

# AN ANALYZE OF EXPORTS OF MAJOR SPICES FROM SRI LANKA

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## ABSTRACT

The spice export policy of Sri Lanka has focused on value addition, product and market diversification and catering to the high-end markets to enhance foreign exchange earnings of the country. The overall objective of this study was to analyze export markets for Sri Lankan cinnamon, Pepper, Clove and Nutmeg. The specific objectives are to (1). To identify the trends in spice exports quantity and value from Sri Lanka, (2). To identify the market destination of spices from Sri Lanka, (3). To identify and analyze the producer and export prices of spices, (4). To identify and analyze export earning fluctuations year by year. The study used mainly secondary data. Secondary data collected from Central Bank Annual Reports (2000-2017), Statistical Abstract, Statistical sector of Department of Export Agriculture. Results of the analysis showed that there was positive correlation in export quantity, export volume, export prices and producer prices in all four major spice crops from 2000 – 2017 (Pepper, Cinnamon, Clove, Nutmeg). Also, in each 18 years' result showed different fluctuation of above factors by affecting weather conditions, quality of production, inflation etc. If we can correct these problems, we can gain higher export earning which lead for the establishment of better export market. But trends have shown gradual increase over time. Cinnamon, clove and nutmeg market behaves oligopoly throughout from 2015 to 2017 which only Pepper market tend to be a monopoly. Calculated value results obtained by Herfindahl-Hirschman Index method. Oligopoly market was identified for Pepper, Cinnamon and clove crop in 2017 and Nutmeg showed only somewhat competitive market. Value of exports, export quantity, Export price and Producer price were showed a gradual positive increase from 2000 to 2017.

**Keywords:** - Major Spices, Exports, Sri Lanka, Export price, Export Value, Export quantity, Producer's price, Market Destination

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