

BUILD PERSEVERANCE TODAY TO CHANGE TOMORROW

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Could you please give an overview of Maliban and your journey thus far with the company?

Maliban is the pioneer biscuit manufacturer in Sri Lanka. The third-generation family business is currently

chaired by Mr. A.G.R Samaraweera, the son of founding Chairman Mr. A.G Hinnyappuhamy. Maliban Biscuit Manufactories (Pvt) Ltd stands tall as one of Sri Lanka's most trusted and respected brands. Having started exporting in the 1960's, Maliban now sells its products in over 40 countries. Maliban products are on the

shelves of renowned global retailers such as Tesco & Bestway in the UK, Carrefour and LuLu hypermarkets in the Middle East.

My journey with Maliban since 2018 has certainly been an exciting one with numerous challenges, during and post pandemic. Work in the confectionary industry is a new

experience as my career mostly spanned out in the Tea industry, locally as well as overseas.

I am pleased about my contributions within this short span of time and take pride as the company has been recognized with several export accolades, namely the prestigious Presidential Export Award in 2020 and NCE export awards in 2020 and 2021 with an aspiration to bag more in the future.

What do you think are the fundamental factors that have helped Maliban grow in the recent years?

Just like Ceylon Tea and Ceylon Cinnamon, Sri Lankan confectionaries have been synonymous with quality, making a mark in the global marketplace even whilst facing stiff competition from low-cost suppliers from India, Bangladesh, Malaysia and Turkey. The perceived quality of Maliban products have had us busy catering to inquiries from all corners of the world, some as far as West Africa, the likes of Ghana, Ivory Coast, Liberia, Gambia and Sierra Leon, some of which interestingly have domestic biscuits production. New Markets in Africa have led to a significant growth of Maliban exports.

UK and Europe remain the biggest markets for Maliban. The continuous efforts in distribution and marketing investments over a span of 15 years have seen positive returns. Maliban products are now being patronized by all ethnic groups previously limited to migrants from the Indian sub-continent. Focus on quality consistency and marketing investments are



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fundamental to the growth of any product and Maliban is determined to follow this mantra.

Has the persisting economic situation in the country had an impact on Maliban’s progression in the short run and how could it impact in the long run?

The high dependency on imported raw materials has made the industry acutely susceptible in this time of crisis. As the rupee crumbles the industry is made to pay more for each ingredient. Flour alone has seen a 150% price increase year on year. Sugar and palm oil have



seen several fold increases as well. Whilst inflationary pressures are being felt globally, the domestic problem is unique making Lankan confections less competitive.

The short-term negativities will undoubtedly snowball to considerable ramifications in the long term. The erosion of bottom lines and short-term survival strategies will hinder long term plans such as project prioritization, curtailment of infrastructure improvements and capacity expansion, de-prioritization of training & development etc. The threats are real, and a long-term slowdown is expected, being innovative and thinking out of the box will be imperative to business longevity.

What are some measures that you

have taken from a business standpoint to navigate through the current economic environment? To what extent have these initiatives delivered positive results?

We will strive to protect the hard built businesses over the remainder of the financial year and the next. Our strategy is to prevent de growth and maintain top line revenues generated by our key accounts even at the expense of bottom-line profits. Its too early to measure the real benefits but our customers are certainly responding positively. In the current hyper inflationary environment price increases in short spans have become necessary, however discretion is required on the burden we wish pass on to our customers at this crucial juncture. A balancing act

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is in execution with high priority given to superior customer service.

Maliban is in the final stages of formalizing agreements with a contract manufacturer in South Asia. We expect this arrangement to give us a competitive advantage to expand our export markets and most importantly avoid cost pressures currently plaguing the business. We hope to replicate this model several regions globally.

As a leading conglomerate with a substantial presence in the FMCG sector, what role do you think a company like Maliban can play to aid Sri Lanka's economic recovery? And do you think the FMCG/Confectionery sector has recognized the industry's full potential at present?

As a leading business entity, providing employment to over 1500, we feel it is our solemn responsibility to protect the livelihood of this large group of

employees and their families in this vulnerable period thus denigrating the negative economic spiral which has befallen the country. As a group of businesses with a focus on food, Maliban has a portfolio consisting of Biscuits, Dairy products, Cereal, Tea and Coffee. The dairy business is under the microscope with plans underway to increase the product range to liquid flavored milk and yogurts with the participation of foreign expertise. The Agri business is also expanding to plantations of Mango, Banana and other cash crops. Economic recovery of Sri Lanka is vitally linked to export earnings, and we are utilizing the diversified portfolio to maximize export revenues for the benefit of mother Lanka.

I believe we have recognized the potential of the confectionery sector in Sri Lanka. This large sector which does not limit itself to biscuits, consists of Cakes, Chocolates, Ice Creams, Toffees, yoghurts, reconstituted milk, desserts etc., contributing to over \$ 100 million in export earnings annually, can be considered on par

with the worlds best. Confectionary provides direct employment to over 50,000 with about 600,000 indirectly dependent in Sri Lanka. Over the last decade we have seen local conglomerates making substantial investments, especially in dairy based manufacturing and some notable acquisitions, signaling a growth in the industry.

What are the skills and capabilities you expect undergraduate students to develop if they are aspiring to join the FMCG sector in the future?

In a world pacing faster than a decade ago, students need to be multi skilled and open to change. Fewer jobs, stringent appraisals, high ROI expectations and leaner structures have made jobs nothing but easy. Staying ahead with continuous improvement and a positive attitude will be the game changer.

By Thisal Yatawara & Dinusha Weerasekara