



Progress Report - 2023

Ministry of Investment Promotion

Message from the Minister of Investment Promotion



We are now embarking on a challenging path to restore the economic stability of Sri Lanka in the face of an unprecedented economic crisis. To that end, priority has been given to formulate a national economic policy that suits our country.

The Government's macroeconomic reform program has also focused to access into regional and global supply chains and reconnecting with the global economy to improve exports and export-oriented foreign direct investment.

Further, the Government is taking actions to formulate more favourable and sustainable policies to enhance foreign investment and export promotion and the Ministry of Investment Promotion is currently implementing constructive plans to achieve these objectives.

The Ministry of Investment Promotion is committed to provide a direct contribution to the national economy through measures such as to uplift the standard of the living of Sri Lankans, encourage foreign direct investment and private sector investment by promoting economic potential in Sri Lanka, attract foreign investment as per the national requirement through a culture of technological innovation, promote exports, export value-added products, expand digital technological businesses and to bring in high-tech companies with the aim of creating more advanced technological employment opportunities for the youth.

I also take this opportunity to appreciate the distinctive contribution of the Sri Lanka Export Development Board, the Board of Investment of Sri Lanka, the Colombo Port City Economic Commission and the Colombo Port City Development Project which are coming under the purview of the Ministry in order to achieve these objectives.

I would like to express my gratitude to the State Minister, Secretary to the Ministry and his staff and all the staff including Heads of the institutions under the purview of the Ministry who are working more dedicatedly to accomplish the tasks assigned to the Ministry.

Ranil Wickremesinghe
Minister of Investment Promotion

Message from the Honourable State Minister of Investment Promotion



I assumed the duties as the Minister of Investment Promotion during a challenging time locally as well as globally, politically and economically than ever before in history. The Cabinet of Minister of this new Ministry, His Excellency the President has entrusted me with the responsibility of leading the country towards the direction of building a stable and sustainable economy locally.

Especially in the face of the current geopolitical and global economic crisis, it must be acknowledged that there is a need to structure the economic policy in a short-term, medium-term and long-term planned program for a country like ours.

Further, the existing rules and regulations of the government institutions should be updated to suit the present situation. These timely measures should be followed in order to increase the inflow of foreign exchange into the country.

A favourable environment for investments is being created in the political stability brought about by the leadership of His Excellency the President. In this time of recovery, investment and local entrepreneurship must lead to a paradigm shift in a critical manner. In the next three years, the Institutions (BOI, EDB) coming under the purview of the Ministry have already initiated the process of reviewing the strategies to find the products and services that can be promoted globally and to prepare short and medium-term strategies to increase exports. It is also important to encourage foreign investments and encourage local investors to invest abroad.

Sri Lanka can be a shining example for business in Asia. We have the potential to achieve clear economic benefits as a hub between the global emerging markets of China, India and Africa and also for easy access to growing markets in East Asia and the Middle East.

The Colombo Port City project, built with a focus on South Asia, has been identified as a strong factor and the financial and non-financial incentives required to be competitive among the countries in this region have been introduced to the projects implemented in the Port City. The first Road Show was held to promote the Port City and it is anticipated that both primary and secondary businesses of strategic importance will experience increased interest and engagement as a direct result of this Road Show.

The Board of Investment of Sri Lanka has targeted to increase the FDI share in the GDP to 2.6%, achieve US\$ 3 billion FDI and increase BOI's contribution in national export earnings to 70% with US\$ 15 billion export revenue by 2026. In order to achieve these goals, various measures have been taken this year and among them, special investment incentives have been introduced to attract reinvestment as well as to bring projects operating outside the Board of Investment under the BOI Law. In addition, a comprehensive investment promotion programme has been initiated for new IT companies/IT-empowered companies, for which special incentives have been introduced. In order to provide necessary facilities to investors, the Board of Investment has already initiated a programme of digitization of institutional procedures in line with the government's policy to promote the digital economy.

In the ease of doing business ranking, Sri Lanka is 99th out of 190 countries in the world. In order to improve this situation, a broad and efficient involvement of all stakeholders in the Public and Private sectors is required. Accordingly, the Export Development Board provides a wide contribution to reduce the obstacles in the export process and improve exports.

Export branding and trademark registration are being carried out to differentiate Sri Lankan products from other competitors and to gain access to better markets, and this will enable exporters and consumers to clearly distinguish Sri Lankan products from products of other exporters and confirm that the products are of Sri Lankan origin. It is of vital importance to market access. Further, at the regional level, programmes are currently being conducted for small and medium entrepreneurs to become exporters and contribute to the country's economy.

I would like to express my gratitude to His Excellency the President, who is constantly guiding me to accomplish the tasks assigned to the Ministry. I would also like to thank the Secretary of the Ministry and his staff and the entire staff including the Heads of the Institutions coming under the purview of the Ministry who are rendering their service with the utmost dedication and I am pleased to issue a message to the progress report – 2023 prepared by my Ministry.

Dilum Amunugama

State Minister of Investment Promotion

Message from the Secretary, Ministry of Investment Promotion



It is a real challenge to serve as the Secretary of the Ministry of Investment Promotion at a time of great effort to stand up as a country in a planned and strategic manner through a national policy in the face of challenges toward the year 2023. In such a situation, it is a great pleasure to issue this message to the progress report of the year 2023 which reflects the specific performance carried out by the Ministry and the institutions coming under the purview of the Ministry.

The Board of Investment of Sri Lanka is working with the goals of increasing foreign direct investment in the GDP up to 2.6% and achieving US\$ 3 billion FDI by 2026.

In order to achieve these goals, the Secretary to H.E. the President has appointed a committee consisting of 07 Secretaries of line Ministries to take necessary measures such as, simplifying and streamlining the existing procedures, reducing cost and time and improving transparency with a view to creating a business-friendly environment for the promotion of foreign direct investment on private sector investment. A procedure for investment facilitation is being prepared with the participation of all stakeholders. This will enable the approval of investment projects in the future with efficiency, low cost and transparency.

In order to attract investments in the future, it is expected to establish a Single Window Platform to streamline and facilitate the approval process by line agencies addressing time lags and other internal and external administrative drawbacks. A special unit styled “Investment Facilitation Centre (IFC) has already been set up for this purpose.

Further, projects with Ready-to-Invest opportunities for investment proposed to be implemented by various institutions in Sri Lanka have been identified and presented to inform investors.

The Sri Lanka Export Development Board as a Government Agency responsible for the export development and promotion of Sri Lanka, making export policies and facilitating and coordinating export development activities with all stakeholders will be of great support in overcoming the challenges in the export sector.

Sri Lanka’s merchandise exports decreased by 10.42 % to US\$ 7,983.13 Million during the period of January to August 2023 compared to the corresponding period of 2022 as per the data obtained from the Sri Lanka Customs. It is observed that the decline in merchandise exports is due to decreased demand for export products including external and internal factors. The Sri Lanka Export Development Board is currently engaged in activities to identify new export markets for the development of the export sector in 2024, study the same and take necessary measures to direct the exporters for export markets.

It is our intention to make the Colombo Port City Project, the hub of the Sri Lankan economy, one of the most attractive investment projects in the region by encouraging and facilitating ease of

doing business and enhancing the values of investors. It should be mentioned that we are devoting ourselves to this achievement even at this moment.

At this juncture, I gratefully recall H.E. the President and the Honourable State Minister for giving us the leadership to carry out the duties assigned to this Ministry without deterioration even under the adverse economic situations and I would also like to thank the entire staff of the Ministry and the staff of the institutions coming under the purview of the Ministry who are rendering their service with the utmost dedication.

I earnestly expect the active contribution of all parties to overcome these challenging situations and I wish you all the best in accomplishing these achievements.

M.M. Nayeemudeen

Secretary

Ministry of Investment Promotion

Institutions under the purview of the Ministry of Investment Promotion

1. Board of Investment of Sri Lanka
2. Sri Lanka Export Development Board
3. Colombo Port City Economic Commission
4. Colombo Port City Development Project
5. Techno Park Development Company (Pvt) Limited
6. Information Technology Parks

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Ministry of Investment Promotion

1. Introduction

Vision

To make Sri Lanka the most sustainable investment destination in the region.

Mission

To create a quality socio- economic development in Sri Lanka with a value- added export base and attracting sustainable investment.

2. Tasks assigned to the Ministry of Investment Promotion

1. Formulation, implementation, follow up and evaluation of policies, programmes and projects in relation to the subject of investment promotion and those subjects that come under the purview of Departments, Statutory Institutions and Public Corporations based on the national policies implemented by the government.
2. Provision of public services under the purview of the Ministry in an efficient and people-friendly manner.
3. Reforming all systems and procedures using modern management techniques and technology, thus ensuring that the functions of the Ministry are fulfilled while eliminating corruption and waste.
4. Formation of policies, strategies, programmes and projects to enhance regional trade and investment cooperation.
5. Promotion of economic potential in Sri Lanka and thereby promote foreign direct investment and private sector investment.
6. Promotion, regulation and monitoring of economic development zones
7. Creation of Techno Parks
8. Matters related to the expansion of digital technology business
9. Development of the Colombo Port City Special Economic Zone as an international business and service hub with specialized infrastructure and other facilities aiming at national well -being and economic development.

3. Financial Progress

Expenditure	programme	Allocations for the year 2023 Rs. Mn.	Expenditure as at 30.09.2022 Rs. Mn	Financial progress %
Recurrent expenditure	Minister's office	67.80	23.05	33.99
	Administrative & institutional services	184.30	89.89	48.77
	Export Development Unit	178.10	126.07	70.78
	Government institutions, special institutions and development projects	512.20	228.12	44.53
	Sub total	942.40	467.14	49.57
Capital expenditure	Minister's office	12.00	6.12	51
	Administrative & institutional services	5.40	1.76	32.59
	Export Development Unit	-	-	-
	Government institutions, special institutions and development projects	1,670.00	231.59	13.86
	Sub total	1687.40	239.52	14.19
total	2629.80	706.66	26.87	

4. Information on staff

	Approved cadre	Existing cadre	Vacancies / Excess
Senior	14	10	04
Tertiary	02	02	-
secondary	371*	310*	61*
primary	06	06	-
Total	403*	338*	63*

* Development Officers attached to the Sri Lanka Export Development Board

5. Information on training programmes

5.1 Local training

Serial No.	Name of the training program	No. of staff trained	Duration of the training program	Expenditure (Rs.)	Output / knowledge gained
01	Master of Public Management (MPM) Degree Programme	01	02 years	330,000.00	Course is ongoing
02	Master of Financial Economics	01	02 years	79,500.00	Course is ongoing
03	Workshop on Office Management and Ethics	03	01 day	22,500.00	Proper understanding on Office Management
04	Payroll System	02	03days	36,000.00	Proper knowledge on Payroll Processing System
05	Workshop on Transport	01	01day	6,000.00	Proper training on Transport Management
06	Workshop on Losses Recoveries and write off	01	01day	7,500.00	Knowledge on Reporting Losses & Damages
07	Degree of Master of Laws	01	02 years	186,500.00	Course is ongoing
				668,000.00	

5.2 Foreign Training

Serial No.	Name of the training program	No. of staff trained	Expenditure Rs
01	Seminar on Negotiation Capacity Building of Free Trade Agreement for Sri Lanka	01	121,388.92
02	Seminar on Digital Economy and Industry Integration under the Global Development Initiative – AIBO	01	113,205.48
03	Seminar on Digital Transformation of Infrastructure Development, Operation & Maintenance for B &R Countries	01	121,579.50
04	Seminar on Cross – Border – E Commerce for Sri Lanka	03	372,799.35
05	Seminar on the Construction and Management of Development Area	01	119,356.97
06	Seminar on South – South Corporation for Developing Countries	01	117,513.75
			965,843.97

6. Progress of Submitting Cabinet Memoranda

#	Cabinet Memorandum No	Name of the Cabinet Memorandum	Progress as at 30.09.2023
01	MIP/CP/IA/26/ 2022	Bring before Parliament for approvals, regulations published by Extraordinary Gazettes under the Colombo Port City Economic Commission Act, No. 11 of 2021	Approved by Parliament 08.03.2023. The regulation is in force now.
02	MIP/CP/IA/23/2022	Continuation of the Project Management Unit (PMU) of the Colombo Port City Development Project, until the completion of the works assigned to the GOSL under the tripartite agreement dated 12/08/2016.	As per the Cabinet approval, the PMU has been established.
03	MIP/CP/IA/10/2022	Annual Report and Financial Statements of the Board of Investment of Sri Lanka – 2020	Approved by Cabinet of Ministers. Annual Reports and Financial Statements have been tabled in the Parliament.
04	MIP/CP/03/2023	Duty-Free Operations in Colombo Port City	Gazetted on 22.05.2023. Duty free operation will be commenced on July 2023.
05	MIP/CP/15/2023	Approvals relating to Businesses of Strategic Importance under the Colombo Port City Economic Commission Act No. 11 of 2021	Regulation related to BSI was gazetted and approved by the Parliament on 23.08.2023. Cabinet memorandums are in the pipeline to get the approval of Cabinet of Ministers to grant concessions under BSI for qualified investment entities.
06	MIP/CP/05/2023	Cess- 1- Approval for Submission of an Order for approval of Parliament (Sri Lanka Export Development Act, No.40 of 1979)	The Regulation has been published in the Extraordinary Gazette No 2306/15 dated 14.11.2022 and submitted to the Parliament on 08.03.2023 and approved by the Parliament on 04.04.2023. The order is now in force
07	MIP/CP/12/2023	Cess- 2- Approval for Submission of an Order for approval of Parliament	The Regulation has been published in the Extraordinary Gazette No 2312/16 dated 01.01.2023 and submitted to the

#	Cabinet Memorandum No	Name of the Cabinet Memorandum	Progress as at 30.09.2023
		(Sri Lanka Export Development Act, No.40 of 1979)	Parliament on 04.04.2023 and approved by the Parliament on 09.05.2023. The order is now in force
08	MIP/CP/02/2023	Approval for Policy Lay Down as a Procedure for Areca Nut Processing Industry	The Cabinet of Ministers approved the procedure for exporting locally processed Areca nut and the procedure for importing areca nut for value added re-export as recommended by the committee headed by H. E. the President's Senior Economic Advisor.
09	MIP/CP/15/2022	Augmentation of Common Wastewater Treatment Plant at Horana Export Processing Zone	Approved by Cabinet of Ministers. Based on the Cabinet approval, the procurement procedure has been started.
10	MIP/CP/16/2022	Construction of 2000M ³ per day capacity water treatment plant at Horana Export Processing Zone (HEPZ)	Proposal in 3 rd paragraph of the Cabinet memorandum is approved by the Cabinet of Ministers.
11	MIP/CP/13/2023	Cess- 3 Approval for Submission of an Order for approval of Parliament (Sri Lanka Export Development Act, No.40 of 1979)	The Regulation has been published in the Extraordinary Gazette No 2325/06 dated 28.03.2023 and submitted to the Parliament on 25.04.2023 and approved by the Parliament on 09.05.2023. The order is now in force
12	MIP/ CP/14 /2023	Approval for obtaining Legal Service of M/S Shearman & Sterling Partner for finalization of draft bill to replace the Colombo Port City Economic Commission Act. No. 11 of 2021	Approved by Cabinet of Ministers. The letter of engagement signed on 12.07.2023.
13	MIP/ CP/20 /2023	Allocation of Lands for Sutech Industries (Pvt) Ltd (Greenfield Sugar Development Project) in Vavuniya District under Long term Lease basis	Approved by Cabinet of Ministers. Inquiring the possibility of releasing the land, by Land Commissioner General.
14	MIP/CP/11/2023	Notice under section 3(3) of the Strategic Development Projects (SDP) Act, No.14 of 2008, as	Published in Gazette on 04.07.2023.

#	Cabinet Memorandum No	Name of the Cabinet Memorandum	Progress as at 30.09.2023
		amended: vary the date of commencement of commercial operations of “ WELCOM HOTELS LANKA (PRIVATE) LIMITED”.	
15	MIP/ CP/26/2023	Cess- 4 Approval for submission of an order for approval of Parliament (Sri Lanka Export Development Act, No 40 of 1979) MIP/CP/26/2023	The Regulation has been published in the Extraordinary Gazette No 2336/71 dated 16.06.2023 and submitted to the Parliament on 08.08.2023 and approved by the Parliament on 23.08.2023. The order is now in force
16	MIP/ CP/04/2023	Annual report and financial statement of the Sri Lanka Export Development Board (2021)	Approved by Cabinet of Ministers. Annual Report and the Financial Statements have been tabled in the Parliament.
17	MIP/ CP/16/2023	Termination of the agreement between the Board of Investment of Sri Lanka and Hambantota Oil Refinery (PVT)Ltd	As per the decision taken at the meeting of the Cabinet of the Ministers held on 14.08.2023, Attention has been paid on the matters submitted by the Acting Minister of Ministry of Justice, Prison Affairs and Constitutional Reforms and Board of Investment of Sri Lanka has been informed to take actions accordingly.
18	MIP/ CP/29/2023	Colombo Port City (Development Control) Regulations No. 01 of 2023 published by Extraordinary Gazette under the Colombo Port City Economic Commission Act No. 11 of 2021 to be brought before the Parliament for approval	Colombo Port City (Development Control) Regulations No. 01 of 2023 - Approved by Parliament on 19.09.2023.
		Colombo Port City (Authorised Persons Engaged in Business) Regulations No. 01 of 2023 published by Extraordinary Gazettes under the Colombo Port City Economic Commission Act	Colombo Port City (Authorized Persons Engaged in Business) Regulations No. 01 of 2023- Submitted to the Parliament on 13.09.2023.

#	Cabinet Memorandum No	Name of the Cabinet Memorandum	Progress as at 30.09.2023
		No. 11 of 2021 to be brought before the Parliament for approval	
19	MIP/ CP/32/2023	Cess-5- Approval for Submission of an Order for Approval of the Parliament (Sri Lanka Export Development Act, No. 40 of 1979)- MIP/CP/32/2023	Submitted to the Parliament for approval.
20	MIP/CP/21/2023	Selection of Project Proposals for Import of Areca-Nuts for Processing & Re-export	As per the direction of the Ministry of Investment Promotion, Sri Lanka Customs developed a guideline to facilitate investors in adhering to the procedure of the import of Areca-Nuts for Processing and Re-export.
21	MIP/ CP/22 /2023	Procedure to promote investment on Mineral Sand Processing Industry	Approved by Cabinet of Ministers. A meeting to be arranged with Ministry of Environment, GSMB, BOI and the State Minister of Ministry of Investment Promotion to discuss and agree on the procedure for Implementation.
22	MIP/ CP/24 /2023	Vesting of state land currently occupied by CEB to BOI and allocating the said land on 99 year lease basis to Capital Investment LLC, UAE to combine with the proposed Development of Luxury Boutique Hotel Project in Maskeliya	Approved by Cabinet of Ministers. Land was vested to BOI by a free hold grant.
23	MIP/ CP/25/2022	Annual Report and Financial Statements of the Board of Investment of Sri Lanka - 2021	Approved by Cabinet of Ministers. Annual Report and Financial Statements have been tabled in the Parliament.

Cabinet Memoranda in Pipe Line to be Submitted

- Notice under section 3(3) of the Strategic Development Project (SDP) Act, No 14 of 2008, as amended, vary the date of completion of Phase II (New) of Waterfront Properties Pte Ltd
- Colombo International Container Terminals Ltd (CICT) - Request to Reduce the Proposed Investment of the Capacity Expansion Project and to Extend the Project Implementation Period.
- Establishment of Seven New Investment Zones in Mankukum, Paranthan, Kankasanthurai, Kappalthurai in Trincomalee, Iranawila, Bingiriya phase (iii) and Katuwewa in Hambantota.
- Amendment to the Extraordinary Gazettes No. 2238/40 dated July 30,2021 and the Gazette Extraordinary No 2224/2 dated April 19, 2021, as amended by Gazette Extraordinary 2235/15 dated July 06, 2021 in respect of Dedicated Textile Manufacturing Zone, in Eravur
- Framework of Coopertion (FOC) between Sri lanka Export Development Board and International Fair-Trade Networks
- Transfer the Former Asset of Dynamic Clothing (PVT) Ltd at Mirijjawila Export Processing Zone to BOI and allocate this Asset to Lucky Industries (PVT) Ltd through BOI
- Re-Activation of the scheme for registration of Exporters of Sri Lanka Export Development Board
- Amendments to the Colombo Port City Economic Commission Act No 11 of 2021

7. Progress of the Implementation of Budget Proposals

In order to create a business-friendly environment in Sri Lanka, it is necessary to take measures to simplify and streamline the existing procedures more efficiently, reduce costs, procedures and time and increase transparency. A sum of Rs.200 million has been allocated to the Ministry of Investment Promotion for the year 2023 to introduce necessary reforms.

The Presidential Secretariat appointed 08 Task Forces on 31.08.2022 to develop priority institutional systems and identify reforms under an expedited program in a one-year time frame. Action plans have already been prepared and these plans are being implemented by the stakeholder institutions.

Accordingly, an allocation of Rs.39.1 million has been released to the establishment of a Commercial High Court proposed to be implemented by the Ministry of Justice, Prison Affairs and Constitutional Reforms and its procurement process has already been commenced.

A sum of Rs.49.5 million has been released to the Survey Department for property registration and construction permits. Digitization program of 100,000 land parcels of old survey plans has been initiated and progress of the establishment of data centers is 75%.

Allocations of Rs.5 million for Urban Development Authority for various tasks such as property registration and issuance of construction permits, Rs.12 million for Registrar General's Department to scan 45,000 folios of Land Registry, Colombo, Rs.5 million for Department of Revenue, Western Province, Rs.27 million for ICTA, Rs.12.2 million to Colombo Municipal Council, Rs.6 million for National Building Research Organization to establish one-stop unit have been released. Procurement activities are being currently carried out.

An allocation of Rs.13.18 million has been released to the Department of Census and Statistics to conduct a survey on the collection of data on small and medium entrepreneurs and survey has been successfully completed and the final report has been prepared so far. Accordingly, Rs.169 million allocations have been released to the relevant institutions.

**Two – day Work Shop to Prepare a Standard Operating Procedure (SOP) for
Investment Facilitation – 29,30.08.2023
Blue Water Hotel- Wadduwa**



**Discussion to Validate the Information for Preparing of Standard Operating
Procedure for Investment Facilitation 21,22.09.2023 – Sri Lanka Institute of
Development Administration**



Key Results Area for 2023 - 2027	Specific Commitments for 2023	Indicator	Progress as at 30.09.2023	Achievement
New foreign investments are attracted to new economic zones in the Western Province, North Western Province, Hambanthota and Trincomalee	1.1 Economic Zones are established and promoted to increase foreign investment in: <ul style="list-style-type: none"> • Bingiriya Manufacturing Zone • Wagawatta Industrial Zone • 1) Pharma Zone - Arabokka • 2) Arabokka Zone Development and 3) MjEPZ 	External infrastructure development of planned zones accelerated in Bingiriya Manufacturing Zone	35%	Consent of the Secretary, MIP was given on 31.08.2023 to re-mobilize by RDA to start critical sections of access road. RDA is following bidding procedures. Valuations are in progress for acquisition of lands for road widening from Thuntota to Wathuwatta
		External infrastructure development of planned zones accelerated in Wagawatta Industrial Zone	40%	RDA has re-mobilized at site and construction of critical sections of access road and construction of lead away drain is in progress
	• Textile Manufacturing Zone in Eravur	Development of planned zones are accelerated in 1) Pharma Zone - Arabokka	10%	Initial water and power requirements are available
		2) Arabokka Zone Development and 3) MjEPZ (provided funds are made available)	15%	Initial water and power requirements are available. Access road is constructed and progress is 60%.
	• New Zones in Eastern Province	Textile Manufacturing Zone in Eravur is accelerated (provided funds are made available)	0%	Cabinet paper has been submitted
		New Zones in Eastern, Northern, North Western & Southern Provinces established (provided funds are made available)		

Amount Allocated - Rs. 300.00 million

Amount Proposed to be Released - Rs. 100.00 million

8. Progress of Other Special Tasks Assigned to the Ministry

- Secretary to the President has appointed a committee consisting of 07 Secretaries to take necessary measures such as, simplifying and streamlining the existing procedures, reducing cost and time and improving transparency in order to create a business - friendly environment for the promotion of foreign direct investment on private sector investment. A workshop was conducted on 29th and 30th August 2023 to prepare the SOPs for the line agencies with the participation of all stakeholder agencies. Validation workshops have been conducted and the report is being prepared.
- Cabinet of Ministers has approved the Cabinet Memorandum on “Selection of Project Proposals for Import of Areca - Nut for Processing and Re- Export”. Accordingly, 15 enterprises were given “provisional approval” to start the process to get as an “Approved Enterprise” fulfilling the criteria. The Cabinet approved “Procedure” for Areca-Nut Processing Industry for Re-Export purpose. Minimum investment which needed to be eligible as an “Approved Enterprise” is USD 500,000. Accordingly, the total minimum investment is estimated to be USD 7,500,000.00. Further a license issuance fee of Rs. 1,000,000 will be charged from an “Approved Enterprise” and an annual fee of Rs. 1,000,000 for the renewal of the license which will be credited to the Consolidated Fund. Estimated revenue from issuance of license is Rs. 15,000,000.00
- In order to facilitate smooth functioning of Areca-nut importing, processing & exporting of enterprises, Sri Lanka Customs developed a guideline within the framework given in the procedure. A joint inspection process is to be arranged with the participation of the particular stakeholders to evaluate the eligibility of enterprises for “Approved Enterprise”.
- The Procedure for importation, processing and Re-Export of selected Spices and Herbs has already been prepared (“Procedure”). As per the “Procedure” a permit is to be issued and re-newed annually for the “Approved Enterprise” which fulfills the eligibility criteria. The permit fee is Rs. 1,000,000.00. The permit fee income is to be credited to the Consolidated Fund. There are 4 companies applied to get approval under this scheme. The proposed investment of the 4 companies as a total is USD 1,946.28Mn. Estimated increase in export revenue from issuance of license is USD76.80 Mn.
- A committee was appointed to evaluate potential tourism sites proposed by the Department of Coastal Conservation & Coastal Resource Management and it has to study and analyze the possibility of developing the sites into tourism areas. The eligible sites to be developed as tourism sites will be promoted to investors under “Invest Sri Lanka” programme of BOI.

- Took the initiative to take a policy decision to allow eligible companies (with existing agreement with BOI & new companies) to grant a flat zero percent (0%) tariff on CIF (Cost, Insurance, and Freight) value when importing brand-new Semi-Knocked-Down (SKD) kits for the assembly of Electric Vehicles with a power rating of up to 500KW, Electric Two Wheelers and Plug-in Hybrid Electric Vehicles (PHEV) with engine capacities of up to 3000cc.
- Took the initiative in offering concessions/facilities by granting importation of one electric rechargeable vehicle, brand new with CIF value not more than US\$ 30,000 on customs duty free basis to encourage re-investment of SL BOI companies.
- As per the instructions given by Cabinet decision No. ୧୦୧/23/0780/601/028 dated 12.06.2023 regarding the Cabinet Memorandum submitted by the President, this Ministry has taken actions to prepare commercial feasibility study with the assistance of all relevant parties, pertaining to the export of Triloka Vijaya Patra and allied products, technical guideline and a regulatory framework with regard to the cultivation of Triloka Vijaya Patra and manufacture of allied products for exportation.
- In order to select investors who are interested in investing for the “export of Triloka Vijaya Patra and allied products” programme a draft comprehensive report to select investors along with selection criteria was prepared.
- In the history of BOI from the period of GCEC BOI never had clear opinion from the Auditor General for various reasons. Hence, Secretary and the Ministry intervened this matter to obtain a clear audit opinion (unqualified opinion) in the year 2022. Accordingly, in 2023, BOI has been received an unqualified opinion for the financial statements of financial year 2022.

9. The following regulations have been made and adopted on the Development of the Colombo Port City as an Attractive Investment – friendly Commercial City

	Rules/ Regulations	Progress as at 30.09.2023
01	Colombo Portcity (Registration of offshore Companies) Regulations No 01 of 2022	The regulation passed by the Parliament on 08.03.2023
02	Colombo Port City (Duty Free Operations) Rules No 01 of 2023	Published in the Extra Ordinary Gazette No 2333/14 dated 22.05.2023 in three languages
03	Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businessess of Strategic Importance) Regulations No 02 of 2023	The regulations passed by the Parliament on 23.08.2023
04	Colombo Port City (Development Control) Regulations No 01 of 2023	The regulations passed by the Parliament on 19.09.2023
04	Colombo Port City (Authorized Persons Engaged in Business) Regulations No.01 of 2023	Sumitted to the Secretary General of the Parliament on 13.09. 2023 for the approval of Parliament

Board of Investment of Sri Lanka

1. Introduction

BOI Sri Lanka is the country's premier government arm for attracting foreign investments into Sri Lanka and engages in promotion and facilitation of investments. While stepping into its 45th Year, the BOI has contributed immensely to the Sri Lankan economy by means of FDI inflow, export earnings, creation of employment opportunities, transfer of advanced technology and skills, infrastructure development, rural development and poverty reduction.

BOI remains as the game changer in transforming Sri Lanka's economy from largely agrarian based towards a modernized, manufacturing and services-oriented economy today.

From inception, BOI has received a cumulative Foreign Direct Investment (FDI) of US\$ 21.5 Bn and currently, there are over 1,500 enterprises operating under BOI of which over 280 enterprises are located within the 15 EPZs managed by BOI. Over 500,000 employees, 18% of the labour force engaged in industrial activities including ICT sector, are working in BOI enterprises including 135,000 workers of the 15 zones.

BOI Corporate Plan 2022-2026

The need for BOI to adopt a new strategy was crucial given the changing dynamics of the global foreign direct investment as well as trends of the local economy. In this light, the BOI strategic framework for the period 2022-2026 was developed keeping true to the vision and mission of BOI, its existing and former performances analyzed against a country's SWOT analysis, with the wider objective of attracting sustainable FDI in line with sustainable development goals.

The Strategy Framework Outlines Goals, Strategies, and Strategic Objectives along with Key Performance Indicators that the BOI team would be working towards over the next five years.

This is a roadmap to attract value-added investments into the thrust areas identified as pivotal for the economic development of the country, and BOI has set attainable investment targets for the 2022-2026 period. This includes increasing the FDI share in the GDP to 2.6%, achieving US\$ 3 bn FDI and increasing BOI's contribution in national export earnings to 70% with US \$ 15 bn export revenue by 2026.

Vision

“To make Sri Lanka the most preferred destination for sustainable investment in Asia”

Mission

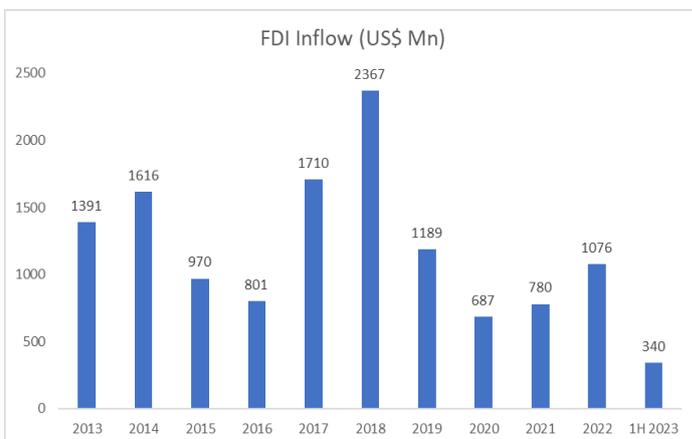
“BOI will work in a positive and speedy manner to fulfil Sri Lanka’s potential to attract and retain quality investment that leads to an enhanced export base, bring more and better jobs, enhance knowledge and skills through new technologies and innovations.”

2. BOI Targets 2022-2026

Indicator	2021	2022	2023	2024	2025	2026
Investment Targets (US\$ Mn)						
Committed FDI	1,747	2,200	2,700	3,300	4,100	5,000
GDP	85	90	96	102	109	116
FDI as a % of GDP	0.9%	1.1%	1.4%	1.7%	2.1%	2.6%
FDI	780	1,000	1,300	1,700	2,300	3,000
Exports (US\$ Bn)						
National Merchandize Exports	12.3	14	15.5	17	18.9	21.0
BOI as a % of National Merchandize Exports	65%	66%	67%	68%	69%	70%
BOI Merchandise Exports	8.0	9.2	10.4	11.6	13.0	14.7
Employment (Nos.)						
Cumulative Employment	520,000	540,000	560,000	580,000	600,000	620,000
Land availability for investments (Acres)						
Existing land availability	3,785	3,935	4,190	4,654	5,004	5,229
Additions from New Zones	150	255	464	350	225	250
TOTAL land availability	3,935	4,190	4,654	5,004	5,229	5,479

3. BOI Contribution to the Economy

i. FDI Inflow (2013-1H/2023)



US\$ 21.5 Bn cumulative FDI inflow from 1978 to 1H/2023

US\$ 340 Mn FDI inflow during 1st Half of 2023

ii. Local Investment



US\$ 8.1 Bn local investment from 2013- 1H/2023

US\$ 259 Mn FDI inflow during 1st Half of 2023

iii. Exports of BOI Enterprises

Annual Exports of BOI enterprises for the year 2022 is US\$ 9,458 Mn amounting to 66% of National Exports and 80% of National Industrial Exports



66%
of National Exports



80%
of National Industrial Exports



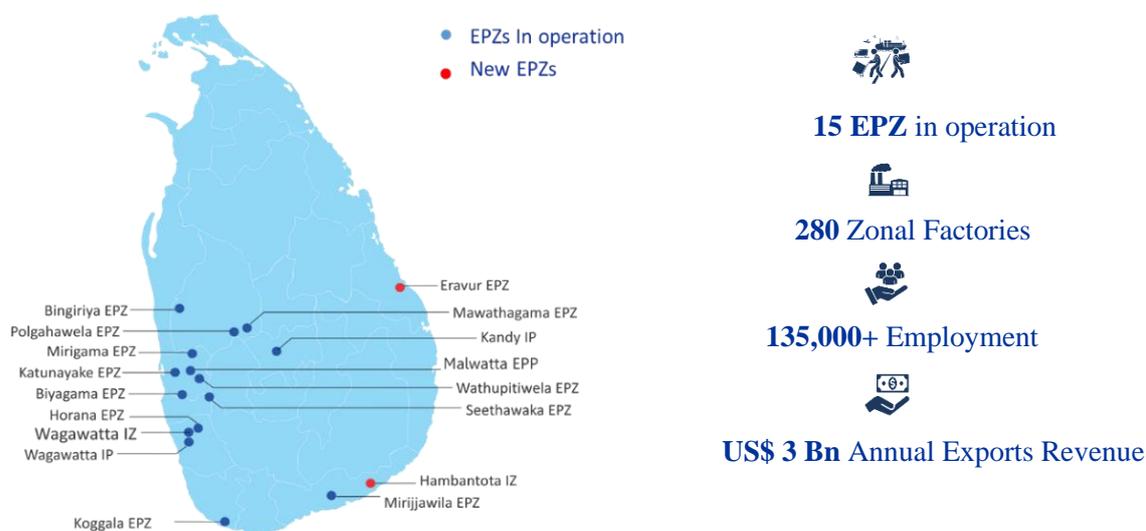
99%
of National Garment &
Textile Exports

iv. Employment Generation by BOI Enterprises

- Over 500,000 cumulative employments of companies operating under BOI
- Represents 18% of the National Labour Force engaged in industrial activities including ICT sector

v. Zone Development

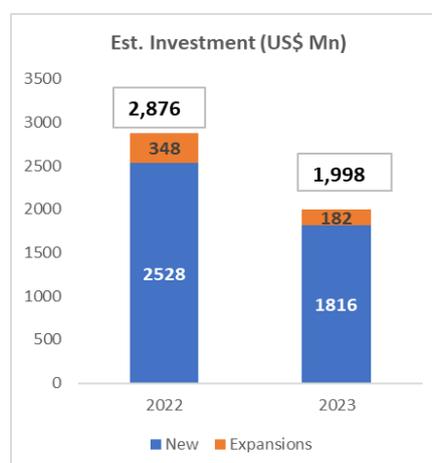
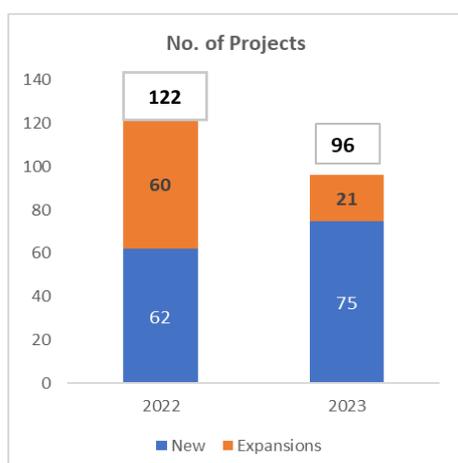
- 15 Export Processing Zones operating under BOI
- Export Processing Zones exclusively for Pharma and Textile Manufacturing under development (Ready to invest)



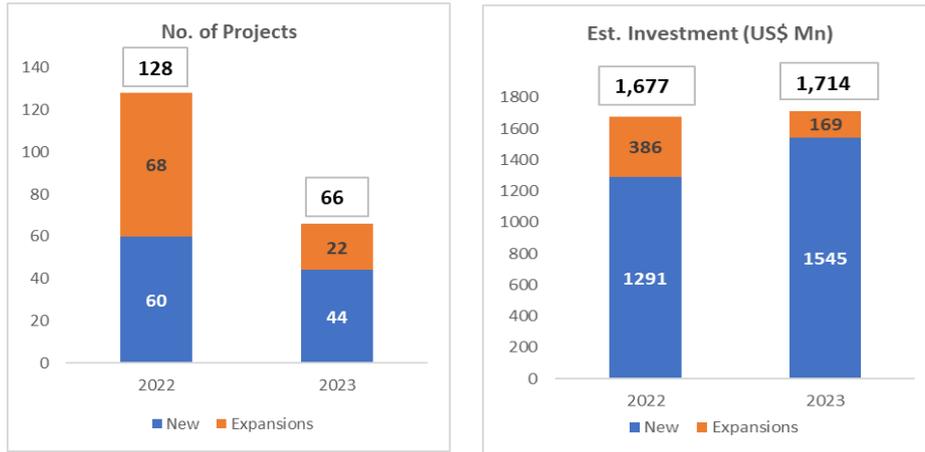
4. Projects Performance during January to September 2023

i. Application Submitted, Approved, Agreement Signed projects

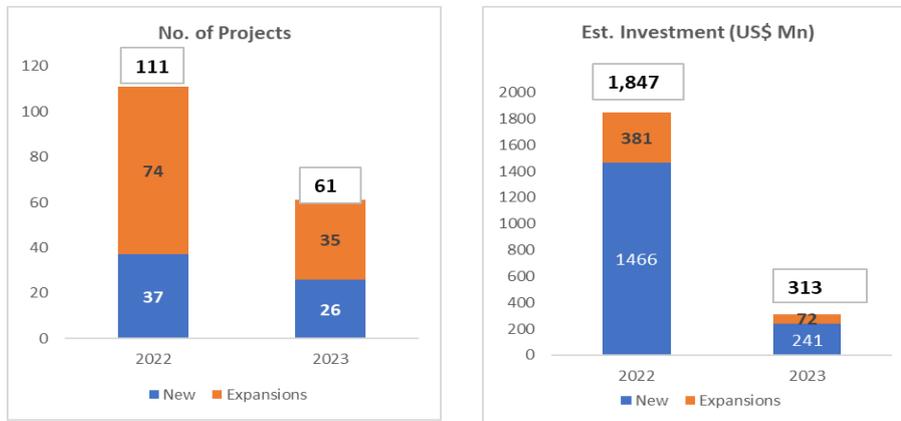
- **Application Submitted (January to September 2023)**



● **Approved (January to September 2023)**

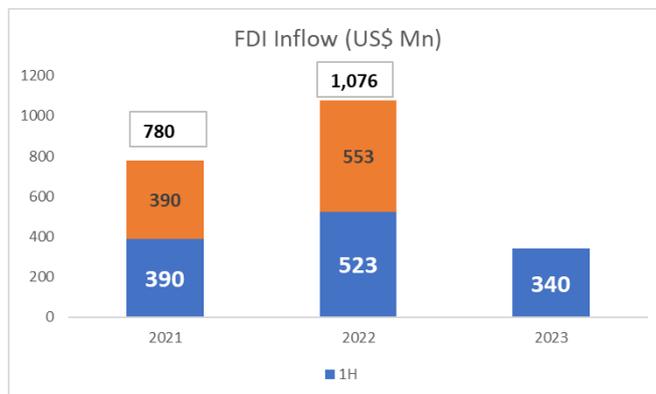


● **Agreement Signed (January to September 2023)**

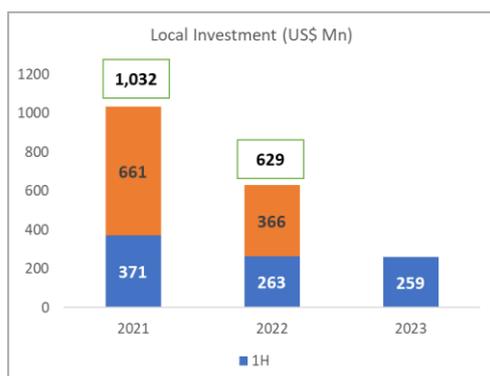


Note: Projects Approved under Section 17 of BOI Law, Includes Cancellations, excluded 4 utility projects applications submitted worth of US\$ 29.9 Bn which are under feasibility studies/awaiting to sign MOUs

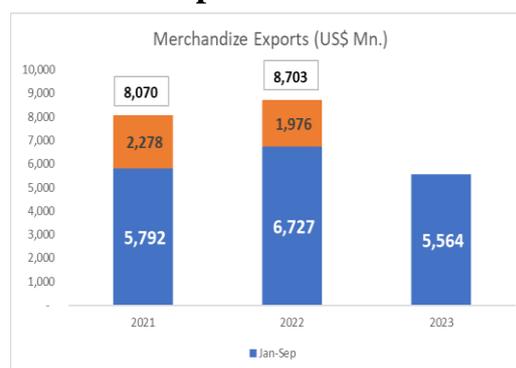
ii. FDI Performance



iii. Local Investment



iv. Export Performance



v. Key Projects Implemented/Commercialized during January to September 2023

35 Projects are being implemented

Present status of the Project	No of Projects
In Commercial Operation	13
Awaiting Commercial Operation	03
Under Construction	08
Commenced Implementation	14

5. Initiatives for Investment Promotion and Facilitation

i. Investor Retention and Expansion Program for Reinvestments of Existing BOI Companies

Considering the possible impact of the economic downturn of the country on attracting FDI from new ventures, the Board of investment of Sri Lanka (BOI) has recognized the importance of encouraging re-investment by existing BOI enterprises as a promising source of FDI into the country. In this regard, being on par with the global trend in focusing more towards attracting re-investments over Greenfield investments, BOI has initiated an effective promotional mechanism to attract more re-investments. Under this initiative, 50 existing companies have been identified as having a great potential for expansions of their existing business ventures.

A special investment incentive package has been introduced including Customs duty exemptions for import of project related items during Project Implementation period and lifetime exemption for raw materials if export oriented, Enhanced Capital Allowance 100%-200% depending on the location of investment, Exemption from import tariff for the importation of one brand new electrical rechargeable vehicle with not more than US\$ 30,000 CIF value per project upon fulfilling the qualifying criteria.

Further, lands in Bingiriya and Mirigama EPZs will be allocated at a concessionary rate for the existing projects that have signed agreements with BOI for expansions during the year 2023 subject to the fulfillment of stipulated qualifying criteria.

ii. 100 BOI IT/ITES Companies Program

With business confidence returning to Sri Lanka with the Extended Fund Facility (EFF) program of the IMF, it is considered timely to undertake a comprehensive investment promotion campaign to identify and facilitate existing ICT companies to expand and attract new companies under 100 IT/ITES companies program coordinated by the BOI. The companies that will be targeted under this program will include those engaged in Information Technology (IT), Business Process Outsourcing (BPO) and Knowledge Process Outsourcing (KPO), Business Process Management (BPM), Data Analytics and AI/ML, and E-commerce.

A special investment incentive package has been introduced including Corporate Income Tax (CIT) Exemptions for Export income under Inland Revenue Law, Customs duty exemptions for import of project related items during Project Implementation period and lifetime exemption for raw materials if export oriented, Enhanced Capital Allowance 100%-200% depending on the location of investment, Exemption from Import tariff for the importation of one brand new electrical rechargeable vehicle with not more than US\$ 30,000 CIF value per project upon fulfilling the qualifying criteria.

iii. Collaboration with USAID

The U.S. Agency for International Development (USAID) is working with the PARTNER project (Partnership for Accelerating Results in Trade, National Expenditure, and Revenue) to increase prosperity, promote inclusive economic growth, bolster Foreign Direct Investment (FDI), and enhance the resilience of the country's resources to shocks and stresses using a variety of approaches. This project is implemented in Sri Lanka by the Deloitte Consultancy LLC. Under the said project, the USAID has agreed to offer BOI the technical assistance and capability building in the following areas and it is expected to start the project in 4th quarter 2023.

- Investment Promotion, Investment Facilitation, Investment Related Research and Policy Advocacy
- Streamlining existing Investment Facilitation Center (IFC) and Investor Facilitation Coordination Committee (IFCC) operations.

- Identification of Investment project models to establish new zones with private sector participation in line with international best practices and preparation of RFI/RFP and other relevant Documents.

iv. Engagement with UNDP

BOI has felt the need to seek support of UNDP for the expeditious facilitation of investment and for the ease of doing business and to smoothen investor operations through enhancing its regulatory processes for expeditious delivery of services.

In this context BOI is collaboratively working with UNDP in the areas in the following areas;

- For improving the existing formats used in BOI Agreements in par with international standards to better facilitate the investors by preparing a compilation of template agreements to facilitate investors and lawyers.
- Digitalization of the BOI approval process, including issuance of Letter of Approval, enabling investment activities to commence expeditiously.
- Capacity building of relevant officers of the BOI on international investment and dispute resolution mechanisms including Alternate Dispute Resolution (ADR) Mechanisms.

v. Collaboration with UNESCAP

UNESCAP has agreed to assist Sri Lanka and the BOI by providing technical expertise and capacity building tailored to enhance the efficiency of conducting functions of BOI, while uplifting the institutional competencies.

In this context the Assistance from the UNESCAP has been requested on the following;

- Technical Assistance in Developing a Promotional Strategy for BOI
- Building Skills on Negotiation of International Investment Agreements
- Support on promoting digital FDI -including both a strategy for attracting it as well as technical assistance to help digitize investment promotion processes.

vi. Process Digitization

Being in line with the government policy to promote digital economy, BOI has identified the importance of prioritizing digitalization, as a key initiative to facilitate investors. In this regard, BOI has initiated a wide array of actions that can be undertaken to facilitate drawing in and retaining investors.

These include online import export documentation, fully automated system for duty free approvals, Online visa recommendation system, and Automated system for Import-Export reconciliation. During the first half of the year 2023, BOI has further developed IT enable systems such as Online automated system to audit imports and exports of BOI enterprises and systems to submit export verifications for online bookings by enterprises.

vii. Promotional Campaigns

Updates on Sri Lanka's economic recovery and upcoming investment opportunities have been the focus of promotional outreach for 2023. Online events to specific markets Thailand (May), Japan (June) India (August) and an event hosted by the International Chamber of Commerce in July mark the major online engagements for the year to date.

Further, outreach was made to potential investors when participating at forums in Saudi Arabia (May), China (June) with regard to the 1st Session of the Saudi Arabia - Sri Lanka Joint Committee and 12th China (Sichuan) South Asia & Southeast Asia Business Leaders' Summit as well as in August 2023 at the Pathfinder Foundation Launch event of the "Report of the Medium and Long-term Strategy for Indo-Japanese Collaboration to support the Economic Transformation of Sri Lanka in New Delhi.

viii. Contribution for Investment and Trade Agreement Negotiations

During Jan-Sep 2023 period, BOI has contributed in several International Investment Agreements (IIA) and Trade Negotiations to facilitate trade and investment with partner countries which include the following;

- Participation in the Negotiations on Sri Lanka - Thailand FTA in 3rd, 4th, 5th & 6th Rounds covering Investment, Services & Rules of Origin Chapters
- Submission of BOI comments on proposed SAARC Regional Investment Treaty (SRIT) and Trade in Services Agreement (SATIS) with SAARC.
- Submission of potential request list for Bangladesh PTA
- Submission of comments on the proposed US TIFA Agreement
- Submission of comments on RCEP investment Chapter

viii. Regulation to Encourage Non-BOI Ventures to Register under BOI

BOI introduced a mechanism whereby existing Non-BOI or Section 16 registered BOI companies are given an opportunity to enter into agreement with BOI under Section 17 of the BOI law, subject to a qualifying criterion in identified sectors. Further, existing local companies, which intend to transfer local shareholding to foreign investors are also considered for exemptions from Customs duty, subject to the qualifying criteria in the identified sectors. Accordingly, an amendment to the BOI Regulation No 2 of 2006 has been published to facilitate this.

6. Progress of Zone Development

i. External Infrastructure (Progress up to the end of September 2023)

Proposal	Implemented by	Planned Activities	Total Estimate (Rs.Mn)	Funds Disbursed (Rs. Mn) Jan - Sep 2023	Physical Progress (%) Up to the end of Sep 2023	Financial Progress (%) Up to the end of Sep. 2023	Achievements (Up to the end of Sep. 2023)
Pharmaceutical Zone – Arabokka Stage I - 200 acre Stage II -200 acre	BOI	Obtaining Water, Power supply and construction of Internal Roads	3093	--	10%	6%	<p><u>Land</u> Land transferred to BOI. Unauthorized farmers in stage II area need to be relocated</p> <p><u>Water Supply</u> Initial Water Supply for construction purposes made available. Procurement process initiated by NWS&DB for permanent Water Supply</p> <p><u>Power Supply</u> 1 MVA construction supply is available. Construction of Power lines for 20 MVA supply completed. Transformer to be installed</p> <p><u>Construction of Internal Roads</u> Construction of gravel roads completed for stage1 (200 acres)</p>
Bingiriya Export Processing Zone Phase I – 157 Acres Phase II – 283 Acres	BOI	Obtaining Water, Power Supply and Construction of Access Roads	4,600	–	40%	30%	<p><u>Water Supply</u> 1500 cum/day supply is available from Chilaw Water supply scheme.</p> <p><u>Power Supply – 2MVA</u> Construction of a 1.5km long HT line and two transformers completed. 2MVA power supply is available.</p>

Proposal	Implemented by	Planned Activities	Total Estimate (Rs.Mn)	Funds Disbursed (Rs. Mn) Jan - Sep 2023	Physical Progress (%) Up to the end of Sep 2023	Financial Progress (%) Up to the end of Sep. 2023	Achievements (Up to the end of Sep. 2023)
							<p>Agreement to be signed with CEB to hand over the physical possession of land to construct a gantry in order to enhance supply upto 10 MVA. Acquisition in progress.</p> <p><u>Construction of Access Roads</u></p> <p>Preparation of Valuation for lands to be acquired for access road widening (from Dummalasuriya to Wathuwatta junction) is in progress jointly by Udubaddawa Divisional Secretariat, Valuation Department and Road Development Authority.</p> <p>Asphalt concreting of road section from Wathuwatta to Hettiyakotuwa – 1.2 km is about 75% completed. Structures within Thuntota to Wathuwatta partly constructed.</p> <p>Consent of Secretary to Ministry has given to RDA on 31.08.2023 to re-mobilize to commence critical units.</p>
Textile Manufacturing Zone – Eravur – (255 Acres)	BOI	Obtaining Water, Power Supply & Construction of Access Roads	4720	--	60%	30%	<p><u>Land</u> Gazette has been published for the declaration as a Licensed Zone.</p> <p><u>Water Supply</u> Construction supply (75 cum/d) available Construction of 225 mm diameter distribution line is in progress</p> <p><u>Power Supply</u> Construction of a gantry has been completed and 10 MVA power supply is available</p> <p><u>Construction of Access Road – 6 km</u></p>

Proposal	Implemented by	Planned Activities	Total Estimate (Rs.Mn)	Funds Disbursed (Rs. Mn) Jan - Sep 2023	Physical Progress (%) Up to the end of Sep 2023	Financial Progress (%) Up to the end of Sep. 2023	Achievements (Up to the end of Sep. 2023)	
							Asphalt laying within the 5.1 km section has been completed. Road widening in rest 1 km to be commenced.	
Area for Heavy Industries at Mirijjawila EPZ (350 Acres)	BOI	Obtaining Water & Power Supply	525	--	--	--	<u>Land</u> Lands are ready to be allocated <u>EIA Study</u> Cumulative impact assessment has been completed	On hold due to restrictions of expenditure
Information Technology Zone – Sooriyawewa (250 ha.)	BOI	Obtaining Water, Power Supply, improvements to Access Road	2400	--	--	--	<u>Water Supply</u> Obtained Estimate for provision of 500 cum/d supply <u>Power Supply</u> Estimates obtained from CEB for 3 MVA supply <u>Improvements to Access Road</u> RDA was informed to prepare estimates	
Industrial Zone, Wagawatta (224 Acres)	BOI	Development of Roads	3180	--	65%	75%	<u>Construction of Access Roads</u> Construction of Wagawatta intersection, Arunagama road and access road to zone boundary is in progress at 65%. Leadaway drain at Arunagama junction is also in progress. <u>Power Supply</u> Construction of a Grid Substation – 90% completed	

Proposal	Implemented by	Planned Activities	Total Estimate (Rs.Mn)	Funds Disbursed (Rs. Mn) Jan - Sep 2023	Physical Progress (%) Up to the end of Sep 2023	Financial Progress (%) Up to the end of Sep. 2023	Achievements (Up to the end of Sep. 2023)	
Electronic & Electrical Equipment Manufacturing Zone – Keragala, Gampaha (125 Acres)	BOI	Obtaining Water, Power Supply & Development of Access Road	1950	--	--	--	<u>Water Supply</u> 1000 cum/d estimate obtained from NWS&DB for a sum of Rs.206 mn. <u>Power Supply</u> CEB was requested to prepare estimates <u>Development of Access Road</u> Estimate obtained from RDA for a sum of Rs. 400 mn including designs.	On hold due to restrictions of expenditure
Information Technology Park – Kandy (14 Acres)	BOI	Obtaining Water, Power Supply, Development of Access Road	205	--	--	--	<u>Acquisition of Land</u> Land has been transferred to BOI. <u>Water Supply</u> NWS&DB was requested to prepare estimates for a 300 cum/day supply <u>Power Supply</u> CEB was requested to prepare estimates for a 5 MVA supply	On hold due to restrictions of expenditure

Construction of Access Roads to Textile Manufacturing Zone at Eravur



Section with Asphalt Layer



Land Filling Jay Jay Mills

Construction of Access Roads to Bingiriya Export Processing Zone



Four Lane Road at the Entrance to the EPZ



Internal Road within EPZ

Enterprises Established within Bingiriya Export Processing Zone



Shanghai Dongxia



Synergy Pharmaceuticals

Enterprises Established within Bingiriya Export Processing Zone



Empire Feed Mill



Phylochem Ltd

Construction of Access Roads to Wagawatta Industrial Zone



Asphalt overlaying of Wagawatta Road

ii. Internal Infrastructure

Proposal	Implemented by	Planned Activities	Revised Funds allocated for year 2023 by BOI capital Budget (Rs.Mn)	Physical Progress (%) Up to Sep 2023	Financial Progress (%) Up to Sep2023	Remarks
Pharmaceutical Zone – Arabokka (400 Acres)	BOI	1.Jungle clearing	2	0%	0%	Jungle Clearing (Phase I) - Completed Jungle clearing (Phase II) – Estimating
		2.Construction of Internal Roads	0	0	0	Preliminary Gravel roads construction - completed Gravel roads construction (stage II) & Asphalt paving in 1km- Estimating
		3.Fencing	4	0%	0%	Estimate being scrutinized
Bingiriya Export Processing Zone Phase I – 157 Acres Phase II – 283 Acres	BOI	1.Supply & Laying internal water distribution	38	99%	95%	work completed
		2. Surfacing of internal road including culvert	15	0	0	Procurement in progress
		3.Power Supply to water pump house	1.	100%	100%	work completed
		4..Land Acquisition for Road construction and CEB Gantry	5	60%	0%	Land for CEB Gantry- Physical possession available Land for Road Construction - one section possession is available and other section is still under public hearing
Textile Manufacturin	BOI	1.Construction of roads	40.0	60%	26%	Preliminary roads construction (Stage I) – Completed Preliminary roads construction (Stage II) - completed

Proposal	Implemented by	Planned Activities	Revised Funds allocated for year 2023 by BOI capital Budget (Rs.Mn)	Physical Progress (%) Up to Sep 2023	Financial Progress (%) Up to Sep2023	Remarks
g Zone – Eravur – (255 Acres)						Construction of internal road (surfacing) – Estimating
		2. Construction of fence	90	25%	8%	Fencing (Stage I) - Invite the bids Fencing (55.28 Acres) – work in progress (60% completed)
		3. Water Supply Connection	2	100%	95%	Internal distribution (temporary line) -completed
		4 Wastewater Treatment Plant and collection network	140	0	0	Wastewater Treatment Plant –revised the initial scope and redesigning to be commenced. Collection network - design review in progress.
		5. Power supply (LT line)	13	0	0	CEB estimate received.

Progress of Pharmaceutical Manufacturing Zone at Arabokka, Hambantota



Gavel Road Construction

Progress of Bingiriya Export Processing Zone



Construction of Roads



Chain Link Fence

Progress of Textile Manufacturing Zone, Eravur, Batticaloa



Construction of Roads



Internal Power Supply

7. Financial Performance Report for the Period Ended 30.09.2023

	Note	2023	2022	VARIANCE	
		Rs.	Rs.	Rs.	%
Revenue	I	5,806,025,830	4,258,776,403	1,547,249,427	36
Reduced costs					
Operating Expenses	II	276,187,602	215,929,290	(60,258,312)	(28)
Administrative Expenses	III	2,524,553,638	2,456,361,010	(68,192,628)	(3)
Government Levies	IV	394,434,390	88,848,317	(305,586,073)	(344)
Other Expenses	V	18,539,333	24,063,615	5,524,282	23
Total Operating Expenses		3,213,714,963	2,785,202,232	(428,512,731)	(15)
Surplus from Operating Activities		2,592,310,867	1,473,574,171	1,118,736,696	76
Finance Income		2,127,031,205	809,190,690	1,317,840,515	163
Finance Expenses		3,691,171	5,459,753	1,768,582	32
Net Finance Income	VI	2,223,340,034	803,730,937	1,419,609,097	177
Surplus Before Taxation		4,815,650,901	2,277,305,108	2,538,345,793	111
Tax Expenses		593,874,987	194,225,766	(399,649,221)	(206)
Surplus for the Period		4,221,775,914	2,083,079,342	2,138,696,572	103
Other Comprehensive Income					
Less: Actuarial Gain/(Loss) on Obligation		(3,873,232)	61,166,487	(65,039,719)	(106)
Total Comprehensive Income		4,217,902,682	2,144,245,829	2,073,656,853	97

8. Challenges

- Fund allocation for external infrastructure development

External infrastructure such as water, power and access roads up to the zonal boundary of proposed zones are required to be developed with the funds allocated by the relevant line ministries.

- Absence of a competitive tax offering on par with investment incentives offered by regional peer countries has become a challenge for attraction of investments.

- Policy Changes

Policy changes introduced from time to time have created uncertainty on the investment climate of Sri Lanka among the investment community.

- External Approvals

Obtaining approvals from line agencies within a predictable timeframe

- Industrial Sites

Lack of readily available lands with related infrastructure for immediate allocation for investment projects

9. Future Plans (2024)

As envisaged in the BOI Corporate Plan 2022-2026, the BOI targets set for 2024 is as follows;

	2024 (Target)
Committed FDI US\$ Mn	3,300
Realized FDI (US\$ Mn)	1,700
Exports by BOI companies (US\$ Mn)	11,600 (Merchandise Exports)
Cumulative employment of BOI companies	580,000
Land Availability for Investments	350 Acres additional land developed for investments

Sri Lanka Export Development Board

1. Introduction

The Sri Lanka Export Development Board (EDB) is Sri Lanka's premier organization for the development and promotion of exports and was established in 1979 under the Sri Lanka Export Development Act No. 40. The EDB adopted a new strategic approach in developing and promoting exports of Sri Lanka with the objective of achieving foreign exchange earnings of US\$ 18.8 Bn from merchandise and services exports in 2023 and thereby contributing to the development objectives set out by the Government. The EDB plays its roles as Policy Advisor, Monitor, Promoter, Facilitator and Knowledge Provider in carrying out its responsibilities on implementing the new strategy for achieving National Export Targets.

Vision

Position Sri Lanka as a Prominent Export Hub for exclusive Products & Services

Mission

Enabling Sri Lanka's Exports to be globally competitive through Strategic collaboration

Functions of the EDB

As a Government Agency responsible for the export development and promotion of Sri Lanka, we perform the following functions:

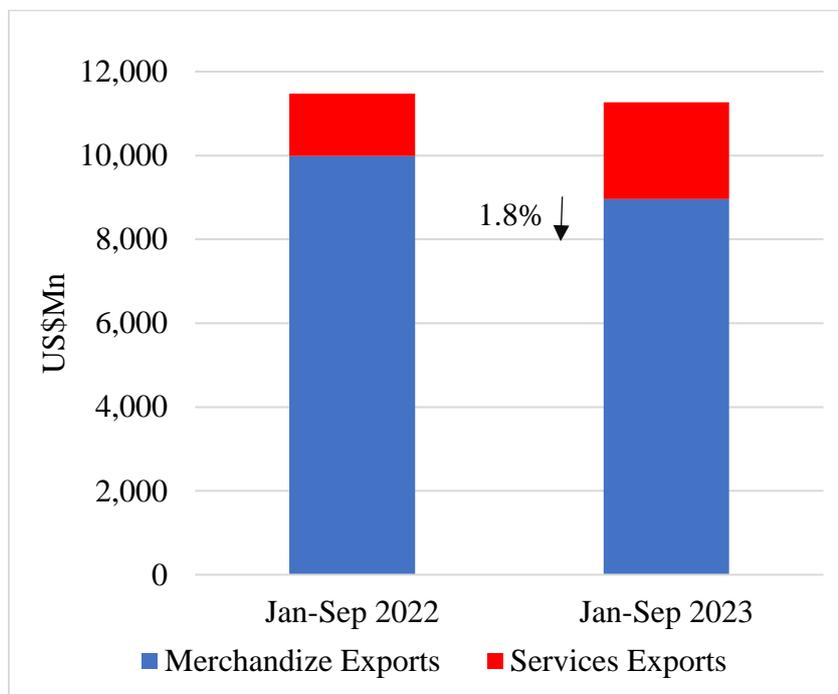
- **Facilitator** - Serving as the focal point of export development, facilitating and coordinating export development activities with all stakeholders
- **Promoter** - Implementing product, design, brand, market development & market promotional programmes to promote Sri Lanka's products and services
- **Knowledge Provider** - Providing advisory services and information with regard to all aspects of the export business and up to date market intelligence to the exporters
- **Monitor** - Evaluate Global & local business environment and monitor the export performance and taking appropriate measures to reach export targets.
- **Policy Adviser** - Advising the Government on national export development policies to create a conducive environment for exports

2. Export Performance- January to September 2023

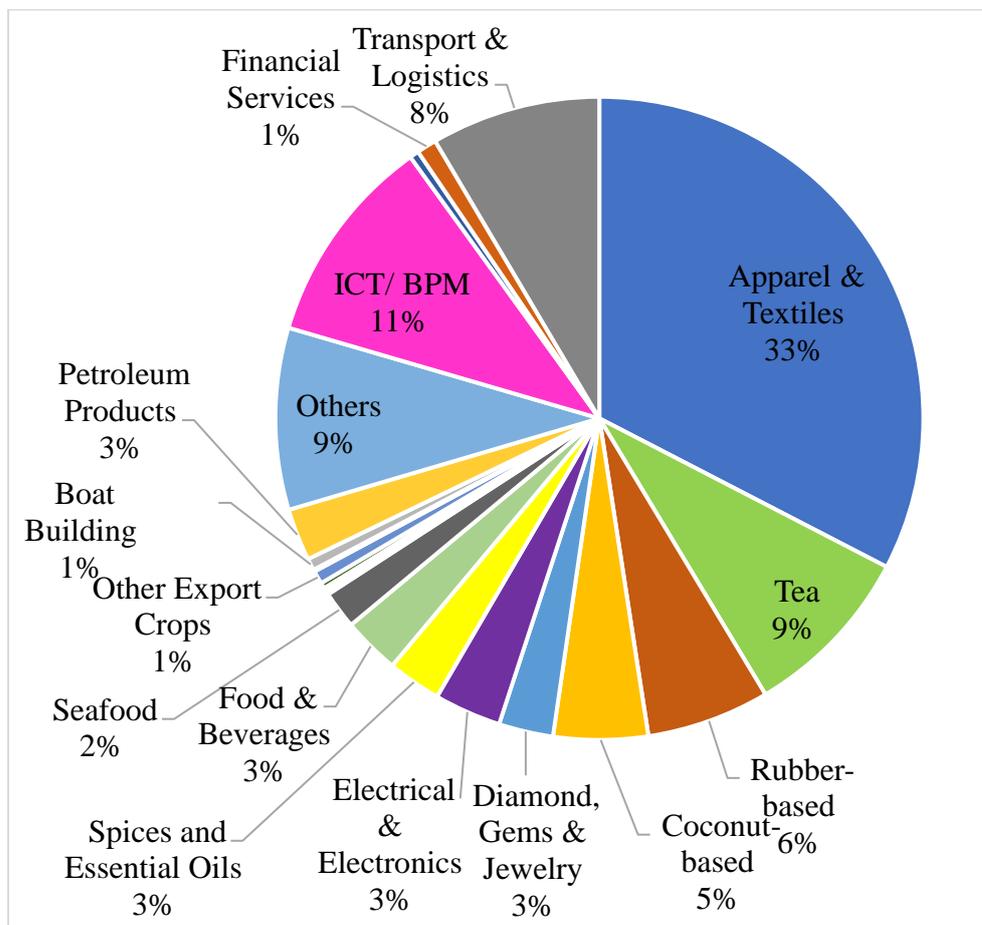
Sri Lanka's merchandise exports decreased by 10.31 % to US\$ 8,961.62 Million during the period of January to September 2023 compared to the corresponding period of 2022 as per the data obtained from the Sri Lanka Customs. The decline in merchandise exports is due to external and internal factors including decreased demand for export products, particularly in sectors such as Apparel & Textiles, Rubber & Rubber-based products and Coconut & Coconut-based products in mainly EU and USA markets, increase in cost of production, etc.

The total export earnings for the period of January to September 2023 was recorded as US\$ 11.27 Bn, comprising US\$ 8.96 Bn from merchandize exports and US\$ 2.30 Bn exports of services.

It is a 1.80 % decrease when compared to the value recorded in January to September 2022.



2.1 Composition of Sri Lanka's Exports during the period of January – September 2023

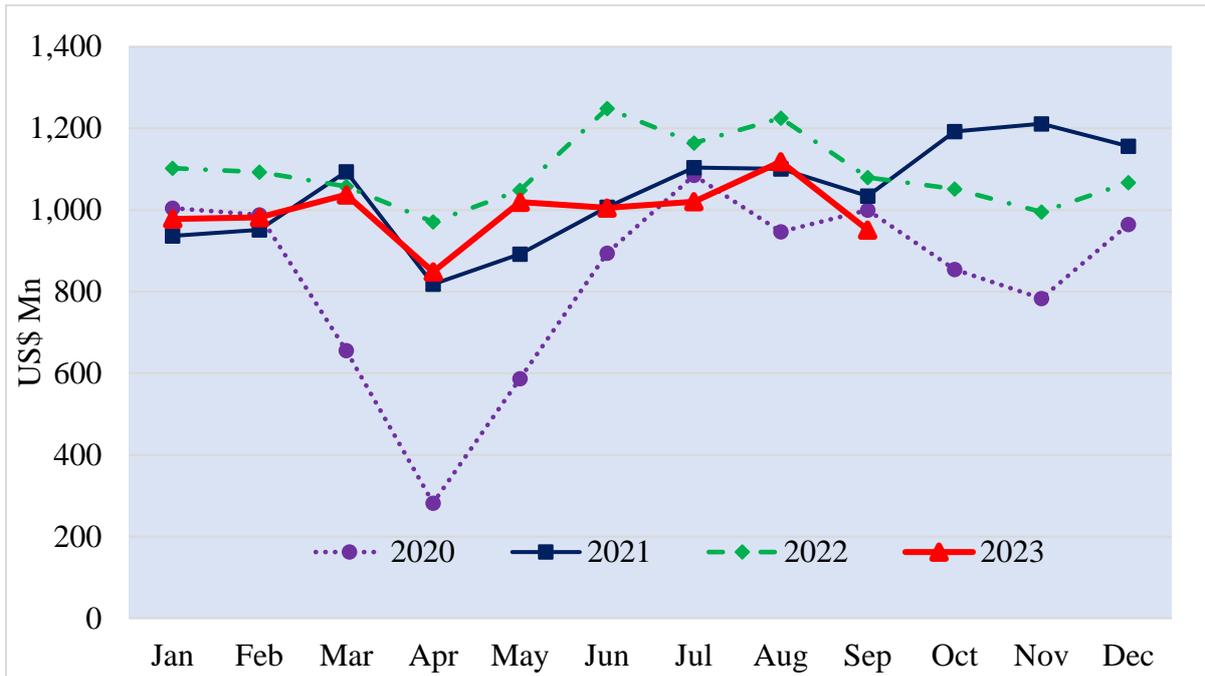


2.2 Monthly Merchandize Exports of Sri Lanka, September 2023

Sri Lanka's merchandise exports decreased by 11.88 % to US\$ 951.5 Million in September 2023 compared to September 2022 as per the provisional data released by the Sri Lanka Customs. Also, it is a 14.94 % decrease when compared to the value recorded in August 2023.

This declining of merchandise exports is also due to the reduced demand shown in export products specially in Apparel & Textiles, Rubber & Rubber based products and Coconut & Coconut based products and in export markets specially in USA, United Kingdom, Germany and Netherlands.

Monthly Merchandise Export Performance, 2020 – September 2023 (US\$ Mn)



Sources: Central Bank of Sri Lanka, Sri Lanka Customs & Export Development Board

2.3 Sector-wise Export Performance for the Period of January to September 2022 & 2023

Product	Exports Jan-Sept 2022 (US\$ Mn)	Exports Jan-Sept 2023 (US\$ Mn)	Growth %
Apparel & Textiles	4,562.68	3,677.38	-19.40
Tea	937.13	990.31	5.67
Rubber & Rubber Based	787.87	692.16	-12.15
Coconut & Coconut Based	638.58	530.99	-16.85
Diamond, Gems & Jewelry	293.69	306.13	4.24
Electrical & Electronic Components	354.45	376.69	6.27
Spices and Essential Oils	275.24	302.68	9.97
Food & Beverages	319.2	322.32	0.98
Seafood	220.86	212.40	-3.83
Ornamental Fish	15.55	19.44	25.02
Vegetables	20.56	21.59	5.01
Fruits & Nuts	27.14	32.31	19.05
Other Export Crops	74.38	74.62	0.32

Product	Exports Jan-Sept 2022 (US\$ Mn)	Exports Jan-Sept 2023 (US\$ Mn)	Growth %
Flowers & Foliage	11.40	11.07	-2.89
Boat Building	6.61	67.25	917.40
Petroleum Products	140.95	294.81	109.16
Other Merchandize Exports	1,305.66	1,029.47	-21.15
Total Merchandize Exports	9,991.95	8,961.62	-10.31
ICT/ BPM	858.27	1,187.98	38.42
Construction	5.81	51.60	787.86
Financial Services	67.35	112.16	66.53
Transport & Logistics	462.33	952.34	105.99
Total Services Exports	1,480.15	2,304.1	55.67
Total Goods & Services Exports	11,472.10	11,265.70	-1.80

2.4 Export of Services January- September 2023

The estimated value of services exports for the period of January to September 2023 was US\$ 2,304.1 Mn, increasing 55.67 % over the corresponding period of 2022. The services exports estimated by EDB consists of ICT/BPM, Construction, Financial services and Transport & Logistics.

2.5 Sri Lanka's Top Export Destinations

The following table indicates the comparison of exports to Sri Lanka's top 15 export destinations during the period of January to September 2022 & 2023 and almost 70 % of merchandise exports are concentrated to these top 15 markets.

Among the top 10 export markets, India, Italy, UAE and France have shown a strong performance in the period of January to September 2023 when compared to the corresponding periods in the previous year.

Exports to United States of America decreased by 19.67 % to US\$ 2,074.8 Mn in the period of January to September 2023 compared to the same period in 2022. This decline is mainly owing to the decrease in demand for Apparel, Rubber and Coconut based exports from Sri Lanka due to domestic economic downturn.

	Country	Exports Jan-Sept 2022 (US\$ Mn)	Exports Jan-Sept 2023 (US\$ Mn)	% Growth (22-23)	Export Share (%) Jan-Sept 2023
1	United States	2,582.91	2,074.80	-19.67	23.15
2	United Kingdom	758.93	645.74	-14.91	7.21
3	India	642.03	655.6	2.11	7.32
4	Germany	567.93	438.41	-22.81	4.89
5	Italy	477.24	507.32	6.30	5.66
6	Netherlands	304.93	246.44	-19.18	2.75
7	Canada	281.03	230.00	-18.16	2.57
8	UAE	230.69	279.72	21.25	3.12
9	Belgium	240.22	169.98	-29.24	1.90
10	France	199.88	248.33	24.24	2.77
11	Australia	193.23	169.25	-12.41	1.89
12	China	185.49	176.99	-4.58	1.97
13	Japan	168.74	145.20	-13.95	1.62
14	Bangladesh	161.36	138.77	-14.00	1.55
15	Mexico	143.95	131.66	-8.54	1.47
	Others	2,853.39	2,703.41	-5.26	30.17
	Total	9,991.95	8,961.62	-10.31	100.00

Sources: Central Bank of Sri Lanka, Sri Lanka Customs & Export Development Board

2.6 Exports to FTA Partners

Exports to Free Trade Agreement (FTA) partners accounted for 7.2% of total merchandise exports increased by 2.05 % to US\$ 714.88 Mn during the period of January to September 2023 compared with the corresponding period of previous year.

Exports to India increased by 2.11% and exports to Pakistan increased by 1.32% during the period of January to September 2023 when compared with the corresponding period of 2022.

Increased exports to India led by good export performance of cloves (442.46 %) and other textile articles (76.74 %) and increased exports to Pakistan led by export of other textile articles (87.56 %).

2.7 Sri Lanka's Export Regions

The following table shows the comparison of region wise exports the period of January to September 2023 compared to corresponding period of previous year.

Region	Exports Jan-Sept 2022 (US\$ Mn)	Exports Jan-Sept 2023 (US\$ Mn)	Growth %	Export Share (%) Jan-Sept 2023
United States	2,582.91	2,074.80	-19.67	23.15
European Union (EU) excluding UK	2,292.26	2,044.40	-10.81	22.81
South Asia	943.36	937.71	-0.60	10.46
ASEAN	750.95	818.09	8.94	9.13
CIS Countries	233.98	246.57	5.38	2.75
African Countries	260.58	251.75	-3.39	2.81
Middle East Countries (excl. Cyprus & Egypt)	176.00	185.95	5.65	2.07
Others	2,751.91	2,402.35	-12.70	26.81
Total Merchandise Exports	9,991.95	8,961.62	-10.31	100.00

Sources: Central Bank of Sri Lanka, Sri Lanka Customs & SLEDB

Exports to the European Union (EU) which comprised 21% of Sri Lanka's exports decreased by 10.81 % y-o-y to US\$ 2,044.4 Mn during the period of January to September 2023 compared to the corresponding period of previous year.

During the period of January to September 2023, breakdown of exports to the top five EU markets which accounted for 78 % of Sri Lanka's total exports to the EU were; Germany US\$ 438.41 Mn (decreased by 22.81 %), Italy US\$ 507.32 Mn (increased by 6.3 %), Netherlands US\$ 246.44 Mn (decreased by 19.18 %), Belgium US\$ 169.98 Mn (decreased by 29.24 %) and France US\$ 248.33 Mn. (increased by 24.24 %).

The decrease in Sri Lanka's exports to the EU region during the period of January and September 2023 compared with the corresponding period of previous year, was due to economic conditions, demand fluctuations, trade policies, external influences, changes in consumer preferences and disruptions in supply chains.

3. Progress of the Development Programmes Carried out during the Period of January to September 2023

Expenditure incurred under the key activities of the EDB during the period of January to September 2023 is Rs. 70.14 Mn from the allocated Rs. 250 Mn EDB Development Budget. Furthermore, the National Organic Control Unit received Rs. 14.0 million from GIZ and Rs. 10.34 million of this amount has been utilized during the same period.

Additionally, the Ministry of Industries granted Rs. 3.0 million to the National Packaging Center, and this entire sum was expended between January and September 2023.

Further, Rs. 167.29 Mn was collected as exporter contribution for market development activities.

3.1 Market Development and Branding

3.1.1 Trade Fair Participation – International

- **GULFOOD 2023 Exhibition in Dubai**

The EDB organized Sri Lanka's participation at GULFOOD 2023 exhibition from 20th - 24th February 2023 at the World Trade Centre, Dubai, UAE. GULFOOD is one of the largest Food & Beverage Exhibitions in the world which connect around 5,000 exhibitors and more than 100,000 visitors from over 200 countries.

The objective of Sri Lanka's participation at GULFOOD 2023 was to showcase and promote Sri Lankan Food & Beverage products mainly to the Middle East, Africa, and South Asia (MEASA) region. 28 companies (including 9 SMEs and Lanka Fruits & Vegetables Association) successfully participated at the event exhibiting F & B, coconut, spices, F & V products.

Value of the executed orders so far is around US\$ 6.5 Mn and the orders under negotiation are around US\$ 8.5 Mn.

Further, some participant companies were able to introduce their brands to supermarkets such as Carefore, LuLu, Wetzone Eg-Gourmet Goodness, Plant base, Earth Essence and Tropikal.

- **Sri Lanka participation at Biofach 2023 Exhibition in Germany**



Sri Lanka exports a range of organically certified agriculture products and maintains an excellent reputation among consumers around the globe, demonstrating its great potential as a trustworthy and high-quality supplier to the international organic food market for more than two decades.

Continuing its efforts to enhance Sri Lanka's outstanding position within the industry, the EDB, together with the Import Promotion Desk (IPD), Germany supported the participation of 13 Sri Lankan companies (including 7 SMEs) at the world's leading trade fair BIOFACH 2023 from 14th to 17th February 2023 in Nuremberg, Germany. Four new SME Exporters participated at the event for the first time.

Confirmed business orders around US\$ 2.8 Mn was received and business under negotiation is around US\$ 5.6 Mn. Value of executed orders up to September is US\$ 0.185 Mn.

Currently, 4 Sri Lankan companies out of 7 are negotiating with the EU buyers.

- **Japan IT Week**

The EDB organized participation of 8 Sri Lankan companies at the Japan IT Week 2023 exhibition at Intex, Osaka and Business meetings from 18th - 20th January 2023.

Prior to the event, EDB hosted a market knowledge transferring session for the delegation and the Sri Lanka Embassy in Tokyo facilitated the Business match-making meetings on 16th January 2023 in Tokyo and Osaka. The Tokyo B2B meetings were held at the Shin Open Lab in Minato-ku, Tokyo and 30 Japanese Companies attended the event covering approximately 50 B2B meetings.

During the B2B events, a total of 101 business meetings were successfully arranged. In addition, similar business matchmaking meetings were organized by the Honorary Consulate in Osaka for the 8 Sri Lankan companies with the support of the Osaka Chamber of Commerce,

on 18th January 2023. Value of orders executed is around US\$ 20,000 and orders around US\$ 450,000 are under negotiation.

Participants were able to introduce new products/ software applications Such as Cloud based POS, Smart Grid Middleware, Health Care system, API Monetizer & API Aggregator, Service Transformation Solution, Mobile Application and Computer Games to Central Japan.

- **ICT Spring Luxembourg**

The EDB organized participation of 8 Sri Lankan tech companies including 03 new Start-ups and 05 new SMEs at the ICT Spring Europe and business/ networking meetings in Belgium, Luxembourg and Frankfurt from 26th June to 1st July 2023.

Prior to the event, EDB hosted a pre fair workshop on EU market information, Luxembourg business culture, ethics and preparation of marketing materials, to develop the soft skills of the delegation.

The event comprised of promotional events/ business meetings in three countries. ICT Spring Europe trade exhibition was held in Luxembourg from 29th -30th June. A total of 83 business meetings were held during the above events. Out of those, 12 meetings were arranged in Brussels with 10 Belgian IT companies. One company has secured confirmed business orders worth around US\$ 2,500. Three companies have obtained anticipated orders worth of US\$ 31,300. Other companies are engaged in the follow up work and businesses are expected to materialize within next 06 months.

Moreover, participants had an opportunity to get connected with relevant stakeholders and the Government officials and understanding the startup ecosystem in those countries.

Further, participants were able to meet Sri Lankan company owners living in Luxembourg, who are interested to partner with to capture business leads.

- **Retail Technology Expo 2023 in Sweden & Business meeting in Denmark**

The EDB organized participation of 9 Sri Lankan tech companies at the Retail Technology Expo 2023 exhibition and Business/networking meetings in Gothenburg & Stockholm in Sweden and Sri Lanka Country report release event and network meetings in Copenhagen, Denmark from 29th May to 1st June 2023.

During the business meetings and networking events, 119 business to business meetings were arranged by the mission in three cities Copenhagen, Gothenburg and Stockholm. Three companies have secured business orders worth around US\$ 0.741 Mn and around US\$ 1.062

Mn orders are anticipated annually. Other companies are engaged in the follow up works and businesses are expected to materialize within the next 06 months.

Sri Lanka country report on Sri Lanka ICT Industry released in Denmark on 30th May 2023 to create an awareness on Sri Lankan capabilities among Danish clients.

- **Thaifex Anuga 2023**

The EDB organized participation of 08 Sri Lankan Food and Beverages manufacturing/exporting companies including 05 new/SMEs at the Thaifex 2023 exhibition from 23rd to 27th May 2023 in Thailand. In parallel, 26 B2B meetings were organized with buyers from the countries such as Thailand, China, EU, Japan and Australia.

The participant companies have received 26 confirmed orders worth of US\$ 1.73 Mn and orders worth of US\$ 2.77 Mn are under negotiation.

In addition, participants were able to observe the healthy ready-to-eat meals and snacks industry in Asia Pacific will be the fastest-growing region, with promising opportunities for Sri Lankan F&B companies. Increasing demand for Halal certificates in East Asian market was also observed.

Moreover, it was a good platform to meet Asian buyers (China, Japan, Thailand, India) as well as EU and Australian buyers. Buyers were interested in vegan and clean label products displayed by the Sri Lankan exporters.

- **SIAL Canada 2023**

The EDB organized participation of 12 Sri Lankan exhibitors including 08 new/SMEs at the SIAL Canada 2023 exhibition from 9th to 11th May 2023 in Toronto, Canada.

During the exhibition, six new companies including 3 SMEs were introduced to Canada Market. Further, participants were able to identify new trends for value added coconut kernel products, cinnamon, vegan products, food supplements, low sugar products, natural products, ready-to-eat products, and consumer packs. Market opportunities for Sri Lankan pepper in Canadian restaurants were also identified.

Sethsuwa Ayurveda Hospital (Pvt) Ltd received two opportunities for joint ventures (JVs) viz. collaborating with a Canadian firm to transform Pranajeewa capsule production into nanotechnology and established contacts with new dealers in Canada and the USA.

Confirmed orders valued at US\$ 81,000 were received, and orders totaling 540,700 USD are under negotiation. Discussions have also begun for two joint ventures related to Ayurveda food supplements.

- **International Small and Medium Enterprises Fair (CISMEF) 2023**

The EDB organized participation of 24 Sri Lankan companies representing Spices, Gems & Jewellery, Coconut and Coconut based products, Garment, Tea and Lifestyle product sectors at CISMEF Exhibition in Guangzhou, China held from 27th to 30th June 2023.

Value of spot sales - US \$ 40,700 for products such as Gems and Jewellery, Lifestyle products, Tea, etc, confirmed orders worth US \$ 291,500 for Gems and Jewellery, Coir, Lifestyle products, Tea and 25 inquires received are under negotiation.

Further, 07 new SME participants were able to obtain firsthand information on the Chinese market opportunities available and development required in their existing product range, quality and design along with correct pricing to meet the market requirements.

- **Seoul Food & Hotel Show**

The EDB organized participation of 06 Sri Lankan exhibitors including 05 new companies with 03 SMEs at the Seoul Food & Hotel Show from 30th May to 2nd June 2023 in Seoul, South Korea and orders worth of US\$ 50,000 under negotiation. M/S Gain Holdings (Pvt) Ltd and Southern cinnamon (Pvt) Ltd participated for the first time in an international trade fair through EDB.

Two companies have received opportunity to provide their ingredients (essential oils) for Perfume industry in South Korea. Two companies have received trial order confirmation from Korean side for online shop.

3.1.2 Trade fair participation – Local

The EDB organized participation of SME companies at the following local trade exhibitions.

- **Facets Sri Lanka International Gem & Jewellery Show 7th - 9th January 2023**

Recorded sales and orders over USD 10 Million.

- **Footwear and Leather Fair 2023, 3-5 February 2023**

Organized participation of 07 SME companies.

- **JITF 2023 held in Jaffna, 3-5 March 2023 –**

Organized participation of 10 SME companies.

- **“Made in Sri Lanka” Exhibition, from 31st March to 2nd April 2023**

Organized EDB information booth at the exhibition conducted by NEDA.

3.2 B2B Programmes

With the objectives of creating market linkages and obtaining immediate orders, EDB organized around 32+ B2B meetings with overseas buyers (Coconut based products - 01, Ayurveda products - 01, Seafood - 01, Cut Flowers & Foliage - 01, Tea - 01, Fruits & Vegetables - 01, Apparel - 01, Electronics Components - 04, Gems & Jewellery -01, Rubber based products - 01, Light Engineering - 01, Construction Services - 03, Education Services - 01, IT/ BPM - 01 and Multi products - 12).

Outcomes of the B2B meetings are listed below;

- One company has received an order worth of USD 0.85 Mn for 5 Kg Coir bricks (20 feet container)
- Four Sri Lankan exporters were introduced to an Indian buyer for poonac. One company has been able to secure an order worth of USD 0.35Mn.
- Introduced 8 Desiccated coconut export companies to a Taiwan buyer.
- Introduced 9 Coconut water producing exporters to a UK buyer.
- Introduced 04 Herbal & Ayurveda Companies to a Nepal buyer focusing on EU & UK markets.
- Introduced two Seafood exporters to the Chinese market
- Introduced 03 Gem & Jewellery companies to the Chinese market
- Assisted 04 Construction companies to connect business projects/ meetings in Nepal, Oman, Uganda.
- Conducted Mozambique Webinar Conference with the participation of 50+ Construction companies from both Mozambique and Sri Lanka and connected 4 Sri Lankan Construction companies with the projects in Mozambique. In addition, shared 13 ongoing projects details in Mozambique among the Sri Lankan companies with funding facilities to submit EOIs.
- Connected Sri Lankan University lecturers with Nalanda Buddhist University of Indonesia to serve as lecturers virtually (04 vacancies, 18 applications) and one applicant has already been appointed.
- Introduced 8 Sri Lankan SME IT companies to the Sri Lankan diaspora in Canada. Three companies started business discussions with the support of diaspora.
- EDB organized a women entrepreneur delegation in Bahrain at the request of the Sri Lanka Embassy in Bahrain. 9 Women entrepreneurs participated in the programme coinciding with the International Women's Day from 7th - 11th March 2023 and have conducted series

of meetings and exhibitions in Bahrain. Six positive contacts have been received, Joint Venture opportunity to establish a company in Bahrain and 2 Companies were sent samples to potential buyers during the month of April.

3.3 Branding/ Trademarks/ GI

GI for Ceylon Cinnamon

The programme was initiated to promote exports of Ceylon Cinnamon as GI certified products. Establishment of the control mechanism for GI Cinnamon is in process. 12 district associations were established representing growers, processors, manufacturers and exporters of the value chain in collaboration with Department of Export Agriculture. Members of the associations were trained on GI Specifications and how to implement the Internal control mechanism. Farmer/processor training programmes conducted in Colombo, Badulla, Galle, Matara, Kegalle, Kandy, Gampaha, Kalutara, Hambanthota and Kurunagala for 385 participants.

EDB in collaboration with International Finance Corporation (IFC) and Department of Export Agriculture facilitated to conduct the AGM of the ACCPGI association on 04th August 2023 at the Hotel Kingsbury. Training for the Executive Committee of Association for Ceylon Cinnamon Protected Geographical Indication (ACCPGIA) was held at the EDB in collaboration with Control Union and guide books were handed over to members facilitating Executive Committee members to act as Internal auditors.

Training programme for exporters was conducted on 26th May at the EDB premises with the presence of 35 participants.

The Cinnamon stakeholders who are members of ACCPGI and fulfill the other eligibility criteria can apply to use the ‘PGI Mark’ on value-added Ceylon Cinnamon Packs including Cinnamon cut quills, Cinnamon powder, Cinnamon leaf oil, and Cinnamon bark oil containing 100% Pure Ceylon Cinnamon grown, processed, and manufactured in Sri Lanka.

10 farmer value chains and 35 potential manufacturers were identified to conduct audit and GI certification.

Authenticated Madagascar Cinnamon samples from the High commission of Seychelles for Biological and Chemical analysis were requested for the comparison purposes of Ceylon Cinnamon and Madagascar Cinnamon.

3.4 Market Intelligence

- 48 Market reports finalized and published in the EDB website. <https://www.srilankabusiness.com/exporters/market-profiles/> (Turkey, Iran, Russia, UAE, Iraq, Israel, Saudi Arabia, Jordan, Qatar, Kuwait, Lebanon, Oman, Bahrain, Cyprus, Libya, South Africa, Kenya, Egypt, Ethiopia, Nigeria, Seychelles, Tanzania, Mozambique, Ghana, Morocco, Indonesia, Malaysia, Pakistan, Hong Kong, China, New Zealand, Australia, India, Japan and Singapore, Germany, France, Austria, Italy, Belgium, The Netherlands, Poland, Slovakia, Hungary, Romania & Nepal)
- Market research on Apparel Sector for Japan was done and circulated among the industry. Market research on Canada has been in final stage and market research on Australia is being prepared.
- A market study on value added Cinnamon products was conducted with Euromonitor International under the assistance of IFC.
- Research Study completed on “Challenges and Opportunities for Sri Lankan and Electrical and Electronic Components Sector Exporters in connecting with the Global Value Chains (GVCs) and suggestions to increase exports”.
- With the assistance of Swiss Import Promotion Programme (SIPPO) three market study reports on the opportunities in Swiss and European Market for Value added Textiles/Apparel, Fish & Sea food, Processed Food were prepared. After the webinar, findings of the market study reports were disseminated to the exporters and public through three webinars with the participation of the consultants conducted the research studies. Study reports were published in the EDB web site.
- One report on "Market Entry Requirements for Agriculture products - China, Japan, Australia, Russia and USA." completed and published in the EDB web.

3.5 Market clearance for Sri Lankan products to China

- **Cinnamon**

Finalize the Protocol with General Administration of Customs of Peoples Republic of China (GACC) and the Ministry of Plantation. Final acceptance was received from the Sri Lanka Embassy in Beijing on 11th September 2023. The Ministry of Plantation agreed to sign the protocol. A meeting with the Head of the Department of Plant Quarantine was held on 18th September 2023 at the EDB to discuss all the quarantine issues. Suitable exporters/manufacturers were identified for the 1st stage of factory visits and shared them with the Ministry of Plantation.

- **Seafood**

Fisheries protocol has been proposed for the wild aquatic products sector and GACC has requested details on regulatory materials, and enterprise information to conduct the advance evaluation process by the Chinese experts before conducting the onsite inspection or video inspection.

It is required to submit the duly filled questionnaire and information earliest by the Sri Lankan competent authority, the Department of Fisheries and Aquatic Resources (DFAR) to the GACC through the Sri Lanka Embassy in Beijing. The finalized protocol has already been submitted to the GACC by DFAR with the Sinhala translation.

The Cabinet approval for signing the protocol has been transmitted to the China Embassy by the Ministry on 15th January 2023. Draft remote inspection plan and other information relevant to video inspection have been requested from the Embassy to tentatively make the relevant parties ready. Selected companies and other relevant sites (Fishery Harbours, Boats, Laboratories, etc.) have been inspected by Ministry of Fisheries.

- **Pineapple**

With the assistance of Sri Lanka mission in China, EDB is facilitating to open up the export market for Sri Lankan Pineapple by eliminating non-tariff barriers to access China market. For this purpose, a meeting was conducted with Minister Commercial/ China, National Plant Quarantine Services (NPQS) and Fruits and Vegetables Producers, Processors and Exporters Association and some clarification needed from China side has been submitted through the Embassy.

In this connection, a database of orchards and packing houses for pineapple in consultation with Fruit and Vegetable Association was prepared. Prior Inspection was completed for 08 pineapple orchards and four pack houses together with the officials of NPQS.

Electronic materials for selected orchards and pack houses were sent to the China Authority (GACC) for Video Inspection. The inspection dates are scheduled to be held from 04th - 06th December 2023.

4. Capacity Building/ Training of Exporters

EU market entry facilitation for SME food ingredient manufactures/ exporters in liaison with Import Promotion Desk Germany

- 4 companies were facilitated to participate at Biofach 2023. 60% of financial assistance was provided for 2 SME companies and B2B meetings were conducted for all 4 companies.
- Conducted three (03) Pre fair workshops (PFW) for participants of Biofach (08), SIAL Canada (10), Thaifex (8) and Anuga (12) at the EDB.
- Conducted Training Programme on EU Market Entry in Kandy for 30 participants. 7 potential companies were identified to recommend for next IPD sourcing mission
- 8 SME companies participated at the event 'Flavour of Sri Lanka' organized with the assistance of GIZ in Berlin, Germany.
- Conducted sourcing mission from 11th to 17th July, 2023 and 6 new companies were selected for IPD Programme
- Evaluation meetings were started by IPD virtually for new applicants and 16 were completed.
- Conducted a training programme for 25 EDB officers on organizing attractive Country Pavilions at International Trade Fairs

4.1 Webinar series on Germany's new Act on Corporate Due Diligence

A webinar series was conducted on Germany's new Act on Corporate Due Diligence in Supply Chains in three languages on 21st, 28th and 30th March by the EDB trained officers. Further, EDB collaborated with AHK and UNIDO to organize an awareness session on the German Due Diligence Act. on 25th April, 2023 at Movenpick Hotel.

4.2 Other Webinars/ Seminars/ Workshops

- Organized the webinar with the Sri Lanka missions in overseas and the JAAF to create awareness of the current status of the Sri Lanka apparel sector and requested their support to promote Sri Lanka apparel in non-traditional markets through identified markets (Australia, Canada, Japan, South Korea, Russia and Middle-East)
- Awareness seminar on the "Facilities under TIEP for Agriculture products exporters" was conducted on 08th March 2023 for 69 export companies. Five companies have applied for registrations with Sri Lanka Customs.
- Conducted a webinar on the Sri Lankan Aquaculture sector for 40 participants including participants from foreign countries.

- Training session on Export procedure to China was conducted for 38 Sri Lankan Seafood & Aquaculture companies.
- Webinar on "Seaweed processing and value addition" was conducted for 105 participants.
- Commenced the 163rd Import and Export Procedures Certificate Course on July 08th with the participation of 36 students. Total income received from the course was Rs. 1.1 Mn.
- 94th course on Operational Aspects of International Trade was commenced on 19th of August 23rd with the participation of 40 students. Total income received from the course is Rs.1.3 Mn.
- EDB in collaboration with the Sri Lanka Mission in Brussels, Belgium organized a briefing Session on the EU Strategy on Sustainable and Circular Textile on 20th July 2023, with the assistance of the Textile unit of Directorate General of the International Market of the European Commission. 51 Companies have participated for the programme.

5. Product Development Programmes

5.1 Facilitation of Development of Sustainable Organic Agriculture System in Sri Lanka

43 farmers/ processors/ input producers were selected to assist under the programme to obtain National Organic Standard. A virtual training programme was conducted on Organic Management Plan for selected 43 beneficiaries. Farmer groups including 500 farmers were selected to introduce International Organic Standard.

Conducted a press conference in Colombo to introduce the National Organic Certification Mark, followed by publication of 15 newsletters dedicated to promote and spread awareness on the Certification Mark.

The automated stakeholder registration system was launched with the financial support of GIZ and technical assistance from ITC. Eight certificates have been issued to stakeholders as part of this effort.

Additionally, a website “ www.nocu.lk” was developed its official launch ceremony held on 22nd September 2023. This website development was done through the project support to Small and Medium Enterprises in the Organic Agriculture Sector in Sri Lanka which was jointly co-financed by the EU and BMZ implemented by GIZ Sri Lanka.

5.2 Reactivation of the National Packaging Center (NPC)

- The National Packaging Centre (NPC) has permanently been established in EDB premises to support the growth of the local manufacturing industry in Sri Lanka. Moreover, a packaging design display unit has also been inaugurated to showcase innovative packaging designed locally by using indigenous packing materials.
- 10 experts from different fields of packaging were identified and their profiles are being evaluated to submit for Board Approval.
- Conducted awareness programme for 150 individuals on craft packaging for local and Export Market at the Crafting Ceylon Exhibition held on 23rd & 24th March 2023 at BMICH
- Conducted awareness programme for Spice Sector on 08th June 2023.
- Conducted 08 awareness sessions on Packaging at the EDB Open Day Programme on 15th June 2023.
- Conducted virtual awareness programme on Packaging at “Industry exhibition 2023”.
- Conducted awareness session on Packaging for 43 Potential Exporters and SMEs in Matara district.
- Initiated discussions to reduce post-harvest losses for Fruits & Vegetables during Transportation in coordination with Sri Lanka Railway.

6. Facilitate SME Development for Exports

The EDB under the New Exporter Development Programme (NEDP) conducted series of awareness workshops, producer-exporter link up programmes, product/ supply development programmes and market exposure programmes for entrepreneurs in the regions with the objective of developing new exporters and creating awareness on opportunities in the export market.

- 200 SMEs have been identified and classified according to relevant sectors. Evaluation interviews for 140 agriculture-based & Industrial product-based SMEs were conducted during April-July 2023.
- 20 SME companies were trained on Packaging Development in collaboration with USAID, UNIDO & ITI on 27th & 28th April 2023.
- Arrangements were made for 43 regional SME companies (Galle, Jaffna, Kandy) to participate at a workshop organized by UNIDO in collaboration with FAO on "Quality – for Small and Medium-Sized Enterprises ensuring the demand for the NQI services" held on 28th March, 4th April & 27th April 2023.

- Conducted a feasibility study to implement a Kolapath (Arecanut leaf based) based product to develop a supply base with Shigen Exports (Pvt) Ltd to meet the export order to Japan.
- Conducted a B2B meeting for handicraft products in NWP/NCP on 2nd June 2023 with the participation of 07 companies and linked exporter.
- Conducted an open day for Potential Exporters/ Export ready SMEs/ Entrepreneurs on 15th June 2023 and approx. 900+ persons attended the programme. Follow up is being done with the identified persons. Linked 13 SME companies with the exporters as a follow up of the Open Day programme.
- Organized following programmes for Women-Led Businesses on 3rd, 15th and 18th March 2023 in collaboration with Print care Pvt Ltd (Slick) to coincide with International Women's Day.
 - Conducted a two-hour knowledge sharing virtual workshop on 'Branding through Packaging' on 3rd March 2023 for 54 women entrepreneurs.
 - The awarding ceremony and mini exhibition held on 18th March 2023 at EDB and 6 winners were awarded certificates and prizes by the Print care Pvt Ltd (Slick)

7. Export Related Publications

- The Business Lanka Magazine under the theme of "Sailing Around Sri Lanka's Blue Economy" is in the process of compilation.
- The statistical publication of EDB "Export Performance Indicators 2022" was published in the EDB web site with access for online purchasing.

8. E-Marketplace - Online Promotion of Sri Lankan Products & Services

With the objective of increasing market access, B2B and B2C transactions and facilitating SME's & entrepreneurs to get into E Commerce, the EDB has promoted its website www.srilankabusiness.com as the national gateway for exports of Sri Lankan products and services.

9. Proposed Action Plan - 2024

Proposed Projects to be included into the National Budget 2021

	Project	Estimated Budget 2024 (Rs. Mn)
01	Promotion Programme of Sri Lankan Small and Medium IT companies in the Japanese market	0.50 + (27.0 JICA)
02	New Exporter Development Programme (2024-2028)	32.00
03	Export Oriented One Village One Product Project (2024-2026)	117.50
04	Development of Regional Export Strategy (RES) (2024-2025)	60.00
05	Project for International Market through Value Chain Development of Export Agriculture Crops in Sri Lanka (2024-2026)	5.00 + (225.0 JICA)
06	Implementation of the National Export Brand Promotional Plan (2024-2027)	40.00
07	Development & Promotion of Exports	350.00
	Total	605.00

Development & Promotion of Exports

		Estimated Budget 2024 (Rs. Mn)
01	Market Development & Promotion <ul style="list-style-type: none"> ▪ Organize SME participation at International/ local Trade Exhibitions, Road Shows, B2B/ B2C Meetings, etc. ▪ Market Research/ Market Studies/ Market Intelligence/ etc. ▪ Branding/ Trademarks/ GI/ Certifications, etc. 	175.00
02	Exporter Facilitation <ul style="list-style-type: none"> ▪ Product Development/ Improvement ▪ Capacity Building ▪ Resolving issues related to the Export Sector ▪ SME/ New Exporter Development ▪ Awareness Seminars/ Webinars/ Certificate Courses 	150.00
03	Information Technology Support	8.00
04	Human Resources Management	6.00
05	Policy & Strategic Planning	6.00
06	Procurement	5.00
	Total	350.00

Colombo Port City Economic Commission

1. Introduction

1.1 Colombo Port City Special Economic Zone

This Special Economic Zone, otherwise known as Colombo Port City, is Sri Lanka's first master-planned township, developed in consultation with Surbana Jurong (Singapore) and SWECO (Sweden). The masterplan envisages a gross floor area of 6.3 million sqm across the marketable land extent of 178 hectares upon completion of development across commercial, residential, retail, hospitality, and other mixed development uses.

The township will be built within the premises of a reclaimed land area of 269 hectares, which according to the master plan has been divided into five distinct precincts. The well-planned township includes five (05) distinct districts - Island Living, Central Park Living, International Island, Financial District, and the Marina.

The Project Company, CHEC Port City Colombo (Pvt) Limited, a subsidiary of China Communication Construction Company (CCCC) a Fortune Global 500 listed Company in Hong Kong and Shanghai - handles land reclamation, and continues to develop infrastructure including roads, parks, waterways, the beach, utilities and other services relating to ground infrastructure development.

1.2 Colombo Port City Economic Commission

The Colombo Port City Economic Commission (Commission) Act (CPCEC Act), No. 11 of 2021 was passed in the parliament in May 2021, with a modern legal framework and attractive regulations focused on ease of doing business.

The Colombo Port City Economic Commission remains the authority with vested power to manage and operate the Colombo Port City (CPC) Special Economic Zone (SEZ), where the act empowers the appointed Commission to grant registrations, licences, authorizations and other approvals to carry out businesses and other activities in and from the Colombo Port City Special Economic Zone.

The Commission acts as a single window investment facilitator for the promotion of ease of doing business within the Special Economic Zone, in creating a business-enabling environment, with the authorization to determine and grant incentives and exemptions for the promotion of businesses of

strategic importance within the zone, as the pioneering multi-currency export services and trading hub in the region.

The Commission aims to promote and facilitate international trade, shipping logistic operations, offshore banking and financial services, information technology and business process outsourcing, corporate headquarters operations, regional distribution operations, tourism, and other ancillary services that help the rapid development of the country through increased economic activity. This will facilitate the diversification of the service economy, promote the inflow of foreign exchange, and generate both direct and indirect employment opportunities through the Zone.

1.3 Colombo Port City Economic Commission Objectives

As stated under the CPCEC Act, there are objectives for the Commission to achieve, as given below.

- Promoting Colombo Port City as a leading Special Economic Zone in the region.
- Attracting enhanced Foreign Direct Investments (FDIs) to the country.
- Creating a safe and conducive business environment, facilitating the ease of doing business in Colombo Port City and maintaining the Ease of Doing Business at a similar level to other attractive economic zones.
- Ensure ease of transacting its business operations and administration efficiently, reliably, and transparently to enhance investor confidence.
- Encourage and promote global and regional investments in international trade, shipping logistics operations offshore banking and finance, information technology and business process outsourcing, corporate headquarters operations, regional distribution operations, tourism, and other ancillary services.
- Promote and develop innovation and entrepreneurship.
- Promote tourism and ancillary services by facilitating duty-free shopping, entertainment, and other similar facilities.
- Generate employment opportunities.
- Promote sustainable development.
- Promote urban amenity operations with the settlement of a residential community within the area of authority of Colombo Port City.

2. Performance

2.1 Legal Progress

During this period, the Commission achieved significant legal milestones that underscore its commitment to creating a robust business environment within Colombo Port City:

- The Colombo Port City Duty-Free Operations Rules, No. 01 of 2023, were officially published in the Gazette on May 22nd, 2023, as reference number 2333/14.
- A collaboration was established between the Commission and Ceylon Chamber of Commerce (CCC)-Institute for the Development of Commercial Law and Practice (ICLP) International ADR Center (Guarantee) Limited (IADRC), designating IADRC to provide Alternate Dispute Resolution Services within the jurisdiction of Colombo Port City.
- The revised Colombo Port City Development Control Regulations (DCR), which regulate all construction activities within the area of authority of Colombo Port City, was published in the extraordinary gazette No 2334/47 on June 02nd, 2023.
- The Authorised Persons Engaged in Business Regulations was published by Extraordinary Gazette No. 2339/31 on July 07th, 2023.
- The granting of exemptions or incentives to businesses designated as Businesses of Strategic Importance (BSI), was published by Extraordinary Gazette No. 2343/60, on August 04th, 2023.
- The Cabinet approved Duty-Free operations and designate the Duty-Free mall operator and Duty-Free retailers as Businesses of Strategic Importance.

2.2 Commercial Progress

Several commercial achievements were realized during this period, indicating progress and forward momentum within Colombo Port City:

- These Key players, including Port City Duty-Free Private Limited (a subsidiary of CHEC Port City Private Limited) and Duty-Free Retail operator One World Duty-Free (ODF) Pte, were officially inducted as Authorized Persons (AP), with associated licensing terms.
- Interior work on the Duty-Free Mall advanced, with site location handovers to retail operators anticipated to commence in December 2023.
- To facilitate efficient Customs matters, a dedicated 5-member executive team from Sri Lankan Customs was appointed, overseeing goods import, clearance procedures, and Duty-Free operation compliance via a Customs Standard Operating Procedure.

- The Colombo Port City preliminary approval from the Civil Aviation Authority was secured for the creation of a Duty-Free Mall passenger departure checking-in facility, with discussions ongoing to finalize processes and commercials through collaboration with relevant stakeholders.
- An Agreement to Lease was entered into with Asiri Port City Hospital (Private) Limited, for the execution of the Indenture of Lease and Investor Agreement, subject to fulfilling specific conditions precedent.

2.3 Engineering Progress

- The engineering segment of Colombo Port City witnessed progress, contributing to its overall development. The regulations governing Apartment Ownership and Condominium Management were drafted and ready to be submitted to the Ministry of Investment Promotion for publication.
- Site inspections were conducted addressing infrastructure development issues identified in Phase I through collaboration with the Jointly Appointed Employer's Quality Representative and Project Monitoring Unit.
- The development of the ground infrastructure for the Colombo Port City project has reached 83% completion of the phase 1 milestone, encompassing utilities and services necessary for investors to initiate their 'plug-and-play' model for Primary Investors, where we anticipate achieving 100% completion by June 2024, of Phase 1.

2.4 Technology Initiatives

The Commission embraced technology and innovation to drive Colombo Port City's growth and sustainability:

- The establishment of a Technology Committee, consisting of industry IT/Technology leaders, Commission officials, and a representative from CHEC Port City Colombo, is aimed at advising and guiding on technology-related matters, including the development of Colombo Port City as a smart city.
- A Memorandum of Understanding (MoU) was signed with Mastercard, fostering collaborations to explore data insights, technology innovation, sustainable growth, and digital accessibility, as part of the City Possible™ initiative.
- The Duty-Free verification system is being developed and will be operational to monitor compliance with Duty-Free Rules when Port City Duty-Free operations commence.
- The official Commission website was launched in early 2023, followed by a dedicated portal for Authorised Persons applications.

- An official Commission mobile application was also launched, available on both Android and IOS platforms, extending the same website services.

These achievements collectively underscore the ongoing commitment of the Colombo Port City Economic Commission to drive economic growth, innovation, and a dynamic business environment within Colombo Port City. The Commission looks forward to continued collaboration and progress in the upcoming fiscal year.

2.5 Land Plots Progress

Out of 269 hectares, 178 hectares of marketable land have been divided into 74 land plots with a defined purpose for each plot as depicted in the Development Control Regulations.

As of September 2023, the status of the 74 Marketable Land plots is as follows.

i. Social Infrastructure Land Plots – Three (03) Land plots

Discussions are now at the final stage to secure investments for two (02) of the social infrastructure plots - the International Hospital and International School, which are awaiting their Businesses of Strategic Importance status. Moreover, the Commission is actively engaged in discussions driven by interest expressed through the Expression of Interest (EOI) process to establish an International University.

ii. Leased Land Plots – Six (06) Land plots

This remains the same, with no progress since the previous report, of the initial six (06) plots sold on a 99-year lease, to Browns Investments Limited which is depicted in the image below.

The vertical construction development commencement plans are as follows,

- Downtown free duty-free and Retail store – Soft Launch to commence December 2023.
- Colombo International Financial Centre (Mixed-use complex) - To commence construction by Q1 2024.
- Marina, Marina hotel, Retail and Entertainment areas - To commence construction by Q2 2024.
- Luxury Villas – To commence by Q2 2024.
- International School and International University - To commence construction by Q1 2024.
- International Hospital - To commence construction by Q2 2024.



1st Picture

2.6 Authorised Persons Application Progress

The Commission received 20 Authorised Persons applications during the period.

2.7 Efforts to Attract Investment Progress

A Strategic Marketing roadshow plan is being executed, targeting specific regions, sectors, and investors identified through project benchmarking and commercialization efforts of the Colombo Port City Special Economic Zone.

Dubai Abu Dhabi Road Show – September 2023

Following the parliamentary approval of the Businesses of Strategic Importance regulation on August 4th, 2023, the Colombo Port City roadshow was initiated in Abu Dhabi and Dubai during the last week of September 2023, to promote the incentives and exemptions associated with the regulation. The Commission anticipates that both Primary Businesses of Strategic Importance and Secondary Businesses of Strategic Importance will experience increased interest and engagement as a direct result of this roadshow.

Preliminary discussions with potential partners were identified from this roadshow event, and the next step is in progress to determine genuine interest in Colombo Port City's investment. The potential partners identified were - Julius Baer, Aldar Hospitality, Sobha Realty, Blackrock, Afridi & Angell Angell, and the Abu Dhabi Capital Group.

3. Upcoming Milestones and Addressing Challenges

3.1 Identified Challenges

- The limited autonomy for the Commission, in comparison to fully autonomous Special Economic Zones (SEZs) such as DIFC and Singapore which were developed from the ground up with a clean slate, impacts the turnaround time for investor applications through the project's single-window investment facilitation.
- Limited international appeal as a business destination, exacerbated by publicized challenges in the ease of doing business for investors.
- Concerns over credit rating, economic slowdown, political stability, outdated legislation, and policy inconsistencies among government agencies in supporting FDI.
- The perception of the project through a geopolitical lens is not recognized as an open and robust international investment destination, despite Colombo Port City's preparedness to enhance FDI ease of doing business.
- The capacity constraints in energy and electricity supply, with limited fiscal room for infrastructure investments, and slower progress in government-led renewable energy efforts.
- A subdued domestic economy and limited support from domestic industries for financial, maritime, and professional services within Colombo Port City.

3.2 Challenges – Addressed

- The Commission has implemented a streamlined process with active stakeholder participation and mutual agreement on turnaround times improvement.
- To counteract misinformation in the media and the perception of the project the Commission is conducting continuous targeted public awareness campaigns, with initiatives that will evolve as we progress from planning phase into physical development.
- Ongoing discussions focused on ensuring a consistent supply of utilities to the Colombo Port City, towards ensuring uninterrupted utility services while adhering to international standards

4. Pending Regulations

- Gaming regulations
- Banking and Financial Services regulations
- Apartment ownership regulations
- Condominium Property Management regulations
- Duty-free regulations

Colombo Port City Development Project

1. Introduction of the Project

Port City Colombo is a brand-new city development built as an extension of the Central Business District of Sri Lanka's vibrant commercial capital, Colombo. Spanning 269 hectares of reclaimed land from the sea, Port City Colombo will be South Asia's premiere residential, retail and business destination, offering unmatched planned city living along the warm waters of the Indian Ocean. The project investment is USD 1.40\$ Billion for the Construction Stage and the project will be completed in 2041 and also the development will comprise of 05 different precincts which including;

- Financial District
- Central Park Living
- Island Living
- The Marina
- The International Island

Construction of the Colombo Port City Development Project was launched on 17th September 2014. When completed, Port City Colombo will have over 6.2 million square meters of built space, boasting the best in design and standards. Its lifestyle and business offerings will include world-class facilities and spaces in Healthcare, Education, Entertainment, Hotels and Restaurants, Retail and Office with an Integrated Resort and a Marina, offering the best in living by the sea. Built on the latest sustainable city designs and smart city concepts, Port City Colombo will be the most livable city in the South Asia.

Project Summary;

- Total land area reclaimed: 269 hectares
- Total marketable land: 178 hectares
- Total gross floor area (GFA) planned over 25 years: 6.20 million m²

Vision

Building a world class city for South Asia

Mission

- To develop the most livable city in South Asia, built on sustainable values, a healthy environment with future ready infrastructure to enhance living convenience

- An exemplary city providing the highest quality commercial, entertainment, medical, education and lifestyle opportunities
- The catalyst for growth, a place that fuses the culture and energy of a nation with international best practices

Goals and Objectives

- Building on the foundation of the current Sri Lankan economy
- Offering a healthy environment to live, work and play
- Offering access to a thriving region poised for future expansions as a key link between Asia and the West.

2. Financial Progress up to 30.09.2023

#	Name of the Project	Project Period	Project Cost (Rs.Mn)	Allocation 2023 (Rs.Mn)	Cumulative Financial and Physical Progress up to 30.09.2023	
					Rs. Mn.	%
1	Royalty charges for sand	N/A	6,513.68	-	7,451.24	100%
2	Construction of Southern waste water connection (Construction of 800mm diameter HDPE wastewater Force Main from Slave Island PS to Polwatta PS, Fabrication and Installation of Steel Bridge at Slave Island across Beira Lake, Rehabilitation of Polwatta PS)	Mar. 2019 - Dec. 2025	3,744.42	879.1		38%
3	Construction of Northern permanent waste water connection from Chaithya Road to Madampitiya Pumping Station (Pending Feasibility Study for NPD approval) <i>Remarks: Temporary Suspended.</i>	Sep. 2019 - Sep. 2023	3,050.35	-		5%
4	Functioning of the Project Management Unit (PMU)	Dec. 2016 – Dec. 2023	N/A	76.9		N/A
	Total		13,308.45	956.00	7,451.24	

3. Physical Progress of Internal Construction Activities up to 30.09.2023

	Element	Scope of Work (Phase 01)	Progress % Up to 30.09.2022	Progress % Up to 30.09.2023
1	Road and Payment work	13.2 km	24.2%	62.6%
2	Storm Water System	17.9 km	67.4%	80.3%
3	Waste Water system	12.7 km	92.9%	95.3%
4	Telecom System	20.5 km	73.6%	86.5%
5	Utility Tunnel	5.73 km	Civil - 89.2% MEP – 15 %	Civil - 100% MEP – 63 %
6	Vehicular Bridges & Underpass	RB -5 Nos, UP -2 Nos	RB – 01 – 88% RB – 02 – 85% RB – 03 – 70% RB – 04 – 75% RB – 05 – 75% UP – 01 – 95% UP – 03 – 89%	RB – 01 – 99% RB – 02 – 94% RB – 03 – 81.3% RB – 04 – 91.3% RB – 05 – 88% UP – 01 – 95% UP – 03 – 90%
7	Foot Bridges	FB-5 Nos	FB – 01 – 100% FB – 02 – 50% FB – 03 – 80% FB – 04 – 32% FB – 05 – 23%	FB – 01 – 100% FB – 02 – 100% FB – 03 – 81.4% FB – 04 – 74.0% FB – 05 – 98.8%
8	Portable & Fire Water System	16.0 km	70.6%	93.1%
9	Irrigation Water system	11.5 km	64%	88.0%
10	Civil works for Power Cable rout works	8900 Cum	82.3%	96.4%
11	Substation Buildings	-	89%	97.5%
12	Irrigation Reservoir and Pumping Station	IR&PS	98%	99.5%
13	Sewage Pumping Station	SPS1 & SPS2	SPS – 01 –96.6% SPS – 02 – 98%	SPS – 01 –99.2% SPS – 02 – 99.4%
14	Electrical Building (EB)	-	95.8%	98.8%
15	Portable Reservoir & Pumping Station	PR&PS	98%	99.7%
16	Landscape Works	-	32%	72.4%

4. Physical Progress of External Utility Supply Services up to 30.09.2023

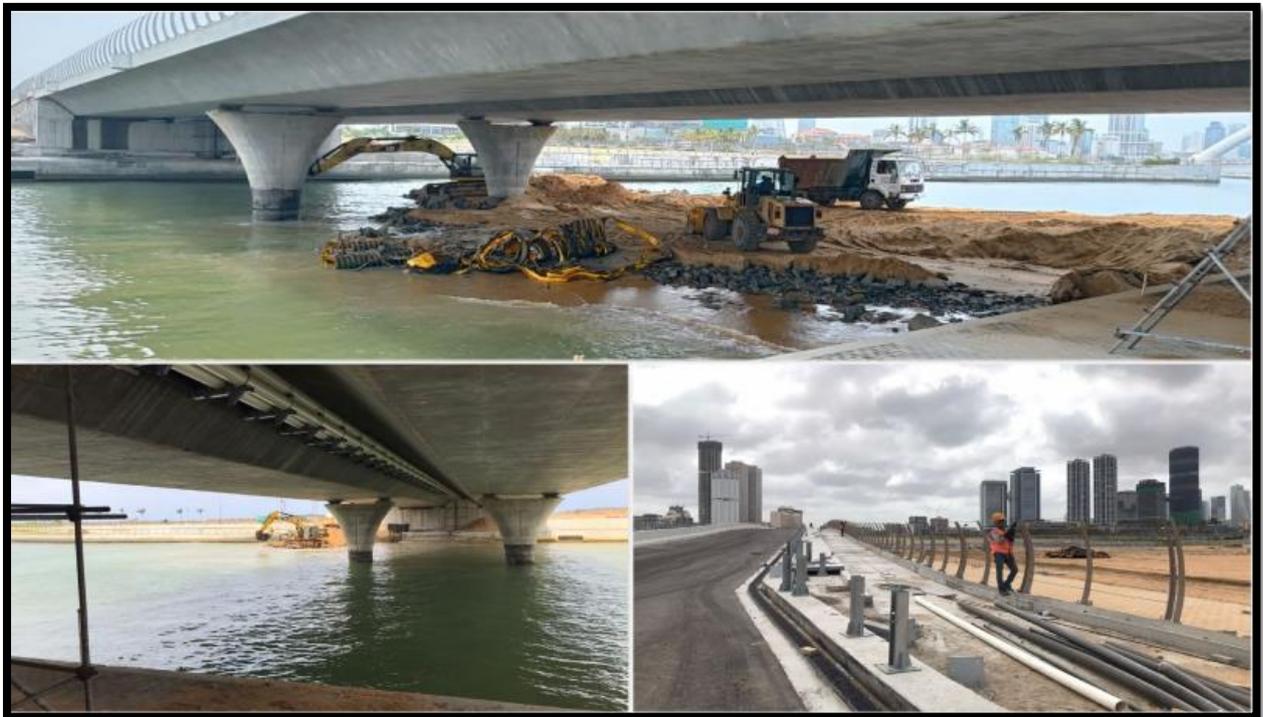
Utility Service	Utility Demand	Service Provider	Progress % Up to 30.09.2022	Progress % Up to 30.09.2023	Description
Water	35000 m3/Day	NWS&DB	90%	98%	Water Supply Line from Maligakanda - South Connection
			50%	50%	Water Supply Line from Elihouse – North Connection
Sewerage	30000 m3/Day	CMC	17%	32.5%	Sothern Line (up to Wellawatta Pumping Station)
			4%	4%	Northern Line (up to Madampitiya Pumping Station) (Pending Feasibility Study for NPD approval) <i>Remarks: Temporary Suspended.</i>
Electricity	375 MW	CEB	90%	95%	Provided by National Electricity Grid
Solid Waste	380 Ton/Day	CMC / SLLDC	-	Under discussion	SLLDC has already agreed to take degradable and non-degradable solid waste
Road Access	PAEHP Completion	RDA	45%	76%	Construction on progress - Port Access Elevated Highway (PAEHP)
External Fire Facility	Available within 7min	CMC	-	Under discussion	CMC (Fire Division has agreed to provide services)

5. Progress Photographs

Road Network Construction



Bridge Construction



Utility Tunnel Construction



Streetscape Construction



Open Channel Construction



Road Walkways Construction



Utility Pipe Construction Works



6. Special Achievements

- Infrastructure work and landscape work of Phase 01 - 83.3% Completed
- Artificial beach and beach restaurants opened to the public.
- Marina Promenade Area opened to the public access.
- Main Road connection to Port City at the Lotus Roundabout completed.
- Completion certificates issued for all marketable land plots.
- Sold out 7 land plots for investors.
- Establishment of the National Steering Committee Meeting (NSC) and was held 04 NSC meetings successfully.
- Appointing special Committees;
 - To find a feasible solution for the future traffic generation at the Lotus Roundabout.
 - To review the settlement of the compensation requested by Sri Lanka Ports Authority (SLPA).
 - Establishment of Committee for payments of Price Escalation for the Sewer Project of the Colombo Port City Development Project.
 - Establishment of “Special Technical Committee” to review and discuss the outstanding critical technical matters which related to the Colombo Port City Development Project.

7. Project Plan - 2024

- 100% Completion of infrastructure work and landscape work for Phase 01.
- Starting infrastructure and landscape works of Phase 02 area.
- Starting the construction work of Villa project in phase 02.
- Starting the construction work of Marina Area and Marina Hotel.
- Starting the construction work of Colombo International Financial Centre (CIFC).
- Opening of Duty-Free Shop to the public.
- As per the Tripartite Agreement, following external utility services and connections are expected to be completed in 2024,
 - 220kV Electricity supply line by CEB
 - Portable Water lines by NWS&DB
 - Sewerage (Southern Line) by CMC
 - Port Access Elevated Highway and other road access by RDA

8. Budget Plan – 2024

#	Name of the Project	Project Period	Project Cost (Rs.Mn)	Financial Requirement - 2024 (Rs.Mn)
1	Construction of Southern waste water connection (Construction of 800mm diameter HDPE wastewater Force Main from Slave Island PS to Polwatta PS, Fabrication and Installation of Steel Bridge at Slave Island across Beira Lake, Rehabilitation of Polwatta PS)	Mar. 2019 - Dec. 2025	3,744.42	2,036.20
2	Providing 220KV electricity supply connection from CEB L substation to Port City R1 substation			46.30
3	Southern Water Connection Extension			101.71
4	Functioning of the Project Management Unit (PMU)	Dec. 2016 – Dec. 2023	N/A	25.09
Total			3,744.42	2,209.30

Techno Parks

1. Introduction

Techno Parks are being established in order to achieve the objectives such as to raise the living standards of people, attract foreign investment as per the national requirement of creating a culture of technological innovation having implemented great development in social and industrial fields, establish of new companies with advanced technology, promote innovations and exports exchange knowledge, create more advanced technology based employment opportunities for the youth and contribute to the national economic development through foreign exchange earnings.

Through these techno parks, it is expected to provide the following facilities and services with the objectives of granting investment promotion opportunities for local and foreign leading business tycoons/investors.

- 5G communication facility.
- Smart office complexes equipped with modern communication and technological facilities that are required for promotion of global business promotion activities as a Global Innovative Hubs.
- Provision of entertaining activities, sports and mental & physical relaxation facilities blended with natural serenity in the following selected locations through careful analysis.
- Provision of residential facility to the investors and business promoters in the selected locations with full of natural scenic beauty, and facilitate social needs of their staff and family members.

Preparatory works are being done to establish 05 Techno Parks in the following locations:

1. Walahanduwa Estate at Walahanduwa – Galle District
2. Palukumbapola at Rathgalla – Kurunegala District
3. Maberiyathenna at Digana- Kandy District
4. Pedro Estate – Nuwara Eliya District
5. Habarana

An entity called the Techno Parks Development Company (Pvt) Ltd. has been established on 02.09.2021 for the purpose of regularizing and monitoring of functions and activities related to the Techno Parks. The entity is a fully government owned company and the cabinet approval has been granted to invest funds through reputed Sri Lankan banks to perform construction and establishment works under supervision and consultation of the Central Engineering and

Construction Bureau (CECB), However, this company is currently dormant and it has been planned to appoint Board of Directors for the Company in the future.

The benefits expected to be obtained from the Techno Park Project are as follows.

- More investment and business opportunities through increased global business and tourist attraction towards our island.
- Direct contribution to the national economy through the generation of foreign exchange.
- Creation of new goods and services market opportunities in the country as well as abroad
- Making existing enterprises in the selected areas more profitable.
- Creation of new business opportunities.
- Creation of employment and training opportunities for the youth in the area.
- Opportunities to create global communication connections for the youth 24 hours a day.

2. Progress

The Board of Directors of Techno Parks Development Company (Pvt) Ltd will be appointed in the future and after appointing the Board of Directors, the future programmes will be discussed. An issue has been arisen due to the lack of financial provisions and the project has been stopped temporarily due to the suspension of bank loans.

Information Technology Parks

1. Introduction

A project was initiated by the Ministry of Development, Rehabilitation and Reconstruction of the Northern Province in the year 2001 with the objective of providing basic knowledge of Information technology to unemployed school leavers. All the administrative activities are carried out under the supervision of Jaffna and Mannar District Secretaries.

2. Purpose

- I. Providing basic knowledge to people who are residing in the area.
- II. Improving the information technology knowledge of the people who are residing in the area by providing internet facilities at low cost.

Information Technology Park, Jaffna

3. In the year 2001, a staff of 28 people was attached, but currently, computer programmers are implemented by a staff of 07 people.

(Permanent staff 01, temporary 05, casual 01)

4. Progress of Conducting Courses as at 30.09.2023

Information Technology Park – Jaffna

Course	No. of students	Progress as at 30.09.2023
Dip.in PC Application & Office Management (06 Months)	11	The course is held
Java (06 Months)	16	The course is held
Hardware Workshop (20 hours)	16	The course has been completed

Mannar IT Park

Course	No. of Students
Diploma in Microsoft Office 2016 & Internet e-mail (Batch 57)	58
Diploma in Microsoft Office 2026 & Internet e-mail (Batch 58)	08
Diploma in Microsoft Office 2026 & Internet e-mail (Batch 59)	89
Duration 42 hours	
Diploma in Information Technology Computer Educational Programme (Batch 14) 6 Months	51
Diploma in Information Technology Computer Educational Programme (Batch 14) 6 Months	08

5. Financial Progress

	Allocations received – 2023 (Rs Mn)	Expenditure up to 30.09.2023 (Rs Mn)
IT Parks - Jaffna	8.0	5.2
IT Parks - Mannar	5.00	3.2

By 30.09.2023, Jaffna Information Technology Park has earned an income of Rs.130,760.00 and Mannar Information Technology Park has earned an income of Rs.718,800.00

6. Action Plan – 2024

Information Technology Park – Jaffna

Name of Courses	Activity Duration	Source of Fund	Target	No of Expected Beneficiaries	Officer Responsible for Implementation
1 st Session Courses (06 Months)	February to July	Ministry fund	O/L passed students/others	100 students	(Executive Officer, Lecturers & Instructor)
2 nd Session Courses (06 Months)	May to October	Ministry fund	Other students (Tech & University students)	80 students	(Executive Officer, Lecturers & Instructor)
3 rd Session Courses (06 Months)	August to January	Ministry fund	A/L passed students/others	140 students	(Executive Officer, Lecturers & Instructor)

Information Technology Park - Mannar

Course name	Durtion	No of Students
Diploma in Microsoft Office 2016 & Internet e-mail	42 Hours	120
Diploma in Graphics Designing	48 Hours	30
Diploma in Video Editing	60 Hours	10
Diploma in Web Designing	48 Hours	20
Diploma in PC Hardware & Basic Networking	48 Hours	30
Certificate in Auto CAD	60 Hours	10
Internet & e-mail	15 Hours	20
Computer Educational Programme (i-cept)	06 Months	60
Government Computerised Software Training		20
Government Staff Training (Basic & Advance)		30

These IT Parks are proposed to be entrusted to the Vocational Training Authority under the Ministry of Education in order to implement the IT Parks successfully