

Technical efficiency and the productivity imperative in the manufacturing industries in Sri Lanka

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The paper analyses technical efficiency and productivity of Sri Lanka's manufacturing industries using the stochastic production frontier methodology. A panel data set covering a cross-section of 27 industries over more than 2 decades is processed to highlight changes in technical efficiency in manufacturing sectors in Sri Lanka over the post-liberalization era. The empirics reveal the relative performance of labour intensive versus capital intensive industries during various phases of structural adjustment. The paper concludes by discussing the productivity imperative that faces Sri Lanka's manufacturing exports in an increasing competitive global environment in the new millennium.

Key words: Technical efficiency; Productivity; Manufacturing industries; Post-liberalization; Competitive global environment