718/F

Technology status assessment in Sri Lankan plastics processing industry

Pradeesha C Warnasooriya* and R M W Amaradasa
National Science Foundation, Colombo 07, Sri Lanka

Plastics processing is one of the dynamic industries in the world. Due to rapid changes in technologies and materials, developed countries have been relocating their plastics processing industries to countries with the ability to manage technology. Sri Lanka has the scope to attract such industry relocations and Sri Lanka thereby has an ideal opportunity to expand its market and attract investors to set up plastics processing industries as a result of new developments in the international scene. However, the entire plastics processing industry needs to focus on developing a competitive edge and the local industry itself is fragmented and comprises of a few large, mainly privately owned companies and many small and medium scale companies. Most of the present exporting sectors are for low value added product where cost advantages will liable to erode soon.

In order to gain sustainable advantages in international trade Sri Lanka needs to identify main strengths, weaknesses, threats and opportunities of the industry. Thereby an in-depth study of technology status of this industry was done for the sake of the potential investors. Study was done through industry visits and the sample was selected by taking the top twenty companies in the plastics processing industry according to the extent of raw materials imported. In this study, technology is considered to comprise of four basic components, which have been described as technoware, humanware, inforware, and orgaware, all of which interact jointly to fulfill the task of transforming the input into output and the technology status of the industry was assessed formulating criteria according to those components.

Lagging areas and specific technology need of each of the industries have been identified and they are as given in the report both at national level as well as at firm level. As per the study, Sri Lanka has been made uncompetitive at many stages in the industry. In competitive cost of production, frequent power failures or high fluctuation in the energy supply, labour problems e.g. not enough trained/Skilled workers, fairly high labour turnover, absenteeism in the night ships and retaining of the workers especially female workers in the industry have become severe problems for the industry. Further it was revealed that high raw material cost , mould/ machinery breakdowns, automation of several manual processes, space problem and the quality problems have also become crucial in Sri Lanka. Survey assessed the general ICT usage and the R&D facilities of the industry as well. As found from the survey low usage of IT applications, lack of proper training and development for workforce are critical areas which need immediate actions to be inline with global developments and also to compete with global leaders in this industry.

The views expressed herein do not necessarily represent views of the National Science Foundation, Sri Lanka or the Ministry of Science & Technology, Sri Lanka.

*pradeesha@nsf.ac.lk Tel: 011-2676766