

## INDUSTRIAL PRODUCTION

### Introduction

The data on production and employment in the industrial sector for the year 1974 are based on a questionnaire addressed by the Central Bank, to manufacturing industries in the private and public sectors. An attempt was made to cover as many industrial units as possible. (The questionnaire carried the assurance that information furnished to the Central Bank would be treated as strictly confidential and that the data pertaining to individual establishments would not be disclosed).

A total of 3,513 questionnaires were issued. Of these only 1,827 returns were received with the information filled in, which represent a response rate of 51 per cent. Some 229 returns were returned undelivered in the post, and 217 were returned blank by the recipients informing that their industries were out of production.

In general, the year 1974 witnessed very little progress in industrial production in Sri Lanka. The shortage of foreign exchange, capital deficiency, limitations to the free play of market forces continue to inhibit industrial progress. In real terms industrial production increased only marginally, and that too is attributed to the greater coverage of the survey in 1974. The real value of production of those firms that reported both in 1973 and 1974, however, has shown a decline in 1974. The import content of industrial production remains very high, while the exports volume of industries still remains very low. For a small economy that has to depend heavily on imports, export orientation of local industry seems most essential. But heavy protection provided to local industries and the lack of competition from imports inhibit any tendency of these industries to reach the levels of quality and efficiency that are required for export orientation. The local market which is dominated by scarcities of manufactured goods has become the more profitable outlet for their products. As a long term strategy, therefore, it is imperative for Sri Lanka to provide the necessary conditions to make foreign markets more attractive to local industries.

The relevant statistical tables referred to below are given at the end of the text.

### Production

Table II(C) 1 gives the statistical summary of employment and the value of production at current prices for the period 1971—74, while Table II (C) 2 shows the value of industrial production by type of industry and the principal products for the same period, and Table II (C) 2 (1) gives the value of industrial production at constant-prices.

In 1974 the value of production at current prices amounted to Rs. 4,093.9 million compared with Rs. 2,758.6 million in the previous year. The number of reporting firms too increased from 1,419 in 1973 to 1,497 in 1974. Little less than half the total of reporting firms belong to the category of textiles and leather industries. although their share of the total value of industrial production is about 15 per cent.

The considerable increase in the value of production at current prices in 1974 is largely a reflection of the inflationary tendencies experienced in the year. Much of the increase in the total value of production was due to an unprecedented increase in the value of petroleum products resulting from the oil price escalation that took place in 1974. The values of petroleum products increased by 151 per cent from 379 million in 1973 to 949 million in 1974 despite a fall in the volume of petroleum production by 15 per cent. In real terms the value of industrial production in 1974 increased by 2.2 per cent. However, when corrected for the increase in the number of reporting firms the real value of industrial production is estimated to have declined by 5.2 per cent.

Table II (C) 2 (2) gives the value of industrial production both at current and constant prices in respect of corresponding reporting firms for 1973 and 1974. Here again the current values indicate an increase of 39.4 per cent in the total value of production in 1974 while in real terms it shows a decline.

### **Capacity Utilization**

The utilized capacity as a percentage of the total available capacity in industry is shown in Table II (C) 2 (3). In 1974 about 60 per cent of the total capacity in the industrial sector remained unutilized. The very high unutilized capacity may have been partly due to the shortage of raw materials and partly due to the high cost of production. Capacity utilization has been fairly high in the Manufacture of Non-metallic Products (except Petroleum and Coal) and the Manufacture of Food, Beverages and Tobacco. The utilized capacity has been very low in the Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products. The Manufacture of Fabricated Metal Products, Machinery and Transport Equipment and the Manufacture of Wood and Wood Products too have experienced relatively low capacity utilization.

### **Value Added**

The value added in the industrial sector during 1974 is given at current prices in Table II (C) 3. The value added was derived by subtracting the cost of raw materials, fuel and power from the total value of output of each reporting firm. The total value added, at current prices, has shown an increase of 33.4 per cent. In real terms, however, the value added decreased by 9.1 per cent in 1974.

### **The Structure of Industry**

The value of industrial production by major economic categories for the period 1971—74 are shown in Table II (C) 4.

For the last decade or so the structure of industry in Sri Lanka has been dominated by the production of consumer goods. In 1974, however, the intermediate goods category has shown an increase in value over that of the consumer goods category. This is perhaps due to the heavy increase in the value of petroleum products in that year. The production of investment goods has remained very low largely due to its heavy dependence on imported inputs and the limited size of the market.

Distribution of firms based on the value of output as depicted in Table II (C) 5, reveals further concentration of industries. In 1974, 89 per cent of the output was produced by 140 firms whereas in the previous year 86 per cent of the output was produced by 202 firms. The number of smaller firms whose output is less than Rs. 250,000 has, however, increased considerably. In 1973, 817 firms in this group produced 2.2 per cent of the total output while in 1974 the number of firms producing the same share of output has increased to 1,044.

### **Employment and Wages**

The data relating to employment and wages in industry are given in Table II (C) 1.

Despite an increase in the number of reporting firms in 1974 over that of the previous year, a considerable drop in the total number of employees as well as in the average man-days per employee has been a noteworthy feature in the industrial sector. The total number of employees in industry in 1974 was 96,668 as reported by 1,497 firms. This represents a drop of 8.6 per cent over the figure reported in the previous year by 1,419 firms. The drop in employment was most conspicuous in the manufacture of Food, Beverages and Tobacco. Although the number of employees fell in 1974, the total wage bill amounted to Rs. 379.7 million, an increase of 18 per cent over the previous year. The wage per man-day too increased from Rs. 12.89 in 1973 to Rs. 18.00 in 1974. The increase in wages was largely due to a considerable increase in the wage rate in that year. The minimum wage index for workers in industry and commerce increased by 18 per cent in 1974 over the previous year.

Table II (C) 6 gives the size distribution of manufacturing firms based on the wage bill. It is noted that 82.6 per cent of the wage bill is paid by a few industrial concerns that form only 6.5 per cent of the total number of firms. It reflects the heavy concentration of employment in large concerns particularly the state corporations.

### **Use of Raw Materials**

The use of raw materials in 1974 is depicted in Tables II (C) 7 and II (C) 8. The former gives the use of local and imported raw materials by major industrial groups, while the latter classifies the raw materials used by their origin. In 1974, the total value of raw materials used in industry represents 62.7 per cent of the value of total output, while in 1973 the same amounted to only 54 per cent. This considerable increase in the cost of raw materials reflects the increase in prices following the oil crisis.

The cost of imported raw materials in 1974 formed 71.6 per cent of the total cost of raw materials in that year, whereas in the previous year imports cost only 66.7 per cent of the total cost of raw materials. This increase in the share of the cost of imported raw materials does not necessarily indicate that local industry used relatively more imported raw materials in 1974; the increase was due primarily to the increase in prices of imports. However, compared with the previous years the value of imports has decreased considerably in the Manufacture of Paper and Paper Products, Non metallic Mineral Products (except Petroleum and Coal), Fabricated Metal Products, and Machinery and Transport.

Little less than half of the raw materials used in industry have been of mineral origin. This is largely due to the very high value of petroleum imports which alone amounted to 37.5 per cent of the total value of raw materials used in the entire industrial sector. Raw materials of agricultural origin formed 30.0 percent, while those of industrial origin formed 24.8 per cent of the total raw materials used in industry. Relatively lower use of industrial intermediate goods in industry is a characteristic of an under developed economy.

### **Use Power and Fuel**

The most striking feature in 1974 was the steep rise in the cost of power and fuel. The values of power and fuel used in 1974 are given in Table II(C) 9. Compared with 1973 the total value of power and fuel used has risen by 210 per cent. The most conspicuous was the rise in the value of petrol which amounted to 244 per cent. The increase in the value of coal and gas has been considerable while the increase in the value of electricity was moderate.

The steep increase in the value of power and fuel in 1974 was the direct result of the increase in the price of petroleum products in that year. Therefore, it is most likely that this increase in value does not represent an increase in the quantities of power and fuel consumed in industry in 1974.

### **Location of Industry**

The Table II(C) 10 depicts the geographical distribution of manufacturing industries in Sri Lanka in 1974. The geographical distribution of industries has changed very little during the last decade or so. Industries are heavily concentrated in the Colombo district where 74 per cent of the total industries are still located. This is somewhat less than that in the previous year when the concentration was about 80 per cent. In 1974 there has been a greater dispersion of textile industries. Location of industries is determined largely by the availability of raw materials, power, transport and marketing facilities. As a result of the steep rise in oil prices the cost of transport is likely to act as a constraint to further dispersion of industries. Shortage of transport equipment and spares would also act as an additional constraint.

## INDUSTRIAL PRODUCTION AND

Industrial Group	Number of Firms				Number of Employees				Total Man-days (Thousand)			
	1971	1972	1973	1974	1971	1972	1973	1974	1971	1972	1973	1974
I. Manufacture of Food, Beverages and Tobacco	527	304*	251*	155*	33866	32776	23879	15912	7747	7856	4749	4623
II. Textiles, Wearing Apparel and Leather Industries	634	639	535*	639	22568	29083	29994	30391	5254	8536	7090	5273
III. Manufacture of Wood and Wood Products including Furniture	15	11	8	18	4127	4668	4058	5366	798	1099	1164	1155
IV. Manufacture of Paper and Paper Products	74	67	63	64	4645	4323	5105	4935	1228	1262	1303	888
V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products	244	196	169	207	16888	15769	12113	12630	4358	4504	2931	4229
VI. Manufacture of Non-Metallic Mineral Products except Petroleum and Coal	51	64	71	68	9929	8595	8532	9363	2193	2345	2175	1595
VII. Basic Metal Products	1	1	1	1	952	1011	1167	1270	220	304	350	280
VIII. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment	287	280	274	317	15089	21483	18663	15872	3960	5033	4621	3408
IX. Manufactured Products. (Not Elsewhere Specified).	64	64	47	28	2127	2453	2204	929	474	671	579	158
<b>Total</b>	<b>1897</b>	<b>1626*</b>	<b>1419*</b>	<b>1497*</b>	<b>110191</b>	<b>123986</b>	<b>105715</b>	<b>96668</b>	<b>26232</b>	<b>31610</b>	<b>24962</b>	<b>21609</b>

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

TABLE II (C) 1

## EMPLOYMENT 1971—1974 STATISTICAL SUMMARY

Wage Bill (Rupees Million)				Production Value (Rupees Million)				Wage per Man—day (Rupees)				Man—days per Employee			
1971	1972	1973	1974	1971	1972	1973	1974	1971	1972	1973	1974	1971	1972	1973	1974
70.5	82.7	59.2	86.4	743.0	798.7	919.6	1247.3	9.10	10.52	12.46	18.69	229	239	199	291
43.3	72.9	61.4	75.8	606.2	395.5	420.8	570.8	8.24	8.54	8.67	14.38	233	259	236	173
8.8	13.3	15.4	16.7	26.6	30.7	43.0	53.1	11.03	12.09	13.25	14.46	193	235	287	215
11.9	14.6	17.3	18.8	70.3	79.1	101.0	136.5	9.69	11.52	13.24	21.17	264	291	255	180
72.3	82.7	57.1	74.3	530.0	563.8	650.7	1353.0	16.58	18.36	19.64	17.57	258	285	242	192
25.8	37.4	37.6	39.9	176.4	172.9	190.0	238.2	11.76	15.96	17.31	25.02	221	276	255	170
4.7	3.9	7.6	9.7	58.6	67.5	53.2	129.6	21.36	12.66	21.59	34.64	231	300	300	221
39.8	54.9	59.7	56.2	273.5	304.8	347.1	349.2	10.05	10.90	12.93	16.49	262	234	248	215
2.9	5.5	6.0	1.9	23.1	30.4	33.2	16.2	6.12	8.20	10.38	12.03	223	273	263	171
280.0	367.9	321.8	379.7	2207.7	2442.4	2758.6	4093.9	10.67	11.63	12.89	18.00	238	255	238	205

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 1970-74 CLASSIFIED BY

Industrial Group	Value of Production (Rupees Million)				
	1970	1971	1972	1973	1974
<b>1. Manufacture of Food, Beverages and Tobacco</b> ..	684.5	743.0	798.7	919.6	1247.3
(a) Food Preparations .. .. .	250.6	263.2	322.9	382.2	472.3
(b) Vegetable Oils and Fats .. .. .	170.1	190.4	143.9	157.7	357.9
(c) Preserved and Canned Fruits, Vegetables, Meat, Fish and other Sea Foods .. .. .	11.8	23.2	11.5	12.5	48.1
(d) Biscuits, Cocoa, Chocolate and Sugar Confectionery ..	50.5	53.1	50.2	44.3	47.2
(e) Beverages and Spirits .. .. .	94.9	88.1	96.5	94.8	116.7
(f) Tobacco .. .. .	106.6	124.9	173.7	228.1	205.1
<b>2. Textiles, Wearing Apparel &amp; Leather Industries</b> ..	282.7	306.2	394.5	420.8	570.8
(a) Knitted Fabrics and Articles, Made-up Garments and other Apparel except Footwear .. .. .	64.3	70.8	66.7	64.1	100.0
(b) Spinning, Weaving and Finishing of Textiles .. .. .	173.3	189.4	271.2	295.6	399.4
(c) Footwear and Leather Products .. .. .	45.1	46.0	56.6	60.1	71.4
<b>3. Manufacture of Wood &amp; Wood Products Including Furniture</b>	21.2	26.6	30.7	43.0	53.1
(a) Manufacture of Wood .. .. .	10.4	12.8	12.7	11.6	3.7
(b) Plywood .. .. .	10.8	13.8	18.0	31.4	49.4
<b>4. Manufacture of Paper and Paper Products</b> .. .. .	65.0	70.3	79.1	101.0	136.5
<b>5. Manufacture of Chemicals, Petroleum, Coal Rubber and Plastic Products</b> .. .. .	439.2	530.0	563.8	650.7	1353.0
(a) Industrial Chemicals .. .. .	3.1	3.3	5.2	5.6	6.2
(b) Miscellaneous Chemical Products .. .. .	155.9	230.3	213.5	161.4	242.9
(c) Petroleum and Coal Products .. .. .	191.0	198.5	259.5	395.8	954.9
(d) Rubber Products .. .. .	56.4	60.2	67.7	67.8	129.0
(e) Plastic Products .. .. .	32.8	37.7	17.9	20.1	20.0
<b>6. Manufacture of Non-Metallic Mineral Products Except Petroleum and Coal</b> .. .. .	138.8	176.4	172.9	190.0	238.1
(a) Ceramics .. .. .	8.0	8.5	12.9	13.1	44.6
(b) Glass and Glass Products .. .. .	8.1	13.9	11.9	12.8	12.7
(c) Cement, Cement Products and Asbestos Products .. .. .	104.8	116.7	110.4	131.4	160.8
(d) Manufacture of Ilmenite .. .. .	4.7	6.2	3.7	4.8	2.3
(e) Bricks and Tiles .. .. .	13.2	13.1	34.0	27.9	17.7
<b>7. Basic Metal Products</b>	38.9	58.6	67.5	53.2	129.6
(a) Iron and Steel Basic Industries	38.9	58.6	67.5	53.2	129.6
<b>8. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment</b> .. .. .	256.1	273.5	304.8	347.1	349.2
(a) Fabricated Metal Products other than Machinery and Equipment .. .. .	96.9	128.0	111.1	135.6	119.3
(b) Machinery (except Electrical) and Transport Equipmen <sup>t</sup>	70.8	57.3	98.9	102.5	93.4
(c) Electrical Machinery, Apparatus, Appliances and Supplies .. .. .	88.4	88.2	94.8	109.0	136.5
<b>9. Manufactured Products, N.E.S.</b> .. .. .	18.6	23.1	30.4	33.2	16.2
<b>Total</b> .. .. .	1945.0	2207.7	2442.4	2758.6	4093.9

TABLE II (C) 2

## TYPE OF INDUSTRY AND BY PRINCIPAL PRODUCTS

% Within Industry					% of Total Industrial Production				
1970	1971	1972	1973	1974	1970	1971	1972	1973	1974
100.0	100.0	100.0	100.0	100.0	35.2	33.7	32.7	33.4	30.5
36.6	35.4	40.5	41.6	37.9	12.0	11.9	13.2	13.9	11.5
24.9	25.6	18.0	17.1	28.7	8.7	8.6	5.9	5.7	8.7
1.7	3.1	1.4	1.4	3.8	0.6	1.1	0.5	0.5	1.2
7.4	7.2	6.3	4.8	3.8	2.6	2.4	2.0	1.6	1.2
13.9	11.9	12.1	10.3	9.4	4.9	4.0	4.0	3.4	2.9
15.6	16.8	21.7	24.8	16.4	5.5	5.7	7.1	8.3	5.0
100.0	100.0	100.0	100.0	100.0	14.5	13.9	16.1	15.2	13.9
22.7	23.1	16.9	15.2	17.5	3.3	3.2	2.7	2.3	2.4
61.3	61.9	68.8	70.5	70.0	8.9	8.6	11.1	10.7	9.8
16.0	15.0	14.3	14.3	12.5	2.3	2.1	2.3	2.2	1.7
100.0	100.0	100.0	100.0	100.0	1.1	1.2	1.3	1.5	1.3
49.1	48.1	41.4	27.0	7.0	0.5	0.6	0.5	0.4	0.1
50.9	51.9	58.6	73.0	93.0	0.6	0.6	0.8	1.1	1.2
100.0	100.0	100.0	100.0	100.0	3.3	3.2	3.2	3.7	3.3
100.0	100.0	100.0	100.0	100.0	22.6	24.0	23.1	23.6	33.1
0.7	0.6	0.9	0.9	0.5	0.2	0.2	0.2	0.2	0.2
35.5	43.5	37.9	24.8	18.0	8.0	10.4	8.8	5.9	5.9
43.5	37.4	46.0	60.8	70.5	9.8	9.0	10.6	14.4	23.3
12.8	11.4	12.0	10.4	9.5	2.9	2.7	2.8	2.5	3.2
7.5	7.1	3.2	3.1	1.5	1.7	1.7	0.7	0.6	0.5
100.0	100.0	100.0	100.0	100.0	7.1	8.0	7.1	6.9	5.8
5.8	4.8	7.5	6.9	18.7	0.4	0.4	0.5	0.5	1.1
5.8	7.9	6.9	6.7	5.3	0.4	0.6	0.5	0.4	0.3
75.5	66.2	63.8	69.2	67.5	5.4	5.3	4.5	4.8	3.9
3.4	3.5	2.1	2.5	1.0	0.2	0.3	0.2	0.2	0.1
9.5	17.6	19.7	14.7	7.5	0.7	1.4	1.4	1.0	0.4
100.0	100.0	100.0	100.0	100.0	2.0	2.6	2.8	1.9	3.2
100.0	100.0	100.0	100.0	100.0	2.0	2.6	2.8	1.9	3.2
100.0	100.0	100.0	100.0	100.0	13.2	12.4	12.5	12.6	8.5
37.8	46.8	36.5	39.1	34.2	5.0	5.8	4.5	4.9	2.9
27.6	21.0	32.4	29.5	26.7	3.6	2.6	4.1	3.7	2.3
34.5	32.2	31.1	31.4	39.1	4.5	4.0	3.9	4.0	3.3
100.0	100.0	100.0	100.0	100.0	1.0	1.0	1.2	1.2	0.4
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source : Central Bank of Ceylon



TABLE II (C) 2 (1)

## VALUE OF INDUSTRIAL PRODUCTION AT CONSTANT PRICES—1970-74

Industrial Group	Value of Production(Rupees Million)					Annual % Change				
	1970	1971	1972	1973	1974	1970	1971	1972	1973	1974
i. Manufacture of Food, Beverages and Tobacco	684.5	735.6	789.4	870.4	902.8	—	+ 7.5	+ 7.3	+10.3	+ 3.7
ii. Textiles, Wearing Apparel and Leather Industries	282.7	327.1	373.7	315.2	197.4	—	+15.7	+14.3	-15.7	-37.4
iii. Manufacture of Wood and Wood Products including Furniture	21.2	26.7	31.5	41.4	43.5	—	+25.9	+18.0	+31.4	+ 5.1
iv. Manufacture of Paper and Paper Products	65.0	83.6	81.2	75.3	75.5	—	+28.6	- 2.9	- 7.3	+ 0.3
v. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products	439.2	666.8	534.9	474.3	585.4	—	+51.8	-19.8	-11.3	+23.4
vi. Manufacture of Non-Metallic Mineral Products, except Petroleum and Coal	138.8	101.4	119.7	96.5	122.3	—	-27.0	+18.1	-19.4	+26.7
vii. Basic Metal Products	38.9	57.9	61.6	42.2	70.1	—	+48.8	+ 6.4	-31.5	+66.1
viii. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment	256.1	241.5	221.3	201.8	174.5	—	- 5.7	- 8.4	- 8.8	-13.5
ix. Manufactured Products N. E. S.	18.6	17.4	15.4	11.3	4.5	—	- 6.5	-11.5	-26.6	-60.2
<b>Total</b>	<b>1945.0</b>	<b>2258.0</b>	<b>2228.7</b>	<b>2128.4</b>	<b>2176.0</b>	—	+16.1	- 1.3	- 4.5	+ 2.2

Source: Central Bank of Ceylon

**TABLE II (C) 2 (2)**  
**VALUE OF INDUSTRIAL PRODUCTION FOR CORRESPONDING**  
**REPORTING UNITS—1973-1974**

(Rupees Million).

Industrial Group	No. of Firms	At Current Prices			At Constant (1970) Prices.		
		1973	1974	Percentage Change	1973	1974	Percentage Change
1. Manufacture of Food, Beverages and Tobacco. . .	89	604.9	899.3	+ 48.7	572.5	651.0	+ 13.7
2. Textiles Wearing Apparel and Leather Products. . .	312	375.3	413.4	+ 10.2	281.1	142.9	- 49.2
3. Manufacture of Wood and Wood Products including Furniture. . .	03	3.1	2.1	- 32.3	3.0	1.7	- 43.3
4. Manufacture of Paper and Paper Products. . .	29	71.1	110.5	+ 55.4	52.9	61.1	+ 15.5
5. Manufacture of Chemicals Petroleum, Coal, Rubber and Plastic Products. . .	99	142.7	217.4	+ 52.4	99.2	88.5	- 10.8
6. Manufacture of Non-Metallic Mineral Products except Petroleum and Coal. . .	27	62.4	86.8	+ 39.1	31.7	44.6	+ 40.7
7. Basic Metal Products. . .	01	53.2	129.6	+ 143.6	42.3	70.1	+ 65.7
8. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment. . .	146	183.0	224.3	+ 22.6	106.4	112.0	+ 5.3
9. Manufactured Products N. E. S. . .	09	1.3	2.8	+115.38	0.4	0.8	+100.0
<b>Total</b>	<b>715</b>	<b>1,497.0</b>	<b>2,086.2</b>	<b>+ 39.4</b>	<b>1,189.5</b>	<b>1,172.7</b>	<b>- 1.4</b>

Source: Central Bank of Ceylon

TABLE II (C) 2 (3)  
CAPACITY UTILIZATION—1974

Industrial Group	No. of Firms	Output Capacity (Thousand Units)	Quantity of Output (Thousand Units)	Utilization of Capacity
I. Manufacture of Food, Beverages and Tobacco ..	91	250,589	163,247	65.1
II. Textiles, Wearing Apparel and Leather Industries ..	410	194,130	88,500	45.6
III. Manufacture of Wood and Wood Products including Furniture ..	10	162,906	52,937	32.5
IV. Manufacture of Paper and Paper Products ..	39	106,233	48,781	45.9
V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products ..	136	211,982	18,823	8.9
VI. Manufacture of Non-Metallic Mineral Products except Petroleum and Coal ..	42	65,987	51,480	78.0
VII. Basic Metal Products ..	1	83,800	37,151	44.3
VIII. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment ..	210	184,426	60,829	33.0
IX. Manufactured Products (Not Elsewhere Specified) ..	16	44,265	3,049	6.9
Total ..	955	1,304,318	524,797	40.2

Source: Central Bank of Ceylon

TABLE II (C) 3

**VALUE ADDED IN INDUSTRY BY MAJOR  
INDUSTRIAL GROUPS—1970-74**

Rs. Million.

Industrial Group	1970	1971	1972	1973	1974
I. Manufacture of Food, Beverages and Tobacco ..	520.2	564.7	606.9	680.9	690.1
II. Textiles, Wearing Apparel and Leather Industries ..	155.5	168.4	217.0	192.9	257.1
III. Manufacture of Wood and Wood Products including Furniture ..	12.3	15.4	17.8	17.9	32.3
IV. Manufacture of Paper and Paper Products ..	22.8	24.6	27.7	39.2	47.1
V. Manufacture of Chemicals, Petroleum and Coal, Rubber and Plastic Products ..	241.6	309.9	310.0	191.4	635.3
VI. Manufacture of non-Metallic Mineral Products except Petroleum and Coal ..	77.7	98.8	96.9	125.9	51.9
VII. Basic Metal Products ..	7.8	11.7	13.6	8.2	20.9
VIII. Manufacture of Fabricated Metal Products Machinery and Transport Equipment ..	92.2	98.5	109.8	140.1	135.8
IX. Manufactured Products, N.E.S.	4.8	6.0	7.9	13.5	10.4
<b>Total ..</b>	<b>1,134.9</b>	<b>1,298.0</b>	<b>1,407.6</b>	<b>1,410.0</b>	<b>1,880.9</b>

Source: Central Bank of Ceylon

TABLE II (C) 4

## VALUE OF INDUSTRIAL PRODUCTION 1970-1974 BY MAJOR ECONOMIC CATEGORIES

Industrial Group	Rupees Million					per cent				
	1970	1971	1972	1973	1974	1970	1971	1972	1973	1974
<b>A. Consumer Goods</b>	<b>917.0</b>	<b>1,101.2</b>	<b>1,265.0</b>	<b>1,275.9</b>	<b>1712.0</b>	<b>47.2</b>	<b>49.9</b>	<b>51.8</b>	<b>46.2</b>	<b>41.8</b>
i. Food, Beverages and Tobacco	346.7	428.4	520.9	561.9	759.1	17.8	19.4	21.3	20.4	18.6
(a) Food Preparations (1)	82.9	139.0	189.0	182.2	342.0	4.3	6.3	7.7	6.6	8.4
(b) Preserved and Canned Fruits, Vegetables, Meat Fish and other Sea Foods (2)	11.8	23.2	11.5	12.5	48.2	0.6	1.1	0.4	0.5	1.2
(c) Biscuits and Sugar Confectionery	50.5	53.1	50.2	44.3	47.2	2.5	2.4	2.1	1.6	1.2
(d) Aerated Waters	26.6	26.1	21.1	22.4	5.3	1.4	1.2	10.9	0.8	0.1
(e) Arrack, Beer, Stout etc.,	68.3	62.1	75.4	72.4	111.5	3.5	2.8	3.1	2.6	2.7
(f) Tobacco	106.6	124.9	173.7	228.1	205.1	5.5	5.6	7.1	8.3	5.0
ii. Garments (3)	64.3	70.8	66.7	64.1	100.0	3.3	3.2	2.7	2.3	2.4
iii. Footwear and Leather Products	45.1	46.0	56.6	60.1	71.4	2.3	2.1	2.3	2.2	1.7
iv. Miscellaneous Chemical Products (4)	155.9	230.3	213.5	161.4	242.9	8.0	10.4	8.7	5.9	5.9
v. Manufacture of Paper and Paper Products (5)	13.1	18.0	40.4	74.5	9.9	0.7	0.8	1.7	2.7	0.2
vi. Fabricated Metal Products other than Machinery and equipment (6)	3.4	3.6	5.0	5.3	12.1	0.2	0.2	0.2	0.2	0.3
vii. Plastic Products	32.8	37.7	17.9	20.1	20.0	1.7	1.7	0.7	0.6	0.5
viii. Glass and Glass Products	8.1	13.9	11.9	12.8	12.7	0.4	0.6	0.5	0.4	0.3
ix. Ceramics	8.0	8.5	12.9	13.1	44.6	0.4	0.4	0.5	0.5	1.1
x. Rubber Products	56.4	60.2	67.7	67.8	129.0	2.9	2.7	2.8	2.5	3.2
xi. Woven and Finished Textiles	154.2	147.9	208.4	190.0	290.5	8.0	6.7	8.5	6.9	7.1
xii. Manufacture of Wood	10.4	12.8	12.7	11.6	3.6	0.5	0.6	0.5	0.4	0.1
xiii. Manufactured Products, N. E. S. (7)	18.6	23.1	30.4	33.2	16.2	1.0	1.1	1.3	1.2	0.4
<b>B. Intermediate Goods</b>	<b>800.3</b>	<b>842.8</b>	<b>866.6</b>	<b>1,167.7</b>	<b>1980.4</b>	<b>41.1</b>	<b>38.2</b>	<b>35.5</b>	<b>42.5</b>	<b>48.4</b>
i. Food Preparations (8)	337.8	314.6	277.8	357.7	488.2	17.4	14.3	11.4	13.0	11.9
ii. Fabricated Metal Products other than Machinery and Transport Equipment (9)	93.5	124.4	106.1	130.3	107.3	4.8	5.6	4.3	4.7	2.6
iii. Manufacture of Paper and Paper Products (10)	51.9	52.3	38.7	26.5	126.6	2.7	2.4	1.6	1.0	3.1
iv. Spinning (Textiles)	19.1	41.5	62.8	106.6	108.8	0.9	1.9	2.6	3.9	2.7
v. Plywood	10.8	13.8	18.0	31.4	49.5	0.6	0.6	0.7	1.1	1.2
vi. Manufacture of Ilmenite	4.7	6.2	3.7	4.8	2.4	0.2	0.3	0.2	0.2	0.1
vii. Industrial Chemicals (11)	3.1	3.3	5.2	5.6	6.2	0.2	0.1	0.2	0.2	0.2
viii. Electrical Machinery, Apparatus, Appliances and Supplies	88.4	88.2	94.8	109.0	136.5	4.5	4.0	3.9	4.0	3.3
ix. Petroleum and coal Products	191.0	198.5	259.5	395.8	954.9	9.8	9.0	10.6	14.4	23.3
<b>C. Investment Goods</b>	<b>227.7</b>	<b>263.7</b>	<b>310.8</b>	<b>315.0</b>	<b>401.5</b>	<b>11.7</b>	<b>11.9</b>	<b>12.7</b>	<b>11.4</b>	<b>9.8</b>
i. Cement, Cement Products and Asbestos Products	104.8	116.7	110.4	131.4	160.8	5.4	5.3	4.5	4.8	3.9
ii. Machinery (except Electrical) and Transport Equipment	70.8	57.3	98.9	102.5	93.4	3.6	2.6	4.0	3.7	2.3
iii. Bricks and Tiles	13.2	31.1	34.0	27.9	17.7	0.7	1.4	1.4	1.0	0.4
iv. Iron and Steel Basic Industries (12)	38.9	58.6	67.5	53.2	129.6	2.0	2.6	2.8	1.9	3.2
<b>TOTAL</b>	<b>1,945.0</b>	<b>2,207.7</b>	<b>2,442.4</b>	<b>2,758.6</b>	<b>4093.9</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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.,

Source: Central Bank of Ceylon

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 1974,**  
**BASED ON VALUE OF OUTPUT**

Industrial Group		Value of Output			
		Rs. 250 Th	Rs. 250 Th 2 Mn.	Rs. 2 Mn. and over	Total
I. Manufacture of Food, Beverages & Tobacco	.. No. of firms	93	39	22	154
	.. % of output	0.7	3.5	95.8	100.0
II. Textiles, Wearing Apparel and Leather Industries	.. No. of firms	518	80	36	634
	.. % of output	4.3	9.6	86.0	100.0
III. Manufacture of Wood and Wood Products including Furniture	.. No. of firms	14	3	1	18
	.. % of output	2.2	4.7	93.1	100.0
IV. Manufacture of Paper and Paper Products	.. No. of firms	35	23	6	64
	.. % of output	2.3	11.7	86.0	100.0
V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products	.. No. of firms	134	46	26	206
	.. % of output	2.5	9.6	87.9	100.0
VI. Manufacture of Non-metallic Mineral Products except Petroleum and Coal	.. No. of firms	47	12	8	67
	.. % of output	3.2	6.9	89.9	100.0
VII. Basic Metal Products	.. No. of firms	—	—	1	1
	.. % of output	—	—	100.0	100.0
VIII. Manufacture of Fabricated Metal Products, Machinery and Trans- port Equipment	.. No. of firms	189	89	39	317
	.. % of output	3.8	19.0	77.2	100.0
IX. Manufactured Products, N.E.S.	.. No. of firms	14	13	1	28
	.. % of output	4.8	67.4	27.8	100.0
Total	.. No. of firms	1044	305	140	1489
	.. % of output	2.3	8.5	89.2	100.0

Source: Central Bank of Ceylon

SIZE DISTRIBUTION OF MANUFACTURING FIRMS BASED ON WAGE BILL, 1974

TABLE II C 6

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	62 0.4	54 1.8	31 5.2	15 92.6	162 100.0
II. Textiles, Wearing Apparel and Leather Industries ..	No. of Firms % of Wage Bill	438 2.7	107 3.8	92 19.0	22 74.4	659 100.0
III. Manufacture of Wood and Wood Products including Furniture .. ..	No. of Firms % of Wage Bill	6 0.3	7 1.1	6 4.0	2 94.7	21 100.0
IV. Manufacture of Paper and Paper Products ..	No. of Firms % of Wage Bill	23 0.8	20 3.2	17 12.5	6 83.5	66 100.0
V. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products .. ..	No. of Firms % of Wage Bill	96 0.8	42 1.7	52 11.8	17 85.7	207 100.0
VI. Manufacture of Non-metallic Mineral Products except Petroleum and Coal .. ..	No. of Firms % of Wage Bill	27 0.6	19 2.1	17 7.6	6 89.7	69 100.0
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	119 1.6	71 3.6	99 28.0	31 66.8	320 100.0
IX. Manufactured Products, n.e.s. ..	No. of Firms % of Wage Bill	9 3.1	4 5.4	14 91.5	— —	27 100.0
Total .. ..	No. of Firms % of Wage Bill	780 1.2	324 2.5	328 13.7	100 82.6	1532 100.0

Source: Central Bank of Ceylon

TABLE II (C) 7

## USE OF LOCAL AND FOREIGN RAW MATERIALS - 1974

Industrial Group	Number of Firms	Production Rs. Mn.	Raw Materials			
			Total Value Rs. Th.	Local Value Rs. Th.	Foreign	
					Value Rs. Th.	Percentage
1	2	3	4	5	6	
1. Manufacture of Food, Beverages & Tobacco ..	137	851.1	608,074	308,467	299,607	49.3
2. Textiles, Wearing Apparel & Leather Industries ..	596	563.6	295,870	95,059	200,810	67.9
3. Manufacture of Wood and Wood Products including Furniture ..	16	52.8	18,298	15,903	2,395	13.1
4. Manufacture of Paper & Paper Products ..	62	136.1	66,095	29,725	36,370	55.0
5. Manufactured Chemicals, Petroleum, Coal, Rubber & Plastic Products ..	205	1,323.3	1,040,796	115,379	925,417	88.9
6. Manufacture of Non-Metallic Mineral Products except Petroleum and Coal ..	66	228.1	52,841	41,784	10,457	19.8
7. Basic Metal Products ..	1	129.6	57,391	—	57,391	100.0
8. Manufacture of Fabricated Metal products, Machinery & Transport Equipment ..	304	341.0	139,532	39,341	100,191	71.8
9. Manufactured Products, n.e.s. ..	28	16.0	5,195	1,273	3,922	75.5
<b>TOTAL</b> ..	<b>1,415</b>	<b>3,641.6</b>	<b>2,284,092</b>	<b>646,931</b>	<b>1,636,560</b>	<b>71.6</b>

Source: Central Bank of Ceylon.



**TABLE II (C) 8**  
**THE VALUE OF RAW MATERIALS**

				Rupees
Industrial Group	Agricultural	Mineral	Industrial	Total
1. Manufacture of Food, Beverages and Tobacco ..	462,060,403	2,224,023	143,789,894	608,074,320
2. Textiles, Wearing Apparel and Leather Industries ..	155,371,791	10,632,102	129,865,492	295,869,385
3. Manufacture of Wood and Wood Products including Furniture ..	13,502,734	31,092	4,764,072	18,297,898
4. Manufacture of Paper and Paper Products ..	1,792,703	1,121,466	63,181,260	66,095,429
5. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products ..	46,381,780	879,282,322	115,131,838	1,040,795,940
6. Manufacture of Non-metallic Mineral Products except Petroleum and Coal ..	414,902	39,705,611	9,020,696	49,141,209
7. Basic Metal Products ..	—	57,391,024		57,391,024
8. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment ..	4,602,091	40,291,538	94,638,711	139,532,340
9. Manufactured Products (not elsewhere specified) ..	963,250	734,167	3,497,568	5,194,985
Total ..	685,089,654	1,031,413,345	563,889,531	2,280,392,530

*Source:* Central Bank of Ceylon.

TABLE II (C) 9  
**PRODUCTION, POWER AND FUEL - 1974**

Industrial Group	No. of Firms	Production Rs. Million	Fuel Used (Rs Th.)				
			Electricity	Coal & Gas	Petrol & Oil	Other	Total
i. Manufacture of Food, Beverages and Tobacco ..	128	694.2	2,273	203	9,642	269	12,387
ii. Textiles, Wearing Apparel and Leather Industries ..	612	561.9	4,421	47	11,412	150	16,030
iii. Manufacture of Wood and Wood Products including Furniture ..	17	52.9	649	1,236	206	137	2,228
iv. Manufacture of Paper and Paper Products ..	62	135.7	2,686	3	7,186	11	9,886
v. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products ..	199	373.9	4,114	28	12,626	298	17,066
vi. Manufacture of Non metallic Mineral Products except Petroleum and Coal ..	63	138.1	5,591	42	11,307	26,985	43,926
vii. Basic Metal Products ..	1	129.6	2,010	—	5,035	—	7,045
viii. Manufacture of Fabricated Metal Products. Machinery and Transport Equipment ..	309	337.6	3,026	3,560	4,019	1,993	12,598
ix. Manufactured Products, N. E. S... ..	28	16.0	122	141	85	8	355
<b>Total ..</b>	<b>1,419</b>	<b>2,439.9</b>	<b>24,892</b>	<b>5,260</b>	<b>61,518</b>	<b>29,851</b>	<b>121,52</b>

Source: Central Bank of Ceylon

## LOCATION OF INDUSTRIES

Industrial Group	Western			Northern			Eastern			Southern		
	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 & Tobacco ..	93	864,504	25.9	12	44,311	20.8	3	200	0.2	9	4,341	6.0
2. Textiles, Wearing Apparel and Leather Industries ..	452	543,817	16.3	20	5,447	2.6	9	1,039	1.2	45	11,232	15.6
3. Manufacture of Wood and Wood Products including Furniture ..	14	3,171	0.1	—	—	—	—	—	—	3	49,933	69.4
4. Manufacture of Paper and Paper Products ..	58	49,831	1.5	2	387	0.2	1	85,498	95.7	3	811	1.1
5. Manufacture of Chemicals, Petroleum, Coal, Rubber and Plastic Products ..	164	1,309,492	39.3	9	10,500	4.9	—	—	—	11	920	1.3
6. Manufacture of Non-metallic Mineral Products except Petroleum and Coal ..	47	93,360	2.8	4	140,133	65.8	2	2,448	2.7	7	1,427	2.0
7. Basic Metal Products ..	1	129,564	3.9	—	—	—	—	—	—	—	—	—
8. Manufacture of Fabricated Metal Products, Machinery and Transport Equipment ..	251	324,125	9.7	12	11,664	5.5	2	163	0.2	16	3,245	4.5
9. Manufactured Products n.e.s. ..	23	15,435	0.5	1	442	0.2	—	—	—	1	1	—
<b>Total</b> ..	<b>1103</b>	<b>3,333,299</b>	<b>89.2</b>	<b>60</b>	<b>212,884</b>	<b>5.7</b>	<b>17</b>	<b>89,348</b>	<b>2.4</b>	<b>95</b>	<b>71,910</b>	<b>1.9</b>

TABLE II (C) 10

## BY PROVINCES 1974

Central			North West			Sabaragamuwa			North Central			Uva			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.	%
17	6,094	39.4	11	1,237	14.3	9	520	28.6	—	—	—	—	—	154	921,208	24.7	
71	6,137	39.7	15	1,570	18.2	14	864	47.5	3	187	10.6	5	765	73.5	634	571,057	15.3
1	16	0.1	—	—	—	—	—	—	—	—	—	—	—	18	53,123	1.4	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	64	136,526	3.6	
13	1,055	6.8	3	1,074	12.4	2	156	8.6	4	58	3.3	1	193	18.5	207	1,323,448	35.4
3	211	1.4	4	628	7.3	—	—	—	1	2	0.1	—	—	68	238,209	6.4	
—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	129,564	3.5	
8	1,820	11.8	16	4,122	47.8	4	279	15.3	5	1,517	86.0	3	83	8.0	317	347,019	9.3
3	118	0.8	—	—	—	—	—	—	—	—	—	—	—	28	15,996	0.4	
116	15,451	0.4	49	8,631	0.2	29	1,819	0.1	13	1,764	0.1	9	1,041	100.0	1,491	3,736,150	100.0

Source : Central Bank of Ceylon