

## **Pricing to Market and Exchange Rate Pass through in Sri Lankan Crepe Rubber Export Markets**

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This article analyses the Pricing to Market (PTM) strategy for Sri Lankan crepe rubber. The fluctuation in the value of the Sri Lankan rupees can alter the prices of exported goods in terms of foreign currencies and in turn could lead Sri Lankan products either more or less expensive to foreign buyers and consequently affecting export demand. The analysis of PTM effects is therefore an important element in assessing the relationship of exchange rate and export prices of tradable goods. A within and between model of panel regression is used to analyse the exchange rate pass through of Sri Lankan crepe rubber in the world market. A within model is used to analyse the short-run pricing-to-market and between model is used to analyse the long-run pricing-to market. Eight export market destinations data form 2003 to 2014 were selected for analysis. These results clearly imply that the pricing-to market is strategically viable plan to expand the Sri Lankan crepe rubber market in short run.

**Keywords:** Crepe rubber, Panel data, Pricing