

Factors affecting the profitability of small-scale gem mining industry (Based on Kuruwita divisional secretariat in Rathnapura district)

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Abstract

Gem industry, which is highly developed through the advancement of technology, has increased Sri Lanka's foreign exchange. By 2017, Sri Lanka has received a total of 22,075 million Rupees. This is a very high contribution of 99.85% of the total mineral exports to Sri Lanka (Economic and Social Statistics of Sri Lanka, 2018). Small-scale gem miners have very important part of this industry. The goal of small scale gem miners to get into the gem industry is to improve their quality of life. However, the profit earned by the miners is not enough to sustain the small scale gem mining business as a profitable business. Accordingly, the study aims to find out what factors are driving the small scale gem mining business as a profitable venture. The purpose of this study was to study the problems faced by small scale gem miners today. As the study area, the Kuruwita Divisional Secretariat in the Ratnapura District and 50 small scale gem miners in the two Grama Seva Divisions of Ihalagama / Theppanawa and Pathagama in this Divisional Secretariat were selected as the study sample. This study is mainly based on primary data. Data were analyzed using quantitative and qualitative analysis methods using a structured questionnaire. The results of the chi-Squared test revealed that the level of experience, technology, and investment potential (capital) influence the small-scale gem mining business as a profitable venture and level of education does not influence in the small-scale gem mining business as a profitable venture. It was also revealed that there were problems with the availability of raw materials, labor, licensing, mechanical technology and the gem market. Proposals to provide practical knowledge, financial support and marketing facilities to promote the value of small scale gem mining among the younger generation can be proposed.

Key words: small-scale gem mining, small-scale gem miners, profitability

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