



## 10 - Industry and Services (IS) Sector

### Manufacturing, Trade, Services and other Related Businesses

#### Organization Responsible

Level of Responsibility	Name of Ministry/Agency/Institution
Ministry	Ministry of Primary Industry? Other Ministries?
Department	
District	
DS Division	
GN Division	

## Concepts and Definitions

### **Industry and Services (IS) Sector**

The industry and services sectors (IS) will include firms that are engaged in the following businesses, among others:

1. Manufacturing;
2. Trading;
3. Construction;
4. Financial services;
5. Retail and wholesale trade; and
6. Those engaged in other related businesses.

There are formal and informal economic activities within these sectors. The formal sector will refer to those businesses which are registered with the government and follow the appropriate regulations. In terms of scale, the IS sector is generally classified as micro, small, medium and large.

The informal sector are those micro-enterprises which operate outside the supervision and regulations of the government such as small traders, cottage industries, service providers, etc. The informal sector is composed basically of micro level economic activities.

Since the livelihood of many people depend both on the formal and informal sectors, they should be assessed after a disaster.

### **Damages**

Damages are generally the cost of repair of partially damaged assets and/or the cost of replacement of totally destroyed assets like structures, equipment, machineries, supplies, etc. Damage occurs at the time of the disaster or shortly after the disaster and is to be measured in physical terms for which monetary replacement value is subsequently estimated. The unit costs to be adopted for repair or replacement should be the costs prevailing just before the disaster.

### **Losses**

Losses are the values of foregone revenues or income due to the change in economic flows (income and expenditures) during the period of recovery and reconstruction following the disaster.

They are the current value of goods and services that were not and/or will not be produced over a time span due to the disaster until full recovery is attained. Losses in the sector will include the following:

- Foregone income after the structures, equipment and machineries of businesses and factories were damaged or destroyed by disasters.
- Additional expenses to clean and rehabilitate the factory or business site after destruction.

- Possible higher cost of operation that may arise after the disaster, such as payment of higher rates of electricity from alternative sources, or acquiring raw materials from alternative sources, or renting temporary premises while repairing or rebuilding the original premises

These losses would continue during the entire period of reconstruction and recovery and are expressed in monetary values at current prices.

In conducting a post-disaster damage and loss assessment in the industry, trade and services sectors (IS), the following steps are normally followed for every disaster-affected district.

## Steps in Undertaking Post-Disaster Damage and Loss Assessment for the Industry and Services (IS) Sectors

### ***Step 1. Collect and/or validate the baseline data for each of the disaster-affected district***

Baseline information must be compiled and validated at the national, provincial or district levels before the field assessment or, if possible, prior to the occurrence of disaster. The table below must be completed to be used for the baseline information in the online system.

#### **The formal sector**

There are numerous types of businesses in the formal IS sector which can generally be categorized as Industry including manufacturing (construction, chemicals, petroleum, pharmaceuticals, others); and Services including trade (wholesale retail trade); banking, insurance, and other financial services.

The damages and losses of some vital sectors under the major sectors of the national system of accounts are assessed separately in order to evaluate their potential impacts to the economy and the welfare of the people. For example, power/electricity; tourism; water supply, mining, telecommunications as well as the housing sector are assessed separately. The baseline information of the formal IS sector is summarized under the table below.

**Table 1. Baseline information on the formal IS sector in a District**

District						
Type of firms in the Formal Sector	Number of Businesses by Classification					
Industry	Micro	Small	Medium	Large	Total Number of People Employed	
					Male	Female
<i>Textile and Garments</i>						
<i>Tea processing</i>						
<i>Petroleum</i>						
<i>Construction</i>						
<i>Beverages</i>						
<i>Chemicals</i>						
<i>Pharmaceutical</i>						

<i>Others</i>						
<b>Services</b>						
<i>Finance and Insurance</i>						
<i>Wholesale Trade</i>						
<i>Retail Trade</i>						
<i>Others</i>						
<i>Real estate</i>						
<i>Private services</i>						
<i>Others</i>						
<b>TOTAL</b>						

**Note for Table 1.**

- Other types of businesses under industry and services should be added.

**The informal sector**

The economic activities in the informal are generally limited to micro level trading, services and food processing. The following baseline information identifies the informal sector.

**Table 2. Baseline information on the informal IS sector in a District**

District			
Type of businesses	Number of businesses	Average Number of People Employed	
		Male	Female
<i>Trading</i>			
<i>Services</i>			
<i>Food processing</i>			
<i>Others</i>			
<b>TOTAL</b>			

The above baseline information for both the formal and informal sectors can be expanded to cover the other sub-sectors.

***Step 2. Estimate damages and losses***

With the baseline information, field assessment should be undertaken in the affected districts after a disaster.

✓ **Step 2.1. Estimate the damages and losses to businesses in the IS formal sector**

During the field visit, direct interviews with the affected firms should be conducted where repair and replacement costs should be estimated for the affected assets of the firm/s. The officials and experts in the firm/s can estimate their respective damages more accurately.

However, with the numerous businesses in the IS sector, it will be difficult to assess them all. To address this issue, the firms affected by the disaster can be interviewed or given a copy of Table 3 below to enable them to provide the information required for the assessment. The assessment team will input the information provided by the firms in the data entry sheet of the online system.

The value of damages and losses for businesses in the formal IS sector can be summarized in the following table which will appear in the online reporting system.

**Table 3. Damages and losses of a firm in the formal sector**

<b>District:</b>				
<b>Name of Firm:</b>				
<b>Ownership:</b>				
Private				
Public				
<b>Type of Business by Sector:</b>				
<b>Industry</b>	<b>Brief Description of Firm</b>			
Textile and Garments				
Tea processing				
Petroleum				
Construction				
Beverages				
Chemicals				
Pharmaceutical				
Others (Specify)				
<b>Services</b>	<b>Brief Description of Firm</b>			
Finance and Insurance				
Wholesale Trade				
Retail Trade				
Real estate				
Private services				
Others (Specify)				
<b>Classification of Firm:</b>	<b>Micro</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
<b>Number of Employees</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	
<b>Damages</b>				
<b>Assets</b>	<b>Replacement Value of Totally Destroyed Assets (LKR)</b>	<b>Repair Cost for Partially Damaged Assets (LKR)</b>	<b>Total Damages (LKR)</b>	
<b>Structures</b>				
Office buildings				
Others (Enumerate)				
<b>Total</b>				
<b>Equipment</b>				
Computers				
Others (Enumerate)				
<b>Total</b>				
<b>Machinery</b>				
Generators				
Others (Enumerate)				
<b>Total</b>				
<b>Vehicles</b>				
Trucks				
Cars				

<i>Others</i>						
<b>Total</b>						
<b>Stocks</b>						
<i>Finished products</i>						
<i>Others</i>						
<b>Total</b>						
<b>GRAND TOTAL</b>						
<b>Losses</b>						
Types of Losses	Average Value of Output per Year	Estimated Reduction in Value of Output (%)		Losses (LKR)		Total Losses (LKR)
	LKR/Year	Year 1	Year 2	Year 1	Year 2	
<b>Production Losses</b>						
<b>Cleaning up of debris</b>						
<b>Higher operating costs</b>						
<b>Other unexpected expenses</b>						
<b>TOTAL</b>						

Notes in filling out Table 3.

- The brief description of the firm should be placed across the type of the firm under assessment.
- The 'Replacement Value of Totally Destroyed Assets' refers to the amount needed to replace totally destroyed assets.
- The 'Cost of Repair for Partially Damaged Assets' refers to the amount needed to repair partially damaged assets.
- The 'Total Damages' will be the sum of the total replacement value and the total cost of repair.
- The 'Reduction in Value in Output (%)' is the estimated percentage reduction of income of the firm due to the disaster within the year the disaster occurred and on the next year.
- The 'Total Losses' will be the sum of the losses for Year 1 and Year 2.
- The information for Table 3 can be derived from interviews of the officials of the firms or they can be given the said Table 3 to enable them to provide the information required for the assessment. The assessment team will input on the online system the information provided by the firms.

✓ Step 2.2. Estimate the damages and losses in the informal sector

The informal sector assessment team can use the following table in interviewing key informants to get the necessary information.

**Table 4. Damages and losses of the informal sector**

District				
Damages				
Type of businesses	Total Number of Businesses Affected	Replacement Value of Totally Destroyed Assets (LKR)	Repair Cost for Partially Damaged Assets (LKR)	Total Damages (LKR)
Trading				
Services				

<i>Food processing</i>						
<i>Others</i>						
<b>Total</b>						
<b>Losses</b>						
Types of Losses	Average Value of Output per Year	Reduction in Value Of Output (%)		Losses (LKR)		Total Losses (LKR)
		Year 1	Year 2	Year 1	Year 2	
<b>Trading</b>	<b>LKR/Year</b>					
<i>Production Losses</i>						
<i>Cleaning up of debris</i>						
<i>Higher operating costs</i>						
<i>Other unexpected expenses</i>						
<b>Total</b>						
<b>Services</b>						
<i>Production Losses</i>						
<i>Cleaning up of debris</i>						
<i>Higher operating costs</i>						
<i>Other unexpected expenses</i>						
<b>Total</b>						
<b>Food processing</b>						
<i>Production Losses</i>						
<i>Cleaning up of debris</i>						
<i>Higher operating costs</i>						
<i>Other unexpected expenses</i>						
<b>Total</b>						
<b>Others</b>						
<i>Production Losses</i>						
<i>Cleaning up of debris</i>						
<i>Higher operating costs</i>						
<i>Other unexpected expenses</i>						
<b>Total</b>						
<b>GRAND TOTAL</b>						

Notes in filling out Table 4.

- Information for Table 4 can be gathered from key informants like the heads of various informal sector associations.

✓ Step 2.3. Summarize the damages and losses in the sector in a district

Based on the assessment of the firms or companies, or the reports of the companies submitted online, the damages and losses will be summarized online in the following table.

**Table 5. Summary of damages and losses of the formal and informal sectors in the district**

Name of District:					
Damages and Losses in the Formal Sector					
Types of Businesses	Number of Affected	Year 1		Year 2	Total (LKR)
		Damages (LKR)	Losses (LKR)	Losses (LKR)	

	Businesses									
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Industry										
Textile and Garments										
Tea processing										
Petroleum										
Construction										
Beverages										
Chemicals										
Pharmaceutical										
Others (Specify)										
Services										
Finance and Insurance										
Wholesale Trade										
Retail Trade										
Real estate										
Private services										
Others (Specify)										
TOTAL										
Damages and Losses in the Informal Sector										
Types of Businesses	Number of Affected Businesses		Year 1				Year 2		Total (LKR)	
			Damages (LKR)		Losses (LKR)		Losses (LKR)			
	Public	Private	Public	Private	Public	Private	Public	Private	Public	Private
Trading										
Services										
Food processing										
Others										
TOTAL										
SUMMARY OF DAMAGES AND LOSSES IN THE DISTRICT										
	Year 1				Year 2		Total (LKR)			
	Damages (LKR)		Losses (LKR)		Losses (LKR)					
	Public	Private	Public	Private	Public	Private	Public	Private		
Formal Sector										
Industry										
Services										
Total										
Informal Sector										
Trading										
Services										
Food processing										
Others										
Total										
GRAND TOTAL										

✓ Step 2.4. Summarize the damages and losses in the sector in a province



The total estimated effects of the disaster in the province can be summarized by combining the values of damages and losses in the Districts. The following table is used in the online system.

**Table 6. Summary of damages and losses in a province**

Province								
Name of District	Year 1				Year 2		Total (LKR)	
	Damages (LKR)		Losses (LKR)		Losses (LKR)			
District 1	Public	Private	Public	Private	Public	Private	Public	Private
Formal Sector								
Informal Sector								
Total								
District N								
Formal Sector								
Informal Sector								
Total								
GRAND TOTAL								

✓ Step 2.5. Summarize damages and losses in the sector nationwide

A nationwide summary of the assessment will be created enumerating the damages and losses of the sector at each province. The data in the national summary should include all the information gathered by the various teams that assessed the different disaster-affected districts. The following table will be used for the national summary.

**Table 7. Summary of damages and losses nationwide**

Name of Province	Year 1				Year 2		Total (LKR)	
	Damages (LKR)		Losses (LKR)		Losses (LKR)			
	Public	Private	Public	Private	Public	Private	Public	Private
Province 1								
Formal Sector								
Informal Sector								
Total								
Province N								
Formal Sector								
Informal Sector								
Total								
GRAND TOTAL								