



EXPORT BAROMETER SURVEY

Findings and Insight Report- February 2025

Key Insights

This report is the 6th edition in the Export Barometer Survey series, succeeding the inaugural report launched after the survey conducted in August-September 2021. Based on the insights gathered from 100 exporters of goods and services, this report provides a comprehensive view of the export sector's prospects for 2025. It also sheds light on strategies employed by companies in navigating challenges arising from the economic crisis. A total of 100 exporters took part in the 2025 survey, with 73% classified as SMEs and 27% as large firms.

1. Export Performance and Firm Demographics

Half of the respondents (50%) represent manufacturing, 45% are involved in agriculture-based industries, and 5% focus exclusively on services. Revenue growth between 2023 and 2024 was a positive trend for nearly half of the surveyed companies, with female-led SMEs in particular reporting a marked increase in export earnings.

Although the majority are still grappling with the economic aftershocks of recent years, many firms demonstrate a clear appetite for recovery and expansion, underscoring the resilience and adaptability of Sri Lankan exporters.

2. Persistent Cost and Regulatory Challenges

Transport and logistics expenses remain among the top hurdles, exacerbated by frequent policy changes such as tax revisions and higher utility costs. Many companies highlight that these rising overheads stifle innovation and limit their capacity to invest in new products or markets. SMEs, operating with smaller margins, feel the impact of policy shifts more acutely, especially when combined with price hikes for electricity and water.

These realities underscore a challenging environment in which exporters must strive to remain competitive.

3. Logistics and Transport Pressures

Freight-related issues persist, with over 30% of surveyed firms noting increases in container and air freight costs compared to 2023. About 25% struggle to secure adequate shipping capacity, a difficulty that has intensified year-on-year.

Schedule disruptions at ports and airports also play a role, leading to logistical backlogs that hamper on-time delivery. Companies aware of these obstacles have adopted a variety of mitigation strategies, but for many, finding faster or more cost-efficient transport solutions remains a pressing concern.

4. Improvements and Setbacks in Sourcing

While 60% of respondents say that sourcing raw materials or intermediate goods has improved in 2024, only 17% regard these gains as “significant.” Another 68% observe no major changes, with most of those seeing steady or worsening conditions identifying rising local production costs and supplier shake-ups as critical pain points.

Importantly, SMEs bear the brunt of these setbacks; their limited negotiating power and narrower supplier networks restrict their ability to adapt swiftly to unstable supply chains or spikes in input prices.

Key Insights cont'd

5.

Employment Trends and Skill Gaps

Labor conditions appear to be on the mend, with 31% of firms reporting a “significant” improvement in hiring and 54% noticing moderate gains. Nevertheless, exporters continue to cite skill shortages—particularly in technical competencies, export/trade knowledge, and production or operational roles—aggravated by a steady outflow of qualified professionals seeking opportunities abroad.

Many businesses have channelled more resources into training and development as they attempt to secure the specialized expertise required to compete effectively in a recovering global market.

6.

Ongoing Digital Transformation

Seventy-six percent of respondents have adopted digital tools to sharpen their export operations, and of those adopters, 67% are SMEs. Social media emerges as a common entry point, with over 40% of all surveyed exporters viewing it as critical for marketing and outreach. Meanwhile, 68% have invested in broader digital upgrades—ranging from integrated e-commerce systems to data analytics platforms—to streamline processes and attract new clientele.

For smaller enterprises, going digital helps level the playing field by cutting overhead, improving market visibility, and enabling more efficient communication with overseas partners.

7.

Sustainability: Mixed Progress

Fifty-seven percent of surveyed exporters have incorporated eco-friendly practices into their day-to-day operations, such as utilizing biodegradable packaging materials or generating at least part of their power from renewable sources. SMEs lead this shift, as they often find innovative ways to conserve resources or reduce waste, turning green initiatives into selling points with discerning global buyers.

Yet 43% of participants remain on the sidelines, citing budgetary limitations and a lack of clarity on the returns from such investments—particularly among female-led entities operating with leaner resources.

8.

Outlook for 2025: Cautious Optimism

A clear majority—60%—anticipate moderate growth in Sri Lanka during 2025, while 16% predict a contraction and only 1% foresee a higher-than-usual upswing. Despite this guarded view of the broader economic trajectory, 63% of exporters intend to expand internationally, suggesting a proactive stance on tapping new markets. More than half confirm they would attempt to negotiate or share added costs if faced with higher tariffs in key external markets.

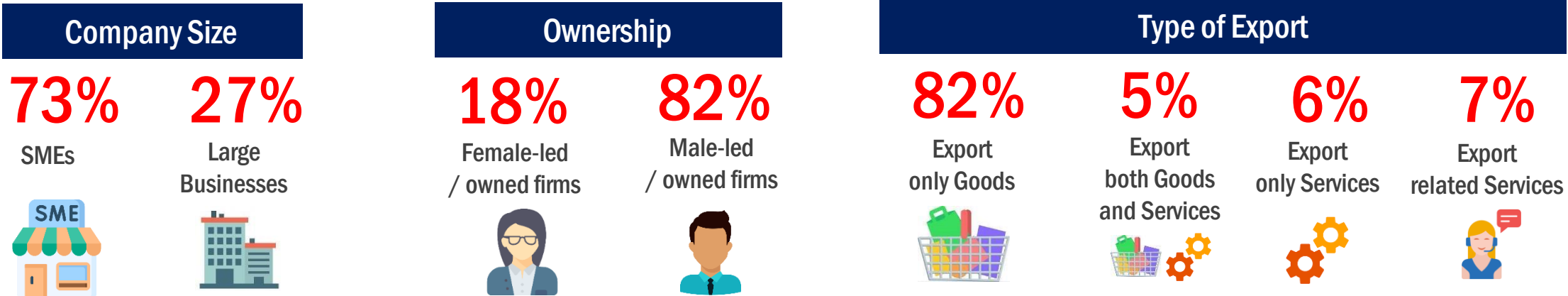
While challenges persist—especially for smaller and female-led enterprises—this measured optimism signals that Sri Lankan exporters remain determined to adapt, innovate, and secure sustainable growth despite the persistent uncertainties of a rapidly evolving global trading arena.

Overview of Survey Respondents

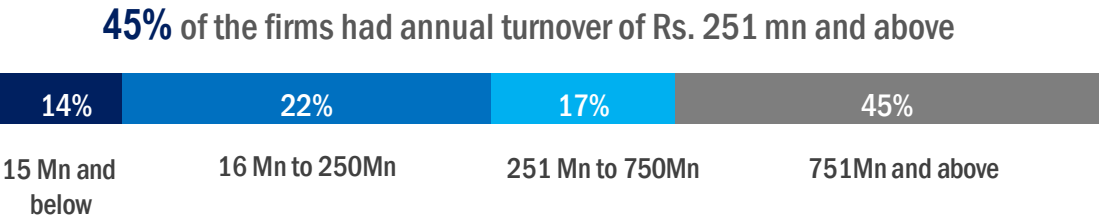
Firm Type, Employment and Turnover

100

Exporters Participated in the Survey, which;

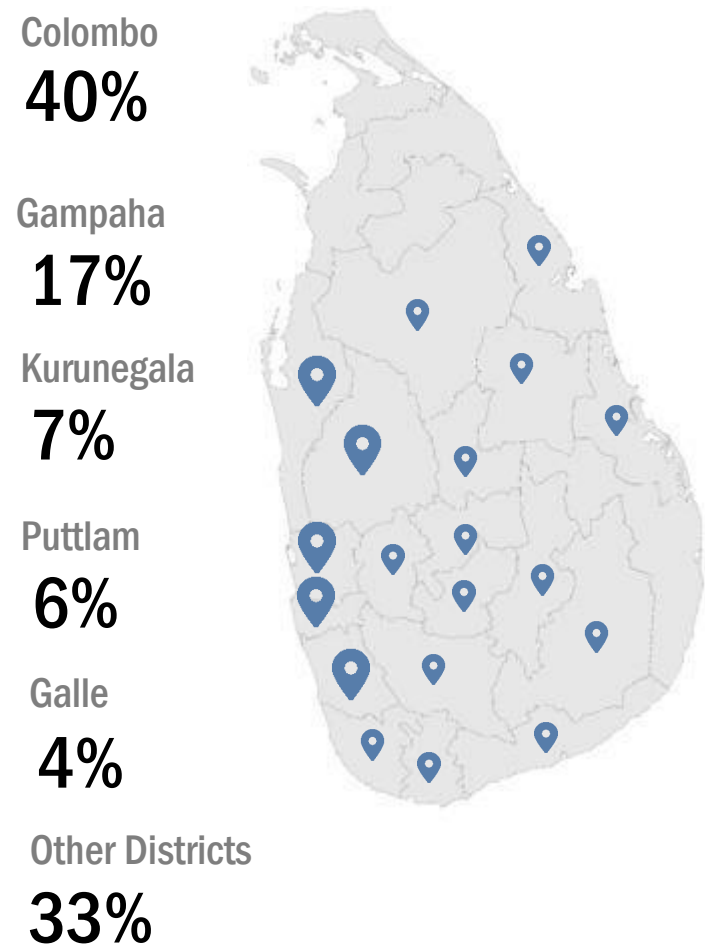


37% of respondents have 51-300 employees while 27% have employ more than 300

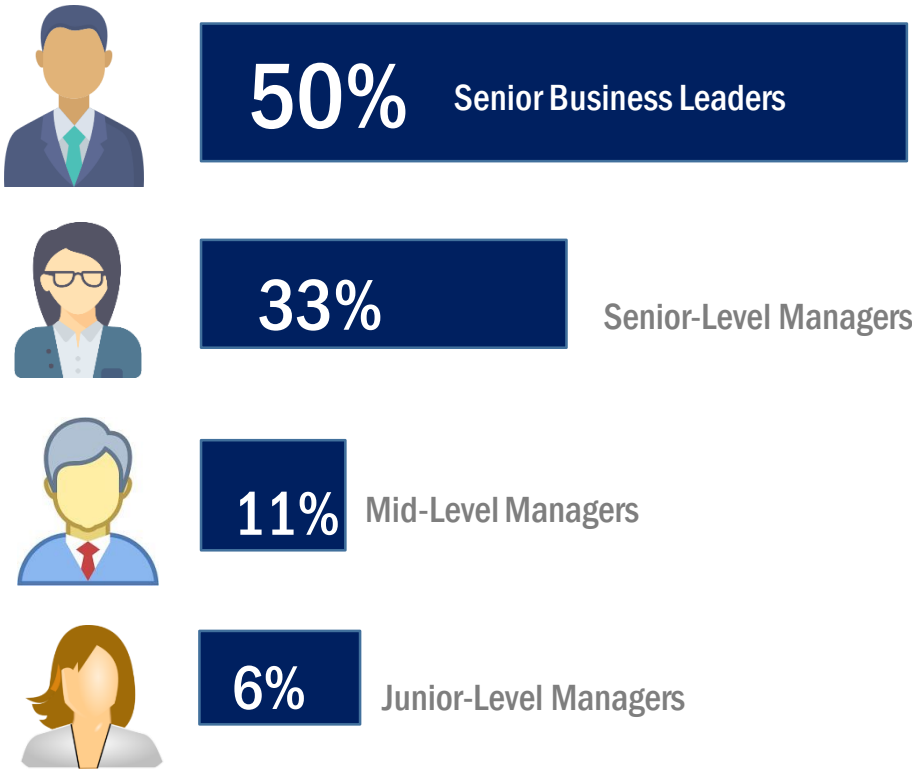


Firm Location and Respondents' Profile

61% of the firms are located in the Western Province.



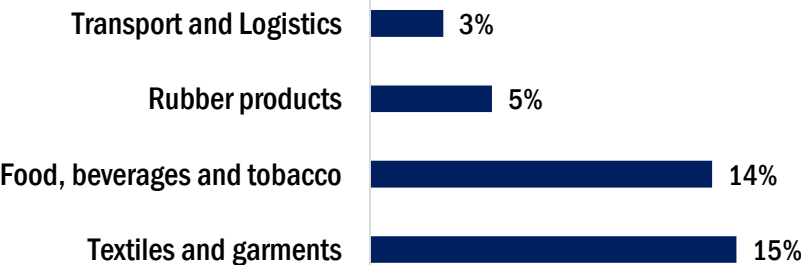
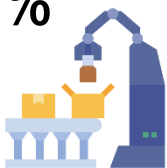
83% of respondents were Senior-Level Managers & Leaders while **17%** were held C-Suite level positions.



Top 10 Sectors and Export Markets

The top10 export sectors consisted of a balanced mix of manufacturing and agriculture-based and other firms.

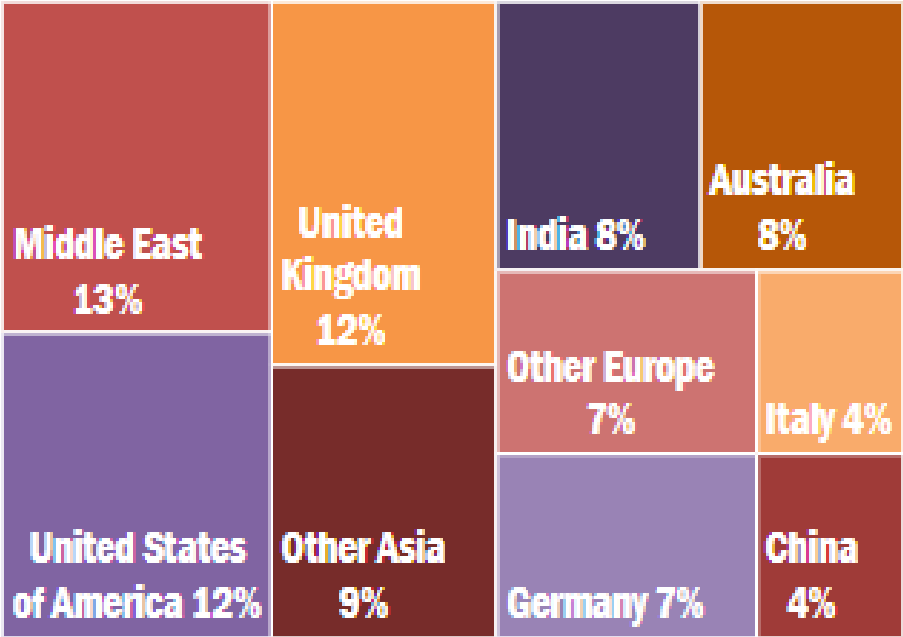
Manufacturing
50%



Agriculture-based
45%



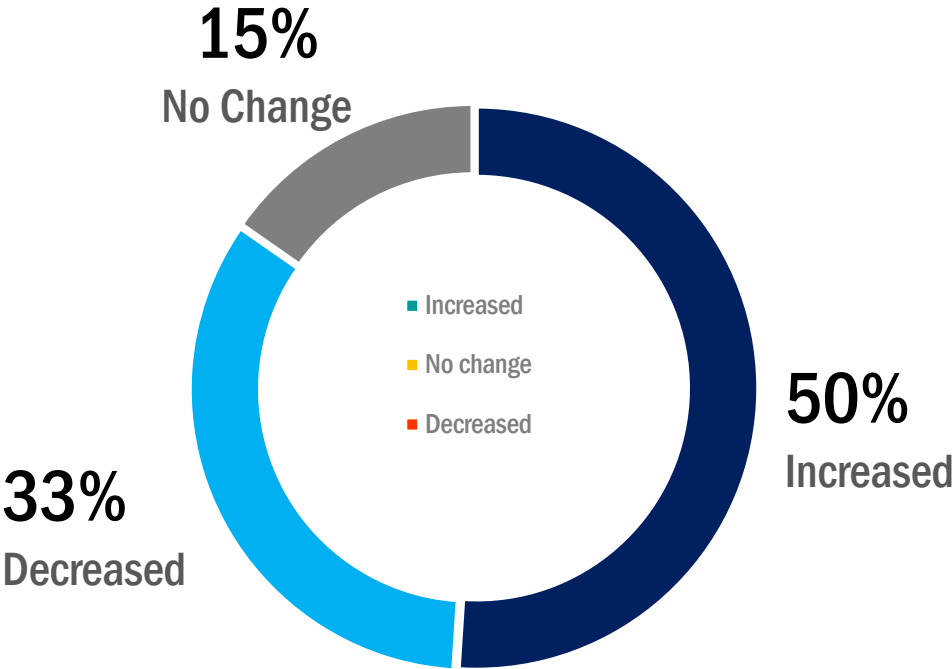
Top 10 Export Markets in 2024



Export Business Performance and Challenges Faced During 2024

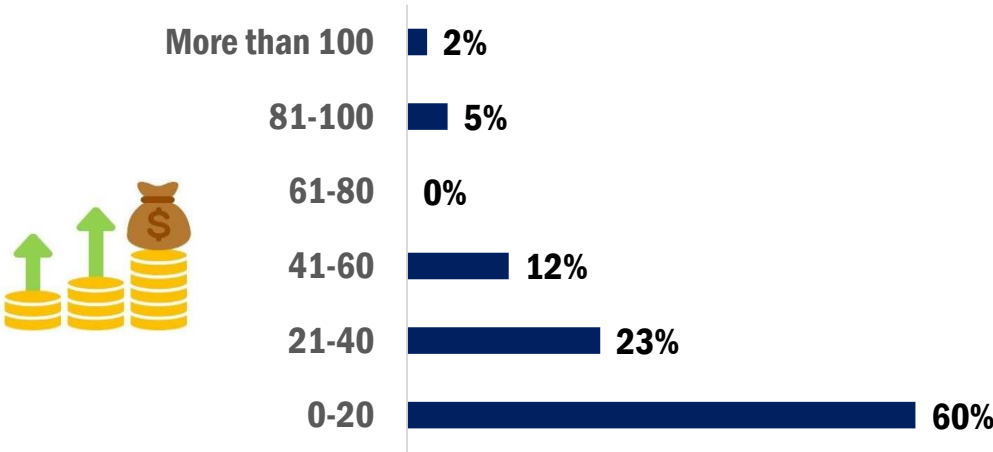
Export Performance in 2024

Almost half of the firms saw a rise in export revenue in 2024, compared to 2023.



48% SMEs saw an increase in export revenue in 2024. Out of that 56% were female led businesses.

59% of firms saw an increase in revenue of between 0-20% in 2024.








63% of SME goods exporters reported an increase in revenue, while only 37% large firms experienced the same.



46% of service firms reported an increase in revenue.

Current Challenges

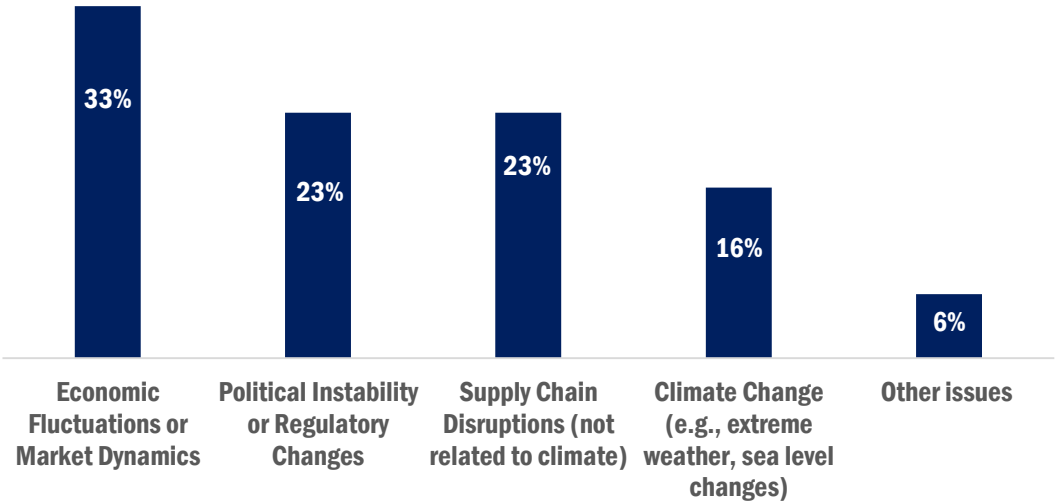
Top 5 Challenges

-  Cost of transport and logistics
-  Government Policy decisions (e.g. Tax)
-  Delays in obtaining intermediate goods due to shortage of forex or import restrictions.
-  Domestic regulatory barriers (such as access to information/import restrictions/clearance delays etc.)
-  Increases in utility prices such as electricity and water



SMEs and female-led businesses face significant challenges due to government policy decisions and the high cost of logistics and transport.

External factors affecting export businesses

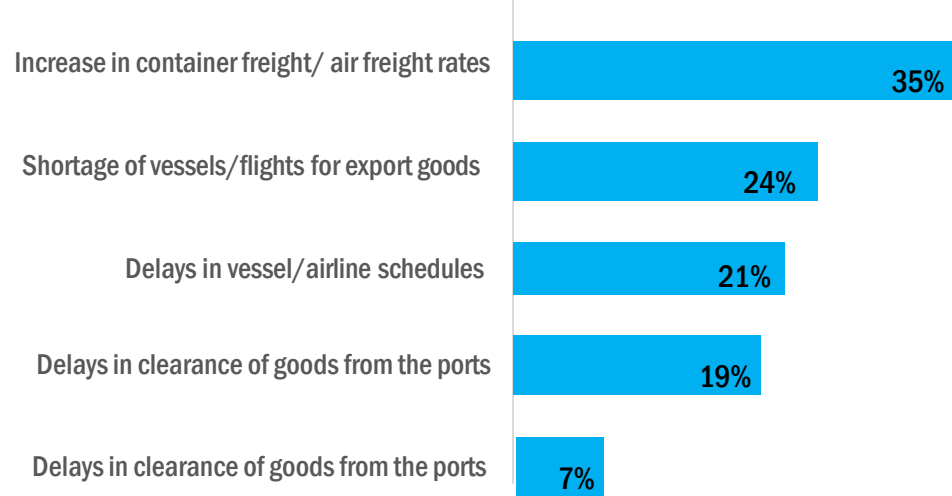


Exporters provided qualitative feedback on some of the other challenges they are facing,

- High costs and Bureaucratic barriers in Trade Facilitation
- Export Finance and Banking challenges
- Labor market and skills shortage

Transport and Logistics Cost

A substantial **31%** of respondents identified the "increase in container freight and air freight rates" as the primary logistics challenge, followed by the shortage of vessels and flights for exporting goods.



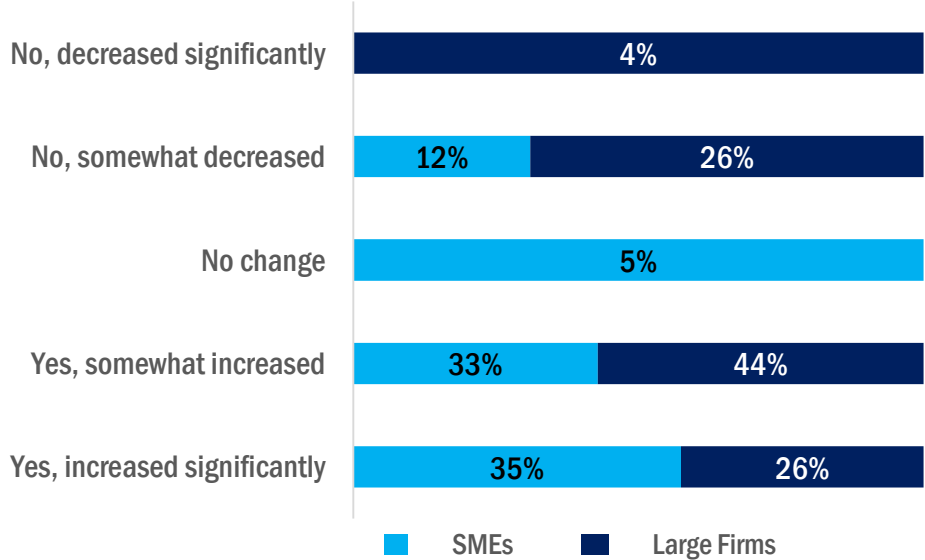
20% of businesses face disruptions due to vessel and airline schedule delays, impacting large firms (51%) slightly more than SMEs.



SMEs (70%) are more impacted than large firms (30%) from increase in container and air freight rates in 2024 compared to 2023.



25% of businesses struggle with a shortage of vessels and flights for export goods. This issue is more prevalent among SMEs in 2024 compared to 2023.



Challenges in Sourcing Products



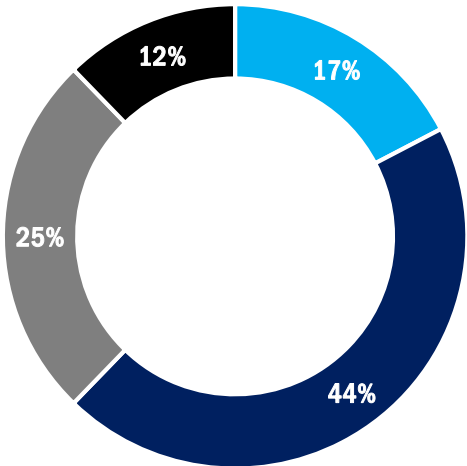
60% of the respondents indicated that the sourcing of raw materials and intermediate goods has improved in 2024 compared to 2023, with 17% reporting significant improvement and 44% experiencing some improvement.



Among those who reported a significant improvement, 60% were SMEs, while only 40% were large firms.

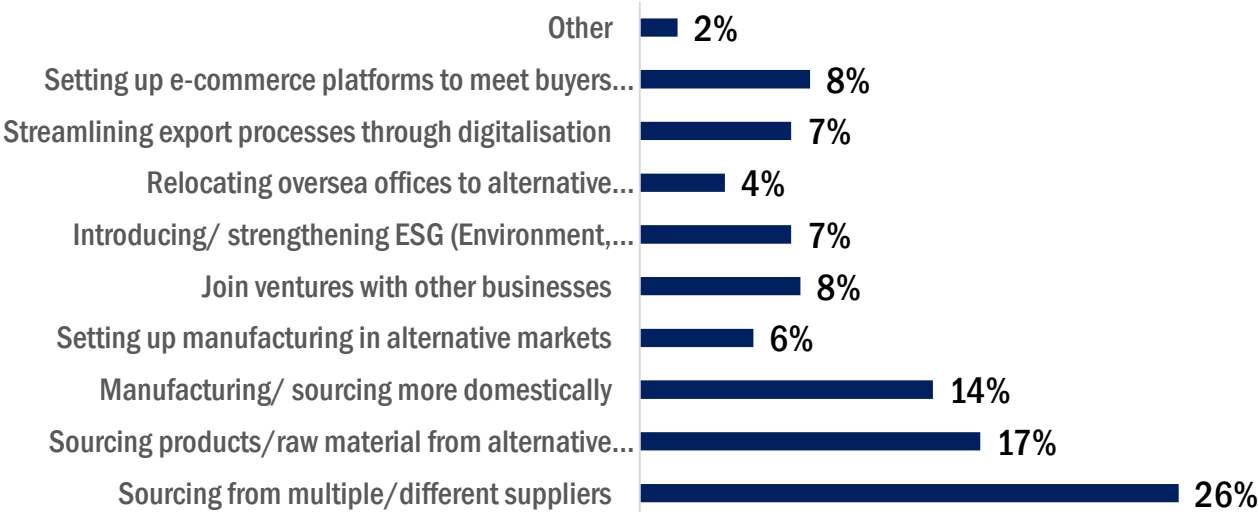
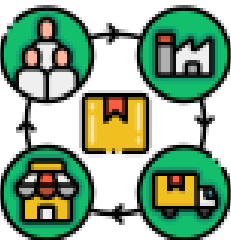


Despite the improvements, 68% of businesses reported no change in sourcing conditions, and 82% of those who said the situation worsened were SMEs.



- Yes, improved significantly
- Yes, somewhat improved
- No change
- No, it has worsened

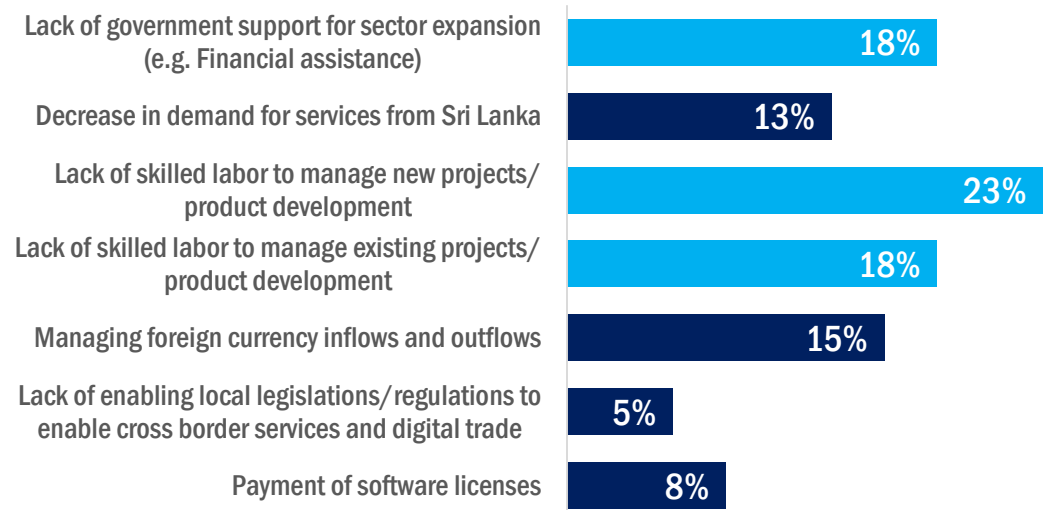
Supply Chain Diversification



Among respondents who reported 'No change' or 'No, it has worsened,' 80% of SMEs faced challenges due to changes in local suppliers. Both SMEs and large firms highlighted rising costs, with 41% noting an increase in the price of locally sourced production services.

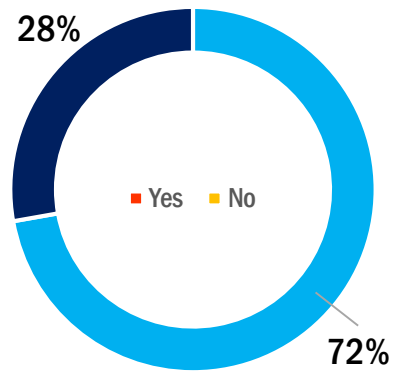
Challenges Faced by Service Exporters

Key Challenges Faced by Service Exporters

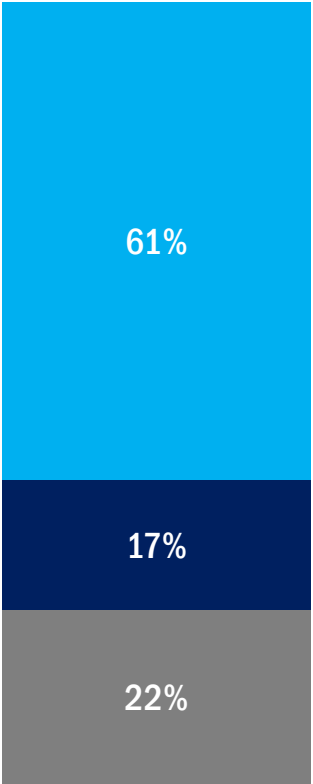


Respondents indicated a generally stable or improved situation in sourcing products and services required for their operations in 2024 compared to 2023. **22%** reported significant improvements and **39%** saw some improvement, an equal 39% experienced no change and no respondents reported a worsening situation.

A majority of **72%** of total respondents have experienced a lost of customers due to challenges stemming from the economic crisis that impacted their ability to provide services.



61% percent of respondents saw no change, while **22%** percent relocated services abroad and **17%** percent partially shifted operations.





Employment Trends and Digital Transformation

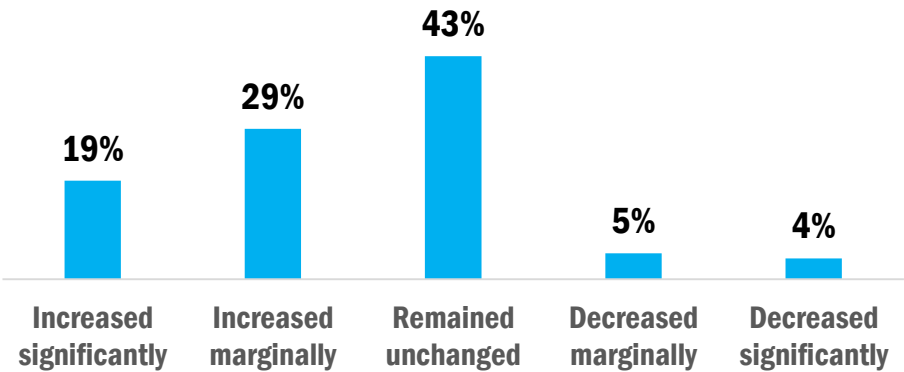
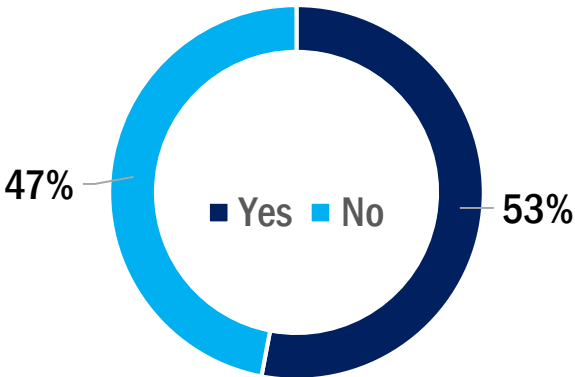
Employment Trends

Labor recruitment improved for most businesses in 2024. **31%** reported a significant improvement and **54%** percent saw some improvement, while **15%** percent experienced no change.



According to the respondents the main challenge was the shortage of skilled labor, driven by migration and foreign employment opportunities.

Half of the respondents have mentioned that their company considering cost-cutting measures due to the current economic climate.



The majority of companies kept their training and support budgets unchanged, while **48%** percent saw an increase, with **19%** increasing significantly and **29%** percent increasing marginally, SMEs were more likely to experience significant increases or unchanged budgets, whereas larger companies had a higher proportion of marginal increases.



Skill gaps identified in workforce



Digital Transformation

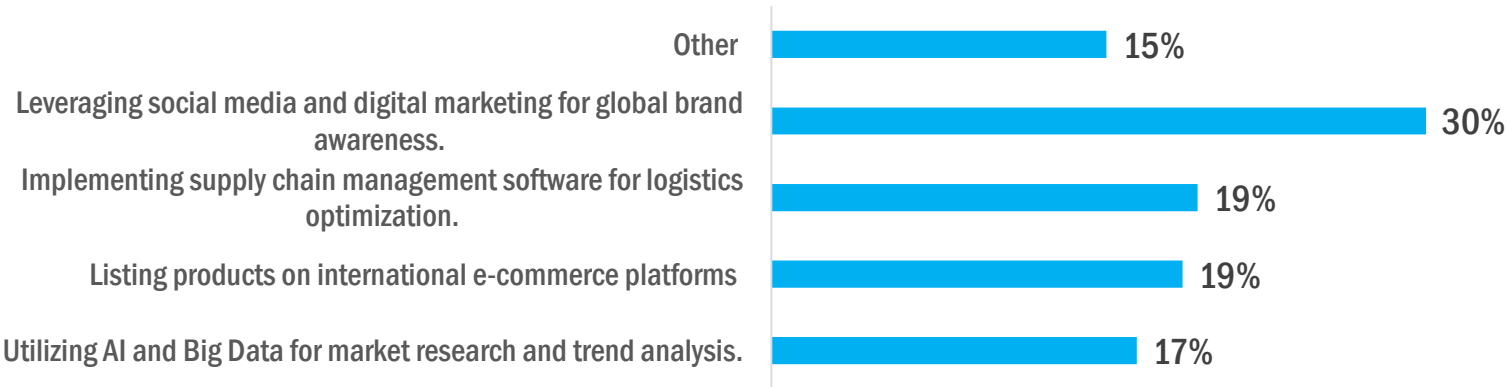
A strong majority of respondents (%) have adopted digital technologies to improve their export operations.



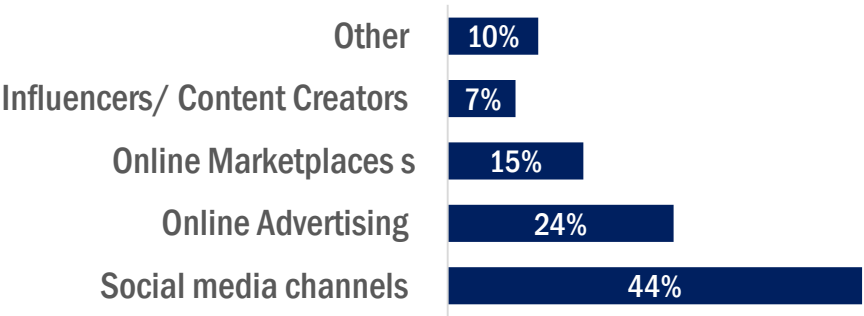
Among the firms that have adopted digital technologies, 67% are SMEs.



Social media channels are the most commonly adopted digital technologies for export operations, accounting for 44% of responses, with SMEs leading at 62%.



Digital Technology Adaptation



A majority, 68% of respondents, have invested in new digital technologies, while 32% have not., among those have did not invested in new technologies 94% were SMEs.



30% of respondents leveraging technology to streamline their export processes or to reach new markets.

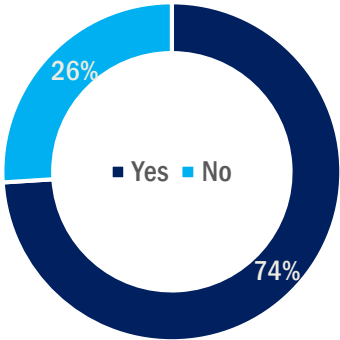
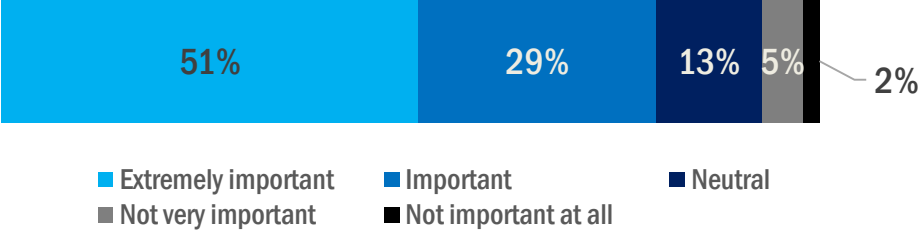
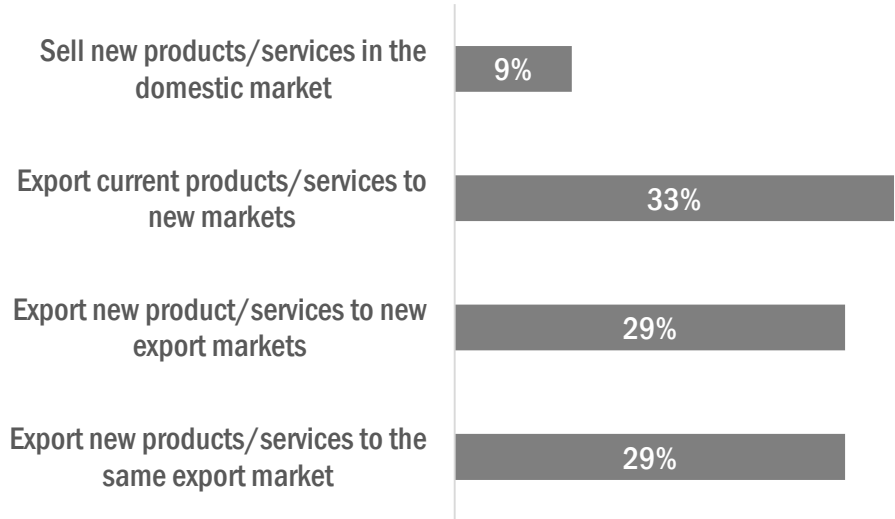
Export Opportunities, and Facilitation Required

New Opportunities

Half of the respondents (51%) have identified of respondents Free Trade Agreements are important in facilitation and enhancing their exports.



80% of respondents related to goods and services exports consider Free Trade Agreements (FTAs) extremely important in facilitating and enhancing their export activities, while only 20% percent view them as less critical but important.

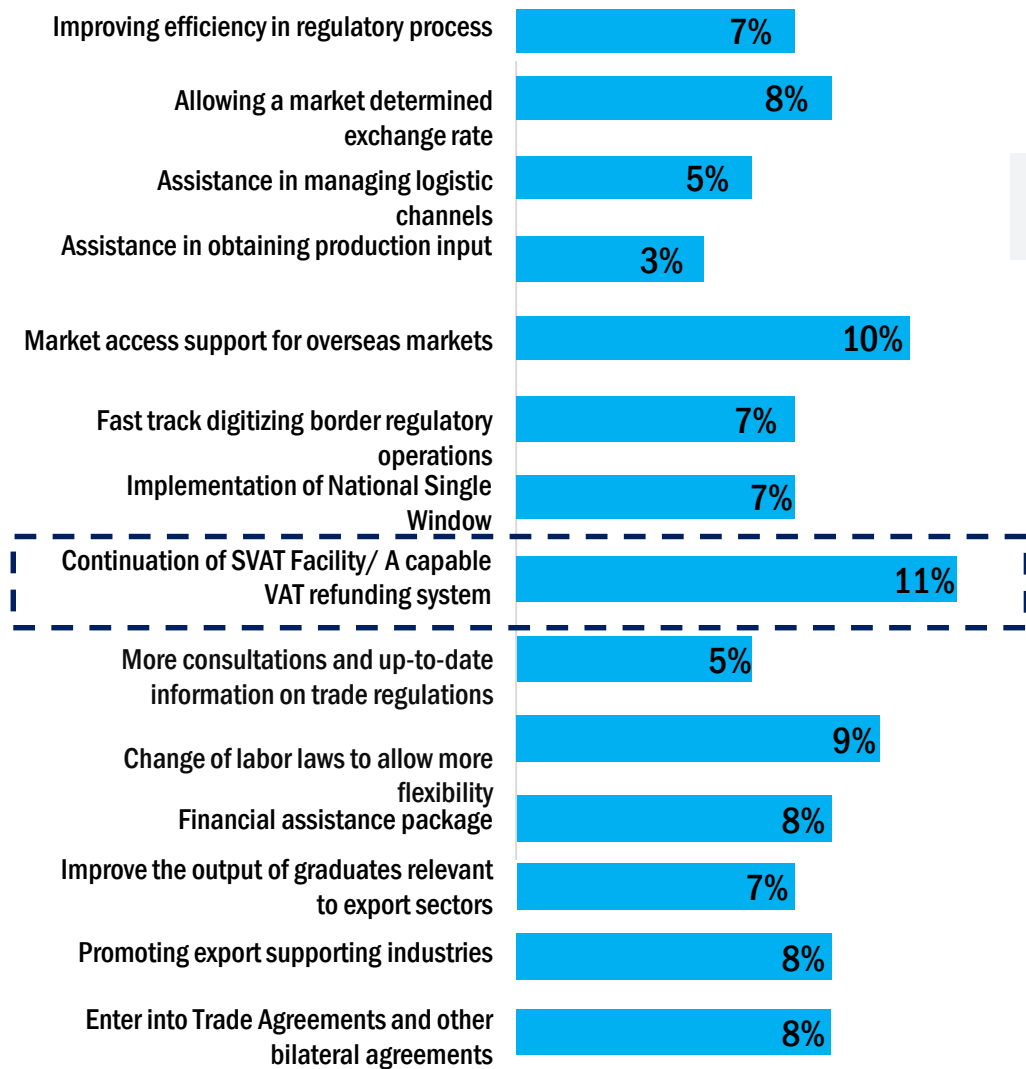


74 % respondents found new business opportunities during 2024.



75% SMEs found new opportunities in the local market during 2024.

Export Facilitation Required



Although the number of responses was low on the export facilitation required, **11%** of from total respondents mentioned the need to continue with the SVAT system. **10%** have mentioned that they require market access for overseas markets.

Respondents emphasized the need for **training, financial support, and market access** as the most critical interventions from Trade Chambers and Donor Agencies.

These areas include,

1. Training SME exporters and workforce development
2. Financial support for SMEs and Lobbying for better policies, and improving market access
3. Improving market access through networking and exhibitions
4. The demand for digitalization and streamlining government processes, need strong push toward modernizing export operations for greater efficiency and global competitiveness

Sustainability Practices

43%

53%



A majority of **57%** of respondents indicated that their companies have implemented sustainability practices in export operations, such as eco-friendly packaging and reducing carbon footprint. Adoption is significantly higher among SMEs at **91%** compared to larger companies at **9%**.

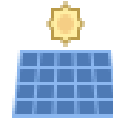


However, **43%** of businesses have not yet integrated sustainability measures, **29%** of female-led businesses reporting a lack of such initiatives.

Key Sustainability Practices include :



Eco-friendly packaging – Use of biodegradable, recyclable, and reusable materials such as paper, recycled fabrics, FSC-certified materials, and wooden crates instead of plastics.



Solar power and renewable energy – Installation of solar panels, reliance on solar energy for operations, and reduction of fossil fuel consumption.



Carbon neutrality and emission reduction – Carbon emission calculations, carbon-neutral certifications, greenhouse gas (GHG) reduction initiatives, and sustainable freight agreements.



Waste management and sustainable manufacturing – Wastewater treatment, reduction of solid waste, compliance with ISO 14001 and environmental regulations, and use of sustainable raw materials.



Sustainable logistics and transportation – Use of trains for inland transport, optimizing container utilization, and encouraging digital documentation to reduce paper waste.

Export Business Outlook for 2025

Outlook for 2025



60% of respondents anticipate moderate economic growth for Sri Lanka in 2025. However, 16% of respondents foresee economic contraction. Only 1% expect high growth, suggesting that while recovery is likely, it will be gradual rather than rapid. 8% of respondents are uncertain, highlighting some unpredictability in the economic outlook.

For 2025, respondents anticipate moderate growth across stock purchases, export orders, and price expectations. The outlook points to stability and measured expansion, but not a rapid economic surge.



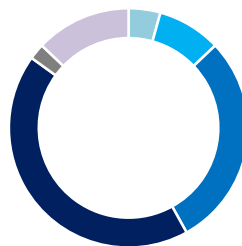
Outlook for export orders/services



- Severe contraction
- Moderate contraction
- No change
- Moderate growth
- High growth
- Don't know



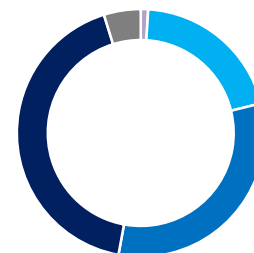
Outlook for Stock of Purchases



- Severe Contraction
- Moderate Contraction
- No Change
- Moderate Growth
- High Growth
- Not Applicable

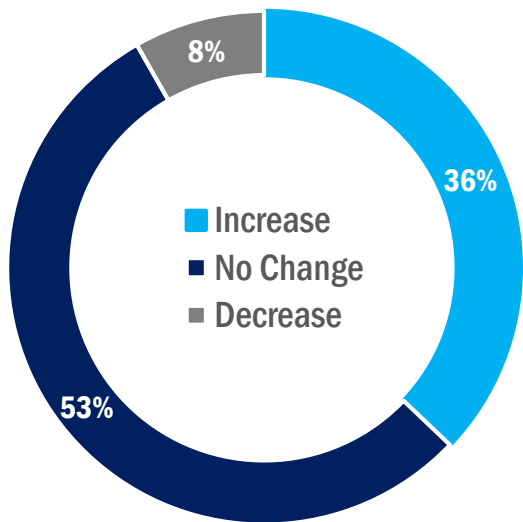


Price Expectations



- Significant Decline
- Moderate Decline
- No change
- Moderate Increase

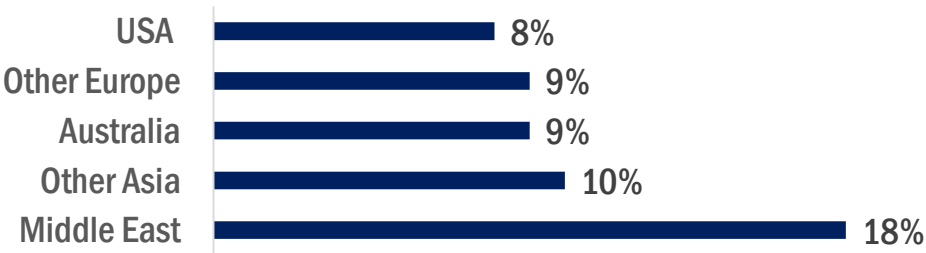
Outlook for 2025



53% of respondents believe there is no change in workforce size in 2025, while **36%** believe there is an increase in workforce size.



18% respondents expect to enter Middle east markets while **10%** are looking at Other Asian markets.

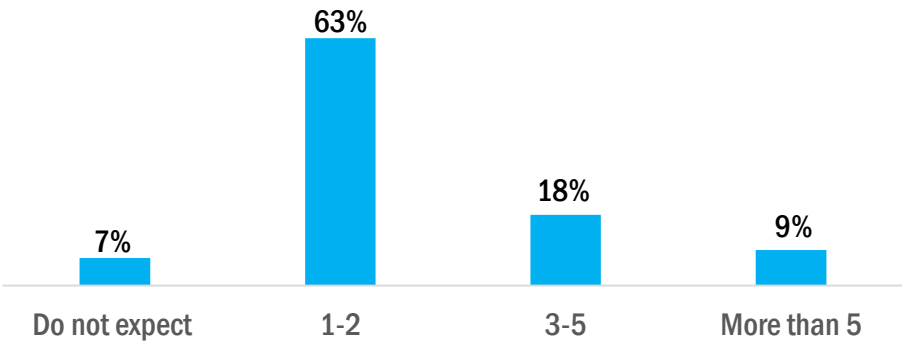


Strategies to Drive More Orders in 2025,

- Competitive Pricing (24%)
- Improving Customer Service (19%)
- Marketing & Online Advertising (16%)
- Strategic Collaborations (15%)
- Enhancing Online Presence (13%)
- Flexible Payment Terms (9%)
- Leveraging Diaspora Networks (5%)



63% respondents expect to reach new international markets in 2025 compared to 2024.



Outlook for 2025



Risk management strategies are in place to handle disruptions

1.

Comprehensive insurance coverage for goods and operation

2.

Diversified supply chains and alternative market plans

3.

Regular scenario planning and crisis management drills

4.

Investment in resilient technologies and infrastructure

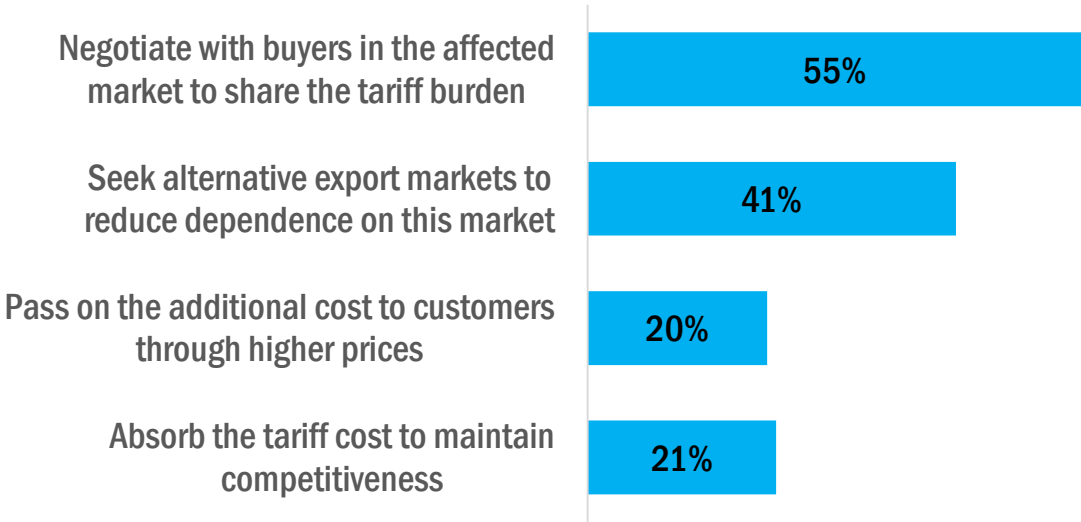


Changes in External Trade Environment

QUESTION : Imagine that one of your key export markets imposes an additional 10% tariff on your product/service starting in 2025. How would your company respond to this change?



More than half of the respondents expect to negotiate with their trading partners to share the tariff burden



Outlook for 2025



Changes in External Trade Environment

In the original survey scenario—conducted prior to any official announcements—more than half of respondents indicated they would attempt to negotiate with buyers when facing an additional 10% tariff. However, with the recent introduction of reciprocal tariffs by the U.S. Administration, in which Sri Lankan exports now face a 44% rate, the implications for local exporters are more pronounced. Recognizing the severity of these new measures, the Chamber is actively participating in the Presidential Task Force dedicated to addressing external trade policy challenges. As part of this effort, the Chamber will conduct a separate, specialized survey aimed at Sri Lankan exporters to the United States. By gathering direct feedback and data, the Chamber intends to formulate evidence-based advocacy and policy recommendations to minimize the adverse impact on affected sectors and support strategic trade adjustments.

Survey Methodology

- The Export Barometer Survey is an annual survey conducted to obtain exporter insights. This survey provides an understanding of the impact of economic crisis and the gradual recovery of the economy, signals changes in export trade, and thereby acts as a forward looking indicator. It also identifies the needs and support requirement of exporters.
- A detailed survey questionnaire with 62 questions was formulated to conduct the assessment. The questionnaire had 4 main sections namely.
 - General Respondents' Details
 - Changes in Export Business Performance
 - Business Opportunities and Facilitation Measures
 - Export Business Outlook
- The survey utilized the exporter database of The Ceylon Chamber of Commerce, which includes both exporters of products and services. The questionnaire was also circulated amongst key trade and service associations. The survey was implemented for a period of nine weeks from 13th December 2023 to 14th February 2024, using the online survey platform, *Typeform*, and received 100 responses, which is the 100 responses target. This year survey, conducted in collaboration with the Export Development Board of Sri Lanka.
- The survey also aimed to obtain responses from at least 25% and 10% of SMEs and women owned and/led firms, respectively. The survey received 73% of responses from SMEs and 18% of women owned and/ led firms. SME firms were classified based on the number of employees as specified by the [National Policy Framework for Small and Medium Enterprise Development](#). The data collected data was analyzed using quantitative methods including calculating percentages, and cross tabulating data.
- The survey was conducted by the Economic Intelligence Unit of The Ceylon Chamber of Commerce.

EIU Team



EIU

Economic Intelligence Unit
of The Ceylon Chamber
of Commerce

Make Better Informed Strategic Decisions.

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Reach us at +94 11 558 8809 | eiuc@chamber.lk

Export Barometer Survey- February 2025

Conducted by
The Ceylon Chamber of Commerce



For further information on the report,
Contact ei@chamber.lk
