



கீர்தான அலாநலா஁ட  
கைத்தாழில் அமைச்சு  
Ministry of Industries



# National Salt Limited

## Performance Analysis Report

## National Salt Limited (NSL)

### Background

Salt, a crucial element of life, is manufactured as a seasoning for human consumption as well as used in chemical industries. The most prominent use for salt is as a feedstock for the production of industrial chemicals. The worldwide market for salt production was valued at over 29 billion U.S. dollars in 2021, with 290 million metric tons of salt produced that year. China, the United States, and India are the top three countries for salt production and altogether produced a combined total of over 130 million metric tons of salt in 2021.

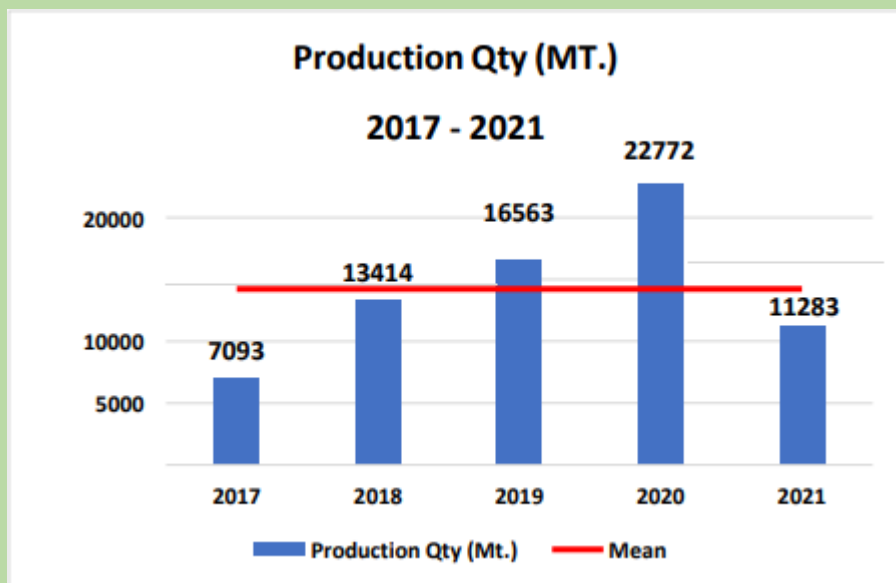
India exports the most salt of any country, transporting over 8.5 billion kilograms in 2021. The United States was the leading importer of salt worldwide that year, where it is used in industrial applications within sectors such as pharmaceuticals, agriculture and livestock, and chemical productions.

The United States imported about 16 million metric tons of salt in 2021, a slight increase from 15.6 million the year before. As of 2021, the price of vacuum and open pan salt in the United States was estimated to stand at 220 U.S. dollars per ton, while the price of solar salt amounted to approximately 120 U.S. dollars per ton during the same year.

In 2021, worldwide production of salt amounted to some 290 million metric tons. In that year, China was the leading salt producer worldwide with the production of 64 million tons.

Financial & physical performance are shown in the next part of the report using the Data which was submitted by the company.

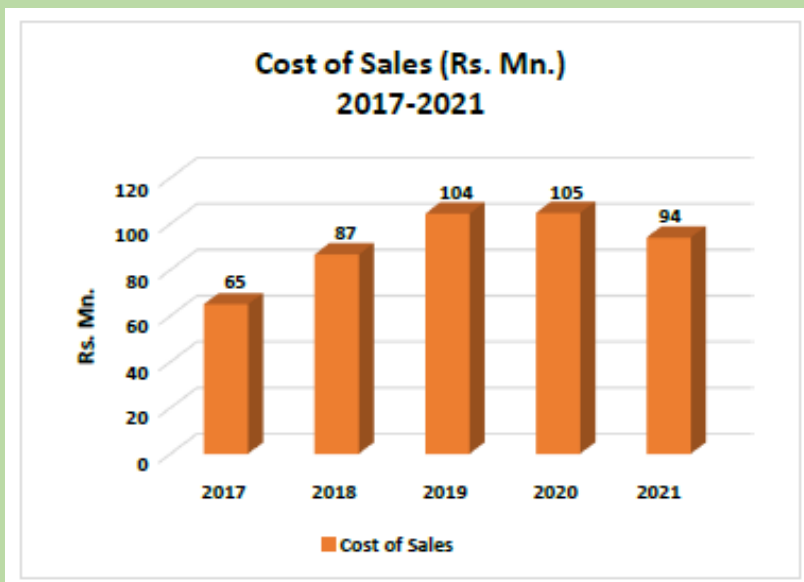
### Performance Analysis



Mean (MT)	Median	Standard Deviation
14225	13414	5888.46

Graph 1

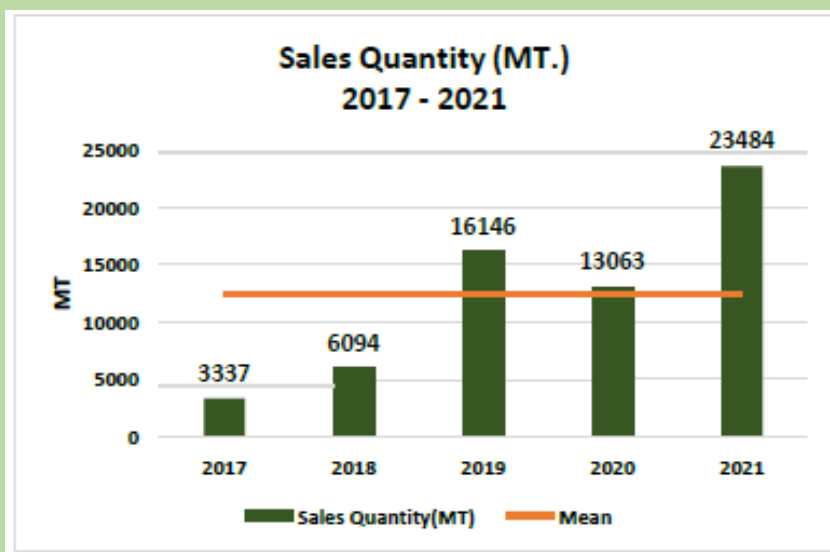
The Graph 1 shows that gradual increase in production within the time period of 2017 to 2020. However, the production quantity shows approximately 50% decrease in 2021 compared to the year 2020.



Mean (Rs. Mn.)	Median	Standard Deviation
90.964	94.04	16.40

Graph 2

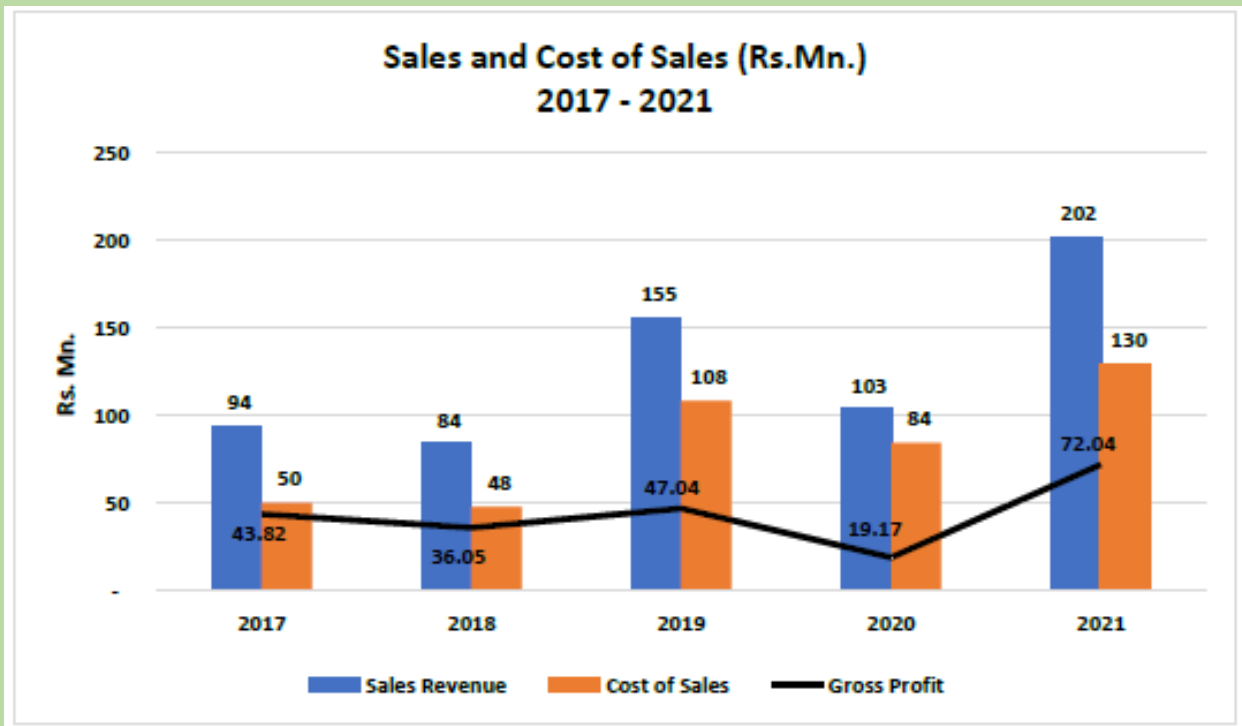
According to the graph 2, total cost of sales has increased gradually within the time period of 2017 to 2020. However, cost of sales 2021 shows slightly decreased compared to the year 2020.



Mean	Median	Standard Deviation
12424.8	13063	8050.27

Graph 3

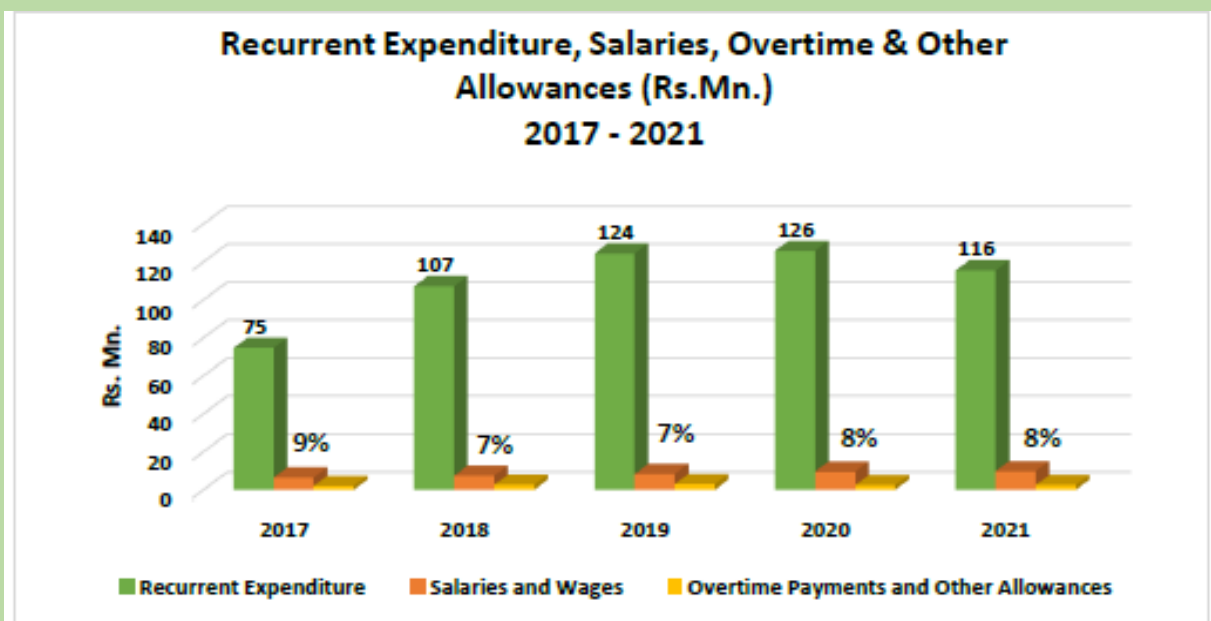
Sales quantity of the National Salt Limited has increased gradually from year 2017 to 2019 but dropped in 2020 as per the graph 3. However, in the year 2021 the company sales has increased nearly 50% compared to the year 2020.



Graph 4

Description	Mean (Rs. Mn.)	Median	Standard Deviation
Sales Revenue	127.616	103.47	49.71
Cost of Sales	83.992	84.3	35.82
Gross Profit	43.624	43.82	19.20

Graph 4 shows that sales revenue of National Salt Limited has increased continuously from the year 2017 to 2021 except 2018 & 2020. The cost of sales has slightly dropped in the year 2018, but increased in the year 2019. From the year 2017 to 2021 gross profit shows fluctuations and the mean value of gross profit is Rs. 43.62 Mn.

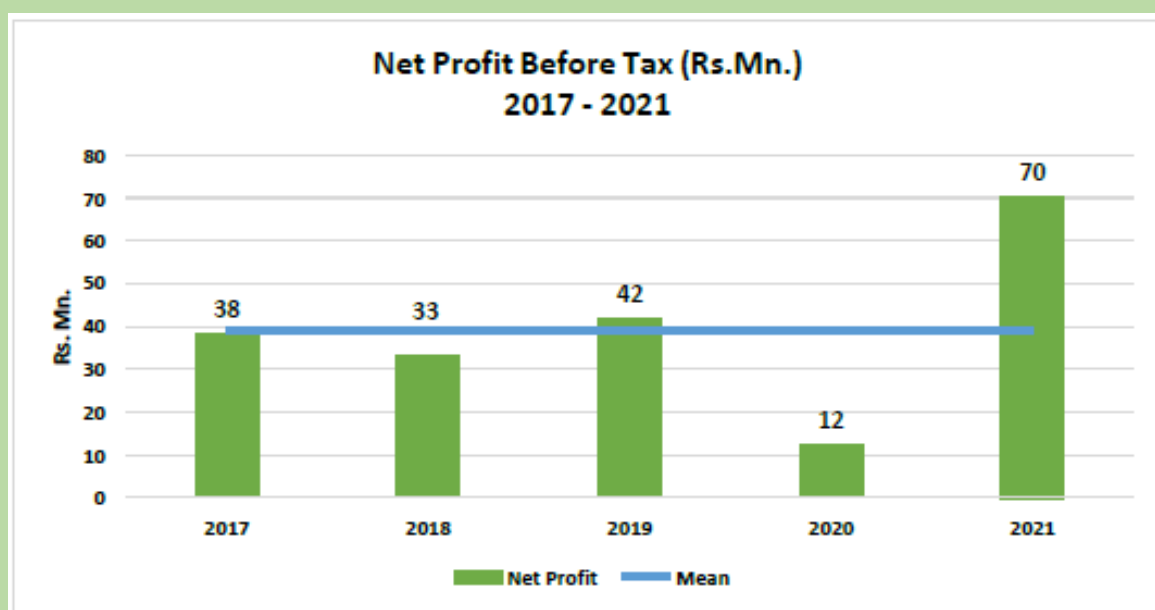


Graph 5

(Rs. Mn.)

Description	2017	2018	2019	2020	2021
Recurrent Expenditure	75	107	124	126	116
Salaries and Wages	6	7	8	10	10
Overtime and Other Allowances	2	3	3	2	2

According to the data in Graph 5, recurrent expenditure has slightly increased from the year 2017 to 2021. Salaries and wages, other allowances has fluctuated within the considered time period. The salaries and wages represent 7% - 9% from recurrent expenditure.



Graph 6

Description	Mean (Rs. Mn.)	Median	Standard Deviation
Net Profit before tax	38.38	33.03	41.73

The net profit before tax of National Salt Limited has increased from the year 2017 to 2021 according to graph 6. Although, compared to year 2017 Net Profit before tax has sudden dropped in the years of 2018 and 2020. The net profit before tax has increased more than Rs. 50 Mn. in 2021 compared to the year 2020.



Graph 7

Graph 7 shows that the total number of employees in the National Salt Limited has increased from 215 employees in 2017 to 344 employees in 2018. Specially number of employees from 2018 to 2021 had been decreased gradually.

### Observation and Recommendations

- ❖ National Salt Limited has long history in salt production in Sri Lanka. It manufactures common salt, iodine mixed salt and crush salt.
- ❖ The major production area is located in Mannar and Elephant pass. Establishment of table salt plant in Mannar Saltern and capture Northern province market through distributors
- ❖ Production Forecast - when we consider the profit, therefore your attention takes necessary actions to double the production up to 23000MT.
- ❖ It is necessary to find the new export market opportunities to increase the sales quantity of production.
- ❖ Recurrent expenditure has slightly increased from the year 2017 to 2021. Reduction of recurrent expenditure is very important.
- ❖ Preparing overall strategic plan along with annual production and sales forecast will positively affect towards overall performance of the company.