

**(D) PUBLIC ENTERPRISES****I. GENERAL**

The data published in this section have been provided by the respective enterprises: the figures in regard to profits are mostly provisional and subject to revision when audited figures are available. A few corporations<sup>1</sup> have not furnished any information at all while some of the others have been unable to give even provisional financial information.

The total number of enterprises at the end of 1974 was 85<sup>2</sup>; the enterprise established in 1974 is Colombo Dockyard Ltd., a subsidiary of the Shipping Corporation. Colombo Dockyard has been set up to effect ship repairs and ultimately to build shipping vessels.

The investment in public enterprises rose to Rs. 5,390 million from Rs. 4,747 million in 1973. Of the new investment in this sector, 56 per cent was in industry and 25 per cent in the services sector (see Table 2 (D) I).

Employment in public enterprises stood at 260,766 as at the end of 1974 compared with 228,147 as at the end of 1973. The capital invested per employee (viz. the contributed capital, long term liabilities and reserves less accumulated losses) was Rs. 24,153 in the industrial sector<sup>3</sup> and Rs. 19,354 in the services sector.

On the basis of the provisional data, 44 Corporations, including banks and other financial institutions in the public sector have shown profits. Of these, 28 Corporations made larger profits<sup>4</sup> while three<sup>5</sup> made a profit as against a loss in the previous year. Nine enterprises incurred losses in 1974; of these six<sup>6</sup> have incurred bigger losses two<sup>7</sup> have reduced their losses and one<sup>8</sup> has incurred loss as against a profit in the previous year.

---

1. Of the important enterprises, are the Ayurvedic Drugs Corporation, Building Materials Corporation, Telecommunications Department, Ceylon Hotels Corporation, Mahaveli Development Board, Ceylon Fishery Harbours Corporation and the State Development and Construction Corporation.

2. Excluding social, cultural, educational and consultation organisations.

3. Including the State Plantations Corporation.

4. Flour, Salt, Textile, Printing, Tyre Ceramics, Steel, Plantation, Air Ceylon, Shipping, Insurance, STC (Textile), STC (Tractor), STC (General), People's Bank, Bank of Ceylon, Central Bank, Consolidated Exports, State Engineering, Weaving Supplies, Leather Products, Cement, Paranthan Chemicals, Electricity Board, Paper, Graphite, Sri Lanka Tobacco, and State Pharmaceuticals.

5. Plywoods Corporation, C. T. B. and Ceylon Fertilizer Corporation.

6. Milk Board, C. G. R., Port Tally and Protective Services, Ceylon Oils & Fats Corporation, Colombo District Low Lying Areas Reclamation Bd. & Port Cargo Corporation.

7. State Hardware & Fisheries Corporation.

8. National Lotteries Board.

**TABLE II (D) I****Total Capital Investment of Public Corporations\* 1972/1970**

Rupees Million

Sector	1972	1973	1974
State Industrial Sector** ..	1801.6	1988.4	2346.1
Trading Corporations ..	447.6	372.7	422.0
Services ..	1506.0	1850.9	2009.5
Financial Institutions ..	177.0	534.8	612.1
Total ..	3932.2	4746.8	5389.7

\* Research Institutes, Development Corporations, Banks, Lending Institutions and Investment in Public Companies are excluded. Investment data are in respect of 50 Corporations in 1972, 52 Corporations in 1973 and in 1974. Total investment is defined as Capital + Reserves + Longterm liabilities - Accumulated losses. The data are subject to audit.

\*\* Includes the State Plantations Corporation.

**2. Industrial Corporations**

The total capital investment in the 25 Industrial corporations, including the State Fertilizer Manufacturing Corporation, which had not commenced production has increased by 18 per cent from Rs. 1989.4 million in 1973 to Rs. 2346.1 million in 1974. The capital employed in production (value of fixed assets productively employed) was Rs. 2,053 million which accounts for 90 per cent of the total invested capital.

The summary of the performances of industrial corporations is given in table II (D) 2.

The value of output at current prices increased by 105 per cent to Rs. 2207 million. This high rate of increase was mainly achieved through the escalation of the prices of important imported inputs (on which FEECs are usually payable) as well as because of a higher wage bill. Of the relevant imported inputs, the most important appears to be crude oil the price of which was increased substantially, necessitating an increase in the price of the final products. The increase in the price of furnace oil in particular, led to substantial increases in production costs for the Cement, Steel, Tyre, Ceramics, National Textiles and Hardware Corporations.

In real terms, the production of industrial corporations rose by only about one per cent in relation to 1973. The output in 1974 was below the real output for 1972 by 0.83 per cent. See table II(D)3

**TABLE II (D) 3****Output Index 1969/70—1974**

1969/70	—	100.00
1970/71	—	168.44
1971	—	168.61
1972	—	208.87
1973	—	205.12
1974	—	207.14

**TABLE II (D) 2**  
**State Industrial Corporations Summary of Performance in 1974**

Name of Corporation	Total Capital Investment (Rs'000)	Capital Employed in Production (Rs'000)	Value of Production (Rs. 000)	Profit or Loss (Rs'000)	Employment (Nos)	Exports (Rs'000)	Rate of Return on Capital (%) Utilized in Production	Value of Out put per Employee (Rs'000)	Export as % of Value of Production
1. National Milk Board ..	81,450	131,343	164,279	— 64,779	1,979	—	(Loss)	83.01	—
2. Ceylon Oils and Fats Corporation ..	16,934	32,413 +	48,884	— 14,772	906	4,039	(Loss)	53.96	8.26
3. Sri Lanka Sugar Corporation ..	166,410	156,750 +	n. a.	+ 28,300	9,038	—	14.80	—	—
4. Ceylon State Flour Milling Corpn. ..	57,035	43,000	177,859	+ 40,000**	478	1,853	93.02	372.09	0.91
5. National Salt Corporation ..	26,670	26,467	6,631	+ 7,271	1,078	—	27.47	6.15	—
6. Sri Lanka Tobacco Industries Corpn. ..	12,293	23,909 +	52,605	+ 7,209 ‡	207	—	30.15	254.13	—
7. State Distilleries Corporation § ..	54,021	2,500	4,115	+ 213	125	—	8.52	32.92	—
8. National Textile Corporation ..	379,903	312,475(c)	149,351	+ 18,123	8,021	—	5.80	18.62	—
9. Ceylon Leather Products Corporation ..	17,897	122,77(a)	11,570	+ 700	976	823	5.70	11.85	7.11
10. Eastern Paper Mills Corporation ..	215,642	122,000	85,497 ‡	+ 9,420	2,702	—	7.72	31.64	—
11. Ceylon Plywoods Corporation ..	165,166	143,197 +	49,460**	+ 1,500	4,391	217	1.05	11.26	0.44
12. State Timber Corporation ..	66,396	71,023 +	42,903	+ 3,000 ‡	3,221	—	4.22	13.32	—
13. Paranthan Chemicals Corporation ..	25,620	12,000 +	6,848	+ 1,460	358	—	12.20	19.13	—
14. Ceylon Tyre Corporation ..	73,932	91,512	103,094	+ 5,839	1,935	—	6.38	53.28	—
15. Ceylon Petroleum Corporation ..	222,000	181,600(a)	949,386(e)	n. a.	627 B	350,528 D	n. a.	1514.17	—
16. Ceylon Ayurvedic Drugs Corpn. ..	2,409	5,450 †	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
17. Ceylon Ceramics Corporation ..	69,176	72,846	42,728	+ 10,800	2,759	726	14.83	15.49	1.70
18. Ceylon Cement Corporation ..	348,764	333,327 ‡	139,812	+ 21,700	2,543	12,500	6.51	54.98	8.94
19. Ceylon Mineral Sands Corporation ..	31,857	20,692	2,343	+ 7,309	473	9,457	35.32	4.95	403.63
20. Ceylon Steel Corporation ..	150,632	166,815	129,564	+ 25,465	1,270	—	15.27	102.02	—
21. Ceylon State Hardware Corporation ..	32,179	50,422 ‡	21,212	— 3,000	1,403	—	(Loss)	15.12	—
22. Ceylon Fisheries Corporation ..	41,432	n. a.	n. a.	— 1,880*	1,143	3,051	(Loss)	—	—
23. State Printing Corporation ..	14,688	19,500 ‡	10,143 ‡	+ 1,300	361	—	6.67 ‡	28.10	—
24. State Graphite Corporation ..	8,216	21,895**	9,213	+ 5,061*	1,718	18,321	23.11*	5.36	198.86
<b>Total</b>	<b>2,280,722</b>	<b>2,053,413</b>	<b>2,207,497</b>	<b>+ 81,939</b>	<b>47,712</b>	<b>401,515</b>	<b>4.79</b>	<b>46.27</b>	<b>18.19</b>

\* Budgeted figures  
+ as at end of 1973  
‡ estimated  
† including bunkers & aviation  
C does not include Pugoda Mill  
(a) End of accounting year 1972  
\*\* Provisional data  
§ Seeduwa Distillery

(e) At transfer prices  
B. Refinery and Blending Plant only  
D. including Bunkers and Aviation

*Source:* Respective Corporations.  
and Corporations Division of the Treasury.

Noteworthy increases in production were registered by the Graphite, Cement and Sugar Corporations (which use mainly domestically produced raw materials) and the Steel and Textiles Corporations (which use mainly imported raw materials). Major declines in production levels were registered by the Petroleum Corporation (which uses imported raw materials) and the Eastern Paper Mills Corporation and the National Milk Board (which use both imported and local raw materials).

As in 1973, capacity utilisation was extremely low. This was particularly noticeable in respect of Fisheries Corporation (due to inability to catch fish in sufficient quantities), Oils and Fats Corporation and the National Milk Board (insufficient quantities of local and imported inputs being available and high selling prices leading to a contraction in demand) the Salawa factory of the Plywoods Corporation (insufficient quantities of timber) the Sugar Corporation (insufficient area under cane and low yields) and the Steel Corporation (lack of domestic demand and inability to export due to high costs).

The sales turnover of the production of industrial corporations increased from Rs. 1820 million 1973 to Rs. 2414 million in 1974 due substantially to large increases in the prices of the final goods.

The foreign exchange earnings of industrial corporations rose substantially (by 137 per cent) to Rs. 409.3 million. This was mainly due to increased earnings (by 154 per cent) from petroleum exports and bunkers.

Average rate of return before tax on capital employed in production was 4.8 per cent as against 2.6 per cent in 1973 while the return on investment was 4.3 per cent as against 1.8 per cent in 1973. The total wage bill of the industrial corporations was Rs. 135.6 million<sup>1</sup> in 1974 while the number employed was 47,525 persons<sup>2</sup>.

---

1. in respect of 20 Corporations

2. in respect of 26 Corporations

## ANNUAL CAPACITY, OUTPUT, AND SALES

Corporation <sup>1</sup>	Units of output	1971		
		Capacity	Production	Sale
1. National Milk Board				
Processed Milk ..	Th. pints.	38,325	34,549	34,038
Condensed Milk ..	Th cans	25,000	15,054	16,141
Powdered Milk ..	Th. 1 lb. tins	12,000	11,606	13,672
2. Ceylon Oils & Fats				
Coconut oil ..	Tons	4,000	480	918
Provender ..	"	60,000	52,607	40,327
Fatty Acids ..	"	3,300	1,964	979
Glycerine ..	"	400	248	202
Other oils ..	"	n. a.	n. a.	n. a.
3. Sri Lanka Sugar-Kantalai Unit				
Sugar ..	Metric tons	17,280	n. a.	n. a.
Spirits ..	Th. proof glns.	518	682	676
-Gal Oya Unit				
Sugar ..	Metric tons.	35,700	n. a.	n. a.
Spirit ..	Th. proof glns.	1,000	750	530
4. State Flour Milling				
Flour ..	Tons	56,022	60,290	61,222
Other Products <sup>2</sup> ..	"	21,879	21,803	20,573
5. National Salt Corporation Salterns				
Private salterns ..	Tons	70,000	66,979	n. a.
	"	21,100	17,804	n. a.
6. Marketing Department-Fruit Cannery				
Jams ..	Th. lbs.	n. a.	n. a.	n. a.
Juices ..	Th. lbs.	n. a.	n. a.	n. a.
Creams ..	Th. lbs.	n. a.	n. a.	n. a.
Other Products <sup>3</sup> ..	Th. lbs.	n. a.	n. a.	n. a.
7. Government Distillery - State Distilleries Corporation-(Seeduwa distillery)				
Ordinary Arrack ..	Proof gallons	620,000	173,229	188,120
Double Distilled ..	Proof gallons	20,000	n. a.	n. a.
8. National Textile				
Yarn ..	Th. lbs.	4,908	4,170	1,754
Textile ..	Th. yds.	12,975	8,343	7,850
Finishing ..	Th. yds.	8,436	7,595	7,595
9. Ceylon Leather products				
Shoes ..	Th. pairs	345	281	286
Chrome Leather ..	Th. sq. ft.	1,250	147	486
Bark & Other Leather ..	Th. lbs.	400	329	94
10. Eastern-Paper Mills Manufacturing-Paper				
	Tons	10,500	9,177	9,735
11. Ceylon Plywoods Gintota Factory				
	Th. sq. ft. 3 ply	30,000	23,717	—
	Plywood of which	n. a.	1081	883
	Tea chests Th.			
Kosgama Factory				
	Th. sq. ft. 3 ply	—	—	—
	Plywood	—	—	—
	Th. cu. ft. of $\frac{3}{4}$	—	9	—
	Chip boards (Unveneered)	—	—	—
	Sawn timber (Th. cu. ft.)	—	—	—
12. State Timber Sawn Timber				
Logs ..	Th. Cu. ft.	n. a.	636	607
	"	n. a.	2,800	n. a.

TABLE II (D) 4.

## (QUANTITY) OF STATE INDUSTRIES

1972			1973			1974		
Capacity	Production	Sale	Capacity	Production	Sale	Capacity	Production	Sales
33,489	35,605	35,444	33,489	27,233	26,914	35,040	19,873	19,492
12,501	18,945	17,189	12,501	17,912	15,954	12,527	13,050	16,708
25,623	16,213	15,926	25,623	15,801	16,523	28,105	15,661	15,739
4,000	1,113	815	4,000	n. a.	n. a.	4,000	n. a.	n. a.
72,000	66,800	66,554	90,000	53,240	52,301	70,000	43,070	43,045
3,300	1,868	1,482	3,538	1,470	1,749	1,990	1,206	1,182
400	244	231	398	159	196	240	83	90
n. a.	n. a.	n. a.	5,213	2,215	2,332	n. a.	n. a.	n. a.
17,280	3,429	n. a.	17,280	5,310	5,857	17,280	86,23	8,607
518	n. a.	n. a.	518	661	639	518	635	645
35,700	3,143	n. a.	35,700	6,702	6,377	35,700	10,672	29,783
1,000	n. a.	n. a.	1,000	606	562	1,000	839	1,4691
64,714	70,538	71,366	70,123	64,684	65,693	45,216	46,276	46,536
22,551	24,448	24,763	23,372	26,898	27,194	41,344	39,521	35,648
70,000	139,750	89,603	90,000	126,694	95,956	121,500	118,387	100,110
21,100	16,500	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
n. a.	2,151	1,598	n. a.	n. a.	n. a.	n. a.	1,285	n. a.
n. a.	633	523	n. a.	n. a.	n. a.	n. a.	1,757	n. a.
n. a.	102	22	n. a.	n. a.	n. a.	n. a.	610	n. a.
n. a.	422	369	n. a.	n. a.	n. a.	n. a.	507	n. a.
620,000	98,182	100,779	620,000	152,000	152,000	620,000	143,200	n. a.
20,000	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
9,829	8,974	5,100	18,400	10,553	7,855	23,200	10,083	66,09
17,397	12,122	8,865	28,000	10,993	12,209	41,200	13,112	13,487
17,198	9,554	9,554	60,000	17,630	10,623	60,000	31,919	28,247
345	232	209	345	209	268	345	248	221
1,250	1,208	167	1,250	1312	1,255	1,250	1,246	680
400	320	160	400	266	17	400	215	9
22,500	14,014	12,487	22,500	19,337	18,177	22,500	17,288	14,980
30,000	25,665	n. a.	35,000	24,204	n. a.	35,000	26,370	n. a.
n. a.	1187	n. a.	n. a.	1,909	n. a.	n. a.	2,426	n. a.
75,000	6990	n. a.	75,000	18,987	n. a.	75,000	22,763	n. a.
—	86	—	318	73	n. a.	318	95	n. a.
318	—	—	750	50	n. a.	750	93	
n. a.	731	949	741	719	706	n. a.	644	n. a.
n. a.	3373	n. a.	n. a.	2,418	2,045	n. a.	2,672	2,608

## ANNUAL CAPACITY, OUTPUT AND SALES

Corporation	Units of output	1971		
		Capacity	Production	Sales
13. Tobacco Industries	Beedi bags	—	—	—
14. Paranthan Chemicals				
Caustic Soda	.. Tons	1,650	1,408	1,382
Chlorine	.. "	1,435	542	513
Table Salt	.. "	—	349	346
Hydrochloric Acid	.. "	1,980	481	330
15. Ceylon Tyre				
Tyres	.. Nos.	179,000	158,400	137,539
Tubes	.. Nos.	n. a.	108,399	97,240
Flaps	.. Nos.	n. a.	33,726	25,707
16. Ceylon Petroleum Refinery:				
Gasoline	.. Mt.Tons	n. a.	113,698	137,533
Kerosene	.. "	n. a.	199,416	291,201
Chemical Naptha	.. "	n. a.	90,866	—
Diesel	.. "	n. a.	33,594	404,232
Asphalt	.. "	n. a.	4,836	6,254
Fuel Oil	.. "	n. a.	671,446	691,863
Blending plant: lubricating Oil	.. Th. gallons	n. a.	3,735	3,735
17. Ceylon Ceramics				
Crockery	.. Tons	2,700	2,145	2,272
Sanitary-ware	.. "	500	593	229
Wall Tiles	.. "	300	308	320
Kaolin	.. "	5,000	3,113	3,113
18. Ceylon Cement				
Kankesanturai	.. Tons	200,000	194,205	196,578
Galle	.. "	75,000	57,055	60,953
Puttalam	.. "	220,000	127,759	129,290
19. Ceylon Mineral Sands				
Ilmenite	.... Tons	91,000	95,335	85,300
Rutile	.... "	2,550	2,545	1,010
Zircon	.. "	200	138	—
20. Ceylon Steel				
Rolled Products	.. Metric Tons	80,000	26,416	29,026
Wire Products	.. Metric Tons	12,000	7,184	6,309
21. State Hardware				
Hardware Factory				
Hardware items	.. Th. units	—	832	921
Cast Iron Foundry, Castings	.. Tons	6,000	3,200	2,800
22. Ceylon Fisheries-Casting				
Wet & Frozen Fish	.. Th. lbs.	—	10,206	5,934
Canned Fish	.... Th. Cans	—	847	n. a.
Cured Fish	.. Th. lbs.	—	715	580
Fish meal	.. Th. lbs.	—	240	283
Shark Liver oil	.... Th. gallons	—	5	4
Shark Fins	.... Th. lbs.	—	44	44
Ice	.... Th. lbs.	—	17,682	17,682
23. State Graphite				
Plumbago	.. Tons	—	5,368	—

1. All figures are for calendar years.

2. Includes bran, pollard, rulan, and atta flour.

3. Includes fruit slices, jellies, sauces, chillie powder &amp; treacle.

4. Excludes production at Kahatagaha Mine.

\*\* Sales to marketing functions.

TABLE II (D) 4

## (QUANTITY) OF STATE INDUSTRIES

1972			1973			1974		
Capacity	Production	Sales	Capacity	Production	Sales	Capacity	Production	Sales
—	—	—	—	43,000	42,000	n. a.	45,486	47,271
1,650	1,420	1,390	1,650	1,480	1,470	1,600	1,323	1,338
1,435	638	639	1,435	781	756	1,400	694	709
—	408	394	—	386	365	—	311	334
1,980	641	416	1,980	486	389	1,980	487	448
179,000	149,293	154,910	179,000	149,460	166,482	179,000	172,155	157,268
n. a.	94,401	92,006	n. a.	82,233	73,263	n. a.	166,149	64,662
n. a.	19,900	22,189	n. a.	33,511	27,953	n. a.	26,978	22,463
n. a.	139,313	131,762	n. a.	122,482	122,482**	n. a.	98,613	98,613**
n. a.	246,653	278,663	n. a.	252,131	252,131	n. a.	198,986	198,986
n. a.	107,525	—	n. a.	128,245	128,549	n. a.	107,124	94,963
n. a.	411,801	407,301	n. a.	404,758	404,758	n. a.	351,740	351,740
n. a.	32,212	—	n. a.	30,369	30,369	n. a.	23,892	23,892
n. a.	687,673	593,217	n. a.	668,457	668,805	n. a.	591,585	591,585
n. a.	3,506	3,506	n. a.	4,015	4,015	n. a.	n. a.	n. a.
2,700	2,965	n. a.	2,880	2,930	n. a.	2,931	2,812	n. a.
500	622	n. a.	588	573	n. a.	596	601	n. a.
360	331	n. a.	336	210	n. a.	351	335	n. a.
4,550	3,884	n. a.	5,400	4,791	4,799	5,280	5,791	n. a.
200,000	177,083	176,016	200,000	182,090	185,436	265,000	186,319	221,532
75,000	62,779	66,683	75,000	54,884	57,150	n. a.	49,946	48,926
220,000	137,496	138,802	400,000	178,169	180,805	400,000	229,885	223,570
93,000	81,200	84,150	88,000	92,005	88,127	n. a.	79,817	85,805
3,350	2,117	3,438	—	2,216	2,815	n. a.	3,003	2,372
200	—	15	—	—	—	—	—	—
80,000	32,541	30,989	71,800	23,908	29,597	71,800	28,982	26,134
12,000	7,757	6,011	12,000	4,311	6,900	12,000	8,169	5,019
—	1,002	1,284	n. a.	2,027	2,355	n. a.	2,164	2,204
6,000	4,369	5,212	6,000	3,125	2,050	6,000	3,100	2,940
—	10,070	5,711	n. a.	9,365	5,777	n. a.	9,778	4,818
—	412	n. a.	n. a.	311	n. a.	n. a.	129	134
—	514	474	n. a.	430	327	n. a.	625	676
—	148	153	n. a.	220	302	n. a.	661	432
—	4	4	n. a.	5	4	14	4	3
—	41	41	n. a.	2	2	n. a.	4	—
—	18,862	18,862	n. a.	20,267	n. a.	42,560	n. a.	n. a.
—	6,952	6,297	n. a.	7,688	7,673	n. a.	10,262	9,750

# VALUE OF PRODUCTION, SALES, PROFITABILITY AND

Corporation <sup>1</sup>	Value of Production <sup>2</sup>				Value of	
	1971	1972	1973	1974	1971	1972
1. National Milk Board ..	61,416	104,323	148,652	164,270	79,129	98,040
(a) Processing and other ..	16,300	28,025	31,168	26,712	20,500	24,052
(b) Condensed Milk Factory ..	12,649	23,190	34,236	37,112	17,354	19,757
(c) Powdered Milk Factory ..	32,467	53,108	83,248	100,446	41,275	54,231
2. Ceylon Oils and Fats ..	n. a.	43,075	46,420	48,884	22,867	41,311
3. Sri Lanka Sugar ..	n. a.	34,888	n. a.	n. a.	n. a.	49,796
(a) Kantalai Factory ..	n. a.	—	n. a.	n. a.	n. a.	—
(b) Gal Oya Factory ..	n. a.	—	21,587	46,634	n. a.	—
4. State Flour Milling ..	46,737	56,330	58,092	177,859	47,025	56,125
(a) Flour ..	39,288	45,120	42,074	109,596	39,104	45,669
(b) By products ..	7,449	11,210	16,018	68,263	7,921	10,456
5. National Salt ..	8,478	15,518	6,399	6,631	8,753	8,960
6. Sri Lanka Tobacco Industries ..	—	13,567	49,729	52,605	—	14,609
7. State Distilleries ..	2,737	1,599	3,040	4,115	2,972	n. a.
(Prior to 1974 the Excise Dept)						
8. National Textiles ..	46,778	87,512	122,967	149,351	32,629	62,451
9. Ceylon Leather Products ..	9,238	9,938	7,464	11,570	9,059	10,161
(a) Shoe Factory ..	5,915	6,579	3,510	5,133	n. a.	7,096
(b) Tannery ..	3,323	3,559	3,954	4,694	n. a.	3,065
(c) Leather Goods Factory ..	n. a.	n. a.	1,740	1,743	n. a.	n. a.
10. Ceylon Plywoods ..	n. a.	17,892	25,794	49,460	9,626	18,276
(a) Gintota Factory ..	n. a.	n. a.	n. a.	n. a.	9,626	n. a.
(b) Kosgama Factory ..	—	n. a.	n. a.	n. a.	—	n. a.
11. State Timber ..	10,424	18,473	36,385	42,905	19,459	27,286
12. Eastern Paper Mills ..	25,241	33,913	56,686	85,497	28,100	48,442
(a) Manufacturing ..	25,241	33,913	56,686	85,497	28,100	n. a.
(b) Trading ..	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
13. State Printing ..	n. a.	3,454	6,035	10,143	n. a.	3,635
14. Paranthan Chemicals ..	3,857	4,453	5,616	6,848	4,067	5,251
(a) Manufacturing ..	3,857	4,453	5,616	6,848	4,067	5,251
(b) Trading ..	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
15. Ceylon Tyre ..	34,353	58,853	55,423	103,094	43,628	62,405
16. Ceylon Petroleum ..	153,380	246,426	392,484	978,001	n. a.	n. a.
(a) Refinery ..	134,237	235,709	378,917	949,386	n. a.	n. a.
(b) Blending Plant ..	19,143	10,717	13,567	28,615	n. a.	13,688
17. Ayurvedic Drugs ..	1,589	3,282	3,764	n. a.	2,567	3,374
18. State Fertilizer Manufacturing ..	—	—	—	—	—	—
19. Ceylon Ceramics ..	10,959	12,932	36,940	42,728	21,568	26,021
20. Ceylon Cement ..	84,694	83,117	102,514	139,812	84,992	84,204
(a) Kankasanturai Factory ..	41,397	37,187	43,702	55,092	41,900	36,971
(b) Galle Factory ..	14,552	15,066	14,270	16,256	15,440	16,002
(c) Puttalam Factory ..	28,745	30,864	44,542	68,464	29,090	31,231
21. State Graphite Corporation ..	—	2,438	3,691	9,213	9,021	9,129
22. Ceylon Mineral Sands ..	4,690	4,358	1,787	2,343	4,553	10,828
(a) Ilmenite Factory ..	2,852	2,763	1,531	1,914	3,751	6,561
(b) By products Factory ..	1,838	1,595	256	429	802	4,267
23. Ceylon Steel ..	51,839	66,071	55,651	129,564	63,258	73,587
24. Ceylon State Hardware ..	6,778	12,279	16,459	21,212	6,977†	12,073
(a) Hardware Factory ..	4,516	8,544	12,899	16,789	5,645	7,844
(b) Cast Iron Foundry ..	1,065	3,735	3,560	4,423	1,332	4,229
25. Ceylon Fisheries ..	5,589	5,627	7,739	n. a.	10,954	9,639
26. Marketing Department Fruit Canning Factory ..	3,539	n. a.	n. a.	13,166	n. a.	n. a.

Source: Corporation Division of the Treasury and respective Corporations.

1. Figures are for calendar years.

2. Value of production ex-factory.

## INVESTMENT OF STATE INDUSTRIES 1971 to 1974.

TABLE II (D) 5

Rupees Thousand

Sales		Profit (+) or Loss (-) <sup>3</sup>				Capital Investment <sup>4</sup>			
1973	1974	1971	1972	1973	1974	1971	1972	1973	1974
115,345	134,505	+ 5,812	-11,493	-40,996	-64,779	72,300	56,557	76,614	81,450
24,374	22,615	+ 156	- 6,026	- 6,184	- 4,971	—	—	—	—
26,025	38,133	n. a.	- 3,757	-10,395	-27,800	—	—	—	—
64,946	73,757	+ 5,656	- 1,709	-24,417	-29,352	—	—	—	—
48,059	46,769	+ 2,823	+ 3*0	- 400	-14,772	31,300	5,065	19,897	16,934
40,374	81,872	n. a.	n. a.	+ 356	+ 28,299	145,500	120,119	129,407	166,410
20,162	37,760	n. a.	n. a.	n. a.	n. a.	—	—	—	—
20,212	44,112	n. a.	n. a.	n. a.	n. a.	—	—	—	—
61,475	136,903	+ 1,842	+ 3,634	+ 3,022	+ 40,000	58,500	79,525	40,666	57,035
50,964	68,688	n. a.	n. a.	n. a.	n. a.	—	—	—	—
22,511	68,215	n. a.	n. a.	n. a.	n. a.	—	—	—	—
13,115	16,601	n. a.	+ 1,360	+ 6,831	+ 7,271	28,700	21,945	25,000	26,670
48,374	52,008	—	+ 3,648	+ 11,224	+ 7,209*	—	3,826	7,839	12,293
n. a.	n. a.	n. a.	n. n.	n. a.	+ 213	n. a.	n. a.	3,905	54,021
n. a.	n. a.	—	n. a.	n. a.	—	—	—	—	—
126,776	181,322	+ 6,638	+ 17,936	+ 6,500	+ 18,123	63,500	323,741	330,245	379,903
14,084	13,384	- 145	+ 131	+ 430	+ 700*	77,432	139,36	16,524	17,897
6,072	6,072	n. a.	n. a.	n. a.	n. a.	—	—	—	—
5,704	3,960	n. a.	n. a.	n. a.	n. a.	—	—	—	—
2,306	3,352	n. a.	n. a.	n. a.	n. a.	—	—	—	—
25,964	59,208	+ 1,179	+ 2,513	6,927	+ 1,500	103,800	130,380	128,760	165,166
n. a.	n. a.	+ 1,179	n. a.	—	n. a.	n. a.	—	—	—
n. a.	n. a.	—	n. a.	—	n. a.	—	—	—	—
40,525	44,237	+ 1,177	+ 200	+ 6,416	+ 3,000	16,600	19,608	53,705	66,396
83,110	110,204	+ 893	+ 11,160	+ 14,508	+ 16,700*	121,300	134,696	160,184	215,642
n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	—	—	—	—
n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	—	—	—	—
6,028	10,000*	n. a.	n. a.	+ 669	1,300	14,100	14,102	13,410	41,688
6,320	6,852	+ 622	+ 381	+ 700	+ 2,999	14,700	12,082	12,302	25,620
6,320	6,852	+ 87	+ 381	+ 700	+ 1,460	—	—	—	—
n. a.	n. a.	+ 535	n. a.	n. a.	+ 1,539	—	—	—	—
56,302	100,045	+ 8,500	+ 9,900	+ 4,400	+ 5,839	110,300	77,173	753,60	73,932
847,008	978,000	+ 20,700	n. a.	+ 35,178	n. a.	n. a.	165,700	194,000	222,000
829,285	949,385	+ 17,370	n. a.	+ 30,516	—	n. a.	—	—	—
17,723	28,615	+ 3,330	n. a.	+ 4,662	—	n. a.	—	—	—
3,577	n. a.	+ 372	+ 869	n. a.	n. a.	2,800	3,538	2,325	2,409
—	—	—	—	—	—	8,400	8,969	8,485	9,446
35,425	45,334	+ 3,165	+ 5,500	+ 8,682	+ 10,800	35,400	63,280	67,228	69,176
104,306	160,085	+ 14,452	+ 17,966	+ 12,014	21,700	324,900	239,204	344,500	348,764
44,505	73,917	n. a.	n. a.	n. a.	n. a.	—	—	—	—
14,599	16,568	n. a.	n. a.	n. a.	n. a.	—	—	—	—
45,202	69,600	n. a.	n. a.	n. a.	n. a.	—	—	—	—
11,946	29,482	—	+ 2,744	+ 3,930	+ 5,061	—	n. a.	7,932	8,216
11,880	16,299	+ 2,432	+ 3,070	+ 4,278	7,309	n. a.	20,225	23,390	31,857
8,241	10,803	n. a.	n. a.	n. a.	n. a.	—	—	—	—
3,639	5,496	n. a.	n. a.	n. a.	n. a.	—	—	—	—
87,912	141,605	+ 1,914	+ 7,973	+ 12,813	+ 25,465	138,000	120,968	132,462	150,632
17,539	21,405	- 4,554	- 4,729	- 4,400	- 3,000	49,000	40,214	32,457	32,179
13,995	17,775	n. a.	n. a.	n. a.	n. a.	—	—	—	—
3,544	3,630	n. a.	n. a.	n. a.	n. a.	—	—	—	—
15,204	18,313	- 6,500	- 8,000	- 6,000	- 1,880*	n. a.	43,455	35,200	41,432
n. a.	10,048	+ 495	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.

3. Profit before taxation.

4. Capital Investment=Capital+Reserves+Long term liabilities—Accumulated Losses.

\* Budgeted.

TABLE II (D) 6

Employment in the State Industries 1971 to 1974

Number of Persons

Corporation	1971	1972	1973	1974
1. National Milk Board .. ..	1,954	2,161	1,991	1,979
(a) Processing and distribution .. ..	1,782	1,924	1,991	1,979
(b) Condensed Milk Factory .. ..	n. a.	n. a.	n. a.	n. a.
(c) Powdered Milk Factory .. ..	172	237	—	n. a.
2. Eastern Paper Mills .. ..	1,881	2,220	2,655	2,702
3. Ceylon Ceramics .. ..	1,060	1,256	2,525	2,759
4. Ceylon Oils & Fats .. ..	889	938	924	906
5. Ceylon Plywoods .. ..	1,647	2,455	4,157	4,391
6. Ceylon Leather Products .. ..	908	1,045	993	976
7. Paranthan Chemicals .. ..	315	350	374	358
8. Ceylon Cement .. ..	2,573	2,700	2,739	2,543
9. Sri Lanka Sugar .. ..	n. a.	n. a.	8,559	9,040
10. Ceylon Mineral Sands .. ..	475	486	503	473
11. National Salt .. ..	2,013	1,151	1,007	1,078
12. National Textiles .. ..	4,124	6,040	7,102	8,021
13. Ceylon Steel .. ..	943	1,143	1,167	1,270
14. Ceylon Tyre .. ..	1,657	1,893	2,006	1,935
15. Ceylon State Hardware .. ..	1,400	1,425	1,398	1,403
16. State Flour Milling .. ..	551	551	525	477
17. Ceylon Fisheries .. ..	1,807	1,256	1,307	1,143
18. State Fertilizer Manufacturing .. ..	105	99	84	83
19. Ceylon Petroleum—Oil Refinery .. ..	418	496	512	520
Blending Plant .. ..	115	129	90	107
20. Ceylon Ayurvedic Drugs .. ..	201	329	233	233
21. State Timber .. ..	2,394	2,360	2,283	2,551
22. State Printing .. ..	n. a.	353	344	361
23. Marketing Department—Fruit Canning Factory .. ..	n. a.	229	249	166
24. State Distillery—Seeduwa .. ..	n. a.	n. a.	114	125
25. State Graphite .. ..	—	1,609	1,544	1,718
26. Sri Lanka Tobacco Industries Corporation .. ..	—	112	177	207
<b>Total</b> .. ..	<b>27,430</b>	<b>32,786</b>	<b>45,562</b>	<b>47,525</b>

Source: Figures supplied by the respective Corporations<sup>s</sup>

**TABLE II (D) 7**  
**Exports by State Industrial Corporations**

		Rupees Thousand in f.o.b. terms					
Corporation Unit		1972		1973		1974	
		Quantity	Exchange earned Rs.'000	Quantity	Exchange earned Rs.'000	Quantity	Exchange earned Rs.'000
<b>1. Ceylon Ceramics</b>							
Crockery 4 inch Saucers Dozens		—	—	69	254.0	n. a.	1,758.0*
<b>2. Mineral Sands</b>							
Ilmenite Tons		86,430	4,217.0	88,127	5,064.0	85,805	6,548.0
Rutile Tons		3,225	2,379.0	2,800	2,197.0	2,355	2,909.0
Zircon Tons		10	3.0	—	—	—	—
<b>3. Ceylon Plywoods</b>							
Chipboard Cu.ft.		—	—	n.a.	263.0	n. a.	217.0
<b>4. State Flour Milling</b>							
Bran & Pollard Tons		16,940	4,161.0	11,871	3,195.0	3,901	1,853.0
<b>5. Ceylon Oils / Fats</b>							
Fatty Acids Tons		1,482	4,000.0	1,749	4,380.5	1,159	3,927.0
Glycerine Tons		231	514.0	196	487.9	50	112.0
<b>6. Ceylon Petroleum</b>							
Naptha Mt. Tons		—	—	128,719	23,109.0	100,053	81,240.0
Furnace Oil "		410,248	39,876.8	54,952	3,834.0	18,385	6,805.0
Other Exports I.G.		114,117	27,495.2	68,366	61.0	182,025	620.0a
Marine Bunkers L. Tons		—	—	538,972	93,741.8b	397,329	216,777.2b
Aviation Bunkers "		—	—	39,688	17,068.8	48,009	45,087.9
<b>7. State Hardware</b>							
Hardware and Cast iron Products Units		—	11.0	—	240.0	nil	nil
<b>8. State Graphite</b>							
Plumbago Tons		—	9,129.5	7,462	11,946.0	9,622	18,321.0
<b>9. Leather Products</b>							
Chrome Leather Sq.ft.		108,500	165.0	610,170	1,697.6**	96,066	228.5
Bark Leather Lbs.		129,756	94.0	—	—	nil	nil
Footwear Pairs		—	—	1,522	10.9	nil	nil
Other Nos.		—	—	—	278.2	—	582.4
<b>10. Cement</b>							
Ceylon Cement Tons		50	4.5	—	—	40,516	12,500.0
<b>11. Ceylon Fisheries</b>							
Wet & Frozen Fish Tons		—	—	186.6	1,708.0	258	2638.0
Shark Fins Cwt.		—	—	0.7	33.0	—	—
Boats		—	—	9	237.0	25	273.0
Canned Fish 7 oz.		—	—	—	—	41,808	141.0
cans 15 oz.		—	—	—	—	—	—
<b>11. Marketing Department</b>							
Canned fruits & vegetables							1,411.0
<b>13. Ceylon Steel</b>							
Rolled Products Mt. Tons		—	—	1,050	1,883.0	nil	nil
Wire Products "		—	—	200	490.0	nil	nil
<b>14. Lanka Porcelain</b>							
Porcelain table ware pieces		—	—	—	—	2,035,737	5,355.0
<b>Total</b>			92,056.0		172,179.7		409,304.0

\* Includes local sales for foreign currency of Rs. 1.0 million net of FEECs.

\*\* Bark leather & chrome leather a Including value of Butane Gas b Including service charges.

### 3. INDUSTRIAL UNITS

#### A. Food, Beverages and Tobacco

##### (a) National Milk Board

As in 1973, there was a general decrease in the volume of production in the processing division. The production of pasteurised milk declined by 27 per cent over the 1973 level and by 20 per cent over the 1972 level. The figures for sterilized milk are 26 and 42 per cent respectively. There has also been a noticeable decline in the production of ice cream, muscat, yoghurt and ghee. However, the production of butter (18 per cent over 1973 levels) and cream has increased in 1974.

The production of Lakspray (viz. the quantity packed at the Welisara plant was fractionally higher than in 1973, but lower by 12.5 per cent over the figure for 1972. The output of Vitamilk and Vitamalt declined by 10.7 and 6.9 per cent respectively over 1973 levels. The spray drying plant in Ambewela produced 2,641,762 lbs of full cream milk powder which was, however, only 18.6 per cent of the volume of imported full cream milk powder utilised in the production of Lakspray. The plant has been operating at 14.9 per cent capacity in 1974. The production of condensed milk by the Board has declined by 24 and 32 per cent respectively over 1973 and 1972 levels.

Despite (maximum) producer prices being increased by 20 cents per pint in May 1973 or by 44 per cent over the previous levels and by 30 cents in September 1974, which was 111 per cent over 1972 levels, the volume of milk purchased by the Board was less by 3.0 per cent over 1973 and 1.5 per cent over 1972 due to the contraction of the dairy industry on account of escalating prices of feedstock. Moreover, the higher producer prices have also resulted in higher prices of liquid milk to consumers (100 per cent over 1972 levels for pasteurised milk) making liquid milk difficult for the lower income groups to obtain.

The shortfall in the liquid milk intake of the Milk Board has led to both a continued dependence on imports and to a lower overall availability of milk supplied by the Board. The steep increases in prices of imports (on which FEECs are payable) in 1974, in the context of the policy to restrict price increases to a bare minimum, resulted in the Board incurring a loss of Rs. 70.74 million in 1974 compared with Rs. 40.99 million for 1973.

##### (b) The Oils & Fats Corporation

The Corporation, which is the major supplier of provender feeds in the country, produced only 43,058 tons in 1974 which was 18.3 and 35.5 per cent below its output of these items for 1973 and 1972 respectively. Only 61.5 per cent of its capacity in respect of provender/feeds was utilised in 1974. The decline in production has had an adverse effect on the dairy, pig and poultry industries. The production of oils by the Corporation was 216 tons compared with 1,080 tons in 1973. The volume of exports of fatty acids and glycerine declined by 33.7 and 74.5 per cent respectively over 1973 levels although export values were 14.2 and 78.3 per cent lower on account of international price trends.

On August 1st, 1974, the selling prices of the products of the Corporation were increased approximately by 41 per cent in respect of dairy feedstock and 26 per cent in respect of poultry feed. The previous price increase of about 42 and 17 per cent respectively on these items was on February 1st, 1973. The escalating costs of imported and domestically produced inputs (particularly the products of the coconut industry) were responsible, despite the large increases in selling prices, for the Corporation registering an estimated loss of 14.8 million in 1974 compared with a loss of Rs. 0.4 million in 1973.

**(c) The Government Owned Business Undertaking of the British Ceylon Corporation**

According to information furnished by the Company and its two subsidiaries, the British Ceylon Milling Co. and the British Ceylon Extraction Company, a total of 17,459 tons of coconut oil, 489 tons of neutralized oil and 404 tons of deodorized oil together with 5,534 tons of soap and 13,253 tons of animal feed were produced in 1974. There were 1,126 employees in 1974.

The financial data for 1974 were not made available.

**(d) Sri Lanka Sugar Corporation**

This Corporation provides a noteworthy exception to the industrial corporations in regard to production in real terms in 1974. The higher output of sugar (i.e.a. 56 per cent increase over that ever achieved) in 1974 can be attributed to better performance in regard to new planting and cultivation practices in 1972/73 and a higher 'conversion' rate of cane into sugar: the latter is in turn determined by efficiency in harvesting, transport and factory operations. However, due to the non-availability of water in 1974 only a small proportion of the planned acreage was planted. For this reason as well as because of the preference given to paddy cultivation the estimated output for 1975 is only 16,000 tons, despite the expectation of the government to have a total of 20,000 tons of sugar for 1975, and in the face of international prices favouring the cultivation of sugar instead of rice. It is a sad fact that the very good performance in production in 1974 should be followed by such a setback to the industry. The production of molasses from cane increased by 23 per cent over the highest figure previously recorded while 1,435,914 gallons of alcohol were manufactured in 1974 as against 1,269,000 gallons in 1973. The Corporation also produced 286,315 lbs. of jaggery and 128,004 gallons of syrup at its Uda Walawe Khandasari plant.

Until 1972 the Corporation was paid only the c & f price per ton of sugar. In January 1973 the price paid was increased to Rs 1,904 per ton and in 1974 to Rs 3,136 per ton. The c & f prices for 1973 and 1974 were Rs 1,752.16 and Rs 5,485.75 per ton respectively.

The losses incurred in the production of sugar in 1973 were Rs 5.1 million while about Rs. 20 million is expected to be earned as profits in 1974. The estimated profit from the production and sale of jaggery and syrup are Rs 2.6 million for 1974 while the supply of seed cane to District Development Authorities is estimated to cost the Corporation Rs 0.887 million. Profits from the production and sale of

alcohol were estimated to be Rs 7.8 million in 1974 as against Rs 7.3 million in 1973. The total profits of the Corporation in 1973 were Rs 0.356 million in 1973 while the estimated figure for 1974 is Rs 28.3 million.

**(e) State Flour Milling Corporation**

The output of wheat flour fell by 28.5 per cent to 46,276 tons while that of atta flour increased by 394 per cent to 25,641 tons. Concomittant to the fall in production of wheat flour, the volume of wheat bran produced declined by 65.4 per cent. In 1974, 3901 tons of wheat bran were exported for Rs 1.85 million (f. o. b.) which was substantial decline over the figure for 1973.

The Corporation had an anticipated profit of Rs 40 million in 1974. This was due to two factors. The Food Commissioner paid the Corporation the equivalent of the c & f prices for flour imported by him and the Corporation is called upon to pay approximately U. S. 24 per ton of whole wheat (shipped as containerised cargo) as against approximately U. S. 75 per ton the Food Commissioner has to pay on a ton of flour (imported in bags).

Secondly, the Australian devaluation (without an upward revision of prices that were expressed in Australian currency) also helped to register a 'windfall' profit of about Rs 7 million. The estimated return on capital employed was about 100 per cent in 1974. Although its performance demonstrates its basic viability this Corporation produced only 10.5 per cent of the country's imports of flour as it has one mill to operate.

**(f) National Salt Corporation**

The output of salt declined by 6.5 per cent to 113,387 tons in 1974. There were no exports in this year.

The profit before tax was Rs 2.2 million in 1974 which was a 27.3 per cent return on capital employed. In 1973, the profit was Rs 4.8 million.

**(g) Sri Lanka Tobacco Industries Corporation**

The output of beedies increased by 5.8 per cent to 45,486 bags.

The total profit of this Corporation was Rs 11.22 million in 1973. The estimated profit for 1974 is Rs 12.0 million.

**B. Textiles—Wearing Apparel and Leather Industries**

**(a) National Textile Corporation**

The volume of production by this Corporation in 1974 in respect of its major items reflected an increase on 1973 levels. The production of cloth increased by 15 per cent over 1973 levels and by 8 per cent over 1972 levels. However, if the production of the Pugoda Mill (which was 'commissioned' in 1973) is discounted, the increase in the production of cloth is 11 per cent over 1973 levels. The production of yarn declined by 5 and 4 per cent respectively over 1973 and 1972 levels.

The overall estimated profit was Rs 18.1 million in 1974 compared with Rs 6.5 million for 1973 and Rs 17.9 million for 1972. In terms of capital employed the return on capital excluding the Pugoda Mill was only 5.8 per cent. in 1974.

At the Thulhiriya Mill, output of yarn and sized beams declined by 3 and 35 per cent over 1973 but a substantial increase was recorded in the production of finished cloth (380 per cent) long cloth, (24 per cent) and cloth finished on a commission basis (257 per cent). Employment rose by 13 per cent. Capacity utilisation in respect of spinning, weaving and finishing was 44, 35 and 45 per cent respectively.

At the Veyangoda Mill the output of yarn declined by 10 per over 1973 levels while that of cloth increased by 4 per cent. Capacity utilisation in respect of yarn and cloth was 83 and 55 per cent respectively.

The Pugoda Mill which came into operation (trial production) in April 1974 produced 125,631 lbs. of yarn and 505,120 yards of cloth in 1974.

**(b) Ceylon Leather Products Corporation**

The production of footwear increased by 15.8 per cent over 1973 levels but was lower by 8 per cent over 1972 levels. The production of chrome and bark leather was lower by 5.4 and 24.0 per cent respectively over 1973 levels and by 0.8 and 49.0 per cent over 1972 levels. Capacity utilisation in 1974 was 80 per cent for footwear, 100 per cent for chrome leather and 54 per cent for bark leather.

There were no exports of footwear in 1974. The volume of exports of chrome leather fell by 84.25 percent over 1973 levels. Despite a general rise in the price of leather goods in the world market in 1974, export earnings of the Corporation declined substantially by 59.2 per cent.

The number of employees increased from 823 to 972 or by 18 per cent.

In 1973 the Corporation made a profit of Rs. 0.4 million; the operations of the shoe factory incurred a loss of Rs. 1.5 million. The total profit is estimated to be Rs. 0.7 million for 1974.

**C. Wood and Wood Products**

**(a) Ceylon Plywoods Corporation**

The square feet equivalent of major items of production increased by 13.8 per cent over 1973 levels. The expansion mainly arose though an increase in the production of tea chests (full and half by 34.3 and 27.1 per cent respectively) while the production of other plywood products declined by 13.2 per cent and sawn timber increased by 85.1 per cent. The value of exports in 1974 was Rs. 0.334 million compared with Rs. 0.407 million for 1973.

Capacity utilisation in 1974 was 75.3 per cent in respect of plywood products at Gintota, 30.3 per cent in respect of plywood production in Salawa, and 29.7 and 12.4 per cent for chipboard manufacture and sawn timber respectively in Salawa.

All the production and trading activities of the Corporation ran at a loss in 1973, with the overall figure being Rs. 6.927 million. The estimated profit for 1974 was Rs. 1.5 million which was 1.0 per cent on the capital employed.

**(b) State Timber Corporation**

This Corporation's main activities consist of obtaining timber from state owned land (on the payment of a royalty to the Forest Department) getting the private sector to fell and transport unsawn timber to its mills and the sale of sawn and unsawn timber. It also produces and sells railway sleepers and electrical transmission poles to state organisations.

In terms of the volume of its turnover, there was little change in 1974 over the level in 1973. The volume of sawn timber produced by the Corporation declined by 10.4 per cent while the volume of logs handled increased by 10.5 per cent to 2,672,000 cubic feet.

The profit of this Corporation, which is largely a trading organisation, was Rs. 6.41 million in 1973 which was 15.8 per cent of its turnover or 11.4 per cent on the capital employed. The estimated profit for 1974 was Rs 3.0 million which was 6.8 per cent on sales turnover.

**D. Paper & Paper Products. Printing and Publishing****(a) Eastern Paper Mills Corporation**

The production of paper and paper board declined substantially (by 10.6 per cent) in 1974 as did the production of paper bags (by 7.6 per cent.) The shortfall in production can be mainly attributed to the decline in the availability of imported pulp (by 34.7 per cent) which was only partially offset by an increased intake of (local) waste paper. The average c. i. f. price of imported pulp and chemicals rose by 58.1 and 42.0 per cent respectively.

The prices of products manufactured were increased by approximately 90 per cent on May 20th 1974. The estimated profit for 1974 was Rs. 16.7 million of this figure, Rs. 73 million came from the sale of imported paper and paper products. The return on capital employed was 7.7 per cent in 1974.

**(b) State Printing Corporation**

The estimated value of the work done by the Corporation in 1974 was Rs. 10.1 million as against Rs. 6.0 million in 1973.

The estimated profit for 1974 was Rs. 1.3 million while the profit for 1973 was Rs. 0.67 million,

The estimated return on capital employed was 6.7 per cent in 1974.

**E. Chemicals, Petroleum, Rubber & Plastic Products****(a) Paranthan Chemicals Corporation**

The production of caustic soda, liquid chlorine and table salt, the more important items produced by this Corporation declined by 10.6, 11.1 and 19.5 per cent respectively over 1973 levels. The production of hydrochloric acid increased by 0.3 per cent. There were no exports in 1974. Capacity utilisation was 82.7 per cent in respect of caustic soda and 49.6 and 24.6 per cent for chlorine and hydrochloric acid in 1974.

The net estimated profit for 1974 from manufacturing and allied activities was Rs. 1.461 million and from imports, Rs. 1.541 million. The profit from manufacturing showed a return of 12.2 per cent on capital employed.

**(b) Ceylon Petroleum Corporation (manufacturing activities)**

The overall output of major petroleum products the refinery showed a significant fall of 248,754 tons or 14.0 per cent over 1973 levels. Compared with the output in 1973, the volume of kerosene, gasoline, naphtha, dieselene, furnace oil, aviation turbine fuel and bitumen produced declined by 21, 20, 16, 13, 12, 20 and 21 per cent respectively. The refinery also produced 715 tons of petroleum gas which is a substitute for kerosene, firewood and coal gas.

The average c & f price of the major import, crude oil, increased from Rs 148 per ton to Rs 561.57 per ton, an increase of 279 per cent. With the increase in the international prices for petroleum products, (on which the transfer prices paid to the refinery by the Corporation are determined), the value of the refinery's production were higher at Rs 949.4 million over the 1973 figures of Rs 378.9 million. The revised accounts for the refinery's operations for 1973 show a profit of Rs 30.5 million, which was a return of 18 per cent on the capital employed. The estimated figures for 1974 were not made available.

The volume of lubricants processed by the blending plant (3,136,717 gallons) declined by 22 per cent over 1973 levels. The profit on operations in 1973 was Rs. 4.66 million or 22 per cent on capital employed.

The production of candles declined by 9 per cent over 1973 levels.

**(c) Sri Lanka Tyre Corporation**

The output of this Corporation in terms of standard tyres (viz. a tyre weighing 33 kilograms or of the size 750 x 20) was 121,600 nos. in 1974 compared with 100,076 nos. in 1973 and 111,308 nos. in 1972. Capacity utilisation was 90.7 per cent in 1974.

In the years 1973 and 1974 the profit per standard tyre was Rs. 44.00 and Rs. 48.0. respectively. The amount of expenditure on labour per standard tyre rose by 60 per cent in 1974 while expenditure on inputs rose by 4.8 per cent. There were two price increases on 1973 price levels. The first one (on December 14, 1973) was in the region of 40 per cent while the second one (on December 16, 1974) was in the region of 75 per cent. Rs. 5.8 million was obtained as the estimated profit for 1974 which was 6.4 per cent on the capital invested.

**(d) Ceylon Ayurvedic Drugs Corporation**

No data were made available in respect of 1974.

**(e) State Fertilizer Manufacturing Corporation**

No production data were available for 1974 as the Corporation has not commenced production.

This Corporation was established in 1966.

**(F) Non-Metallic Mineral Product (except petroleum products)**

**(a) Ceylon Ceramics Corporation**

There has been a marginal decline in the output of crockery in 1974 while the output of the other products increased in relative terms.

The foreign exchange expenditure on imported inputs utilised in production as well as the opportunity cost of the furnace oil consumed amounted to Rs. 5.7 million, while the Corporation earned Rs. 0.7 million from exports and Rs. 1.0 million (net of FEECs) from local sales for which payment was received in foreign currency.

The fuel bill of the Corporation rose by 107 per cent in 1974 to Rs. 7.2 million. Despite this, the costs of production of the items produced do not appear to have changed much over 1973 levels. There was an upward revision of prices on June 29th, 1974. The estimated profits for 1974 were Rs. 10.8 million which was 14.8 per cent on the capital employed in production and were higher by Rs. 2.1 million over the figure for 1973.

**(b) Lanka Porcelain Ltd.**

This venture which is basically a subsidiary of the Ceramics Corporation, where 33 per cent of the issued capital has been contributed by Noritake of Japan, commenced operations in October 1973.

While there were no exports in 1973, the f.o.b. value of exports in 1974 was Rs. 5.35 million. The c.i.f. value of imported raw materials used in manufacture in 1974 was Rs. 3.31 million.

The output in 1974 was 2,684,689 pieces of crockery of which 15 per cent was sold domestically.

Capacity utilisation (in terms of number of pieces of porcelain) was 65 per cent in 1974 which was due to large items in terms of body weight being manufactured.

The number employed in 1974 were 604.

The loss in 1973 was Rs. 2.0 million and in 1974 it was Rs. 1.7 million.

**(c) Ceylon Cement Corporation**

The output of cement reached 466,136 tons in 1974 which was an increase of 10.9 per cent over the 1973 level and 19.1 per cent over the 1972 level. The utilisation of capacity was 76 and 67 per cent in the Kankasanturai and Puttalam plants respectively.

The Corporation used Rs. 11.8 million worth of foreign exchange resources plus 11,379,270 gallons of furnace oil which could have been exported for Rs. 17,742,900 f.o.b. The foreign exchange thus directly expended on the production of a ton of cement is Rs. 63.49.

A noteworthy feature in 1974 is that 40,516 tons of cement were exported from Kankasanturai factory which earned a figure of Rs. 12.5 million f.o.b. Export revenue was as high as Rs. 509 per ton, inclusive of FEECs, which was substantially above the average sales price of cement sold in the domestic market.

The prices of cement were raised by approximately 11 per cent on January 22, 1973, by approximately 20 per cent on February 18th 1974, and again by approximately 23 per cent on December 16, 1974. The estimated profit for 1974 before tax was Rs. 21.7 million which was a 6.5 per cent return on capital employed. The profit in 1973 was Rs. 12.0 million.

**(d) Ceylon Mineral Sands Corporation**

In relation to the figures for 1973, the production of ilmenite declined by 13.2 per cent to 79,817 tons while that of rutile increased by 35.5 per cent to 3,000 tons. Exports in 1974 were lower in respect of ilmenite by 2,322 tons and in respect of rutile by 445 tons. However, higher f.o.b. prices were realised, resulting in a higher value of sales in 1974, viz. Rs. 16.299 million compared with Rs. 11.880 million in 1973.

The Corporation earned a profit of Rs. 4.29 million in 1973 and Rs. 7.31 million in 1974 on which the return on capital employed was 35.3 per cent.

**(e) State Graphite Corporation**

This Corporation owns and operates four mines viz the Bogala mine (nationalised on May 18th, 1971 but vested in the Corporation on January 1, 1974), the Kolongaha mine (from October 22, 1971), the Kahatagaha mine, (from April 21st, 1972) and the Ragala mine (where the Corporation began prospecting for graphite from July 1st, 1973). The production of graphite in 1974 increased by 34 per cent over 1973. Comparing 1974 with 1972, the first year of operations after nationalisation, there has been an increase in production of 11.4 per cent at Bogala 64.0 per cent at Kolongaha and 283.3 per cent at Kahatagaha. The volume of graphite produced and exported in 1974 was 10,262 and 9,622 tons respectively while export earnings were Rs. 18.3 million.

Although substantial progress has been achieved in 1974 in relation to the performance in the first year of operations after nationalisation (1972) it has to be noted that both in 1973 and 1972 the volume of production was substantially lower (by 20.1 and 27.8 per cent respectively) over the export volume, as recorded by the Customs, for 1970 and still substantially lower than the export volume for any year in the period 1965—69 (see table II(D)7A). The average annual volume of exports in the period 1965—70 was 10,065 tons while the export availability for 1974 viz. the output for 1974 (10,262) tons less domestic consumption (137) tons, was 10,125 tons. If the period 1968—70 (when FEECs were payable on export earnings) is considered, the average annual export volume is 10,667 tons which is 5.4 per cent higher than the 10,125 tons available for export from the 1974 output and 9.8 per cent higher than the actual volume of graphite exported (9,622 tons) in 1974.

The Corporation earned an estimated profit of Rs. 11 million in 1974 compared with a profit of Rs. 7.7 million in 1973. The higher profit was obtained largely as a result of increased production and sales.

**TABLE II(D) 7A****Exports of Graphite**

				Volume (000 cwt)	Value (Rs Million) f.o.b.	Unit price f.o.b. Rs. per cwt.
1965	..	..	..	175	5.4	31.05
1966	..	..	..	197	6.2	31.30
1967	..	..	..	204	6.7	32.83
1968	..	..	..	213	7.8	36.91
1969	..	..	..	225	8.3	36.78
1970	..	..	..	193	8.9	46.39
1971	..	..	..	153	9.0	59.10
1972	..	..	..	118	8.8	74.72
1973	..	..	..	122	11.6	94.93
1974	..	..	..	192	18.3	95.20

Sources: Customs, Sri Lanka and (for 1974 figures) State Graphite Corporation

**G. Base Metal Industries****(a) Ceylon Steel Corporation**

The output of rolled products, at 28,982 tons, rose by 21.2 per cent in 1974 though it was lower than in 1972 by 36.2 per cent. Capacity utilisation was 33.3 per cent. However, the output of wire products rose substantially to 7,234 tons or by 68 per cent. There were no exports in 1974.

The profit in 1974 was Rs. 25.5 million which was a return of 15.3 per cent on the capital employed. The profit in 1973 was Rs. 12.8 million. The profit per ton of rolled product rose to Rs. 729 in 1974 from Rs. 471 in 1973. The average cost per ton rose by Rs. 684 and the average revenue by Rs. 942. Steel prices were raised substantially in February 1974.

**H. Fabricated Metal Products, Machinery and Equipment****(a) State Hardware Corporation**

The production of mammothies and other agricultural implements declined by 5 and 1 per cent respectively over 1973 levels while the production of sanitaryware, engineering tools and cutlery declined by 33.44 and 5 per cent respectively. As in the previous year, the production of cast iron products at the foundry declined in 1974 and was only 51.7 per cent of installed capacity; this relatively poor performance is due to difficulties in marketing more cast iron products in the domestic and foreign markets. Although the Value of exports of cast iron products was Rs. 02.40 million in 1973, in 1974 there were no exports of cast iron or any other product of the Corporation.

The cost of production of most items rose by approximately 35 per cent in 1974 relative to 1973 levels due mainly to an increase in the cost of imported raw material (on which FEECs are payable). There was a substantial rise (of about 50 per cent) on March 30, 1974 in the prices of most items produced. The estimated loss for 1974 is Rs. 3 million while the loss incurred in 1973 was Rs. 4.4 million.

**TABLE II (D) 8**  
**STATE PLANTATIONS CORPORATION (a)**

Items				1970/71	1971/72	1973	1974
1.	<b>Capital Invested (Rs '000) (b)</b>	..	..	<b>40,965</b>	<b>46,253</b>	<b>49,002</b>	<b>64,853</b>
	On Plantations	..	..	33,815	39,095	41,844	57,695
	On Factories	..	..	7,150	7,158	7,158(d)	7,158(d)
2.	<b>Plantations</b>	..	..				
	Number	..	..	13	23	29	67
	Acreage	..	..	12,827	32,887	39,235	73,164
	Acreage Planted	..	..	9,814	22,853	27,250	48,598
	Revenue (Rs. '000)	..	..	5,936	22,815	28,307	62,572
	Profits (+) or Loss (-)	..	..				
	(Rs. '000) (c)	..	..	+ 448	+ 1,785	+ 2,262	+ 12,403
	Employment (Nos.)	..	..	6,775	19,146	21,098	49,340
3.	<b>Factories</b>	..	..				
	Number	..	..	4	4	4	4
	Revenue (Rs. '000)	..	..	3,802	4,284	3,921	5,282
	Profits (+) or Loss (-) (c)	..	..				
	(Rs. '000)	..	..	+ 29	- 513	+ 136	+ 661
	Employment (Nos.)	..	..	226	290	290	271
4.	<b>Total</b>	..	..				
	Revenue (Rs. '000)	..	..	9,738	27,099	32,228	67,854
	Profit (+) or Loss (-)	..	..				
	(Rs '000) (c)	..	..	+ 477	+ 1,272	+ 2,398	+ 13,064
	Employment (Nos.)	..	..	7,001	19,436	21,388	49,611

*Source: Ceylon State Plantations Corporation.*

(a) 1970/71 figures are for accounting year October to September, but 1971/72 figures are for 15 month period ending December 1972. 1973 and 1974 figures are for calendar year.

(b) Cumulative as at end of accounting year

(c) Profit before Tax

(d) End of accounting year 1972.

#### **4. Other Public Enterprises**

##### **A. Agriculture, Forestry and Fishing**

###### **(a) Ceylon Fisheries Corporation**

The production of wet and frozen fish in 1974, at 4,364.99 tons, was 4.4 per cent higher than in 1973 but was lower over the output for 1971 by 4.2 per cent. There was a decline of 25.8 per cent in the volume of shark liver oil produced. Dry fish production increased by 48.4 per cent to 275.82 tons which was, however, only 2.2 per cent of total imports of dry fish. The production of canned fish declined by 49.5 per cent. The number of fishing boats manufactured declined from 60 to 25 or by 58.3 per cent. However, there was an increase in the production of ice by 942 per cent. This Corporation, which has been in operation since 1965 in competition with the private sector, has yet to make a significant impact on the fishing industry in Sri Lanka.

Export earnings from fish increased to Rs. 2.7 million which was Rs. 10.1 per cent of export earnings from these products for 1974. The f.o.b. earnings from canned fish was Rs. 0.2 million while the net foreign exchange earnings from fishing operations off the coast of Malaysia were Rs. 0.412 million.

The number of employees declined to 1,143 from 1,308 in 1974.

The Corporation continued to make losses, with a figure of Rs. 6.0 million for 1973 and an estimated figure of Rs. 1.9 million for 1974.

###### **(b) State Plantations Corporation**

During the year under review the State Plantations Corporation managed 67 plantations as against 29 in the previous year. The total cultivated acreage planted has increased by 86 per cent from 39,235 to 73,164 acres. This was due to the policy adopted by the Land Reform Commission to hand over the more productive estates vested in it to this Corporation and the purchase of some estates owned by Sterling Plantation Companies. The extent of land involved was 16,256 acres of tea 3365 acres of rubber and 6021 acres of coconut. The Corporation is now by far the largest individual owner of land in Sri Lanka.

The gross profit per cultivated acre of tea was Rs. 255 in 1974 while it was Rs. 251 per employee. From plantations and factories taken together the Corporation has made an estimated gross profit of Rs. 13.1 million in 1974.

Basic statistics on the operation of this Corporation in 1974 are found in table II (D) 8.

##### **B. Transport, Storage and Communications**

###### **(a) Ceylon Transport Board**

Although the fleet owned by the C.T.B. increased to 7,005 vehicles from 6,643 the deficit between the average fleet operated and the numbers required was 974 in 1974 compared with 660 in 1973 and 180 in 1972. The average vehicle utilisation per day fell to 149 miles from 150 miles in 1973 and 154 miles in 1972.

**TABLE II (D) 9**  
**Transport, Storage and Communication**

<b>Ceylon Government Railway<sup>1</sup></b>	<b>1971</b>	<b>1972</b>	<b>1973</b>	<b>1974</b>
1. Capital Invested <sup>2</sup> (Rs '000)	42,881	31,641	46,567	49,690
2. Track Mileage (Miles)	1,140	1,140	1,140	1,140 (e)
3. Vehicles (Nos.)	1,233	1,243	1,271	1,297
(a) Locomotives <sup>3</sup>	263	265	270	282
(b) Carriages	970	978	1,001	1,015
4. Traffic Carried				
(a) Passenger (Mn.) <sup>4</sup>	81.8	85.0	89.0	96.0 (e)
(b) Goods (Mn. Tons) <sup>5</sup>	1.76	1.7	1.8	2.0 (e)
5. Traffic Mileage				
(a) Passenger Mileage (Mn. Passenger miles)	1,724	1,924	2,051	2,278 (e)
(b) Goods Mileage (Mn. Ton Miles)	203.8	207.4	199.6	210.5 (e)
6. Total Revenue (Rs '000)	116,279	177,858	149,833	186,158
(a) Passengers	63,566	93,956	83,159	109,614
(b) Goods	48,422	69,333	53,043	63,054
(c) Other	4,291	14,569	13,631	13,490
7. Total Expenditure <sup>6</sup> (Rs '000)	147,010	194,922	167,707	228,218
8. Profit (+) or Loss (-) (Rs '000) <sup>7</sup>	-61,907	-80,025	-81,106	-131,140
(a) On working	-31,176	-17,064	-17,874	-42,060
(b) Overall	-30,731	-62,961	-63,232	-89,080 (e)
9. Employment				
(a) Employed Number <sup>8</sup>	n. a.	25,858	26,206	26,257
(b) Total Wage Bill (Rs '000) <sup>9</sup>	n. a.	107,676	88,713	99,574
<b>Ceylon Transport Board<sup>1</sup></b>	<b>1971</b>	<b>1972</b>	<b>1973(e)</b>	<b>1974(e)</b>
1. Capital Invested <sup>2</sup> (Rs '000)	376,494	466,165	518,686	591,711
(a) Vehicles	294,364	361,132	398,226	443,226
(b) Others	82,130	105,033	120,460	148,485
2. Vehicle Fleet (Nos.)				
(a) Owned	6,404	6,300	6,643	7,005
(b) Operating Stock	5,834	5,923	6,034	6,235
(c) Available Effective	5,813	4,301	4,481	4,622
(d) Required	4,940	4,979	5,250	5,276
(e) Operated Average	4,494	4,799	4,590	4,302
3. Mileage (Mn. Miles)				
(a) Scheduled	301.200	311.526	310.275	302.409
(b) Operated	241.100	270.083	250.899	234.765
(c) Lost	64.300	50.799	68.038	74.243
(d) Dead	1.900	945	896	899
4. Capacity Utilization				
(a) Total seat miles (Mn. Miles)	12,625.800	14,345.986	13,373.497	12,381.089
(b) Total passengers carried (Mn. Nos.)	1,335.800	1,390.351	1,405.164	1,248.800
(c) Total passenger miles (Mn. Miles)	1,419.100	8,697.918	9,213.742	7,904.975
(d) Load factor (%)	58.8	60.6	68.9	63.8
(e) Average vehicle utilization (Miles per day)	147	154	150	149

TABLE II D 9

## Transport, Storage and Communication

Ceylon Transport Board <sup>1</sup>		1971	1972	1973	1974
5. Revenue (Rs Million)					
(a) Passenger Fares	..	n. a.	487.442	414.056	574.046
(b) Other	..	n. a.	18.423	16.846	20.238
6. Expenditure <sup>10</sup> (Rs '000)	..	366,743	534,135	464,740	573,081
7. Wage Bill (Rs '000)	..	203,991	231,596	236,388	250,678
8. Employment <sup>8</sup> (Nos.)	..	48,140	53,989	52,712	52,802
9. Profit (+) or Loss (—) <sup>7</sup> (Rs '000)	..	—56,707	—28,270	—33,838	+21,203
Air Ceylon Limited <sup>1</sup>		1971	1972	1973	1974*
1. Value of Assets <sup>2</sup> (Rs '000)	..	140,304	103,004	92,698	n. a.
2. Passengers & Goods carried					
(a) Passengers (Nos)	..	119,479	115,733	109,200	n. a.
(b) Goods (kgs)	..	630	673,585	761,286	n. a.
3. Passenger and Ton mileage					
(a) Passenger kms ('000)	..	69,710	39,825	352,269	203,216
(b) Goods Ton kms ('000)	..	1,620	3,456	2,943	n. a.
4. Capacity Utilization (Load Factor %)					
(a) Internal Services	..	53.5	44.45	61.67	n. a.
(b) Regional Services	..	33.0	—	n. a.	n. a.
(c) International Services	..	—	34.70	66.75	n. a.
5. Total Revenue (Rs '000)	..	19,097	82,713	115,411	105,586
6. Total Expenditure (Rs '000)	..	55,549	75,888	109,908	98,384
7. Profit (+) or Loss (—) <sup>7</sup> (Rs '000)	..	+2,078	6,825	+5,503	+8,201(e)
8. Employment <sup>8</sup> (Nos)	..	716	806	925	1,071
Ceylon Shipping Corporation		1971	1972	1973	1974
1. Capital contributed by the Govt. (Rs '000)	..	8,160	15,434	17,124	41,834
2. Total income (Rs '000) of which foreign exchange earnings	..	1,765	50,218	76,835	145,278
3. Total expenditure (Rs '000)	..	1,010	43,369	63,040	112,440
4. Profit (+)/Loss (—) <sup>7</sup> (Rs '000)	..	+1,812	+6,849	+13,795	+32,838
5. Employment <sup>8</sup>	..	108	80	121	161
Colombo Port Commission <sup>1</sup>		1971	1972	1973	1974
1. Capital Invested <sup>2/3</sup> (Rs '000)	..	343,761	362,590	374,654	381,886
(a) Colombo Port	..	303,852	321,488	330,217	335,025
(b) Galle Port	..	33,610	33,944	34,480	34,629
(c) Trincomalee Port	..	2,331	3,098	4,322	5,454
(d) Other Ports	..	3,968	4,060	5,635	6,778

**TABLE II D 9**  
**Transport, Storage and Communication**

<b>Colombo Port Commission 1</b>		<b>1971</b>	<b>1972</b>	<b>1973</b>	<b>1974</b>
2. Revenue—(Rs'000)	..	50,574	51,716	40,801	47,182
(a) Colombo Port	..	50,309	51,314	40,475	46,939
(b) Other Ports	..	265	402	326	243
(i) Galle Port	..	72	134	114	42
(ii) Trincomalee Port	..	179	257	211	201
(iii) Other Ports	..	14	11	1	—
3. Working Expenditure—(Rs'000) <sup>15</sup>	..	30,551	30,293	30,629	31,555
(a) Colombo Port	..	29,785	29,124	29,033	30,208
(b) Other Ports	..	742	1,140	1,432	1,253
(c) Coast Protection	..	24	29	164	94
4. Surplus (+) or Deficit (—) <sup>14</sup> (Rs'000)	..	+ 3,034	+ 2,595	n. a.	n. a.
(a) Colombo Port	..	+ 5,731	+ 4,555	n. a.	n. a.
(b) Other Ports	..	— 2,697	— 1,960	n. a.	n. a.
5. Employment <sup>8</sup> (Nos.)		9,013	8,364	8,204	8,113
<b>Port Cargo Corporation <sup>1</sup></b>		<b>1971</b>	<b>1972</b>	<b>1973</b>	<b>1974 <sup>(e)</sup></b>
1. Capital Invested (Rs. '000) <sup>2</sup>	..	54,324	57,250	57,250	57,250
(a) Colombo	..	50,137	55,505	55,505	55,505
(b) Galle	..	1,500	1,670	1,670	1,670
(c) Trincomalee	..	2,687	75	75	75
2. Goods handled—('000 tons)	..	2,984	2,619	2,545	2,512
(a) Colombo	..	2,729	2,426	2,353	2,318
(b) Galle	..	62	26	34	32
(c) Trincomalee	..	193	167	158	162
3. Revenue—(Rs. '000)	..	122,780	122,987	115,838	110,213
(a) Colombo	..	114,683	116,235	109,977	103,840
(b) Galle	..	1,707	1,118	1,108	1,091
(c) Trincomalee	..	6,390	5,634	4,753	5,282
4. Expenditure—(Rs. '000)	..	132,006	127,595	120,992	120,677
(a) Colombo	..	114,641	109,622	103,769	103,251
(b) Galle	..	3,966	3,821	4,029	3,882
(c) Trincomalee	..	13,399	14,152	13,194	13,544
5. Profit (+) or Loss (—) (Rs. '000) <sup>7</sup>	..	— 9,226	+ 4,609	— 5,154	— 10,464
(a) Colombo	..	+ 42	+ 6,631	+ 6,208	+ 589
(b) Galle	..	— 2,559	— 2,704	— 2,921	— 2,791
(c) Trincomalee	..	— 7,009	— 8,518	— 8,441	— 8,262
6. Employment (Nos.) <sup>8</sup>	..	19,889	19,102	17,590	15,423
(a) Colombo	..	17,264	16,062	15,000	12,897
(b) Galle	..	800	784	740	639
(c) Trincomalee	..	1,825	2,256	1,850	1,887

TABLE II D 9

## Transport, Storage and Communication

Port Cargo Corporation	1971	1972	1973	1974
7. Wage Bill—(Rs. '000)	190,035	104,184	105,507	117,362
(a) Colombo	94,081	n. a.	n. a.	n. a.
(b) Galle	3,829	n. a.	n. a.	n. a.
(c) Trincomalee	11,125	n. a.	n. a.	n. a.
Postal & Telecommunication Services 16/1	1970/71	1972	1973	1974
1. Capital Invested 2/ (Rs. '000)	n. a.	n. a.	n. a.	n. a.
2. Postal Service—(Rs. '000)				
(a) Income	65,619	n. a.	n. a.	n. a.
(b) Expenditure	70,724	n. a.	n. a.	n. a.
(c) Net Profit (+) or Loss (—)	—5,105	n. a.	n. a.	n. a.
3. Telegraph Service (Rs. '000)				
(1) Income	29,068	n. a.	n. a.	n. a.
(b) Expenditure	30,828	n. a.	n. a.	n. a.
(c) Net Profit (+) or Loss (—)	—1,760	n. a.	n. a.	n. a.
4. Telephone Service—{(Rs. '000)				
(a) Income	44,875	n. a.	n. a.	n. a.
(b) Expenditure	37,358	n. a.	n. a.	n. a.
(c) Net Profit (+) or Loss (—)	+ 7517	n. a.	n. a.	n. a.
5. Operating Results—(Rs. '000)				
(a) Total Income	140,890	n. a.	n. a.	n. a.
(b) Total Expenditure	140,352	n. a.	n. a.	n. a.
(c) Net Profit (+) or Loss (—) 7	+ 538	n. a.	n. a.	n. a.
6. Employment (Nos.)	24,577	n. a.	n. a.	n. a.

Source: Data furnished by the respective institutions.

1. Figures are for calendar years.
  2. Cumulative as at end of financial years.
  3. Based on valuation of Colombo Port assets in 1955, which amounted to Rs 177.54 million.
  4. Included season ticket travel computed on the basis of 50 journeys a month.
  5. Including non-paying goods transport.
  6. Includes annuities and interest.
  7. Profit before taxation
  8. As at end of year.
  9. Includes super annuation.
  10. Includes interest paid on Government Loans.
  11. Amended figures.
  12. Approved cadre. Not actual.
  13. Without bonus and provision for redundant stores.
  14. The Port Commission like most Government departments; maintains accounts on a revenue and expenditure basis.
  15. Recurrent expenditure.
  16. Including Overseas Telecommunication Services.
- \* Operational Statistics up to Sept, 1974.

e) Estimated.

The mileage operated by the Board was 234,765 million in 1974, and was the lowest since 1969/70 and only 77.6 per cent of the scheduled mileage. The scheduled mileage in 1974 was 2.5 per cent lower than the scheduled mileage for 1973 due to the operation of the five day week. The lost mileage was higher by 9.1 per cent over 1973 and by 46.1 per cent over 1972 and the highest ever recorded. The total seat mileage was 7.4 per cent below 1973 and 13.7 per cent below 1972 levels, while the number of passenger miles, at 7,904 million miles, was 14.1 and 9.1 per cent lower over 1973 and 1972 levels. The load factor, at 63.8 per cent, was nearly 5 per cent lower than in 1973 despite the incentive scheme for bus crews that was introduced in 1974. The number of permanent employees per bus operated was 12.3 in 1974 compared with 11.5 in 1973.

On account of the substantial rise in bus fares (by about 25 per cent), revenue from passenger fares rose by 159.990 million or by 38.6 per cent over 1973 levels. Expenditure too rose by Rs. 108.341 million or by 23.3 per cent over 1973 so that the loss of Rs. 33.84 million for 1973 had become a profit of Rs. 21.20 million for 1974.

**(b) Ceylon Government Railway**

The numbers of passenger miles were estimated to have increased by 11 per cent in 1974, and the numbers of goods miles were estimated to have increased by 5.5 per cent.

The revenue was estimated to rise to Rs. 186.2 million in 1974 which was a 24.2 per cent increase over 1973 levels while the corresponding figure for expenditure were Rs. 228.2 million and 36.1 per cent respectively. The loss for 1973 was Rs. 63.2 million and the estimated loss for 1974, Rs. 89.1 million.

**(c) Colombo Port Commission**

Revenue rose by 15.6 per cent to Rs. 47.18 million while working expenditure rose 3.0 per cent to Rs. 31.56 million. The number of employees declined to 8113 in December 1974 compared with 8204 in December 1973.

**(d) Port (Cargo) Corporation**

Certain salient aspects of the operations of the Corporation in the last four financial years are shown in table II (D) 9.

The cargo handled at the Colombo and Galle Ports continued to decline in 1974 while it was marginally higher than in 1973 at the Trincomalee port. The revenue of the Corporation fell by Rs. 5.6 million and as a result the overall loss was doubled from Rs. 5.1 million in 1973 to Rs. 10.4 million in the year under review. The numbers employed at the Colombo Port declined by 2,103 in 1974 over the previous year to 12,897 persons.

**(e) Postal & Telecommunication Services**

As in 1973, no data were furnished.

**(f) Ceylon Shipping Corporation**

The Ceylon Shipping Corporation has increased the scale of its operations over the years since it was set up in June 1971. The capital contributed by the government was Rs. 41.8 million in 1974 as against Rs. 17.1 million in the preceding year. The

increase in expenditure, by Rs. 49.4 million, was more than offset by the increase in revenue, by Rs. 68.4 million, and the Corporation's profit for the year under review has increased by 139 per cent to Rs. 32.8 million. The net profit from the chartering of foreign vessels was Rs. 7.8 million in 1974.

In view of the Corporation's inability to supply the required information it was not possible to compute its net foreign exchange earnings.

### **C. Wholesale and Retail Trade**

#### **(a) Co-operative Wholesale Establishment (C.W. E.)**

Certain basic statistics relating to the C.W.E. are given in Table II (D) 10 on the basis of estimated data for 1974. The general turnover of this establishment in 1974 remained at 1973 levels. There was a fall in the value of imports from Rs. 109 million in 1973 to Rs. 92 million in 1974 which was offset by an increase in local purchases. Receipts from sales were almost static but the profit before tax-fell from Rs. 18.4 million in 1973 to Rs. 14.7 million in 1974 mainly due to an increase in the wage bill.

#### **(b) Ceylon Petroleum Corporation (turnover and operations)**

As in 1973, there was a fall in the volume of crude oil imports (by 13.8 per cent). However, the c&f values of imports of crude oil and petroleum products at Rs. 903.55 million were 204.4 per cent higher over the figure for 1973 due to higher international prices.

The overall volume of sales of major products (kerosene, petrol, desolene, aviation turbine fuel, furnace oil, naptha, bitumen and lubricants) was substantially lower (by 32 per cent) over the 1973 figure. There was a general increase in the volume of exports and supply of bunkers. The fall in the volume of sales can be mainly attributed to a contraction of domestic demand following the substantial increase in the sales prices of petroleum products on January 8, 1974.

The higher domestic prices, however, resulted in a higher value of sales to the domestic market and the higher international prices to enhanced export earnings (Rs. 88.7 million in 1974 from Rs. 27.0 million in 1973) and earnings from bunkers (Rs. 261.8 million in 1974 compared with Rs. 110.8 million in 1973).

The Corporation was unable to furnish details of capital expenditure incurred in 1974 including expenditure on the seismic surveys undertaken.

The profits from the operations of the Corporation were Rs. 79.6 million in 1973 which was 25.8 per cent on the capital invested. The data for 1974 were not made available.

#### **(c) Ceylon Fertilizer Corporation**

The value of fertilizer imported by this Corporation showed an increase of 189.12 per cent from Rs. 172.8 million in 1973 to Rs. 499.6 million in 1974, mainly on account of the large increase in the world market prices of fertilizer. The total sales turnover too has increased by 67 per cent and the net profit before tax was estimated to be Rs. 1.8 million as against a loss of

Rs. 1.0 million in the preceding year. The Corporation had Rs. 212.0 million worth of fertilizer in stock at the end of 1974 compared with Rs. 191.23 million at the end of 1973.

**(d) State Gem Corporation**

The State Gem Corporation registered a significant decline in its trading activities in 1974 over 1973 levels. There was a 48.9 per cent fall in sales from Rs. 45 million in 1973 to Rs. 23 million in the first nine months of 1974 which could be attributed mainly to uncertainties prevailing in the market for gems in the first half of 1974. The Corporation's exports for 1974 were Rs. 15.6 million which was 13.1 per cent of the value of total exports of gems.

Purchases of precious and semi-precious stones amounted to Rs. 8.8 million in the first three quarters of 1974 compared to Rs. 107 million in 1973. The Corporation has attempted to reduce its stocks of gems, which were substantial at the beginning of the year through reduced purchases. The net profit before tax for the first nine months in 1974 was Rs. 3.6 million as against Rs. 7.0 million in the preceding year.

Rupees 1.76 million was paid out as interest for the first nine months of 1974. In addition to its trading activities, this Corporation performs many services for the gem trade in general, such as the issue of gemming licences, alienation of state land for gemming, and facilitates exports by market promotion and advertising. Apart from these services, it is also intended to establish a gem museum and a laboratory and to conduct a course in practical gemmology in 1975.

**(e) Paddy Marketing Board**

The total value of paddy purchased by the Paddy Marketing Board increased by 59 per cent from Rs. 458 million in 1973 to Rs. 728 million in 1974 inspite of the decrease in the volume of purchases by 8 per cent. This was due to the increase in the purchase price of a bushel of paddy from Rs. 25 to Rs. 30 in March from Rs. 30 to Rs. 33 in July 1974.

The net profit of the Board before tax was Rs. 15 million in 1974 as against Rs. 24 million in 1973. The number employed by the Board increased by 179 persons to 2502 persons in 1974.

The Board succeeded in purchasing only 27.2 per cent of the estimated paddy crop for 1974 which was the poorest performance recorded by the state purchasing agency in respect of paddy purchases for many years. This performance was registered in the context of the enactment and enforcement of stringent regulations to help the state to purchase a large proportion of the paddy output.

**(f) Sri Lanka State Trading (General) Corporation**

The State Trading Corporation has gradually taken over the import trade from private sector as well from other state trading corporations. This Corporation imported goods to the value of Rs. 31.8 million in 1973 as against Rs. 92.4 million for 1974. Profit for 1974 was Rs. 15.7 million, which represented a return of 14 per cent on sales turnover. The annual value of sales per person employed was estimated

## OTHER TRADING

Corporation	Total Investment** Rs. '000		Local Purchases Rs. '000		Import Value Rs. '000	
	1973	1974	1973	1974	1973	1974
1. Building Materials Corporation ..	14,998	18,999	n. a.	n. a.	n. a.	n. a.
2. Ceylon Fertilizer Corporation ..	43,091	21,455	500	400 <sup>e</sup>	172,770	499,600
3. Co-operative Wholesale Establishment ..	99,686	99,716	145,856	171,307 <sup>e</sup>	109,392	92,241
4. Paddy Marketing Board ..	98,080	131,580	458,084	728,088 <sup>e</sup>	nil	nil
5. State Film Corporation ..	2,600	3,430	nil	nil	4,574	4,331
6. State Trading (textile) Corporation - (Salu Saja) ..	34,860	40,587	92,057	164,713	82,057	67,822
7. State Trading (tractor) Corporation ..	1,155	1,695	3,616	1,935	21,548	30,952
8. State Trading (general) Corporation ..	24,126	26,028	nil	nil	55,949	118,225 <sup>e</sup>
9. State Trading (consolidated exports) Corporation ..	6,849	8,762	121,754	185,743 <sup>*</sup>	nil	nil
10. State Gem Corporation ..	32,185	42,500	107,539	8,861 <sup>e</sup>	nil	nil
11. State Pharmaceuticals Corporation ..	1,529	3,910	110	550 <sup>e</sup>	9,726	32,832 <sup>e</sup>
12. Weaving Supplies Corporation ..	5,479	10,802	91,537	135,560 <sup>e</sup>	41,082	208,844
Total	364,638	409,464	1,021,053	1,397,157	497,098	1,054,547

\* Figures for 9 months only (Jan.— Sept.)

<sup>e</sup> estimated

\*\* Figures are tentative and liable to alteration when audited figures are available.

Total investment is defined as capital + reserves + long term liabilities — accumulated losses.

TABLE II (D) 10

## CORPORATIONS

Export Value Rs. '000		Total Expenditure Rs. '000		Turnover Rs. '000		Rate of Return on turnover (%)		Surplus (+) or Deficit (—) Rs. '000		Employment (Nos)	
1973	1974	1973	1974	1973	1974	1973	1974	1973	1974	1973	1974
n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
—	—	18,889	19,100	195,727	328,000		0.54	— 1029	+ 1,774 <sup>e</sup>	n. a.	n. a.
—	—	37,182	39,480	315,212	314,000	5.84	4.61	+18,403	+14,470 <sup>e</sup>	5,741	5,343
—	—	16,570	19,880 <sup>e</sup>	498,324	763,213 <sup>e</sup>	4.94	1.92	+24,606	+14,633	2323	2502
nil	nil	658	2,480	3,557	8,752	16.95	7.70	+ 603	+ 674	79	103
—	—	9,370	9,087	180,401	212,058	11.61	16.67	+20,941	+35,346	793	765
nil	nil	2,387	2,868	28,707	393.74	7.19	8.64	+ 2,063	+ 3,455	105	146
nil	nil	4,118	4,342 <sup>e</sup>	80,758	111,972 <sup>e</sup>	15.76	14.08 <sup>e</sup>	+12,725	+15,762 <sup>e</sup>	460	460
156,984	230,059	3,876	3,986	158,257	231,559 <sup>*</sup>	1.54	3.35	+ 2,436	+ 7,750 <sup>*</sup>	197	201
41,559	21,187 <sup>*</sup>	4,583	4,268 <sup>*</sup>	45,082	23,367 <sup>e</sup>	15.57	15.69	+ 7,013	+ 3,667 <sup>e</sup>	203	230
—	—	1,134	3,890 <sup>e</sup>	10,381	21,995 <sup>e</sup>	38.83	31.73	+ 4,031	+ 6,980 <sup>e</sup>	127	246
2,357	nil	4,497	6,991 <sup>e</sup>	156,987	333,333 <sup>e</sup>	8.83	7.92	+13,859	+26,405	203	218
200,700	251,246	103,264	116,380	1,673,393	2,388,223	6.31	5.48	+105,651	+130,916	10,231	10,214

Source: Respective Corporations  
and Corporation Division of the Treasury

**TABLE II (D) 11**  
**Ceylon Petroleum Corporation**

Item	1971	1972	1973	1974
<b>1. Capital Invested<sup>1</sup> (Rs. '000)</b>	<b>204,891</b>	<b>276,515</b>	<b>308,523</b>	<b>n. a.</b>
(a) Trading Network	55,250	99,003	100,979	n. a.
(b) Oil Refinery	145,234	167,653	168,035	n. a.
(c) Blending Plant	4,375	5,794	5,714	n. a.
(d) Seismic Survey & Oil Exploration activities	32	4,165	33,795	n. a.
<b>2. Oil Imports (Mn. glns.)</b>				
(a) Crude Oil	399.7	470.9	453.4	395.4
(b) Gasoline	3.6	—	—	—
(c) Auto Diesel	12.3	4.7	—	2.4
(d) Industrial Diesel	4.9	—	—	—
(e) Furnace Oil	—	—	—	—
(f) Kerosene	19.2	6.6	6.3	2.8
(g) Aviation Fuels	1.1	1.1	2.8	0.3
<b>3. Oil Sales (Mn. glns.)</b>				
(a) Gasoline	40.4	38.8	38.3	27.9
(b) Auto diesel	73.4	72.8	72.8	67.1
(c) Industrial Diesel	24.0	33.4	17.7	11.6
(d) Furnace Oil	165.2	138.5	176.0	126.2
(e) Kerosene	77.5	78.0	75.5	59.6
(f) Aviation Fuels	—	11.4	13.7	16.0
<b>4. Income (Rs. '000)</b>	<b>508,676</b>	<b>471,788</b>	<b>935,693</b>	<b>n. a.</b>
(a) Oil Sales	464,148	461,975	926,693	1,771,724
(b) Others	44,528	9,813	9,000	n. a.
<b>5. Expenditure (Rs. '000)</b>		<b>436,566</b>	<b>602,000</b>	<b>n. a.</b>
(a) Purchase price of products sold	n.a.	356,574	515,000	n. a.
(b) Other	n.a.	79,992	87,000	n. a.
<b>6. Net Trading Profit (+)<sup>2</sup> Rs. '000)</b>	<b>+ 51,170</b>	<b>+ 35,222</b>	<b>+ 44,441</b>	<b>n. a.</b>
<b>7. Employment (Nos.)<sup>3</sup></b>	<b>3,184</b>	<b>3,493</b>	<b>3,982</b>	<b>4,013</b>

Source: Ceylon Petroleum Corporation

1. Cumulative as at end of year
2. Before taxation
3. As at end of year

to be Rs. 243,417 in 1974. The Corporation's policy has been to retail items such as motor spares, office equipment, tyres and tubes direct to actual users as far as feasible.

**(g) Sri Lanka State Trading (Consolidated Exports) Corporation**

The f.o.b. value of exports effected by the Corporation was 6.6 per cent of total exports in 1974 as against a figure of 5.8 per cent for 1973. In respect of tea, its major export, the value of exports effected was 11.0 per cent of total exports.

The net profit (Rs. 7.75 million) on turnover was 3.3 per cent in 1974 as against 1.5 per cent in 1973.

**(h) Sri Lanka State Trading (Textile) Corporation—Salu Sala**

The value of sales rose to Rs. 212 million which was an increase of 17.5 per cent over 1973 levels. The proportion of purchases of domestically manufactured textiles rose to 70.8 per cent from 52.8 per cent in 1973. The estimated current liabilities rose to Rs. 65.0 million from Rs. 42.6 million while value of stocks held rose to Rs. 133.7 million (estimated) from Rs. 70.6 million in 1973. The estimated profit before tax increased by 68.8 per cent to Rs. 35.5 million.

**(i) State Tea Corporation of Sri Lanka**

This Corporation, which was established in 1973, has yet to commence operations.

**(j) Building Materials Corporation**

As in 1973, no data were furnished.

On the basis of information available at the Corporation Division of the Treasury, the profit was Rs. 8.4 million in 1973.

**(k) Weaving Supplies Corporation**

This Corporation which imports yarn, textile accessories and other raw material, required by the private sector and distributes yarn manufactured by the National Textile Corporation was expected, on budgeted data, to register sales to the value of Rs. 333.33 million in 1974 compared with Rs. 156.99 million in 1973. The value of its purchases of domestically manufactured goods was Rs. 91.54 million in 1973 while its scheduled purchases for 1974 were Rs. 135.56 million. The comparative figures for imported materials are Rs. 41.09 million and Rs. 208.84 million respectively.

The profit earned in 1973 was Rs. 13.86 million which was 8.8 per cent of the total sales turnover, while the budgeted figure for 1974 was Rs. 26.4 million which was 7.9 per cent of the total sales value. Expenditure on interest was 36.3 per cent of total expenses in 1973 while the figure for 1974 was 50.9 per cent. The value of stocks, as at December 31, 1974, at 64.0 million, was 196 per cent higher than the value of stocks at the end of 1973.

**(l) State Film Corporation**

The foreign exchange used in 1974 was Rs. 2.75 million compared with Rs. 3.3 million in 1973. The value of purchases of imported films rose to Rs. 6.75 million from Rs. 4.69 million in 1973 while expenses rose from Rs. 0.66 million to Rs. 2.48 million and the value of sales rose from Rs. 3.56 million to Rs. 8.75 million.

TABLE II (D) 12

## Construction

State Engineering Corporation		(a) 1970/71	1971*	1972	1973	(c) 1974
1. Capital Invested(c) (Rs. '000)	..	30,000	30,000	30,000	21,322	75,000
2. Value of Assets (Rs. '000)	..	39,619	35,356	28,983	21,322	75,000
3. Income (Rs. '000)	..	67,471	25,379	66,781	75,936	86,399
i. Construction & consultancy	..	65,904	23,853	62,197	73,076	82,245
ii. Other	..	1,567	1,526	4,584	2860	4154
4. Expenditure (Rs. '000) (d)	..	73,420	38,886	59,281	57,255	70,000
5. Profits (+)/Loss (-) (Rs. '000d)	..	5,949	-13,507	+7,500	+15,740	+16,345
6. Employment — (Nos.)	..	14,582	n.a.	9,670	10,688	12,328
i. Labour	..	13,605	n.a.	4,782	8941	10,502
ii. Other	..	977	n.a.	4,888	1747	1826
Colombo District (Low Lying Areas) Reclamation & Development Board		(b) 1971/72	1972	1973	1974	
1. Acreage of land reclaimed	..	15.0	15.89	10.95	4.50	
2. Revenue (Rs. '000)	..	n.a.	28	157	89	
3. Expenditure (Rs. '000)	..	7,467	728	603	614	
4. Surplus (+) or Deficit (-) (Rs. '000)	..	+8,533	-699	-446	-525	
5. Employment (Nos.)	..	77	83	75	72	

Source: Data furnished by respective Corporations.

(a) For accounting years April to March.

(b) For accounting years October to September.

(c) Cumulative as at end of accounting year (after setting off losses).

(d) Before tax.

(e) approximately

\* Figures are for 9 months only.

1972, 1973 and 1974 figures are for the calendar year.

TABLE II (D) 13

## Electricity Board

		1971	1972	1973	1974
<b>Ceylon Electricity Board</b>					
1. Capital Invested (a)	.. Rs. '000	1,034,349	1,094,932	925,183	1,006.100
2. Capacity (Megawatts)					
i. Installed capacity	..	262.0	262.0	268.0	365.0
(a) Hydro Power	..	192.0	192.0	192.0	292.0
(b) Thermal Power	..	70.0	70.0	76.0	76.0
ii. Effective capacity	..	233.0	223.0	n. a.	n. a.
3. Power generated	.. Mn. Kwt.				
i. Units generated	..	849.0	944.0	979.0	1,101.6
ii. Units available (b)	..	843.0	933.0	957.2	1,005.4
iii. Units lost in transmission etc.	..	121.0	110.0	89.9	125.5
4. Electricity sales	.. Mn. Kwt.	712.1	812.3	868.0	888.1
i. Domestic	..	65.0	72.0	80.5	79.9
ii. Commercial	..	93.0	99.0	107.7	117.1
iii. Industrial	..	373.0	447.0	436.7	459.4
iv. Local authorities	..	180.0	193.0	198.4	202.4
v. Other (c)	..	1.1	1.3	44.7	29.3
5. Total Revenue	.. Rs. '000	115,048	134,514	147,778	141,862
i. Electricity sales	..	108,579	128,883	135,411	141,862
ii. Other	..	6,469	6,131	12,367	—
6. Plant Utilisation Factor (d)	.. Percent	37.0	41.1	41.7	34.7
7. Total Expenditure of which:	.. Rs. '000	101,102	127,191	116,754	n. a.
i. Generation	..	7,070	12,870	33,325	n. a.
ii. Transmission	..	6,770	4,995	6,060	n. a.
iii. Distribution	..	7,580	9,813	13,439	n. a.
iv. Overheads (e)	..	38,560	57,231	55,453	n. a.
v. Interest & annuities	..	41,122	42,282	8,477	n. a.
8. Profit (+) or Loss (—) (f)	.. Rs. '000	+ 42,627	+ 38,568	+ 31,025	+ 69,300*
9. Employment (g)	.. Nos.	7,517	7,872	7,271	7358

Source: Ceylon Electricity Board

(a) Cumulative as at end of year.

(b) Units generated less units used in stations

(c) Including River Valleys Development Board, public lighting etc.

(d) Average ratio of plant utilization.

(e) Head Office etc.

(f) Before taxation.

(g) As at end of year.

\* Estimated.

**TABLE II (D) 14**  
**Insurance Corporation**

Item	1971	1972	1973	1974
1. Capital Contributed (Rs. '000)	10,000	10,000	10,000	10,000
2. Life Insurance				
No. of Life policies in force	158,700	163,800	169,063	171,335*
Value of life policies in force (Rs. '000)	1,093,100	1,160,800	1,250,000	1,315,153*
Premium income (Rs. '000)	60,340	61,610	70,940	72,619
Claims	5,000	7,700	6,400	6,100
Life Assurance Fund (Rs. '000)	215,140	266,750	329,200	395,200
Total income	71,080	76,700	91,240	91,230
Total expenditure	15,360	14,590	14,770	13,740
Surplus (+) or Deficit (—) (Rs. '000)	+ 46,080	+ 47,020	+ 62,452	+ 67,000
Expense ratio (%)	26.35	24.10	20.8	21.0
3. Fire Insurance (Rs. '000)				
Net Premium	24,500	25,300	26,870	36,110
Net claims paid and outstanding	1,300	6,100	1,600	1,400
Surplus (+) or Deficit (—)	+ 17,000	+ 14,000	+ 22,780	+ 24,880
Underwriting reserve	15,900	16,400	17,460	23,470
4. General Accident Insurance (Rs. '000)				
Net Premium	6,400	7,900	9,380	11,910
Net claims paid and outstanding	2,000	3,200	955	832
Surplus (+) or Deficit (—)	+ 2,100	+ 2,200	+ 6,200	+ 7,730
Underwriting reserve	4,200	5,100	6,100	7,740
5. Marine Insurance (Rs. '000)**				
Net Premium	3,700	5,700	6,550	10,080
Net claims paid and outstanding	4,700	3,900	5,600	2,360
Surplus (+) or Deficit (—)	+ 2,600	+ 1,600	+ 5,440	+ 8,470
Underwriting Reserve	3,700	5,700	6,430	10,080
6. Motor Insurance (Rs. '000)				
Net Premium	25,840	26,650	28,310	27,800
Net claims paid and outstanding	20,780	25,210	17,230	16,800
Surplus (+) or Deficit (—)	— 4,090	— 1,020	+ 3,220	4,800
Underwriting Reserve	16,800	17,320	18,400	18,000
7. Employment (Nos.)	1,998	1,988	1,941	1,972

*Source: Insurance Corporation*

\* Figures as at end of November, 1974

\*\* Includes Marine Cargo and hull insurance.

In 1974 the net profit before tax was Rs. 0.67 million compared with Rs. 0.60 million in 1973. The profit for 1974 as a percentage of sales turnover was 7.7.

**(m) Sri Lanka State Pharmaceuticals Corporation**

The value of purchases increased by 239.73 per cent from Rs. 9.826 million to Rs. 33.38 million in 1974. The foreign exchange expenditure incurred was Rs. 26.3 million in 1974 compared with Rs. 15.5 million in 1973.

The estimated net profit before tax, at Rs. 6.98 million, was 31.7 per cent of the sales turnover.

**D. Electricity, Gas and Water**

**(a) Ceylon Electricity Board**

Data on the operations of the Electricity Board in 1974 along with comparable data for the last four financial years are given in table II (D) 13.

The installed capacity of the Board was increased in 1974 by 36 per cent to 365 Megawatts. The generation of power by the Board has increased progressively over the years and was 1,101 million kw. hours in 1974 which represents a 12 per cent increase over the previous year. There was, however, a decline in plant utilisation factor from 41.7 per cent in 1973 to 34.7 per cent in 1974. Of the power generated, 11.4 per cent was lost in transmission etc. Electricity sales for industrial purposes has shown an increase of 5 per cent during the year under review and accounts for 52 per cent of the electricity sold. The thermal power generating plant was not operated in 1974 to conserve furnace oil and as there was an expansion in the capacity of hydro-electric plants.

The estimated profit for 1974 was Rs. 69.3 million.

**E. Financing, Insurance, Real Estate and Business Services**

**(a) Insurance Corporation**

An estimated profit of Rs. 51.0 million was obtained in 1974 compared with Rs. 40.0 million in 1973 and Rs. 29.3 million in 1972. The substantially better performance is attributed by the Corporation to a reduction in claims paid, better management and the eradication of malpractices.

A noteworthy feature both in 1973 and 1974 was that the motor department which was running at a loss began to earn profits (Rs. 3.2 million in 1973 and Rs. 4.8 million in 1974). This has been principally achieved through a reduction in claims. (Rs. 16.8 million was paid out in 1974 compared with Rs. 17.2 million in 1973 and Rs. 25.21 million and Rs. 20.78 million respectively in the two preceding years.) Similarly, in the fire department, claims were reduced from Rs. 6.1 million in 1972 to Rs. 1.4 million in 1974.

Table II (D) 15

## Other Financial Institutions

	Capital Rs. '000)				Profit (+) or Loss (—) (Rs. '000)				Employment Numbers			
	1971	1972	1973	1974	1971	1972	1973	1974	1971	1972	1973	1974
1. Central Bank ..	15,000	15,000	15,000	15,000	+ 12,541	+ 13,179	+ 22,083	+28,065	1,541	1,596	1,703	1,750
2. Bank of Ceylon ..	4,500	4,500	4,500	4,500	+ 20,006	+ 27,490	+ 28,384	+29,888	2,562	2,759	3,091	3,808
3. People's Bank ..	5,664	9,500	9,500	10,000	+ 10,186	+ 15,395	+ 23,148	+ 44,419	2,863	3,358	3,365	3,488
4. Agricultural & Industrial Credit Corporation ..	29,350	29,350	29,350	29,350	+ 840	+ 1,248(a)	+ 1,030	+ 1,090	52	50	49	45
5. National Savings Bank ..	—	—	n. a.	n. a.	—	+ 9,355	+ 14,044	+4,052*	21	599	741	1,289
6. State Mortgage Bank	10,902	10,902	n. a.	n. a.	+ 313	+ 940	+ 948	n. a.	62	87	72	81

Source: Data Furnished by respective Institutions

\* Estimated

(a) Figures for 15 months.

**TABLE II (D) 16**  
**Ceylon Broadcasting Corporation**

Items	1971	1972	1973	1974 *
<b>1. Value of Assets (Rs. '000) (cumulative)</b>	<b>21,828</b>	<b>29,222</b>	<b>31,433</b>	<b>40,000</b>
<b>2. Revenue (Rs. '000)</b>	<b>12,007</b>	<b>22,372</b>	<b>19,121</b>	<b>20,500</b>
Licence Fees	6,186	13,006	11,300	12,000
(Channel II). Sale of Time	3,865	7,154	5,916	6,500
Other	1,956	2,152	1,905	2,000
<b>Expenditure (Rs. '000)</b>	<b>13,282</b>	<b>20,702</b>	<b>17,930</b>	<b>20,000</b>
Channel I	7,638	n. a.	n. a.	n. a.
Channel II	5,644	n. a.	n. a.	n. a.
<b>4. Profit (+) or Loss (—) (Rs. '000) (a)</b>	<b>— 1,275</b>	<b>+ 1,670</b>	<b>+ 1,191</b>	<b>+ 500</b>
<b>5. Employment (Nos.)</b>	<b>1,498</b>	<b>2,245</b>	<b>n. a.</b>	<b>1,571</b>

*Source:* Ceylon Broadcasting Corporation

(a) Before Taxation

\* Provisional

**TABLE II D 17**  
**National Lotteries Board (a)**

Items	1971	1972	1973	1974
1. Capital Invested (Rs. '000) (b)	n. a.	916	2,084	3,400*
2. Number of Lotteries held	67	63	71	65
3. Income (Rs. '000)	29,153	25,229	23,385	21,497*
(a) Sale of Tickets	27,653	24,293	22,087	20,583
(b) Other	1,500	936	1,298	914*
4. Expenditure (Rs. '000)	28,575	26,179	20,507	22,023*
(a) Value of Prizes	11,061	9,717	8,835	8234
(b) Other (e)	17,514	16,452	11,672	13,789*
5. Surplus (+) or Deficit (—) (Rs. '000) (c)	+ 577	— 255	+ 393	— 525*
6. Amount Contributed to the Consolidated Fund (Rs. '000) (f)	11,371	9,989	9,114	8,464
7. Employment (d)	n.a.	136	152	140

Source: National Lotteries Board

- (a) Figures are for Calendar Year.  
(b) Cumulative as at end of accounting year.  
(c) Before Taxation  
(d) As at end of accounting year.  
(e) Includes contribution to Consolidated Fund  
(f) This amount is also included in item 4 (b)  
\* Estimated basis

Life insurance business has not increased much in relative terms due to difficulties to effect savings in an inflationary situation.

## **F. Other Services**

### **(a) Sri Lanka Broadcasting Corporation**

Statistics on the operations of the Corporation for the period 1970/71 to 1974 are shown in table II (D) 16.

The value of the assets of the Corporation was estimated to be Rs. 40 million at the end of 1974 representing an increase of Rs. 8.5 million over the previous year. According to estimates for 1974, the revenue of the Corporation has increased by Rs. 1.3 million while the expenditure has shown an increase of Rs. 2.1 million. The profit is estimated to have declined from Rs. 1.2 million in 1973 to Rs. 0.5 million in 1974. The number employed in the Corporation was 1536 persons in 1974. The foreign expenditure incurred by the Corporation in 1974 was-Rs. 1.07 million while it earned Rs. 0.8 million in foreign exchange by way of advertising fees.

### **(b) National Lotteries Board**

The National Lotteries Board conducted 65 lotteries in 1974 as against 71 in the previous year. The revenue and expenditure too have declined accordingly and the Board made an estimated deficit of Rs. 0.53 million compared to a surplus of Rs. 0.39 million in the preceding year. Its contribution to the Consolidated Fund declined from Rs. 9.1 million in 1973 to Rs. 8.4 million in 1974 due to reduced sales during the year.

**TABLE II (D) 18**  
**River Valleys Development Board**

Item	1970/71 (a)	1972	1973	1974
1. Capital Invested (b) (Rs. ,000)	979	1,062	n.a.	n.a.
(a) Gal Oya Scheme	680	680	—(c)	—(c)
(b) Uda Walawe Scheme	299	382	78,635	n.a.
2. Cultivations				
(a) Gal Oya —Acreage of Paddy	—(c)	—(c)	—(c)	—(c)
—Acreage of other Subsidiary food crops (d)	—(c)	—(c)	—(c)	—(c)
(b) Uda Walawe—Acreage of paddy	8,548	9,357	16,205	19,300
—Acreage of other subsidiary food crops (d)	1,037	1,426	6,826	7,042
—Acreage of cotton	15	100	750	679
3. Youth Settlement (Nos.)				
(a) Gal Oya	—(c)	—(c)	—(c)	—(c)
(b) Uda Walawe	239	239	1,019	1,019
4. Surplus (+) or Deficit (—) (Rs. '000)				
Gal Oya	—154,000	— (c)	—(c)	—(c)
Uda Walawe	—30,295	—18,719	n.a.	n.a.
Of the entire Board	—184,295	—18,719	n.a.	n.a.
5. Employment (Nos.)			—(C)	—(C)
Gal Oya	3,066	415	11,997	10,539
Uda Walawe	11,272	14,060	185	185
Head Office	416	214		

Source: River Valleys Development Board

(a) Figures are for financial year October to September.

(b) Cumulative as at end of accounting year.

(c) Handed over to Govt Agent.

(d) Subsidiary food crops include chillies, onions, yams, grams, vegetables,