

Determinants of Export Performance among Gem Exporters in the Ratnapura District of Sri Lanka

K.A.T. Gunawardhana^{1,*} and W.M.R.B. Weerasooriya²

*Department of Business Management, Faculty of Management Studies,
Rajarata University of Sri Lanka, Mihintale, Sri Lanka^{1,2}*

*Corresponding author: bm2021112@mgt.rjt.ac.lk

Abstract

This study investigates the key factors influencing the export performance of gem exporters in Sri Lanka, with a specific focus on the Ratnapura District, renowned as the “City of Gems.” Despite the global reputation of Sri Lankan gems, recent trends indicate a decline in gem export performance, highlighting the need to examine contributing factors. The research addresses this gap by analyzing both internal factors, such as firm resources and export marketing strategies, and external factors, including exchange rates, competition, national regulations, and government support. The primary objective of the study was to assess the relationship between these factors and export performance. A quantitative research methodology was employed, using a structured questionnaire distributed to 100 gem exporters in the Ratnapura District. Secondary data were obtained from institutional sources, including the National Gem and Jewellery Authority (NGJA) and the Export Development Board (EDB). The collected data were analyzed using SPSS software, and correlation analysis was applied to test six hypotheses. Findings revealed that firm resources, export marketing strategies, and government support have a statistically significant positive effect on gem export performance. Conversely, exchange rates, competition, and national regulations were found to negatively affect export performance. These results underscore the importance of strategic planning, resource optimization, and proactive government policies to enhance international competitiveness. The implications of this study are multifaceted. Policymakers can use the findings to design targeted interventions aimed at reducing regulatory burdens and enhancing institutional support. For gem exporters, the study emphasizes the importance of investing in resource development and adopting dynamic marketing strategies to remain competitive in global markets. Furthermore, this research contributes to academic literature by providing empirical evidence on the determinants of export performance within the Sri Lankan gem industry, an area with limited prior research. In conclusion, improving export performance requires a synergistic approach that integrates both internal capabilities and external support systems. This study offers valuable insights for stakeholders seeking to strengthen Sri Lanka’s position in the global gem trade.

Keywords: export performance, gem exporters, government support, international trade