

TRENDS IN DIGITAL FINANCIAL PLATFORMS IN SRI LANKA

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Digital financial platforms enable the trading of various instruments, such as stocks, bonds, currencies, commodities, and assets, as well as regular transactions. Especially in post-COVID-19 Sri Lanka, they create opportunities for citizens and contribute to economic growth. The research gap in this study lies in the absence of an in-depth analysis of strategies and policies needed to address challenges in Sri Lanka's evolving digital financial landscape. The study aims to investigate digital financial market trends, challenges, and their role in promoting economic growth and citizen empowerment from 2020 to 2022. The research methodology includes a thorough literature review of Sri Lankan digital financial markets, utilizing secondary sources like research papers, reports, websites, and blogs to identify current trends in the country's digital financial market development. As of January 2022, Sri Lanka had 11.3 million internet users, representing a 4.9 percent increase from the previous year. Additionally, there were 8.2 million social media users, accounting for around 38.1 percent of the total population in 2022. This widespread adoption of digital financial tools, such as mobile payments, online banking, credit cards, ATM cards, and investment apps, including platforms like eZ Cash, Dialog Genie, and various online banking websites and the CSE app, has facilitated online trading and financial transactions via mobile devices. However, as of October 2022, there was a decline in active credit card users in Sri Lanka, with 1.9 million active credit cards decreasing by over 33,000 users within three months due to the country's ongoing financial crisis. These findings underscore both the growth of digital financial services in Sri Lanka and the sector's challenges, including economic uncertainty, income reduction due to inflation, market volatility, technological changes, rising financial service costs, and insufficient consumer education. Addressing these issues is crucial for sustaining the usage of digital financial platforms.

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