

ABSTRACT

This research work is an attempt to explain improvements in the sector of small scale industries. It is based on the survey of small scale manufacturing units in all 34 districts of Punjab that has been conducted by Punjab Small Industries Corporation Lahore in 2004-05. To find out the comprehensive effects of production factors on production value, the production units are divided into three categories, Household, Cottage and Small industry. These industries are analysed separately with respect to three zones of Punjab (South, North and Central Punjab). This study shows that Manpower Quantity has a significant effect on business success in Small and Cottage industries. Sales become more significant in Household and Cottage Industries. We can say that some variables become significant or insignificant when we move from one industry type to another. Similarly the potential of production changed with respect to industries and zones of Punjab. In Cottage and Small industries performance of production units of Central Punjab is much better while in Household industry manufacturing units of North Punjab are most productive. It demonstrates that a decline in production and employment in the small scale industries is large due to lack of working capital, unfavourable conditions of infrastructure and low access to the national markets. The share of South Punjab in small scale production is only 18%. And share of Household industry is just 2.6% which is very low. The average salary of worker is less than 3,500/- rupees only which is incurable for potential growth of employment and production. Improving modifications can be done in areas with access to provide easy loan, wider markets and improved education & technology.