

# Sri Lanka

## Key indicators

Population (millions)	21.3
GDP (\$ billions)	82.2
GDP per capita (\$)	3869.8
Share of world GDP (PPP\$, %)	0.2
Current account surplus/deficit, share of GDP (%)	-1.5
Tariff preference margin (percentage points)	2.0
Imports and exports (goods and services), share of GDP (%)	51.4
Services exports, share of total exports (%)	38.0
Geographic region	Asia
Country group	
Income group	Lower-middle income

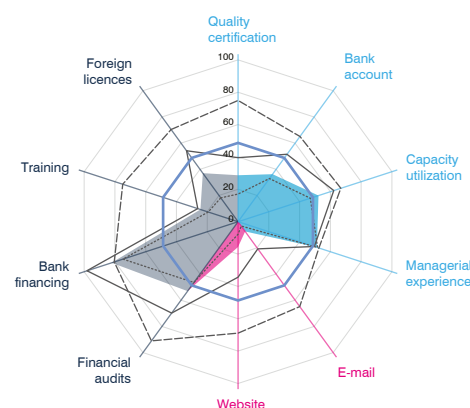
## SME Competitiveness Grid Summary

Average scores [0-100]	Compete	Connect	Change
FIRM CAPABILITIES			
Small	37.2	<b>5.6</b>	39.7
Medium	50.7	27.5	62.1
Large	64.8	66.9	<b>79.2</b>
All	42.1	<b>11.6</b>	49.2
BUSINESS ECOSYSTEM	54.0	63.8	42.4
NATIONAL ENVIRONMENT	50.4	48.7	58.2
Reference level: 48.7 (a function of GDP per capita)			
<b>Weaknesses are scores below: 24.3</b>		<b>Strengths are scores above: 73.0</b>	

## SME Competitiveness Grid

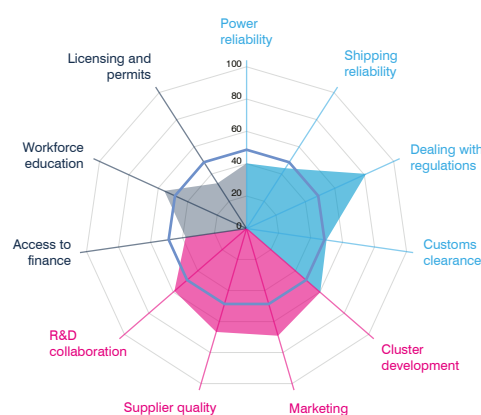
### FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	<b>17.1</b>	39.5	<b>74.9</b>	28.7
Bank account	33.0	51.5	65.1	36.3
Capacity utilization	47.0	62.2	66.8	52.3
Managerial experience	51.7	49.6	52.5	51.3
<b>Connect</b>				
E-mail	<b>3.3</b>	<b>20.8</b>	64.9	<b>7.5</b>
Firm website	<b>7.8</b>	34.3	68.9	<b>15.7</b>
<b>Change</b>				
Audited financial statement	46.4	69.8	<b>91.0</b>	53.0
Investment financed by banks	<b>74.8</b>	<b>98.2</b>	<b>80.5</b>	<b>82.2</b>
Formal training programme	<b>19.3</b>	26.2	<b>74.9</b>	24.5
Foreign technology licences	<b>18.2</b>	54.2	70.4	37.1



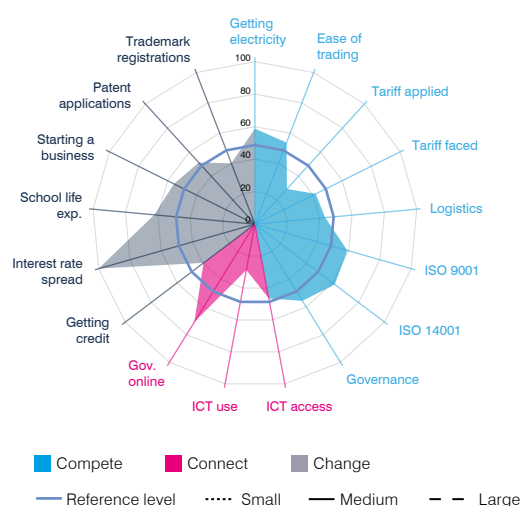
### BUSINESS ECOSYSTEM (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	41.9	34.1	39.5	40.3
Domestic shipping reliability	38.6	58.2	58.2	44.3
Dealing with regulations	<b>84.0</b>	<b>74.3</b>	69.8	<b>81.3</b>
Customs clearance efficiency	-	-	56.3	50.0
<b>Connect</b>				
State of cluster development				60.3
Extent of marketing				69.2
Local supplier quality				66.7
University-industry collaboration in R&D				59.1
<b>Change</b>				
Access to finance	35.1	45.9	55.0	38.1
Access to educated workforce	60.8	48.0	32.5	56.0
Business licensing and permits	32.6	36.2	34.0	33.3



### NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	58.8
Ease of trading across borders	53.8
Applied tariff, trade-weighted average	29.3
Prevalence of technical regulations	41.9
Faced tariff, trade-weighted average	43.4
Logistics performance index	-
ISO 9001 quality certificates	59.1
ISO 14001 environmental certificates	61.6
Governance index	55.6
<b>Connect</b>	
ICT access	46.6
ICT use	28.7
Government's online service	70.8
<b>Change</b>	
Ease of getting credit	39.6
Interest rate spread	<b>100.0</b>
School life expectancy	62.2
Ease of starting a business	55.6
Patent applications	51.3
Trademark registrations	40.2



**Note:** Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

**Source:** World Bank Enterprise Survey (2011) for firm level data; for other sources and methodology see Annex.

## SME Export Potential

Sri Lanka is a lower-middle income country with a population of 21.3 million and GDP of \$82.2 billion. Goods and services account for 62% and 38% of exports, respectively.

The country's unrealized potential to increase existing exports lies mainly within its home region and to Europe and the Americas (see table below). *Diamonds* have an unrealized export potential to these regions of around \$427 million. Other products include *brassieres of all types of textile materials*, and *solid or cushion tyres*.

Regarding new export products, Sri Lanka has diversification opportunities in the processed food, textiles and machinery sectors with products such as *prepared or preserved mushrooms and truffles*, *combined refrigerator-freezers*, and *men's or boys' jackets and blazers of wool*. The production of the latter product involves a relatively strong participation of SMEs and women. Other products identified for diversification include *woven fabrics*, *air conditioning machines incorporating a refrigerating unit*, and *articles for interior furnishing of synthetic fibres*.

Small firms in Sri Lanka perform well in having investments financed by banks and dealing with regulations. They underperform, however, in owning international quality certificates and using e-mails or business websites. The largest gap between small and large firms lies in the use of e-mails. The country's national environment performs well in interest rate spread.

## Unrealized potential: Existing export products

Product description	Product code	Exports (\$ million)	Value of unrealized potential exports by destination (\$ million)					Development indicators			
			Africa	Americas	Asia	Europe	Oceania	Price stability	SME presence	Women employed	Technology
Diamonds, worked, but not mounted or set (excluding industrial diamonds)	710239	222		500	500	500		Red	Green	Red	Red
Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings...	090240	749		500	500	500		Green	Red	Red	Red
Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings...	090230	605		500	500	500		Green	Red	Red	Red
Brassieres of all types of textile materials, whether or not elasticated, incl. knitted or crocheted	621210	495		500	500	500		Red	Green	Green	Red
Pepper of the genus Piper, neither crushed nor ground	090411	84		500	500	500		Red	Red	Red	Red
Rubies, sapphires and emeralds, worked, whether or not graded, but not strung, mounted or set...	710391	131		500	500	500		Red	Green	Red	Red
Solid or cushion tyres, interchangeable tyre treads and tyre flaps, of rubber	401290	351		500	500	500		Red	Red	Red	Green
Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excluding knitted or...	620342	329		500	500	500		Green	Green	Green	Red
Gloves, mittens and mitts, of vulcanised rubber (excluding surgical gloves)	401519	134		500	500	500		Green	Red	Red	Red
T-shirts, singlets and other vests of cotton, knitted or crocheted	610910	197		500	500	500		Green	Green	Red	Red

**Notes: Unrealized potential table:** Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and Women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

**Source:** ITC Export Potential Map, <http://exportpotential.intracen.org>