |
| 39.1 | 72.3 | 82.7 | 57.1 | 439.2 | 530.0 | 563.8 | 543.4 | 10.33 | 16.58 | 18.36 | 19.64 | 278 | 258 | 285 | 242 |
| 26.1 | 25.8 | 37.4 | 37.6 | 138.8 | 176.4 | 172.9 | 190.0 | 11.42 | 11.76 | 15.96 | 17.31 | 268 | 221 | 276 | 255 |
| 2.8 | 4.7 | 3.9 | 7.6 | 38.9 | 58.6 | 67.5 | 53.2 | 10.55 | 21.36 | 12.66 | 21.59 | 280 | 231 | 300 | 300 |
| 29.4 | 39.8 | 54.9 | 59.7 | 256.1 | 273.5 | 304.8 | 347.1 | 8.87 | 10.05 | 10.90 | 12.93 | 267 | 262 | 234 | 248 |
| 2.1 | 2.9 | 5.5 | 6.0 | 18.6 | 23.1 | 30.4 | 33.2 | 5.40 | 6.12 | 8.20 | 10.38 | 289 | 223 | 273 | 263 |
| 229.4 | 280.0 | 367.9 | 321.8 | 1945.0 | 2207.7 | 2442.4 | 2651.3 | 7.91 | 10.67 | 11.63 | 12.89 | 276 | 238 | 255 | 238 |

Source: Central Bank of Ceylon.

Corporation submitting a consolidated return in respect of a large number of small beedi manufacturing units.

VALUE OF INDUSTRIAL PRODUCTION 1969-73 CLASSIFIED BY

| Industrial Group | Value of Production (Rupees Million) | | | | |
|---|--------------------------------------|---------------|---------------|---------------|---------------|
| | 1969 | 1970 | 1971 | 1972 | 1973 |
| 1. Manufacture of Food, Beverages and Tobacco .. | 641.8 | 684.5 | 743.0 | 798.7 | 919.6 |
| (a) Food Preparations | 230.5 | 250.6 | 263.2 | 322.9 | 382.2 |
| (b) Vegetable Oils and Fats | 169.5 | 170.1 | 190.4 | 143.9 | 157.7 |
| (c) Preserved and Canned Fruits, Vegetables, Meat, Fish and other Sea Foods | 8.6 | 11.8 | 23.2 | 11.5 | 12.5 |
| (d) Biscuits, Cocoa, Chocolate and Sugar Confectionery | 49.9 | 50.5 | 53.1 | 50.2 | 44.3 |
| (e) Beverages and Spirits | 77.4 | 94.9 | 88.1 | 96.5 | 94.8 |
| (f) Tobacco | 105.9 | 106.6 | 124.9 | 173.7 | 228.1 |
| 2. Textiles, Wearing Apparel and Leather Industries | 267.1 | 282.7 | 306.2 | 394.5 | 420.8 |
| (a) Knitted Fabrics and Articles, Made-up Garments and other Apparel except Footwear | 56.0 | 64.3 | 70.8 | 66.7 | 64.1 |
| (b) Spinning, Weaving and Finishing of Textiles | 172.2 | 173.3 | 189.4 | 271.2 | 295.6 |
| (c) Footwear and Leather Products | 38.9 | 45.1 | 46.0 | 56.6 | 60.1 |
| 3. Manufacture of Wood and Wood Products Including Furniture | 18.0 | 21.2 | 26.6 | 30.7 | 43.0 |
| (a) Manufacture of Wood | 9.2 | 10.4 | 12.8 | 12.7 | 11.6 |
| (b) Plywood | 8.8 | 10.8 | 13.8 | 18.0 | 31.4 |
| 4. Manufacture of Paper and Paper Products | 62.3 | 65.0 | 70.3 | 79.1 | 101.0 |
| 5. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products | 249.8 | 439.2 | 530.0 | 563.8 | 543.4 |
| (a) Industrial Chemicals | 2.2 | 3.1 | 3.3 | 5.2 | 5.6 |
| (b) Miscellaneous Chemical Products | 155.6 | 155.9 | 230.3 | 213.5 | 161.4 |
| (c) Petroleum and Coal Products | 11.0 | 191.0 | 198.5 | 259.5 | 288.5 |
| (d) Rubber Products | 52.8 | 56.4 | 60.2 | 67.7 | 67.8 |
| (e) Plastic Products | 28.2 | 32.8 | 37.7 | 17.9 | 20.1 |
| 6. Manufacture of Non-Metallic Mineral Products Except Petroleum and Coal | 123.3 | 138.8 | 176.4 | 172.9 | 190.0 |
| (a) Ceramics | 8.7 | 8.0 | 8.5 | 12.9 | 13.1 |
| (b) Glass and Glass Products | 7.7 | 8.1 | 13.9 | 11.9 | 12.8 |
| (c) Cement, Cement Products and Asbestos Products | 89.0 | 104.8 | 116.7 | 110.4 | 131.4 |
| (d) Manufacture of Ilmenite | 3.1 | 4.7 | 6.2 | 3.7 | 4.8 |
| (e) Bricks and Tiles | 14.8 | 13.2 | 13.1 | 34.0 | 27.9 |
| 7. Basic Metal Products | 28.8 | 38.9 | 58.6 | 67.5 | 53.2 |
| (a) Iron and Steel Basic Industries | 28.8 | 38.9 | 58.6 | 67.5 | 53.2 |
| 8. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment | 226.2 | 256.1 | 273.5 | 304.8 | 347.1 |
| (a) Fabricated Metal Products other than Machinery and Equipment | 82.0 | 96.9 | 128.0 | 111.1 | 135.6 |
| (b) Machinery (except Electrical) and Transport Equipment | 77.9 | 70.8 | 57.3 | 98.9 | 102.5 |
| (c) Electrical Machinery, Apparatus, Appliances and Supplies | 66.3 | 88.4 | 88.2 | 94.8 | 109.0 |
| 9. Manufactured Products, N.E.S. | 9.5 | 18.6 | 23.1 | 30.4 | 33.2 |
| Total | 1626.8 | 1945.0 | 2207.7 | 2442.4 | 2651.3 |

TABLE II (C) 2

TYPE OF INDUSTRY AND BY PRINCIPAL PRODUCTS

| % Within Industry | | | | | % of Total Industrial Production | | | | |
|-------------------|-------|-------|-------|-------|----------------------------------|-------|-------|-------|-------|
| 1969 | 1970 | 1971 | 1972 | 1973 | 1969 | 1970 | 1971 | 1972 | 1973 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 39.5 | 35.2 | 33.7 | 32.7 | 34.7 |
| 35.9 | 36.6 | 35.4 | 40.5 | 41.6 | 14.2 | 12.0 | 11.9 | 13.2 | 14.4 |
| 26.4 | 24.9 | 25.6 | 18.0 | 17.1 | 10.4 | 8.7 | 8.6 | 5.9 | 5.9 |
| 1.3 | 1.7 | 3.1 | 1.4 | 1.4 | 0.5 | 0.6 | 1.1 | 0.5 | 0.5 |
| 7.8 | 7.4 | 7.2 | 6.3 | 4.8 | 3.1 | 2.6 | 2.4 | 2.0 | 1.7 |
| 12.1 | 13.9 | 11.9 | 12.1 | 10.3 | 4.8 | 4.9 | 4.0 | 4.0 | 3.6 |
| 16.5 | 15.6 | 16.8 | 21.7 | 24.8 | 6.5 | 5.5 | 5.7 | 7.1 | 8.6 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 16.4 | 14.5 | 13.9 | 16.1 | 15.9 |
| 21.0 | 22.7 | 23.1 | 16.9 | 15.2 | 3.4 | 3.3 | 3.2 | 2.7 | 2.4 |
| 64.5 | 61.3 | 61.9 | 68.8 | 70.5 | 10.6 | 8.9 | 8.6 | 11.1 | 11.2 |
| 14.5 | 16.0 | 15.0 | 14.3 | 14.3 | 2.4 | 2.3 | 2.1 | 2.3 | 2.3 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 1.1 | 1.1 | 1.2 | 1.3 | 1.6 |
| 51.1 | 49.1 | 48.1 | 41.4 | 27.0 | 0.6 | 0.5 | 0.6 | 0.5 | 0.4 |
| 48.9 | 50.9 | 51.9 | 58.6 | 73.0 | 0.5 | 0.6 | 0.6 | 0.8 | 1.2 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 3.8 | 3.3 | 3.2 | 3.2 | 3.8 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 15.3 | 22.6 | 24.0 | 23.1 | 20.5 |
| 0.9 | 0.7 | 0.6 | 0.9 | 1.0 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| 62.3 | 35.5 | 43.5 | 37.9 | 29.7 | 9.6 | 8.0 | 10.4 | 8.8 | 6.1 |
| 4.4 | 43.5 | 37.4 | 46.0 | 53.1 | 0.7 | 9.8 | 9.0 | 10.6 | 10.9 |
| 21.1 | 12.8 | 11.4 | 12.0 | 12.5 | 3.2 | 2.9 | 2.7 | 2.8 | 2.6 |
| 11.3 | 7.5 | 7.1 | 3.2 | 3.7 | 1.7 | 1.7 | 1.7 | 0.7 | 0.7 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 7.6 | 7.1 | 8.0 | 7.1 | 7.2 |
| 7.1 | 5.8 | 4.8 | 7.5 | 6.9 | 0.5 | 0.4 | 0.4 | 0.5 | 0.5 |
| 6.2 | 5.8 | 7.9 | 6.9 | 6.7 | 0.5 | 0.4 | 0.6 | 0.5 | 0.5 |
| 72.2 | 75.5 | 66.2 | 63.8 | 69.2 | 5.5 | 5.4 | 5.3 | 4.5 | 5.0 |
| 2.5 | 3.4 | 3.5 | 2.1 | 2.5 | 0.2 | 0.2 | 0.3 | 0.2 | 0.2 |
| 12.0 | 9.5 | 17.6 | 19.7 | 14.7 | 0.9 | 0.7 | 1.4 | 1.4 | 1.0 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 1.8 | 2.0 | 2.6 | 2.8 | 2.0 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 1.8 | 2.0 | 2.6 | 2.8 | 2.0 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 13.9 | 13.2 | 12.4 | 12.5 | 13.1 |
| 36.3 | 37.8 | 46.8 | 36.5 | 39.1 | 5.0 | 5.0 | 5.8 | 4.5 | 5.1 |
| 34.4 | 27.6 | 21.0 | 32.4 | 29.5 | 4.8 | 3.6 | 2.6 | 4.1 | 3.9 |
| 29.3 | 34.5 | 32.2 | 31.1 | 31.4 | 4.1 | 4.5 | 4.0 | 3.9 | 4.1 |
| 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0.6 | 1.0 | 1.0 | 1.2 | 1.2 |
| | | | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Central Bank of Ceylon

Products which increased by Rs. 29.0 million, this is, nevertheless, smaller than the increase of Rs. 61.0 million shown by this sub-group in 1972. The decline in value of the Miscellaneous Chemical Products sub-group was closely related to the reduction in foreign exchange allocations to products such as cosmetics, toothpaste and soap.

The other important industrial groups are Textiles, Wearing Apparel and Leather Industries and the manufacture of Fabricated Metal Products, Machinery and Transport Equipment; these groups increased the value of their output by Rs. 26.3 million and Rs. 42.3 million, respectively. There were no marked changes in the sub-groups of both these groups, other than in the sub-group Fabricated Metal Products other than Machinery and Equipment where the value of output increased by Rs. 24.5 million in 1973. This sub-group covers industries fabricating a wide range of semi-finished and finished products. Marginal increases were also recorded in the allied industrial sub-groups Machinery (except Electrical) and Transport Equipment and Electrical Machinery, Apparatus Appliances and Supplies.

Supplementary table II (C) 2 (1) gives a classification of industrial sub-groups according to increases in the value of production. This table shows that industrial units falling within the sub-groups Food Preparations and Tobacco have reported the highest increases in the value of their output. The sub-group Food Preparations appears to be growing rapidly as in the previous year; the value of its output rose by over Rs. 50 million. The increase in output in the tobacco industry also exceeded Rs. 50 million whereas in the preceding year the increase in output was less than Rs. 50 million. Other industries that moved into a higher size group in value terms, were Paper and Paper Products, Cement, Cement Products and Asbestos Products, and Fabricated Metal Products other than Machinery and Equipment; these sub-groups increased the value of their production by amounts ranging from Rs. 20 to Rs. 50 million. In all, 21 sub-groups recorded increases in their value of output in 1973 as against 14 sub-groups in 1972.

TABLE II (C) 2 (1)

Increase in Value of Production by Industrial Sub-Group

| Rs. 0 - 5 million | Rs. 5 - 20 million | Rs. 20-50 million | More than Rs. 50 million |
|---|--|--|------------------------------|
| Preserved and Canned foods Vegetables, Meat, Fish and other sea Foods | Vegetable Oils & Fats Plywood | Spinning Weaving and finishing of Textiles | Food Preparations Tobacco |
| Beverages and Spirits | Electrical Machinery, Apparatus, Appliances and Supplies | Paper and Paper Products | |
| Footwear and Leather products | | Petroleum and Coal Products | |
| Industrial Chemicals | | Cement, Cement Products and Asbestos Products | |
| Rubber Products | | Fabricated Metal Products | |
| Plastic Products | | | |
| Ceramics | | | |
| Glass & Glass products | | | |
| Manufacture of Ilmenite | | | |
| Machinery (except Electrical) and Transport Equipment | | | |
| Manufactured Products, n. e. s. | | | |

Source: Central Bank of Ceylon

Supplementary table II (C) 2 (2) shows the changes in the number of industrial units in the nine major industrial groups and the corresponding change in the value of production during the period 1972-1973. This table shows that all industrial groups other than Chemicals, Petroleum, Coal, Rubber and Plastic Products increased the value of their output. The largest increase was in the group Food, Beverages and Tobacco which increased the value of its output by Rs. 120.9 million despite a drop in the number of reporting firms. The other industrial group which appreciably increased the value of its output was Fabricated Metal Products, Machinery and Transport Equipment which showed an increase of Rs. 42.3 million.

TABLE II (C) 2 (2)

Number of Reporting Firms and Value of Production

| Industrial Group | Change in No. of Reporting Firms | Change in Value of Production | |
|---|----------------------------------|-------------------------------|-----|
| | | Rs. | Mn. |
| 1. Manufacture of Food, Beverages and Tobacco .. | - 53 | + 120.9 | |
| 2. Textiles, Wearing Apparel and Leather Industries .. | - 104 | + 26.3 | |
| 3. Manufacture of Wood and Wood Products including Furniture .. | - 3 | + 12.3 | |
| 4. Manufacture of Paper and Paper Products .. | - 4 | + 21.9 | |
| 5. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products .. | - 27 | - 20.4 | |
| 6. Manufacture of Non-Metallic Mineral Products except Petroleum and Coal .. | + 7 | + 17.1 | |
| 7. Basic Metal Products .. | - | - 14.3 | |
| 8. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment .. | - 6 | + 42.3 | |
| 9. Manufactured Products, N. E. S. .. | - 17 | + 2.8 | |
| Total .. | - 207 | + 208.9 | |

Source: Central Bank of Ceylon.

Table II (C) 2 (3) gives the value added at current prices in each major industrial group from 1969 to 1973. Value added was arrived at by subtracting the cost of raw materials and fuel from the total value of output of industry.

TABLE II (C) 2 (3)

Value Added in Industry by Major Industrial Groups

| Industrial Group | Rs. Million. | | | | |
|--|--------------|----------------|----------------|----------------|----------------|
| | 1969 | 1970 | 1971 | 1972 | 1973 |
| I. Manufacture of Food, Beverages and Tobacco .. | 487.8 | 520.2 | 564.7 | 606.9 | 680.9 |
| II. Textiles, Wearing Apparel and Leather Industries .. | 146.9 | 155.5 | 168.4 | 217.0 | 192.9 |
| III. Manufacture of Wood and Wood Products including Furniture .. | 10.4 | 12.3 | 15.4 | 17.8 | 17.9 |
| IV. Manufacture of Paper and Paper Products .. | 21.8 | 22.8 | 24.6 | 27.7 | 39.2 |
| V. Manufacture of Chemicals, Petroleum and Coal, Rubber and Plastic Products. | 137.4 | 241.6 | 309.9 | 310.0 | 191.4 |
| VI. Manufacture of non-Metallic Mineral Products except Petroleum and Coal .. | 69.0 | 77.7 | 98.8 | 96.9 | 125.9 |
| VII. Basic Metal Products .. | 4.8 | 7.8 | 11.7 | 13.6 | 8.2 |
| VIII. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment .. | 81.4 | 92.2 | 98.5 | 109.8 | 140.1 |
| IX. Manufactured Products, N.E.S. .. | 2.5 | 4.8 | 6.0 | 7.9 | 13.5 |
| Total .. | 962.0 | 1,134.9 | 1,298.0 | 1,407.6 | 1,410.0 |

Over the five-year period 1969 to 1973 value added in industry has increased. The increase in 1973, however, is very marginal and out of line with the increments recorded in the previous years. This is, perhaps, due to the slowing down in the tempo of industrial activity in 1973. A group that was adversely affected was Chemicals, Petroleum, Coal, Rubber and Plastic Products, this group showed a decline in value added of Rs. 118.6 million. In this group there was a sharp decline in the value of raw materials utilized, presumably, due to reductions in foreign exchange allocations, which led to a fall in the value of its output, and adversely effecting the value added by this group. Two other groups that recorded decreases in value added were Textiles, Wearing Apparel and Leather Industries and Basic Metal Products.

Table II (C) 3 gives data on the value of production classified by industry and products for industrial firms that reported both in 1972 and 1973. The number of units that reported both in 1972 and 1973 was 870, this is less than the corresponding figure of 959 for the years 1971 and 1972.

The total value of output of the 870 industrial units was Rs. 2,140.0 million in 1973 as against Rs. 1,981.1 million in 1972, showing an increase of 8.0 per cent. Industrial performance in 1973 as evidenced by this table is in broad conformity with table II (C) 2 which gives data for all reporting units.

The overall picture shown by table II (C) 3 is that the performance of industry in 1973 in relation to that of 1972 has not been altogether satisfactory. In certain sectors where the coverage has been almost comprehensive in both 1972 and 1973, the value of output has decreased. This decline causes some concern as the industries affected are important in the context of overall industrial growth. They are, Iron and Steel, Basic Industries, Machinery (except Electrical) and Transport Equipment, Plastic Products, Rubber Products, and Miscellaneous Chemical Products. In addition to these categories, the sub-group Biscuits, Cocoa, Chocolates and Sugar Confectionery also showed a marked fall in the value of output.

TABLE II (C) 3

Value of Industrial Production for Corresponding Reporting Units 1972 - 1973.

| Industrial Group | No. of Firms | Production (Rs. Mn.) | | Percentage change |
|--|--------------|----------------------|----------------|-------------------|
| | | 1972 | 1973 | |
| 1. Manufacture of Food, Beverages and Tobacco | 151 | 690.9 | 756.0 | + 9.4 |
| (a) Food Preparations | 76 | 302.1 | 347.5 | + 15.0 |
| (b) Vegetable Oils and Fats .. | 1 | 143.9 | 111.6 | - 22.4 |
| (c) Preserved and Canned Fruits, Vegetables, Meat, Fish and other Sea Foods .. | 14 | 10.4 | 11.6 | + 11.5 |
| (d) Biscuits, Cocoa, Chocolate and Sugar Confectionery | 29 | 47.6 | 42.6 | - 10.5 |
| (e) Beverages | 5 | 18.5 | 21.1 | + 14.1 |
| (f) Spirits | — | — | — | — |
| (g) Tobacco | 26 | 168.4 | 221.6 | + 31.6 |
| 2. Textiles, Wearing Apparel and Leather Industries | 339 | 219.1 | 299.1 | + 36.5 |
| (a) Knitted Fabrics and Articles, Made-up Garments and other Apparel except Footwear | 198 | 51.8 | 41.8 | - 19.3 |
| (b) Spinning, Weaving and Finishing of Textiles | 97 | 125.3 | 212.3 | + 69.4 |
| (c) Footwear and Leather Products | 44 | 42.0 | 45.0 | + 7.1 |
| 3. Manufacture of Wood and Wood Products including Furniture | 4 | 29.0 | 38.7 | + 33.4 |
| (a) Manufacture of Wood | 3 | 11.0 | 7.3 | - 0.9 |
| (b) Plywood | 1 | 18.0 | 31.4 | + 74.4 |
| 4. Manufacture of Paper Products | 23 | 61.3 | 79.0 | + 28.9 |
| 5. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products | 107 | 519.6 | 484.7 | - 6.7 |
| (a) Industrial Chemicals | 1 | 5.2 | 5.6 | + 7.7 |
| (b) Miscellaneous Chemical Products | 65 | 181.6 | 118.0 | - 35.0 |
| (c) Petroleum and Coal Products | 1 | 252.4 | 285.2 | + 13.0 |
| (d) Rubber Products | 29 | 64.8 | 64.4 | - 0.6 |
| (e) Plastic Products | 11 | 15.6 | 11.5 | - 26.3 |
| 6. Manufacture of Non-Metallic Mineral Products except Petroleum and Coal | 36 | 135.5 | 168.2 | + 24.1 |
| (a) Ceramics | 1 | 12.9 | 13.1 | + 1.6 |
| (b) Glass and Glass Products | 10 | 11.7 | 12.8 | + 9.4 |
| (c) Cement, Cement Products and Asbestos Products | 12 | 102.4 | 130.4 | + 27.3 |
| (d) Manufacture of Ilmenite | 1 | 3.7 | 4.8 | + 29.7 |
| (e) Bricks and Tiles | 12 | 4.8 | 7.1 | + 47.9 |
| 7. Basic Metal Products | 1 | 67.5 | 53.2 | - 21.2 |
| (a) Iron and Steel Basic Industries | 1 | 67.5 | 53.2 | - 21.2 |
| 8. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment | 183 | 232.8 | 234.7 | + 0.8 |
| (a) Fabricated Metal Products other than Machinery and Equipment | 103 | 81.0 | 81.3 | + 0.4 |
| (b) Machinery (except Electrical) and Transport Equipment | 45 | 61.5 | 58.8 | - 4.4 |
| (c) Electrical Machinery, Apparatus, Appliances and Supplies | 35 | 90.3 | 94.6 | + 4.8 |
| 9. Manufactured Products, N. E. S. | 26 | 25.4 | 26.4 | + 3.9 |
| Total | 870 | 1,981.1 | 2,140.0 | + 8.0 |

Source: Central Bank of Ceylon.

3. The Structure of Industry

Table II (C) 4 gives the value of industrial production by major economic categories for the years 1969-1972.

The structure of Industry over the last five years has remained basically the same. The consumer goods industries have been the largest sector in the industrial structure. This dominance of consumer goods industries reflects the stage of development of industry in Sri Lanka and the size and character of the domestic market. In particular, the expansion of the investment goods sector has been stagnant over the last five years. Expansion in this sector is severely circumscribed by market limitations and the non-availability of foreign exchange which is the principal constraint on the growth of these industries. In the case of Basic Metal Products 95 per cent of the raw-materials were imported.

The intermediate goods sector has shown substantial advance in 1973, this advance is particularly marked in the sub-groups Food Preparations and Spinning (Textiles) which increased their value of production by Rs. 79.7 million and Rs. 43.9 million, respectively. Largely as a result of these two sub-groups increasing their production, the total value of intermediate goods increased from Rs. 866.6 million in 1972 to Rs. 1,060.4 million in 1973, while its share in the total value of production, increased from 35.5 per cent in 1972 to 40.0 per cent in 1973.

Although the consumer goods sector increased the value of its production in absolute terms, its relative share in the total value of output decreased by 3.7 per cent. The industries that have expanded appreciably in this sector are Tobacco and Paper Products. In the background of the shortages that are evident in the economy and the increasing emphasis on import substitution, it is clear that this sector will tend to show increases in the value of its output.

Data on the size distribution of industrial units based on the value of output is shown in table II (C) 5. This table reveals a higher degree of concentration than in the previous year. In 1973, 85.7 per cent of the output was produced by 202 firms. The corresponding figures for 1972 were 78.3 per cent and 159. The table also shows that 817 firms produced only 2.2 per cent of total industrial output whereas in the previous year this category of firms produced 12.3 per cent of total output. It is pertinent to note that the intermediate group whose value of production is between Rs. 250 thousand and 2 million, have increased in number and have increased their relative share in total output.

Value of Industrial Production 1969-1973 by Major Economic Categories

TABLE II (C) 4

| Industrial Group | Rupees Million | | | | | per cent | | | | |
|--|----------------|----------------|----------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|
| | 1969 | 1970 | 1971 | 1972 | 1973 | 1969 | 1970 | 1971 | 1972 | 1973 |
| A. Consumer Goods | 835.4 | 917.0 | 1,101.2 | 1,265.0 | 1,275.9 | 51.3 | 47.2 | 49.9 | 51.8 | 48.1 |
| i. Food, Beverages and Tobacco | 287.5 | 346.7 | 428.4 | 520.9 | 561.9 | 17.7 | 17.8 | 19.4 | 21.3 | 21.2 |
| (a) Food Preparations(1) | 45.8 | 82.9 | 139.0 | 189.0 | 182.2 | 2.8 | 4.3 | 6.3 | 7.7 | 6.9 |
| (b) Preserved and Canned Fruits, Vegetables, Meat Fish and other Sea Foods(2) | 8.6 | 11.8 | 23.2 | 11.5 | 12.5 | 0.5 | 0.6 | 1.1 | 0.4 | 0.5 |
| (c) Biscuits and Sugar Confectionery | 49.9 | 50.5 | 53.1 | 50.2 | 44.3 | 3.1 | 2.5 | 2.4 | 2.1 | 1.7 |
| (d) Aerated Waters | 17.8 | 26.6 | 26.1 | 21.1 | 22.4 | 1.1 | 1.4 | 1.2 | 10.9 | 0.8 |
| (e) Arrack, Beer, Stout, etc. | 59.5 | 68.3 | 62.1 | 75.4 | 72.4 | 3.7 | 3.5 | 2.8 | 3.1 | 2.7 |
| (f) Tobacco | 105.9 | 106.6 | 124.9 | 173.7 | 228.1 | 6.5 | 5.5 | 5.6 | 7.1 | 8.6 |
| ii. Garments(3) | 56.0 | 64.3 | 70.8 | 66.7 | 64.1 | 3.4 | 3.3 | 3.2 | 2.7 | 2.4 |
| iii. Footwear and Leather Products | 38.9 | 45.1 | 46.0 | 56.6 | 60.1 | 2.4 | 2.3 | 2.1 | 2.3 | 2.3 |
| iv. Miscellaneous Chemical Products(4) | 155.6 | 155.9 | 230.3 | 213.5 | 161.4 | 9.6 | 8.0 | 10.4 | 8.7 | 6.1 |
| v. Manufacture of Paper and Paper Products(5) | 13.4 | 13.1 | 18.0 | 40.4 | 74.5 | 0.8 | 0.7 | 0.8 | 1.7 | 2.8 |
| vi. Fabricated Metal Products other than Machinery and equipment(6) | 13.1 | 3.4 | 3.6 | 5.0 | 5.3 | 0.8 | 0.2 | 0.2 | 0.2 | 0.2 |
| vii. Plastic Products | 28.2 | 32.8 | 37.7 | 17.9 | 20.1 | 1.7 | 1.7 | 1.7 | 0.7 | 0.7 |
| viii. Glass and Glass Products | 7.7 | 8.1 | 13.9 | 11.9 | 12.8 | 0.5 | 0.4 | 0.6 | 0.5 | 0.4 |
| ix. Ceramics | 8.7 | 8.0 | 8.5 | 12.9 | 13.1 | 0.5 | 0.4 | 0.4 | 0.5 | 0.5 |
| x. Rubber Products | 52.8 | 56.4 | 60.2 | 67.7 | 67.8 | 3.2 | 2.9 | 2.7 | 2.8 | 2.6 |
| xi. Woven and Finished Textiles | 154.8 | 154.2 | 147.9 | 208.4 | 190.0 | 9.5 | 8.0 | 6.7 | 8.5 | 7.2 |
| xii. Manufacture of Wood | 9.2 | 10.4 | 12.8 | 12.7 | 11.6 | 0.6 | 0.5 | 0.6 | 0.5 | 0.4 |
| xiii. Manufactured Products, N. E. S.(7) | 9.5 | 18.6 | 23.1 | 30.4 | 33.2 | 0.6 | 1.0 | 1.1 | 1.3 | 1.3 |
| B. Intermediate Goods | 580.8 | 800.3 | 842.8 | 866.6 | 1,060.4 | 35.7 | 41.1 | 38.2 | 35.5 | 40.0 |
| i. Food Preparations(8) | 354.2 | 337.8 | 314.6 | 277.8 | 357.7 | 21.8 | 17.4 | 14.3 | 11.4 | 13.5 |
| ii. Fabricated Metal Products other than Machinery and Transport Equipment(9) | 68.9 | 93.5 | 124.4 | 106.1 | 130.3 | 4.2 | 4.8 | 5.6 | 4.3 | 4.9 |
| iii. Manufacture of Paper and Paper Products(10) | 48.9 | 51.9 | 52.3 | 38.7 | 26.5 | 3.0 | 2.7 | 2.4 | 1.6 | 1.0 |
| iv. Spinning (Textiles) | 17.4 | 19.1 | 41.5 | 62.8 | 106.6 | 1.1 | 0.9 | 1.9 | 2.6 | 4.0 |
| v. Plywood | 8.8 | 10.8 | 13.8 | 18.0 | 31.4 | 0.5 | 0.6 | 0.6 | 0.7 | 1.2 |
| vi. Manufacture of Ilmenite | 3.1 | 4.7 | 6.2 | 3.7 | 4.8 | 0.2 | 0.2 | 0.3 | 0.2 | 0.2 |
| vii. Industrial Chemicals(11) | 2.2 | 3.1 | 3.3 | 5.2 | 5.6 | 0.1 | 0.2 | 0.1 | 0.2 | 0.2 |
| viii. Electrical Machinery, Apparatus, Appliances and Supplies | 66.3 | 88.4 | 88.2 | 94.8 | 109.0 | 4.1 | 4.5 | 4.0 | 3.9 | 4.1 |
| ix. Petroleum and Coal Products | 11.0 | 191.0 | 198.5 | 259.5 | 288.5 | 0.7 | 9.8 | 9.0 | 10.6 | 10.9 |
| C. Investment Goods | 210.5 | 227.7 | 263.7 | 310.8 | 315.0 | 13.0 | 11.7 | 11.9 | 12.7 | 11.9 |
| i. Cement, Cement Products and Asbestos Products | 89.0 | 104.8 | 116.7 | 110.4 | 131.4 | 5.5 | 5.4 | 5.3 | 4.5 | 5.0 |
| ii. Machinery (except Electrical) and Transport Equipment | 77.9 | 70.8 | 57.3 | 98.9 | 102.5 | 4.8 | 3.6 | 2.6 | 4.0 | 3.9 |
| iii. Bricks and Tiles | 14.8 | 13.2 | 31.1 | 34.0 | 27.9 | 0.9 | 0.7 | 1.4 | 1.4 | 1.0 |
| iv. Iron and Steel Basic Industries(12) | 28.8 | 38.9 | 58.6 | 67.5 | 53.2 | 1.8 | 2.0 | 2.6 | 2.8 | 2.0 |
| TOTAL | 1,626.7 | 1,945.0 | 2,207.7 | 2,442.4 | 2,651.3 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Central Bank of Ceylon.

1. Dairy products, ice cream, salt etc.
2. Jams, jellies, sauces, fruit cordials, etc.
3. Shirts, banians, etc.
4. Pharmaceuticals, cosmetics, soaps and cleaning compounds, matches, toothpaste, etc.
5. Writing paper, exercise books, etc.
6. Aluminium ware.
7. Brushes, slates, printing blocks, toys, musical instruments, etc.

8. Cattle and poultry foods, vegetable oil, ice, desiccated coconut, etc.
9. Containers, barbed wire, wire nails, galvanised products.
10. Printing paper, cartons, other packing boxes and wrapping paper
11. Caustic soda and chlorine.
12. Rolled sections and wire products

TABLE II (C) 5
SIZE DISTRIBUTION OF MANUFACTURING FIRMS 1973,
BASED ON VALUE OF OUTPUT

| Industrial Group | | Value of Output | | | Total |
|---|-----------------------------|-----------------|--------------------------|--------------------------|----------------|
| | | Rs. <250 Th. | Rs. 250 Th.- 2 Mn. | Rs. 2 Mn. and over | |
| I. Manufacture of Food, Beverages & Tobacco | No. of firms % of output | 74 0.8 | 96 11.1 | 81 88.1 | 251 100.0 |
| II. Textiles, Wearing Apparel and Leather Industries | No. of firms % of output | 430 5.4 | 81 13.6 | 24 81.0 | 535 100.0 |
| III. Manufacture of Wood and Wood Products including Furniture | No. of firms % of output | 3 0.8 | 2 2.0 | 3 97.2 | 8 100.0 |
| IV. Manufacture of Paper and Paper Products | No. of firms % of output | 32 2.5 | 22 15.4 | 9 82.1 | 63 100.0 |
| V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products | No. of firms % of output | 95 1.6 | 47 5.7 | 27 92.7 | 169 100.0 |
| VI. Manufacture of Non-metallic Mineral Products except Petroleum and Coal | No. of firms % of output | 29 1.5 | 35 10.5 | 7 88.0 | 71 100.0 |
| VII. Basic Metal Products | No. of firms % of output | — — | — — | 1 100.0 | 1 100.0 |
| VIII. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment | No. of firms % of output | 129 3.7 | 99 21.5 | 46 74.8 | 274 100.0 |
| IX. Manufactured Products, N.E.S. | No. of firms % of output | 25 6.8 | 19 52.5 | 3 40.7 | 47 100.0 |
| Total | No. of firms % of output | 817 2.2 | 401 12.1 | 202 85.7 | 1,419 100.0 |

Source: Central Bank of Ceylon.

4. Employment and Wages

In 1973, the number of employees in the industrial sector as a whole was 105,715, this is, however, imprecise as employment in the sub-group tobacco has been understated. A number of reporting units in this sub-group were unable to provide the data as their work was distributed on a contractual basis.

The total wage bill in 1973 was Rs. 321.8 million, which was less than the figure for the previous year of Rs. 367.9 million. Wage per man-day in 1973 was Rs. 12.89 cts. this represents an increase of 10.8 per cent over the previous year. This increase is due to the Wages Boards having raised the wage level of workers coming under their purview. The minimum wage rate index number of workers in industry and commerce increased from 181.4 in 1972 to 199.4 in 1973.

TABLE II (C) 6

SIZE DISTRIBUTION OF MANUFACTURING FIRMS BASED ON WAGE BILL

| Industrial Group | | <Rs. 15 Th. | Rs. 15 Th.- 50 Th. | Rs. 50 Th.- 500 Th. | Rs. 500 Th. and over | Total |
|---|--------------------------------|-------------|-----------------------|------------------------|-------------------------|----------------|
| I. Manufacture of Food, Beverages and Tobacco .. | No. of Firms % of Wage Bill | 39 0.3 | 36 1.2 | 153 15.6 | 23 82.9 | 251 100.0 |
| II. Textiles, Wearing Apparel and Leather Industries .. | No. of Firms % of Wage Bill | 334 3.1 | 94 3.8 | 90 21.6 | 17 71.5 | 535 100.0 |
| III. Manufacture of Wood and Wood Products including Furniture | No. of Firms % of Wage Bill | 1 0.1 | 2 0.4 | 3 2.2 | 2 97.3 | 8 100.0 |
| IV. Manufacture of Paper and Paper Products .. | No. of Firms % of Wage Bill | 18 0.8 | 19 2.9 | 22 23.1 | 4 73.2 | 63 100.0 |
| V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products | No. of Firms % of Wage Bill | 54 0.6 | 37 1.6 | 59 14.3 | 19 83.5 | 169 100.0 |
| VI. Manufacture of Non-metallic Mineral Products except Petroleum and Coal | No. of Firms % of Wage Bill | 12 0.2 | 11 0.7 | 40 13.3 | 8 85.8 | 71 100.0 |
| VII. Basic Metal Products | No. of Firms % of Wage Bill | — — | — — | — — | 1 100.0 | 1 100.0 |
| VIII. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment .. | No. of Firms % of Wage Bill | 54 0.7 | 65 3.2 | 130 39.0 | 25 57.1 | 274 100.0 |
| IX. Manufactured Products, n.e.s. .. | No. of Firms % of Wage Bill | 14 1.3 | 7 3.2 | 23 59.0 | 3 36.5 | 47 100.0 |
| Total | No. of Firms % of Wage Bill | 526 0.9 | 271 2.1 | 520 20.3 | 102 76.7 | 1,419 100.0 |

Source: Central Bank of Ceylon.

Table II (C) 6 gives data on the size distribution of industrial units based on the wage bill. The table shows that a very high proportion of the wage bill is paid by a few large industrial units. The implication of this is that a contraction in the volume of output of these firms will have a disproportionate effect on employment and wages.

5. Use of Raw Materials

Table II (C) 7 gives data relating to the use of raw materials by industry. The cost of raw materials used accounted for 54 per cent of the value of output. A noteworthy development has been the increased use of domestic raw materials. Imported raw materials accounted for 77.6 per cent of the total value of raw materials in 1972; whereas in 1973 it had dropped to 66.7 per cent.

TABLE II (C) 7

Value of Raw Materials and Production by Major Industrial Groups 1973.

| Industrial Group | Number Firms | Production Rs. Mn. | Raw Materials | | | |
|---|--------------|--------------------|---------------------|---------------------|---------------|------------|
| | | | Total Value Rs. Th. | Foreign | | Percentage |
| | | | | Local Value Rs. Th. | Value Rs. Th. | |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 1. Manufacture of Food, Beverages & Tobacco .. | 120 | 416.9 | 186,408 | 127,506 | 58,902 | 31.6 |
| 2. Textiles, Wearing Apparel & Leather Industries .. | 525 | 281.7 | 146,470 | 46,448 | 100,022 | 68.3 |
| 3. Manufacture of Wood and Wood products including Furniture. .. | 7 | 35.1 | 19,901 | 18,025 | 1,876 | 9.4 |
| 4. Manufacture of Paper & Paper Products .. | 63 | 100.9 | 55,652 | 17,257 | 38,394 | 69.0 |
| 5. Manufactured Chemicals, Petroleum, Coal, Rubber & Plastic Products .. | 159 | 474.4 | 296,660 | 56,420 | 240,240 | 81.0 |
| 6. Manufacture of Non-Metallic Mineral products except Petroleum, Coal .. | 48 | 74.6 | 18,551 | 11,314 | 7,237 | 39.0 |
| 7. Basic Metal Products .. | 1 | 53.2 | 41,408 | 2,039 | 39,369 | 95.1 |
| 8. Manufacture of Fabricated Metal products, Machinery & Transport Equipment .. | 252 | 261.0 | 150,956 | 25,630 | 125,326 | 83.0 |
| 9. Manufactured products, n. e. s. .. | 39 | 19.8 | 11,515 | 4,301 | 7,215 | 62.7 |
| TOTAL .. | 1,214 | 1,717.6 | 927,521 | 308,940 | 618,581 | 66.7 |

Source: Central Bank of Ceylon.

TABLE II (C) 8
PRODUCTION, POWER AND FUEL - 1973

| Industrial Group | No. of Firms | Production Rs. Mn. | Fuel Used (Rs. Th.) | | | | Total |
|---|--------------|--------------------|---------------------|--------------|---------------|--------------|---------------|
| | | | Electricity | Coal & Gas | Petrol & Oil | Other | |
| I. Manufacture of Food, Beverages and Tobacco .. | 86 | 326.0 | 2,992 | 33 | 3,344 | 183 | 6,552 |
| II. Textiles, Wearing Apparel and Leather Industries | 478 | 276.9 | 2,596 | 937 | 2,369 | 80 | 5,982 |
| III. Manufacture of Wood and Wood Products including Furniture .. | 6 | 3.7 | 48 | — | 15 | 1 | 64 |
| IV. Manufacture of Paper and Paper Products .. | 50 | 97.6 | 3,107 | 13 | 2,723 | 3 | 5,846 |
| V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products .. | 132 | 186.5 | 1,643 | 61 | 2,342 | 112 | 4,158 |
| VI. Manufacture of Non-Metallic Mineral products except Petroleum and Coal .. | 44 | 74.4 | 2,039 | 84 | 3,811 | 636 | 6,570 |
| VII. Basic Metal Products .. | 1 | 53.2 | 1,828 | — | 1,670 | — | 3,498 |
| VIII. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment | 241 | 244.1 | 1,848 | 478 | 1,589 | 427 | 4,342 |
| IX. Manufactured Products, N.E.S. .. | 33 | 18.5 | 150 | 10 | 48 | 1 | 209 |
| Total .. | 1,071 | 1,280.9 | 16,251 | 1,616 | 17,911 | 1,443 | 37,221 |

Source: Central Bank of Ceylon

The most conspicuous decline in the use of imported raw materials is in the group Food, Beverages, and Tobacco. In 1972, imported raw materials utilized by this group was 70.4 per cent of total raw materials whereas in 1973 the share of this component was only 31.6 per cent. In this group imported raw materials declined from Rs. 164,578 to Rs. 58,902 while the use of local raw materials increased from Rs. 69,033 to Rs. 127,506.

6. Use of Power and Fuel

Table II C (9) gives data on the use of fuel and power by industry. The total cost of fuel consumption by industry was Rs.37.2 million in 1973 while in 1971 the corresponding figure was Rs. 51.8 million reflecting a drop of 28.2 per cent. This steep fall in the use of fuel by industries is explained by the general decline in the growth of output of industrial groups that are heavy users of fuel. These groups are Non-Metallic Mineral Products except Petroleum and Coal, Chemicals, Petroleum, Coal, Rubber and Plastic Products and Paper and Paper products.

6. Location of Industry

Table II (C) 9 shows the degree of geographical concentration of industry in Sri Lanka.

Industries are highly concentrated in the Western province, the other provinces with the exception of the Central and Southern have hardly felt the impact of industrialisation.

The reason for this high degree of concentration may be found in the absence of certain basic amenities to support industry in the outlying provinces. Another reason may be found in the structure of industry, industries usually disperse on the basis of raw material availability and markets. Both these factors militate against a wider dispersion of industry in Sri Lanka. Wider dispersion of industry however, is a desirable objective because it will relieve the socio-economic problems that follow heavy urban concentration of industry. Extensive geographical dispersion is a slow process as it involves moving industry to areas which are not immediately attractive. Dispersion of industry in Sri Lanka will be facilitated and speeded up by the infra-structural improvements that are being made and the wider diffusion of income that will follow the expansion of domestic agriculture.

Location of Industries

| Industrial Group | Western Province | | | Northern Province | | | Eastern Province | | | Southern Province | | |
|---|------------------|------------------|-------------|-------------------|----------------|------------|------------------|---------------|------------|-------------------|---------------|------------|
| | No. of Firms | Production | | No. of Firms | Production | | No. of Firms | Production | | No. of Firms | Production | |
| | | Value Rs. Th. | % | | Value Rs. Th. | % | | Value Rs. Th. | % | | Value Rs. Th. | % |
| 1. Manufacture of Food, Beverages and Tobacco .. | 194 | 859,915 | 38.0 | 8 | 1,477 | 1.3 | 3 | 23,533 | 24.4 | 8 | 15,106 | 21.3 |
| 2. Textiles, Wearing Apparel and Leather Industries .. | 415 | 397,351 | 17.0 | 17 | 2,255 | 2.0 | 5 | 323 | 6.3 | 29 | 14,460 | 20.4 |
| 3. Manufacture of Wood and wood products including furniture .. | 7 | 11,586 | 0.5 | — | — | — | — | — | — | 1 | 31,392 | 44.2 |
| 4. Manufacture of Paper and paper products .. | 57 | 45,829 | 2.0 | 3 | 370 | 0.3 | 1 | 53,983 | 55.9 | 2 | 763 | 1.1 |
| 5. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic products .. | 137 | 520,353 | 22.3 | 7 | 7,094 | 6.2 | 1 | 13,105 | 13.6 | 8 | 1,025 | 1.4 |
| 6. Manufacture of Non-Metallic Mineral products except Petroleum and Coal .. | 48 | 74,290 | 3.2 | 2 | 102,049 | 89.0 | 2 | 5,597 | 5.8 | 6 | 3,001 | 4.2 |
| 7. Basic Metal Products .. | 1 | 53,204 | 2.3 | — | — | — | — | — | — | — | — | — |
| 8. Manufacture of Fabricated Metal products, Machinery and transport equipment .. | 242 | 338,113 | 14.5 | 8 | 1,418 | — | — | — | — | 12 | 5,240 | 7.4 |
| 9. Manufactured products, n.e.s. .. | 40 | 32,668 | 1.4 | — | — | 1.2 | — | — | — | 2 | 60 | 0.1 |
| TOTAL .. | 1,141 | 2,333,309 | 88.0 | 45 | 114,663 | 4.3 | 12 | 96,541 | 3.6 | 68 | 71,047 | 2.7 |

TABLE II (C) 9

by Provinces (1973)

| Central Province | | | North Western Province | | | Uva Province | | | Sabaragamuwa Province | | | North Central Province | | | Total | | |
|------------------|---------------|------|------------------------|---------------|------|--------------|---------------|------|-----------------------|---------------|------|------------------------|---------------|-------|--------------|---------------|-------|
| No. of Firms | Production | | No. of Firms | Production | | No. of Firms | Production | | No. of Firms | Production | | No. of Firms | Production | | No. of Firms | Production | |
| | Value Rs. Th. | % | | Value Rs. Th. | % | | Value Rs. Th. | % | | Value Rs. Th. | % | | Value Rs. Th. | % | | Value Rs. Th. | % |
| 23 | 11,577 | 65.5 | 14 | 7,873 | 48.0 | — | — | — | 1 | 136 | 16.3 | — | — | — | 251 | 919,617 | 34.7 |
| 58 | 3,695 | 20.9 | 8 | 2,227 | 13.6 | 3 | 457 | 55.9 | — | — | — | — | — | — | 535 | 420,768 | 15.9 |
| — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 8 | 42,978 | 1.6 |
| — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 63 | 100,945 | 3.8 |
| 9 | 833 | 4.7 | 3 | 639 | 3.9 | 2 | 361 | 44.1 | 1 | 15 | 1.9 | 1 | 21 | 100.0 | 169 | 543,446 | 20.5 |
| 1 | 1 | ... | 12 | 5,105 | 31.1 | — | — | — | — | — | — | — | — | — | 71 | 190,043 | 7.2 |
| — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | 1 | 53,204 | 2.0 |
| 6 | 1,093 | 6.2 | 4 | 565 | 3.4 | — | — | — | 2 | 658 | 81.3 | — | — | — | 274 | 347,087 | 13.1 |
| 5 | 468 | 2.7 | — | — | — | — | — | — | — | — | — | — | — | — | 47 | 33,196 | 1.3 |
| 102 | 17,667 | 0.7 | 41 | 16,409 | 0.6 | 5 | 818 | ... | 4 | 809 | ... | 1 | 21 | ... | 1,419 | 2,651,284 | 100.0 |

Source Central Bank of Ceylon.