ABSTRACT

Rubberwood is found in abundance in the natural rubber producing countries including Sri Lanka. With the continuous depletion of forest woods in most countries, the demand for treated rubberwood is growing steadily. Despite the global importance of the rubber wood industry, surprisingly not much research has been done or documented in Sri Lanka with respect to key issues such as supply, demand, technological status, constraints and investment opportunities. This study attempts to redresses this deficiency and brings the stream of information up to date.

The supply potential of rubberwood in Sri Lanka was estimated from a random sample of rubber smallholdings using a pre-tested questionnaire. The sample consisted of 1200 rubber smallholdings selected from eight major rubber growing districts *viz.* Kegalle, Kalutara, Ratnapura, Galle, Matara, Gampaha, Colombo and Kandy. The similar data pertaining to the estate sector were gathered from 18 Plantation Management Companies using a combination of procedures; a mail questionnaire, personal visits to management companies/estates and through records available at the Plantation Reconstruction Unit of the Ministry of Plantation Industries. A field census on rubberwood based processing/manufacturing units was conducted to collect information on plant capacity, present output levels, status of technology, recovery rates, employment generation, constraints, product types and marketing.

The results indicate that potential yearly production of sawable rubber logs is around 325,000 m^3. Yet, 40% of sawable rubber logs end up as fuelwood and the

balance 60% is converted into sawn timber and veneer products. However, 35% of the sawn timber is wasted as untreated low valued planks for shutterings and pallets.

Around 200 wood processing/manufacturing units use rubberwood as raw material to produce a range of semi-finished and finished products such as sawnwood, furniture, toys, kitchen utensils, plywood, brush handles, ekel & broom sticks and parquet flooring. About 70 units of dipping plants and 17 pressure impregnation treatment plants are in operation. The latter type effectively treats 20,000 m^3 of sawn wood per year. Pressure impregnation method has been the dominant method of treatment in manufacture of furniture and furniture components whereas dip method is used exclusively for parquet and brush handles of export quality. Less than 70% of the available drying capacities have been utilized by the rubberwood industry in 1996. Nearly, 70% of the raw material used by the plywood and veneer industry consists of rubberwood. More than 90% of the total saw dust generated from rubberwood based processing units is not utilized industrially. Rubberwood based industries provide direct and indirect employment for over 42,000 people.

A conceptual and analytical model of the rubberwood industry was developed. Major constraints faced by the rubberwood industry and investment opportunities were identified. The study also suggests some insight into policy implications.