**Impact of Current Economic Crisis on Operational Performance of Biscuit Industry in Sri Lanka**

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The main objectives of this study are to examine how biscuit manufacturing companies are affected by the prevailing economic crisis, to assess the effects of marketing strategies on company performance in such conditions, and to identify those that can help companies to maintain successful performance despite turbulence in their operational environment. An interview guide was used to interview five leading biscuit manufacturers identified as firms A, B, C, D and E. Data were collected and analyzed qualitatively. Firms that modify their strategies appropriately can maintain or improve their operational performance in times of a crisis. The strategic changes most likely to achieve this outcome were measured mainly in terms of demand for biscuits, cost of production and other financial ratios. Return On Assets of the biscuit industry has been reduced by 0.14, liquidity ratio has decreased by 0.18 and assets turnover ratio has decreased by 0.24. These reductions expose the industry to a financial risk. Financial leverage ratio has increased by 0.25, which says company operational expense increasement. The results explore that during this economic crisis period, the profitability of biscuit industry in Sri Lanka has been affected adversely. As a whole the demand for Sri Lankan biscuit products has decreased by 29.76% while cost of biscuit production has been increased by 161.96% while biscuit price has been increased by 260%. The study adds a specific focus on marketing strategies such as focusing more on promotional strategies and going for innovative products which need low cost of production to existing studies of general measures taken by companies during economic crises. Companies had to face different difficulties to use these strategies, but most of them proved that they can face their weaknesses and apply these strategies in a turbulent period like an economic crisis.

**Keywords:** biscuit industry, economic crisis, financial ratios, operational performance, strategies