

Oxfam Humanitarian Field Studies

**The Coir Industry in the Southern
Province of Sri Lanka**

October 2006



IMPROVING EMERGENCY RESPONSE

The tsunami disaster of December 2004 affected millions of people, dramatically magnifying the challenges that survivors and aid providers face in smaller emergencies elsewhere around the world. In 2005, Oxfam launched a program to investigate social, economic, and health issues that are critical to the recovery of tsunami survivors. Working through partners in universities and institutes in the region, Oxfam is carrying out studies that combine data and perspectives from disaster-affected communities with existing knowledge from related fields. Our goals are to strengthen the programs of Oxfam and other humanitarian aid providers for this and future emergencies, and to improve accountability to those we aim to help. This report is one of a series of summaries of the Oxfam Humanitarian Field Studies.

The research that forms the basis of this report was carried out by the National Institute of Business Management (NIBM) in Colombo, Sri Lanka. Oxfam funded the project, and Nanditha Hettitrantri, Oxfam America Research and Networking Coordinator for Sri Lanka, provided technical and advisory support. This article, drawn from the original report written by D.P. Nanayakkara and S.C. Kaluarachchi of NIBM and Upali Wickramasinghe of the University of Sri Jayewardenepura, was composed by Zivai Murira of the Feinstein International Center at Tufts University.

© Oxfam International September 2007 The text in this report may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact-assessment purposes. For copying in any other circumstances or for re-use in other publications or for translation or adaptation, permission must be secured and a fee may be charged. E-mail editor@oxfamamerica.org.

ABSTRACT

Many people lost their livelihoods in the 2004 Asian tsunami, which pushed impoverished households deeper into poverty. Many of the poorest people in southern Sri Lanka work in the coir (coconut fiber) industry, which was badly damaged in the disaster. This study explores the market dynamics that shape the coir industry, both domestically and internationally, with a view toward increasing the incomes of coir workers and reducing their vulnerabilities. The report recommends a series of measures to expand the coir market and to equip workers with the skills, quality controls, networks, and technology they need to meet market demands.

INTRODUCTION

Sri Lanka is one of the countries most deeply affected by the Indian Ocean tsunami of December 2004. The death toll and the numbers of people displaced by the disaster were staggering. But the tsunami also destroyed livelihoods, pushing many impoverished families deeper into poverty.¹ To help tsunami-affected communities recover, it is important to fully understand the occupations they depend on to earn a living. In Sri Lanka, a key source of income to consider is the coir industry.

Coir, or coconut fiber, plays an important role in sustaining the livelihoods of a large number of people in the Western, Southern, and North-Western provinces of Sri Lanka. Coir fiber extraction, spinning, and weaving, and the processing of other coir products are a source of employment for many people – women in particular - who have few other options available to them. The coir industry is also an important source of income for women in the fishing communities along the western and southern coasts. The industry plays a unique role in expanding the national economy as well as in consolidating Sri Lanka's position within international markets for coir products. Furthermore, the industry has an indirect impact on the economy through its influence on the transportation, marketing, and financial businesses.

PURPOSE OF THE STUDY

Recent research has shown that markets play an important role in livelihood development and poverty reduction.² Markets and the relationships among stakeholders are therefore an important aspect of livelihood analysis, and recognition of the failure of markets to serve the interests of the poor is crucial in such an analysis.³ Given the significance of the coir industry to the income of the people in southern Sri Lanka, it is important to understand the market dynamics that shape the industry within local and global settings with a view toward bringing sustainable development to the whole sector.

The objectives of this study are:

1. to gain a better understanding of the existing local and global market channels for coir products at different levels of production, including small-, medium-, and relatively large-scale producers and cooperatives,
2. to analyze the current policies pursued by the government and international agencies, including the World Trade Organization, and their effect on the coir industry, and
3. to identify strategies that can help ensure that poor workers benefit as the coir industry increases its capacity to serve a global marketplace.

The conclusions and recommendations put forward in the humanitarian field studies represent the views of the researchers and not necessarily those of Oxfam.

REPORT OUTLINE

- Abstract
- Introduction
- Purpose of the study
- Overview of global coir industry markets
- Overview of the Sri Lankan coir industry
- Research methodology
- Research findings
- Recommendations of the NIBM for improving competitiveness in the coir industry
- Annex: Key organizations and institutions involved in promoting the Sri Lankan coir industry
- Notes
- References
- About the researchers
- About Oxfam International

OVERVIEW OF GLOBAL COIR INDUSTRY MARKETS

Sri Lanka is the single largest supplier of brown coir fiber to the world market, and together with India accounts for almost 90 percent of global coir exports.⁴ An estimated 350,000 metric tons of coir fiber are produced each year around the world, according to the United Nations Food and Agriculture Organization (UNFAO). Global demand for coir products declined between the 1980s and 1990s, as synthetic fibers found widespread popularity as a substitute for natural coir products. Since the late 1990s, however, that trend has reversed, with coir products again finding favor among consumers.

Greater demand for woven coir mats in India in recent years has fueled a steady rise in the global coir market. Growth of the global market has also been driven by growing demand for natural fiber products from consumers in developed countries as well as in China and other emerging markets. In addition, there is growing global demand for natural geotextiles (erosion-control materials), good quality twine for horticultural products, and coir pith as a substitute for peat.⁵ Yet synthetic fibers continue to threaten the coir industry globally, despite rising awareness of the health and environmental benefits of natural fibers. Stagnating international coir prices have also eroded the profitability of coir production.

OVERVIEW OF THE SRI LANKAN COIR INDUSTRY

In Sri Lanka, the coir industry is characterized by a traditional, labor-intensive, largely female, white-fiber industry in the Western and Southern provinces and the more modernized, mechanized, export-oriented, brown-fiber industry in the North-Western Province. (Pliable white fibers are harvested from the husks of green coconuts and stiffer brown fibers are extracted from husks of mature nuts.) An estimated 10 percent of fiber comes from traditional coir areas in the south, whereas much of the production and 85 percent of the fiber mills are based in the North-Western and Western provinces. The current annual production of coconut is around 2.5 billion nuts; an estimated two billion nuts are consumed domestically, while the rest are exported.

Sri Lanka produces four main categories of coir fiber: bristle, mat, mixed, and mattress. These fibers are either sold as raw material in the international market or processed into products such as brooms, brushes, twine, matting, woven and stitched geotextiles, rubberized coir mattresses, and upholstery. Coir-related exports accounted for 6 percent of agricultural exports, over 1 percent of all exports, and 0.35 percent of GDP in Sri Lanka in 2005. Total export earnings of the entire coconut and coir industry in 2005 were \$167.96 million. Fiber export earnings increased by 20 percent in both 2004 and 2005, while fiber pith exports increased by 22 percent and 40 percent in 2004 and 2005, respectively.

RESEARCH METHODOLOGY

A case study approach was used to gain a better understanding of the coir industry, both locally and within the global context. A comprehensive literature review—focused on the coir industry and its markets in Sri Lanka and India—was conducted to assess the key issues and constraints associated with the industry.

A semi-structured survey was also conducted, using qualitative techniques including focus group discussions with coir fiber millers, yarn spinners, and producers of coir products. The semi-structured survey sample was drawn from the Galle, Matara, and Hambantota districts of the Southern Province, with much attention focused along the coastal belt where most of the coir industries are located. We also conducted key informant interviews with relevant Oxfam staff and industry officials, including the government, coir business associations, and national and international institutions

The Coir Value Chain (CVC)—which looks at the complete industrial cycle, from acquiring raw materials to selling the final products on the international market—was used as an organizational schema to collect information and data. At the same time, the collected data was used in synthesizing and analyzing the nature of the value chain in the coir industry in the Southern Province.

RESEARCH FINDINGS

Research findings fall into four categories: 1) an analysis of the key elements of the coir industry; 2) an assessment of institutional support for the coir industry; 3) a holistic look at the coir value chain; and 4) a delineation of the major constraints the coir industry faces.

Key elements of the coir industry

Coconut cultivation in the southern province. The three districts of Galle, Matara, and Hambantota constitute the Southern Province. Hambantota is the largest district and has the largest area under coconut cultivation, followed by Matara and Galle (Table 1). An important feature of coconut cultivation in the Southern Province is that 93 percent of coconut land is in small holdings, while just 7 percent falls under the estate sector.⁶ Disproportionate differences in the distribution of area under coconut cultivation also occur at the sub-DSD level.⁷ The area under coconut cultivation in the DSDs in Galle is relatively small compared with the DSDs in Matara and Hambantota. However, it is important to note that some divisions with very few plantations have a higher concentration of coir-related activities because of other factors.

Table 1: Coconut Cultivation in Southern Province (in hectares)⁸

District	Total land area	Area under coconut cultivation	Percent
Galle	167,399	12,543	7.49
Matara	124,599	14,398	11.56
Hambantota	259,299	20,733	8.00
Total	551,297	47,674	8.60

Labor. Labor is an important input in the coir industry. The labor market in the coir industry in the Southern Province is dominated by informal employment. Most workers in the coir sector are self-employed, while the rest are either casual laborers or unpaid family workers. In Galle, Matara, and Hambantota districts, the percentage of self-employed people are 56 percent, 65 percent, and 42 percent, respectively. The casual employment figures for the three districts are 25, 12, and 17 percent, respectively; the balance fall into the category of unpaid family labor.

Gender. More than 75 percent of the workers engaged in the coir industry in the Southern Province are females, particularly among self-employed and family workers. Both genders work in coir mills and coir factories, where wage differentials between men and women still persist despite the apparent similarity of the work they perform. The disparity, according to the coir mill owners, reflects their respective productivity, which is considered to be higher among male workers. The income generated by these family and self-employed female workers contributes significantly to the overall family income.

Age and education. More than 75 percent of coir workers are older than 35, while 38 percent are older than 50 and 18 percent older than 60. Although the coir industry is generally viewed as providing employment for unskilled people, the level of education and literacy among coir workers shows that less than 10 percent of workers are illiterate, of whom many belong to the older cohort of people. The level of education is generally high among the younger people. Most of the people working in the coir industry gained experience working in various types of jobs. On average, people surveyed have 13 years of experience in the industry, while 15 percent have been working in the industry for more than 20 years.

Average monthly income. According to the survey data, the average monthly income (calculated using the income received by the person within the last six months) for a person working in coir yarn spinning, coir weaving, mat weaving, and rug weaving in the Southern Province is 1,694 rupees. The monthly income levels for Galle, Matara, and Hambantota districts are 2,399 rupees, 1,125 rupees, and 1,196 rupees, respectively. Income varies significantly, however, according to a worker's status—whether casual, self-employed, or unpaid. For example, self-employed people earn less than half the income of casual workers. This has implications for the labor supply in the coir industry.

Use of technology. Capital and technology infusion in the southern coir industry is still limited. Most fiber mills in the Southern Province use old technology to produce coir yarn and are not well-organized, which limits their productivity. However, those that produce other coir-based products are fairly mechanized.

Institutional arrangements and policies in the coir industry

Livelihood strategies and outcomes are affected by a range of policies, institutions, and processes that cut across vertical and horizontal governance structures. An enabling institutional environment is therefore important in improving livelihoods, especially for poor or low-income producers. A number of public and private sector institutions, nongovernmental organizations (NGOs), and foreign donor agencies are actively promoting the coir industry in Sri Lanka with a view to improving living standards of workers in the industry. Their activities include policy formation and planning, regulatory functions, and delivery of support services. See Annex 1 for the key organizations and institutions involved in promoting the Sri Lankan coir industry.

The Coir Value Chain

Having considered the elements that constitute the coir industry, it's worth turning our attention to a more holistic treatment of the coir industrial cycle. A value chain describes the full range of activities required to bring a product or service from conception through the different phases of production, involving a combination of physical transformation and the input of various producer services, to delivery to final consumers. In the Coir Value Chain analysis, the distribution of income along the

value chain was assessed and the market situation and problems of the coir industry in the Southern Province were analyzed.

The main stakeholders in the coir industry are coconut growers, coconut traders, fiber millers, suppliers and buying agents, exporters and importers, and auxiliary service providers (financiers and government departments and ministries). The institutional arrangements among these actors are complicated. Joint production is common in the industry, with some coconut growers owning coir mills or millers owning yarn-spinning facilities. These are mostly vertically integrated arrangements in the coir industry. Within each layer of the value chain are several interconnected smaller value chains consisting of intermediaries and subcontractors. Stakeholders with functions and operations close to one another in the value chain interact more intensively with one another.

Survey findings reveal the following problems from the lower end of the value chain:

- High dependency on weather for coconut yield;
- A poor system of husk collection;
- High energy costs;
- Insufficient use of domestic talent for product design and development;
- Inadequate industry collaboration for research and development;
- Unstable high freight rates;
- Poor product classification and attention to standards, resulting in low price margins and exploitation by overseas buying agents;
- Poor foreign marketing of coir products; and
- Poor consumer satisfaction in some instances.

In addition, a gap analysis was carried out to visualize the most critical areas that need improvement in the coir sector. This analysis compares buyer requirements and present market conditions. Seven critical aspects for improving competitiveness were analyzed.

The largest gaps between buyer requirements and current products and market conditions exist in quality (moisture or impurities in the coir), timeliness of delivery, consistency of supply, and variations in payment terms. Although some gaps exist in other areas, these four areas are the most critical in terms of competitiveness.

Further analysis of the field data and the calculated added value for various stakeholders show differences in the percentage of income accrued by different stakeholders. A common perception is that millers receive a fairly large percentage (20 percent) of income. Yet calculations derived from the survey data suggest that millers receive just about 3 percent of the total value added in the coir industry; however, their income is stable compared with that of other producers. This is because they can sell their fiber for a market-determined price, and they seem to have no difficulty making this sale. Since fiber extraction activities are fairly standardized, they can maintain the same profit margin with little effort. Thus, the notion that millers receive a higher percentage of income may have stemmed from the fact that their total income is large although their per-unit income is low.

The same conclusion can be drawn for other groups, such as collecting agents, who also have a low percentage share in the whole value chain but relatively high total income because of their high-volume transactions. The financial strength of each stakeholder and the total profit made depends on two factors: per-unit profit margin and volume of transactions. Millers, fiber distributors, and collecting agents benefit from high volume. Exporters have the advantage of both healthy per-unit margins and high volume, giving them an edge over all other stakeholders. Yarn spinners and the yarn-braiders are the most vulnerable group in this value chain, with low margins and small volumes.

The most vulnerable groups in the value chain are the yarn spinners, yarn braiders, and home-based coir workers. While the share of yarn spinners in the value chain is similar to that of millers (3 percent), their total income is low because of the low volume of work.

An analysis of several other value chains, such as the production of twine and mattresses and the manual extraction of fiber, suggests that the distribution of income across stakeholders is fairly stable, with each stakeholder receiving almost the same percentage of income regardless of the type of product. For example, it does not matter if the miller supplies his fiber to yarn spinners or twine manufacturers, as long as he trades at the market-determined price. In a few cases, we found that some millers have long-term implicit contracts. Even under these contracts, the agreement is not for price but to supply the product at regular intervals. Both the millers and the exporters benefit from the implicit agreement, as both parties can carry out their activities without interruption.

Constraints faced in the coir industry

The value chain analysis helps to delineate the major constraints the coir industry faces.

Millers. Millers face challenges relating to retaining workers, high absenteeism from work, lack of technical capacity, and attracting young people to the industry. As a result, they have to rely on a few trained older workers. Retaining labor is complicated because demand for coir varies by season. Millers are also constrained in adapting to new technology. Initial capital requirements for machinery and equipment, particularly for brown fiber extraction, are high, preventing new millers from entering the business and making it difficult for existing millers to upgrade.

Supply of raw materials is another challenge facing millers. Collecting and transporting green husks, particularly from fresh coconuts, for extraction of white fiber is difficult without some collective effort, and millers alone are unable to devise such a system. Furthermore, quality control, especially for products destined for international buyers, is another big challenge. Finally, millers must cope with environmental issues related to pollution caused by retting husks and discharging effluents from fiber-processing mills.

Workers. Workers must cope with low wages, poor working conditions, and employment insecurity. Wage disparities between male and female workers are also an important issue. Safety issues are a concern at mills and factories, where workers face occupational hazards. The appointment of government officials (e.g., zone managers or industrial cluster leaders) to strengthen the coir sector has had limited effect, as the officers have had to work with eight industrial activities. Financial

assistance and capital to upgrade coir factories has also lagged since millers sold poor-quality fiber to yarn spinners when the government provided subsidies. Ineffective coordination and research have led to the adoption and importation of inappropriate technology, which has been rejected by the millers and other producers.

Marketers. The people who market coir fiber and coir products—whether individual producers, subcontractors, or exporters—also face challenges, including limited access to markets, low prices and profit margins, lack of marketing know-how and training, lack of professionalism, and poor organizational skills.

RECOMMENDATIONS OF THE NIBM FOR IMPROVING COMPETITIVENESS IN THE COIR INDUSTRY

Three strategies are available for improving competitiveness: lowering costs, increasing trade volume, and improving price premiums. Cost reductions can be achieved through vertical integration, whereby owners of fiber mills also own and operate factories to produce various coir products. Vertical integration helps minimize transaction costs and the need to store fiber, which is costly, while also exploiting economies of scale. Cost reductions can also be achieved if coir mills and other processing plants operate at full capacity so that unit costs can be kept at a minimum. Improving labor productivity will also minimize unit cost and increase profit margins.

Increasing trade volume is another strategy to lower costs. Price-conscious consumers must be distinguished from quality-conscious consumers and each targeted appropriately. A simple but efficient network of information needs to be established to connect buyers with sellers. Attractive packaging for coir products is also important to give products a competitive edge in the international market. It is also important to fit the coir industry in Sri Lanka's Southern Province into the international value chains. One way to link up small-scale producers is to set up a large enough cluster of coir-related businesses in the Southern Province. Formation of this grouping of firms will promote knowledge exchange and a common labor pool. Clusters also reduce operational costs due to economies of scale and promote sub-contracting opportunities. This, in turn, will increase the participation of small and medium enterprises (SMEs) in the export trade and reduce supply constraints. Consistent quality and value-added products in turn can command a premium price. In addition to these proposed strategies, the National Institute of Business Management makes the following recommendations.

1. Segment the market. Intervene accordingly.

The local market for coir products in the Southern Province is highly price-conscious. Therefore, if producers are targeting the market in the Southern Province they must seek to maintain competitive prices. Any interventions to improve quality must be handled carefully, as it is highly likely that such measures may end up raising prices and thereby reducing demand. Production needs to be segmented to target either the local price-conscious market or the quality-conscious national and export markets. The greatest potential for expanding the coir industry in the Southern Province lies in the promotion of better quality coir products that can satisfy the quality-conscious market in Sri Lanka and abroad.

2. Keep abreast of technical developments.

Research staff of various institutions and universities in the country must improve their technical capacities through exposure to current developments and information in their respective fields. They need to network regularly with international research groups on new developments in areas such as fiber extraction and processing technologies, chemical processes (dyeing, bleaching, and softening), and biochemical processing (retting, bio-pulping, and bio-bleaching). They might disseminate ideas for product development and new designs and technology via a newsletter.

3. Manage quality.

The absence of an effective quality-control system is a key obstacle facing Sri Lanka's coir industry.⁹ This is particularly true at fiber mills, where old and labor-intensive fiber-extraction technologies still predominate. The coir industry must meet several requirements before Sri Lankan products can penetrate the international market and high value-added chains. First, producers must formulate standards and adopt them widely so that all exporters meet the minimum requirements. Second, they must improve their capacity to implement the lab tests required by various agreements governing international standards, so that exporters can comply with international requirements. Third, producers must be able to meet the buyers' quality requirements and produce in the quantities demanded by other countries.

4. Establish a coir mill with facilities for research and training.

We recommend establishing a model coir mill at a suitable location with adequate facilities for research and development and training. Care must be taken to introduce the most efficient technology and factory layout and demonstrate a new culture of work and industrial and worker safety. The research center should focus on several areas, including new fiber-extraction, dyeing, and bleaching technologies, as well as improving product quality through softening, printing, and drying.

5. Develop a coir cluster.

The establishment of a coir mill with a research and training facility could be the initial stage of a "coir cluster" in the Southern Province. The mill and allied facilities could slowly evolve into a cluster encompassing a production unit, training facility, sales outlet, and extension services center. These activities can be undertaken as a part of a broader intervention program around the development of a Southern Coir Village/Cluster with the support of the Southern Development Authority and the government. The procurement of coir in bulk for distribution among small-scale producers will not only solve their problem of obtaining raw material but also help to ensure them a fair price. This will reduce their cost of production and enhance their profit margin. The cluster will encourage young people to enter this sector by training them to produce coir products by adopting better technology, promoting creativity, and affording them access to international markets and favorable financial resources.

6. Market eco-friendliness of coir fiber and products.

For Sri Lanka to export dyed coir products, it must comply with European legislation on specific dyes used for coloring coir products. Therefore testing laboratories must be established with accreditation to issue certificates. Eco-labeling, which is important for export market promotion, will require the development of a recognized certifying institute. The industry's challenge is to meet customer requirements with products of varying quality. Producers and traders must therefore collaborate to meet the market demand.

Raising awareness of the industry's eco-friendly nature among consumers is a challenge. Yet such opportunities do exist. For example, the Ministry of Tourism could help promote the coir industry through its local outlets. Providing consumers with information about coir products is essential, focusing on their safety and eco-friendliness.

While the successful marketing of coir products would guarantee that benefits are distributed among small-scale producers, this would require the establishment of a new mechanism—possibly a people-based company that harnesses the efforts of thousands of SMEs scattered across the Southern Province. A people-based company is more likely to invest in mechanization and improved technologies to process high volumes of coir. In addition, such a company would be able to garner the support of many producers, as such a company is likely to raise the level of prices the producers receive. The existing cooperative society structure could be used as the basis for forming such a company. The people-based company should be run as a profitable venture, with all stakeholders of the coir sector allowed to become members. The governing council should comprise people with expert knowledge in the relevant fields important to this sector, including the government and nongovernmental organizations.

7. Educate stakeholders.

The coir industry in the Southern Province can contribute much more to the local economy if it is revitalized and infused with new dynamism. One of the early requirements is to upgrade workers' skills and restore their self-esteem. This would require a credible educational campaign to influence people's general outlook toward industry workers.

ANNEX: KEY ORGANIZATIONS AND INSTITUTIONS INVOLVED IN PROMOTING THE SRI LANKAN COIR INDUSTRY

The Coir Council International (CCI) was established to promote the growth and development of the Sri Lankan coir industry. The council represents coconut growers, millers associations, and export associations, as well as representatives from the public sector and academia. CCI's main objective is to help the Sri Lankan coir industry improve its competitive edge and achieve viability through innovation, coordinated research, enhanced market intelligence, workforce development, and effective representation.

The Reconstruction and Development Agency (RADA) coordinates the coir industry to ensure an optimal use of resources. To this end, RADA is involved in developing the appropriate national policies and strategies. The agency carries out its work through a National Steering Committee on the Coir Sector (NASCOIR), co-chaired by the Coconut Development Authority (CDA) and the Food and Agricultural Organization (FAO). It seeks to improve the livelihoods of grassroots coir producers while increasing the value added at various levels of production. The Ministry of Enterprise Development, Industrial Policy and Investment Promotion also has an important role in the coir industry, focusing mainly on policy reforms to help revamp the industry, improve product quality and productivity, expand existing markets, and explore of new applications. This work is carried out through the Task Force for Coir Products, which pursues several projects that seek to enhance the industry's competitiveness.

The Coconut Development Authority (CDA) is the principal statutory body in the coir industry. As provided in the Coconut Development Act, the CDA helps the ministry to formulate policy and determine development priorities for the coconut industry and the economic use of land for coconut plantations. The CDA also helps to create and implement projects in accordance with determined development priorities. In addition, it coordinates activities of the boards established by the Minister of Plantation Industries under the Coconut Development Act. Furthermore, CDA has been vested with powers under the Coconut Development Act in almost all the major spheres of work related to production, industrial processing, domestic and export marketing, development of technology and adaptation, assistance in and promotion of regulation, and maintenance of quality standards in coconut products.

The Department of Commerce (DOC), which falls under the Ministry of Trade, Commerce & Consumer Affairs (MTCCA), provides advisory services for trade promotion. Within the DOC, the International Commercial Division develops and coordinates commercial policies in collaboration with international organizations dealing with economic development and international trade. This division also issues certificates of origin for Sri Lankan exporters under the Generalized System of Preferences (GSP), the Global System of Trade Preference, and the South Asian Preferential Trade Agreement (SAPTA). The Trade Promotion Division handles policies on trade promotion, export incentives, trade information, trade fair participation, and trade inquiries. The Economic Relations Division negotiates bilateral or regional trade agreements and prepares special reports and trade reviews on specific countries and trade proposals with the objective of expanding export trade.

The Sri Lanka Export Development Board (EDB) is also involved in expanding export trade. The Board is the executive arm of the Export Development Council of Ministers (EDCM) and comprises the secretaries of the ministries directly involved in export promotion, a representative from the Board of Investment (BOI), and members from the private sector. The EDB coordinates promotional and development work related to exports. The Board also prepared the strategic plan for the coir sector within the framework of the Sri Lanka Export Development Strategy 2004-2008.

The Sri Lanka Export Credit Insurance Corporation (SLECIC) issues insurance policies to exporters of goods and services to cover non-receipt or delayed receipt of payments resulting from commercial and non-commercial risks. It also issues loan guarantees to banks and other institutions to facilitate coir exports. These policies help exporters cover 60 to 95 percent of risks. In addition, they allow exporters to enter new markets and find new buyers abroad, even when the risks of such markets are considered to be high, and they provide continuous appraisal of buyers' financial worth.

The Sri Lanka Standard Institute (SLSI) and the Industrial Technology Institute (ITI) provides training and advice related to technical matters and technology to the export-oriented business community. The ITI is a key research institute in the area of coir research, particularly in mill technology and fiber processing technologies. A number of trade chambers and product associations also support producers and exporters by providing market-related information, coordinating various activities, and serving as interfaces between the public and private sectors. They play a significant role in coordinating trade activities and advocating for policy formulation.

The Food and Agricultural Organization (FAO) of the United Nations and the Common Fund for Commodities have become important partners in supporting Sri Lanka's coir industry through policy research as well as by carrying out and facilitating technical studies. They have undertaken research in coir processing technologies. Under the ongoing United Nations Industrial Development Organization (UNIDO) integrated program in Sri Lanka, testing laboratories for the apparel sector and two microbiology and two chemical testing laboratories have been strengthened and internationally accredited, which has led to the immediate acceptance of the Sri Lankan test reports by international buyers. These facilities are to be extended to coir fiber, pith, and geotextiles.

Several international governmental and nongovernmental organizations are actively supporting the coir industry nationally and in the Southern Province, including Oxfam Great Britain, Oxfam Australia, the Sewalanka Foundation, the United States Agency for International Development (USAID), and the Siyath Foundation. While Oxfam Great Britain and the Sewalanka Foundation operate primarily at the grassroots level, USAID has been providing technical assistance at the national level. Many of these organizations have distributed yarn-spinning reels to tsunami-affected families. Oxfam has also worked to re-establish the industry and restore livelihoods by making financial grants to start tsunami-damaged coir mills and by providing coir fiber to families.

NOTES

- 1 Asian Development Bank, Japan Bank for International Development, World Bank. 2005.
- 2 Doward A, Poole N, et al. 2003.
- 3 Doward A, Poole N, et al. 2003.
- 4 Coir Council International. 2006. Government of India -Ministry of Agro & Rural Industries. Available at <http://coirboard.nic.in.coirtrade.htm>.
- 5 Coir Council International. 2006. Creating Competitiveness in Sri Lanka. Available at <http://competitiveness.lk>.
- 6 The estate sector comprises properties of at least 20 acres.
- 7 DSD is divisional secretariat division, an administrative unit below the district level.
- 8 Department of Census and Statistics (2005)
- 9 Competitiveness Council. 2006.

REFERENCES

References cited

- Asian Development Bank, Japan Bank for International Development, World Bank. 2005. "Sri Lanka Post Tsunami Recovery Program: Preliminary Damage and Needs Assessment." Washington DC.
- Coir Council International. 2006. "Creating Competitiveness in Sri Lanka." Available at <http://competitiveness.lk>.
- Coir Council International. 2006. "Government of India -Ministry of Agro & Rural Industries." Available at <http://coirboard.nic.in.coirtrade.htm>.
- Doward A, Poole N, et al. 2003. "Markets, Institutions and Technology: Missing Links in Livelihoods Analysis." *Development Policy Review* 21(3):319-332.
- Department of Census and Statistics. 2005.
- Sri Lanka Export Development Board. 2005.
- Competitiveness Council. 2006.

Works consulted

- Bajaj, M. 1999. *Invisible Workers, Visible Contribution: A Study of Home based Women Workers in Five Sectors across South Asia*.
- Central Bank of Sri Lanka. 2005. "Consumer Finance Survey Data." Central Bank of Sri Lanka.
- Centre for Women's Development Studies (undated). "Workers' Movement in The Coir Industry in Kerala, 1938-1980: Women's Role and Participation." CWDS, New Delhi.
- CENWOR. 1998. "Women in the Economy: Trends and Policy Issues." Centre for Women's Research (CENWOR), Colombo.
- Coconut Development Authority. 1997. "Sri Lanka Coconut Statistics. Colombo, Sri Lanka.
- Coconut Development Authority. 2002. "Annual Report 2002." Colombo, Sri Lanka

Common Fund for Commodities. 2003. "Composite Applications Using Coir Fibers in Sri Lanka." Final Report: Fast Track Project.

Daily News. 2002. \$25 million target to increase exports of coir based products in five years, Daily News 27 August 2002.

FAO. 2003. "Composite Applications using Coir Fibers in Sri Lanka." Final Report, Project Number CFC/FIGHF/18FT. FAO, Rome.

FAO. 2004. Annual Statistical Yearbook. FAO, Rome. Available at <http://www.faostat.org>.

FAO. 2006. "Coir Processing Technologies: Improvement of Drying, Softening, Bleaching and Dyeing Coir Fiber/yarn and Printing Coir Floor Coverings." Technical report No. 5. FAO, Rome. Available from <http://www.fao.org/docrep/oo5>

Fernandez, C. 2003. "Strategic Alliance for the Development of Coir Industry in the APCC Countries and Demand Prospects for Coir Products in Eco-Friendly Applications."

Rohitha-Rosairo H.S, Kawamura, T, et al. 2004. "The Coir Fiber Industry in Sri Lanka: Reasons for its Decline and Possible Turn Around Strategies." *Agribusiness* 20:4 :495-516.

Jayaweera S, Sanmugam T. 1998. "Women's Rights in The Informal Sector: Mahaweli Settlements and Coir Sector." Centre for Women's Research (CENWOR), Colombo.

Gero L. 2002. "Coir in a Nutshell. Fiber Futures." Available at www.fiberfutures.org.

Hobley, M. 2001. "Unpacking the PIP Box." Available at www.livelihoods.org/pip/pip/PIP-Syn.rtf.

Minnie M. 1994. "Coir, the Golden Fiber." *Cocoinfo International* 1(2)

Ministry of Agro and Rural Industries – India. "Global Coir Trade." Coir Board India Available at <http://www.coirboard.ind>.

Peiris, K. 1989. "The Elusive Goal of Self Reliance for Economically Disadvantaged Groups: The Case of Women Coir Workers in Sri Lanka," *In The Hidden Face of Development: Women, Work and Equality in Sri Lanka*. CENWOR, Colombo.

Risseuw, C. 1988. "The Fish Don't Talk about the Water: Gender Transformation, Power and Resistance among Women in Sri Lanka. Leiden, Netherlands: E.J. Brill.

Sruti. 1995. « India's Artisans: A Status Report. Society for Rural, Urban and Tribal Initiative." New Delhi, India.

Sunday Times. 2002. Turning waste into profits, February 03, 2002.

Thampan, PK .1997. "Coir Yarn Spinning in India." *Coco info International*. 4:1.

The Competitiveness Programme. 2006. "Creating Competitiveness in Sri Lanka." Available at www.coir.lk.

The Competitiveness Programme. 2006. "Coir sector Report." Available at www.competitiveness.lk.

UNIDO. 2006. Available at <http://www.unido.org>.

ABOUT THE RESEARCHERS

The National Institute of Business Management (also known as NIBM) is a Sri Lankan business school founded in 1968 under the responsibility of the Ministry of Industries and Scientific Affairs. It represents a collaborative effort between the Sri Lankan government and the UNDP, with the ILO functioning as the executing agency. On June 1, 1976, the Institute was incorporated as the National Institute of Business Management. In May 2004 the responsibilities in the Sri Lankan government changed, and the NIBM now is accountable to the Ministry of Skills Development, Vocational and Technical Education. The main campus is located in Colombo with regional centers in Kandy and Kurunagal. The institute offers degree programs for students as well as offering a range of diploma, certificate, and short-duration programs for employees of both public and private sector organizations to improve their knowledge and skills in different management-related disciplines. In addition, it offers specifically designed programs for organizations on request. NIBM also undertakes business consultancy and research activities.

ABOUT OXFAM INTERNATIONAL

Oxfam International is a confederation of 13 organizations working together in more than 100 countries to find lasting solutions to poverty and injustice. With many of the causes of poverty global in nature, the 13 affiliate members of Oxfam International believe they can achieve greater impact through their collective efforts.

OXFAM INTERNATIONAL CONTACT INFORMATION

Oxfam America

226 Causeway Street, 5th Floor
Boston, MA 02114-2206, USA
+1 617 482 1211 (Toll-free 1 800 77 OXFAM)
E-mail: info@oxfamamerica.org
www.oxfamamerica.org

Oxfam Australia

132 Leicester Street, Carlton, Victoria 3053, Australia
Tel: +61 3 9289 9444
E-mail: enquire@oxfam.org.au
www.oxfam.org.au

Oxfam-in-Belgium

Rue des Quatre Vents 60, 1080 Brussels, Belgium
Tel: +32 2 501 6700
E-mail: oxfamsol@oxfamsol.be
www.oxfamsol.be

Oxfam Canada

250 City Centre Ave, Suite 400, Ottawa,
Ontario, K1R 6K7, Canada
Tel: +1 613 237 5236
E-mail: info@oxfam.ca
www.oxfam.ca

Oxfam France - Agir ici

104 rue Oberkampf, 75011 Paris, France
Tel: + 33 1 56 98 24 40.
E-mail: info@oxfamfrance.org
www.oxfamfrance.org

Oxfam Germany

Greifswalder Str. 33a, 10405 Berlin, Germany
Tel: +49 30 428 50621
E-mail: info@oxfam.de
www.oxfam.de

Oxfam GB

Oxfam House, John Smith Drive, Cowley,
Oxford, OX4 2JY, UK
Tel: +44 1865 473727
E-mail: enquiries@oxfam.org.uk
www.oxfam.org.uk

Oxfam International Secretariat

Suite 20, 266 Banbury Road, Oxford, OX2 7DL, UK
Tel: +44 1865 339100
Email: information@oxfaminternational.org.
Web site: www.oxfam.org

Oxfam Hong Kong

17/F., China United Centre, 28 Marble Road,
North Point, Hong Kong
Tel: +852 2520 2525
E-mail: info@oxfam.org.hk
www.oxfam.org.hk

Intermón Oxfam (Spain)

Roger de Llúria 15, 08010, Barcelona, Spain
Tel: +34 902 330 331
E-mail: info@intermonoxfam.org
www.intermonoxfam.org

Oxfam Ireland

Dublin Office, 9 Burgh Quay, Dublin 2, Ireland
Tel: +353 1 635 0422
Belfast Office, 115 North St, Belfast BT1 1ND, UK
Tel: +44 28 9023 0220
E-mail: communications@oxfamireland.org
www.oxfamireland.org

Oxfam New Zealand

PO Box 68357, Auckland 1145, New Zealand
Tel: +64 9 355 6500 (Toll-free 0800 400 666)
E-mail: oxfam@oxfam.org.nz
www.oxfam.org.nz

Oxfam Novib (Netherlands)

Mauritskade 9, Postbus 30919, 2500 GX,
The Hague, The Netherlands
Tel: +31 70 342 1621
E-mail: info@oxfamnovib.nl
www.oxfamnovib.nl

Oxfam Québec

2330 rue Notre Dame Ouest, bureau 200,
Montreal, Quebec, H3J 2Y2, Canada
Tel: +1 514 937 1614
E-mail: info@oxfam.qc.ca
www.oxfam.qc.ca

Oxfam International advocacy offices:

E-mail: advocacy@oxfaminternational.org

Washington: 1100 15th St., NW, Ste. 600, Washington, DC 20005-1759, USA

Tel: +1 202 496 1170.

Brussels: Rue Philippe le Bon 15, 1000 Brussels, Belgium

Tel: +322 502 0391.

Geneva: 15 rue des Savoises, 1205 Geneva, Switzerland

Tel: +41 22 321 2371.

New York: 355 Lexington Avenue, 3rd Floor, New York, NY 10017, USA

Tel: +1 212 687 2091.

Linked Oxfam organizations.

The following organizations are linked to Oxfam International:

Oxfam Japan Maruko bldg. 2F, 1-20-6, Higashi-Ueno, Taito-ku, Tokyo 110-0015, Japan

Tel: + 81 3 3834 1556. E-mail: info@oxfam.jp Web site: www.oxfam.jp

Oxfam Trust in India B - 121, Second Floor, Malviya Nagar, New Delhi, 1100-17, India

Tel: + 91 11 2667 3 763. E-mail: info@oxfamint.org.in Web site: www.oxfamint.org.in

Oxfam observer member.

The following organization is currently an observer member of Oxfam International, \ working towards possible full affiliation:

Fundación Rostros y Voces (México) Alabama No. 105 (esquina con Missouri),

Col. Napoles, C.P. 03810 Mexico, D.F.

Tel/Fax: + 52 55 5687 3002. E-mail: comunicacion@rostrosyvoces.org

Web site: www.rostrosyvoces.org

Oxfam International Tsunami Fund is a limited company number 5401107.

The registered office is Suite 20, 266 Banbury Road, Oxford, OX2 7DL