

The potentials of the coco coir-based industry to increase export earnings in Sri Lanka: A case study of Kuliyaipitiya-West divisional secretariat division

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Next to tea, coconut cultivation is the most commercial crop in Sri Lanka. The coconut fiber-based product industry plays a significant role nationally as well as internationally as a small and medium-scale enterprise (SMEs) in Sri Lanka. The main objective of this study is to identify the potential of the coco coir-based industry to increase export earnings in Sri Lanka. Other than that, focus is given to discussing the importance and structure of the industry, its sources and products, the socio-economic situation of entrepreneurs in the industry, and the challenges faced by entrepreneurs in the industry. This study was based on a questionnaire survey, interviews with entrepreneurs, and ten case studies from the selected area. Therefore, research was conducted in an area under the Kuliyaipitiya - West Divisional Secretariat Division in Kurunegala District. Descriptive statistics were used to analyze the data, and the study followed the qualitative method. According to the findings, 70% of enterprises can be considered medium-sized enterprises, and 30% of enterprises can be identified as small-scale enterprises in the area. Moreover, net monthly income is more than LKR 100,000. This is because 60% of enterprises are direct exporters of products. Findings of the study reveal that geographical situation, demand for eco-friendly products, sufficient unused raw materials, unique technology and unique fiber properties, modern technology, and untapped land are the main potentials of the coir industry to increase export earnings in the country. The main challenge faced by the industry is the shortage and high cost of raw materials. This study reveals that if entrepreneurs can obtain government support for both financial and non-financial purposes, it helps boost economic growth through the creation of foreign exchange for the economy.

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