

Sri Lanka: The Crisis That Keeps Creating Founders

Sri Lanka

COUNTRY SPOTLIGHT

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English Edition (also available in Russian and Chinese)



Brandmine



COUNTRY SPOTLIGHT

Sri Lanka: The Crisis That Keeps Creating Founders

Sri Lanka has 3,000 active tea exporters, produces 90% of the world's true cinnamon, and built an Ayurvedic wellness industry with global reach -- all through a generation of founders who survived a 26-year civil war, the Boxing Day tsunami, Easter Sunday bombings, and a 2022 sovereign default that drove 535,000 people out of the country. Fewer than a third have a succession plan. The first-generation founders of the Open Economy era are entering the transition window simultaneously. No institutional investor has a complete map of what exists.

QUICK FACTS

Market Size	\$84B GDP (2025 est., post-recovery) • 22M consumers • ~3M diaspora (UK, Australia, Canada, Middle East) as premium export audience for Ceylon brands
Unique Advantage	Crisis density unmatched in South Asia – Open Economy founders navigated 2–4 existential events: civil war, tsunami, Easter bombings, 2022 collapse
Biggest Challenge	Fewer than 32% have succession plans • 2022 diaspora drain of 535,000+ – disproportionately educated next-generation succession candidates
Timing Factor	Founders aged 55–75 in succession window • confirmed deaths (Hettigoda 2022, Jayawardena 2025) signal the wave • IMF recovery normalising valuations

“Thirty-two percent of Sri Lankan family businesses have no succession plan. That number has not moved in a decade.”

SLID / Stax Partners, Sri Lanka Family Business Survey

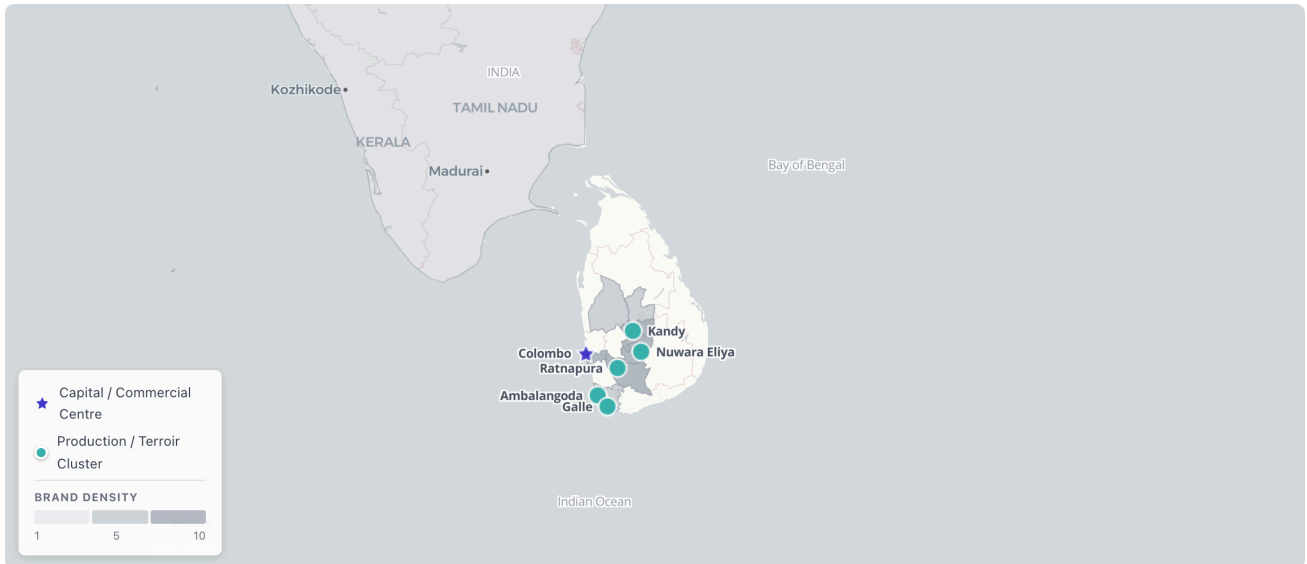
SLID / Stax, 2017

MARKETS: Sri Lanka

SECTORS: Spices & Condiments · Tea & Coffee · Natural Beauty · Jewelry & Watches · Gourmet Foods · Boutique Hospitality · Food Processing

GEOGRAPHIC CONTEXT

Colombo and the highland arc: Sri Lanka's four-crisis succession geography



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Founder-owned brands divide across two distinct geographies — the Colombo commercial corridor (headquarters, Ayurvedic wellness, processed food) and the central highland arc from Kandy through Nuwara Eliya to Ratnapura (tea, gems, cinnamon) — with a southern coast boutique hospitality cluster; succession pressure across all three zones is compressed by the 2022 diaspora drain that removed the next-generation succession pool.

Brand activity concentrates in two geographies: the Colombo commercial corridor (headquarters, Ayurvedic wellness, processed food) and the central highlands arc from Kandy through Nuwara Eliya to Ratnapura (tea, gems, cinnamon). The southern coast adds a boutique hospitality cluster. Unlike larger markets, most Sri Lankan consumer brand decision-making is centralised in Colombo -- the provincial production geography feeds into Colombo-based operating companies.

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COUNTRY NARRATIVE

Sri Lanka has been producing tea for export since 1867, cinnamon since the colonial era, and Ayurvedic medicines since a tradition that predates written history. The generation of founders who built branded consumer companies from these raw materials — not commodity exporters but brand builders, not plantation managers but founders — launched their businesses during a specific window: the years following J.R. Jayewardene's 1977 Open Economy reforms, South Asia's first market liberalisation. These founders are now 55 to 75 years old. Fewer than a third have a succession plan. Two of the most prominent among them died in 2022 and 2025 respectively, and the institutional infrastructure to manage their exits simply does not exist.

Whitepaper No 1 documents a synchronized transition wave across emerging markets: reform-era founders ageing out simultaneously, institutional investors unprepared. Sri Lanka is what that thesis looks like in a country where the reform wave was followed immediately by a 26-year civil war — where every surviving Open Economy-era founder has been tested not once but repeatedly, by conflict, by a Boxing Day tsunami, by Easter Sunday bombings, and by a 2022 economic collapse that drove 535,000 people, including most of the founders' potential successors, out of the country in 18 months.

The intelligence to find these founders exists. It is in the English-language business press — Daily FT, Economynext, LMD, Echelon — that covers Sri Lanka in the language of its commercial class. It is on the export development board's registers, in the Superbrands Sri Lanka lists, in the trade association directories of the Ceylon Chamber of Commerce. What does not exist is the synthesis: which sectors contain founder-owned brands at commercial scale, which founders are in the succession window, and where the transition pressure is acute enough to matter to institutional capital. That synthesis is what follows.

The crisis-density cohort

Sri Lanka's succession wave has a specific character shaped by its reform wave timing. Jayewardene's 1977 Open Economy reforms were not just South Asia's first liberalisation — they arrived a full decade before India's 1991 reforms, and the founder cohort they created is correspondingly older. A founder who launched a spice export business in 1985 at age 30 is 71 today. A founder who launched a tea blending company in 1983 at age 25 is 68. The arithmetic is unambiguous.

What makes Sri Lanka's wave distinctive from other markets Brandmine covers is not the age compression — Russia's privatisation cohort and China's reform-era founders share similar demographics. The distinction is the crisis density. Sri Lankan Open Economy founders have been tested in sequence by events that would have terminated most businesses anywhere else: a 26-year civil war that ran from 1983 to 2009, a Boxing Day tsunami that killed more than 35,000 people and destroyed coastal infrastructure, Easter Sunday bombings in 2019 that collapsed tourism for the second time in a decade, and the 2022 sovereign default — the worst economic crisis in Sri Lanka's post-independence history — that produced 69.8% peak inflation, 13-hour power cuts, and the largest peacetime emigration in the country's history.

Any founder still operating in 2026 has survived at least two of these events. The majority of the Open Economy cohort has survived three or four. This is not background colour. It is the most concentrated Narrative Due Diligence material in South Asia — documented, verifiable, and largely unexplored by outside capital.

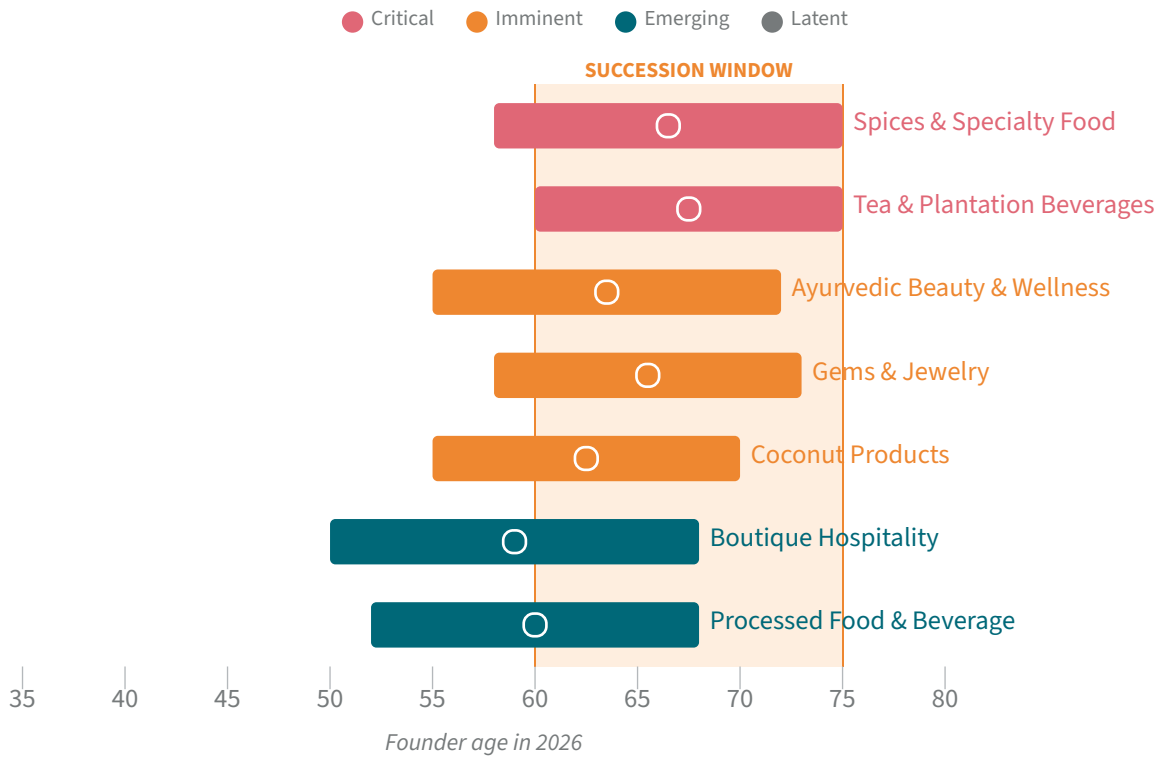
The 2022 crisis introduced a complication that makes the succession wave more acute than the demographics alone would suggest. Among the 535,000+ Sri Lankans who left the country in 18 months were disproportionately the educated professionals and entrepreneurial young people who represented the natural succession candidates for first-generation consumer brands. The children of Open Economy-era founders who held foreign passports or had university degrees abroad mostly left. The ones who stayed were older, more established, or more risk-tolerant. The succession pool did not just shrink — it emigrated.

The result is a founder cohort in the succession window with shrinking domestic succession options, a business press community that has documented their crisis responses in English, and a brand landscape that institutional capital has never mapped.

FOUNDER AGES BY SECTOR

Where Sri Lanka's Founders Stand in 2026

Seven sectors, one window — the Open Economy generation entering transition



Age ranges based on sector mapping research and industry profiles. Succession window (60–75) based on PwC Global Family Business Survey and INSEAD family business research. Source: Brandmine analysis.

Where the 1977 founders are breaking surface

Brandmine’s sector mapping identified eleven candidate consumer sectors in Sri Lanka. Seven show meaningful founder-owned brand activity at commercial scale. The top three — spices and specialty food, tea and plantation beverages, and Ayurvedic beauty and wellness — collectively contain an estimated 60 to 90 founder-owned brands meeting transition wave criteria. Here is where the wave is breaking.

The sector where succession is already happening

Sri Lanka’s spices and specialty food sector contains the clearest confirmed evidence of first-generation transition in the country. Rathna Producers, founded in 1985 by a first-generation entrepreneur who started with 7,000 LKR (\$35) and built one of Sri Lanka’s largest cinnamon export operations — 8,000 farmer network, exports to 56 countries, 30+ containers per month — has completed its 1st-to-2nd generation transition: the founder is deceased, son Ravindu Runage (36) now leads. This is not a cautionary tale. It is a rare confirmed succession in a sector where the pattern is otherwise the same as everywhere else in Brandmine’s coverage: founder dies without a plan, and the brand’s future becomes uncertain.

The broader sector contains an estimated 20 to 35 founder-owned brands at commercial scale. Wijaya Products — founded in 1989 by brothers who started processing chili as university students — employs more than 1,200 people, holds Sri Lanka's top food brand award, and exports across three continents. Cinnatopia, the De Silva family cinnamon dynasty (1st generation est. 1955, 2nd generation exporting from 1979, 3rd generation leading since 1993), operates Sri Lanka's largest cinnamon facility in Ambalangoda. These are not small artisanal operations. They are export-scale businesses whose founders are in or approaching the succession window, whose crisis responses during the 2022 rupee depreciation (export revenues denominated in dollars became dramatically more valuable locally) are well-documented, and whose brands have never been mapped by institutional capital.

The Ceylon cinnamon premium is a structural moat that makes this sector compelling beyond the succession thesis. Sri Lanka produces approximately 90% of the world's true cinnamon (*Cinnamomum verum*). The Sri Lanka Export Development Board has established geographic indication protection for Pure Ceylon Cinnamon. Growing global awareness of the difference between Ceylon cinnamon and cassia — the cheaper, more commonly sold variety — creates a pricing moat for branded Sri Lankan exporters. The founders who built export businesses on Ceylon cinnamon's identity are sitting on brands with validated international pricing power. The institutional investors who understand this are not yet in Ratnapura or Ambalangoda.

The sector where the founder is 75 and still the managing director

Sri Lanka's tea sector generates \$1.3 billion in annual exports, has 3,000+ active exporters, and is led in its branded tier by a cohort of founders who built their companies during the early Open Economy years. The clearest embodiment of the sector's succession pressure is Mlesna Tea: founded in 1983 by Anselm Perera, who entered the tea industry as an 18-year-old in 1969, exports to 50+ countries, operates 16 retail outlets in Sri Lanka, and has built a portfolio of 65+ flavored tea blends. Perera is approximately 75 years old and remains Managing Director.

The Akbar Brothers offer a different succession profile. The family traces its tea heritage to 1864 and formed its current company in 1969. It has been the largest Sri Lankan tea exporter since 1992, operating a 276,000-square-foot manufacturing facility. Every consignment is still personally approved by a family member — a detail that appears in the company's own marketing as a quality signal, and in the Brandmine lens as a textbook key-person risk disclosure. The business is institutionally large; the succession architecture is patrilineal and undocumented.

The 2022 crisis demonstrated both the sector's fragility and its resilience. Tea production fell to a 23-year low — approximately 211 million kilograms against 300 million in 2021 — after the government's short-lived organic farming mandate destroyed fertiliser supply chains. Fuel shortages forced the reactivation of pre-modern zipline transport on highland plantations. Exports declined by \$44 million in a single year. And yet the sector did not collapse. The exporters who had built direct international relationships — who had invested in Lion Logo certification, who had developed branded retail rather than purely B2B bulk trade — retained their customer bases. The crisis documentation is rich and English-language accessible.

The sector where succession is happening in public

Sri Lanka's Ayurvedic beauty and wellness sector recorded its most visible succession event during the worst weeks of the 2022 economic crisis. Dr. Victor Hettigoda — who founded Siddhalepa in 1971 with Rs. 2,500 in borrowed capital, tracing his lineage to six generations of Ayurvedic physicians, and built a company with 3,500 employees, exports to 40+ countries, and 80–85% domestic market share in pain relief — died on April 2, 2022, at age 84. His son Asoka Hettigoda assumed the chairmanship. The transition is the only prominent first-generation succession in the sector. It is also visible evidence of what happens when a founder-built Ayurvedic brand makes the transition: the brand survived, the heir was prepared, and the business continued.

The broader sector contains an estimated 25 to 40 founder-owned brands. Link Natural Products, founded in 1982 by Dr. Devapriya Nugawela, produces 200+ herbal healthcare products including Link Samahan — launched in 1995 and now exported to 30+ countries including Costco Japan — with a world-class R&D centre

and ISO-certified manufacturing. Spa Ceylon, founded in 2009 by brothers Shiwantha Dias and Shalin Balasuriya (drawing on their mother's 50-year heritage as Sri Lanka's first homegrown cosmetic brand), now operates 140+ stores across 33 countries and holds the title of World's Largest Luxury Ayurveda Chain.

The 2022 import crisis paradoxically accelerated the sector's structural advantage. When the government banned 300+ non-essential cosmetics and imposed a 70% import tax, hairspray prices rose from Rs. 800 to Rs. 12,000. Consumers shifted to domestic herbal alternatives. The Ayurvedic brands that had been building product depth for decades absorbed the demand. The crisis revealed something the sector already knew: Sri Lanka's Ayurvedic tradition — distinct from Indian Ayurveda in its formulations and rooted in a different botanical heritage — creates genuine product differentiation that import restrictions exposed rather than manufactured.

The sectors still forming

Three additional sectors warrant monitoring. Gems and jewelry (an estimated 15 to 25 founder-owned brands at commercial scale, founders aged 55–73, succession urgency: imminent) remain the least synthesised in terms of brand-level intelligence. The Ratnapura gem trade is centuries old; the transition from rough stone trading to branded retail is recent and incompletely documented. Coconut products overlap with the spice and food sector — branded virgin coconut oil, coconut milk, and coconut-derived beauty products are growing, with founders in a similar age band to the spice cohort. Boutique hospitality (10–20 founder-owned properties at commercial scale, founders aged 45–65, succession urgency: emerging) is the most crisis-tested sector in the country — every coastal or Colombo property has been rebuilt from at least one of the four major shocks — but carries different asset-class dynamics from consumer product brands.

Why four crises make Sri Lankan succession unlike any other market

Sri Lanka's succession crisis arrives with a character that distinguishes it from any other market in Brandmine's coverage, including the crisis-dense markets of Russia and Argentina.

The crisis sequencing matters. Russian founders experienced one defining rupture — the 1991 Soviet collapse and privatisation wave — followed by secondary economic crises that tested but did not threaten most surviving businesses. Argentine founders experienced serial macroeconomic shocks but within a stable peace. Sri Lankan Open Economy founders experienced a sequenced crisis escalation: civil war first (26 years, creating the baseline expectation that doing business is existentially difficult), then a natural disaster (the 2004 tsunami resetting coastal operations), then a targeted attack (the 2019 Easter bombings), then a sovereign default and social collapse (2022). Each event required a different survival strategy. The cumulative knowledge is tacit, relational, and almost entirely personal to the founder.

This makes the succession gap worse than the demographics alone imply. The Sri Lankan founder who has navigated all four events has survival knowledge that is not transferable through management succession in any conventional sense. The distributor in Dubai who extended credit during the war years, the logistics partner who found fuel during the 2022 crisis, the government contact who expedited export certificates during the tsunami rebuild — these relationships live in the founder. When the founder exits, they exit with the crisis infrastructure as well as the brand.

The diaspora dimension adds a layer that distinguishes Sri Lanka from most of Brandmine's coverage universe. The 3 million-strong Sri Lankan diaspora in the UK, Australia, Canada, and the Middle East represents both a validated premium export market and a potential institutional capital source. Sri Lankan diaspora entrepreneurs in London and Sydney have the cultural familiarity and the capital access to represent a new class of buyer for Open Economy-era consumer brands. No database has mapped the intersection of diaspora capital interest and Sri Lankan brand availability.

An almost vacant institutional field

Unlike Argentina, where L Catterton, Grupo Perez Companc, and Linzor Capital Partners have active consumer brand positions, Sri Lanka's consumer brand investment landscape is almost vacant of institutional presence. IFC has deployed \$175 million into John Keells Holdings and \$5 million into Sunshine Consumer Holdings. Colombo-based Ironwood Capital Partners has invested \$39 million+ across SMEs. Average buyout deal size is approximately \$15 million. These are the outliers, not the rule.

The structural gap is not capital availability. Sri Lanka has a functioning banking system, a Stock Exchange, and sovereign institutional presence. The gap is intelligence: no systematic documentation of which founder-owned consumer brands exist at commercial scale, which sectors contain the highest concentration of transition-ready brands, and what the crisis responses look like for the brands that would merit institutional due diligence. The founders who would benefit from institutional partnership are, by habit and culture, accustomed to self-reliance — the same characteristic that allowed them to survive four crises without institutional capital is the characteristic that makes them invisible to it.

The IMF's \$2.9 billion Extended Fund Facility and the economic recovery trajectory mean the window of post-crisis distressed access is closing. When the 2022 crisis was acute, assets were cheap, founders were stressed, and the few buyers who were positioned to act could have entered at valuations that are normalising by the month. What remains — and what will remain for the next three to five years before the demographic pressure fully exhausts itself — is the intelligence gap. The brands are there. The founders are in the window. The map does not exist.

What disappears when a first-generation Sri Lankan Open Economy founder exits without a plan is not just a brand built on Ceylon cinnamon or highland tea or Ayurvedic formulations passed down through six generations of physicians. It is the crisis infrastructure that allowed that brand to survive a civil war, a tsunami, bombings, and a sovereign default. It is the exporter relationship built with a Dubai trading company in 1993 that has been renewed through every disruption since. It is the supplier network of 8,000 cinnamon farmers who know this specific buyer and no other. By the time these brands surface through conventional channels — if they ever do — the founders who carry this knowledge will have retired, sold for whatever was available, or simply closed.

Sri Lanka's founder-owned consumer brands sit in a country with a strong English-language business press, internationally recognised origin premiums for Ceylon tea and cinnamon, and a 3-million-strong diaspora that already buys these products abroad. The intelligence to find them is being assembled. Hettigoda's 2022 transition happened. Jayawardena's 2025 transition happened. The 535,000 who left in eighteen months took the next generation of successors with them — and what remains is a founder cohort whose crisis infrastructure cannot be inherited by anyone who was not there to watch it built.

KEY TAKEAWAY

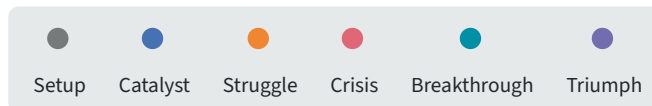
The founders who survived the civil war, the tsunami, the Easter bombings, and the 2022 collapse built the most crisis-tested brands in South Asia. The diaspora drain means their succession options are narrowing faster than their businesses are declining.

* * *

TRANSFORMATION TIMELINE

The brain-drain generation, 1977–2022

From the 1977 Open Economy reforms that were South Asia's first liberalization to the 2022 sovereign default that drove 535,000 successors out of the country — Sri Lanka's founder generation survived four crises across four decades, only to face a succession window with an emptied talent pool.



SETUP 1977

Open Economy reforms — South Asia's first liberalisation

President J.R. Jayewardene dismantles import substitution and opens Sri Lanka to private enterprise -- years ahead of India's 1991 reforms. The first generation of consumer-brand founders launches businesses in garments, food processing, tea blending, and spices. The founders who build during this window will be 55–75 by 2026.

CRISIS 1983

Black July and onset of 26-year civil war

Ethnic violence erupts in July 1983, triggering a civil conflict that will last until 2009. Entrepreneurs who continue building through the war years are, by definition, crisis-tested from the start. Tamil business communities and trading networks are displaced, concentrating consumer brand formation in Colombo and the south.

CATALYST 1985

Export-oriented spice founders enter the market

A cohort of spice entrepreneurs -- among them the founder of Rathna Producers, who starts with 7,000 LKR (\$35) and builds one of Sri Lanka's largest cinnamon operations -- launches during the first decade of the Open Economy. Their export orientation from day one will become their survival mechanism in every subsequent crisis.

CRISIS 2004

Boxing Day tsunami devastates coastal operations

The Indian Ocean tsunami kills more than 35,000 Sri Lankans and destroys coastal infrastructure across the south and east. Hospitality, fisheries, and coastal manufacturing face complete restarts. Founders who rebuild -- the boutique hoteliers, the coastal spice processors, the beach resort operators -- will carry this reconstruction into the succession window.

BREAKTHROUGH 2009

End of civil war — peace dividend arrives

The 26-year civil war ends in May. A consumer market expansion follows, as 9 provinces reconnect and tourism begins its strongest growth trajectory in decades. Founders who survived the war years now operate in a unified domestic market for the first time. A second, younger founder cohort -- now 50–65 -- launches businesses in the peace dividend era.

CRISIS 2019

Easter Sunday bombings destroy tourism recovery

Coordinated suicide bombings at three luxury hotels and three churches kill 269 people on Easter Sunday. Tourism -- which had finally recovered to near-pre-war levels -- collapses overnight. Boutique hotel and hospitality founders who had built through the post-war recovery face their second complete restart.

CRISIS 2022

Sovereign default, 69.8% inflation, 535,000 emigrations

Sri Lanka defaults on its sovereign debt for the first time in history. Inflation peaks at 69.8%. Fuel queues stretch for days. Power cuts last 13 hours. The Aragalaya protest movement forces President Gotabaya Rajapaksa to flee. Over 535,000 Sri Lankans -- disproportionately educated professionals and the children of the founder cohort -- leave the country in 18 months. The succession pool empties.

CATALYST 2025

IMF programme stabilises economy; succession clock accelerates

A \$2.9B IMF Extended Fund Facility supports economic recovery. GDP growth resumes. But the demographic damage of the 2022 emigration is permanent -- the children who left for Canada, Australia, and the UK are not returning. For first-generation Open Economy founders now aged 60–75, the succession window is narrowing from both ends simultaneously.

Outreach quick reference

Metric	Reference
Dialing	+94
Currency	Sri Lankan rupee (Rs / LKR) — managed float; under pressure in 2026 after post-2022 stabilization; IMF program active; rates: cbsl.gov.lk
Time Zone	UTC+5:30 (no daylight saving)
Working week	Mon–Fri; Sat half-day for shop/office staff
Capital	Sri Jayawardenepura Kotte (administrative); Colombo (commercial)
Internet	.lk (country TLD)
Messaging	WhatsApp dominant; Messenger; Telegram — none blocked
Payment	Cash dominant (~99% of retail); LANKAQR national QR advancing (fee-free under Rs.5,000); CEFTS instant transfers for B2B; cards at formal urban retail
Banking	SWIFT-connected; recovering from 2022 default under IMF program; cards and wire work with improving FX access
Languages	Sinhala and Tamil (official); English used in business
Entry	ETA required (free for 40 countries incl. UK, US, EU nationals from May 2026; apply at eta.gov.lk — 30-day entry, approved same day). Verify current eligibility list.



About this research

This report draws on 0 verified sources across 1 language — primary documents, founder interviews, and trade press. Every figure and claim is cross-validated against independent references.

Full methodology at brandmine.ai.

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