



**PERFORMANCE OF THE EXPORT SECTOR OF  
SRI LANKA  
JANUARY-DECEMBER 2013  
[PROVISIONAL]**

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## **CONTENTS**

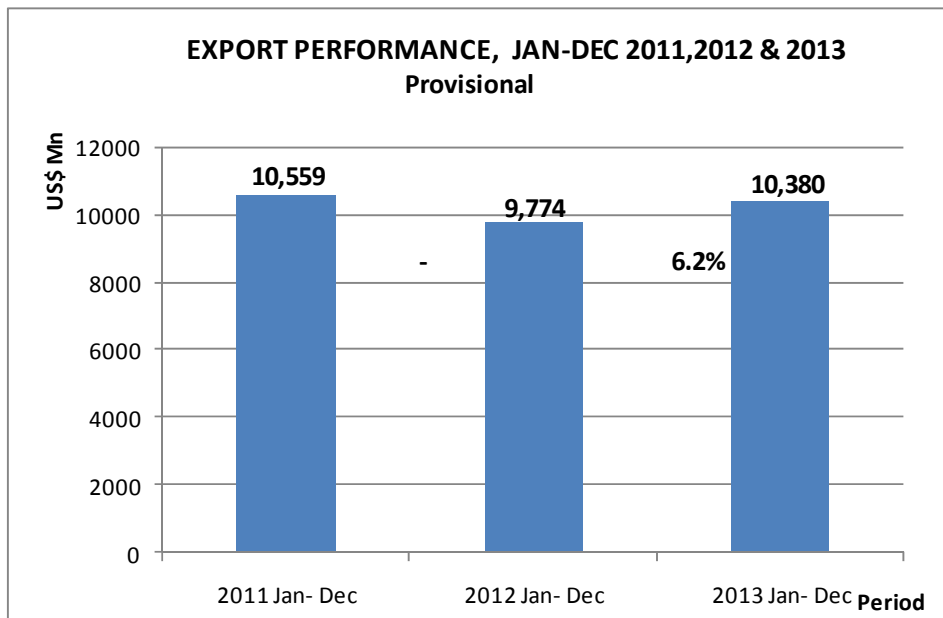
<b>INTRODUCTION .....</b>	<b>3</b>
<b>OVERALL PERFORMANCE OF THE EXPORT SECTOR JAN-DEC 2013.....</b>	<b>4</b>
<b>COMPOSITION OF EXPORTS.....</b>	<b>5</b>
<b>EXPORT PERFORMANCE OF MAJOR PRODUCT SECTORS.....</b>	<b>5</b>
<b>COMPOSITION OF EXPORTS (MARKETWISE).....</b>	<b>14</b>
<b>PERFORMANCE OF MERCHANDISE EXPORTS IN MAJOR MARKETS.....</b>	<b>15</b>
<b>CONCLUSION.....</b>	<b>20</b>

## 1. INTRODUCTION

According to provisional data, Export earnings of the country, for the twelve months ending in December 2013, have registered a growth of 6.2% when compared with export earnings registered during the corresponding period in 2012, reflecting an improvement in export performance during the period under review. The decline in export earnings witnessed up to March this year, abated with the gradual improvement in monthly earnings as a result of a continuous upward trend since April 2013.

## 2. OVERALL PERFORMANCE OF THE EXPORT SECTOR

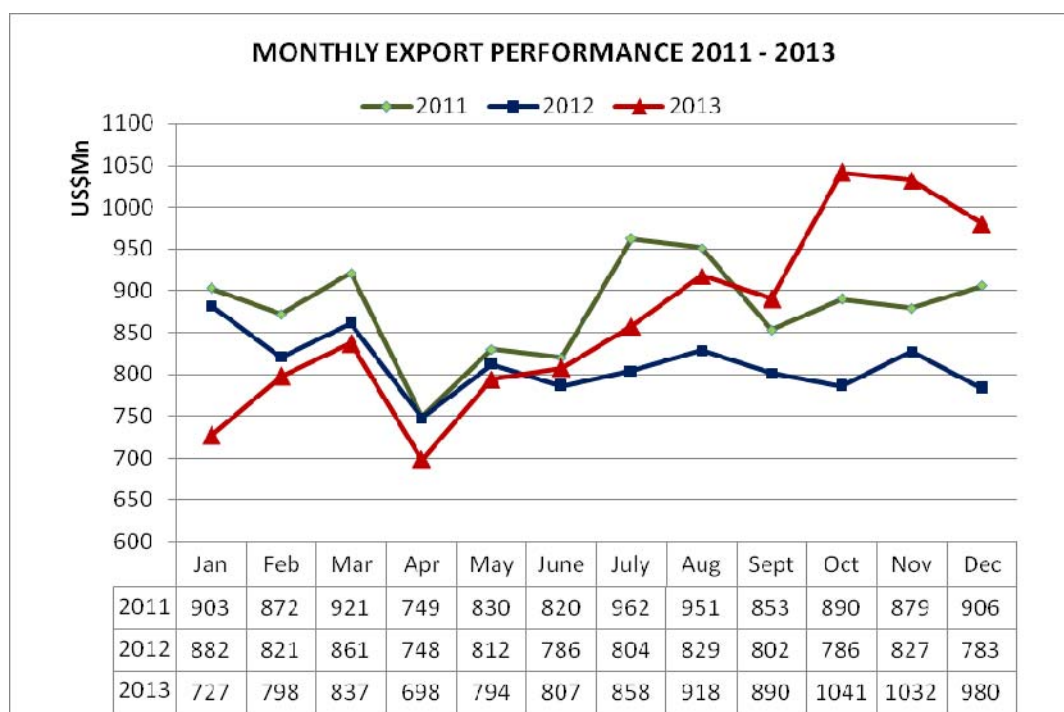
The graph below indicates the performance of the export sector during the period January – December in 2011, 2012 and 2013.



Source: Sri Lanka Customs

It can be seen that export earnings of the country have increased by 6.2 % during the period under review.

The following graph illustrates the monthly export performance for the period 2011-2013. It reveals that export earnings have registered over US\$ 1Bn in each of the months of October and November in 2013, reflecting a substantial improvement in export performance during the latter part of the year.



Source: Sri Lanka Customs

### Export performance of major sectors

The table below presents the export performance of the major sectors in the years 2010, 2011 & 2012.

Table 1 **Export performance of major sectors**

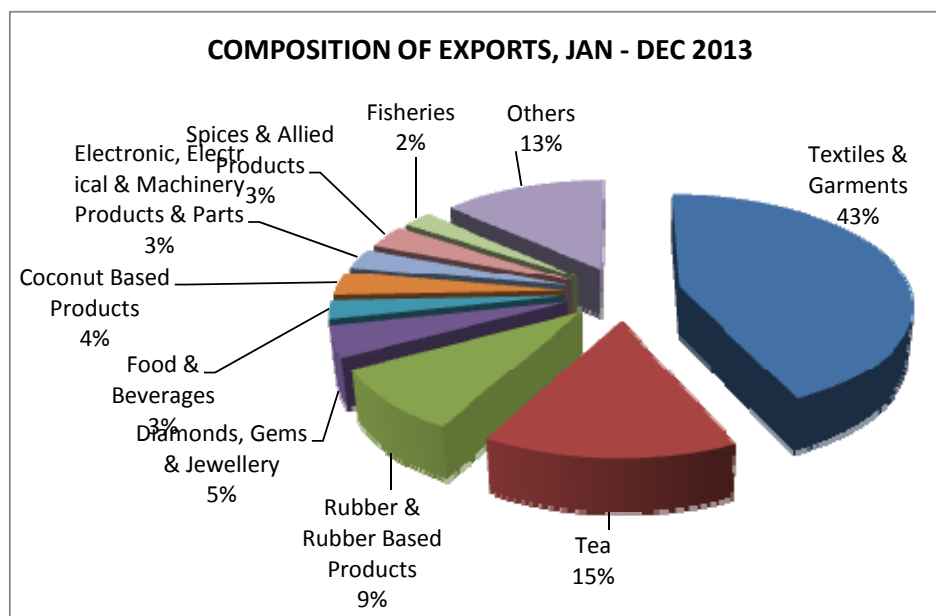
Value US\$ Mn

	Jan-Dec 2010	Jan-Dec 2011	Growth %	Jan-Dec 2012	Growth %
Agriculture Exports	2216.18	2453.00	10.69	2242.31	-8.59
Fisheries Exports	202.24	195.31	-3.43	204.68	4.80
Industrial Exports	5781.64	7678.56	32.81	7261.93	-5.43
Total Merchandise exports	8638.85	10558.82	22.22	9773.60	-7.44
Computer & Information Technology Services	265.00	355.00	33.96	476.00	34.08
Total Exports	8903.85	10913.82	22.57	10249.60	-6.09

Source: Sri Lanka Customs

### 3. COMPOSITION OF EXPORTS

The chart below illustrates the contribution (in terms of US\$) made by each product sector to the total export earnings of the country during the period of January to December 2013. It reveals that 80 % of export earnings were derived from eight product sectors, which highlight the concentration of earnings derived from a few products.



Source: Sri Lanka Customs

Textile and Garments contributed 43 % while Tea contributed 15% to the total export earnings of the country. These two sectors together contributed 58 % to the total export earnings during the period of January to December 2013.

### 4. EXPORT PERFORMANCE OF MAJOR PRODUCT SECTORS

#### 4.1 Tea

Export of all Tea products increased in terms of value (9.22 %) during January – December 2013, but all Tea products decreased in terms of quantity (-0.21 %). Export of Tea Packets which accounted for 46.96% of total export earnings from the Tea sector decreased in terms of quantity ( -2.71 %) but increased in terms of value( 7.73%). Export of Bulk Tea which accounted for 51.32 % of the total earnings from this sector increased both in terms of quantity (2.43%) and in terms of value (12.07 %). Earnings from export of Bulk Tea and Tea Packets accounted for 98.27% of total earnings from the Tea sector.

Export of Tea Packets to Russian Federation (15.66 %), Turkey (51.99 %) Iraq (10.33%) United Arab Emirates (45.52%) increased while exports to Libya (-57.67%) and Syria (-10.72%) dropped in terms of value.

Export of Bulk Tea to Russian Federation (7.08%), Iran (8.21%), United Arab Emirates (74.02%) Azerbaijan (11.07%) and Kuwait (139.99%) increased, while exports to Syria (-5.07%) dropped in terms of value.

#### **4.2 Natural Rubber**

Export of Natural Rubber dropped both in terms of volume ( -36.94 %), and in terms of value (-42.76 %). Earnings from export of Natural Rubber to Japan (11.43 %) increased, while earnings from its exports to Pakistan (-26.21 %) Malaysia (-63.76%), India (-70.28%), Germany (-20.67%) and United States (-48.13%) have diminished.

#### **4.3 Coconut Kernel Products**

Export earnings from Coconut Kernel Products decreased by 0.26 % during the period under review. Earnings from Desiccated Coconut which accounted for 53.22 % of earnings from Coconut Kernel Products dropped by 0.45%.

Earnings from Coconut Oil (72.43%), Liquid Coconut milk (23.52 %), Coconut milk powder (8.45%) and Defatted Coconut (5.73%) increased while earnings from Copra(-83.82%) and Coconut fresh nuts(-94.88%) have diminished.

Earnings from export of Coconut Kernel Products to United States (2.29%) and Australia (73.96%) increased while earnings from exports to Pakistan (-6.45%) ,Germany (-0.54%),United Kingdom (-6.17%) and United Arab Emirates (-17.53%) have diminished during the period under review.

#### **4.4 Coconut Fiber and Shell Based Products**

Drop in export earnings from Mixed Coir fibre (-1.05%) and Mattress Fiber(-7.96% ) mainly contributed to the diminished performance of the Coconut Fiber Based Products sector. Earnings from Coconut Husk Chips (-20.38%) and Coir Twine & Ropes ( -31.78%) have also diminished.

However, earnings from Geo Textiles (24.33%), Coco peat(4.23%) and Bristle Fiber (35.11%) have increased during the period.

Earnings from export of Coconut fibre Products to Japan (20.39%), South Korea (4.80%) and Germany(1.04%) have increased while earnings from exports to China (-2.24%) , United States(-20.21%) and The Netherlands (-18.50%) have diminished during the year 2013.

Earnings from export of Coconut Shell Based Products increased by 4.01%. Earnings from exports of Activated Carbon which accounted for 94.18% of earnings from shell based products increased by 5.54% mainly due to an increase in exports to United States (6.21%), Netherlands (70.67%), Italy (30.75%) and United Kingdom (52.94%). However exports of this product to Russia (-48.67%) diminished during the period under review.

#### **4.5Spices**

Export earnings from Spices have increased by 39.87% in January-December, 2013. Earnings from exports of Cinnamon which accounted for 39.28 % of earnings from the Spices sector increased by 2.21%. Export earnings from Cloves (172.70%),Pepper (86.47%), Nutmeg and Mace (5.43%) have increased while earnings from Cardamoms (-32.0 %) have dropped

Earnings from export of Cinnamon to Peru (47.95%) United States (9.63%) Colombia (17.63%) and Guatemala (40.65%) have increased while earnings from exports to Mexico (-11.78%) have dropped during the period under review.

Earnings from export of Pepper to Pakistan (132.82%), Egypt (91.94%),Spain (337.89%) , Singapore(5150.0%) and USA(10.76%) increased

#### **4.6Essential Oils**

Export earnings from Essential Oils increased by 33.47% during Jan – December 2013. Earnings from exports to United States (22.15%), India(97.88%), Germany(73.42%) have increased while exports to France(-11.19%) have diminished.

#### **4.7Vegetables**

Earnings from exports of Vegetables increased by 30.81%. Earnings from exports to Maldives (22.89%), Switzerland(87.5%), United States(764.29%), United Arab Emirates(25.19%) and United Kingdom(27.55%) have increased during the period under review.

#### **4.8Fruits**

Export earnings from Fruits have increased by 118.35% mainly due to increased earnings from exports to Maldives (27.14%), U.A.E. (95.29%) and India (500.0%).

#### **4.9 Cut Flowers and Foliage**

Increased earnings from exports of cut flowers & foliage to all the major markets i.e. Netherlands(29.38%), Japan(27.98%) and Germany(68.85%) mainly contributed to the growth of 36.12% in earnings registered by the sector.

#### **4.10 Other Export Crops**

Earnings from export of unmanufactured Tobacco (13.11%), oil seeds (315.54%), Betel Leaves (109.90%), Areca nut (52.58%) and lentils (4.83%) increased during January to December 2013. However earnings from Cashew Nuts (-16.96%) have diminished.

#### **4.11 Edible Fish Products**

Export earnings from Edible Fish Products increased by 18.28% due to increased earnings from export of Frozen Fish (76.69%), Lobsters (207.5%), Prawns (48.32%), Crabs (20.77%) and Other Edible Fish Products (26.57%) except earnings from export of Fresh or Chilled Fish (-46.86%) have dropped during the period under review

Earnings from export of Fresh or Chilled Fish to Canada(83.16% ), Israel(232.08%) and United States(4.71%)increased while earnings from its exports to Japan(-52.69%) and Italy(-65.98%)have dropped. Earnings from export of Frozen Fish to United Kingdom(70.04%), Netherlands(39.77%), Italy(168.92%), Germany(266.16%) and United States(14.58%) increased during the period under review. Earnings from exports of Prawns to Japan(55.77%), Maldives(2.67%) and United States(83.33%), also recorded positive performance during the period under the review. Increased earnings from export of other edible fish products to Hong Kong(22.96%) and Japan (43.54%) were recorded while earnings from exports to USA(-34.58%) have dropped.

#### **4.12 Aquarium Fish**

Export earnings from Aquarium Fish increased by 41.35% due mainly to an increase in earnings from exports to all major markets viz. United States(47.06%), United Kingdom(19.51%), Germany(82.61%) and Japan(13.24%).

#### **4.13 Diamonds, Gems & Jewellery**

Except Gems, export earnings from Diamonds and Jewellery recorded negative growth rates of -24.75 % & --9.24% respectively during the period under review.



Earnings from export of Diamonds, which contributed 31 % to the total earnings from this sector, to Belgium(-15.84%) and Thailand(-41.38%) decreased while earnings from exports to Israel(46.13%) increased during January - December, 2013. Earnings from export of Gems to Thailand(27.65 and exports to Hong Kong(72.08%) have increased. Earnings from Jewellery exports to Switzerland (59.38%) and Hong Kong(72.08%) have increased during the period under review.

#### **4.14 Textiles and Apparel**

Earnings from export of Textile & Apparel which accounted for 43 % of total export earnings of the country during the period under review grew by 13.31%. Earnings from all the other sub categories i.e. Apparel (12.94%), Woven Fabrics(11.10%), other Textile Articles (64.66%) and Made-Up Textile Articles (12.30%) registered positive growths during the period. Earnings from export of Garments, which accounted for 41% of earnings from this sector, to United States(20.50%), Belgium(34.67%), France(23.62%) and Canada(1.73%) increased, while earnings from its export to Italy(-1.27%) diminished during the period.

Earnings from export of Woven fabrics to Bangladesh (42.26%), India(7.40%) and Turkey(33.74%) increased while exports to Brazil(-67.35%) and Hong Kong(-7.17%) have dropped. Earnings from export of made up textile articles to Singapore(1654.55%), United States(8.25%) and United Kingdom(16.04%) have increased during January to December 2013. Earnings from export of other textile articles to South Korea (2400.0%), United Kingdom(18.25%) and United States(17.23%) have increased.

#### **4.15 Food and Beverages**

Diminished export earnings from Confectionary & Bakery products (-14.29%), Processed Food (-8.71%), Rice & Cereals (-54.69%) and Animal Feed (-27.52%) mainly contributed to the overall negative growth of -22.7% recorded by this sector. However, earnings from export of Processed Vegetables, fruits & juices (46.05%), Manufactured Tobacco (4.18%) and Beverages (66.31%) have increased.

Earnings from export of Rice and cereals to Maldives(175.26%) have increased, while exports to Indonesia(-78.22%), Singapore(-10.08%), Thailand(-44.41%) and United Arab Emirates(-50.0%) have diminished.

Earnings from export of Processed Food to Ireland (50.60%), Australia (24.37%), United Kingdom(33.68%) and Maldives(7.75%) have increased while exports to Japan (-4.14%) have dropped during the period. Earnings from export of Confectionary and Bakery products to Ghana (17.83%), Papua New Guinea (3675%), Maldives (25.85%), Colombia (278.43%) and Angola (1053.85%), have increased, while exports to India(-86.12%), and United Arab Emirates(-13.24%) have dropped. Earnings from export of Animal Feed to India(-21.38%) and South Korea (-12.5%) have decreased.

#### **4.16 Leather Products**

Earnings from export of Leather Products increased by 13.98 % due mainly to increased export earnings from Industrial Gloves and Belts (21.04%) . Earnings from export of Travel Goods, Bags etc. (-16.84%) and export of Raw Hides & Skins(-34.04%) have diminished .

Earnings from export of Industrial Gloves and Belts to Spain(5800%), Japan(15.0%), Germany(18.63%) and Canada(179.71%) have increased. Export of Travel Goods, Bags etc. to Australia(60.0%) and Germany(12.5%) have increased while exports to Belgium(-60.47%) and UK(-37.50%) have dropped

#### **4.17 Footwear**

Earnings from export of Footwear increased by 139.13 %, due to increased earnings from exports to Australia(389.6%).

#### **4.18 Wooden Products**

Export earnings from Wooden Products have decreased by 1.48% during the period under review. Earnings from exports of Jewellery Boxes, Cloth Hangers and Handicraft (-11.17%), Plywood, densified/ Particle Boards (-75.22%) and Brooms & Brush Handles (-100.00%) have diminished while earnings from exports of Furniture & Seats (18.85%) have increased,

Earnings from exports of MDF Boards to UAE(10.51%) and Pakistan(27.42%) have increased, while earnings from exports to India(-25.43%) have decreased. Exports of Furniture & Seats to India(15.30%), Maldives(195.0%) and Czech Republic(242.86%) have increased during the period under review. Earnings from export of Jewellery Boxes, Cloth Hangers and Handicraft to United Kingdom(29.81%) have increased while exports to United States(-23.75%) and Netherlands(-28.74%) have dropped

#### **4.19 Paper Products**

Export earnings from Paper Products have decreased by 19.22% mainly due to a drop in earnings from Books and Printed Matter (-77.25%). Earnings from exports of Envelopes, Letter Cards, Post Cards (29.41%), Labels (32.43%) and Cartoons, Boxes & Bags (17.43%) have increased.

Increased earnings from export of Cartoons, Boxes & Bags to Kenya(116.52%) and UK(23.97%) were recorded while earnings from export of Labels to United Arab Emirates(21.36%), and Saudi Arabia(114.29%) also increased. Earnings from export of Books & Printed Matter diminished mainly due to a drop in exports to Singapore (-99.23%) and India(-49.87%).

#### **4.20 Rubber Products**

Earnings from exports of Rubber Products have increased by 3.59% during the period under review. Except from earnings from Rubber Plates, Sheets Rods of Vulcanized Rubber(-8.08%), earnings from the other rubber products such as Gaskets, Washers, Seals etc. of Hard Rubber(4.12%), Industrial & Surgical Gloves of Rubber(10.81%) and pneumatic & retreated rubber tyres & tubes( 2.47 %) have increased,

Earnings from export of Tyres and Tubes to United States(5.91%) and Brazil(77.46%) have increased while earnings from its exports to Belgium(-1.60%) and United Kingdom(-4.63%) have dropped

Earnings from export of Industrial and Surgical gloves to Brazil(185.10%) and United Kingdom(10.49%) have increased. Earnings from Gaskets, Washers, Seals etc. of Hard Rubber to United States(4.88%), Sweden(1.06%) and France(11.28%) have increased . Exports of Rubber Plates, Sheets Rods of Vulcanized or Unhardened Rubber to United States(-0.94%) and Canada(-9.65%) have dropped during the period under review.

#### **4.21 Chemicals and Plastic Products**

Earnings from exports of Chemicals and Plastic Products dropped by -3.93% during the period under review. Earnings from exports of Inorganic Chemicals(-21.45%) and Perfumes, Cosmetics, shampoos & Makeup Preparations (-19.02%), have dropped while earnings from Paints, Varnishes and Dyeing Extracts (76.86%), Soap, Washing Preparations, Waxes, Candles etc.(17.55%), Starches, Glues, Enzymes(15.81%) Sacs & Bags of Plastics(4.01%) and Gloves, Mitts & Mittens(37.10%) have increased.

Earnings from export of Sacs & Bags of Plastics to India(77.19%) have increased while exports to United Kingdom(-60.49%) have diminished. Earnings from export of Inorganic Chemicals to India(-19.67%), Turkey(-19.80%) and United Arab Emirates(-64.0%) have dropped during the period under review

Earnings from export of Gloves, Mitts & Mittens to Bangladesh(83.09%), Germany(24.24%) and India (5.75%) have increased. Earnings from export of Perfumes, Cosmetics, Shampoos & Makeup Preparations to Pakistan(25.64%), have increased while exports to Singapore(-29.20%) have diminished. Earnings from export of Starches, Glues, Enzymes to Bangladesh(13.66%) have increased Earnings from export of Soap, Washing Preparations, Waxes, Candles etc. to Bangladesh(403.33%) have increased Earnings from export of Paints, Varnishes and Dyeing Extracts to Maldives(80.21%) and Bangladesh(2.0%) have increased.

#### **4.22 Non-Metallic Mineral Products**

##### **4.22.1 Ceramic & porcelain Products**

Export earnings from ceramic & porcelain products increased by 11.9% due to increased earnings from exports of Wall Tiles (26.75%) and Tableware & Kitchenware (13.86%),

Earnings from export of Tableware & Kitchenware to United States(30.95%), India(20.49%) and United Arab Emirates(11.0%) increased, while earnings from its exports to Japan(-7.14%) had diminished. Earnings from export of Wall Tiles to Australia(7.56%) and Maldives(16.67%) have increased. Earnings from export of Ornaments to Denmark(84.78%) and Poland(400%) have increased while exports to Germany(-51.33%) have dropped.

##### **4.22.2 Natural sands , articles of stone and Other non-Metallic Mineral Products**

Export earnings from Natural Sands, Articles of Stones and Other Non Metallic Mineral products increased by 2.62% during the period under review

Drop in earnings from export of these products to Singapore (-16.72%) and India(-12.90%) were registered while exports to China(93.33%), Japan(15.34%) and United States(33.78%) have increased.

#### **4.23 Base Metal Products**

Earnings from export of Base Metal Products increased by 5.79% during the period under review due mainly to increased earnings from export of refined copper & lead alloys(65.14%) during the period under review.

Earnings from export of Refined Copper & Lead Alloys to India increased by 25.20%. while exports of Standard Wire of Aluminum, Copper & Iron to India have dropped by -51.22%. Earnings from export of Tools, Implements, Cutlery & Parts to Germany(-13.67%), Singapore(-34.50%) and India(-58.31%) have diminished. Earnings from export of Scrap of Ferrous, Aluminum, Copper & Other Metals have dropped mainly due to a drop in exports to India(-56.68%)..

#### **4.24 Electronic, Electrical and Machinery Parts**

Earnings from exports of Electronic, Electrical and Machinery Parts increased by 5.21% during the period under review.

The positive performance was mainly led by increased earnings from Electrical Transformers (21.96%), Telephone Sets, Audio/Video Equipments & Parts(8.65%), Switches,

Lamp Holders Boards & Panels(108.84%) and Boilers, Piston Engines, Pumps & Vacuum Pumps(154.55%).

Exports of Printed Circuits to Canada(25.11%), and Japan(355.56%) have increased while exports to Switzerland(-42.55%), United States(-51.12%) and Swaziland(-42.55%) have diminished. Earnings from export of Telephone Sets, Audio/Video Equipments & Parts to Switzerland(405.0%) have increased while exports to France(-58.62%), Japan(-24.49%) and Australia(-45.24%) have dropped Earnings from export of Electronic Circuits, Transistors, Valves, Cathode Tubes etc. to Switzerland(291%)have increased

Earnings from export of Electrical Transformers to United States(13.04%)have increased while exports to Germany(-18.33%) and Hong Kong(-2.91%) have dropped. Earnings from export of Insulated Wires and Cables to Japan (15.18%) have increased while exports to India(-0.59%), Romania(-2.81%) and Maldives(-44.02%) have dropped. Earnings from export of Refrigerators & Freezers to United Arab Emirates(17.35%), Bangladesh(216.67%), Yemen(230.61%), and Tanzania(1475%)have increased while exports to India(-58.24%) have diminished. Earnings from export of Discharge Lamps to Denmark(68.06%) have increased while exports to Switzerland(-51.72%), and Germany(-22.10%)have dropped. Earnings from export of Switches, Lamp Holders Boards & Panels to Switzerland (1257.76%) and Baharain(70.45%) have increased.

Exports of Tea Bagging, Packing, Cleaning, Weighing Machines to United States(68.13%), Denmark(88.80%), Singapore(4.17%) have increased.

Export of Other Electrical & Electronic Products to UAE(69.93%), Bangladesh(126.44%) and Philippines(200%) have increased while exports to Mauritania(-61.11%) have dropped.

#### **4.24 Transport Equipment and parts**

Earnings from export of Bicycles (Not Motorized) to India (35.83%) and Poland (81.68%) have increased while exports to United Kingdom(-43.65%), France(-71.13%), have diminished.

Earnings from export of Motor Vehicles & Parts to United States (112.82%), Japan(2.08%) and Australia(17.64%) have increased.

#### **4.25 Boat Building**

Export earnings from boat building has increased by 44.90% during the period under review. The positive performance of the sector was mainly driven by a 101.06% increase in exports to India.

#### 4.26 Toys Games & Sport Requisites

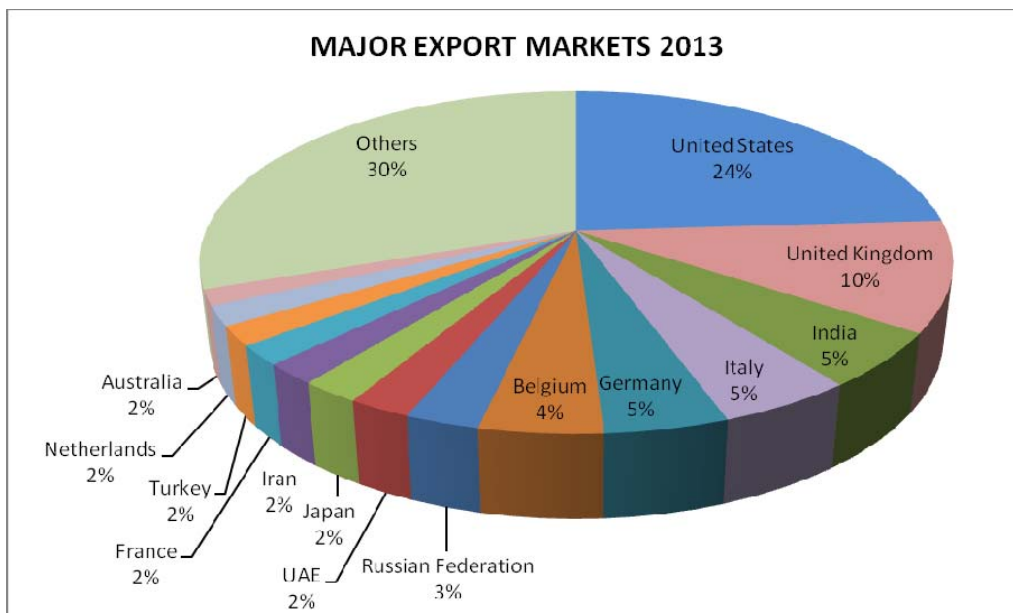
Earnings from exports of Toys Games & Sport Requisites to Germany(14.64%), Austria(7.46%), United States(5.33%)and United Kingdom(10.54%) increased while exports to India(-7.19%) diminished

#### 4.27 Other manufactures

Export earnings from other manufactures increased by 1.51% during the period under review. The positive performance was mainly due to an increase in exports to United States(12.15%) and United Kingdom(46.58%). However exports of these products to Germany(-20.68%) and Japan(-12.04%). have recorded negative performances.

## 5. COMPOSITION OF EXPORTS (MARKETWISE)

The figure below presents the composition of our products in major markets during the period January – December, 2013. It shows that USA which absorbed 25% of our total exports (in US \$ terms) continues to be the leading destination for Sri Lanka's products, followed by UK (11%), India (5%), Italy (5%), Belgium (5%), Germany (5%), Russia (3%), Japan (2%) and UAE (2%) absorbing shares as indicated within parenthesis.



Source: Sri Lanka Customs

Analysis of export data reveal that nearly 70% of our exports were absorbed by 14 countries during the period under review, and thus highlights the concentration of our products in a few markets.

## 6. PERFORMANCE OF MERCHANDISE EXPORTS IN MAJOR MARKETS

The following table illustrates the performance of our merchandise exports in major markets during the period under review.

Performance of Merchandise Exports in Major Markets US\$ Mn.

Destination	2011	2012	Growth %	2013	Growth %
United States	2,144.20	2,114.80	-1.37	2,492.23	17.85
United Kingdom	1,111.56	1,055.06	-5.08	1,076.16	2.00
India	521.65	570.05	9.28	543.86	-4.59
Italy	609.8	508.81	-16.56	509.02	0.04
Germany	508.78	451.92	-11.18	467.2	3.38
Belgium	546.32	462.77	-15.29	463.19	0.09
Russian Federation	281.34	261.57	-7.03	279.56	6.88
United Arab Emirates	296.9	218.23	-26.50	235.8	8.05
Japan	223.6	215.74	-3.52	223.82	3.75
Iran (Islamic Republic )	180.2	195.74	8.62	204.65	4.55
France	182.99	175.44	-4.13	193.93	10.54
Turkey	151.07	138.56	-8.28	190.85	37.74
Netherlands	197.66	158.43	-19.85	190.19	20.05
Australia	126.72	133.97	5.72	155.24	15.88
Canada	126.15	142.59	13.03	150.87	5.81
Others	2,807.71	2,455.98	-12.53	2,616.61	6.54
Total	10,016.65	9,259.64	-7.56	9,993.18	7.92

Source: Sri Lanka Customs

The above Table illustrates that earnings from exports to most of our major markets have increased during the period under review.

### Exports to USA

The table below presents the performance of our major export products in the USA market. It shows that exports to the USA market which absorbed 23% (in US\$ terms) of our total exports have increased by 16.96% during the period under review.

Performance of Merchandise Exports in the USA Market US\$ Mn.

Product	2011	2012	Growth %	2013	Growth %
Apparel	1,573.24	1,517.24	-3.56	1,829.69	20.59
Pneumatic & Retreated Rubber	182.26	187.14	2.68	198.2	5.91
Industrial & Surgical Gloves of	45.32	44.73	-1.30	44.29	-0.98
Activated Carbon	27.93	29.16	4.40	30.97	6.21
Gems	17.29	15.07	-12.84	30.86	104.78
Rubber Plates, Sheets Rods of	9.5	28.63	201.37	28.36	-0.94
Other Electrical & Electronic	14.28	18.41	28.92	27.54	49.59
Gaskets, Washers, Seals etc. of	27.26	25	-8.29	26.22	4.88
Sacs & Bags of Plastics	20.95	20.07	-4.20	22.27	10.96
Tea Packets	16.99	15.28	-10.06	18.45	20.75
Other Manufactures nes	18.08	16.12	-10.84	17.51	8.62
Made-Up Textile Articles	16.57	14.66	-11.53	15.87	8.25
Cinnamon	14.61	14.22	-2.67	15.59	9.63
Frozen Fish	3.24	13.17	306.48	15.09	14.58
Fish Fresh or Chilled	4.13	12.09	192.74	12.66	4.71
Others	152.55	143.8	-5.74	158.65	10.33
Total	2,144.20	2,114.80	-1.37	2,492.23	17.85

Source: Sri Lanka Customs



## Exports to the EU Region

Performance of Merchandise Exports in the USA Market

US\$ Mn.

Product	2011	2012	Growth %	2013	Growth %
Apparel	2,019.01	1,851.04	-8.32	1,959.45	5.86
Diamonds	304.07	240.61	-20.87	202.52	-15.83
Pneumatic & Retreated Rubber	235.78	201.98	-14.34	201.09	-0.44
Frozen Fish	46.65	44.01	-5.66	88.91	102.02
Tea Packets	88.95	75.1	-15.57	82.21	9.47
Industrial & Surgical Gloves of Rubber	72.12	66.62	-7.63	67.72	1.65
Tea in Bulk	42.64	40.01	-6.17	43.31	8.25
Manufactured Tobacco	39.4	45.05	14.34	43.03	-4.48
Gaskets, Washers, Seals etc. of Hard Rubber	46.92	36.88	-21.40	39.2	6.29
Unmanufactured Tobacco	37.31	36.61	-1.88	38.79	5.95
Toys Games & Sport Requisites	32.23	30.5	-5.37	35.64	16.85
Other Electrical & Electronic	27.57	22.93	-16.83	25.83	12.65
Processed Food	24.87	19.02	-23.52	25.09	31.91
Activated Carbon	18	15.34	-14.78	21.97	43.22
Other Manufactures nes	26.7	21.85	-18.16	21.91	0.27
Others	498.19	400.97	-19.51	381.92	-4.75
Total	3,560.41	3,148.51	-11.57	3,278.58	4.13

Sri Lanka Customs

The above table illustrates the performance of our major products in the EU market. The table shows that earnings from exports to the EU region have increased by 4.13% during January – December 2013. Export of garments which accounted for 58% of total earnings from export to the EU region increased by 5.86%. except from Diamonds(-15.83%), Tyres & tubes(-0.44%) and manufactured tobacco (-4.48 %) earnings from export of all other major products to EU region have increased.

## Exports to India

### Performance of Merchandise Exports in the Indian Market

US\$ Mn.

Product	2011	2012	Growth %	2013	Growth %
Boat Building	19.34	26.32	36.09	52.92	101.06
Animal Feed	44.13	61.45	39.25	48.31	-21.38
Pepper	21.23	35.25	66.04	44.93	27.46
Apparel	26.56	38.77	45.97	34.20	-11.79
Cloves	31.45	12.20	-61.21	34.08	179.34
Insulated Wires and Cables	39.60	34.10	-13.89	33.90	-0.59
Waste & Scrap of Paper /Paper	27.00	22.45	-16.85	24.39	8.64
Glass & Glassware	12.09	9.44	-21.92	21.36	126.27
Woven Fabrics	23.59	19.72	-16.41	21.18	7.40
Worked Monumental Stones	17.75	16.55	-6.76	16.35	-1.21
Furniture & Seats	12.73	12.09	-5.03	13.94	15.30
Refined Copper & Lead Alloys	13.22	10.00	-24.36	12.52	25.20
Other Fruits nes	0.12	0.79	558.33	11.96	1413.92
Nutmeg & Mace	12.59	6.96	-44.72	9.81	40.95
Other Products of Base Metal nes	2.40	2.96	23.33	9.49	220.61
Others	217.85	260.98	19.80	154.55	-40.78
Total	521.65	570.05	9.28	543.86	-4.59

Source: Sri Lanka Customs

The above table illustrates the export performance of our major products in the Indian market. It reveals that earnings from exports to India which absorbed 6 % (in US\$ terms) of our exports dropped by 4.59% during the period under review. Earnings from export of Boats have increased by 101.06% during the period.

## Exports to Pakistan

The table below presents the performance of our major products exported to Pakistan during January – December 2012. It reveals that earnings from exports to Pakistan which absorbed 0.5% of our exports, increased by 4.48% during the period under review.

### Performance of Merchandise Exports in the Pakistan Market

US\$ Mn.

Product	2011	2012	Growth	2013	Growth
Pepper	0.19	6.46	3300.00	15.04	132.82
Betel Leaves	6.4	5.03	-21.41	10.56	109.94
Desiccated Coconut	4.73	4.53	-4.23	9.83	117.00
MDF Boards	2.64	7.66	190.15	9.76	27.42
Sheet Rubber	20.26	8.11	-59.97	5.1	-37.11
Lentils	0.46	0.02	-95.65	3.09	15350.00
Technically Specified Rubber	2.46	2	-18.70	3.07	53.50
Crepe Rubber	4.1	3.27	-20.24	2.43	-25.69
Tea in Bulk	4.77	15.46	224.11	2.2	-85.77
Other Textile Articles nes	0.72	1.86	158.33	1.72	-7.53
Coconut Ekels	1.48	1.9	28.38	1.41	-25.79
Pneumatic & Retreated Rubber	1.77	0.72	-59.32	1.37	90.28
Woven Fabrics	2.33	2.36	1.29	1.27	-46.19
Industrial & Surgical Gloves of	0.52	1.14	119.23	1.15	0.88
Waste & Scrap of Paper /Paper	0.83	1.09	31.33	1.11	1.83
Others	21.58	21.14	-2.04	14	-33.77
Total	75.23	82.74	9.98	83.12	0.46

Source: Sri Lanka Customs

Earnings from export of MDF Boards (27.42%), ) Betel leaves (109.94%), and Pepper (132.82%) have increased considerably during the period.

## CONCLUSION

According to the International Monetary fund (IME), the global economy is in another transition state marked by slower growth. Advanced economies are gradually strengthening while at the same time emerging market economies are facing the prospects of diminished growth.

The economy of USA is expected to grow by a moderate phase of around 1 ½ % in 2013 and 2 ½ % in 2014. The EU has entered a growth phase in the 2<sup>nd</sup> quarter of 2013 after six consecutive quarters of recession. The EU is expected to stabilize despite several factors influencing the restriction of its growth. The growth in EU region is expected to drop by 0.4% in 2013 and increase to 1% in 2014.

Growth in Japan is expected to be 2% in 2013 and drop to 1¼% in 2014. In China growth is projected to be 7 ½ % and 7 ¼% in 2013 and 2014 respectively.

The Indian economy is expected to witness a growth of 3 ¼ % in 2013 and increase to 5% in 2014. Growth in MENAP (Middle East, North Africa, Afghanistan and Pakistan) is expected to decline in 2013 and grow by 4% in 2014. Better growth prospects projected for many of our major markets in 2014 as mentioned above augurs well for our exports. However it is important to adopt measures for improving productivity and competitiveness of our products while addressing other demand and supply side constraints to face challenges in the international market.