

Economic aspects of Sri Lankan gem industry

P. R. K. Fernando

Postgraduate Institute of Science,
University of Peradeniya, Sri Lanka.
Email:prkf@eudoramail.com

Our motherland Sri Lanka is very rich in mineral resources. Gems are a very important mineral resource among them. The Sri Lankan gem industry has a very long history and dates back even before the first arrival of Lord Buddha to Sri Lanka in the 5th century B.C. At that time Sri Lanka was known as "Ratnadeepa "(the island of gems). Lots of foreigners who visited the country in ancient times noted these earth treasures. Even now Sri Lanka is one of the five major gem producing countries in the world.

The objective of this study was to identify the economical importance of Sri Lankan gem industry for the present day. The study was carried out from during the year 2003. The methodologies consisted of personal interviews with the people engaged in the gem industry and survey of statistics obtained from National Gem and Jewellery Authority (NGJA), Sri Lanka Customs and Central Bank reports.

According to Central Bank reports of recent past years, annually gem exports earn more than Rs. 7000 millions of foreign exchange and it accounts for about 2% of the annual total exports revenue of the country. Gems are therefore a good source of revenue to Sri Lanka. In addition, gem industry created thousands of direct and indirect job opportunities in Sri Lanka, as Gem miners, Lapidarists, Gemmologists, Gem dealers, Gem brokers etc: Gem Industry directly reduces the unemployment pressure among youth in the gem mining areas especially in the Sabaragamuwa Province.

As a whole, Sri Lanka is not getting the maximum benefit from the gem industry. The areas identified by the study to which government needs to have more attention are, to discover new gem deposits, to upgrade the quality of exporting gems by value addition and to upgrade education and research in gemmology. The government also granted lot of concessions to the gem industry in the recent past. Thus it is the duty of both government and people engaged in the gem industry to get maximum use of this earth treasure for the development of the country.

Key words: Economic aspects; Mineral resources; Gem Industry; Job opportunities