ISSN 2362–0412

ABS-114

Assessing the Export Competitiveness and Market Potential of Coconut Kernel-Based Products in Sri Lanka

A.M.M. De Silva[1], *W.N. De Silva*[1], *M.A.M.I. Perera*[1*], *G.I. Wijayathilake*[2], *J. Galagedara*[2]

[1] Department of Agricultural Economics & Agribusiness, Faculty of Agriculture, University of Ruhuna, Kamburupitiya, Sri Lanka
[2] Sri Lanka Export Development Board, Colombo 00200, Sri Lanka

**Corresponding author:* methmimandira@gmail.com

Sri Lanka's coconut industry plays a vital role in its national exports, with coconut kernel-based products accounting for a significant share of agricultural exports. However, maintaining and enhancing the global competitiveness of these products remains a persistent challenge. This study aims to address this issue by examining the export competitiveness and market potential of nine coconut kernel-based products in Sri Lanka, using both primary and secondary data. The export competitiveness of each product was calculated using annual secondary data from 2005 to 2024 through the Revealed Symmetric Comparative Advantage index, while future trends were forecasted using the Autoregressive Integrated Moving Average model. Primary data were collected through a structured questionnaire distributed among coconut exporters to identify key constraints affecting export performance and market potential. The results indicate that desiccated coconut and coconut oil are highly competitive, although their competitiveness is projected to decline. Conversely, exports of virgin coconut oil, coconut milk powder, liquid coconut milk, coconut flour, and coconut cream demonstrate competitive performance with upward projections. These products are increasingly capturing attention in global health-conscious and plant-based food markets due to their nutritional and functional benefits. However, coconut butter and coconut water are not competitive in the international market. Survey responses highlighted key challenges limiting market potential, including high export costs, supply chain instability, exchange rate fluctuations, regulatory barriers, and limited capacity for market and product diversification. These findings provide valuable insights into future trends in export competitiveness and key challenges in enhancing market potential. They also offer a strategic direction for policymakers and industry stakeholders to enhance export competitiveness through cost reduction, innovation, infrastructure development, and market diversification strategies, thereby strengthening the long-term performance of Sri Lanka's coconut kernel-based export sector.

Keywords: Autoregressive Integrated Moving Average model, Coconut kernel-based exports, Export competitiveness, Revealed Symmetric Comparative Advantage