

Changing Trends of Import and Export Structures towards Economic Growth of Sri Lanka

SWGK Bulankulama

Abstract

Agricultural sector was the main production sector in Sri Lanka since the establishment of plantation after the beginning of British rule in 1815, since contributed in the pre independence period. The agricultural sector has developed at a higher rate since 1977. After 1987, industrial sector became the major sector in the production system of the economy. The research problem aims to study the adequacy of structural changes to the economic growth and development in Sri Lanka. There are two objectives, one is to study the structural changes of the economy in Sri Lanka and other is to examine the structural changes in newly industrialized countries such as Singapore, Malaysia and Thailand. Secondary data are used mainly through the publications of Central Bank of Sri Lanka, People's Bank, and the internet. These secondary data is analyzed through Geometric and Descriptive analytical methods. Services and industrial sectors are the leading sectors of the economy of Singapore, Malaysia and Thailand. There is a high contribution from services sector to the Gross Domestic Product in these countries and also the Sri Lanka; but there is a minus growth rate in the service sector of Sri Lanka since 2000. Products of electric items and tourism subsectors are the major contributors of the services and industrial sectors in the newly industrialized countries. These sectors are promoted with a competitive advantage through the high value addition in NICs. In Sri Lanka the major production type of industry is associated with garment manufacture, which is a low value added item and products are mainly exported to USA, EU and UK. These are the major exportable markets we have so far. Products of Singapore, Malaysia and Thailand are traded within the South – East Asian region according to the bilateral and multilateral trade agreements. At the seventieth, eightieth, ninetieth decades in Sri Lanka, the commodities had been imported through the three of the consumable, investable and intermediate commodities and imports of the Sri Lanka do not focus on the absolute disadvantages. But NIC countries import investment goods. Therefore, it is evident that Sri Lanka has not achieved adequate structural changes for the required level of economic growth.