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**The Possibility of Developing Agro-based Industries in
Sri Lanka**

(With Special reference to North Central Province)

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Abstract

By this study, it was mainly aimed to measure the degree or potential of innovating and developing agro-based industries in Sri Lanka. Until introduction of open economic policy in 1977, Sri Lankan economy was mainly driven by the agricultural sector consisting of both rural subsidiary food crops cultivation and plantation. After 1977, the concept of industrialization took place in making economic policy decisions and tended to be the most vital economic activity in the country. So, then governments as well as current government supposed to promote secondary sector in order to get the country industrialized as far as possible. With this policy implementation, surprisingly, service sector took certain place in relation to primary and secondary sectors. Though it was so, the secondary sector is still not at a satisfactory level as expected. But with the development of the service sector, the secondary sector may also be developed by getting the help of agriculture due to the bi-directional interdependence between agriculture and manufacturing.

Through the references of related documentary materials, it was able to identify that except few agro-based industries there is a lack of utilization of agricultural products as manufacturing inputs in our country. So, the problem that caused to motivate to conduct this study emerged from this poor interdependence between the agriculture and manufacturing all over the country. Accordingly, an idea came to mind to find out the causes behind poor usage of prevalence of dominance of the bi-directional interdependence between agriculture and manufacturing.

In catering to this problem, the survey was conducted based on formal procedure using a sample consisting of 270 farmers and 60 officers selected from north central province where cultivated lands are relatively abundant.

Having got the help of questionnaire method, interviews and observations the data were collected from this sample and additionally documentary matters were also associated for more verification of reasons behind the problem.

Having identified the reliability and validity of data, the discussion of the result was made using descriptive and inferential statistics.

Based on the discussion of the results or review of the data, certain vital findings such as abundance of physical and human resources, availability of entrepreneurial ability, willingness and expectation of farmers to initiate industrial ventures, marketability for agro-based industrial products income instability, lack of facilities relating to technology, finance, training, infrastructure, counseling and poor governmental support were made.

Ultimately, a conclusion was made that if necessary action are taken to give a better motivation and courage by providing adequate facilities, there is a larger potential of innovating, establishing, and further developing agro-based industries all over the country. Moreover, this study conveys further suggestions alleging researchable areas relevant to those who would be interested to conduct surveys of this particular field in due course.