

THE ROLE OF PLANTATION SECTOR AS AN EXPORT EARNER IN SRI LANKA

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The plantation sector is the major export earner in Sri Lanka where tea, rubber and coconut are the major agricultural export commodities. The Pattern of the export performance of the Sri Lankan plantation sector has changed tremendously over the period. The Purpose of this study was to examine the pattern of the export performance of the plantation sector during last three decades. More specifically it aimed to find the major changes in the export volume of plantation crops and causal factors, to identify the changes occurred in the coconut sector in terms of the coconut kernel products and non kernel products as an export earner and to identify the future potential of the plantation sector. It used secondary data related to the export volumes and values of tea, rubber and coconut products during the period starting from 1977 to 2007. Time series trend analysis was done to find the changes of the export values and volumes respectively.

The results revealed that, the quantity of tea exported has an increasing trend; major coconut kernel products have a marginally decreasing trend and rubber products have a decreasing trend. Export quantity and export value of desiccated coconuts have shown marginally decreasing trend and coconut oil has shown a decreasing trend, while copra and fresh nuts have shown a steady increasing trend. Even though the export quantity of coconut shell products has a steadily decreasing trend its role as an export earner has showed increasing trend at a decreasing rate. Fibre products have a decreasing trend in terms of export value as well as export volume. Fibre finished products have an increasing trend of export earnings. The export earnings of the coconut kernel have decreased by 20.8%, on the other hand, non kernel products have increased by 20.7% throughout the period.

According to the findings it can be concluded that, the export earnings from tea and coconut products have increasing trends and rubber has decreasing trend in future. Among the coconut kernel products, copra and fresh nuts have an increasing trend and desiccated coconut, coconut oil have a decreasing trend. Among the non kernel products, shell products and fibre finished products have increasing trends while fibre products have a decreasing trend in future. Factors such as price fluctuation, declining production, declining extent, weather condition, increasing cost of production, lack of technology and policy influence of the government have a greater influence on these identified trends. Therefore, actions such as, export promotion strategies, removal of trade restrictions and innovation and application of the new technology should be

introduced to the Sri Lankan plantation sector especially for these identified potential products.

Key words: Plantation sector in Sri Lanka, Exports, Earner