

ASSESSING THE MARKET POTENTIALS AND CHALLENGES FOR ECO-FRIENDLY ALTERNATIVES TO BANNED SINGLE-USE PLASTICS IN SRI LANKA

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Single-use plastics (SUPs) are popular for their convenience and low cost, but they lead to environmental pollution and harm ecosystems. Sri Lanka and other countries have banned SUPs, creating demand for eco-friendly alternatives (EFAs). However, transitioning from SUPs to EFAs faces several challenges impacting market growth. This study examined the market potential and challenges for EFAs in Sri Lanka, focusing on strengths, weaknesses, opportunities, threats, market entry barriers, and competitive dynamics affecting EFA-producing companies (micro, small, medium, and large scale). Primary data were collected from 22 EFA producers through structured interviews and analyzed using descriptive and inferential statistics (Kruskal-Wallis test) using SPSS 22. Findings revealed that most producers run micro-scale businesses (54.5%) and 63.6% of them had a monthly turnover between 10,000 and 50,000 LKR. Most businesses are single-owner companies (59.1%) and rely on family labor (54.5%). Plant-based materials are the most commonly used (86.4%) among thirteen different raw materials. Key products include plates (63.6%), food containers (40.9%), and others such as straws, stirrers, cups, cutlery, garlands, string hopper trays, and EFA bags. Sustainable methods ($p=0.068$) and strategic partnerships ($p=0.059$) were significant strengths of medium-scale companies. Poor business strategies ($p=0.003$) were identified as a significant weakness that affects micro-scale companies the most. Increased interest in sustainable investments ($p=0.022$) was a significant opportunity affecting small and medium companies. Technological advancements ($p=0.008$) significantly affect small-scale companies, while customer loyalty ($p=0.058$) was identified as competitive dynamics that significantly affect medium-scale companies. The findings offer strategic insights for entrepreneurs and policymakers, emphasizing the need to address operational and competitive barriers to strengthening Sri Lanka's EFA market position.

Keywords: Eco-business, Eco-products, Plastic pollution, Sustainable business