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Sri Lanka's Rubber Industry

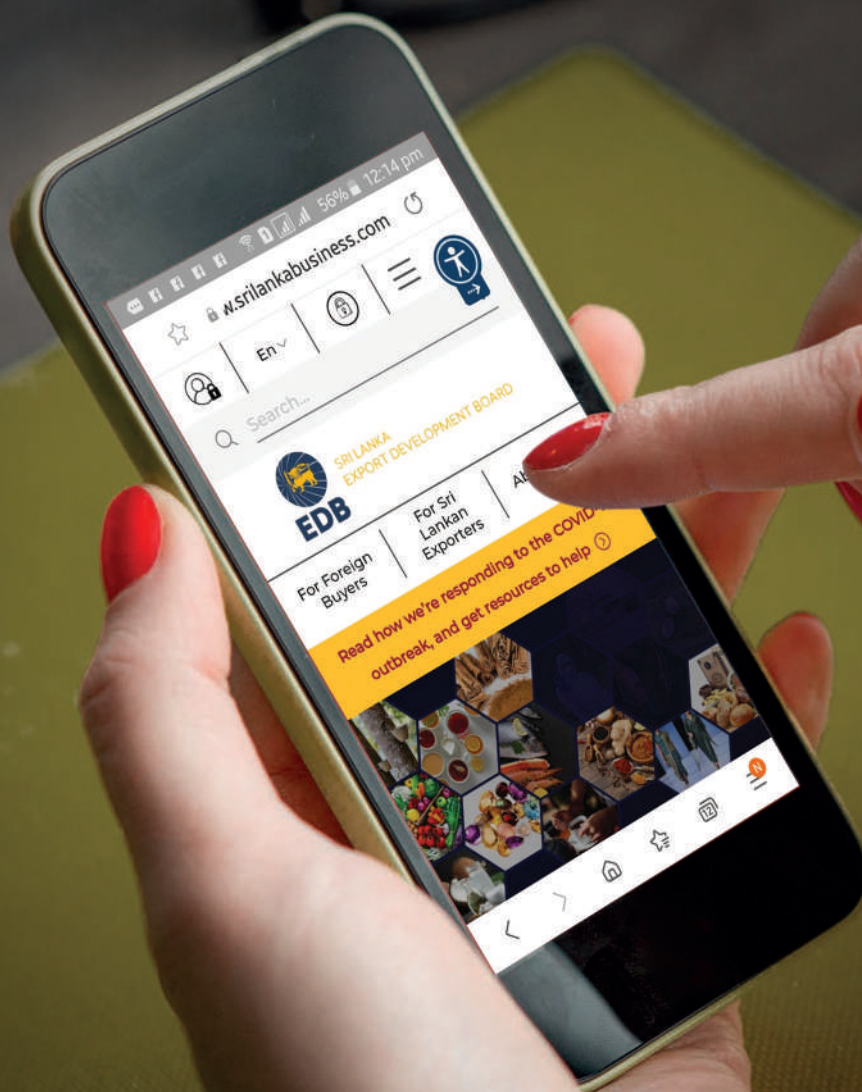
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WELCOME



Sri Lanka's Rubber Industry

The rubber industry in Sri Lanka is vital to the economy. Sri Lanka is a leading global producer of natural rubber, focusing on high-quality products for both domestic and export markets.

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Ayubowan!

The Sri Lankan wish 'Ayubowan' means, "May life be long!"

This edition of Business Lanka Magazine—the flagship print publication of the Sri Lanka Export Development Board—takes an in-depth look at Sri Lanka's rubber industry.

With a heritage spanning nearly 150 years, the industry is a resilient and dynamic force in global manufacturing. From pioneering solid tire exports to producing world-class latex gloves, Sri Lanka has earned a reputation for quality, innovation, and ethical production. Renowned for its exceptional purity and cleanliness, Sri Lankan rubber is ideal for precision-driven sectors such as medical devices, surgical gloves, and high-performance tires.

The country accounts for only around 0.25 percent of the global rubber market. The European Union and the United States purchase nearly 70 percent of Sri Lanka's rubber and rubber-based products. The sector generated over USD 1 billion in revenue in 2024, and the government aims for USD 2.2 billion by 2030.

This issue features an industry overview by Dr. Sisira Ranatunge, Director General of the Sri Lanka Association of Manufacturers and Exporters of Rubber Products (SLAMERP), and an interview with Dr. Felix Neumann, Ambassador of Germany to Sri Lanka, on the growing presence of Sri Lankan rubber in the German market. Mangala Wijesinghe, Chairman and Chief Executive of the EDB, shares his perspectives on the sector's growth path. Lakshan Wickramasinghe of Peterson Solutions discusses how Sri Lankan exporters are preparing to comply with the European Union Deforestation Regulation (EUDR), which will take effect in 2026. Richard Pieris Exports outlines the company's role in the molded and extruded rubber products ecosystem. Ravi Dadlani, MD, CEAT Kelani, highlights the nation's contribution to the global tire market through the CEAT product range. Mangala Gunasekara, MD, Textrip, introduces their flagship brand, TEXSTRETCH, which offers resistance training solutions such as bands, tubes, strips, and sport-specific training equipment. Pushpika Janadeera, MD, Dipped Products, discusses the company's position in the hand protection solutions market. Januka Karunasena, Chairman of Earthfoam, focuses on Sri Lanka's growing role in manufacturing natural rubber mattresses and pillows. Don Desmond Kulatunga, MD, Clinco Rubber, provides valuable insights into the evolution of SMEs in the rubber industry, addressing their challenges and the opportunities ahead.

Sri Lanka Export Development Board

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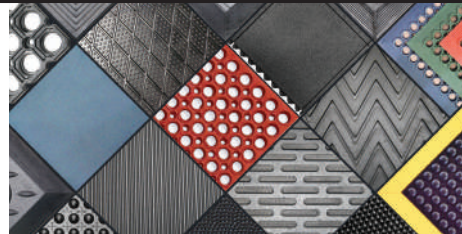


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OVERVIEW OF THE RUBBER INDUSTRY

Sri Lanka's Rubber Industry: Leveraging Heritage, Innovation, and Global Reach

With nearly 150 years of history, Sri Lanka's rubber industry is a resilient and dynamic force in global manufacturing. From pioneering solid tire exports to producing world-class latex gloves, the sector has earned a reputation for quality, innovation, and ethical production. Dr. (Eng.) Sisira Ranatunga, Director General of the Sri Lanka Association of Manufacturers and Exporters of Rubber Products (SLAMERP), shares his insights on the industry's strengths, challenges, and future direction.



The raw rubber latex is spread in flat sheets to maximize sunlight exposure for efficient drying.

Core Strengths and Global Standing

Sri Lanka has earned a reputation for producing some of the world's highest-quality natural rubber, particularly in its RSS (Ribbed Smoked Sheets) and latex grades. According to Dr. Sisira Ranatunga, Sri Lankan rubber is known for its exceptional purity and cleanliness, and its products are ideal for precision-based industries such as medical devices, surgical gloves, and high-performance tires. While Sri Lanka's global market share in rubber is approximately 0.25 percent, the EU and the US markets make the largest segment by buying 70 percent of Sri Lankan rubber and rubber-based products. Moreover, Sri Lanka commands a solid lead in tire manufacturing, supplying over 25 percent of the global demand. Beyond tires, Sri Lanka is a significant producer of latex gloves, particularly for medical and industrial use. Sri Lanka is in fifth position in the global latex glove industry.

Stringent processing and quality control standards, driven by the Rubber Research Institute of Sri Lanka, and robust industry regulations underpin Sri Lankan rubber's quality. The result is a consistent, traceable output that gives Sri Lanka an edge over competitors where quality may vary.

Sustainability is another sector hallmark. Sri Lanka strongly emphasizes environmentally responsible cultivation and ethical sourcing, which increasingly appeals to global buyers committed to green manufacturing.

Dr. Ranatunga pointed out that, internationally, Sri Lanka's production volumes are smaller than those of Thailand and Indonesia, but its rubber often surpasses quality, especially for specialized applications. Sri Lanka stands out for its superior processing standards and consistency compared to many African producers.

From a technical perspective, Sri Lankan natural rubber benefits from a unique combination of climate, research-backed cultivation practices, and favorable molecular characteristics—high molecular



Dr. (Eng.) Sisira Ranatunga, Director General, Sri Lanka Association of Manufacturers and Exporters of Rubber Products (SLAMERP).

While Sri Lanka's global market share in rubber is approximately 0.25 percent, the EU and the US markets make the largest segment by buying 70 percent of Sri Lankan rubber and rubber-based products.

weight, broader distribution, and low branching. These properties deliver superior resilience and elasticity, making Sri Lankan rubber highly competitive in demanding, high-performance global markets.

Technology Adoption and Value Addition

While excelling in niche product categories, Sri Lanka lags behind some regional competitors in advanced manufacturing technologies and value-added production. Dr. Ranatunga emphasizes the need for structural reforms—enhanced R&D, industrial clustering, skills development, and agricultural productivity—to raise global competitiveness.

High-Growth Market Opportunities

Dr. Ranatunga identified the next phase of growth lying in two main directions:

- Asia and Africa – Infrastructure expansion, urbanization, and

growing middle-class demand create opportunities for tires, industrial components, and latex products.

- USA – Tariff shifts on Indian tires have opened a niche for Sri Lankan Off-The-Road (OTR) tire exports.

In the short to medium term, Sri Lanka must capitalize on the rapid growth of Asian and African markets by strengthening its presence through competitive pricing and consistently reliable quality.

Over the medium to long term, the sector must plan to tap into the US OTR tire market while continuing to build on niche strengths such as solid tires and latex gloves.

Across all markets, the industry will focus on increasing value addition through synthetic blends and advanced compounding techniques, enabling Sri Lankan producers to stand out from low-cost competitors and secure a stronger position in global value chains.



Rubber flooring is the ideal choice for play areas.

Geographic and Trade Advantages

Dr. Ranatunga said Sri Lanka's location at the crossroads of major East–West shipping lanes gives it one of the most strategic logistics positions in the Indian Ocean. He emphasized that with proximity to high-growth Asian, Middle Eastern, and African markets, the country is well-placed to become a leading regional base for rubber manufacturing and distribution.

To maximize this advantage, Sri Lanka can develop Colombo and Hambantota ports as key transshipment and consolidation hubs for rubber products, cutting time to market for regional buyers. Bonded warehousing and value-added services—such as final assembly, customization, and packaging—could further strengthen the country's export offering within short shipping distances.

Trade agreements will be equally critical. The Thailand FTA, signed in 2024, should be expedited to unlock

tariff-free access to a major tire, automotive, and industrial rubber market, while serving as a gateway into ASEAN supply chains. Membership in the ASEAN FTA would open a market of over 650 million people, including fast-growing economies like Vietnam, Indonesia, and Malaysia. Agreements with China, GCC nations, and emerging African economies would further diversify export markets beyond the US/EU concentration.

The most powerful results will come from integrating trade policy with logistics strategy. By leveraging FTAs and its geographic advantage, Sri Lanka can position itself as a low-cost, high-quality supplier within regional and global value chains—attracting foreign investment into manufacturing clusters serving multiple markets from a single, central base.

Untapped Markets and Niche Sectors

Opportunities remain underexploited in:

- Biomedical rubber products (catheters, seals, sterile components)
- Smart polymers for automotive and electronics
- Eco-friendly rubber goods like biodegradable latex and low-carbon tires
- Combine market expansion with specialization in high-margin segments that low-cost competitors cannot easily replicate.

The Role of Innovation and R&D

Sri Lanka's rubber sector remains heavily concentrated, with over 60 percent of exports in tires and 20 percent in gloves. Dr. Ranatunga pointed out that breaking free from this dependence requires a strategic shift toward innovation, research, and value-added manufacturing.

A key priority is driving product diversification and value addition. Investments in innovative materials and functional polymers can pave the way for high-performance products



Sri Lanka is an exporter of solid tyres, dominating the global market with its high-quality products.

Sri Lanka can develop Colombo and Hambantota ports as key transshipment and consolidation hubs for rubber products, cutting time to market for regional buyers.

targeting automotive, industrial, and medical markets. Developing biomedical rubber products—such as surgical seals, catheters, and diagnostic device components—will allow Sri Lanka to tap into the growing global healthcare sector. Advanced tools like Computer-Aided Engineering (CAE), modelling, and simulation can further optimize products, shorten development cycles, and deliver tailor-made solutions.

Boosting competitiveness is equally critical. Unlike advanced economies like Japan, Sri Lanka's value addition remains low. Targeted R&D can bridge this gap by enhancing product performance,

durability, and eco-friendliness. Research into sustainable compounding, recyclable materials, and low-carbon manufacturing will align the sector with the rising importance of ESG-driven procurement standards.

Building an integrated innovation ecosystem is essential. Adopting the Triple Helix model—linking industry, research centers, and academia—can accelerate technology transfer, prototype development, and commercialization. Shared innovation hubs with testing labs, prototyping facilities, and intellectual property support will benefit SMEs and large exporters.

Sustainability and Compliance

Demand for eco-friendly products is growing, especially in Europe, where compliance with the European Deforestation Regulation (EUDR) will be mandatory starting in 2026. Larger rubber plantation companies and major product manufacturers in Sri Lanka have already begun aligning with the EUDR and related global standards such as REACH compliance and net-zero carbon targets. Many implement traceability systems and secure sustainability certifications to safeguard access to key export markets.

However, Dr. Ranatunga said that over 75 percent of the country's rubber supply comes from SME farmers, who require urgent support to meet these stringent standards. This gap poses a significant risk to Sri Lanka's ability to maintain its EU market presence.

The Rubber Development Department (RDD) must accelerate



Rubber gloves are versatile protective tools designed for a wide range of applications.

- Natural, Fair Trade-certified mattresses, meeting the growing demand for sustainable, chemical-free bedding products.

SLAMERP's Strategic Roadmap

Aligned with the Rubber Master Plan and the government's manufacturing-led growth policy, SLAMERP's priorities include:

- Expanding into Asia, Africa, and the Middle East while seizing US niche opportunities
- Securing raw materials through new cultivation areas and replanting programs
- Maximizing capacity utilization in existing factories
- Driving green manufacturing and innovation adoption
- Attracting foreign investment through FTA-driven market access



Rubber flooring for sports halls.

Support for SMEs

SLAMERP has played a pivotal role in technology transfer for solid tire and latex glove production, enabling over 50 local companies to enter export markets. It provides market access guidance and connects SMEs with buyers through trade events.

Industry Challenges and Policy Needs

According to Dr. Ranatunga, attracting investments by positioning Sri Lanka as a regional manufacturing hub is a key priority. Leveraging FTAs, strategic logistics advantages, and working with agencies like the Board of Investment (BOI) and the Sri Lanka Export Development Board (EDB), SLAMERP seeks to overcome infrastructure gaps and draw foreign direct investment (FDI) into advanced rubber manufacturing.

To enhance technological capabilities and productivity, SLAMERP promotes technology transfer in areas such as solid tire and glove manufacturing, hosts international seminars, and fosters research collaborations through the Triple Helix model. This addresses the slow pace of technology adoption compared to competitors.

targeted support for SMEs to address the challenge. Priority actions include fast-tracking compliance readiness through training, documentation, and field support; establishing a national digital portal to centralize plantation and supply chain data across all stakeholders; and integrating geo-tagging, digital maps, and farmer registries to meet EUDR proof-of-origin standards.

Unique Capabilities of SLAMERP Members

SLAMERP members have carved out a competitive niche through:

- Global distribution networks covering North America, Europe, and Asia.
- Leadership in solid and agricultural specialty tires, supported by a 'farmer-to-farmer' feedback loop for product optimization.
- Production of premium latex gloves for diverse applications.



Fitness rubber bands.

Meeting human resource needs is another focus, with efforts to align academic curricula with industry demands and support skill development in engineering, product design, and advanced manufacturing.

To ensure sustained growth, SLAMERP aims to reduce overreliance on tires and gloves by diversifying markets into Asia, Africa, and niche high-value sectors. It also advocates for expanding rubber cultivation to secure raw material supplies.

Sustainability is central to the strategy, and initiatives are being developed to help members comply with EUDR, REACH, and global zero-carbon goals through traceability systems, eco-certifications, and green manufacturing practices.

To become globally competitive and expand market share, SLAMERP supports rapid FTA implementation with Thailand, ASEAN, and China, encourages participation in global trade fairs, and promotes the branding

of Sri Lankan rubber products for premium market positioning.

Vision for the Future

- SLAMERP aims to position Sri Lanka as a global hub for high-quality, value-added rubber products—a trusted brand built on innovation, ethical production, and compliance with the highest international standards.
- Advocate and Lobby – Act as a strong voice for the industry, engaging with policymakers to address critical challenges and create an enabling environment for sustainable growth.
- Facilitate Market Expansion – Identify emerging global market opportunities, strengthen trade relationships, and work to enhance market access through trade agreements and promotional activities.
- Promote Value Addition and Innovation – Support transforming Sri Lanka's rubber sector from raw

material export dependency to a high-value manufacturing hub, focusing on advanced materials, specialized rubber goods, and niche market segments.

- Position Sri Lanka as a Trusted Brand – Drive industry-wide quality improvement, global compliance, and sustainability certification to build a strong reputation in international markets.

Message to Global Buyers and Investors

As the Director General of SLAMERP, Dr. Ranatunga underscored that Sri Lanka offers quality, reliability, and strategic market access. With established expertise, a skilled workforce, and a strong sustainability focus, the industry is ready for growth in both traditional and emerging segments. He said the time is right to partner with Sri Lanka's rubber sector—where tradition meets innovation for the global market. □

INTERVIEW

Germany and Sri Lanka: Links Across Borders

Dr. Felix Neumann, the German Ambassador, outlined strategies for Sri Lankan exporters, emphasizing renewable energy, green manufacturing, AI solutions, and an investor-friendly environment to enhance bilateral trade.

Photography by Jayampath Jayaweera

German brands are globally recognized for their reliability and superior quality. From your perspective, what key elements of Germany's branding strategies could serve as valuable lessons for Sri Lankan exporters seeking to build strong international brands?

Germany's reputation for high-quality, dependable products is not a coincidence. It results from decades of investment in skills, standards, and innovation. What stands out is the German vocational training system, close collaboration between industry and educational institutions, and a culture that values long-term thinking and precision. These elements build trust in the 'Made in Germany' label.

The same applies to exporters looking to expand globally. It would be beneficial to build and maintain high product standards, invest in continuous skills development, and cultivate an ecosystem that supports quality—whether through regulation, education, or public-private partnerships. These long-term

investments pay off when global buyers know they can rely on your products and services.

Germany is at the forefront of innovation in green technologies, including renewable energy, eco-labeling, and artificial intelligence. Could you elaborate on how these advancements have enhanced the competitiveness and sustainability of German industries, and what insights Sri Lanka might draw from these experiences?

Indeed, Germany has made significant strides in areas like renewable energy, green manufacturing, and AI-driven solutions. Much of this progress has been guided by a clear and consistent policy framework, alongside strong support for research and innovation.

By encouraging companies to invest in cleaner, smarter technologies, we have reduced emissions, created new economic opportunities, and strengthened





Dr. Felix Neumann, German Ambassador.



The EU GSP+ scheme is a valuable tool for Sri Lanka. It offers duty-free access to the European market for a wide range of products, which is attractive for investors looking to establish or expand export-oriented operations.

our industrial base. Green competitiveness is no longer a contradiction—it's an advantage.

With its natural resources and growing tech sector, Sri Lanka has an excellent opportunity to follow a similar path. Policy consistency, incentives for green innovation, and stronger links between academia, vocational education, and industry can help unlock this potential. Germany, a long-standing friend of Sri Lanka, is happy to share experiences and partner with and support Sri Lanka in this transformation.

Given that Sri Lanka benefits from the EU GSP+ scheme, what is your assessment of the opportunities and challenges for increasing German export-led investment in Sri Lanka under this framework?

The EU GSP+ scheme is a valuable tool for Sri Lanka. It offers duty-free access to the European market for a wide range of products, which is attractive for investors looking to

establish or expand export-oriented operations.

German companies certainly see this as a plus. A recent survey by the Delegation of German Industry and Commerce in Sri Lanka—commonly known as AHK Sri Lanka—showed that most German businesses expect their operations here to improve or remain stable in the coming year. That is a sign of confidence. However, challenges still need to be addressed if Sri Lanka is to benefit fully. German investors continue to call for more predictable economic policies, transparency in procurement, fair treatment of foreign investors, and significantly enhanced ease of doing business in Sri Lanka. These are areas where further progress can make a real difference.

How would you characterize the current state of trade relations between Germany and Sri Lanka, and what areas do you see as most promising for further development?

The current state of our trade relations is likely positive and improving. German companies are genuinely interested in investing in Sri Lanka, which was reinforced during President Anura Kumara Dissanayake's recent visit to Germany. That visit helped to rekindle commercial interest and opened the door to deeper engagement.

We see strong potential in sectors such as renewable energy, logistics, healthcare technology, IT services, agribusiness, and many others. German companies with longstanding operations here—in areas like healthcare and manufacturing—are exploring expansion. Newcomers are also evaluating entry opportunities.

AHK Sri Lanka, as one of our partner organizations, plays a key role in this, helping companies navigate the local business environment and build sustainable partnerships. The Sri Lanka Germany Business Council can provide insights and opportunities in finding a reliable local partner. The more Sri Lanka can promote these sectors and



My vision is for German and Sri Lankan businesses to work even more closely together—through trade, joint ventures, technology exchange and workforce development.

improve the investment climate, the stronger our trade ties will become.

Reflecting on Germany's long-standing development cooperation with Sri Lanka, what achievements stand out to you personally, and how do you envision the evolution of this partnership in the coming years?

Out of many cooperation projects, one of the most remarkable achievements is our contribution to vocational education in Sri Lanka since the 1950s. The German-supported technical training institutions, often known informally as 'German Tech,' have helped thousands of young people build careers over the years. This has created a lasting and very positive legacy.

Another flagship project is the Randenigala and Rantambe projects—a watershed in development cooperation. The construction of these two dams

is a high point in our bilateral relationship. Their sheer size, financial commitment of 700 Million Marks, technology brilliance, and impact on the lives and livelihoods of the masses clearly make this electrification project stand out in our development cooperation.


Going forward, I believe our economic collaboration can evolve to realize Sri Lanka's transition to a greener, more digital economy. That includes modern skills training, digital infrastructure, and stronger collaboration in innovation and research. In healthcare, we are already working toward closer dialogue between German companies and Sri Lankan authorities to improve regulatory processes and digitalization.

This partnership is built on mutual respect and shared goals—and we are committed to deepening it in the years ahead.

Looking ahead, what is your vision for advancing and deepening business relations between Sri Lanka and Germany, particularly in the context of emerging global economic trends?

The global economy is changing quickly, focusing more on sustainability, digitalization, and resilience. I believe Sri Lanka is well-positioned to benefit from these trends, especially if it can offer a stable, investor-friendly environment. Sri Lanka and Germany share the principle that international trade should be as free as possible, which is the best way for the benefit of all.

Thus, my vision is for German and Sri Lankan businesses to work even more closely together—through trade, joint ventures, technology exchange, and workforce development.

If we continue to invest in mutual understanding, skills development, and free trade with transparent rules, I am confident that our economic partnership will continue to grow, benefiting both countries and creating lasting connections between our people. 

INTERVIEW

Elevating Sri Lanka to the forefront of Global Trade

Interviewed by Upul Galappaththi
Photography by Jayampath Jayaweera

Sri Lanka is currently undergoing significant reforms across multiple sectors. As you assume the role of Chairman of the Export Development Board during this transformative period, how do you plan to align and reshape the EDB's policies and strategic plans to support the country's broader reform agenda?

Sri Lanka is on the cusp of transformative reforms that promise to unlock new economic potential. In this context, the Export Development Board is fully committed to aligning its strategies with the national reform agenda. We are actively revisiting our policies to foster export competitiveness, encourage innovation, and diversify export markets. The Government's steadfast support and clear policy direction empower us to streamline processes, reduce bureaucratic barriers, and enhance value addition — all critical steps toward creating a globally competitive export ecosystem.

With your extensive experience in Sri Lanka's private sector, how do you envision leveraging those insights and practices to enhance efficiency, innovation, and impact within the public sector, particularly through the EDB?

Having spent significant years in the private sector, I deeply appreciate the importance of

agility, customer-centricity, and continuous innovation. At the EDB, we are embedding these principles to cultivate a more responsive and dynamic export promotion agency. The Government has provided the mandate and resources necessary for this transformation, and together we are fostering stronger public-private partnerships. This collaborative approach is vital to addressing exporters' needs effectively and accelerating the sector's evolution.

The global export landscape is rapidly evolving with the adoption of smart technologies, including artificial intelligence. In your view, how prepared is Sri Lanka's export sector to embrace these advancements, and what initiatives is the EDB spearheading to foster technological adaptation?

The global shift toward digitalization and AI presents immense opportunities for Sri Lanka's exporters to enhance productivity and access new markets. Recognizing this, the EDB, with Government backing, is actively promoting digital literacy and technology adoption among exporters. We have launched capacity-building programs, awareness campaigns, and partnerships with technology providers to ensure our exporters are not only prepared but also positioned to lead in innovation-driven export sectors. This proactive stance reflects

Sri Lanka's commitment to embracing the future of trade.

Recent shifts in US tariff policies have posed challenges for exporters worldwide. Could you share how these evolving tariff structures have impacted Sri Lanka's export activities and what measures the EDB is taking to mitigate adverse effects?

The evolving global tariff landscape, particularly changes in US policies, has created complexities for many exporters, including those in Sri Lanka. In response, the EDB, in close coordination with Government agencies, has intensified market intelligence efforts and diversified target markets to reduce risk exposure. We also assist exporters in meeting necessary compliance and qualification standards to retain preferential access wherever possible. The Government's proactive diplomatic engagement and trade negotiations further complement these measures, underscoring a comprehensive approach to safeguarding Sri Lanka's export interests.

Looking ahead, what key structural or organizational changes do you intend to implement within the EDB to better promote and support the growth of Sri Lanka's export sector?

To remain agile and effective amid changing global trade dynamics,



Mangala Wijesinghe, Chairman, Sri Lanka Export Development Board.



We are also creating specialized platforms that connect SMEs directly with international buyers and facilitating mentorship programs to build their export acumen. These efforts are designed to empower SMEs to overcome barriers and become active contributors to Sri Lanka's export success story.

we plan to change the EDB's organizational structure. Empowering key divisions, enhancing data analytics capabilities, and fostering a culture of continuous learning are central to our reform vision. This transformation is made possible by the Government's unwavering support and investment, ensuring the EDB remains a forward-looking institution capable of delivering tangible results for Sri Lanka's exporters.

Small and medium-sized enterprises (SMEs) form a vital part of Sri Lanka's economy, yet many remain underrepresented in the export market. What strategies does the EDB plan to adopt to integrate more SMEs into international trade and enhance their export capabilities?

SMEs are indeed the backbone of our economy, and their increased participation in exports is crucial for inclusive growth. The EDB, with endorsement and funding from the Government, is rolling out targeted

capacity-building initiatives, export readiness assessments, and access to finance support for SMEs. We are also creating specialized platforms that connect SMEs directly with international buyers and facilitating mentorship programs to build their export acumen. These efforts are designed to empower SMEs to overcome barriers and become active contributors to Sri Lanka's export success story.

After over a decade, the EDB is preparing to host a major international trade fair (Sri Lanka Expo 2026). What are the primary objectives you hope to achieve with this event, and how do you see it impacting Sri Lanka's position in global trade?

Hosting the international trade fair after a period exceeding a decade marks a significant milestone in our export development journey. Our primary goal is to showcase the diversity and quality of Sri Lankan products and services to a global audience, rekindling valuable trade relationships and opening new avenues for business. Supported enthusiastically by the Government, this event will boost exports and elevate Sri Lanka's profile as a trustworthy and dynamic trading partner on the international stage.

Could you outline the range of goods and services expected to be featured at the Expo 2026, and how these selections reflect Sri Lanka's export strengths and growth sectors?

The Export Development Board (EDB), under the guidance of the Ministry of Industries and Entrepreneurship Development, is organizing the "Sri Lanka Expo 2026." This prestigious event will take place from June 18 to 21 2026 at the Bandaranaike Memorial International Conference Hall (BMICH) in Colombo. Expo 2026 will feature a vibrant spectrum of Sri Lanka's most promising sectors, ranging from traditional exports like tea, spices, gems, jewelry, and apparel to emerging areas such as



Our primary goal is to showcase the diversity and quality of Sri Lankan products and services to a global audience, rekindling valuable trade relationships and opening new avenues for business.

ICT/BPM services, creative industries, electronic and electrical products, and organic products. The selection reflects a strategic focus to celebrate our heritage and highlight innovation-driven growth sectors. This balanced portfolio underscores the EDB's and the Government's commitment to sustainable and diversified export development.

What exclusive advantages and opportunities will international buyers and participants enjoy by engaging with the Expo 2026 International Trade Fair?

International buyers at Expo 2026 will benefit from unparalleled access to verified Sri Lankan exporters, extensive B2B matchmaking services, investment opportunities and insights into emerging market trends. The trade fair, backed by robust Government facilitation, will provide a seamless platform for establishing long-term partnerships, exploring joint ventures, and accessing government-supported incentives. This unique environment is designed to foster

mutual growth and collaboration, positioning Expo 2026 as a gateway to Sri Lanka's dynamic export sector.

Drawing from your marketing expertise and leadership at the EDB, what is your outlook for the future trajectory of Sri Lanka's export sector, and which emerging trends should exporters and policymakers be most aware of?

The future of Sri Lanka's export sector is poised for promising growth, driven by innovation, diversification, and strategic global engagement. Exporters and policymakers must be attuned to trends such as digital transformation, sustainability, and regional trade integration. The EDB, supported by the Government's forward-thinking policies, will continue to champion initiatives that build resilience and competitiveness. I am confident that, together, we can position Sri Lanka as a leading exporter in key sectors, contributing meaningfully to the nation's economic prosperity. 

SRI LANKAN TYRE

CEAT Kelani's Journey to Global Markets

Ranked as the eighth strongest tyre brand globally and the highest-selling tyre brand in Sri Lanka, CEAT exemplifies progress. It consistently invests in innovation and capacity expansion, strengthening its global footprint while positioning Sri Lankan tyres on the world stage.



CEAT guarantees that its products meet high standards for superior traction, handling, and safety across various terrains.

A Joint Venture with Local and Global Reach

CEAT Kelani is an India–Sri Lanka partnership between CEAT India and Kelani Tyres, each owning a 50 percent stake. CEAT Kelani manufactures half of Sri Lanka's pneumatic tyre requirements, with 20 percent of production exported to destinations in Asia, Africa, the Middle East, and South America.

These markets have come to recognize the CEAT brand for its quality, durability, and performance, attributes backed by international certifications such as IATF 16949:2016 from the International Automotive Task Force (IATF), and e-Mark certification by the Economic Commission for Europe (ECE).

The company has achieved several international quality

certifications, including ISO 9001:2015 and IATF 16949:2016, underscoring its dedication to excellence.

In another milestone, CEAT Kelani was granted Authorized Economic Operator (AEO) Tier I status by Sri Lanka Customs — an accolade that recognizes the company's high standards of legal and operational compliance, and the robustness of its supply chain security.



At the CEAT Kelani manufacturing unit.

CEAT Kelani manufactures half of Sri Lanka's pneumatic tyre requirements, with 20 percent of production exported to destinations in Asia, Africa, the Middle East, and South America.

Over the past decade, CEAT Kelani has invested more than 8.5 billion rupees to enhance its manufacturing capabilities and product quality. Leveraging the capabilities of its R&D center in Frankfurt, Germany, and advanced technology, CEAT continues to lead Sri Lanka's tyre sector through continuous innovation, quality enhancements, and a customer-centric approach.

CEAT Kelani exports tyres under the CEAT brand to Egypt, Kenya, and Pakistan. Other destinations such as the Philippines, Yemen, Chile, Bolivia, Mauritius, Jordan, Ghana, Syria, Nigeria, Seychelles, Nepal, Afghanistan, and Brazil receive CEAT tyres under the brand names ORION and KELCEA.

Alongside its growth in exports, CEAT Kelani's role in the domestic market is significant, becoming Sri Lanka's highest-selling tyre brand, with over 1.2 million tyres sold annually. The company supplies over 150,000 Original Equipment (OE) tyres annually to the local vehicle assembly industry,

covering more than 90 percent of vehicles assembled in Sri Lanka. More than 30 models of SUVs, cars, buses, lorries, pick-up trucks, motorcycles, and scooters of 11 vehicle brands rolling off Sri Lankan assembly lines get fitted with locally manufactured CEAT tyres as original equipment.

CEAT Kelani substantially contributes to the Sri Lankan economy through value addition to the local rubber industry. The company sources 100 percent of its natural rubber from over 10,000 cultivator families, and has invested in a long-term social responsibility program to support their children's education.

The company believes that this initiative reflects its belief that the benefits of industrial growth must extend to the grassroots of its supply chain. Moreover, it follows the ethos that uplifting the communities that produce its raw materials strengthens the foundations of the industry and contributes to sustainable economic growth.

Challenges Facing Sri Lanka's Tyre Exporters in the Global Industry

Sri Lanka's tyre exporters operate in an increasingly competitive and evolving global market, where various external pressures continue to shape their growth trajectory. Among these, price sensitivity, technological advancements, and geopolitical disruptions are key challenges.

One of the most pressing concerns is price sensitivity. Tyre customers worldwide are becoming increasingly cost-conscious, often prioritizing affordability over brand or origin. That has created heightened competition from low-cost manufacturers. For Sri Lankan producers, this trend demands a delicate balance between maintaining the renowned quality of their products and delivering competitive pricing.

To stay ahead, productivity improvements across the value chain and optimization of manufacturing processes are essential. Innovation and technological advancement are crucial for international tyre brands like CEAT that frequently benefit from superior technology, advanced R&D, and stronger brand recognition. This is a competitive edge for CEAT Kelani as it has access to state of the art R&D centers located in India and Germany. CEAT is a brand accepted over 110 countries worldwide including the United States of America and Europe.

For Sri Lankan tyre exporters, the path forward requires investment in innovation, product development, and value addition to align with evolving global demands and ensure long-term competitiveness. The industry must contend with geopolitical crises and supply chain disruptions. Recent global events have led to higher shipping costs, unpredictable delays, and increased market uncertainties, all of which impact the competitiveness of Sri Lankan exports. To overcome these challenges, the country must strengthen its position as a manufacturing hub, build greater economies of scale, and mature as a reliable destination for international buyers.



The company is boosting production capacity by modernizing automation for better product quality.



CEAT tyres are engineered to deliver optimized performance.

Sri Lanka's tyre industry holds strong potential for expansion, particularly by aligning with global trends and tapping into new markets.

Opportunities for Sri Lankan Tyre Exports

Sri Lanka's tyre industry holds strong potential for expansion, particularly by aligning with global trends and tapping into new markets. One of the most promising areas is the increasing global shift towards radial tyres, which dominate passenger and commercial vehicle segments due to their superior performance, fuel efficiency, and durability. By scaling up radial tyre production and tailoring product portfolios to international demand, Sri Lankan manufacturers can capture significant opportunities across Asia, Africa, and the Middle East.

At the same time, emerging markets present vast growth potential. While Europe and North America remain important destinations, rising populations, urbanization, and expanding transport networks in Africa and other developing regions

fuel demand for quality tyres. Sri Lankan exporters can strengthen their foothold in these markets by offering competitively priced products with reliable after-sales support.

Equally important is advancing technology and R&D. Continued investment in innovations such as rubber compounding, eco-friendly materials, and specialized tyre solutions in line with evolving automotive needs will be key to sustaining competitiveness and positioning Sri Lanka as a reliable global supplier.

CEAT's Plans for Export Expansion

CEAT is pursuing an ambitious strategy to expand its global footprint by entering new international markets. Following its recent entry into Brazil, the company aims to strengthen its presence across South America, Africa, and Southeast Asia through strategic

partnerships and distribution networks. To meet the evolving demands of these markets, CEAT continues to invest in research and development, introducing advanced tyre technologies, particularly high-performance radials for passenger cars, commercial vehicles, and two-wheelers.

In line with its growth strategy, the company also enhances production capacity by scaling up manufacturing facilities, supported by modern equipment and automation to boost efficiency and product quality. Alongside this, CEAT has committed to sustainability initiatives, reducing its carbon footprint, adopting eco-friendly materials, and implementing energy-efficient processes that align with global environmental standards while strengthening brand reputation.

CEAT Kelani is actively working to gain new international quality and safety certifications to bolster competitiveness further. It is leveraging its R&D center in Frankfurt, Germany, to advance next-generation tyres offering improved control, comfort, fuel efficiency, and durability across varied terrains and conditions. The company is also diversifying its portfolio by exploring niche segments such as agriculture, construction, and industrial tyres to widen export revenue streams.

Looking ahead, CEAT is focusing on expanding OEM partnerships by positioning itself as a reliable supplier to global vehicle manufacturers. Additionally, the company will continue participating in major international trade exhibitions and automotive expos to boost brand visibility and attract new customers worldwide. It marked its presence at Tyrexpo Asia, Bangkok, Asia's leading global trade show for the automotive aftermarket industry in the MEA region, and Automechanika Dubai, the leading international trade show.

These initiatives reflect CEAT's commitment to becoming a stronger global player in the tyre industry. With strategic international expansion, innovation-driven products, and a focus on sustainability, CEAT Kelani will continue setting benchmarks for quality and performance in the tyre industry. □

EUROPEAN UNION DEFORESTATION REGULATION (EUDR)

Sri Lanka's Path to EUDR Compliance

In Sri Lanka, Peterson Solutions is pivotal in assisting rubber product manufacturers in complying with the European Union Deforestation Regulation (EUDR).



The EUDR is a European Commission law designed to reduce deforestation and forest degradation associated with EU market products.

like rubber to the EU must ensure that their products have no links to deforestation or forest degradation. By offering technical guidance, traceability tools, and policy alignment support, Peterson Solutions is helping Sri Lankan rubber producers navigate the complexities of the EUDR, reduce sustainability risks in their supply chains, and maintain access to key European markets.

The EUDR is a major legislative shift to reduce the European Union's contribution to global deforestation and forest degradation. The regulation was formally adopted on May 31, 2023, and entered into force on June 29, 2023. The application deadlines were postponed by one year, with current deadlines set for December 30, 2025, for larger and medium companies, and June 30, 2026, for SMEs.

The regulation applies to seven commodities: rubber, cattle, soy, cocoa, palm oil, coffee, and timber. The core requirement is that these commodities placed on the EU market must be 'deforestation-free,' meaning they were not produced on

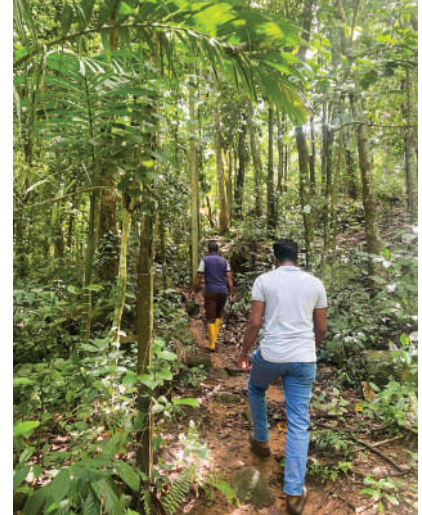
Rubber tapping is the process of collecting latex from rubber trees.

Peterson Solutions is a global service provider offering solutions in social responsibility, environmental management, sustainable finance, and responsible sourcing. It supports organizations in building sustainability frameworks that address regulatory compliance and long-term impact.

Peterson Solutions has been at the forefront of helping Sri Lanka rubber products exporters to align with EUDR requirements by providing their support on polygon mapping, supply chain audits, trainings, documentation preparation and risk assessments. The EUDR mandates that companies sourcing or exporting commodities



Each step of the data gathering is being conducted meticulously to maintain accuracy and reliability.



On-site visits play a crucial role in observing and collecting detailed information.

By offering technical guidance, traceability tools, and policy alignment support, Peterson Solutions is helping Sri Lankan rubber producers navigate the complexities of the EUDR...

land deforested or degraded after December 31, 2020. The EUDR is a regulation, not a certification, making it a legal requirement rather than a voluntary standard.

According to Lakshan Wickramaarachchi, Operations Manager, Peterson Solutions Sri Lanka, the regulation primarily applies to 'operators' – legal entities placing products in the European Union. While Sri Lankan companies are producers rather than operators, the responsibility is pushed down the supply chain from EU buyers to producers in countries like Sri Lanka. That creates a complex compliance challenge as exporters must ensure their entire supply chain meets EUDR requirements.

EUDR Implementation Challenges

Regarding Sri Lanka's rubber industry, Lakshan noted that approximately 30 and 40 percent of rubber exports go to European Union

buyers, making EUDR compliance critical for the sector. He described the typical rubber supply chain in Sri Lanka, which involves multiple layers: farmers, village-level collectors, suppliers, and exporters. The complexity of this makes traceability challenging.

Implementing EUDR in Sri Lanka has faced several challenges, particularly due to a decentralized approach. Private companies have had no choice but to develop individual supply chain solutions without a centralized mechanism to support farmer compliance. This fragmented approach has led to increased costs and inefficiencies across the industry. Moreover, the implementation process is now too advanced to introduce a centralized system, as many companies have already invested significantly in their proprietary systems. These efforts have required substantial initial investment, including costs for geolocation mapping, farmer training, and establishing traceability

systems. In addition, companies face ongoing operational costs to maintain segregation between EUDR-compliant and non-compliant rubber throughout the supply chain.

Lakshan explained that most rubber exporting companies in Sri Lanka have had to invest in their entire supply chain to ensure compliance, as village-level collectors and suppliers often lack the resources or motivation to implement EUDR requirements independently. According to Lakshan, Sri Lanka's rubber industry is generally in a good position to meet the EUDR deadlines. Most plantation companies have completed implementation, and most rubber exporting companies are in the final stages. The postponement of the deadline by one year provided additional time for implementation. Some companies are currently conducting pilot projects and trials.

Traceability Requirements

Traceability requirements under the EUDR are critical for exporters of rubber products, particularly those targeting the European market. Exporters must be able to trace rubber back to its source farms, including thousands of smallholder suppliers. For example, in the case of tire exports to the EU, companies are required to



Interacting with the people involved helps to understand what affects rubber yield and quality.



Field visits provide an opportunity to engage with local farmers, gaining insights into their practices, challenges, and innovations in rubber farming.

identify every source farm involved in the supply chain, obtain precise plot polygons/GPS point from all their suppliers, and upload these polygons/GPS points to the EU's Information System for Deforestation-Free Products. After completing this process, they can receive the necessary customs clearance codes for export approval.

Opportunities for Sri Lanka

Sri Lanka has several promising opportunities in the context of EUDR compliance. According to Lakshan, being classified by the EU as a 'low-risk' country offers a significant advantage, resulting in fewer inspections than high-risk and standard risk countries like Myanmar and Cambodia respectively. This favorable classification, supported by Sri Lanka's existing environmental protection practices, gives the country a competitive edge. EUDR compliance also ensures continued access to the EU market, with the added potential for price premiums on deforestation-free rubber products. Furthermore, it positions Sri Lanka to emerge as a regional leader in ethical and sustainable rubber production. Beyond market access, compliance with EUDR can contribute to broader sustainability goals. It promotes

Sri Lanka has several promising opportunities in the context of EUDR compliance.

ethical sourcing practices, helps eliminate child labor, strengthens biodiversity protection, and supports carbon neutrality efforts. These advancements could also make Sri Lanka eligible for EU green funding mechanisms and trade facilitation programs. Technological innovation is essential to meeting the EUDR's stringent traceability requirements. Paper-based systems are no longer sufficient, and there is a growing need for mobile applications capable of supporting field-level operations. These applications must enable farm mapping, deforestation analysis, purchasing and dispatch tracking, and complete supply chain transparency, ensuring traceability from farm to final product.

Lakshan highlighted several key recommendations for effectively implementing and sustaining EUDR compliance. First, there is a need to establish a national EUDR task force that brings together relevant government institutions such as the Rubber Cultivation Board, Rubber Research Institute, Sri Lanka Export

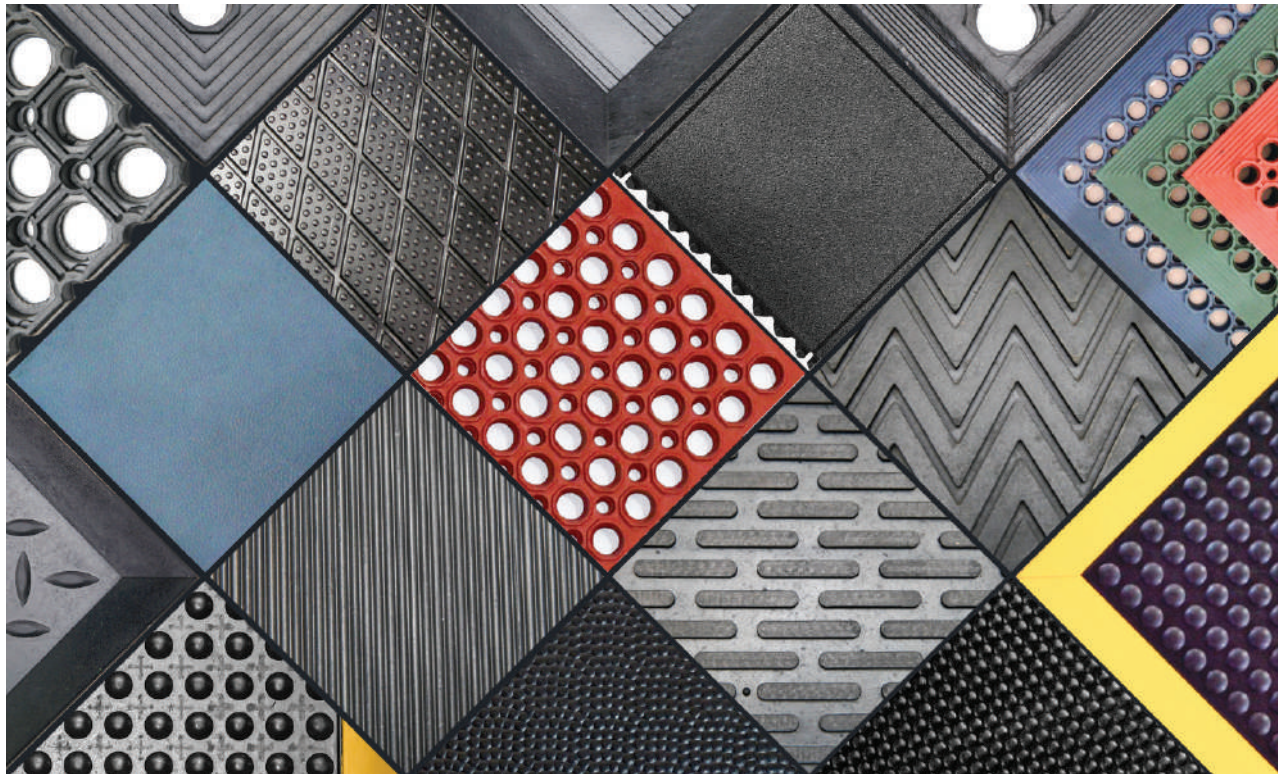
Development Board (EDB), and Industrial Development Board (IDB), along with exporters, farmer organizations, and technical experts. This coordinated effort can help ensure a unified national approach. Strengthening public-private partnerships by engaging industry associations, universities, and NGOs to provide awareness, technical assistance, and capacity-building programs. It is vital to make targeted technical and financial support available to smallholder producers to help them meet compliance requirements. Ensuring continuous compliance across the entire supply chain will require consistent efforts, including regular training and awareness sessions for farmers to maintain proper practices and uphold EUDR standards.

As Sri Lankan rubber product manufacturers and exporters prepare to comply with the EU's new regime, they have yet again invested in ensuring that they follow due diligence to attest to Sri Lanka's commitment to climate change and sustainability. ■

MOLDED AND EXTRUDED RUBBER PRODUCTS

Richard Pieris Exports: Pioneering Excellence in Premium Rubber-Based Products

Richard Pieris Exports is a Sri Lankan manufacturer and exporter of high-quality molded and extruded rubber products, serving diverse global markets.



Richard Pieris Exports has been a trailblazer in the production and export of rubber mats, catering to a wide range of applications.

For over four decades, Richard Pieris Exports has stood as one of Sri Lanka's most respected names in the rubber manufacturing industry. The rubber sector is vital

to the country's economy, blending tradition with innovation to serve global markets with high-quality rubber-based products. As a member of the iconic Richard Pieris and

Company conglomerate, the company has leveraged its heritage, technical expertise, and customer-centric approach to position itself as a leading exporter of molded and extruded



Piles of processed rubber sheets are ready to be transformed into innovative products.



The manufacturing process varies depending on the specific sector involved.



The production process.



Bubble Mat Sheets – Anti-fatigue solid top single mat with beveled edges.

rubber products for diverse sectors worldwide.

A Diverse Product Portfolio for a Global Market

The company manufactures an impressive range of molded rubber products, carefully engineered to cater to the food service, sports and leisure, agriculture, and industrial sectors. Its rubber flooring solutions, popular in the food industry and sports arenas, are known for their durability, hygiene standards, and comfort. In agriculture, the company produces rubber mats for cow stalls and bedding, offering comfort and hygiene for livestock. Their industrial and specialty matting—including anti-fatigue mats, fire-retardant mats, electrical insulation mats, and ESD matting—serves many professional and safety applications.

Overall, the company exports 300 varieties of rubber mats, differing in color, hardness, thickness, size, and application, all backed by test certifications from accredited

laboratories in the UK and Germany. The company also specializes in Continuous roll rubber matting, a niche segment requiring significant production expertise and precision.

Food jar sealing rings are among the company's flagship products in the extruded rubber category. These products serve the canning industry in Europe, with France and Germany as primary markets. They are manufactured to exact international food safety standards and are a testament to the company's capability to produce highly customized and technically demanding rubber components.

Richard Pieris Exports is ISO 9001:2015 certified and holds FSC certification for responsible sourcing of raw materials (for jar sealing rings). The company has also obtained ethical trading certification from the National Chamber of Exporters of Sri Lanka (NCE), complies with EU regulations including REACH and EUDR requirements, and maintains several other product-specific

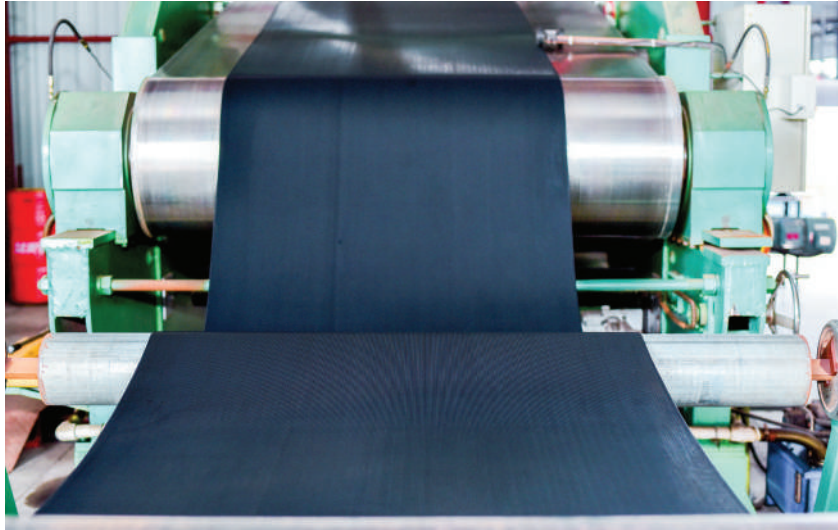
certifications. The company's product portfolio reflects a balance of technical skill, stringent quality controls, and compliance with global standards, ensuring reliability and durability across its range.

Serving niche markets worldwide, Richard Pieris Exports caters to discerning buyers who value certified quality, responsible sourcing, and precision engineering in every product.

Global Reach with a Premium Quality Promise

With a footprint in over 30 countries and a customer base exceeding 60 global clients, Richard Pieris Exports has successfully built a reputation for premium quality products, reliable delivery, and enduring customer partnerships.

The company's major export destinations include Europe, the USA, the UK, Australia, Canada, New Zealand, Japan, and the UAE. As part of the company's strategic expansion plan, it is looking at future expansion



Continuous roll rubber matting represent a specialized segment that demands extensive production expertise and precision.



Food jar sealing rings stand out as one of the company's premier offerings in the extruded rubber category.

into South Africa, Kenya, Ethiopia, and South Korea, while not ruling out tapping into the market potential in India and China.

A defining feature of the company's export model is its focus on long-term relationships. Many of its customers have remained loyal for decades, citing the company's consistent product quality, responsiveness, technical support, and flexibility in adapting to client needs as core strengths. The company's strong technical know-how is attributed to its decades long business relationships with clients in major world markets, a relationship

marked by its ability to constantly adapt to client requirements, ready to sort client concerns and issues, which the company has achieved through excellent ethos on communication. For Richard Pieris Exports, it is a true partnership — where understanding clients' challenges and resolving them is central to sustaining long-term relationships.

Natural Rubber: At the Core of the Product

At the heart of Richard Pieris Exports' products lies natural rubber, which constitutes 50-55 percent

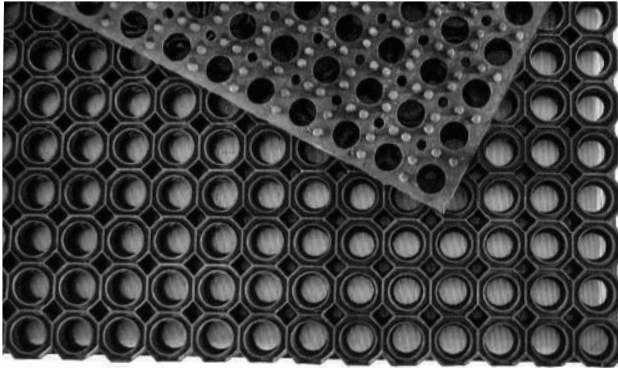
of the raw material. The company uses different grades and colors of natural rubber, depending on the final product specifications. The company manufactures every product to meet stringent EU food safety and FDA compliance standards, ensuring safety and quality for international clients. This adherence to global standards reflects the company's focus on operating in the premium market segment, prioritizing product quality over competing prices. This strategic positioning enables Richard Pieris Exports to differentiate itself from lower-cost manufacturers in Southeast Asia.

Competitive Advantages Built Over Decades

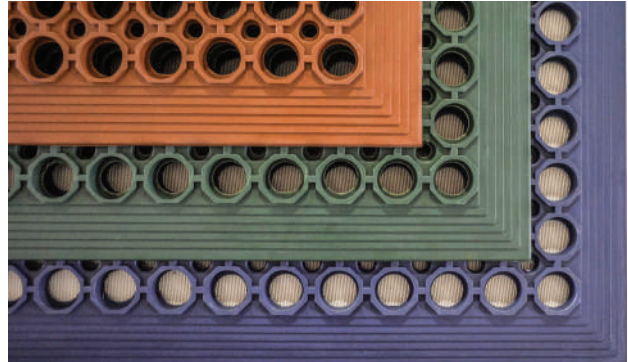
In a global market dominated by cost competition, Richard Pieris Exports has chosen a different path—one built on technical expertise, manufacturing reliability, and customer-centric service. The company's on-time delivery record, engineering know-how, and commitment to treating customers as long-term partners continue to provide a significant competitive edge. Its customer-first ethos extends beyond product delivery, with excellent after-sales service and tailored product solutions developed in close consultation with international clients. The company's agility in responding to evolving client demands further strengthens its reputation in overseas markets.

A Forward-Looking, Sustainable Outlook

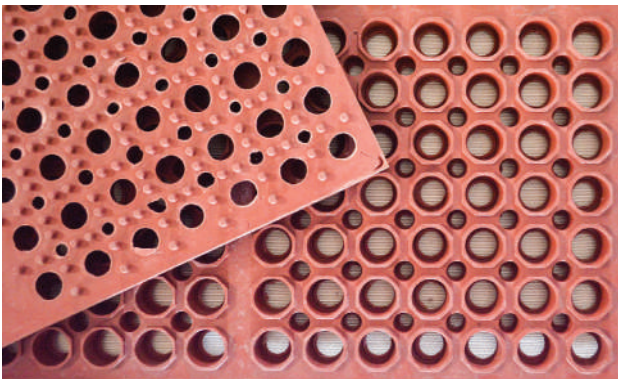
Despite challenges, Richard Pieris Exports focuses on future growth and sustainability. Serving a niche market with which it has built long-standing relationships, the company's sustained success rests on its ability to consistently deliver products of the highest standards — a feat made possible by the expertise of its specialists, the skill of its workforce, and the strength of its existing infrastructure. Core to Richard Pieris Exports' strong presence



Fire retardant mats.



Honeycomb mats – entrance mats.



Agriculture mats.



Sports and leisure mat.

Richard Pieris Exports exemplifies Sri Lanka's rubber export sector's resilience, adaptability, and excellence.

in the world's major markets is its unwavering commitment to quality and meticulous compliance with every specification and regulatory requirement set by buyers.

Established in 1989 with the manufacture of jar sealing rings, the company has since expanded its portfolio to meet the evolving needs of diverse industries across the globe — from food and beverage to agriculture, industrial applications, and specialty sectors.

Over the decades, the company has demonstrated remarkable resilience in the face of market shifts and external challenges, drawing on its deep expertise, technical know-how, and innovative spirit to remain

at the forefront of product development. It actively invests in research and development to anticipate global trends, adapt to emerging technologies, and introduce new products that align with sustainability, safety, and performance expectations.

The company is actively pursuing energy-efficient solutions, including biomass boilers to reduce fuel dependency and lower operating costs. In parallel, it is investing in dust extraction systems to create a cleaner, more environmentally compliant manufacturing space. The company is preparing for EUDR compliance, reinforcing its commitment to ethical sourcing, traceability, and sustainable

practices. With a strong quality-led strategy and readiness to embrace sustainability and compliance frameworks, Richard Pieris Exports is well-positioned to solidify its presence in mature markets while expanding into emerging ones.

Conclusion

Richard Pieris Exports exemplifies Sri Lanka's rubber export sector's resilience, adaptability, and excellence. With a robust product portfolio, premium positioning, and commitment to sustainability, the company continues to elevate the global perception of Sri Lankan rubber products.

Richard Pieris Exports exemplifies the strengths of Sri Lanka's rubber product manufacturing sector — combining agility with a culture of continuous improvement to remain a trusted manufacturer in an increasingly competitive and fast-changing global marketplace. 

HEALTH AND WELLNESS

TEXSTRETCH: Sri Lanka's World Class Offering in Health and Wellness

Textrip is a Sri Lankan manufacturer specializing in high-quality rubber-based products for global markets. Its flagship brand, TEXSTRETCH, offers premium resistance bands known for exceptional durability, consistent performance, and eco-friendly production.



Premium resistance training products by TEXSTRETCH.

Company Overview and History

Textrip, part of the Elasto Group, began manufacturing rubber exercising products and medical tourniquets in the early 1980s. In the early 1990s, the company identified an emerging opportunity in the fitness industry and expanded into producing exercise bands. Over the decades, it has evolved into a leading Original Equipment

Manufacturer (OEM) of premium resistance training products, supplying over 100 globally recognized sports and fitness brands. Established in 1947, the Elasto Group has a long-standing reputation for excellence in rubber manufacturing and has successfully diversified into the wellness sector, combining technical expertise with sustainability-driven operations.

Manufacturing Categories and Product Innovations

Explaining the company's product proposition, Mangala Gunasekera, Chairman and Managing Director, said that Textrip operates at the intersection of sports science, exercise science, physical culture, beautification, physiotherapy, rehabilitation, and health and



Mangala Gunasekera,
Chairman and Managing
Director, Elasto Group.

Textrip generates approximately 95 percent of its revenue from international sales, exporting to 30 countries across the USA, Europe, and Asia.

wellness. Under the TEXSTRETCH brand, manufactured under the Textrip banner of the Elasto Group, offers premium resistance training solutions, including bands, tubes, strips, and sport-specific training equipment, catering to a diverse user base ranging from rehabilitation patients to elite athletes.

These products are available in multiple resistance levels, supporting progressive training for muscle strength development, stamina enhancement, injury prevention, pain management, mobility improvement, posture correction, balance training, and bone density enhancement. A key differentiator is TEXSTRETCH's use of layered resistance bands with progressive resistance, which offer superior durability and performance compared to molded alternatives.

Sri Lanka's Natural Rubber Benefits

Central to TEXSTRETCH's quality promise is its use of 100 percent natural latex sourced exclusively from Sri Lanka, renowned worldwide for

its exceptional purity, light color, and low odor, pointed out Mangala. This natural latex is cleaner and more consistent in its quality parameters compared to imported alternatives, which can vary in color, purity, and performance. The local availability of premium latex also ensures reliable supply, minimal stock holding costs,



Top-tier resistance training solutions designed to enhance your fitness routine.

and traceability to sustainable sources.

The global shift towards health, fitness, and wellness—accelerated by rising awareness of active lifestyles, preventive healthcare, and rehabilitation—has created vast opportunities for countries like Sri Lanka to become leading



In-house manufacturing and production unit.



The bands provide exceptional durability and performance.



Resistance bands come in various thicknesses and lengths, designed to accommodate different fitness levels and exercises.

suppliers of high-quality rubber-based health and medical products. Sri Lankan rubber's unique physical properties, combined with advanced manufacturing practices, enable the production of products that meet and often exceed international quality, safety, and performance standards, making them highly competitive in the global marketplace.

Innovation and Manufacturing Excellence

Textrip's manufacturing process is built on proprietary technology developed by its founders. This technology enables the production of layered resistance bands that deliver superior resistance, consistency, and durability compared to molded alternatives.

Mangala explained that the company's dedicated Research and Development (R&D) department has qualified professionals who work closely with customers to meet development requirements and address specific product needs. The company supports this effort with external expertise, where it collaborates with specialized consultants to solve industry pain points. It also closely cooperates with the Rubber Research Institute (RRI) for testing, verification, and technology transfer, combining RRI's theoretical expertise with Textrip's practical manufacturing know-how.

Mangala said Textrip also designs and builds much of its production machinery in-house, importing only selected components. This

approach reduces capital expenditure, allows faster iteration, and enables continuous improvement in line with buyer quality standards.

Certifications and Compliance

Textrip holds multiple international certifications that ensure quality, safety, and sustainability, including ISO 9001:2015 for Quality Management, ISO 14001:2015 for Environmental Management, ISO 45001:2018 for Occupational Health and Safety, ISO 14064:2018 for Greenhouse Gas Emissions, and a Certificate of Ethical Trading from the NCE. The company complies with the EU Deforestation Regulation (EUDR) and sources its raw materials from FSC-certified plantations. In addition, it follows SMETA guidelines, ensuring there is no child or forced labor, maintaining safe working conditions, and providing fair pay and ethical treatment of workers.

Sustainability and Environmental Responsibility

Mangala emphasized the company's commitment to reducing its carbon footprint through energy optimization and process improvements. Its operations consume less energy than dry-rubber industries such as tire manufacturing, though raw material costs are higher due to the premium quality latex used.

The company's 16-acre property—of which five acres house the factory complex—provides scope for further green initiatives, including coconut plantations and greenhouse crop cultivation to enhance biodiversity and environmental benefits.

Workforce and Community Engagement

Located in Bentota, southern Sri Lanka, Mangala said that Textrip benefits from a stable and committed workforce. Many employees are recruited locally and remain with the company for extended periods, often alongside family members.

That has resulted in significantly lower turnover rates than industry



Perfect for strength training, rehabilitation, or flexibility, these bands boost muscle engagement for effective workouts at home or the gym.



Texstretch Ankle weights.



Texstretch D – Bands and Resistance tubes.



In vibrant colors, wellness-related products.

norms, strengthening operational stability and preserving valuable organizational skills.

Global Reach and Market Presence

Textrip generates approximately 95 percent of its revenue from international sales, exporting to 30 countries across the USA, Europe, and Asia.

The company is actively exploring opportunities in the Middle East, focusing on the UAE health and wellness sector, which was estimated to be worth around USD 19 billion in 2024. This market is diversifying rapidly, with growth in boutique fitness studios, women-only gyms, and hybrid in-person/online wellness offerings.

Challenges and Opportunities

According to Mangala, the company is facing challenges related to rising production costs, rising raw material prices, increased labor overheads, and heightened volatility in global markets caused by

geopolitical tensions and U.S. tariffs. However, they also recognize potential opportunities, as competing Chinese products in their range are subject to higher taxation in the U.S. market. Additionally, they expressed concerns over possible changes to Sri Lanka’s suspended SVAT scheme, which could negatively impact their cash flow.

Sri Lanka’s Potential in the Global Health and Wellness Market

The global shift toward health, fitness, and preventive wellness—driven by aging populations, lifestyle-related health concerns, and the increasing popularity of home-based exercise—presents a significant growth avenue for Sri Lanka’s rubber industry, pointed out Mangala.

Moreover, to Sri Lanka’s advantage, its natural latex is globally recognized for its exceptional purity, light color, and low odor. It is ideal for producing medical-grade and wellness-related products such as

resistance bands, physiotherapy aids, yoga accessories, and rehabilitation tools.

By combining natural advantages with modern manufacturing capabilities, ethical sourcing practices, and compliance with stringent international standards, Sri Lankan companies can supply premium health and wellness equipment to hospitals, rehabilitation centers, sports institutions, and consumer markets worldwide.

They can leverage traceable and sustainably sourced raw materials as a key marketing advantage while meeting the growing demand for safe, eco-friendly, and high-performance products in developed and emerging markets.

With its strong manufacturing heritage, skilled workforce, and access to world-class raw materials, Sri Lanka can become a global hub for rubber-based health and wellness products, capitalizing on an industry whose demand trajectory is ready for sustained long-term growth. □

RUBBER GLOVE MANUFACTURING

Guardians of a Legacy: Dipped Products and the Future of Sri Lanka's Rubber Glove Industry



The country's high-quality natural rubber production—valued for its elasticity, durability, and sustainability—has greatly supported DPL's growth and global market expansion.

For nearly five decades, Dipped Products (DPL), a member of the Hayleys Group, has stood at the forefront of Sri Lanka's rubber-based exports. From humble beginnings in 1976, DPL has evolved into one of the world's foremost manufacturers of hand protection solutions, catering to household, industrial, sports, and medical sectors. Today, the company is not only a champion of Sri Lanka's

legacy in natural rubber but a beacon of its future — where sustainability, innovation, and global competitiveness converge.

As DPL celebrates its 50th year, its journey is inseparable from the Sri Lankan rubber industry's trajectory. The country's status as a leading producer of high-quality natural rubber has underpinned DPL's growth, even as global trends shift towards

increasingly niche, high-performance glove segments. In an industry facing heightened international scrutiny, fierce competition, and growing customer demands for ESG compliance, DPL continues to lead with agility and purpose.

"We are proud to represent Sri Lanka on the world stage," says Pushpika Janadheera, Managing Director, Dipped Products.



Pushpika Janadheera,
Managing Director,
Dipped Products.

co-developing, customizing, and branding gloves for international customers under their own labels. This customer-centric model has helped build long-term trust across continents, while significantly increasing export volumes and revenue. DPL's adaptability and collaborative approach were especially crucial during recent global crises, where consistent supply chains became a competitive advantage.

Innovation meets Market Reality

In an era when hand protection must cater to highly specialized applications, DPL has positioned itself as a global innovation partner. Its recently launched EVPRO glove is purpose-built for the electric vehicle industry, combining superior insulation, dexterity, and grip for medium to low-voltage applications.

The company is also expanding its chemical handling glove range, with new product launches planned at the A+A Exhibition in Düsseldorf, one of the industry's largest international trade shows.

With sustainability as a design imperative, DPL has pioneered biodegradable glove technologies and water-based solutions, aligning its R&D with the rising demand for green alternatives.

Future product lines will also reflect advancements in material science and technology, offering

Today, the company is not only a champion of Sri Lanka's legacy in natural rubber but a beacon of its future — where sustainability, innovation, and global competitiveness converge.

"Our legacy is not just in gloves, but in how we have responded to global needs with local strength, consistently investing in quality, sustainability, and innovation. This is what it means to manufacture with purpose."

speed-to-market are bolstered by advanced automation, robotic dipping technology, and vertically integrated capabilities. As a full-service OEM and private label manufacturer, DPL also offers a unique value proposition:

Navigating Global Demand with Local Strength

With seven fully operational manufacturing facilities, DPL is expanding aggressively to meet rising global demand. The company's manufacturing footprint spans both Sri Lanka and Thailand, allowing for diversified production and export resilience. Across its operations, DPL produces over 720 variants of gloves and exports to more than 70 countries.

This capacity is complemented by a global network of marketing offices in Italy, Poland, France, India, and the Middle East, ensuring direct access to major markets. DPL's flexibility and



DPL's advanced machinery for glove production.

both safety and environmental responsibility. DPL was honored with the coveted **Overall Gold Award** at the **National Business Excellence Awards (NBEA)**, organized by the National Chamber of Commerce. The company also won accolades across five additional categories, including Excellence in ESG, Corporate Governance and Strategy, Global Market Reach (Runner-Up), Extra Large Category, and Manufacturing – Other Sector. Earlier in the year, DPL was also recognized at the 26th Presidential Export Awards, winning the title ‘**Innovative Export Product of the Year**’, in recognition of its breakthrough product developments and export impact. These achievements underscore

DPL’s multi-dimensional excellence as a forward-looking enterprise helping shape Sri Lanka’s industrial identity on the world stage. “Customers today want a partner who understands their industry, anticipates their risks, and co-creates solutions,” Janadheera adds. “That’s where DPL thrives.”

Challenges in the Rubber Glove Landscape

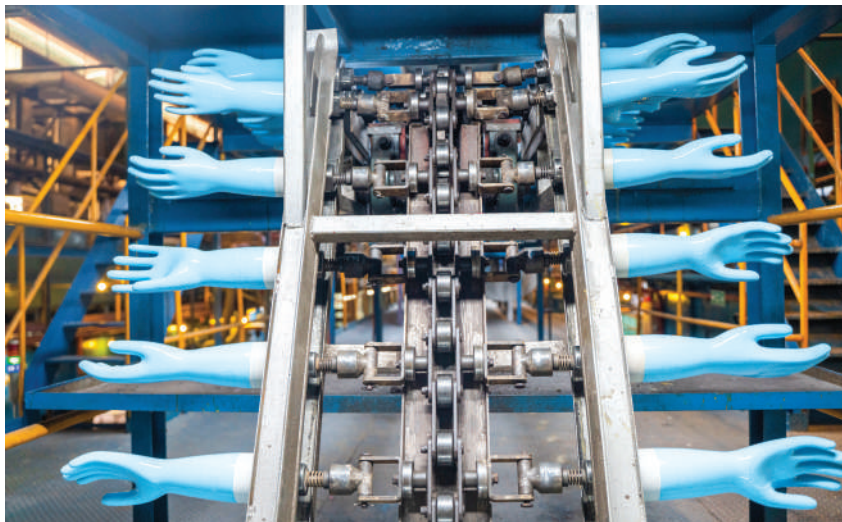
Despite global recognition, Sri Lanka’s rubber glove industry is not without its challenges. The country’s producers face stiff competition from Malaysia, Thailand, and Vietnam, all offering economies of scale, cost advantages, and government-backed export ecosystems. Currency volatility, rising input costs, and an

aging smallholder base continue to strain domestic supply chains. Labor shortages and the need for continuous upskilling in factory settings further compound the operational burden. Yet, DPL has navigated these headwinds with resilience. By investing in backward integration, building inclusive supplier ecosystems, and heavily investing in ESG-led operations, the company has not only insulated itself but also helped uplift the broader value chain.

Sustainability at the Core

A cornerstone of DPL’s strategy is its DPL Pulse ESG Roadmap, which sets ambitious targets across climate action, water conservation, waste management, and community engagement.

- Solar energy powering all manufacturing plants.
- LEED Platinum certification for its Biyagama facility — the first in South Asia for a sports glove manufacturing plant.
- Water management system combining rainwater harvesting, on-site water treatment facilities, and constructed wetlands—ensuring treated and recycled water is reused sustainably across multiple manufacturing operations.
- Responsible waste management, including repurposing of solid waste.
- Strong Learning and Development framework to upskill employees and build careers.
- Diversity, Equity, and Inclusion



DPL uses advanced manufacturing processes to maintain high standards.



DPL offers over 720 types of gloves designed for various industries, ensuring high quality and meeting diverse global customer needs.



DPL aims to support the development of a sustainable and profitable rubber farming community.



DPL Field Latex Collection Centre and Laboratory Facility.

initiatives fostering inclusive growth and increasing female participation.

- Robust governance with clear policies ensuring ethics, transparency, and accountability.
- Eco Pulse Nature Reserve at Hanwella, supporting over 100 species, including endangered flora and fauna — a thriving model of industrial ecology.

These initiatives align DPL with global ESG compliance frameworks such as EUDR, offering assurance to customers who increasingly scrutinize supply chains for ethical and environmental performance.

Supporting Sri Lanka's Rubber Farmers

DPL's deep integration with the local rubber industry is also reflected in its community development program, Firstlight. This initiative directly supports over 4,200 smallholder rubber farmers across seven districts through training in sustainable tapping techniques, climate resilience, and yield improvement.'

A notable advancement in this space is the opening of DPL's 'Latex Collection Centre and Quality Assurance Laboratory' in Monaragala. This facility supports hundreds of farmers in the Uva Province by providing a centralized, transparent system for latex collection, quality testing, and pricing. It helps improve yield consistency, elevate quality

standards, and empower rural farmers with better market access and income security. The program also incentivizes best practices through recognition and value-added partnerships. In doing so, DPL is not just sourcing latex — it is investing in the long-term viability of Sri Lanka's rubber ecosystem.

Future Outlook

Global demand for personal protective equipment (PPE) continues to grow, driven by industrialization, occupational safety norms, and healthcare expansion in developing markets.

While glove prices have seen a correction since pandemic highs, the focus has shifted from mass volumes to high-performance, niche, and sustainable products — a transition that favors companies like DPL.

With the opening of its eighth manufacturing facility and a robust product innovation pipeline, DPL expects steady growth over the next five years. The company is also exploring further automation, digitized quality control, and energy-efficient upgrades to strengthen its competitive edge.

A Legacy Built on Protection

As DPL enters its 50th year, it does so not just as a manufacturer, but as a steward of Sri Lanka's industrial future. Its story is of long-term thinking, ethical choices, and a

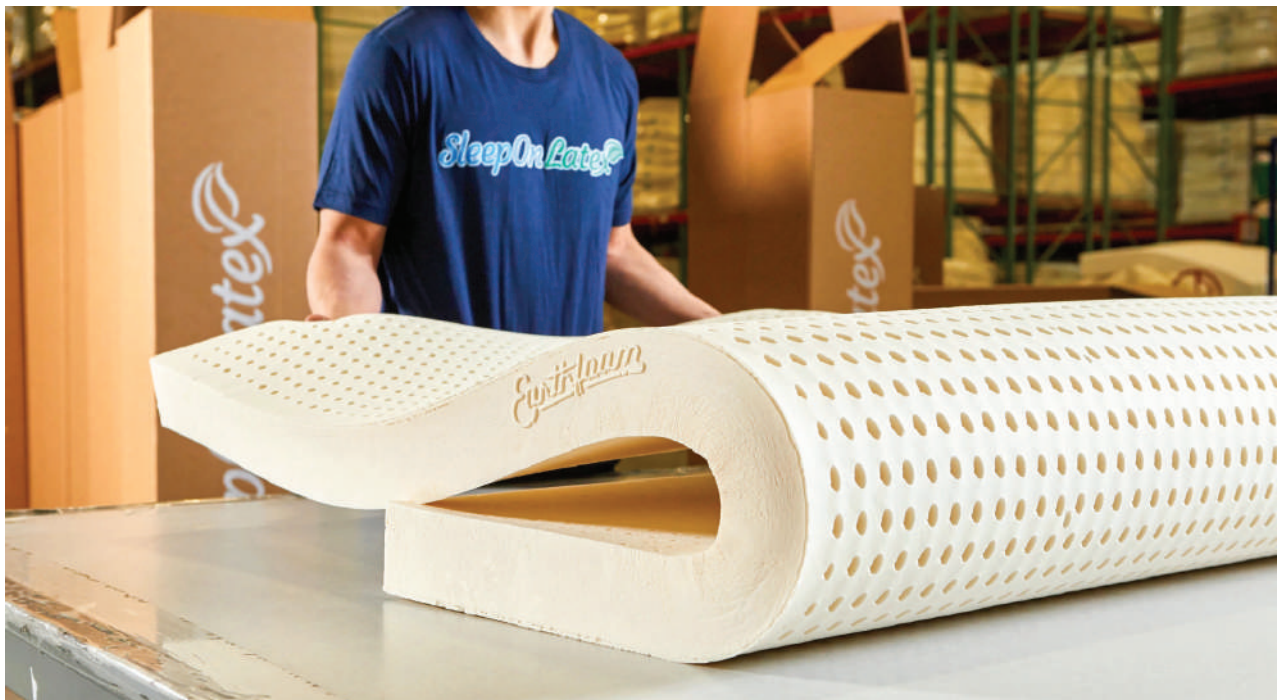
“As global demand rises and market expectations evolve, we remain committed to strengthening the rubber industry at every level — from farmer to factory, innovation to impact.”

relentless pursuit of excellence. From empowering local rubber farmers through backward integration to exporting high-value, purpose-driven glove solutions, DPL has symbolized how Sri Lanka's natural resources, human talent, and industrial capability can be transformed into globally competitive value.

“Our journey is far from over,” says Pushpika Janadheera. “As global demand rises and market expectations evolve, we remain committed to strengthening the rubber industry at every level — from farmer to factory, innovation to impact. The world will keep changing, but our purpose remains the same: to protect, to lead, and take our country's rubber industry to greater heights.” □

NATURAL LATEX FOAM

From Plantation to Comfort: Sri Lanka's Growing Influence in Natural Latex Mattresses and Pillows



Sri Lankan manufacturers of natural latex sleep products are gaining a competitive edge internationally due to their quality materials and innovative designs.

The Enduring Allure of Natural Latex

In a world increasingly conscious of health and environmental impact, natural latex stands out as an ideal material for sleep products. Derived from the milky sap of the *Hevea brasiliensis* tree, natural latex offers a unique combination of properties that synthetic alternatives cannot

replicate. Its inherent elasticity provides exceptional support and pressure relief, conforming to the body's contours for unparalleled comfort. Beyond comfort, natural latex is hypoallergenic, resistant to dust mites, and highly breathable, contributing to a healthier sleep environment. Its remarkable durability also ensures a long

lifespan for mattresses and pillows, making them a wise investment for consumers worldwide.

Sri Lanka's natural rubber benefits from optimal climatic conditions, contributing to its superior quality. The country has a long-established reputation for producing high-quality latex crepe rubber, often recognized for its



Earthfoam exports a wide range of high-quality products to over 40 countries worldwide.

light color and low odor. It is highly desirable for premium applications like mattresses and pillows. This commitment to quality and advanced manufacturing capabilities positions Sri Lankan-made natural latex sleep products favorably in competitive international markets.

Cultivating Sustainability: A Core Principle

The future of any agricultural industry is intrinsically linked to its sustainability practices. Sri Lanka's rubber sector, particularly in the value-added segment of mattresses and pillows, is increasingly embracing environmentally responsible cultivation methods.

A significant and growing focus is placed on promoting organic rubber plantations. This approach involves cultivating rubber trees without synthetic pesticides, herbicides, or chemical fertilizers.



Natural latex is the most natural, breathable, durable, and sustainable material available for mattresses.



The pillows are expertly crafted with a soft cover and a plush, squishy center.

The benefits extend far beyond the purity of the final product; organic cultivation fosters healthier soil, conserves water resources, and enhances biodiversity within the plantation ecosystems. It represents a commitment to protecting the environment for future generations while ensuring the integrity of the natural material at the heart of these products.

Beyond organic farming, the Sri Lankan rubber industry is also at the forefront of social sustainability through initiatives like the Fair for Life program. This international certification program goes beyond fair wages. It ensures farmers and workers throughout the supply chain receive fair prices for their produce, work in safe and dignified conditions, and benefit from community development initiatives. For many stakeholders, this means direct engagement with

farmers and all individuals involved in rubber cultivation and processing. The impact of such programs is profound, helping to uplift the living standards of families dependent on the rubber industry. Through transparent pricing and community investment, these initiatives empower local communities, provide access to education and healthcare, and foster a more equitable distribution of wealth. This commitment to ethical sourcing strengthens the industry's social fabric and resonates deeply with environmentally and socially conscious consumers globally.

Innovation, Manufacturing Prowess, and Global Ambition

Sri Lanka's mattress and pillow manufacturing sector is characterized by a blend of traditional expertise and modern technological adoption. Manufacturers utilize state-of-the-art facilities and stringent quality control

measures to transform raw latex into sophisticated sleep solutions. The range of products is extensive, catering to diverse consumer preferences, from various firmness levels in mattresses to ergonomic designs in pillows.

The industry's growing capacity is evident in its impressive export figures. Many Sri Lankan manufacturers are significant players in the global market, successfully exporting their natural latex mattresses and pillows to discerning customers worldwide. For instance, a notable manufacturer in this sector, Earthfoam, currently exports a substantial volume of products, consistently dispatching to over 40 countries worldwide. One of the queen-size mattresses they make requires daily latex from about 2,000 trees, making it a considerable consumer of Earthfoam's strong growth in recent years, which reflects



Earthfoam Mattresses are made of natural latex from organic farmers in Sri Lanka.

The industry's growing capacity is evident in its impressive export figures. Many Sri Lankan manufacturers are significant players in the global market, successfully exporting their natural latex mattresses and pillows to discerning customers worldwide.

strong international demand for Sri Lankan value-added natural and organic rubber products and the industry's commitment to enhance its global footprint and contribution to the national economy.

A Fair Trade and Organic Approach to Sustainable Sleep

In an increasingly crowded market of mattresses and bedding, Earthfoam is distinguishing itself with a commitment to a transparent, ethical, and sustainable supply chain. The company has gone to great lengths to establish its own fair trade network, consisting of hundreds of small, independent organic farms. This network is the largest of its kind in Sri Lanka and provides a transparent supply chain from the tree to the factory.

This fair trade program, which is certified by Fair For Life, is a cornerstone of Earthfoam's business model. It ensures that their network's rubber farmers and tappers receive fair wages and work in decent conditions.

The Fair For Life certification is particularly impactful, as it focuses on the well-being of the most vulnerable people in the

supply chain. A percentage of every purchase goes into a Development Fund, which the workers and farmers manage. This fund is used for community-driven projects, such as building access roads or providing essential services. Earthfoam also provides benefits like health insurance and educational support for the children of the farmers and tappers.

Furthermore, the rubber tree farms in their network are certified by the GOLS (Global Organic Latex Standard). This means the farms operate without pesticides or synthetic fertilizers, which is beneficial for both the environment and the workers' health. Rubber tree forests are also highly sustainable, having one of the highest carbon dioxide absorption rates, and a single tree can provide sap for over two decades.

A Pillar of Sri Lanka's Export Economy

The robust growth of the natural latex mattress and pillow manufacturing sector is a testament to Sri Lanka's evolving export landscape. By focusing on high-value, sustainable products, the

industry aligns perfectly with the Sri Lanka Export Development Board's strategic objectives of diversifying exports and promoting Brand Sri Lanka on the international stage. The emphasis on organic cultivation and fair-trade practices not only enhances the marketability of these products but also solidifies Sri Lanka's reputation as a responsible and ethical trading partner.

As global consumer preferences continue to shift towards natural, sustainable, and ethically produced goods, Sri Lanka's natural latex mattress and pillow industry is exceptionally well-positioned for sustained growth.

With a foundation built on superior natural resources, advanced manufacturing, unwavering commitment to sustainability, and a vision for significant expansion, Sri Lanka is poised to further enhance its standing as a leading provider of premium sleep solutions to the world. The journey from the rubber plantation to the comfort of a globally acclaimed mattress is a powerful narrative of quality, integrity, and shared prosperity. ■

SMALL AND MEDIUM ENTERPRISES (SMES)

Spotlight on SME Manufacturers

Small and Medium Enterprises (SMEs) form the backbone of Sri Lanka's rubber industry. These manufacturers produce a wide range of value-added rubber products, from industrial components to household goods, serving clients worldwide.



Clinco Rubber Mouldings manufactures and supplies a range of molded rubber products for household and commercial applications.

Clinco Rubber Mouldings, established in 1999 by Don Desmond, traces its roots to a family-run rubber products manufacturing business founded by his father in 1974. What began with minimal equipment has steadily evolved, incorporating in-house mixing, compression, and injection molding capabilities through progressive upgrades.

The company manufactures and supplies various molded rubber products for household and commercial use. Its product portfolio includes rubber plungers, ramps, sanitizer mats, dog brushes, isolation pads, vibration pads, door stoppers, steel-laminated rubber pads, and more. The company serves markets in Germany, Belgium, Japan, the USA, the UK, and the Netherlands.

The company holds BSCI and ISO 9001 certifications, reflecting its commitment to quality and ethical practices.

Don Desmond, Managing Director, Clinco Rubber brings decades of entrepreneurial expertise as an SME in Sri Lanka's rubber products manufacturing sector. He shared valuable insights on the evolution of SMEs in the rubber industry, the



L-R: Dr. Malith Nirmala, Director HR; Don Merl, Director Operations and Don Desmond, Managing Director, Clinco Rubber at the 29th NCE Export Awards 2021.

Don Desmond, Managing Director, Clinco Rubber brings decades of entrepreneurial expertise as an SME in Sri Lanka's rubber products manufacturing sector.

challenges they face, and the growth opportunities that lie ahead.

From 1974 to around 2000, Sri Lanka's SME rubber sector thrived, with 50–75 small manufacturers supported by the Industrial Development Board (IDB) through World Bank funding. However, following economic liberalization, the number of SMEs sharply declined to fewer than ten currently in operation. Desmond's family-run business was among the few to successfully grow from humble beginnings with a single hand press to establishing four factories that now export 40–50 forty-foot containers annually to global markets—particularly in Europe—achieving an approximate turnover of one million dollars. According to him, the leading cause of this decline was the unwillingness of many business owners to reinvest their profits in upgrading technology and machinery. While his company advanced from hand presses to hydraulic presses and eventually to injection molding machines—each costing around 20 million rupees—many SMEs

continued operating from home with outdated equipment. He attributed his success to working over 20 hours daily and channeling all profits into the business.

Global Sustainability Requirements and Challenges

Desmond elaborated on how evolving international sustainability requirements—particularly those from European markets—are mounting pressure on SMEs in Sri Lanka's rubber sector. He noted that while compliance with REACH chemical regulations is relatively manageable, the recently introduced European Union Deforestation Regulation (EUDR) presents far more complex and costly challenges for smaller companies.

The EUDR requires exporters to carry out extensive supply chain mapping, geolocation tracking of raw material sources, and certification to prove that their products bear no association with deforestation. For SMEs, these requirements demand substantial financial and human

resources investments—ranging from specialized staff and digital mapping tools to verification processes and audits. Most small manufacturers lack the capital, technical expertise, or administrative capacity to meet these obligations independently.

Many SMEs risk exclusion from one of the world's most lucrative markets without timely government support. While the European Union remains a highly promising destination for Sri Lankan rubber products, the barriers created by EUDR compliance could prevent smaller exporters from participating.

He urged State institutions and relevant ministries to take an active role in mediating and facilitating SME compliance. That could involve establishing centralized systems for EUDR mapping, subsidizing the cost of certification, and providing technical training to help SMEs integrate sustainability tracking into their operations. He emphasized that such interventions would protect the competitiveness of Sri Lanka's SME rubber sector and ensure its continued access to vital international markets.

Financial and Infrastructure Support

Desmond underscored the pressing issue of limited financial support for SMEs in Sri Lanka's rubber sector. He pointed out that institutions that once played a pivotal role in providing accessible funding for small businesses have now shifted towards a more commercialized approach, offering loans at interest rates beyond most SMEs' reach. Affordable financing, he explained, will enable smaller manufacturers to invest in modern machinery, upgrade production capabilities, or expand into new markets.

He also stressed the urgent need for dedicated laboratory testing facilities tailored to the requirements of rubber SMEs. Businesses must rely on government facilities such as the Industrial Technology Institute (ITI), the Industrial Development Board (IDB), and the Rubber



Their product portfolio includes rubber plungers, mats and more.



DN rings, O rings and pipe seals are part of the product range too.

Strengthening public-private partnerships could help bridge this gap, stimulate domestic demand, and provide SMEs with a more stable revenue base in addition to export earnings.

Research Institute. However, according to Desmond, these services are often slow, outdated, or expensive, creating bottlenecks for companies needing timely and reliable product testing to meet export standards. Larger firms seldom accept SME samples for testing; one can expect only ad-hoc help via personal contacts.

As a solution, he suggested that government or industry associations—such as the Sri Lanka Association of Manufacturers and Exporters of Rubber Products (SLAMERP)—

should take the lead in establishing specialized, cost-effective laboratory services for the rubber industry. Such facilities, he argued, will improve efficiency and quality assurance and help SMEs remain competitive in the face of increasingly stringent international market requirements.

Workforce Shortage

A critical and growing challenge facing Sri Lanka's rubber industry is an acute shortage of skilled labor. Desmond revealed that despite having strong order

books and investing heavily in advanced technology—including fully automated injection molding machines worth approximately 60 million rupees each—his factories cannot operate at full capacity simply because there are not enough workers to run them.

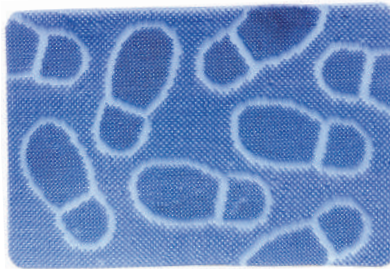
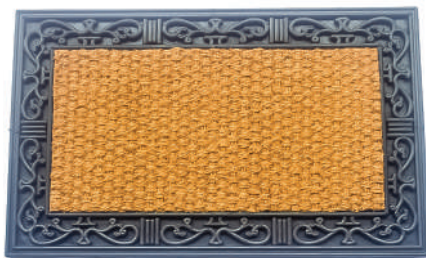
This labor shortage, he explained, is driven by multiple factors. Many skilled workers are migrating abroad for better pay, often taking advantage of training programs offered by institutions such as the National Apprentice and Industrial Training Authority (NAITA). Generally individuals trained by NAITA must work in Sri Lanka for one year prior to seeking employment abroad, however, he noted that their programs are increasingly geared toward preparing workers for overseas employment rather than serving domestic industries. In addition, many productive employees are leaving manufacturing jobs entirely—sometimes after withdrawing their Employee Provident Fund (EPF) to purchase three-wheelers or pursue other self-employment opportunities. In his factory alone, more than 15 workers have left for this reason, mirroring a trend seen across the sector.

Desmond warned that the labor shortage carries serious business risks. International buyers will not wait for delayed shipments. Failure to fulfil orders on time could lead customers to divert their business to competing countries, resulting in a loss of market share that can be extremely difficult to recover.

As a potential solution, he proposed introducing policies requiring young Sri Lankans to work domestically for at least two years before seeking overseas employment, similar to service requirements imposed on newly qualified doctors. That, he argued, could help retain skilled workers in the country long enough to support industrial growth. Additionally, he suggested that the government explore the possibility of bringing in workers from labor-surplus countries such as Bangladesh or India



Manufacturing unit at Clinco Rubber.



Rubber coir mat and rubber shoe pin mat.



Rubber ramp.

to fill the immediate gap created by the outflow of Sri Lankan workers.

Future Prospects and Recommendations

Desmond identified Europe, the USA, Australia, Japan, and emerging African markets as promising destinations for Sri Lankan rubber exports. He emphasized the urgent need for targeted government support to fully leverage these opportunities, particularly enabling SMEs to upgrade machinery and adopt advanced production technologies. Modern equipment, he noted, is critical to

meeting international quality standards, improving productivity, and competing effectively in global markets.

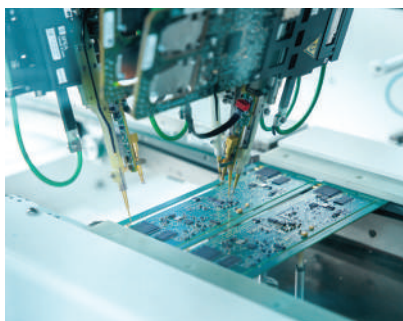
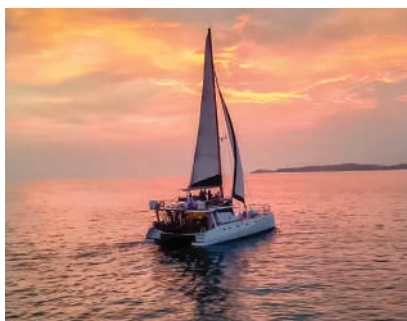
One of the most pressing concerns for SMEs is the volatility of energy costs, which erodes profit margins and discourages long-term investment. He recommended implementing a stable and affordable energy policy for SMEs, including export rebates on electricity tariffs and concessional financing or grants to support solar power installations and energy-efficiency upgrades. Such measures would lower operational costs and align with global sustainability trends.

He also called for reinstating export rebates—previously offered at 10–12 percent of the FOB value—which historically provided a critical cushion for exporters and incentivized market expansion. In addition, he highlighted the value of restoring robust Sri Lanka Export Development Board programs, including active participation in international trade fairs and market development grants, enabling SMEs' ability to connect with potential buyers and penetrate new markets. On the domestic front, Desmond proposed introducing a local procurement policy that would encourage or, where feasible, mandate large domestic manufacturers to source rubber products from qualified local SMEs. He suggested establishing certification pathways to ensure SMEs meet quality and reliability standards, enabling them to become approved suppliers. This approach could save valuable foreign currency by reducing imports. Drawing a comparison with India's industrial ecosystem—where major automotive brands actively source parts from local manufacturers—he pointed out that large Sri Lankan buyers, including automotive brands, rarely source domestically despite the availability of capable suppliers. Strengthening public-private partnerships, he argued, could help bridge this gap, stimulate domestic demand, and provide SMEs with a more stable revenue base in addition to export earnings.

Conclusion

SMEs like Clinco Rubber have successfully navigated industry challenges by continuously evolving and steering the company toward the future. They recognize the critical importance of investing in technology and adapting to changing market demands for rubber-based products. SMEs overcome obstacles by leveraging technical expertise alongside the advantage of sourcing some of the world's highest-quality natural rubber locally. This combination enables them to maintain a strong presence and competitive edge within the global export ecosystem. □

Sri Lanka Expo 2026



Sri Lanka Expo 2026 is scheduled to take place in 2026 at the Bandaranaike Memorial International Conference Hall in Colombo. The event will be organized by the Sri Lanka Export Development Board in coordination with the Ministry of Industry and Entrepreneurship Development.

The trade exhibition marks a pivotal moment in the Government's

thrust to accelerate export growth to drive the country's economic revival.

The event is all the more significant as it returns after a hiatus of 14 years. Through this expo, Sri Lanka embarks on a mission to revitalize its export sector by directly showcasing its industrial and SME strengths to the world.

The expo will feature 16 product categories and four thematic pavilions.

With expected participation from approximately 1,500 exhibitors, SMEs, international buyers, and investors, the Government and the EDB envisage fostering meaningful trade networking and collaborations, highlighting the nation's diverse product portfolio, promoting investment opportunities, and reaffirming Sri Lanka's position as a competitive global exporter. 



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