ANALYSIS OF THE STATUS OF THE RUBBER PRODUCT MANUFACTURING INDUSTRY IN SRI LANKA: BARRIERS AND SOLUTIONS

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Department of Mechanical Engineering

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DECLARATION

This report contains no material which has been accepted for the award of any other degree or diploma in any university or equivalent institution in Sri Lanka or abroad, and that to the best of my knowledge and belief, contains no material previously published or written by any other person, except where due reference is made in the text of this report.

I carried out the work described in this report under the supervision of Dr.Himan K.G. Punchihewa.

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Abstract

The Sri Lankan rubber industry is currently experiencing burning problems. Mainly rubber industries are facing issues such as, low production, lack of cultivation area, low productivity, reduction of re-planting area and new planting area, decline trend of rubber prices, increase of cost of production, reduction of export of raw rubber, increase of domestic consumption and declined trend of exports earnings, lack of skilled labour. However no one has identified which factors are affecting to create these problems and also hardly to find any solution to the most important problems which are presently available in rubber industry. Therefore, this research is aiming to find most important barriers of rubber product industry and find out what they are and how to avoid or minimize those barriers.

Objective of this survey was to gather information related to the present status of the rubber product industry in Sri Lanka and analyse the gathered information to propose the way forward in terms of barriers in the rubber products manufacturing sector. Survey was carried out by using questionnaires to find out the present situation, barriers, difficulties, issues, and solutions for rubber products industry. Large and medium scale rubber industries were targeted, and questionnaires were distributed according to the annual export performance (turnover) in each rubber products sectors. Gathered information from questionnaire was analysed by using PESTLE with Cobweb diagram, quantitative analysis, statistical analysis with linear correlation and qualitative analysis.

During this survey, three major factors were identified which affect the rubber products industry, and they are Economic, Legal and Technological factors. Under above factors, identified several key barriers are Impact of globalization on market share, Effect of Health and Safety issues, Insufficient facilities for the development of technology in the organization, Lack of Research and Development activities compared to the Competitors, Lack of proper techniques to absorb international technology. Proposed several solutions are Free trade agreement with developed countries, Promote to follow (Occupational Safety and Health Standards) OSHS for rubber industry, Need free technology Alliance with developed countries, Need to increase budget allocation for R&D activities, Govt should provide facilities for Reverse Engineering. Extension of this survey to the small scale rubber industry is proposed as future work.

Keywords: Rubber industry, barriers, solutions, PESTLE factors.

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