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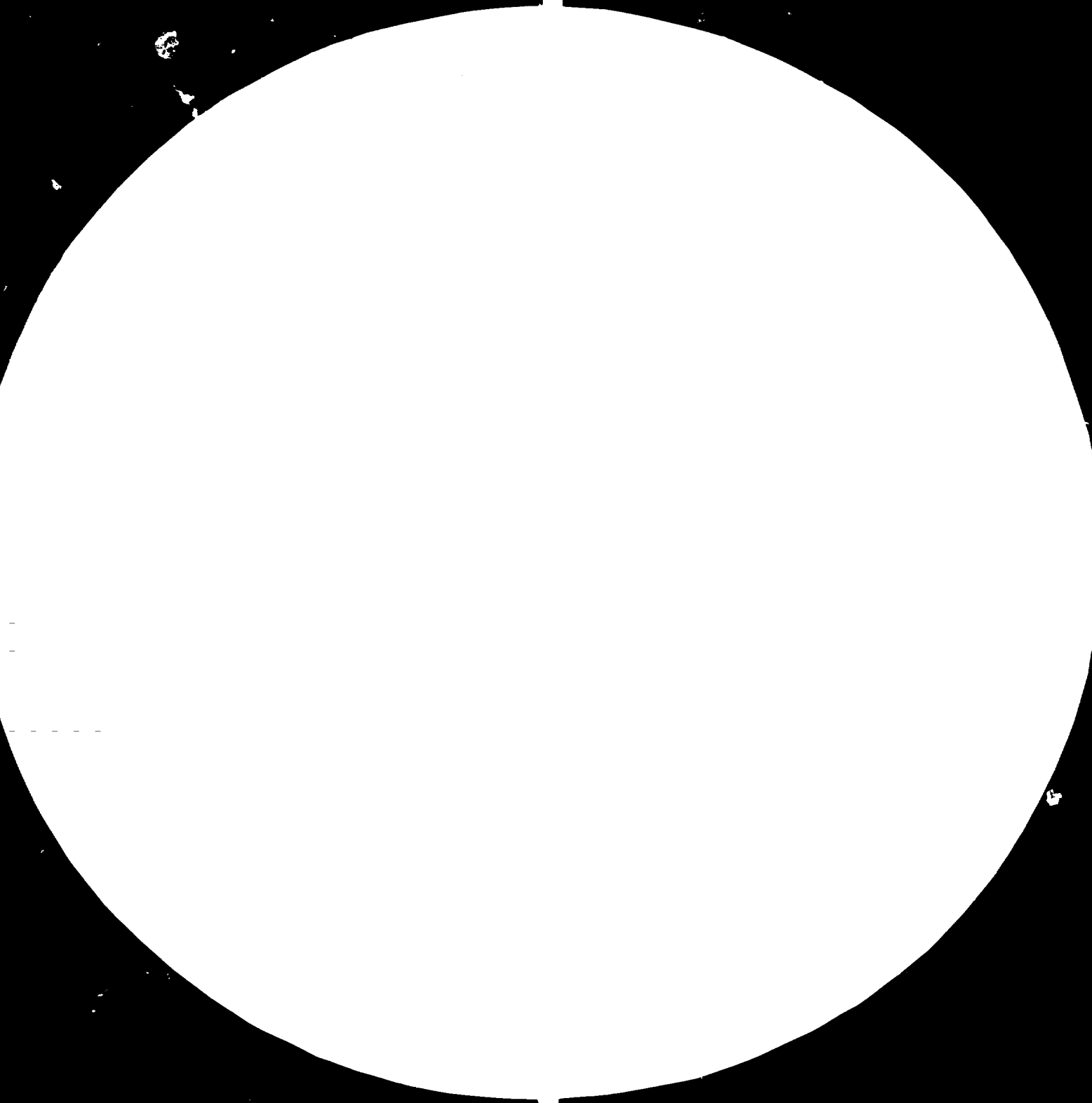
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BRIEFS ON THE PERFORMANCIES OF THE MANUFACTURING  
INDUSTRIES AND THE CAPITAL GOODS SECTORS OF THE  
21 ARAB COUNTRIES IN THE PERIOD 1970-1979.

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## INTRODUCTION

Data on the 21 Arab countries with which I have had to work were either incomplete (for the most part), or inconsistent. This latter applies especially to the computer printouts which sometimes showed rather impossible data. An example is the case of Jordan where in 1971, 633 establishments were reported to have existed in the capital goods sector (ISIC 38), and employed 471 workers. It is quite clear that there is something wrong with this information for, even if each establishment engaged just one employee there would still be 162 establishments left without employees - a situation that is practically impossible. On the other hand, it is inconceivable that an establishment will actually engage not more than one employee.

The incompleteness of data was more common during the last years of the decade (1970-1979). In such cases, it has been impossible to have any picture of the most recent trends in the performances of the manufacturing industries (ISIC 3) and the capital goods sectors (ISIC 38) of these countries. Egypt and Algeria are only two out of many such examples.

Whereas some countries like Oman, Yemen, Mauritania and Bahrain (for example) have very scanty data out of which not much could be made, some others (Djibouti and Qatar) have no data on them at all.

Sometimes also, strong but questionable fluctuations appeared to have <sup>occurred</sup> between data from one year to the next. In such cases misrepresentation of information is usually implied.

In Egypt for instance, capital investment was reported to be £E3.9 million in 1974. By the next year (1975) it had jumped to £E28.5 million thus scoring a 628% increase. In 1976, the capital goods sector (ISIC 38) in Somalia, recorded 248 employees and spent 1.5 million Somali Shillings in capital investment. Wages and salaries in the sector were reported to be 1.2 million Somali Shillings. But in 1977, employment had fallen drastically to 78 workers: capital investment declined to 29,000 Somali Shillings while wages and salaries dropped to 429,000 Somali Shillings. In Jordan also, number of establishments were reported to be 946 in 1978. In 1979, they had reduced sharply to 694. It is rather interesting that the capital goods sector (ISIC 38) in the Syrian Arab Republic would have experienced a uniform growth rate in value added in constant dollars (15.4%) with each of its four subsectors between 1970 and 1978: Table 1 on the Syrian capital goods.

In Iraq, whereas data on value added in constant dollars were furnished from 1970 through 1975 for the metal products subsector (ISIC 381), implying thereby the existence of operations in the subsector during this period, no information was recorded for indicators like number of establishments, number of employees, wages and salaries, gross output and gross fixed capital formation. This can only mean that the necessary data were not available or have not been recorded, and not that they were zero (0) as recorded in each case.

It will be noticed that growth rates have been computed most of the time for the period 1970-1975. This is because data were mostly available for this period. In some cases however, it has been so computed only to present a uniform period over which growth could be followed. This is especially so in those sectors where not all the subsectors had data beyond 1975.

## ALGERIA

Although the manufacturing industry's contribution to industrial domestic product increased from 5,289 million Algerian Dinars in 1973 to 9,017 million Algerian dinars in 1976<sup>1</sup> (68.6% increase), its share in the total domestic product of industry declined over the period from 18.4% to 15.9%.

This percentage decline is explained by the fact that the overall domestic product accruing from industries grew faster (from 1973 through 1976) than the manufacturing industry's share; the one by 18.4% annual growth rate and the other by 14.3%.

For the whole of 1970 through 1977, the manufacturing industry generated a little more than \$7.6 million as value added in constant 1975 dollars (VADC\$). The yearly rate of growth of this VADC\$ was 7%. The capital goods (ISIC 38) sector's contribution to the manufacturing industry's value added was 11.7% (885,825 U.S dollars). And its growth rate was more or less the same as the manufacturing industry's (7.2%).

Among the subsectors of the capital goods sector, the largest contributor to sectoral value added in constant dollars was the metal products subsector (ISIC 381) whose share was 35.6% of total VADC\$ generated by the sector as a whole. However, the subsector's growth rate in VADC\$ over this period was 6.9%; the least after the transport equipment (ISIC 384) subsector (3.4%), and the professional goods subsector (ISIC 385): 5.1%

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1: Yearbook of National Accounts Statistics, 1979, Volume 1.

But the transport equipment subsector (ISIC 384) was the second largest contributor of VADC\$, accounting during this period for 31.5% of total sectoral VADC\$

The electrical machinery subsector (ISIC 383), with a VADC\$ growth rate of 7.7% (1970-1977) accounted for the third largest share in sectoral VADC\$ contributions. In absolute figures, its contribution during this period was \$157,520.00 or 17.8% in relative terms.

Notwithstanding the high VADC\$ growth rate (18.5%) experienced by the non electrical machinery subsector (ISIC 382) it accounted for the second least per centage share (13.6%) in the overall sectoral VADC\$. In fact, this subsector's growth rate was the highest among the rest of the subsectors.

With just 1.5% share in the entire sectoral VADC\$ during 1970-1977, the professional goods subsector accounted for the least share compared to other subsectors. The subsector's (ISIC 385) annual rate of VADC\$ generation was 5.1%, and in absolute figures, the total of the VADC\$ accruing to this subsector throughout this period amounted

to \$13,302,000.00



TABLE 1 : CAPITAL GOODS IN ALGERIA

ISIC	VADC\$(1977)	% share in ISIC <sup>1</sup> 3	Growth of VADC\$ (1970-1977)	Number of EST <sup>2</sup>	% share in ISIC 3
3	1,214,251,000.00	100.00	7.0		
38	149,582,000.00	12	7.2		
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	54,636,000.00	36.5	6.9		
382	25,506,000.00	17.1	18.5		
383	27,500,000.00	18.4	7.7		
384	39,960,000.00	26.7	3.4		
385	1,980,000.00	1.3	5.1		

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit

unless otherwise stated.

BAHRAIN

From 1970 through 1975, the metal products subsector (ISIC 381), the electrical machinery subsector (ISIC 383) and the transport equipment subsector (ISIC 384) grew in value added (current U.S. dollars) at the uniform annual rate of *about* 43%: Table 1. However, by 1975, the transport equipment subsector (ISIC 384) had accounted for the largest share in value added (current dollars) contribution in the capital goods sector. Ammounting to \$6.5 million in 1975 from \$0.76 million in 1970, this represented a 755% increase- the largest percentage increase scored in the year (1975) by any subsector of the capital goods sector.

The next largest contributor to value added in current dollars (VAD\$) was the metal products subsector (ISIC 381) which in 1975 accounted for \$1.8 million through a 753% increase over its 1970 VAD\$ figure (\$0.21 million).

In the same year (1975), value added in the electrical machinery and apparatus subsector (ISIC 383) was reported to be \$1.1 million, representing a growth of 752% over 1970.

The capital goods sector (ISIC 38) was reported therefore to have generated in 1975 the total sum of \$9.4 million as value added in current dollars out of which 69% accrued from the transport equipment subsector (ISIC 384), followed by the metal products subsector (ISIC 381) which accounted for 19%. The electrical machinery subsector (ISIC 383), accounted for the least share of 11.7%.

TABLE 1 : CAPITAL GOODS IN BAHRAIN

<u>ISIC</u>	<u>VADC\$*</u> (1975)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (current \$;70-75)	<u>Number of EST<sup>2</sup></u>	<u>% share in ISIC 3</u>
3					
38					
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	1,800		42.9		
382					
383	1,100		42.9		
384	6,500		43.0		
385					

\*: Value added in constant U.S. dollars .

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit . . . . .  
unless otherwise stated.

### DEMOCRATIC YEMEN.

The manufacturing industry (ISIC 3) was reported in 1971 to have had 45 establishments and engaged 3,779 employees to whom was paid the total sum of 2.4 million Yemeni ~~Dinars~~ as wages and salaries. Gross output worth a little over 36 million Yemeni ~~Qihars~~ was also reported to have accrued to the industry in that year. But by 1976, number of establishments had increased to 526 while employment scored a 90% increase over the 1971 level to account for 7,182 workers. In the same year, gross output was recorded as 61.1 million Yemeni ~~dinars~~. Salary was not recorded for that year. But for the previous year (1975), it was reported to be 2.8 million Yemeni ~~dinars~~.

With 11 establishments reported to be operative in the capital goods sector (ISIC 38) in 1971, the sector accounted for 24% of total number of industrial establishments in that year. Five years later when the number of establishments in the sector had become 12, it represented a mere 2% share in the overall number of industrial establishments which fact shows that establishments were growing at a faster rate in the industry than in the sector. And so also did employment which in the industry grew at 11.6% annually, and at 7.7% in the sector (1971-1976).

The significant subsectors in the capital goods sector (ISIC 38) were the transport equipment subsector (ISIC 384) and the metal products subsector (ISIC 381).

On the average, the transport equipment subsector throughout the first half of the 1970 decade operated 9 establishments yearly and engaged 60 employees per establishment. Growth in this subsector of employment proceeded at 6.8% annually. Despite minor fluctuations in 1972, output

increased from 0.5 million Yemeni dinars(1970) to a little over 1 million dinars in 1976 at the annual rate of 13.2%. Employment which recorded 349 workers in 1970 was reported to have reached 492 in 1977.

In 1970, the metal products subsector was reported to have engaged 64 employees which in 1977 had increased to 402, growing at the annual rate of 25.8%. In the previous year(1976) each establishment in the subsector had engaged the highest number of employees ever recorded(120) throughout the decade. Output which was reported to be 73,000 Yemeni dinars in 1970, grew to 971,000 dinars at the annual rate of 44.7% in 1976.

On the average, the metal products subsector operated 3 establishments annually (1970-1975) out of the average of 10 that yearly existed in the capital goods sector.

Without the metal products subsector(ISIC 381) and the transport equipment subsector(ISIC 384), the capital goods sector(ISIC 38) in the Democratic Republic of Yemen is virtually nonexistent. Even with these subsectors, the role and impact of the sector in the economy as a whole is not of much

consequence. *The establishments that operated in the transport equipments subsector (ISIC 384) were concentrated in ship-building and repairs*

In 1976, the average wages and salaries per employee as recorded for the transport equipment subsector was 395 Yemeni Dinars. For the metal products subsector, it was 364 Yemeni Dinars. This relative lower level of wages and salaries per employee can be explained somewhat by the skill content of the work involved.

Consumer goods manufactures (ISIC 31) and the petroleum products (ISIC 35) are the most important sectors in the manufacturing industry as a whole.

TABLE 1 : CAPITAL GOODS IN DEMOCRATIC YEMEN

<u>ISIC</u>	<u>VADC\$*</u>	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u>	<u>Number of EST<sup>2</sup></u> <u>(1975)</u>	<u>% share in ISIC 3</u>
3				559	100.00
38				12	2.2
	(1975)	<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	800			3	25
382					
383	100				
384	100			9	75
385					

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: NIDO Statistics and Survey Unit

unless otherwise stated.

TABLE 2: CAPITAL GOODS IN DEMOCRATIC YEMEN

<u>ISIC</u>	<u>EMP.* in 1975</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u> (1971-1977)	<u>Wages+Salaries</u> (1971-1977)	<u>% share in ISIC 3</u>
3	5,779	100.00	11.6	12,917,000	100.00
38	698	12.1	7.8	1,167,000	9.00
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	180	25.8	15.1	370,000	31.7
382					
383					
384	518	74.2	3.3	797,000	68.3
385					

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.



EGYPT.

Although the number of establishments in the manufacturing industry (ISIC 3) declined throughout the first half of the 1970s, reaching 4,788 in 1975 from 5,138 in 1970, employment and value added ( in constant 1975 U.S. \$) increased over this period, both growing at 3.4% and 4% annual compound rates respectively.

Capital investment grew during this period at 22.2%. This high rate of investment is understandable for, during 1965-1975, Egypt had implemented an industrial policy aimed at establishing solid foundation for strong industrial structure. The industrial strategy was therefore based on the development of both basic heavy and consumer goods industries with priority to the former.

The general performance of the capital goods sector (ISIC 38), especially in the year 1975, showed visible success in industrial policy. In this year, the capital goods sector (ISIC 38) accounted for about 10% of the number of industrial establishments in the manufacturing industry; 11.3% of industrial output and 14% of total value added in constant dollars (VADC\$) originating from the manufacturing industry as a whole.

The year 1975 was for the capital goods sector the most prosperous throughout the first half of the 1970 decade.

After a steep decline of -16% ( in 1974 over 1973) establishments in the sector suddenly began to grow in 1975. Employment, recovering from a fall in the previous year, registered a 6.1% growth in 1975. Wages and salaries <sup>increased</sup> by 19.4% over those of 1974. Output and value added in constant 1975 U.S dollars improved remarkably while gross capital formation went from £30.3 million in 1974 to £75.7 million in 1975- a percentage increase of 150. Consequently, <sup>number of establishments expanded in the following year (1976)</sup> to 498 from 476 in 1975, growing by 4.6%. Output rose by 5% more than the already phenomenal percentage growth of 20% in 1975 in which year also the average employee received the highest nominal salary since the beginning of the decade.

The largest capital investment made during this half decade period was in 1975, and in the transport equipment subsector (ISIC 384) where gross capital formation leaped from £3.9 million in 1974 to £28.5 million This subsector also accounted for the largest share of employment (33% of total sectoral employment), the largest share of wages and salaries (32% of total sectoral wage bill) and the largest share of gross output (32%) in the whole capital goods sector (ISIC 38) in 1975: Table 2.

But Table I reveals that the highest VADC\$(30%) was contributed by the metal products subsector (ISIC 381) followed by the electrical equipment subsector (ISIC 383) which also boasted a gross output of £62.8 million that ranked second in the whole sector (ISIC 38) after ISIC 384.

The professional goods subsector (ISIC 385) is the least developed of all the subsectors within the capital goods sector (ISIC 38).

For the period 1970-1978, this subsector made the least contribution to VADC\$ (0.17%) and operated the least number of establishments compared to other subsectors. Over this period, the subsector's VADC\$ experienced a negative growth rate of -7.6%. So also did employment which from 1970 through 1975 grew at the negative rate of -18.8% annually.

Table I shows that in terms of contribution to VAD, the metal products subsector (ISIC 381) was the most important even though its growth rate was one of the least

With a growth of 16.4% in VADC\$, the electrical machinery subsector (ISIC 383) was the fastest growing subsector and also a significant contributor to value added (27.1%) within the entire capital goods sector.

Table 2 shows that employment in the non electrical machinery subsector (ISIC 382) grew fastest (7.8%) in the first half of the 1970 decade during which period the subsector disbursed 19.5% of the overall sectoral wage bill. But the metal products subsector (ISIC 381) which paid out the most of wages and salaries (30.2%) suffered a very slow growth in employment (0.6%). Yet, as was seen from table I, it was the fastest growing subsector.

TABLE I: CAPITAL GOODS IN EGYPT

ISIC	VADC\$(1970-78)	% share in ISIC 3	Growth of VADC\$(70-78)	Number of EST.	% share in ISIC 3
3	-	-	-	4,788	100
38	2,613,220,000.00	-	8.6	476	10.0
		% share in ISIC 38			% share in ISIC 3
381	783,870,000.00	30.0	2.0	299	68.8
382	439,020,000.00	16.8	9.9	93	19.5
383	708,338,000.00	27.1	16.4	47	9.9
384	677,646,000.00	25.9	7.4	29	6.1
385	4,345,000.00	0.17	-7.6	8	1.7

source: United Nations Statistical Office.

TABLE 2: CAPITAL GOODS IN EGYPT

ISIC	Employment 1975	% share in ISIC 3	GrOwth(1970-75)	Wages/salary(1970-75) Egyptian pounds	% share in ISIC 3
3	731,400	100	3.5	1,319,920,000	100
38	90,300	12.4	3.4	185,870,000	14.1
		% share in ISIC 38			% share in ISIC 38
381	26700	29.6	0.6	56,210,000	30.2
382	16,600	18.4	7.8	36,180,000	19.5
383	17,200	19.1	4.9	32,090,000	17.3
384	29,600	32.8	3.6	60,210,000	32.4
385	200	0.2	-18.8	1,180,000	0.6

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Source: United Nations Statistical Office.

## IRAQ

In 1975, the manufacturing industry (ISIC 3) was reported to have had 1,334 establishments (the largest since 1970) 7% of which was accounted for by the capital goods sector (ISIC 38)<sup>1</sup>. This figure was also for the sector, the largest since 1972. The establishments in the industry employed the total of 132,930 persons representing a 48.9% increase over the 1970 figure (89,280 employees). The capital goods sector on the other hand, achieved a 43.4% increase (in 1975) over its 1970 record. Wages and salaries for <sup>the</sup> industry and sector were reported to be 59.9 million Iraqi Dinars and 8.9 Iraqi Dinars respectively. In the case of the industry, that was a 97.3% increase over its 1970 wage bill whereas for the sector it was an 86% increase over 1970. However, though in 1970 the capital goods sector (ISIC 38) accounted for 14% and 16% of total industrial employment and wage bill respectively, in 1975, the sector's per centage shares in these two indicators, had each declined by 1% point to become 13% and 15%. But despite these declines, the capital goods sector increased its share in industrial output from 4% in 1970 to 12% in 1975. Also, the sector's shares in industrial value added both in current (VAD\$) and constant dollars (VADC\$) grew from 7% and 12% in 1970 to 13% each respectively, in 1975. Notwithstanding the declines experienced by the capital goods sector in its shares in industrial employment and wage bill in 1975, the average establishment in the sector employed 0.85 times more persons (185 employees per establishment) than the average manufacturing establishment, and paid them about 12% more. Nevertheless, gross output accounted for by each employee (2,887 Dinars/employee) of the sector was lower by 10% than that accounted for the average employee in the manufacturing industry as a whole.

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1: Table 1.

Table 1 shows that over the period 1970-1975, value added (constant) in the capital goods sector grew at a faster rate (11.5%) than in the manufacturing industry where the growth rate in VADC\$ was 9.5%. Growth in employment over the same period both in the industry (6.9%) and the sector (6.2%) progressed at more or less the same rate.

The transport equipment subsector (ISIC 384), while recording the fastest growth rate (19.7%) in VADC\$ of all the reported subsectors of the capital goods sector, accounted for the least sum of value added from 1970 through 1975 (\$128.6 million). *No figures were available in this respect after 1975.*

The non electrical machinery subsector (ISIC 382) which experienced the least growth rate in VADC\$ over this half decade (8%), contributed the largest (reported) absolute share of sectoral VADC\$ (\$161.4 million).

The electrical machinery subsector contributed over the six years the total of \$136 million in VADC\$ which grew over the period, at the annual rate of 10.2%.

The largest and fastest growing subsector in the capital goods sector as can be seen from both tables 1 and 2, is the transport equipment subsector (ISIC 384) which disbursed the largest total sum of 15,612 million Iraqi Dinars as wages and salaries for the period 1970-1975 and operated in 1975, more than half (56.4%) of the overall sectoral number of establishments. *In 1976 it was reported to have had 62 establishments and engaged 7,240 employees. Nothing further was reported after this year.*

TABLE 1 : CAPITAL GOODS IN IRAQ

<u>ISIC</u>	<u>VADC\$*</u> (70-75)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (1970-1975)	<u>Number of EST<sup>2</sup></u> (1975)	<u>% share in ISIC 3</u>
3			9.5	1,334	100.00
38	483,444,000.00		11.5	94	7.0
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381					
382	161,364,000.00		8.0	27	28.7
383	136,042,000.00		10.2	12	22.8
384	128,612,000.00		19.7	53	56.4
385					

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit, unless otherwise stated.



TABLE 2: CAPITAL GOODS IN IRAQ

<u>ISIC</u>	<u>EMP.* in 1975</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u> <u>(1970-1975)</u>	<u>Wages+Salaries</u> <u>(1970-1975)</u> <u>in Iraqi Dinars</u>	<u>% share in ISIC 3</u>
3	132,930	100.00	6.9	254,081,000	100.00
38	17,420	13.10	6.2	36,566,000	14.4
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381					
382	5,740	33.00	11.7	13,368,000	36.6
383	4,690	26.90	33.5	7,550,000	20.7
384	6,950	39.90	-03.00	15,612,000	42.7
385	40	0.23	12.3	36,000	0.1

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

### JORDAN

Whereas by mid-decade(1975), the capital goods sector(ISIC 38) was reported to have accounted for 17% of total number of industrial establishments (793); 11% of overall industrial employment(1,994); 7% of all wages and salaries disbursed by the whole industry(619,000 Jordan dinars) and 4% of total industrial output(3.5 million Jordan dinars), at the end of the decade(1979), this role had generally reversed. Except for a decline to 14% in the sector's share in total number of industrial establishments in 1979 (694), the capital goods sector in this same year had increased its percentage shares in total industrial employment(2,829), total industrial wage bill(2.4 million Jordan dinars) and total industrial output(17.8 million Jordan dinars) to 12%, 9%, and 8% respectively. The implication of this is that the capital goods sector was in fact growing positively from 1975 till the end of that decade.

In 1979, the metal products subsector(ISIC 381) was reported to have 680 establishments or 98% of total sectoral number of establishments and engaged 2,498 employees which represented 88.3% of the whole sectoral employment recorded for the year. It also was reported to have accounted for 90% (2.1 million Jordan dinars) of overall sectoral wages and salaries and 93% (16.7 million Jordan dinars) of total sectoral output. It is then evident that metal products subsector was in this time, the largest existing subsector in the capital goods sector.

But the fastest growing subsector in value added in constant dollars(VADC\$) from 1970 through 1975 was the transport equipment subsector which registered 17.5% growth rate. Next was the electrical machinery subsector (15.1%) and then the the metal products subsector: Table 1. On the whole, the capital goods sector(ISIC 38) grew in constant dollar value added

at a slower rate (11%) than the entire manufacturing industry(14.1%).

Throughout the 1970s, no data were reported for the professional goods subsector which implies the the subsector(ISIC 385) was during this period non existent. Also, the non electrical machinery subsector(ISIC 382) was non operative for the last part of the decade(1978 and 1979).

In 1979, the metal products subsector(ISIC 381) registered the highest recorded salary per employee (845 Jordan dinars). This was followed by electrical machinery subsector(746 Jordan dinars) and then the transport equipment subsector (617 Jordan dinars). No capital investments were made (or reported) in the metal products subsector (ISIC 381) since 1970 until 1979 when gross fixed capital formation was valued in the subsector at 8.7 million Jordan dinars.

From 1974 through 1978, capital investment progressed in the electrical machinery(ISIC 383) and transport equipment(ISIC 384) subsectors at the respective annual rates of 6.7% and 18% . But although the electrical machinery grew at a slower rate, the absolute value of its capital investments were always higher than those of the transport equipment subsector. With a little over 1 million Jordan dinars as capital investment in 1978, the electrical machinery had scored a 38.6% increase over the capital investment of 1974 (0.7 million Jordan dinars). The transport machinery subsector (ISIC 384) on the other hand experienced a 129% increase in 1978 capital formation (.0.6 million Jordan dinars) over that of 1974 (0.3million Jordan dinars). All this explains why the transport equipment subsector is generally larger than the electrical machinery subsector(ISIC 383).

TABLE 1 : CAPITAL GOODS IN JORDAN

<u>ISIC</u>	<u>VADC\$*</u> (70-75)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u>	<u>Number of EST<sup>2</sup></u> (1979)	<u>% share in ISIC 3</u>
3	453,099,000.00	100.00	14.1	5018	100.00
38	51,453,000.00	11.4	11.0	694	14.00
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	22,578,000.00	43.9	9.8	680	98
382	10,395,000.00	20.2	-6.4		
383	7,744,000.00	15.1	15.1	4	0.6
384	14,363,000.00	27.9	17.5	10	1.4
385					

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

TABLE 2: CAPITAL GOODS IN JORDAN

<u>ISIC</u>	<u>EMP.* in 1975</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u>	<u>Wages+Salaries</u> (1975-1979) in Jordanian Dinars	<u>% share in ISIC 3</u>
3	18,988	100.00		83,805,000	100.00
38	1,994	10.5		5,484,000	6.5
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381					
382	20	1.0			
383	416	20.9		843,000	15.4
384	1,558	78.1		2,765,000	50.4
385					

\*: Number of employees

SOURCE: All data are computed from UNIDO Statistics and Survey Unit sources unless otherwise stated.

KUWAIT

At the beginning of the 1970 decade, more than half of the number of manufacturing establishments were located in the capital goods sector (ISIC 38) which however accounted for only 19% of total employment in the manufacturing industry of that year. The sector also accounted for 12% of total wages and salary paid out to employees in the industry.

Throughout most of the decade (1970-1977), the contribution of the capital goods sector (ISIC 38) to the gross output of the entire manufacturing industry (ISIC 3), remained on the average 4% annually. Value added both in current and constant dollars in 1975 <sup>accounted for</sup> 3.9% in the total value added arising from the manufacturing industry as a whole.

After 1970, the share of the capital goods sector (ISIC 38) in the overall manufacturing establishments continuously declined dropping to 11% in 1977 in which year the sector recorded its greatest share (21%) of the total manufacturing employment since 1970: Tables 1a 2. This means that the average size each establishment in the capital goods sector (ISIC 38) has grown over this period.

The greatest capital investment in the sector was made in 1976.

At the sum of 2.02 million Kuwait Dinars, this represented 16%

of the total capital investment made in the entire manufacturing industry. But in the following year(1977), it declined to a 7% share together with the average sectoral salary which fell by a per centage decrease of -27.1% from the 1976 figure. Output per employee was at its highest in 1976, rising by 2.4% over the previous year's.

Growth in the sectoral salary and gross output occurred at the annual rate of 27.4% and 26.6% respectively. Throughout, total wages and salary in the capital goods sector(ISIC 38), maintained on the average, a steady annual share of 12% in the overall wages and salary disbursed annually by the manufacturing industry as a whole.

The metal products subsector(ISIC 381) is evidently the most significant of all the subsector in the capital goods(ISIC 38). Compared to the other subsectors(ISIC 382, ISIC 383, ISIC 384, and ISIC 385), it is the one subsector that from 1970 through 1977 operated the most number of establishments; employed the most number of workers; disbursed the largest salaries and generated the greatest value of gross output.

Capital investment which progressed in the metal products subsector(ISIC 381) at the annual growth rate of 31.1%, accounted for 91.7% of the total investment made in the entire capital goods sector(ISIC 38) in 1977.

Significantly, this happened in the year when the capital goods sector (ISIC 36) generated the most output (30 million Kuwait Dinars) since 1970. In the previous year (1976) however, the metal products subsector (ISIC 381), had received one of the least capital investment quotas while the transport equipment subsector (ISIC 384) made the most capital investment (86.9%) in the entire sector of that year.



TABLE 1 : CAPITAL GOODS IN KUWAIT

ISIC	VADC\$* (1975)	% share in ISIC <sup>1</sup> 3	Growth of VADC\$ (current\$:70-75)	Number of EST <sup>2</sup> (1977)	% share in ISIC 3
3	525,530,000.00	100.00	29.2	3328	100
38	20,700,000.00	3.9	10.9	348	11.4
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	11,700,000.00	56.5	22.7	320	27.0
382	5,200,000.00	25.2	24.0	27	7.6
383	1,000,000.00	4.8	2.6	8	2.1
384	2,100,000.00	10.0	-13.9	23	5.9
385	700,000.00	3.4	15.8	10	2.6

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE:

UNIDO Statistics and Survey Unit .

unless otherwise stated.

TABLE 2: CAPITAL GOODS IN KUWAIT

ISIC	EMP.* 1977	% share in ISIC 3	Growth in EMP. (1970-1977)	Wages+Salaries in KUWAITI DINARS 1977	% share in ISIC 3
3	38,757	100	-	63,006,000	100
38	8,096	21.0	19.1	7,307,000	11.6
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	6,435	79.5		4,801,000	65.7
382	489	6.0	-1.8	659,000	9.0
383	27	0.30	-12.3	21,000	(.27)
384	1,056	13.0	26.4	1,648,000	22.6
385	89	1.1	-	178,000	2.4

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

LEBANON

The transport equipment subsector (ISIC 384) recorded over the first half of the 1970 decade, the highest growth rate for value added in current dollars compared to other subsectors of the capital goods sector (ISIC 38). This represented 8.9% annual rate, and 66.7% increase in 1975 over the 1970 figure. *No figures were reported after 1975*

In this same period (1970-1975), the non electrical machinery subsector (ISIC 382) generated value added in current dollars <sup>growing at an</sup> annual rate of 8.0%: Table 1. And achieved 58.9% increase in 1975 (VAD\$) over the 1970 figure. *In 1970 the VAD\$ was \$1,070,000.00 but by 1975 it had become \$1,700,000.00*

The metal products subsector (ISIC 381), follows in this order with VAD\$ annual growth rate of 7.8%, and a per centage increase of 56.5% value added in current dollars (VAD\$) between 1970 and 1975. In absolute terms, value added in constant dollars reported for this subsector was the highest recorded figure <sup>(~~\$18,000,000.00~~)</sup> in the year 1975 throughout the capital goods sector (ISIC 38).

The electrical machinery (ISIC 383) subsector's growth in current dollars value added was more or less the same (7.4%) as that of the metal products subsector's. And its per centage increase in this indicator (VAD\$) from 1970 to 1975 (53.8%), was roughly 3 per centage points less than the rate at which the metal <sup>products</sup> ~~produ-cts~~ VAD\$ grew.

*The metal products subsector (ISIC 381) is apparently the most developed of the other subsectors in the sector whereas the transport equipment subsector (ISIC 384) is the least developed. The professional goods subsector (ISIC 385) is relatively new.*

TABLE 1 : CAPITAL GOODS IN LEBANON

ISIC	VADC\$* (1975)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (Current \$: 70-75)	<u>Number of EST<sup>2</sup></u>	<u>% share in ISIC 3</u>
3					
38					
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	18,000,000.00		7.8		
382	1,700,000.00		8.0		
383	1,600,000.00		7.4		
384	400,000.00		8.9		
385					

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE:

UNIDO Statistics and Survey Unit

unless otherwise stated.

LIBYAN ARAB JAMAHIRIYA

In 1975, 272 establishments were reported to be operative in the Libyan manufacturing industry\* with number of employees totalling 12,350. Total wages and salaries disbursed in this year amounted to 15,332 thousand Libyan Dinars and the industry yielded 110.58 million Libyan Dinars worth of gross output (in producers' prices)\* Value added in constant U.S dollars grew from 1970 through 1975 at the annual rate of 10.4%, reaching \$314,400.00 at the end of the half decade whereas at the beginning(1970), it was \$173,944.00. This meant 80.7% increase over the initial value.

By 1976, number of establishments had slightly declined by only 1 to become 271, while number of employees had exceeded the previous year's figure by 1,493 persons. Wages and salaries<sup>rose</sup> from the 1975 figure to 18,341 thousand Libyan Dinars by 19.6% increase. And gross output (in producers' prices)\* jumped by a 14.9% increase over the 1975 record to 127.09 million Libyan Dinars.

In 1970, the capital goods sector (ISIC 38) was reported to have had 26 establishments and yielded the sum of \$6,327,000.00 as value added in constant dollars (VADCS). In 1975 the number of establishments had declined to 21 and the VADCS growing at the annual rate of 7%, climbed to \$9,500,000.00. Although we do not have figures for number of employees, all this could imply that the sector grew in efficiency over the half decade (1970-75). But certainly the sector had grown and become more productive over this period.

\*: Yearbook of Industrial Statistics, 1979 edition: Volume 1.

United Nations Statistical Office

Of the 26 establishments reported to exist in the capital goods sector (ISIC 38) in 1970, 21 of them belonged to the metal products subsector (ISIC 381); 4 to the electrical machinery subsector (ISIC 383), and 1 to the non electrical machinery subsector (ISIC 382). These, respectively, represented 80%, 15.4% and 3.8% of total establishments that operated in the entire capital goods sector (ISIC 38) <sup>for</sup> that year. Throughout the first half of the decade, the metal products subsector (ISIC 381) annually accounted on the average, for 79% of total establishments that operated in the capital goods sector as a whole.

By far, the metal products subsector dominated the capital goods sector in this period.

It employed <sup>534</sup> workers in 1975, which accounted for 88.9% of total sectoral employment (capital goods), and 4.3% of the entire industrial (manufacturing) employment. *In this same year,*

it paid out a salary of <sup>758 million</sup> Libyan Dinars <sup>to</sup> employees and maintained an 18.3% annual growth rate in gross output. *from 1970-1975* The most output generated by the subsector in this period was recorded at the end of the half decade (1975) when a gross output of 5.02 million Libyan Dinars was reported- a figure that represented 186.9% increase over the least

ever recorded output figure of 1971: 1.75 million Libyan Dinars. (throughout the half decade under review). *but in 1976 (the year of the latest data), number of establishments had decreased to 15 from 21 in 1970; employment fell from 642 employees (1970) to 342 (1975). Salary was especially on the decline falling to 0.5 million (1975) from 8.6 million Libyan Dinars (1970). But output increased to 3.7 million (1975) from 1.8 million Libyan Dinars in 1970.* Value added in constant U.S dollars increased in the metal products subsector

at the mean rate of 8% annually during this period, reaching its peak in 1975

when the sum of <sup>SE 200,000-40</sup> was recorded, and which amounted to 58.7% increase over the 1970 figure.

Though the metal products subsector is predominant in the capital goods subsector, its growth rate judged by its VADC\$ rate of increase is only half that of the electrical machinery subsector (ISIC 383) which is the second important subsector (after the metal products) in the entire capital goods sector. And whereas value added in constant dollars (VADC\$) in the metal products subsector achieved <sup>in 1975</sup> a 58.7% increase over the 1970 figure, VADC\$ in the electrical machinery subsector (ISIC 383) recorded a 143.9% increase in the same year (1975) over its 1970 figure.

The non-electrical machinery subsector (ISIC 382) is the third important subsector of the capital goods sector after the metal products and electrical machinery subsectors. Although this subsector was reported to have operated only 1 establishment annually (from 1970 through 1976), its contributions to VADC\$ grew during this period at an annual mean rate of 13.9% which was higher than those of the metal products subsector (12.2%) and the entire capital goods sector as a whole (12.1%).

TABLE 1 : CAPITAL GOODS IN LIBYAN ARAB JAMAHIRIYA

<u>ISIC</u>	<u>VADC\$*</u>	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (1970-1975)	<u>Number of EST<sup>2</sup></u>	<u>% share in ISIC 3</u>
	(1975)				
3	214,400,000.00	-	10.4	-	-
38	9,500,000.00	-	7.00	21	-
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	6,800,000.00	-	8.00	16	76.2
382	2,400,000.00	-	3.8	1	4.8
383	300,000.00	-	16.00	4	19.1
384	-	-	-	-	-
385	-	-	-	-	-

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE:

UNIDO Statistics and Survey Unit

unless otherwise stated.



TABLE 2: CAPITAL GOODS IN LIBYAN ARAB JAMAHIRIYA

<u>ISIC</u>	<u>EMP.* in 1975</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u> (1970-1975)	<u>Wages+Salaries</u> <small>in LIBYAN DINARS</small> (1970-1975)	<u>% share in ISIC 3</u>
3					
38					
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	534		-3.0	3,878,000	
382					
383	67		-0.3	288,000	
384					
385					

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit, ~~1977~~  
unless otherwise stated.

MAURITANIA

Value added in constant (VADC\$) and current (VAD\$) U.S. dollars  
were reported to be \_\_\_\_\_ and \_\_\_\_\_ in 1970 respectively.

By mid decade (1975), VADC\$ had increased at the annual rate  
of 10.8% to \_\_\_\_\_ and VAD\$ to \_\_\_\_\_ by 26% annual rate: Table 1.

*In the absence of information on other sectors  
this means that in Mauritania, the capital goods sector  
is nonexistent.*

TABLE 1 : CAPITAL GOODS IN MAURITANIA

<u>ISIC</u>	<u>VADC\$*</u> (1975)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (1970-1975)	<u>Number of EST<sup>2</sup></u>	<u>% share in ISIC 3</u>
3	-	-	-	-	-
38	-	-	-	-	-
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	400,000.00	-	10.8	-	-
382	-	-	-	-	-
383	-	-	-	-	-
384	-	-	-	-	-
385	-	-	-	-	-

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit, unless otherwise stated.

MOROCCO

Compared to all other industries of the Moroccan economy, the manufacturing industry was, from 1970 through 1977, one of the fast growing industries as well as a substantial contributor to the gross domestic product originating from the economy as a whole. Over this period, it grew at the annual rate of 5.8% and contributed yearly between 18% and 19% of total domestic product of industries. In 1970, its share in industrial domestic product was 18. %. By mid-decade (1975), <sup>this share</sup> had reached 19.2%. And in 1977, it slightly declined to 18.9% which in absolute figures was 4.80 thousand million Moroccan Dirhams.\* At the turn of the decade (1970), this was 3.05 thousand million Moroccan Dirhams.

In 1975, Value added in constant dollars (VADC\$) reported for the capital goods sector (ISIC 38) accounted for 20% of the total VADC\$ originating from the entire manufacturing industry (ISIC 3). This per centage share was the same as was reported in current dollars for the year. In current dollars, the value added in 1975 <sup>showed</sup> an 81.8% increase over that recorded for 1970. From 1970 through 1975, VADC\$ as generated by the capital goods sector (ISIC 38) grew at the annual rate of 5.1%. In current dollars, it increased at the much higher rate of 38.8%.

\*: Yearbook of National Accounts Statistics, 1979, Volume 1.

The metal products sub sector (ISIC 381) was responsible for most of the VADC\$ accruing to the capital goods sector (ISIC 38). In 1975, the subsector accounted for 45% of VADC\$ reported for the capital goods sector.

The transport equipment subsector (ISIC 384) which generated VADC\$ at the annual rate of 4.7% between 1970 and 1975. By 1977 this subsector had yielded the largest VADC\$ in the decade (\$77.2 million). But from then till the end of the decade (1979) its VADC\$ continuously declined, reaching \$40.1 million in 1979. This could mean a deterioration in the general performance of the sector.

The metal products subsector grew at 2.1% annually; the non electrical machinery subsector (ISIC 382) grew at 4.6%, while the electrical machinery subsector (ISIC 383) grew at 5.5% annually, throughout the 1970 decade.

TABLE 1 : CAPITAL GOODS IN MOROCCO

<u>ISIC</u>	<u>VADC\$*</u> (1975)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (1970-1975)	<u>Number of EST<sup>2</sup></u>	<u>% share in ISIC 3</u>
3	1,460,300	100.00	-		
38	290,600	19.9	5.1		
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	130,300	44.8	5.6		
382	40,100	13.8	5.1		
383	57,200	19.7	4.7		
384	60,800	20.9	4.7		
385	2,200	0.8	1.6		

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit, unless otherwise stated.

OMAN

In 1978, the entire manufacturing industry (ISIC 3), was reported to have operated 357 establishments and employed 3,926 workers. The industry was also reported to have disbursed R4.7 million (Rials) as total wages and salaries for the year. On the average therefore, each employee received R1,198 as salary for the whole year while each establishment employed about 11 people.

The manufacturing industry is evidently one of the least developed industries in Oman, and certainly the least contributor to the gross domestic product from 1970 through 1978. In 1970, it contributed R0.2\* million which was 0.19% of overall gross domestic product generated by the economy as a whole. By 1978, its contribution has risen both in absolute and relative terms although in the later case, it was not very significant: 1.3%. With the sum of R11.2 million, the industry became the tenth largest contributor to gross domestic product that amounted to R 892.8 million in 1978. However, it is note worthy that the contributions of the industry to gross domestic product increased at the annual rate of 56.4%.

Value added in current dollars which in 1970 was reported as <sup>\$400,000.00</sup> for the transport equipment subsector (ISIC 384), increased at the annual rate of 61.9% to the sum of <sup>\$7,100,000.00</sup> in 1975.

\*: Yearbook of National Accounts Statistics, 1979, volume 1.

United Nations Statistical Office.

TABLE 1 : CAPITAL GOODS IN OMAN

<u>ISIC</u>	<u>VADC\$*</u>	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (current\$;70-75)	<u>Number of EST<sup>2</sup></u>	<u>% share in ISIC 3</u>
3					
38					
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381					
382					
383					
384	7,200.00		61.8		
385					

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE:

UNIDO Statistics and Survey Unit

unless otherwise stated.



TABLE 2: CAPITAL GOODS IN OMAN

<u>ISIC</u>	<u>EMP.*</u> (1976)	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u>	<u>Wages+Salaries</u> (1978) in Omani Riyals	<u>% share in ISIC 3</u>
3	3,926	100		470,300	
38					
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381					
382					
383					
384					
385					

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

## SAUDI ARABIA

The role of the manufacturing industry (ISIC 3) in Saudi Arabia as depicted by its annual per centage contributions to overall domestic product of industries (in producer's values; at constant 1970 prices) during 1970-1977, was evidently minimal. Although it is not the least developed industry (by this standard) in the country, it is certainly not a developed one either.

In 1970, the manufacturing industry accounted for 10.3% of total industrial domestic product. In absolute terms, this meant the sum of R<sup>\*</sup>1,839.00 million<sup>1</sup>. From this year onwards through 1977, although in absolute figures the contributions of this industry increased by the mean annual rate of 6.2%, in relative terms it experienced continuous decline dropping to <sup>6.9%</sup> in 1977. share in domestic industrial product

Throughout the same period, the overall gross domestic product (GDP) of the entire economy, grew at the annual rate of 10.1%.

In 1976, there were 13,067 establishments in the entire manufacturing industry (ISIC 3) in which were employed, 61,536 people. In this same year, the capital goods sector (ISIC 38) accounted for 16% of the number of establishments (2,137) and 18% of the number of employee in the whole industry.

The metal products subsector (ISIC 381) was reported to have, in 1976, operated and employed the same number of establishments and employees as were reported for the entire capital goods sector (ISIC 38) for that year.

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\*: Saudi Arabia Riyals.

1: Yearbook of National Accounts Statistics, 1979, Volume 1.

This would mean that in 1976, the metal products subsector (ISIC 381) was the only existing subsector within the capital goods sector of the economy.

In 1970, the metal products subsector (ISIC 381) generated the sum of \$9,780.00 as value added in current dollars (VAD\$). In 1975, by the annual growth of 22.5%, it had reached the sum of \$11,320.00.

TABLE 1 : CAPITAL GOODS IN SAUDI ARABIA

<u>ISIC</u>	<u>VADC\$*</u> (1975)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (constant \$;70-75)	<u>Number of EST<sup>2</sup></u> (1976)	<u>% share in ISIC 3</u>
3	-	-	-	13,067	100.00
38	-	-	-	2,137	16.4
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	33,000,000.00	-	22.5	2,137	100.00
382	-	-	-	-	-
383	-	-	-	-	-
384	-	-	-	-	-
385	-	-	-	-	-

\*: Value added in constant U.S. dollars (1975)

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit, unless otherwise stated.

TABLE 2: CAPITAL GOODS IN SAUDI ARABIA

<u>ISIC</u>	<u>EMP.* in 1976</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u>	<u>Wages+Salaries</u>	<u>% share in ISIC 3</u>
3	61,536	100.00	-	-	-
38	11,320	18.4	-	-	-
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	11,320	100.00	-	-	-
382	-	-	-	-	-
383	-	-	-	-	-
384	-	-	-	-	-
385	-	-	-	-	-

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

### SOMALIA

From 1972 through 1977, <sup>the</sup> number of establishments in the manufacturing industry (ISIC 3) grew at the annual rate of 3.3%. Employment rose by 13.1%<sup>1</sup> and annual salary increased by 19.7%. Gross output increased at a slower rate (16.3%) than capital investment which, growing at an average of 35.5% annually, reached its peak (125.8 million Somali Shillings) in 1976 when employment, overall salary, average salary per employee, average number of employment per establishment and gross output, all reached their highest since 1972.

The capital goods sector (ISIC 38) is almost entirely made up of the metal products subsector (ISIC 381). From 1972 through 1977, all the figures reported for the various indicators of industrial performance for this subsector, were the same for the sector as a whole. This would suggest that during this period, the other subsectors: non-electrical machinery (ISIC 382), electrical machinery and equipment (ISIC 383), <sup>a</sup>transport equipment (ISIC 384) and the professional goods (ISIC 385) were virtually non-existent.\*

Not only that the capital goods sector is not diversified, but also that the role of that sector in the entire manufacturing industry (ISIC 3) in particular and the Somali economy as a whole, is rather of little significance. In 1972, the capital goods sector was reported to have had only 3 establishments out of 212 establishments reported for the manufacturing industry as a whole. This represented the meager share of 1.4%.

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1 : Table 2.

\* : Table 1 provides an example with the year 1975.

The sector in the same year accounted for just 0.3% of the total number of employees reported for the entire industry (ISIC 3). In absolute figures, this meant 17 employees out of 4,997. Whereas the entire industry paid out the total sum of 21.3 million Somali Shillings in wages and salaries (1972), the capital goods sector disbursed only 0.28% (60,000 Somali Shillings) of that amount. The sector also generated a gross output of 1 million Somali Shillings which was over 200 times less than the total output accruing from the entire industry. On the average, each of the 3 establishments that operated in the capital goods sector in 1972, employed 6 people each of who received an average salary of 3,529 Somali Shillings in that year.

In 1973, the number of establishments rose to 10 and the number of employees to 131. Total salary in the sector saw a 535% increase over the one of the previous year (1972). Gross output also increased from 1 million Somali Shillings to 1.9 million and gross fixed capital formation which did not exist (or was not reported) in 1972 was recorded as 6,000 Somali Shillings. Establishments on the average employed 13 workers each of who received the total average wage of 2,908 Somali Shillings in the year.

1974 was the year of greatest expansion in the number of establishments ever recorded in the period under consideration (1972-1977). In this year, number of establishments had risen to 28 from 10 in the previous year, and number of employees to 251 from 131 in 1973. Because establishments increased more than employment (180% as opposed to 91.6%), each establishment accounted for fewer employees (9) than in the previous year (13). And <sup>each</sup> employee received <sup>on the average</sup> a total salary of

3,538 Somali Shillings which represented 21.7% increase over 1973 salary.

Employment in 1975 fell by 44.2% from the previous year and so also did number of establishments which saw a 67.8% decrease over the previous year's. The average employee received a salary of 5,071 Somali Shillings and establishments engaged on the average, 16 employees each. Capital investment declined from 67,000 Somali Shillings (1974) to 28,000 Somali Shillings.

But despite this decline in capital investment, employment rose by 77% the following year (1976) to 248 workers, generating the largest gross output (5.4 million Somali Shillings), total salary (1.2 million Somali Shillings) and gross fixed capital formation (1.5 million Somali Shillings) since 1972. Also, each establishment employed on the average, the largest number of workers (25) since 1972 and up till 1977 when the overall performance of the sector began to decline.

In 1977, each employee received on the average, the largest salary since 1972 and made the largest contribution (38,611 Somali Shillings) to gross output since 1973. The output/salary productivity index was also highest in this year (6) since 1973. With decline in both employment and number of establishments, each establishment employed on the average only 9 persons- a substantial drop of 64% from the 1976 figure of 25.



TABLE 1 : CAPITAL GOODS IN SOMALIA

<u>ISIC</u>	<u>VADC\$*</u> (1975)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u>	<u>Number of EST<sup>2</sup></u> (1975)	<u>% share in ISIC 3</u>
3				287	100.00
38	500,000.00			9	3.1
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	500,000.00	100.00		9	100.00
382					
383					
384					
385					

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

TABLE 2: CAPITAL GOODS IN SOMALIA

<u>ISIC</u>	<u>EMP.*</u> (1977)	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u> (1972-1977)	<u>Wages+Salaries</u> (1977) in Somalian Schillings	<u>% share in ISIC 3</u>
3	10,460	100.00	13.1	63,009,000.00	100
38	72	0.7	27.2	429,000.00	0.7
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	72	100.00	27.2	429,000.00	100
382					
383					
384					
385					

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

## SUDAN

The number of establishments in the capital goods sector (ISIC 38) was reported to be 296 in 1972 which was 23.2% of total number of establishments in industry (ISIC 3) for that year. The sector in the same year, employed 3,987 workers (8.3% of total industrial work force) and paid out 9.7% (£1.4 million) of total wages and salary disbursed by the entire industry. The sectoral gross output of a little more than £13.5 million was a mere 8.6% of the total accruing from the entire manufacturing industry. It is clear from the foregoing that the capital goods sector (ISIC 38) of the Sudanese manufacturing industry is undeveloped and plays a role that is of little significance in the entire economy. However, between 1970 and 1975, value added in constant dollars (VADC\$) grew at the annual rate of 8.7% which was faster than the rate at which it increased in the entire industry over the same period (2.2%).

The dominant subsector within the undeveloped capital goods sector (ISIC 38) was the metal products subsector (ISIC 381) where establishments accounted in 1972 for 85.8% of total number of sectoral establishments (254) and employed 71.3% (2,842 workers) of total employment in the sector. In the same year, this subsector paid out 69.7% of total wages and salary recorded by the capital goods sector: Table 1.

Throughout 1970-1975, the metal products subsector made the most annual contributions to the overall value added in constant U.S dollars (VADC\$) originating from the whole of the capital goods sector. The annual percentage contribution of this subsector while remaining at an average of 70%, reached its peak in 1973 when it climbed to 75.2% (\$12.9 million) of the year's total VADC\$ of the capital goods sector.

The next significant subsector of the capital goods sector after the metal products subsector, is the non electrical machinery subsector (ISIC 382). In 1972, this subsector accounted for 6.4% of the total number of establishments in the capital goods sector (19): 17% of total number of employees (677) and 17.6% (IS250,000.00) of total sectoral wage bill. The subsector's contribution to VADC\$ was largest in 1972 (\$2,996,000.00) for the period of the first half of the 1970s. Its overall contribution to VADC\$ which was highest after that of the metal products subsector (ISIC 38), reached its highest point at the value of \$2,996,000.00 which represented a 37.2% increase over the 1971 figure, and a 16.9% share in the total VADC\$ accruing from the sector as a whole.

In 1972, the electrical machinery subsector (ISIC 383) was reported to have ten establishments and 219 employees both of which represented respectively 3.4% and 5.5% of the numbers of establishment and employees in the entire capital goods sector. This subsector, though it had a lesser number of employees than the transport equipment subsector (ISIC 384) in 1972, paid out more wages and salaries than did the transport equipment subsector. In the same year however, its contribution to VADC\$ was significantly less than that from the transport equipment subsector by 22.2%.

The transport equipment subsector (ISIC 384), with a 4.4% share in overall sectoral number of establishments in 1972 (13) and 7.3% (249) of total sectoral employment, paid out in 1972, 4.9% of total wages and salary disbursed by all the capital goods sector put together. This amounted to IS70,000.00. VADC\$ in the subsector grew over the half decade at the annual rate of 4.9%. This was the least sectoral VADC\$ growth rate experienced in the period.

The professional goods Subsector (ISIC 385) was virtually nonexistent.

**TABLE 1 : CAPITAL GOODS IN SUDAN**

<u>ISIC</u>	<u>VADC\$*</u> (1970-5)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (1970-1975)	<u>Number of EST<sup>2</sup></u> (1972)	<u>% share in ISIC 3</u>
3	2,709,744	100.00	2.4	1,274	100.00
38	97,269	3.60	8.70	296	23.20
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	68,241	70.20	9.80	254	85.80
382	12,574	12.90	6.60	19	6.40
383	7,042	7.20	8.30	10	3.40
384	9,414	9.70	4.90	13	4.40
385	-	-	-	-	-

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit

unless otherwise stated.

TABLE 2: CAPITAL GOODS IN SUDAN

<u>ISIC</u>	<u>EMP.*</u> ( 1972 )	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u>	<u>Wages+Salaries</u> (1972) in Sudanese pounds	<u>% share in ISIC 3</u>
3	48,027	100.00	-	14,590,000	100.00
38	3,987	8.30	-	1,420,000	9.30
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	2,842	71.30	-	999,000	69.7
382	677	17%	-	250,000	17.60
383	219	5.90	-	110,000	7.80
384	249	6.30	-	70,000	4.90
385	-	-	-	-	-

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

SYRIAN ARAB REPUBLIC

The manufacturing industry (ISIC 3) as depicted by various economic indicators reveals progressive performance throughout the 1970 decade. Between 1971 and 1979, number of establishments grew at 3.9% annually, shooting up finally in 1979 to the largest figure ever recorded in the decade, by a 40.6% increase over that of 1971.

Industrial employment grew at a faster rate (5.2%) than number of establishments, scoring in 1978 a 49.5 per centage increase over the 1971 record.

Even so, the <sup>average</sup> number of employees that worked in each establishment remained more or less constant. Thus, for every establishment that operated during this period there were on the average, four employees.

In absolute terms, the Syrian manufacturing industry did not record remarkable progress in employment during this period. For, even if number of establishments remained at the 1971 size (figure), this ratio does not improve very much. Increasing by less than unity, it then becomes approximately, 4.6:1.

Overall salary <sup>and wages</sup> which <sup>were</sup> £288 million in 1971, increased to £681.9 million in 1977. This represented 8% of gross output generated from the entire industry. <sup>in 1971</sup> Value added in constant U.S. dollars rose from \$400,911 in 1970 to \$669,194 in 1977 at the annual rate of 6.6%. From 1974 through 1977, each employee of the industry received on the average £2,788 as yearly salary and accounted for £33,143 worth of output annually.

The capital goods sector (ISIC 38), for the six years between 1971 and 1977, accounted for 8% of industrial employment; 5% of industrial salary and 5.4% of industrial value added in constant U.S. dollars annually. *This means that the sector was not a large one even though it grew at 15.4% annually (1970-1978): Table 1*

Throughout the 1970 decade, the metal products subsector made the most annual contribution to sectoral value added in constant dollars. Besides, this subsector (ISIC 381) operated the greatest number of establishments and employed the largest number of workers in the <sup>capital goods</sup> sector. Its annual contributions to sectoral value added in constant dollars, remained constant at 59.3% from 1970 through 1978. In this respect, it was the most important subsector within the capital goods sector (ISIC 38).

The non electrical machinery subsector (ISIC 382), with <sup>a</sup> share of 26.3% in VADC\$ contributions, came next in importance. For the better part of the decade (1970-1978), this subsector enjoyed more or less the same growth rate in employment <sup>as did</sup> the metal products subsector (ISIC 381). This is rather interesting because as can be seen from Table 2, the two subsectors in question, although with the least growth rates in employment compared to other subsectors (reported), contributed the largest shares in the <sup>a</sup> capital goods VADC\$. On the other hand, the electrical machinery and transport equipment subsectors while making the two least contributions to the sectoral VADC\$, experienced the largest growth rates in employment.



It is further interesting to note that the capital goods sector (ISIC 38), together with its subsectors (excluding the professional goods subsector for which data were not reported), experienced the uniform growth rate of 15.4% in VADC\$ from 1970 through 1978.

Also note worthy is the fact that the sum total of wages and salaries disbursed by the metal products subsector alone (ISIS 381) from 1970 through 1977 amounted to 98.2% of overall wages and salaries paid out in this period by the capital goods as a whole.: Table 2.

THE  
TABLE 1 : CAPITAL GOODS IN SYRIAN ARAB REPUBLIC

<u>ISIC</u>	<u>VADC\$*</u> (1970-75)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (1970-1978)	<u>Number of EST<sup>2</sup></u>	<u>% share in ISIC 3</u>
3	2,841,685	100		36,321	100.00
38	133,210	4.7	15.4	2,906	8.00
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	78,975	59.3	15.4	-	5.4
382	35,100	26.3	15.4	-	5.5
383	17,550	13.2	15.4	-	19.4
384	1,625	1.2	15.4	-	16.5
385	-	-	-	-	-

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit sources,  
unless otherwise stated.

TABLE 2: CAPITAL GOODS IN SYRIAN ARAB REPUBLIC

<u>ISIC</u>	<u>EMP* in 1975</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u> (1970-1978)	<u>Wages+Salaries</u> (1970-1977)	<u>% share in ISIC 3</u>
3	156,490	100.00	-	-	-
38	12,290	7.9	7.8	163,620,000	-
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	8,900	72.4	6.7	160,670,000	98.2
382	2,280	18.6	6.5	-	-
383	810	6.6	19.6	-	-
384	300	2.4	23.5	-	-
385	-	-	-	-	-

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit.  
unless otherwise stated.

## TUNISIA

The number of establishments in the Tunisian manufacturing industry (ISIC 3) grew throughout the 1970 decade at the annual rate of 5.8% so that whereas in 1970 establishments in the industry totalled 798, by 1979 they had reached 1401. More impressive however was the growth in employment which at the end of the decade (growing at 8.1% annually) was more than double the figure reported at the beginning of the decade. From 1970 through 1976, value added in constant 1975 U.S dollars (VADC\$) grew by 5.4% in the industry as a whole. This remarkable performance of the manufacturing industry is further expressed in its contributions to the gross domestic product. In 1963, the manufacturing industry contributed 30.3 million Tunisian Dinars. At the turn of the 1970 decade, its share had doubled that figure. And towards the end of the 1970 decade (in 1978), 156.2 million Tunisian Dinars accrued to the gross domestic product<sup>of industries</sup> (GDP in producers' values) from the manufacturing industry alone. In that year, it was the third largest contributor after Agriculture (including hunting forestry and fishing) and Services (community, social and personal).\*

The capital goods sector (ISIC 38) on the average, accounted annually for 7.3% of total number of establishments, 8.2% of employment and 9.3% of total output originating from the entire manufacturing industry (ISIC 3), throughout the 1970s.

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\* Yearbook of National Accounts Statistics 1979. Vol. ONE.

Over the same period, the sector disbursed annually, 9.7% of overall salary paid out by the industry. Its contribution to value added in constant U.S. dollars during the first half of the decade remained on the average, at the annual share of 7.1%.

Capital investment experienced the highest growth rate of all other reported indicators of economic performance in the capital goods sector with the mean annual rate of 38.7%. This was followed by gross output which increased annually by the compound rate of 26.2%. Wages and salaries increased by 24.7% annually while value added in constant U.S. dollars and employment, grew at the same rate of 15% annually. Number of establishments grew least of all at 13.9% annual compound rate.

The most significant subsector within the capital goods sector during the period in review, was the metal products subsector (ISIC 381). This subsector operated annually more than half of the establishments that existed in the capital goods sector and maintained the highest level of employment of all other subsectors within the sector.

In the metal products subsector (ISIC 381), employment and value added in constant (1975) U.S. dollars, grew during the decade at the annual mean rates of 17.6% and 9.3% respectively. With 25.5% growth rate, salaries and wages scored the fastest growth rate in this period, followed by gross output (23.9%).

The transport equipment subsector (ISIC 384) although operating fewer establishments and engaging fewer employees than the metal products subsector made the most contribution to value added (in constant U.S. dollars), growing at 23.4% over the decade (compared to other subsectors within the capital goods sector). At the close of the decade (1979), the total sum of value added (in constant U.S. dollars) accruing from the subsector since 1970, amounted to <sup>\$164.5 million</sup> a figure that represented 43.7% of overall VADC\$ generated in the capital goods sector as a whole <sup>\$376.4 million</sup> in this period: Table 1.

The electrical machinery subsector (ISIC 383) ranked next in importance, generating gross output at the annual compound rate of 24.9% and VADC\$ at 10.1%

TABLE 1 : CAPITAL GOODS IN TUNISIA

<u>ISIC</u>	<u>VADC\$*</u> (1970-1979)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u> (1970-1979)	<u>Number of EST<sup>2</sup></u> 1975	<u>% share in ISIC 3</u>
3	-	-	-	1,308	100.00
38	376,400,000.00	-	15.4	70	5.4
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	116,740,000.00	31.1	9.3	51	72.9
382	6,923,000.00	1.8	13.3	-	-
383	87,840,000.00	23.3	10.1	7	10.00
384	164,537,000.00	43.7	23.4	12	17.1
385	-	-	-	-	-

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE:

UNIDO Statistics and Survey Unit

unless otherwise stated.

TABLE 2: CAPITAL GOODS IN TUNISIA

<u>ISIC</u>	<u>EMP* in 1975</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u> (1970-1979)	<u>Wages+Salaries</u> (1970-1979) <small>IN TUNISIAN DINARS</small>	<u>% share in ISIC 3</u>
3	77,279	100	8.1	734,520,000	100
38	6,191	8.1	15.5	88,347,000	12.00
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	2,493	40.3	17.6	39,605,000	44.8
382	-	-	-	-	-
383	1,404	22.7	15.2	23,473,000	26.5
384	2,294	37.1	11.4	23,510,000	26.6
385	-	-	-	-	-

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.



UNITED ARAB EMIRATES.

The manufacturing industry (ISIC 3) was one of the fastest growing industries in the period 1972-1978, growing in domestic product at the annual rate of 45.2% (the second highest annual industrial growth rate after the community, social and personal services industry: ISIC 9) so that by 1978, it was able to contribute the sum of 2400.4 million U.A.E. Dirhams<sup>1</sup> to overall domestic industrial product. In relative terms, this contribution however represented only 4.8% of total domestic product of industries in that year. But compared to the year 1972 when the industry accounted for just 2.8% of domestic product accruing from industries as a whole, it meant a substantial improvement.

In 1977, the industry was reported to be operating 501 establishments all of which engaged 20,036 employees. By the next year (1978), the number of establishments had declined to 428 as well as the number of employees which by the negative growth rate of -0.5% had fallen to 18,949. Also, gross industrial output which was at the value of 2,127.4 million U.A.E. Dirhams in 1977 dropped slightly in 1978 to 2,124.6 million U.A.E. Dirhams.

In 1977, the capital goods sector (ISIC 38) was reported to have accounted for 21% and 28% of number of establishments and employees in the entire industry respectively.

<sup>1</sup>: Yearbook of National Accounts Statistics, 1979, Vol. 1

But although the number of industrial establishments declined in 1978, the share of the capital goods sector (ISIC 38) in the number of industrial establishments increased from 21% in 1977 to 23% in 1978.

In <sup>1977 and</sup> 1978, the metal products subsector (ISIC 381) was the dominant subsector accounting for most of the employment, establishments, salaries and output of the capital goods sector (ISIC 38). In 1977 in particular, the figures reported for the number of establishments (106) the number of employees <sup>(5,682)</sup> and gross output <sup>(292.1 million U.A.E. Dirhams)</sup> in the subsector were exactly the same for the sector as a whole. By implication, this would mean that in this year, the metal products subsector was the one existing subsector in the entire sector.

In 1978 however, the metal products subsector (ISIC 381), accounted for 78.2% of total sectoral employment (3,381 employees); 82.8% of total sectoral number of establishments (82), and 67.3% of overall wages and salary disbursed by the capital goods sector as a whole (66.2 million U.A.E. Dirhams).

The next important subsector in the capital goods sector is the transport machinery subsector (ISIC 384) which in 1978 accounted for 15.1% of total sectoral employment and 10% of total sectoral establishments. The subsector also was responsible for disbursing 24.7% of total wages and salary reported as paid out by the entire sector as a whole.

The nonelectrical machinery subsector (ISIC 382) accounted in 1978 for 5% of sectoral employment (235): 6% of sectoral wages and salaries (5.8 million U.A.E Dirhams) and 5% of sectoral number of establishments, whereas the electrical machinery subsector (ISIC 383) accounted for the least shares: Tables 1 and 2.

TABLE 1 : CAPITAL GOODS IN UNITED ARAB EMIRATES.

<u>ISIC</u>	<u>VADC\$*</u>	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u>	<u>Number of EST<sup>2</sup></u> <u>(1978)</u>	<u>% share in ISIC 3</u>
3				482	100.00
38				99	23.1
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381				82	82.8
382				5	5.1
383				2	2.0
384				10	10.1
385					

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit

unless otherwise stated.

TABLE 2: CAPITAL GOODS IN UNITED ARAB EMIRATES

<u>ISIC</u>	<u>EMP.*</u> (1978)	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u>	<u>Wages+Salaries</u> (1978) in UAE Dirhams	<u>% share in ISIC 3</u>
3	18,949	100.00	-2.8	484,700,000	100.00
38	4,322	22.8	-12.8	98,300,000	20.3
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	3,381	78.2	-22.9	66,200,000	67.3
382	253	5.4		5,800,000	5.9
383	52	1.2		2,000,000	2.0
384	654	15.1		24,300,000	24.7
385					

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

YEMEN

In 1971, 26 establishments were reported in the metal products subsector (ISIC 381) , with 310 employees. Gross output originating from the subsector in that year amounted to the sum of R\*3,077,000.00 and gross fixed capital formation was at R1,248,000.00.

By 1972, number of establishments in this subsector had shot up to 167, falling to 149 in 1973 when the number of employees increased to 670 thus recording more than a hundred per centage increase (116%) over the employment figure of 1970. Gross output also increased by 56.9% (over the 1971 figure) to R7,573,000.00. In 1973, this grew further to R 11,866,000.00.

\* YEMENI RIYALS

TABLE 1 : CAPITAL GOODS IN YEMEN

<u>ISIC</u>	<u>VADC\$*</u> (1975)	<u>% share in ISIC<sup>1</sup> 3</u>	<u>Growth of VADC\$</u>	<u>Number of EST<sup>2</sup></u> (1973)	<u>% share in ISIC 3</u>
3	-	-	-	-	-
38	-	-	-	-	-
		<u>% share in ISIC 38</u>			<u>% share in ISIC38</u>
381	600	-	-	149 -	22.3 -
382	-	-	-	-	-
383	-	-	-	-	-
384	-	-	-	-	-
385	-	-	-	-	-

\*: Value added in constant U.S. dollars

1: International Standard Industrial Classification of All Economic Activities.

2: Establishments.

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.

TABLE 2: CAPITAL GOODS IN YEMEN

<u>ISIC</u>	<u>EMP.* in 1975</u>	<u>% share in ISIC 3</u>	<u>Growth in EMP.</u> (1971-1973)	<u>Wages+Salaries</u> in YEMENI Riyals	<u>% share in ISIC 3</u>
3	-	-	-	-	-
38	-	-	-	-	-
		<u>% share in ISIC 38</u>			<u>% share in ISIC 38</u>
381	-	-	22.3	-	-
382	-	-	-	-	-
383	-	-	-	-	-
384	-	-	-	-	-
385	-	-	-	-	-

\*: Number of employees

SOURCE: UNIDO Statistics and Survey Unit  
unless otherwise stated.



CONCLUSION

The manufacturing industry in these Arab countries that have been considered is neither large nor very well developed. Very often, it <sup>Contributed</sup> a rather modest share to the gross domestic product of the respective countries during the decade under survey (1970-1979).

Within the manufacturing industry itself, the capital goods sector (ISIC 38) generally did not play any significant role. Its share in the overall industrial employment, wage bill, number of establishments and value added in constant U.S. dollars (VADC\$) was always minimal.

The metal products subsector (ISIC 381) and the transport equipment subsector (ISIC 384) were the two most important and most developed of all the other subsectors of the capital goods sector. Generally, they often accounted for the largest number of sectoral establishments, the greatest volume of sectoral output and highest employment levels. Also in many of the cases, the two subsectors experienced the fastest growth rates in the sector over the decade period.

The relative lack of adequate technical skills and engineering cadre in these countries probably explains this situation where capital intensive subsectors (ISIC 382, 383, 385) are the least developed even though substantial capital accrues to most of them from oil revenues. In the case of the transport equipment subsector (ISIC 384) which also is capital intensive, the entry of these countries (most of whom are oil producers) into the downstream operations of the oil industry is a plausible factor that might have accentuated expansion and growth in that subsector. This may be equally applicable to the other subsectors.

The professional equipments subsector (ISIC 385), wherever it existed, was the very least developed always accounting for the least share in the various indicators of economic performance after the electrical machinery subsector (ISIC 383) and the non electrical machinery subsector (ISIC 382).

From 1970 through 1975, the fastest growth rates of value added in current dollars (VAD\$) were recorded by the metal products subsector (43%), the transport equipment subsector (43%) and the electrical machinery subsector (43%) in Bahrain. In current dollars, Kuwait registered the fastest growth rate in the non electrical machinery subsector (24%) compared to the other Arab countries.

In constant dollars however, the Iraqi transport equipment subsector scored the highest VADC\$ growth rate during this period with 20% annually.

