

**FACTORS AFFECTING ON THE LEVEL OF
VALUE - ADDED PRODUCT EXPORTATION OF
COCONUT INDUSTRY OF SRILANKA**

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ABSTRACT

Sri Lanka is one of the largest suppliers of quality value-added coconut products to the world market. Though the value-added coconut products play a crucial role in the coconut sector, the performance of the overall sector in Sri Lanka has not been reached the expectations over the past couple of years. Sri Lanka has been ranked high as a value-added coconut exporter to the world market. Furthermore, the USA, the European Union, Asia, Africa, Oceanic countries are the leading markets for the value-added coconut product of Sri Lanka. Hence, this study was focused on the factors affecting value-added coconut product exportation in Sri Lanka. Primary data were collected through a questionnaire-based survey, the foremost factors which affect the value-added exportation were figured out by discussing with exporters. Accordingly, a questionnaire was developed and 40 coconut-based value-added exporting and manufacturing coconut companies registered under the Coconut Development Authority in Sri Lanka were interviewed. Subsequently, a multiple linear regression analysis was performed and results revealed that, the number of foreign buyers, number of employees in the company, company experience in exportation and Ability to adopt environment dynamics significantly positive affect the proportion of the value-added exportation of coconut products. Nevertheless the owner's experience in exportation, owner's experience in the process, the number of destination countries, show a significantly negative impact on the value added exportation of coconut products. Accordingly, it can be suggested that initiatives need to be taken to increase the export reach of coconut products (countries and buyers) and customize marketing strategies in order to increase profits via value added exportation of coconut products.

Keywords: Coconut industry, value addition, exportation, marketing strategies