

**STRATEGIC CLUSTERING OF FOUNDATION
SUPPLIERS OF SRI LANKAN TEA AND THEIR
IMPACT ON THE MACRO SUPPLY NETWORK**

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DEGREE OF MASTER OF SCIENCE

Department of Transport and Logistics Management

University of Moratuwa
Sri Lanka

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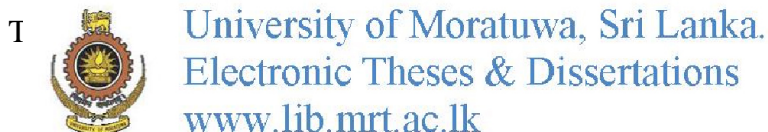
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DECLARATION

“I declare that this is my own work and this research does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any University or other institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Signatures of the candidates:



The above candidate has carried out research of the Masters dissertation under my supervision.

Signatures of the supervisors:

Dr. Lee Styger

Date

Prof.Amal. S. Kumarage

Date

ABSTRACT

The tea sector is important to the Sri Lanka economy and offers employment opportunity to those who live close to tea cluster areas. Tea small holders account almost 76 % of total tea estates in Sri Lanka but their output is comparatively low with respect to other tea estates in Sri Lanka. By comparing other tea exporting countries, it is found that Sri Lanka is far behind in tea production and has lost its position in global market of tea. This is mainly because of the industry not being very profitable and the state assisting by subsidies for the survival of industry. Due to the high cost of production, tea estates and tea small holders are minimising the cost on welfare facilities of workers, replanting and technology improvement.

Sri Lanka tea clusters are located in Kandy, Dimbulla, Bandarawela, Nuwara Eliya, Galle and Ratnapura. It is important to understand the drive performance indicators of tea estates and the constraints along the growth in order to formulate remedial actions. Market stability, human resources, technological capacity, finance, infrastr factors that are affectin :an weigh down the ove



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Recommendations provided for the problems may significantly reduce the risk in driving performance criteria and improve the efficiency of tea cluster. Assistance from the State could further improve the overall facility that may improve the quality of finished tea.

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collection.


the Sri Lanka Tea



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COP	Cost of Production
JIT	Just in Time
SLTB	Sri Lanka Tea Board
HNB	Hatton National Bank
NSB	National Savings Bank
BOC	Bank of Ceylon
WUSC	World University Service of Canada

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