



High Commission of India  
Sri Lanka



Confederation of Indian Industry

# Doing Business in Sri Lanka



Handbook for Indian Business



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High Commission of India  
Sri Lanka



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# Doing Business in Sri Lanka

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Handbook for Indian Business

Doing Business in Sri Lanka - Handbook for Indian Business is a practical guide for Indian enterprises keen to look at opportunities in Sri Lanka. It highlights expanding trade and investment potential for India in Sri Lanka, and outlines key aspects of the climate for doing business.

The Handbook is an initiative of the High Commission of India, Sri Lanka, in partnership with the Confederation of Indian Industry, India.

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## Message



**Ashok K. Kantha**  
High Commissioner of India  
Sri Lanka

India and Sri Lanka enjoy a robust and dynamic economic and commercial partnership as part of a multidimensional and multifaceted relationship. Bilateral trade has expanded rapidly over the past decade, deriving much from the implementation of the bilateral Free Trade Agreement in 2000, the first for both countries. With the end of conflict in 2009, it is now time to take bilateral economic cooperation to the next level for a mutually satisfying and productive engagement, tapping the vast synergies between the two economies.

To facilitate closer economic linkages between the two countries, the High Commission of India, Colombo and the Confederation of Indian Industry (CII) have taken the initiative of bringing out a publication entitled “**Doing Business in Sri Lanka: Handbook for Indian Business**”. The handbook offers a concise and useful guide for investors and traders from India.

Sri Lanka enjoys several advantages in relation to India, including robust and growing bilateral relations, a strategic location close to India and the east-west international sea route, and a common legal system, among others. It possesses rich talent with human development indicators ranking highest in the South Asian region. It offers a cost-competitive and investor-friendly destination for Indian industry addressing the South Asian region as well as other international markets.

Bilateral trade crossed US \$5 billion in 2011-12, an eightfold increase since the FTA was signed. Sri Lanka is India's largest trade partner in SAARC. India in turn is Sri Lanka's largest trade partner globally. Investments in both directions have increased as well. Indian companies have established a strong investment presence in Sri Lanka with FDI approvals of over \$700 million since 2003. Economic cooperation in other areas such as services trade, education, infrastructure projects, tourism, etc. has also intensified. Further, the Government of India is undertaking a number of projects in Sri Lanka for infrastructure, rehabilitation and human development, including with the involvement of Indian companies.

Likewise, the footprint of Sri Lankan business in India has expanded rapidly in recent years as major companies are tapping the Indian markets. Air connectivity between the two countries has increased vastly, with Sri Lankan Airlines currently being one of the largest foreign airlines operating in India. India is the largest source country for inward tourism to Sri Lanka, accounting for 20 per cent of all arrivals. The two countries have also resumed discussions on a Comprehensive Economic Partnership Agreement and steps to finalize the Agreement are expected to be taken in the near future.

The High Commission of India has been servicing visiting Indian business delegations and organizing trade and investment-related activities and events. This practical guidebook provides basic information to Indian business-persons interested in doing business with Sri Lanka or planning to set up operations in this country. We hope this publication will be useful to Indian businesses in pursuing economic and commercial ties with Sri Lanka, and also to explore the larger South Asian and ASEAN markets with Sri Lanka as a hub.

I would like to convey our sincere appreciation to CII for partnering with us in bringing out this handbook. I would also like to acknowledge the support received from the Board of Investment of Sri Lanka.





## Message



**Chandrajit Banerjee**

Director General

Confederation of Indian Industry

The Confederation of Indian Industry is happy to be associated with the High Commission of India, Sri Lanka, in bringing out the guidebook “**Doing Business in Sri Lanka: Handbook for Indian Business**”. I believe this handbook comes at an opportune moment and will further boost the high-growth trajectory of bilateral economic cooperation. Through our MOU Partners in Sri Lanka, the Ceylon Chamber of Commerce, the Board of Investment of Sri Lanka and High Commission of India in Colombo, CII has built a strong and close partnership with business institutions in Sri Lanka. We work with them to host a range of activities that bring Indian and Sri Lankan enterprises together.

From the early 90's, CII and The Ceylon Chamber of Commerce (CCC) formed a Joint Task Force, which identified specific areas of cooperation between our two countries. With the objective to implement the Joint Task Force recommendations, CII and CCC have formed a Joint Economic Council (JEC). Members of the Council are industrialists from both the countries. The JEC takes up issues related to trade and investments with the concerned authorities in India and Sri Lanka.

The Trade Agreement between India and Sri Lanka, it has accelerated the development of national economies, promoting mutually beneficial bilateral trade and strengthening intra-regional economic cooperation. Many leading Indian companies have investments in Sri Lanka that are not only catering to the Sri Lankan market but exporting their products to India and other countries. There are many opportunities for Indian industry and their counterparts in Sri Lanka to work together particularly in sectors like IT, Infrastructure, Tourism, SMEs and Food Processing etc. CII supports international and domestic businesses in a number of ways, including through trade fairs, conferences, networking platforms and business development services. We thank the High Commission of India, Sri Lanka, for associating us with this handbook, and look forward to a sustained partnership in intensifying bilateral economic cooperation between India and Sri Lanka.





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# Introduction

## Overview

Sri Lanka is an island nation located south of the Indian sub-continent. Known earlier as Ceylon and for many centuries as the Pearl of the Indian Ocean, it is separated from India by a few nautical miles along the narrow Palk Straits and is located north of the east-west international shipping corridor in the Indian Ocean.

As the first country that embarked towards economic reform in South Asia in 1977, Sri Lanka offers a variety of opportunities for business and investment. Emerging from three decades of internal conflict, the country's economic fundamentals have improved markedly and it is seeing sustained levels of good economic growth.

## History

It is widely believed that the Sinhalese came to Sri Lanka from northern India during the 6th century BC. Buddhism arrived from the subcontinent 300 years later and spread rapidly. Buddhism and a sophisticated system of irrigation became the pillars of classical Sinhalese civilization (200 BC-1200 AD) that flourished in the north-central part of the island. Invasions from southern India, combined with internecine strife, pushed Sinhalese kingdoms southward.

The island's contact with the outside world began early. Roman sailors called the island Taprobane. Arab traders knew it as "Serendip," the root of the word "serendipity." Beginning in 1505, Portuguese traders, in search of cinnamon and other spices, seized the island's coastal areas and spread Catholicism. The Dutch supplanted the Portuguese in 1658. Although the British ejected the Dutch in 1796, Dutch law remains an important part of Sri Lankan jurisprudence. In 1815, the British defeated the king of Kandy, the last of the native rulers, and created the Crown Colony of Ceylon. They established a plantation economy based on tea, rubber, and coconuts. In 1931, the British granted Ceylon limited self-rule and universal franchise. Ceylon became independent on February 4, 1948.

## People

Sri Lanka is one of the most densely populated countries in the world, second only to Bangladesh among the less developed countries in Asia. As at 21 March 2012, Sri Lanka's population was 20,277,597. This is an increase of 1,480,340 persons or 7.9% compared with the 2001 census which covered only 18 districts and an estimated population in the other 7 districts. The annual average population growth rate is 0.7% which is a further decline compared to 1.0% in 2001. Colombo, which is the shipping centre and hub port in the region, has a population of 2,323,826 and continues to be the most populous district of the country with density of 3438 persons per sq.km.

The composition of population based on ethnicity is Sinhalese (73.9%), Sri Lankan Tamils (12.7%), Indian origin Tamils (5.5%), Moors (7.1%) and others (0.8%). Based on religion the composition of population is Buddhists (69.3%), Hindus (15.5%), Muslims (7.6%), Christians (7.6%) and others (0.1%).

72.2% of population lives in rural areas, 25.5% in urban areas and 6.3% in Estates.

## Government

Sri Lanka has a parliamentary system of government, with an elected Executive President who is the Head of State, Head of Government and Commander in Chief of the armed forces. The President is elected for a six-year term. Presently, there are no restrictions on the number of terms of office that the President can enjoy. The President appoints the Prime Minister and the cabinet of Ministers, all of whom must be members of the legislature. The legislature of Sri Lanka is a unicameral (single-chamber) body called Parliament, which has 225 members who serve six-year terms.

President Mahinda Rajapaksa was re-elected in the polls held on 26 January 2010, securing 57.88% votes. At the last General Election (8 April 2010), the United People's Freedom Alliance (UPFA) won 144 seats (60.3% votes), while the main opposition party, the United National Party, got 60 seats (29.3% votes).

## Provincial and Local Government

The country is divided into nine provinces. Provincial Councils, the legislative bodies in the Provinces, have members who are elected for five years. Provincial governments enjoy limited powers in education, health, rural development, social services, agriculture and local taxation. A Governor appointed by the President heads each Province. Local Government includes elected local authorities, i.e., Municipal, Urban and Village Councils (Pradeshiya Sabhas), which have limited powers in local areas.

## Geography and Climate

Based on the altitude, Sri Lanka has varied climatic zones ranging from the tropical coastal belt, through the dry zone midlands, to the cool temperate highlands. Unlike conditions in mid-latitudes of the globe, seasons in Sri Lanka bring almost unnoticeable temperature fluctuations. Seasonality primarily results from variations in the rainfall rhythm.

Climatologists divide the Sri Lankan climatic year into five periods:

- The convectional convergence period (March to mid April)
- The pre monsoon period (mid April to late May)
- The south west monsoon period (late May to late September)
- The convectional cyclonic period (late September to late November)
- The north east monsoon period (November to February)

## Religion and Languages

The majority of the country's population are Buddhists (69.3%) followed by Hindus (15.5%), Muslims (7.6%) and Christians (7.6%), as per 1981 census.

The two official languages are Sinhala and Tamil. Sinhala is the language of the majority of the population. Tamil is widely used in the northern and eastern parts of the country and was declared the other official language of Sri Lanka following the 13th Amendment to the Sri Lankan Constitution (1987). English is widely spoken & understood in the urban centres. It is the language of business & commerce.

## Sri Lanka at a Glance

<b>Official Name</b>	Democratic Socialist Republic of Sri Lanka
<b>National Day</b>	February 4 (Independence from British rule in 1948)
<b>Type of Government</b>	Presidential System
<b>Land Area</b>	65,610 sq. km (62,705 sq. km excluding inland waters- about half the size of Tamil Nadu).
<b>Population</b>	20,277,597 (Population Census 2012) ;Density – 323 per sq. km
<b>Population Growth</b>	0.71% p.a (2001-2012)
<b>Life Expectancy</b>	Male: 71.6 years; Female: 76.4 years (2011)
<b>Standard Time</b>	GMT +5.30 hrs; same as IST.
<b>Capital</b>	Sri Jayewardenapura Kotte. Colombo, the former capital, is the commercial capital and largest city.
<b>Major cities</b>	Colombo, Jaffna, Kandy, Galle, Trincomalee.

<b>Literacy rate</b>	91.9% (2010) - Male 93.2% and Female 90.8%
<b>Currency</b>	Sri Lankan Rupee (1 USD=130 LKR; 1 LKR = 100 SL cents)
<b>International Airports</b>	Bandaranaike International Airport at Katunayake (32 Km north of Colombo); Sri Lanka is also developing a second international airport at Mattala, near Hambantota
<b>Major Ports</b>	Colombo is the main port. Sri Lanka is developing a port in Hambantota and the trans-shipment operations have commenced there recently in June 2012. Sri Lanka also has plans of developing a port at Trincomalee.
<b>Natural Resources</b>	Limestone, graphite, mineral sands, gems and phosphate
<b>Country IDD code</b>	+94 (the local code for Colombo is 011)
<b>Weight and Measures</b>	Metric system; same as India.
<b>Telephone connection</b>	There are not too many public call booths. However, cell phone connections are readily available. Main service providers are Airtel, Dialog, Mobitel, Hutch and Etisalat.
<b>Money Exchange</b>	Money exchange counters may be found at airports and major hotels. It is best to change money at the airport or at banks. Credit cards can be used in large shops. ATMs are found in Colombo and other major cities.

## Legal System

Sri Lanka's judiciary consists of a Supreme Court, Court of Appeal, High Court and a number of subordinate courts. Sri Lanka's legal system reflects diverse cultural influences. Criminal Law is fundamentally British. Basic civil law is Roman - Dutch law. The principles of English Law are applied in relation to Bills of Exchange, Sale of Goods, Partnership, Companies, Insolvency, Banking, Maritime matters, Insurance, etc.

## Currency and Banking

The monetary unit in Sri Lanka is the Rupee, which consists of 100 Cents (U.S.\$1 = Rs.130 approx.). The Central Bank of Sri Lanka is the monetary authority of the country, the sole bank of issue, which also acts as a financial adviser to the government and administers monetary policy. There are several foreign banks in Sri Lanka, including the Hong Kong & Shanghai Banking Corporation, Citibank, Deutsche Bank and Standard Chartered Bank. Five Indian banks also operate in Sri Lanka – State Bank of India, Indian Bank, Indian Overseas Bank, ICICI Bank and Axis Bank. Bank of India and Yes Bank also have plans to start operations in Sri Lanka.

## Education

Literacy rates and educational attainment levels rose steadily after Sri Lanka became an independent nation in 1948. Schooling is compulsory for children from 5 to 13 years of age. Education is state funded and provided free of charge at all levels, including the university level. The government also provides free textbooks to schoolchildren. The language of instruction is either Sinhala or Tamil. English is taught as a second language.

Several International Schools function in Sri Lanka for foreign expatriates and offer British and American systems of education. There are no Indian schools in Colombo or elsewhere in Sri Lanka.

## Telecommunication

The telecommunications sector consists of multiple telephone service providers, including fixed line operators and mobile operators (Bharti Airtel is a recent entrant), external gateway operators (TATA Communications from India) and several internet service providers, making the industry more competitive.

It is fairly easy to buy a SIM card and to avail good communication and competitive communication services all over the island. Airtel, Dialog, Etisalat, Mobitel, Hutch and Sri Lanka Telecom are key players in a small domestic market which is becoming increasingly competitive for consumers. International dialing cards are also available from most of the operators. Some companies have launched an India-specific programme that makes it much cheaper to call and to roam in India with a Sri Lankan mobile phone connection.

## Transport

Transportation in Sri Lanka is based mainly on the road network, which is centered on Sri Lanka's capital, Colombo. There is also an extensive railway network, but it is not fully developed yet as a means of transport for business purposes. The international airport of Sri Lanka is located at Katunayake, 35 kilometers north of Colombo. The highways and roadways around the capital are in good condition and being upgraded for the future.



City of Colombo

## Immigration and Visa Information

### Sri Lankan Visa Rules

#### General eligibility requirements for Sri Lankan Visas:

Sri Lanka Immigration and Emigration may grant visa to an applicant if -

- I. It is satisfied about the suitability of the applicant to enter Sri Lanka.
- II. It approves the purpose of visit
- III. The applicant's passport is valid for a minimum period of six months from the date of arrival in Sri Lanka.
- IV. It is satisfied that the applicant has adequate funds for maintenance whilst in Sri Lanka and for the payment of his return passage to the country which issued the passport.
- V. Applicant is in possession of a written assurance (ticket) to return to the country of domicile or a visa to the next country of destination if he is a visit visa holder.

#### Visa Exemption:

Following categories of persons are exempted from Sri Lankan Visa:

- Sri Lankan dual citizens.
- Children whose birth has been registered under section 5(2) of Citizenship Act - 1948 up to 21 years of age.
- Children born in Sri Lanka, if they are under 16 years of age. (even when they hold foreign passports)

#### Visa on Arrival Facility:

Travellers must have Electronic Travel Authority (ETA) for entering Sri Lanka w.e.f. 1st January 2012. For more information please visit [www.eta.gov.lk](http://www.eta.gov.lk)

#### Types of Sri Lankan Visas:

There are four types of visas which permit a person to enter and/or stay in Sri Lanka.

1. Visit Visa
2. Residence Visa
3. Transit Visa
4. Gratis Visa

#### Visit Visa

A Visit Visa is an entry permit granted by Sri Lankan Government to a foreign national. The Visa contains details of the period of time and the condition/s of the stay.

There are two sub-categories of visit visas –

##### a. Tourist Visit Visa

A Tourist Visa is issued to bona-fide tourist who wants to enter Sri Lanka for sightseeing, excursions, relaxation, visit relatives or yoga training for a short period of time.



## **b. Business Visit Visa**

A Business Visa is issued to foreign national who visits Sri Lanka for business purposes for short periods of time. This visa may be issued for single, double or multiple journeys.

### **General conditions of a Visit Visa:**

- One should not engage in any form of employment, paid or unpaid, or in any trade or business other than that specified in the visa during the period of your stay in Sri Lanka.
- The visa must be utilized before the date of expiry noted on the visa.
- Validity of holder's visa is subject to entry into Sri Lanka during the indicated entry period.
- Applications for the extension of all visas should be made to the Department of Immigration and Emigration.

## **Residence Visa**

A residence visa is a permit for a non-Sri Lankan to obtain residence facilities for special purposes. There are eight sub-categories which come under residence visas -

### **1. Employment Category**

- ◆ Project Professional personnel whose services are required for projects approved by the state and expatriate personnel employed in projects under Board of Investment (BOI) of Sri Lanka and their dependants
- ◆ Personnel employed at banks and their dependants
- ◆ Volunteers
- ◆ Personnel attached to Non-Governmental Organizations
- ◆ Personnel employed in a project, institution or organization under diplomatic missions in Sri Lanka
- ◆ Personnel employed in a private company and their dependants

### **2. Investor Category**

- ◆ Who desire to invest monetary capital in Sri Lanka
- ◆ Who engage in business activities in Sri Lanka

### **3. Religious Category**

- ◆ Members of the Clergy

### **4. Student Category**

- ◆ University Students
- ◆ Students in Educational Institutions approved by the State
- ◆ Other Institutions

### **5. Registered Indians covered by the 1954 Indo-Lanka Agreement.**

### **6. Ex- Sri Lankans and their dependants**

### **7. Family Members of a Sri Lankan**

- ◆ Spouses
- ◆ Children holding foreign nationality.

## **8. Diplomatic and Official visa**

## **9. My Dream Home Visa Programme**

## **10. Resident Guest Visa Programme**

### **Transit Visa**

A Transit Visa is an entry permit granted to a foreign national for admission into Sri Lanka for a brief period which is incidental and in the course of his journey to another destination.

### **Gratis Visa**

The holder of a Diplomatic or Official Passport or a passport with a valid Diplomatic or Official endorsement will not be required to pay any fees for the visa.

Note: Validity of the Passport should be six months beyond the intended stay of the traveler.

More Information can be obtained from Department of Immigration and Emigration, Colombo Sri Lanka and Head of Missions in India.

### **Controller Visa**

Department of Immigration and Emigration,  
1st Floor, 41, Ananda Rajakaruna Mawatha,  
Colombo 10, Sri Lanka

Web site [www.immigration.gov.lk](http://www.immigration.gov.lk)

High Commission for the Democratic Socialist Republic of Sri Lanka, New Delhi

Web Site <http://www.newdelhi.mission.gov.lk>

## Sri Lankan Economy

### Advantages

With the end of the armed conflict in Sri Lanka in May 2009, there is a heightened interest in Sri Lanka as a destination for business and investment. Its strategic location close to India and the east-west international sea route; democratic system of governance with a Constitution and rule of law; prospects of higher growth rates in the immediate future; and a vast latent potential for absorbing investments make it an ideal destination to look forward to for doing business.

### Why Sri Lanka

- Strategic location close to India and at cross-roads of east-west international shipping route
- Relatively open economy: Foreign investment is an important element in Sri Lanka's economic growth model and is actively encouraged
- Growing relations with India: Free Trade Agreement between India and Sri Lanka is currently in operation offers access to Indian market. These openings are sought to be extended further through a bilateral Comprehensive Economic Partnership Agreement
- Highly literate (over 91%) and educated labour force offers human resources with comparative skill at competitive costs.
- End of armed conflict offers significant business opportunities, in particular, for the rehabilitation and reconstruction of northern and eastern areas. The so called "Peace Dividend" is operational in Sri Lanka.
- Political Stability, Increased Remittances, Better Investment Prospects, Enhanced FDI.
- Colombo Port: ranked the best port in South Asia by Lloyds Register.
- Wide range of incentives provided by the Board of Investments (BOI) including tax holidays and import duty exemptions.
- Sri Lanka is ranked as the most liberalized economy in South Asia.
- Investors are provided with preferential tax rates, constitutional guarantees on investment agreements, exemptions from exchange control and 100% repatriation of profits.

### Basic Economic Indicators of Sri Lanka

Population	20,277,597 (Population Census 2012)
Labour Force	8.2 million
Literacy Rate	91.9%
GDP (nominal)	\$ 41 billion (2009 estimate); US\$ 40.71 billion (2008)
GDP per capita (nominal)	\$2836 (2011); US\$ 2400 (2010)
GDP Composition	Agriculture, forestry and fishing (12%); Services (59.3%) Industry (28.6%).
GDP Growth Rates (real)	8.3% (2011) 8% (2010) 3.5% (2009) 6% (2008) 6.8% (2007), 7.7 % (2006); 6% (2000-06).
FDI	US \$ 1067 million (2011) US \$ 516 million (2010); US\$ 601 million (2009); US\$ 889 million (2008)
Main Investors	Malaysia, India, UK, Hong Kong

Exports	US\$ 10.55 Billion (2011) – increased by 22.4% from 2010
Imports	US\$ 20.26 Billion (2011) – increased by 50.7% from 2010
Trade Agreements	SAFTA, APTA, BIMSTEC, India-Sri Lanka FTA, Pakistan-Sri Lanka FTA, GSP Plus
Natural Resources	Limestone, graphite, mineral sands, gems, and phosphate
Main sectors of economy	Tourism, transport, telecom, banking and finance.
Agriculture products	Traditional Agriculture: Tea, Rubber, Coconut, Spices, Agricultural crops, Paddy.  *Investment opportunities in Agriculture: Sugarcane, Maize, Potatoes, Chilies, Red onion, big onions and value addition on fruits.  *According to the Government Policy of becoming self sufficient from major agricultural commodities
Industries	Textile and apparel, processing of rubber, tea, coconuts, tobacco and other agricultural commodities, light engineering, leather, foods and beverages, gem and jewellery, porcelain and ceramics, furniture, manufacture of chemicals, telecommunications, insurance, banking, cement, petroleum refining, IT enabled services etc.
Export commodities	Articles of Apparel and clothing accessories; coffee, tea, mate and spices; Rubber and articles thereof; Natural and cultured pearls and precious and semi-precious stones; fish and crustaceans, Molluscs and others; Electrical machinery and equipment; petroleum products; edible fruits and nuts etc.; and other vegetable textile fibers, paper yarn and woven fabrics of paper yarn.
Main export partners in 2011	USA (20.3%), UK (10.5%), Italy (5.8%), Belgium (5.4%), India (4.9%), Germany (4.8%)
Import commodities	Mineral fuels, oils and products; Machinery and mechanical appliances; Electrical machinery and equipment and parts thereof; cotton; Knitted or crocheted fabrics; Plastics and articles thereof; Vehicles other railway or tramway rolling stocks; Cereals; Natural or cultured pearls and semi-precious and precious stones; and Paper and paper board and articles of paper pulp.
Main import partners in 2011	India (21.9%), Singapore (10.5%), China (10.3%), Iran, Japan
Tourist arrivals	Tourist arrivals increased to 855,975 in 2011 – an increase of 30.8% compared to 2010.
Foreign Banks in Sri Lanka	Citibank, Deutsche Bank AG, Habib Bank, HSBC, ICICI Bank, Indian Bank, Indian Overseas Bank, MCB Bank, Public Bank Berhad, Standard Chartered Bank, Axis Bank & State Bank of India
Local Commercial Banks	State-owned: Bank of Ceylon, and People's Bank;  Private: Seylan Bank, Hatton National Bank, Commercial Bank of Ceylon, DFCC Vardhana Bank, Sampath Bank, NDB Bank, Union Commercial Bank, Nations Trust Bank, Panasia Banking Corporation

## Economy-Overview

Sri Lanka's economy grew at 8.3 per cent in 2011 and 8.0 per cent in 2010, reflecting a fast recovery from the setback suffered in 2009. This is the highest annual rate of growth reported in the last three decades.

This exceeds the average annual growth of 4.9 per cent recorded since the liberalization of the economy in 1977. Sri Lankan growth rate averaged nearly 5% during the war, and in 2006-08 the average GDP growth was around 6-7% per year. After experiencing 3.5% growth in 2009, Sri Lankan economy grew at the rate of 8% and 8.3% in 2010 and 2011 respectively. Sri Lanka is engaging in large-scale reconstruction and development projects following the end of the war, including in creating new ports, power plant, rebuilding its road and rail network.

The 2008-09 global financial crisis and recession exposed Sri Lanka's economic vulnerabilities and nearly caused a balance of payments crisis, which was alleviated by a \$2.6 billion IMF standby agreement in July 2009. Under IMF-SBA facility, a total of SDR 1.65 billion (approximately US \$ 2.6 billion) was approved in July 2009. The first two tranches amounting to US \$ 652 million were received in July and November 2009. Following the completion of the second and third reviews of the SBA facility in June 2010, the programme period was extended by another year, and the future disbursements were re-phased to be in seven equal tranches. Thus, during 2010, three tranches amounting to US \$ 620 million were received. Meanwhile, the sixth tranche of US \$ 217 million was received in February, 2011. In April, 2012 IMF after seventh review approved release of SDR 275.6 million ( about \$ 426.8 million) bringing total disbursements under the arrangement to an amount equivalent to SDR 1.378 billion ( about US\$ 2.13 billion). The IMF has approved the an extension of the arrangement period to July 23, 2012. In January 2010, Sri Lanka graduated to 'middle-income' economy status.

The outlook for Sri Lankan economy looks positive due to global recovery and the domestic "peace dividend" resulting in impetus to exports, increase in tourism, and greater inflow of foreign investments. There would also be an impact of reconstruction activities in north, return of the IDP population to gainful employment and revival of agriculture and industry in northern and eastern Sri Lanka. The reconstruction of the war-torn eastern and northern part of Sri Lanka is already underway, with the construction of railway lines and roadways in the Northern Province of Sri Lanka.

The overall fiscal situation improved in 2010 with the recovery in government revenue supported by the expansion of economic activity, steps taken to rationalize the tax system, as well as the containment of recurrent expenditure. The overall deficit reduced to 7.9 per cent of GDP in 2010 from 9.9 per cent in 2009. The government has affirmed its commitment to fiscal consolidation by reducing the budget deficit to 6.8 per cent in 2011 and to below 5 per cent in the medium term. On the recommendations of the Presidential Commission on Taxation, tax reforms were introduced focusing on the simplification of the tax system, rationalising exemptions, improving tax compliance and strengthening tax administration. In addition, steps were taken to streamline the tax concessions granted under the Board of Investment (BOI) Act focusing on larger and strategic investments.

The external sector improved in 2011. Both exports and imports recovered strongly, while increased earnings from the tourism industry and higher inward remittances offset the widening trade deficit to a great extent, reducing the external current account deficit. Increased capital and financial flows resulted in the balance of payments (BOP) recording a surplus in 2011, further strengthening external reserves of the country.

**GDP growth Rate:** In 2011, the Sri Lankan economy recorded growth of 8.3 %, the highest annual rate of growth reported in the last three decades. The real GDP growth in Sri Lanka was 3.5% in 2009. Sri Lanka has maintained relatively high GDP growth rates even during the years of the conflict. Sri Lanka has grown at an average rate of about 6% since 2002. The economy had registered impressive growth rates of 7.7% in 2006, 6.8% in 2007 and 6% in 2008 despite the war.

**Fiscal Deficit:** Under the IMF standby loan arrangement, Sri Lanka had to bring its fiscal deficit down from 7.7% in 2008 to 7% in 2009, to 6% in 2010, and to 5% in 2011. However, the fiscal deficit for 2009 was 9.9% of the GDP (10.3% of the GDP without the foreign grant financing). This was the worst performance since 2001 when the deficit shot up to 10.8%.

**Inflation:** The annual average rate of inflation reached 6.7% in December 2011 as compared to 5.9% in December 2010, up from a 25 year low of end year annual average inflation of 3.4% in 2009.

**Current Account Balance:** The current account deficit increased substantially to US\$ 4,615 million in 2011 from US\$ 1,075 million in 2010. In terms of GDP, the current account deficit increased to 7.8% in 2011 as compared to 2.2% in 2010.

**Foreign Direct Investment (FDI):** The FDI, including loans, during 2011 increased to US\$ 1,066 million compared to US\$ 516 million in 2010. During the year, US\$110 million of loans were received by the Board of Investment (BOI) approved companies, compared to US\$ 39 million in 2010. A noticeable change was observed in sector-wise composition of FDI inflows: Hotel and restaurant sector (20%) and Telecommunication sector (18%). Initiatives taken to streamline the approval process by establishing the 'onestop-unit' concept and expedite development of prime infrastructure facilities resulted in higher FDI inflows of around US\$390 million during the last quarters of 2011, compared to the average per quarter receipts of around US\$ 225 million during the first three quarters of the year.

**External Reserves:** The gross official reserves (excluding ACU receipts) and commercial banks' foreign assets amounted to US\$ 7,199 million by end 2011, compared to US\$ 8,034 million by end 2010. The decrease in total international reserves by US\$ 836 million is attributed to the decline in gross official reserves by US\$ 653 million and a decline in commercial banks' foreign reserves by US\$ 183 million.

**External Debt and Debt Service:** The total external debt of the country decreased to 41.3 per cent of GDP in 2011 from 43.3 per cent in 2010. However, in US dollar terms, the total external debt increased by 14.1 per cent to US \$ 24.5 billion in 2011 from US \$ 21.4 billion in 2010.

**Exchange Rate:** Exchange rate policy in 2011 focused on preventing undue fluctuations in the exchange rate and reducing pressure in the domestic foreign exchange market. The exchange rate in March 2012 was Rs.128.91 against the US dollar compared to Rs.110.35 in March 2011.

## Sectoral Composition of the Economy

The main sectors of the economy of Sri Lanka are Agriculture (11.2%); Industry (29.3%) and Services (59.5%). The following table shows the distribution in greater detail:

### Agriculture

Agriculture continues to play an important role in the economy and it is the major source of employment for about 33% of the labour force. The agriculture sector recorded a moderate growth of 1.5 per cent due to severe crop damage from the adverse weather conditions that prevailed during the first quarter of the year. However, the Agriculture sector made a remarkable recovery during the second half of the 2011. The share of the Agriculture sector in total GDP marginally declined from 11.9% in 2010 to 11.2% in 2011.

### Industry

The Industry sector grew by 10.3 per cent supported by increased domestic and external demand with enhanced investor and consumer confidence. Improved performance in industries, such as food and beverages, rubber based products, textiles and garments coupled with increased performance in the construction sector and increased hydropower generation contributed to this growth. The share of the Industry sector in total GDP increased marginally from 28.7% in 2010 to 29.3% in 2011.

### Service Sector

The Services Sector, which consists of the largest share of 59.5% of GDP, grew by 8.6% in 2011 compared to 8.0% in 2010.

## Export Performance

Earnings from exports exceeded the US\$ 10 billion mark and reached US\$ 10,559 million, an increase of 22.4% in 2011 over the previous year. The export growth in 2011 is commendable and highlighted the resilience of exports as it was achieved amidst slow and uncertain economic recovery in Sri Lanka's traditional markets, particularly, USA, EU, and the Middle East.

### Composition of Exports by commodities – 2011

Industrial	75%
Agricultural	24%
Others	1%

### Composition of Industrial commodity exports:

Textiles and garments	40%
Rubber products	8%
Gems, diamonds & jewellery	5%
Petroleum products	5%
Machinery & Mechanical Appliances	3%
Food, beverages & tobacco	3%
Transport Equipment	2%
Printing Industry Products	2%
Other industrial products	7%

## Import Performance

Expenditure on imports grew by 50.7 per cent, year-on-year, to US \$ 20,269 million in 2011 compared to US \$ 13,451 million in 2010.

### Composition of Imports by Commodities – 2011

Intermediate goods	59%
Investment goods	22%
Consumer goods	18%
Others	1%

### Composition of Intermediate goods imports:

Other Petroleum products	16%
Textiles	11%
Crude oil	8%
Chemical products	3%
Plastics	3%
Paper and paper boards	2%
Fertilizer	2%
Other intermediaries	15%

## Trade Balance

The trade deficit in 2011 widened substantially reflecting the increase in import expenditure by 50.7% outpacing the 22.4% growth in exports earnings. Accordingly, the trade deficit increased by 101.2% to US\$



9,710 million in 2011 from US\$ 4,825 million in 2010. As a percentage of GDP, the trade deficit increased to 16.4% in 2011 from 9.7% in 2010.

### Direction of Trade

India remained the major trading partner in 2011 followed by Singapore and USA. The other countries that had trade over US\$ 1 billion in 2011 include China, Iran, UK and Japan. USA and UK remained the largest export destinations, while India and Singapore followed by China remained the foremost import origins in 2011. India contributed to over 16% of Sri Lanka's external trade in 2011.

USA accounted for 20.3% of Sri Lanka's exports, followed by UK (10.5%) and EU (23.3% excluding UK). Garments continued to account for the bulk of exports to these markets. Among EU member countries, Italy (5.8%), Belgium (5.4%) and Germany (4.8%) remained the leading export destinations in 2011. Almost 79% of Sri Lanka's processed diamonds were exported to Belgium in 2011. Exports to India accounted for about 4.9% of Sri Lanka's total exports, increased by 9.5% in 2011 and comprised of machinery and equipment, animal fodder, spices and garments. Russia continued to be the major destination for tea exports accounting for nearly 17% of total tea exports in 2011. Singapore emerged as an important export destination in 2011 by accounting for nearly 3.9% of Sri Lanka's exports.

India continued to be the largest source of imports in 2011 and accounted for nearly 21.9% of imports of 2011. Total imports from India amounted to US\$ 4,431 million in 2011. Main imports from India were refined petroleum products, motorcycles and auto-rickshaw. Singapore and China followed as the second and third largest import origins, accounting for 10.5% and 10.3% of total imports, respectively. Main imports from Singapore comprised fertilizer and petroleum products, while the major imports from China were machinery and cotton. Iran and Japan remained the fourth and fifth largest source of imports, respectively. Imports from Iran and Japan comprised mainly crude oil and motor vehicles, respectively.

### Exports by destination:

Year	USA	Asia	UK	Germany	Belgium	Others in EU	Middle East	Other countries
2006	29%	14%	13%	5%	5%	11%	6%	17%
2011	20%	16%	11%	5%	5%	13%	11%	19%

### Imports by origin:

Year	India	Singapore	China	Asia-Other	Middle East	EU	USA	Others
2006	21%	10%	14%	21%	10%	14%	2%	14%
2011	23%	10%	10%	17%	14%	9%	1%	16%

Source: Central Bank of Sri Lanka, Annual Report 2011

### Travel and Tourism

Post-conflict growth momentum in the tourism sector continued to improve in 2011. The highest ever tourist arrivals of 855,975, an increase of 30.8% compared to 2010, was recorded in 2011. Largest number of arrivals were from India (171,374) followed by UK (106,082), Germany (55,882), France (48,695), Maldives (44,018) and Australia (41,728). Tourist arrivals from the Middle East also increased by 53.2% in 2011. Over 77% of tourists arrived in Sri Lanka for holiday purposes, while 8% of tourists arrived for business purposes in 2011 and others visited friends and relatives, conventions and meetings, and for religious and cultural purposes.

Earnings from tourism continued in 2011 registered an increase of 44.2% compared to the previous year to record US\$830 million. The average spending by a tourist per night increased from US\$ 88 in 2010 to US\$ 97 in 2011, due to enhanced facilities and increased arrival of high end tourists.

A comprehensive National Tourism Strategy launched in 2011 aims to promote tourism to reach 2.5 million tourist arrivals with annual foreign exchange earnings of US\$ 2.75 billion by 2016 providing direct and indirect employment to 500,000 people.

More Information can be obtained from:

Central Bank of Sri Lanka:	<a href="http://www.cbsl.gov.lk">www.cbsl.gov.lk</a>
Ministry of Finance and Planning:	<a href="http://www.treasury.gov.lk">www.treasury.gov.lk</a>
Board of Investment:	<a href="http://www.boi.lk">www.boi.lk</a>
Export Development Board:	<a href="http://www.srilankabusiness.com">www.srilankabusiness.com</a>
Department of Census & Statistics	<a href="http://www.statistics.gov.lk">www.statistics.gov.lk</a>

# India-Sri Lanka Economic Engagement

## Overview

India is Sri Lanka's closest neighbour. The relationship between the two countries is more than 2,500 years old and both sides have built upon a legacy of intellectual, cultural, religious and linguistic intercourse. Relations between the two countries have also matured and diversified with the passage of time, encompassing all areas of contemporary relevance. The shared cultural and civilizational heritage of the two countries and the extensive people to people interaction of their citizens provide the foundation to build a multi-faceted partnership. In recent years, the relationship has been marked by close contacts at the highest political level, growing trade and investment, cooperation in the fields of development, education, culture and defence, as well as a broad understanding on major issues of international interest.

India and Sri Lanka enjoy a vibrant and growing economic and commercial partnership, with bilateral trade growing rapidly in the last decade and a number of leading Indian private sector companies investing in Sri Lanka and establishing a presence in this country. Sri Lanka is India's largest trade partner in SAARC. India in turn is Sri Lanka's largest trade partner globally. Much of the impetus for the current level of our economic interaction stemmed from the signing and entry into force of the Free Trade Agreement (FTA) in 1998 and 2000 respectively. Over the next twelve years, bilateral trade multiplied nearly eight-fold. Following a downturn in 2009 on account of the global economic recession, trade has rebounded and, according to Sri Lankan statistics, bilateral trade during in 2010 has reached 3.04 billion USD compared to 2.07 billion USD in 2009. In 2011, the bilateral trade turnover reached all time high reaching USD 4.86 billion. In 2011, the Indian exports to Sri Lanka stand at 4.33 billion USD compared to 2.47 billion USD in corresponding period in 2010, registering a growth of 75.33%. The Sri Lanka exports to India stand at USD 528.82 million compared to USD 471.23 million in corresponding period in 2010, registering a growth of about 14.62%. Indian companies have also established a strong investment presence in Sri Lanka with FDI approvals over \$600 million during the period 2003-2011. India was the largest FDI contributor to Sri Lanka in 2010, contributing US \$110 million out of total US \$ 516 million received by Sri Lanka. In 2011, the total FDI from India to Sri Lanka was US \$ 147 million and India is on second place behind Mauritius (US \$ 253 million). Indian companies such as IOC, Tatas, Bharti Airtel, Piramal Glass, LIC, Ashok Leyland, L&T and Taj Hotels are present in Sri Lanka. In recent past, the two countries have also resumed discussions on a Comprehensive Economic Partnership Agreement and steps to finalize the Agreement are expected to be taken in the near future.

Tourism also forms an important link between India and Sri Lanka and India is the largest source market for Sri Lankan tourism. More than 125,000 Indian tourists visited Sri Lanka in 2010, making up nearly 20% of the total tourist inflow into Sri Lanka. A similar trend continued in 2011, with tourist arrival from India amounting to 171,374, out of a total of 855,975 tourists arrivals in Sri Lanka, contributing about 20.02% of all tourist arrivals. Sri Lankan tourists too are among the top ten sources for the Indian tourism market. In 2010, nearly 200,000 and In 2011, 200,318 visas were issued by the High Commission in Colombo to facilitate travel between Indian and Sri Lanka.

India is among the four largest investors in Sri Lankan economy and Sri Lanka's investments in India have shown remarkable growth in recent years. In terms of development cooperation, too, India makes a significant contribution, Sri Lanka being the largest recipient of aid, grants and concessional lines of credit in South Asia.

## Bilateral Agreements

The juridical framework for the relationship is provided by a Free Trade Agreement, a Double Taxation Avoidance Agreement, a Bilateral Investment Protection and Promotion Agreement. Bilateral agreements/MoUs on Air Services, Small Development Projects, Cooperation in Small Scale Industries and Cooperation

in Tourism and an Agreement on Cooperation in Science and Technology was also exists. A Comprehensive Economic Partnership Agreement (CEPA) is under negotiation.

### India-Sri Lanka Free Trade Agreement (ISLFTA)

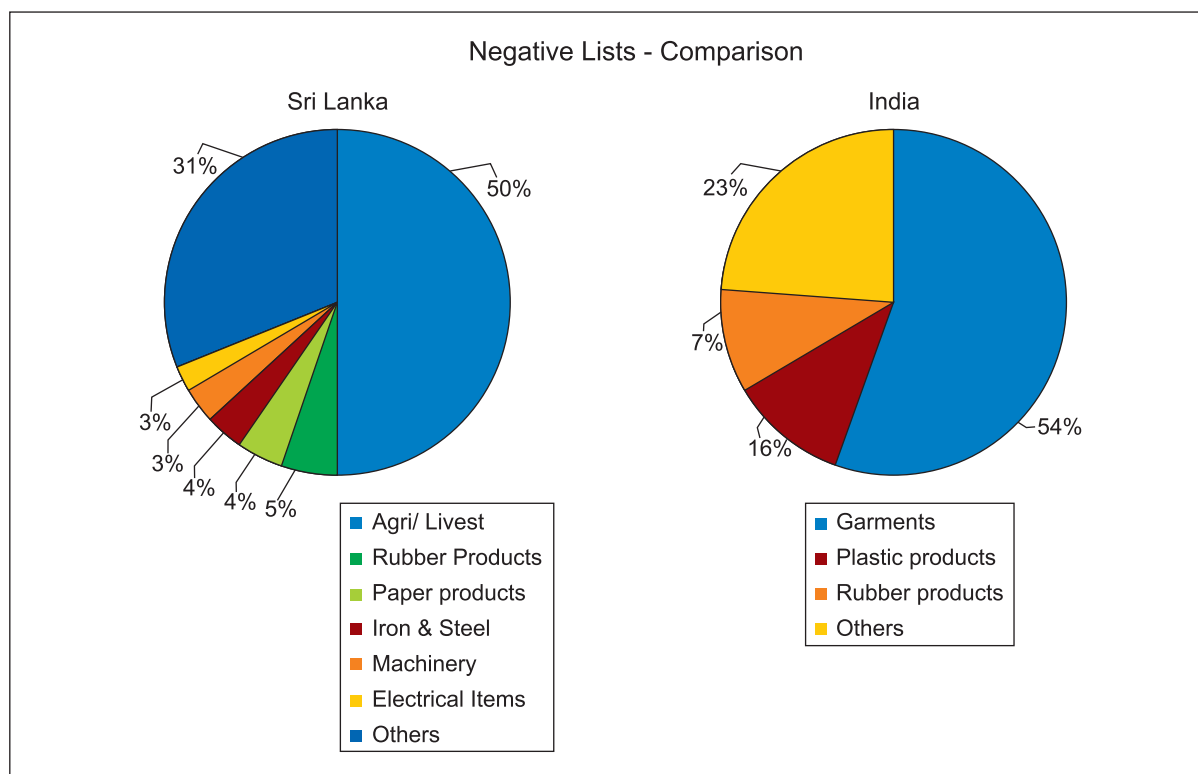
The main framework for bilateral trade has been provided by the India-Sri Lanka Free Trade Agreement (ISLFTA) that was signed in 1998 and entered into force in March 2000. The basic premise in signing the ISLFTA was asymmetries between the two economies, local socio-economic sensitivities, safeguard measures to protect domestic interests, and revenue implications so as not to impact high revenue generating tariff lines in the short term. In a nutshell, India sought to do more without insisting on strict reciprocity from Sri Lanka. This is reflected in the respective obligations of the two countries under the ISLFTA where India agreed to open more tariff lines upfront and within a shorter time span of three years as against smaller and more staggered openings by Sri Lanka which was provided a longer time of eight years.

As a result of ISLFTA, currently 4150 Indian tariff lines have been made zero duty for Sri Lankan exports to India. Similarly, 3932 tariff lines have been made zero duty for Indian exports to Sri Lanka. In addition to these steps, India has offered quotas to Sri Lanka on certain tariff lines (a) 15 million tonnes of Tea (5 tariff lines) with 50% margin of preference with no port entry restrictions since June 2007; (b) Textiles, where there is a 25% tariff reduction for 528 Textile items; and (c) Garments where the 50% margin of preference on 8 million pieces over 233 tariff lines. The Garments quota terms have been further liberalized through a MoU on October 5, 2007 by which the Government of India has issued a Custom Notification No. 52/2008 dated 22 April 2008 giving immediate effect to the MoU. As a result, India has reduced duty to zero and removed restrictions on entry ports and sourcing of fabrics from India for 3 million pieces of apparel products from Sri Lanka. India has also removed port restrictions on the balance 5 million pieces of apparel products. These 5 million pieces of garments will be allowed to enter India at zero duty or Margin of Preference of 75% depending on the product category provided that they are manufactured using Indian made fabrics.

#### Obligations

	Sri Lanka's Commitments	India's Commitments
Tariff lines to become Zero duty in March 2000	319	1351
Tariff lines to become Zero duty in March 2003	889	2799
Garment Quota – 8 Million pieces	Nil	233
25% MOP – Textile Items	Nil	528
50% MOP – Tea 15 million Kgs	Nil	5
Tariff lines to become 35% in March 2003 and decreased progressively to Zero by March 2008	2724	Nil
Negative List	1180	429

As of now, 1180 tariff lines remain in the Sri Lankan negative list that includes Agriculture/livestock items, rubber products, paper products, Iron and Steel, machinery, and electrical items. On the Indian side, there are 429 items in the negative list, which include garments, plastic products and rubber products etc.



### ISLFTA Rules of Origin

In order to receive ISFTA benefits, the merchandise exported between India and Sri Lanka should comply with the following Rules of Origin criteria.

#### Wholly Obtained Products

All wholly obtained products such as tea, fish, spices etc. will be able to enjoy duty free benefits at each other's markets without difficulty, provided they are eligible for duty concessions.

#### Products not Wholly Produced or Obtained

These include the products manufactured using imported raw materials. In order to enjoy ISFTA benefits, the products should comply with the following criteria.

- The Domestic Value Addition (DVA) in the exporting country should not be less than 35% of the FOB value of the finished product and
- HS Codes of the imported raw materials and the finished products should be different at 4-digit level. (Change of Tariff Heading criteria)

#### Cumulative Rules of Origin

The Cumulative Rules of Origin encourage the contracting states ( India and Sri Lanka ) to source raw materials needed for their exports from each other. Accordingly, an exporter has to show only a minimum DVA of 25% of the FOB value of the finished product, provided the raw materials imported from the other contracting state accounts for not less than 10% of the FOB value of the particular product. (In other words, the aggregate value addition should not be less than 35% of the FOB value of the finished product, while the DVA in the exporting country should be minimum 25% of the FOB value)

Under SAFTA, the Rules of Origin and Cumulative Rules of Origin are slightly different and the SAFTA agreement text must be consulted before making use of this provision.

### Operational Certification Procedures (OCP)

Both ISLFTA and SAFTA specify Operational Certification Procedure for obtaining Certificates of Origin (COO) to make products eligible for concessions in the country of export under the relevant agreements. These must be carefully consulted and followed to avoid disappointment. The validity of the COO under SAFTA is 12 months and can be issued within 3 working days of the shipment of the product. The ISLFTA is silent in this regard and it is advisable to obtain COO before the consignment is shipped to avail benefits under the ISLFTA.

### Designated authority for the issue of certificates of origin

#### In Sri Lanka

Director General of Commerce,  
Department of Commerce,  
4th Floor, Rakshana Mandiraya,  
Colombo 2. Sri Lanka.  
Tel: 94 – 1 – 329733  
Fax: 94 – 1 – 430233  
Email: [fortrade@sri.lanka.net](mailto:fortrade@sri.lanka.net)

#### In India

Export Inspection Council of India (Corporate Office)  
(Department of Commerce)  
(Ministry of Commerce & Industry, Government of India)  
3rd Floor - NDYMCA Cultural Centre Building,  
1, Jaisingh Road,  
New Delhi – 110 001.  
Tel: +91-11-23341263/ 23748189/ 23365540  
Fax: +91-11-23748024  
E -mail: [eic@eicindia.gov.in](mailto:eic@eicindia.gov.in)  
Website: [www.eicindia.gov.in](http://www.eicindia.gov.in)

For more information on ISLFTA please visit:

Department of Commerce, Govt. of Sri Lanka	<a href="http://www.doc.gov.lk/web/indusrilanka_freetrade.php">http://www.doc.gov.lk/web/indusrilanka_freetrade.php</a>
Department of Commerce, Govt. of India	<a href="http://commerce.nic.in/trade/international_ta_indsl.asp">http://commerce.nic.in/trade/international_ta_indsl.asp</a>
High Commission of India, Colombo	<a href="http://www.hcicolombo.org">www.hcicolombo.org</a>

### South Asian Free Trade Area (SAFTA)

The Agreement on South Asian Free Trade Area (SAFTA) came into force from 1st January, 2006. India, Pakistan and Sri Lanka are categorized as Non-Least Developed Contracting States (NLDCS) and Bangladesh, Bhutan, Maldives, Afghanistan and Nepal are categorized as Least Developed Contracting States (LDCS). With SAFTA in force the concessions under SAPTA signed in 1995 ceased in respect of Sri Lanka and India as they are classified as LDCSs.

Article 7 of the SAFTA Agreement provides for a phased tariff liberalization programme (TLP) under which, in two years, NLDC would bring down tariffs to 20%, while LDCS will bring them down to 30%. Non-LDCS will then bring down tariffs from 20% to 0-5% in 5 years (Sri Lanka 6 years), while LDCS will do so in 8 years. NLDCs will reduce their tariffs for L.D.C. products to 0-5% in 3 years. This TLP would cover all tariff lines except those kept in the sensitive list (negative list) by the member states.

The salient features of the four Annexes of SAFTA Agreement are as under:

### (i) Rules of Origin

For giving preferential access to the Member Countries under SAFTA, the goods shall have undergone substantial manufacturing process in the exporting countries. The substantial manufacturing process are defined in terms of twin criteria of Change of Tariff Heading (CTH) at four-digit Harmonized Coding System (HS) and value content of 40% (30% for LDCs).

Apart from the general rules, SAFTA provides for Products-Specific Rules (PSR) for 191 tariff lines to accommodate the interest of LDCs given their limited base for natural resources and undiversified industrial structure. The Products Specific Rules have been provided clearly on technical grounds i.e. where both inputs and outputs are at the same four-digit HS level.

### Sensitive List or Negative List

The summary of the Sensitive Lists are as under:

	Participating countries	No. of Tariff Lines for LDCs	No. of Tariff Lines for NLDCs	Consolidated List
1	Bangladesh	1249	1254	--
2	Bhutan	--	--	137
3	India	744	865	--
4	Maldives	--	--	671
5	Nepal	--	--	1335
6	Pakistan	--	--	1183
7	Sri Lanka	--	--	1065

As can be seen above, the Negative List for Sri Lanka with regard to India is 865 (much larger than under the ISLFTA where it is 429 tariff lines only). The Negative List for India with regard to Sri Lanka is 1065 tariff lines which is somewhat smaller than 1180 tariff lines under the ISLFTA. However, in real terms the value of SAFTA benefits as incremental to ISLFTA is marginal for both countries. There are a total of 139 items in Sri Lanka's Negative List under the ISLFTA that are absent from the Sri Lanka's list under SAFTA. Zero duty benefits under these are, therefore, available to Indian exporters.

### Other Free Trade Agreements

India and Sri Lanka are also Party to Asia Pacific Trade Agreement (previously known as Bangkok Agreement). They are also in advanced stages of negotiations for a Free Trade Agreement under Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). They are also Party to Agreement on the Global System of Trade Preferences among Developing Countries (GSTP).



## Bilateral Trade

## Bilateral Trade Figures (US\$ Million)

Year	Imports from India	Exports to India	Total Trade	Trade Deficit for Sri Lanka	EXIM Ratio
All figures in US \$ million, (FTA implemented in March 2000)					
1999	512	49	561	-463	10.4:1
2000	600	58	658	-542	10.3:1
2001	602	72	674	-530	8.4:1
2002	835	171	1006	-664	4.9:1
2003	1076	241	1317	-835	4.4:1
2004	1358	385	1743	-973	3.5:1
2005	1399	559	1958	-840	2.5:1
2006	1805	489	2294	-1316	3.6:1
2007	2750	516	3266	-2234	5.3:1
2008	2838	418	3256	-2420	6.8:1
2009	1707	328	2035	-1379	5.2:1
2010	2,571	471	3042	-2100	5.4:1
2011	4330	530	4860	-3830	8.1:1

Source: Sri Lanka Customs

## Percentage of Total Sri Lanka Trade with India

Year	Exports (%)	Imports (%)
2002	3.57	13.81
2003	4.79	16.49
2004	6.84	17.25
2005	8.95	17.32
2006	7.17	18.47
2007	6.63	24.43
2008	5.10	20.80
2009	4.56	17.96
2010	5.57	20.63
2011	5.14	22.07

Source: Sri Lanka Customs

## Sri Lankan Exports to India

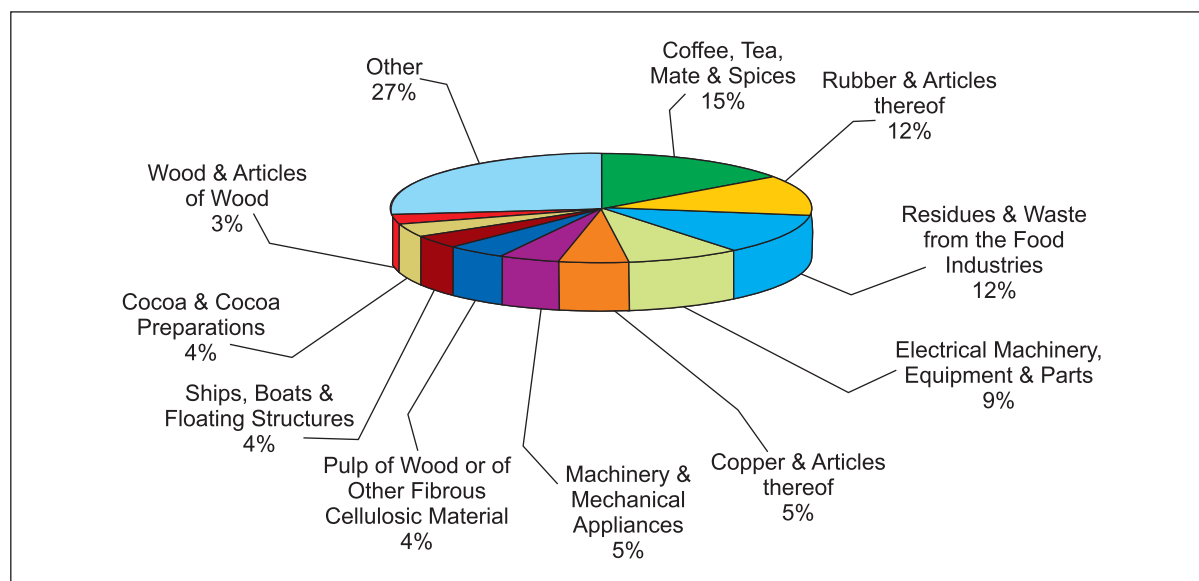
### Top ten Articles exported to India from Sri Lanka - 2010

S.No	Description	% Share	US\$ million
1.	Coffee, tea, mate and spices	15.19	71.60
2.	Rubber and articles thereof	12.03	56.70
3.	Residues and waste from the food industries	12.00	56.56
4.	Electrical machinery & equipment & parts	8.71	41.05
5.	Copper & articles thereof	5.29	24.92
6.	Machinery & Mechanical Appliances	4.64	21.86
7.	Pulp of wood or of other Fibrous Cellulosic Material	4.46	21.01
8.	Ships, Boats and Floating structure	4.05	19.07
9.	Cocoa & Cocoa Preparations	3.94	18.56
10.	Wood & Articles of Wood	2.53	11.90
	Others	27.17	128.01
	Total	100.00	471.23

Source: Sri Lanka Customs

## Sri Lanka's Exports 2010

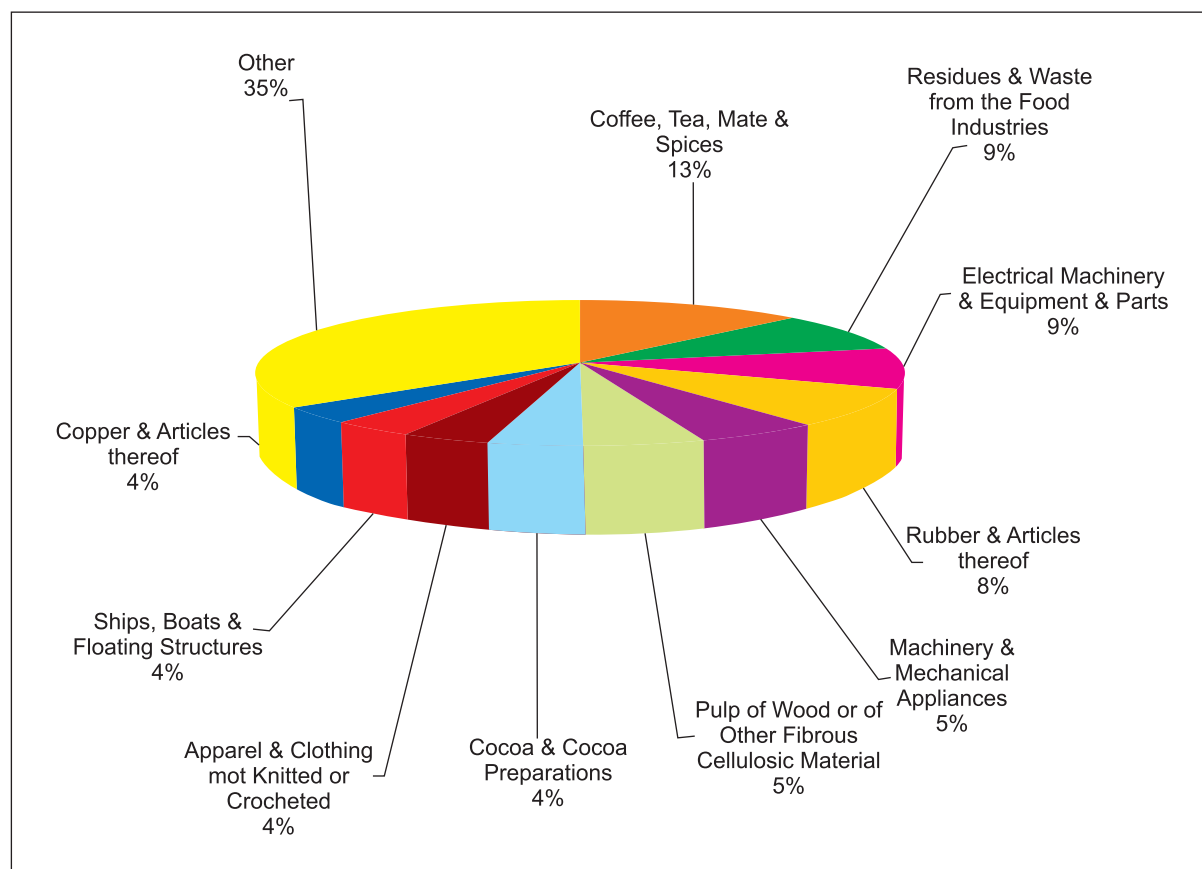
### Top ten Articles exported to India from Sri Lanka – 2011



S.No	Description	% Share	US\$ million
1.	Coffee, Tea, Mate & Spices	13.24	69.05
2.	Residues & Waste from the Food Industries	8.83	46.03
3.	Electrical Machinery & Equipment & Parts	8.59	44.81
4.	Rubber & Articles thereof	8.53	44.51
5.	Machinery & Mechanical Appliances	5.42	28.28
6.	Pulp of Wood or of Other Fibrous Cellulosic Material	5.18	26.99
7.	Cocoa & Cocoa Preparations	4.18	21.79
8.	Apparel & Clothing - not Knitted or Crocheted	3.84	20.03
9.	Ships, Boats & Floating Structures	3.67	19.15
10.	Copper & Articles thereof	3.67	19.12
	Others	34.86	181.81
	Total	100.00	521.59

Source: Sri Lanka Customs

## Sri Lanka's Exports 2011



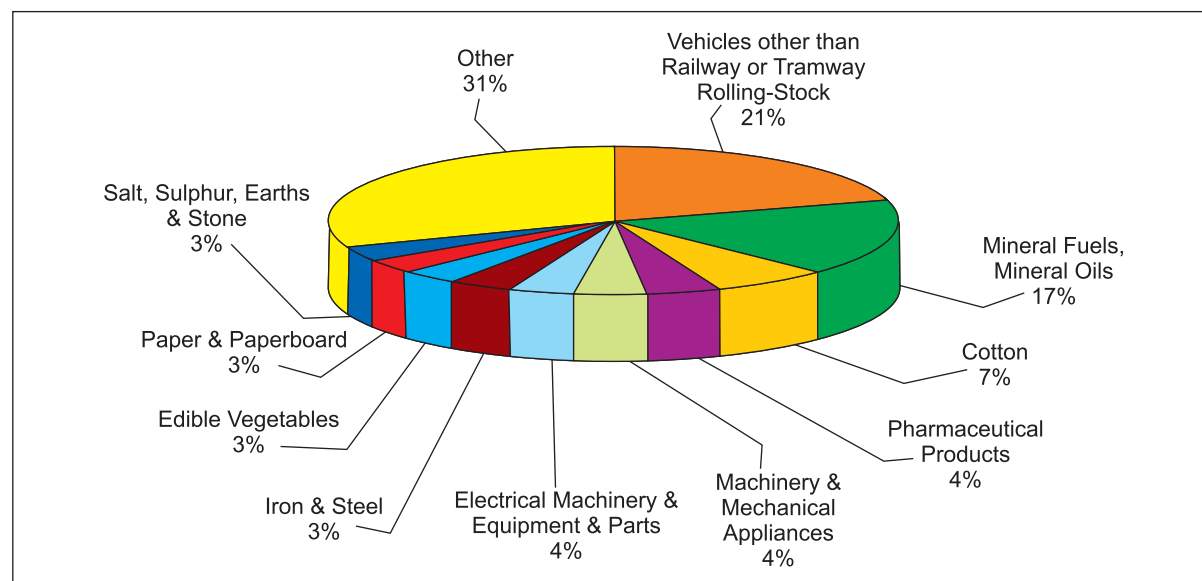
## Sri Lankan Imports from India

### Top ten Articles exported to Sri Lanka from India - 2010

S.No	Description	% Share	US\$ million
1.	Vehicles other than railway or tramway	20.66	531.31
2.	Mineral fuels, mineral oils and products	16.67	428.57
3.	Cotton	6.68	171.83
4.	Pharmaceutical products	4.18	107.49
5.	Machinery and mechanical appliances	4.10	105.49
6.	Electrical Machinery & Equipment & parts	3.66	94.03
7.	Iron and steel	3.65	93.77
8.	Edible vegetables	3.47	89.13
9.	Paper and paperboard	2.97	76.50
10.	Salt, Sulphur, Earths and stone	2.91	74.75
	Others	31.06	798.62
	Total	100.00	2571.51

Source: Sri Lanka Customs

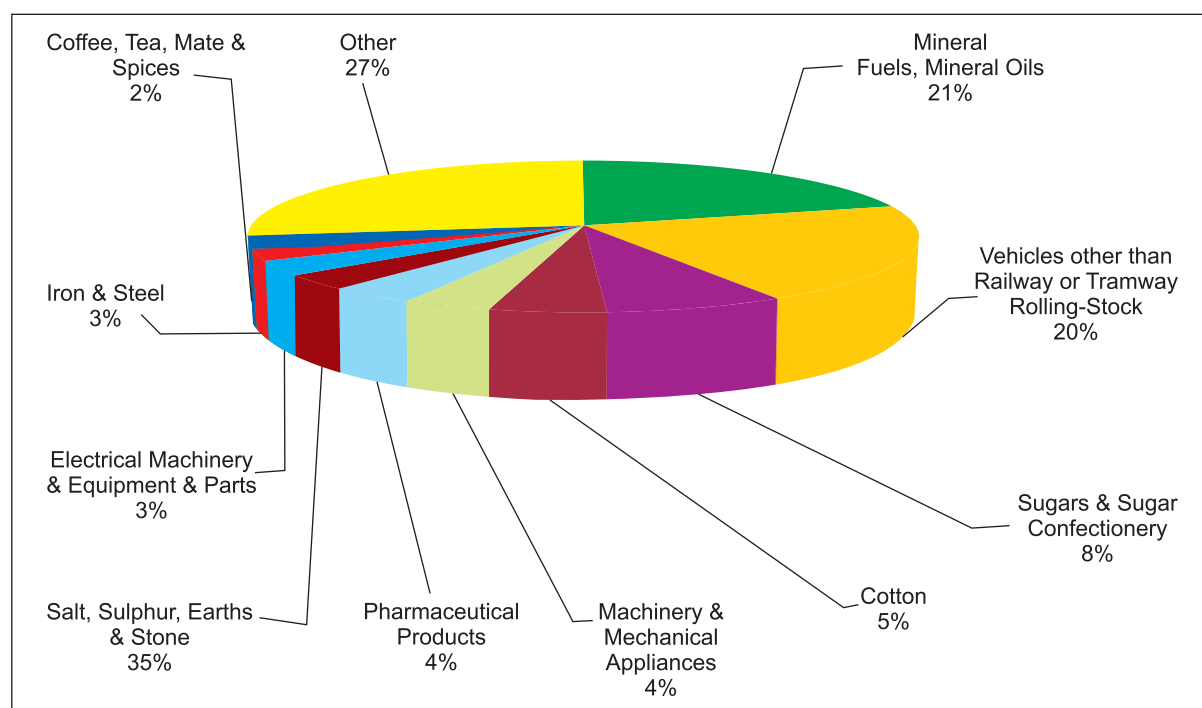
## India's Exports 2010



### Top ten Articles exported to Sri Lanka from India - 2011

S.No	Description	% Share	US\$ million
1.	Mineral Fuels, Mineral Oils	20.80	904.67
2.	Vehicles other than Railway or Tramway Rolling-Stock	20.56	894.21
3.	Sugars & Sugar Confectionery	7.68	334.03
4.	Cotton	5.00	217.40
5.	Machinery & Mechanical Appliances	3.80	165.45
6.	Pharmaceutical Products	3.73	162.24
7.	Salt, Sulphur, Earths & Stone	3.28	142.48
8.	Electrical Machinery & Equipment & Parts	3.05	132.89
9.	Iron & Steel	2.65	115.29
10.	Coffee, Tea, Mate & Spices	2.43	105.85
	Others	27.03	1175.77
	Total	100.00	4350.27

### India's Exports 2011



### Comprehensive Economic Partnership Agreement (CEPA)

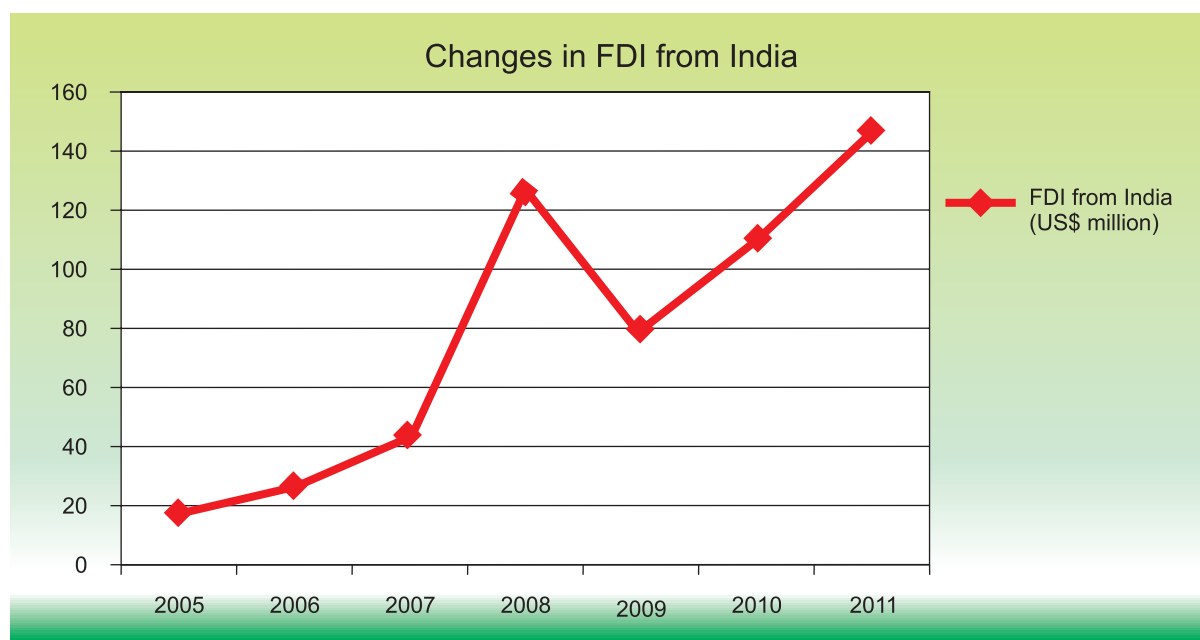
Following the FTA, the two Governments emboldened by the positive outcomes and success of the FTA, felt that more action was required to unleash the full potential of our bilateral economic relations. Accordingly, during the visit of Prime Minister of Sri Lanka to India in June 2002, the two governments decided to set up a Joint Study Group to explore possibilities of starting negotiations for a CEPA, modeled on the India-Singapore CECA. Based on the report of the JSG in October 2003, the two countries began negotiations on a CEPA in early 2005. Thirteen rounds of negotiations have been completed, the last round having been held in Colombo on July 8, 2008. Following the last technical level meeting, the Commerce Secretaries of the two countries met on July 9, 2008 to finalize the remaining issues and officially declared that CEPA negotiations

have been completed. However, the agreement is yet to be signed. CEPA seeks to build on the momentum generated by the FTA and take the two economies beyond trade in goods towards greater integration and impart renewed impetus and synergy to bilateral economic interaction. The discussion on CEPA has resumed in December 2010. The salient features of CEPA as presently negotiate include:

- i. Incremental measures to reduce the negative lists of both countries and to deepen the tariff liberalization programme contained in FTA.
- ii. Additional concessions in garments and textiles sectors by India.
- iii. There is a proposal to create new Product Specific Derogations (PSRs) for a large number of Sri Lankan products by easing the rules of origin norms criteria for a range of products. This was to address concerns among some exporters in Sri Lanka who felt that the FTA rules of origin criteria were far too stringent leading to effective denial of export possibility. Some of the products likely to be included are apparel items, jewellery, furniture, machineries, electrical and other appliances, agricultural and agro-processed items, fishery products, non-ferrous metals, and so on.
- iv. Revise the provisions of Rules of Origin and Operational Certification Procedures in keeping with progress on these issues in SAFTA and other FTAs.
- v. Commitment to identify and root out all non-tariff barriers;
- vi. Provision for a close cooperation mechanism between the Customs Authorities; for transparency of laws, rules and regulations through prompt publication, adoption of risk management techniques to allow expeditious clearance to low risk consignments, adoption of paperless trading methods, adoption of advance ruling system etc.
- vii. Provision for a Mutual Recognition Agreement (MRA) as well as stipulation to adopt common Sanitary and Phyto-sanitary Standards (SPS). This measure is aimed at dealing with delays due to lab testing and certification processes. Testing and certification done in Sri Lanka or India would be recognized in each other's country. The products that will benefit include: ayurvedic products, fish and fishery products, coffee, tea and spices, edible fruits and nuts, vegetable fats and oils, all kinds of animal and animal products, plant and products of plant origin, and other agricultural and related items.
- viii. The main new opening in CEPA would be the inclusion of trade in services. A positive list approach as under WTO would be followed and reflected in the Schedule of Commitments of both countries. Like in the trade in goods covered under FTA, there would larger and deeper openings by India than by Sri Lanka. India will open far more sectors upfront and grant deeper concessions in each of these areas. In return, Sri Lanka will adopt a more gradual approach, open only selected areas and restrict openings in these sectors to levels it is comfortable with.
- ix. The Agreement will also update the Bilateral Investment Protection and Promotion Agreement (BIPPA). It will contain a schedule of commitment on investments which would larger for India than for Sri Lanka.
- x. Provision for bi-annual meetings at the level of Commerce Secretaries and annual meeting of the Commerce Ministers to deal with unresolved issues and to ensure that all concerns are addressed at a very high level and on a regular basis.
- xi. Provision of dispute resolution mechanism for redressal through non-governmental means by providing for arbitration.
- xii. Provides for economic cooperation in a wide range of areas. These include: Energy; Manufacturing; Services; Transport and infrastructure; Science and technology; Human resource development; and SMEs. This would help in creating capacities and developing human resource potential in Sri Lanka to better leverage the new openings envisaged in CEPA.

## Investments

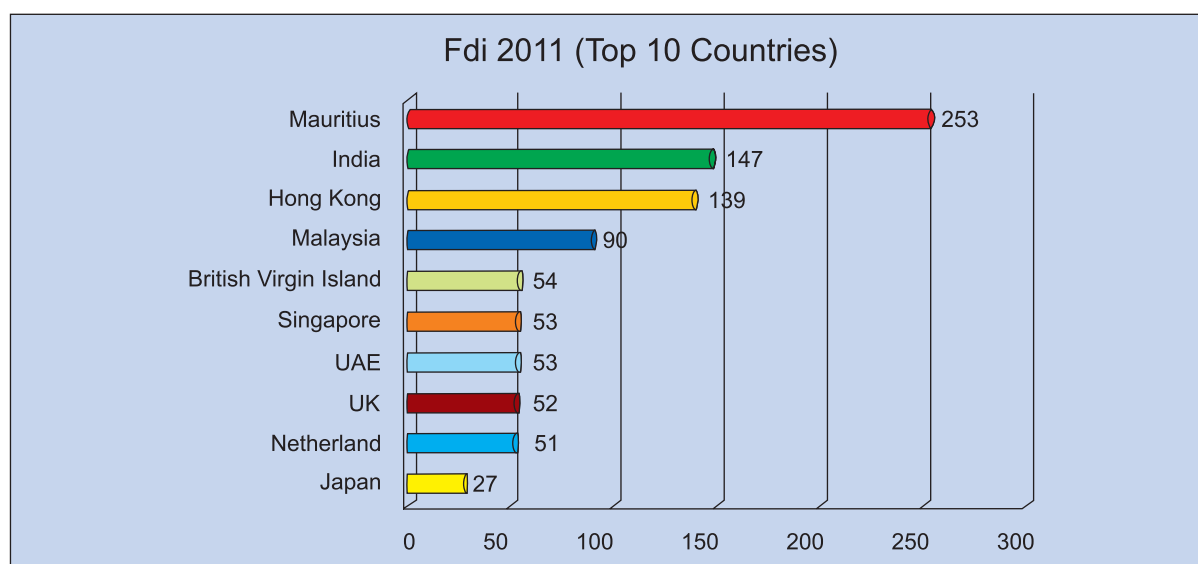
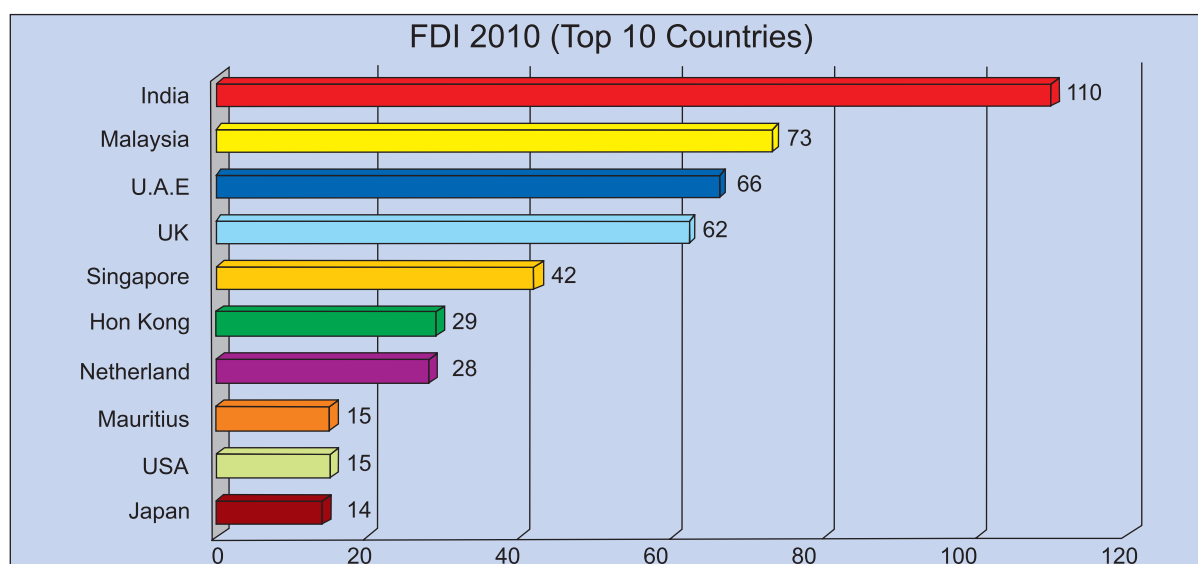
India is among the four largest overall investors in Sri Lanka with cumulative investments of around US\$ 600 million. The investments are in the areas of petroleum retail, IT, financial services, real estate, telecommunication, hospitality & tourism, banking and food processing (tea & fruit juices) vanaspati, copper and other metal industries), tyer, cement, glass manufacturing, etc. In 2011, total FDI from India to Sri Lanka is 147 million USD and India is on second place behind Mauritius (253 million). India was the largest foreign direct investor in Sri Lanka in 2010, with 110 million US dollars followed by Malaysia with 73 million US dollars and the United Arab Emirates 66 million dollars in 2010.



Year	FDI from India	Total FDI	Rank
2003	53.81	158.35	1
2004	25.23	214.00	4
2005	17.86	249.02	4
2006	27.05	506.20	9
2007	42.88	644.70	4
2008	126.00	779.00	2
2009	78.00	601.00	3
2010	110.20	516.30	1
2011	147.00	1067.00	2

Source: Sri Lanka Board of Investment





A number of new investments from Indian companies are in the pipeline. Notable among them are proposals of Shree Renuka Sugar to set up a sugar refining plant at Hambantota (US \$ 220 million), Dabur to set a fruit juice manufacturing plant (over US\$ 20 million), South City, Kolkata for real estate development in Colombo (US \$ 400 million), Tata Housing (real estate), ITC Ltd ( hotel). On the other hand, the last few years have also witnessed an increasing trend of Sri Lankan investments into India. Significant examples include Ceylon Biscuits (Munchee brand), Carsons Cumberbatch (Carlsberg), Brandix (about US\$ 1 billion to set up a garment city in Vishakapatnam), MAS holdings, John Keels, Hayleys, and Aitken Spence (Hotels), apart from other investments in the freight servicing and logistics sector.



IOC outlet a Ratmalana



Piramal Glass Factory in Sri Lanka



*Fueling Convenience*



*Fueling Growth*



*Fueling Prosperity*

*Proud to spread prosperity  
throughout Sri Lanka*

**XTRAMILE**  
DIESEL  
Extra mile Extra savings

**XTRAPREMIUM**  
Petrol With Friction Buster  
The best your vehicle can get

**SERVO**  
100% PERFORMANCE. EVERYTIME.

**IOC**  
Lanka IOC



## Main Indian investments are:

### 1) Lanka IOC PLC

Lanka IOC PLC is a public liability company listed in the Colombo Stock Exchange with a turnover of SLRs 51.74 billion with a net profit after tax of SL Rs 876 million. LIOC holds one-third share in Ceylon Petroleum Storage Terminals Ltd, the Common User Facility in Sri Lanka for storage and distribution of petroleum products. LIOC is making phased investments to provide world-class quality petroleum products and services. Lanka IOC has invested approx USD 95 million.

### 2) Bharti Airtel Lanka



Bharti Airtel Lanka is a subsidiary of Bharti Airtel and commenced commercial operation of services on January 12, 2009 and now has an aggregate of over 1 million customers, and is Sri Lanka's fastest growing wireless operator. It was granted a license in 2007, in accordance with the Sri Lanka Telecommunications Act No. 25 of 1991. Under the license, the company provides digital mobile services to Sri Lanka inclusive of voice telephony; voice mail, data services and GSM based services. The approx investment by Airtel is about US \$ 200 million.

### 3) Piramal Glass Ceylon

Piramal Glass Ceylon (PGC) is a venture of Piramal Enterprise Ltd of Mumbai India, in Glass Container for Packaging. It has stemmed out of Ceylon Glass Company, which was acquired by Gujarat Glass Pvt Ltd (part of Piramal Enterprises Limited) in the year 1999-2000. It was renamed as PGC in 2008. Gujarat Glass Pvt Ltd (GGPL) currently holds 54% of the equity of Piramal Glass Ceylon Plc. The approx investment by Piramal Glass Ceylon is US \$ 55 million.

### 4) Taj Hotels

The presence of Taj Hotels, Resorts and Palaces in Sri Lanka spans over a quarter of a century and is represented today by three properties- Taj Samudra, Colombo located in Colombo, Vivanta by Taj, Bentota - beach resort on the south west coast and The Gateway Hotel - Airport Garden, Colombo.

### 5) UltraTech Cement

UltraTech's bulk cement terminal in Sri Lanka is located at Colombo. Existing plant capacity is 0.6 MTPA with initial investment of 11 million USD and is set to increase to 1.2 MTPA by end of 2011 after completion of ongoing expansion project worth 2.3 million USD. The current turnover of UltraTech-Sri Lanka is 59 million USD and is expected to reach 110 million USD by 2013/14.

### 6) J.V.Gokal Ceylon Private Limited

It was established in June 2003 for export of value added Teas from Sri Lanka. The investment to date is USD 5.5 Million. J.V.Gokal Ceylon is a part of the Indian Mumbai headquartered J.V.Gokal & Company. The company exports Black, Green and Flavoured Tea Bags under brand SUPER TEA and other private labels to around 31 countries around the world from Sri Lanka.

### 7) Tata Communications Lanka Limited



Tata Communications Lanka Limited was incorporated in June 2003 and obtained an External Gateway Operator License (EGO). The company commenced operations in February 2004. The company has created a niche for itself for catering to the global telecommunication needs of customers in Sri Lanka. It launched its second gateway in April 2011.

### 8) Banks from India

State Bank of India, Indian Bank, Indian Overseas Bank and ICICI Bank are operating in Colombo, Sri Lanka. State Bank's Sri Lankan operations started way back in 1864 and it is one of the oldest banks in the Country. State Bank of India has a branch in Kandy and it is likely to open a branch in Jaffna. Indian Bank opened a branch in Jaffna in January 2011. ICICI Bank Limited commenced banking operations in Sri Lanka through a branch office on January 16, 2006. Axis Bank, India's third largest private sector bank, launched its Sri Lankan operations with the inauguration of the Colombo branch on 21st October, 2011. Axis Bank is the fifth Indian bank to enter Sri Lanka.

### 9) Asian Paints (Lanka) Limited

Asian Paints (Lanka) Limited is the second largest

paint company in Sri Lanka, manufacturing complete range of Protective and Decorative Coatings. The unit began operations in 1999 by acquiring Delmege Forsyth and Co. (Paints) and was later renamed to Asian Paints (Lanka) Ltd in Sept 2000.

#### 10) CEAT -Kelani Associated Holdings (Pvt) Ltd

CEAT – Kelani began as a joint venture of CEAT India Ltd, Associated Motor Ways PLC & Kelani Tyres PLC and is the largest tyre manufacturer in Sri Lanka. It is a dominant player in Sri Lanka's domestic tyre market, with a share of over 60% in the truck and light truck sector. The company is also a market leader in the farm and three-wheeler sectors in Sri Lanka, and has the largest dealer network on the island. It exports to 14 countries in the world and is the first local tyre manufacturing entity to obtain ISO 9000 certification.

#### 11) MphasiS Sri Lanka

MphasiS Sri Lanka became operational in September 2010. The company plans to hire over 2000 people



in the next 3 years in Sri Lanka. The center will join MphasiS' network of Global Delivery centers providing Applications, BPO and ITO services to clients world-wide.

#### 12) L&T Infrastructure Development Projects' project in Colombo



L&T Infrastructure Development Projects (Lanka) Pvt. Ltd., is a Special Purpose vehicle formed in 2006 to implement a Joint Venture agreement with National Housing Board of Sri Lanka to develop the Iconic Diamond Tower Project, a mixed development urban infrastructure project, situated on Darley Road. This Board of Investment approved project has already secured land and obtained all permissions including Colombo Municipal Corporation's approval of construction drawings. Soil testing and test piling have also been completed.

#### 13) Lanka Ashok Leyland

Lanka Ashok Leyland was incorporated in 1982 as a Public Limited Liability Company and started its operations in 1983 as a Joint venture between Lanka Leyland Ltd (a wholly owned company of Government of Sri Lanka) and Ashok Leyland Ltd India, to carry out the business of importation of Ashok Leyland commercial vehicles in knock down condition or fully built and carry out assembly operations, repair and service, body building on chassis and other developments to progressively develop ancillary industries locally.

#### 14) Tata Housing



A memorandum of understanding was signed between Urban Development Authority (UDA) of Sri Lanka and TATA Housing & SG18 of India on 15 March, 2012 for Slave Island Development Project in Colombo. On 28 April, 2012 Indian companies, Tata Housing & SG 18 in cooperation with Urban Development Authority of Sri Lanka (UDA) launched an awareness programme for the project. The total estimated cost of the project will be approx \$400 million USD. The project is proposed to be constructed in two or three phases and shall be completed in 8-10 years from the date of receipt of all the required approvals.

#### 15) Welcome Hotels Lanka Private Limited



ITC Limited (ITC), a multi-business Indian private sector conglomerate with a market capitalization of over US \$ 35 billion and a Turnover of around US\$7 billion with business interests spanning Consumer Goods, Hotels, Paper & Packaging, Agri-Business and Information Technology, has incorporated a wholly owned subsidiary – Welcome Hotels Lanka Private Limited (WLPL) in Sri Lanka. WLPL has acquired land at Galle Face in Colombo on a 99-year lease from the Board of Investment of Sri Lanka with an intention to set up a mixed use project, including



Inside CEAT Factory, Sri Lanka

a luxury hotel. The exact nature of the project is being decided.

#### 16) Dabur Lanka Pvt. Ltd

Dabur has set up Dabur Lanka Pvt. Ltd in Sri Lanka. The new plant will be set up at Gampaha, north of Colombo by Sep'12. Spread over 50 acres it will have the capacity to produce 2.8 lakh cases of fruit-based beverages per month and will be export-oriented. The investment plan in the coming 3 years is around Rs.125cr of which about Rs.70 cr will go in on setting up the new manufacturing facility. The plant, once operational, will employ approximately 75 people, and the intention is to increase the number gradually to around 200 by 2013-14.

#### 17) Indocean Developers Private Limited

Indocean Developers (Private) Ltd, a company of South City Projects (Kolkata) Limited (SCPCL), has acquired two-acres of land opposite the Beira Lake for an upmarket condominium development. Indocean Developers Pvt. Ltd has 150 years of real estate development experience with more than 10 million sq. feet of development to its credit, some of which are the South City Mall, South City

De-velopment, South City Garden and South City Pinnacle. The company prides itself in contributing to the environment using world-class development methods which will redefine the entire skyline of the city of Colombo will be launched shortly. Indocean Developers Pvt. Ltd. in its first development project outside India, recently announced the start of a 400 million dollar development project along Colombo's Beira Lake.

#### 18) Shree Renuka Sugars Ltd



Sri Lanka's Ports Authority have approved about \$200 million project by Shree Renuka Sugars Ltd, to set up sugar refinery project in Hambantota Port. Shree Renuka Sugar is currently the 5th largest sugar producer in the world, leading manufacturer of sugar in India and one of the largest refiners globally. It operates 7 sugar mills in India with a total crushing capacity of 35,000 tons crushed per day and two large port based refiner-ies with capacity of 1.7 million tons per annum.



## Sri Lankan Investments

The last few years have also witnessed an increasing trend of Sri Lankan investments into India. Main Sri Lankan investments in India include Ceylon Biscuits (Munchee brand), Carsons Cumberbatch (Carlsberg), Brandix (approx US\$ 1 billion to set up a garment city in Vizag), MAS holdings, John Keells, Hayleys, and Aitken Spence (Hotels). There are also investments in the freight servicing and logistics sector from services industry.

### Main Sri Lankan investments in India:

- i. Lion Brewery has signed a joint venture agreement with Carlsberg International to venture into India, to take advantage of the market opportunities arising from the growth in the Indian consumer market. The progress of this joint venture in India has been impressive. The Company now operates 4 breweries, one each in Maharashtra, Rajasthan, Himachal and Kolkata. Lion will hold a 22.5% stake in the Indian JV company.
- ii. Brandix Sri Lanka, one of the largest Sri Lankan apparel companies, are involved in the development of a 1000 acre SEZ at Vishakapatnam aimed at setting up a fully integrated 'Apparel City'. The development is based on 'Fibre -to-Store' concept and seeks to eventually draw investments of about US \$ 1 billion, and employment for 60,000 people.
- iii. Aitken Spence has ventured into the Indian hospitality industry with its "Heritage" brand of hotels having bagged management contracts for five hotels in India: (i) Poovar Island Resort, Trivandrum; (ii) Barefoot at Havelock, Andaman Islands; (iii) Heritage Madurai; (iv) Tamara, Coimbatore and (v) Hotel Atithi, Puducherry. It has bagged many other management deals in India, including four hotels in Delhi, many of which are currently under construction.
- iv. Ceylon Biscuits has invested in a property in Patiala to manufacture its Munchee Brand of biscuits in India. The project has suffered due to litigation with original owners and is currently the matter is sub-judice.
- v. John Keells Logistics India Private Limited (JKLI) is a fully owned subsidiary of John Keells Holdings PLC. A multimodal logistics service provider JKLI offers Ocean and Air Freight (Imports and Exports), Inland Transportation and Customs Clearance as well as handling of Project Cargo. With offices in most major metros - Bangalore, Chennai, Cochin, Coimbatore, Delhi, Mumbai and representative offices in other cities the company handles international as well as inter and intrastate logistics requirements.
- vi. John Keells Foods India Pvt Ltd (JKFIL), is fully owned subsidiary of John Keells Holdings PLC's Keells Food Products PLC (KFP) of Sri Lanka. It started operations in 2008 to manufacture and market processed meats, including a wide range of ready-to-serve Chicken, Pork, Fish and Mutton products. The products of JKFIL are targeted at key metro cities across India.
- vii. Amanté, a subsidiary of MAS Holdings was launched in India in 2007. Amanté, exclusively launched lingerie brand in India by MAS is currently sold in 233 retail outlets across 22 Indian states and was voted as "Product of the Year" in an AC Nielsen survey in March 2010.





### Linkages between Business Chambers

There are healthy linkages between the business chambers of the two countries. The Confederation of Indian Industry (CII) has an MoU with Ceylon Chamber of Commerce. The Federation of Chambers of Commerce and Industry of India partners the FCCISL under which a Joint India-Sri Lanka Business Council functions. An exclusive Indo-Sri Lanka Chamber of Commerce and Industry was inaugurated by Shri P. Chidambaram, the then Finance Minister in September 2006.

### Tourism

India contributes the largest number of tourist arrivals in Sri Lanka. In 2009, 83,634 tourists came from India, which was a fall from 85,238 tourist arrivals in 2008, 106,067 in 2007 and 128,370 in 2006. This decline has been in keeping with overall decline in tourist arrivals in Sri Lanka since the peak of 2006. Recent figures of tourist trends indicate a definite signs of a significant increase in tourist traffic into Sri Lanka. Recent figures of tourist trends indicate a definite signs of a significant increase in tourist traffic into Sri Lanka. According to the Sri Lanka Tourist Development Authority, a total of 654,476 tourists visited Sri Lanka in 2010. From India a total of 126,882 tourists visited Sri Lanka in 2010, while in 2009 tourist arrivals from India to Sri Lanka numbered 83,634. A similar trend continued in 2011, with tourist arrival from India amounting to 171,374, out of a total of 855,975 tourist arrivals in Sri Lanka, contributing about 20.02% of all tourist arrivals.

Sri Lanka also is in the top ten countries from where tourist arrivals are registered in India. In 2008, Sri Lanka sent 218805 tourists accounting for 4.02% of the tourist arrivals in that year. Sri Lanka is behind USA, UK and Bangladesh in terms tourist arrivals in India.

### Civil Aviation Agreement

Sri Lanka also enjoys a very special relationship with India in the field of civil aviation. It is the largest foreign airline operator to India. Both sides had a meeting in New Delhi on 20-21 April, 2011 under the framework of the Air-Services Agreement signed on 21 December, 1948. It was decided that the designated airlines



of each side shall be entitled to operate 112 per week. In addition to the 112 frequency entitlements, the designated airlines of each side shall be entitled to operate any number of services with any type of aircraft with capacity not exceeding that of a B747 to/from points specified in their respective Route Schedule. During the meeting Indian side shared a revised Air Services Agreement with the Sri Lankan side.

### **S&T Co-operation**

The first meeting of the India-Sri Lanka Joint Committee on Science & Technology was held at New Delhi on 22 September 2011. The Indian and Sri Lankan delegations were led respectively by Dr. Arabinda Mitra, Adviser and Head, Bilateral Cooperation Division, Department of Science & Technology, Government of India and Mrs. Dhara Wijayatillake, Secretary, Ministry of Technology Research, Government of Sri Lanka respectively. During the Joint Committee meeting, both sides agreed to step up bilateral cooperation in science and technology. The two sides signed a Programme of Cooperation in the Field Science & Technology for the period 2011-14.

### **MOU on Ferry Service**

A Memorandum of Understanding (MoU) was signed on 7th January 2011 between India and Sri Lanka on Passenger Transportation by Sea. The MoU envisages putting in place ferry services between Colombo and Tuticorin and Talaimannar and Rameswaram. Resumption of these services signals an important step in the restoration of the traditional links between the two countries. The ferry service between Colombo and Tuticorin resumed operations on 13th June 2011, however, the operation has stopped since November 2011.

### **MOU on Agriculture**

An MoU on cooperation in the field of Agriculture was signed on 17th January 2012 by H.E. Mr. Ashok K. Kantha, High Commissioner of India and Mr. W. Sakalasooriya, Secretary, Ministry of Agriculture, Government of Sri Lanka. Under the MoU, both sides shall promote development of cooperation in the fields of agricultural science and technology, agricultural production and agro-processing through joint activities, programmes, exchange of scientific materials, information and personnel.

### **MOU on Telecommunications**

An MoU was signed on 17th January 2012 by Dr. J.S. Sarma, Chairman, Telecom Regulatory Authority of India (TRAI) and Mr. Anusha Palpita, Director General, Telecommunication Regulatory Commission of Sri Lanka (TRCSL). The MoU provides for establishing a mechanism of technical and institutional cooperation in the field of telecommunications, with the purpose of development of telecommunications in both the countries.

## **Development Cooperation Between India and Sri Lanka**

India has assisted with infrastructure development in Sri Lanka through lines of credit and grant assistance to Government of Sri Lanka.

### **Lines of Credit**

Government of India extended line of credit to Government of Sri Lanka for rehabilitation of the southern coastal railway corridor from Colombo to Matara in Sri Lanka. The project was implemented in two phases and involves renewal of track by IRCON and provision of training and rolling stocks by RITES. The total cost of the project is US\$ 167.4 million, which has been provided as line of credit by the Export-Import Bank of India. The upgraded Galle-Matara rail track representing phase-I of the South coastal rail project between Colombo and Matara has been completed and was ceremonially opened in February 2011. The work on the phase- II of Southern railway line was completed on 11 April 2012 and formally handed over on 19 April, 2012.

Government of India also committed a line of credit for US\$ 800 million for rehabilitation of Northern Railway in Sri Lanka. On 26 November 2010, a line of credit of US\$ 416.39 million for the reconstruction of the railway

lines in Northern Sri Lanka was signed to do the track laying work between the Omanthai-Pallai , Madhu -Tallaimannar and Medawachchiya- Madhu sectors.

Another line of credit Agreement of US dollars 382.37 million for the restoration of Northern Railway Services was signed by Mr. T.C.A. Ranganathan, Chairman and Managing Director, EXIM Bank of India and Dr. P.B. Jayasundera, Secretary, Ministry of Finance and Planning, Government of Sri Lanka on 17th January 2012. The Line of Credit will be used for track laying on the Pallai- Kankesanthurai railway line, setting up of signaling and telecommunications systems for the Northern railway line and other projects as may be mutually agreed by the Governments of India and Sri Lanka.

### Buyer's Credit Agreement

Buyer's Credit Agreement for US dollars 60.69 million was signed on 17th January 2012 by Mr. T.C.A. Ranganathan, Chairman and Managing Director, EXIM Bank of India and Dr. P.B. Jayasundera, Secretary, Ministry of Finance and Planning, Government of Sri Lanka for financing Greater Dambulla Water Supply Project for supply, erection and commissioning of water treatment plant and distribution across Dambulla region in Sri Lanka.

### Development Cooperation

India has an extensive Development Cooperation relationship with Sri Lanka, which is based on the foundations of political understanding, a historic past, geographic realities and socio-cultural empathy. It is also inspired by our experience of South-South cooperation and the sharing of our expertise and resources in capacity building and human resource development, as well as infrastructure development. The model adopted for development cooperation is consultative and responsive and based on partnership with Sri Lanka.

With the end of armed conflict in Sri Lanka in May 2009, there has been a manifold increase in the extent of development cooperation between India and Sri Lanka. The Government of India has adopted various instruments to execute development projects in Sri Lanka, which include both grant and credit funded projects. The initial phase of this assistance focused on relief and rehabilitation of IDPs and subsequently moved on to reconstruction and development.

### Major Grant-Funded Projects Implemented in Recent Years

- **Indian Housing Project:** India has committed to construct 50,000 houses for IDPs of Northern, Eastern and Central Provinces. The Pilot Project involving construction of 1,000 houses at a cost of INR 52 crore is nearing completion. We are embarking on the next phase for construction of 43,000 houses under owner driven model and construction of 6,000 houses under agency driven model at a total cost of INR 1,319 crore.



An MoU specifying the modalities for the next phase of the Housing Project (construction of 49,000 houses) being implemented with India's assistance of approximately US Dollars 260 million was signed by Honble S.M. Krishna, Ex-ternal Affairs Minister of India and Hon. Prof. G.L. Peiris, External Affairs Minister of Sri Lanka on 17th January 2012.

- **Scholarships:** India offers scholarships worth INR 100 crore for Sri Lankan students to pursue higher studies in India.
- **Supply of Computers to Schools in Eastern Province:** Grant of 1260 computers, printers and other peripherals to 580 schools in Eastern Province. The project was implemented at a cost of INR 64.9 million



- **Supply of 260,000 Family Packs:** Executed during 2008-09 for IDPs inside and outside conflict zones. Supplies contained daily use items such as clothing, utensils, essential food packets, personal hygiene items, etc. at a cost of US\$ 8 million
- **Setting up of Emergency Hospital:** Executed in Pulmoddai and Vavuniya (Menik Farm – Zone I) in 2009 to treat about 50,000 patients. The Hospital carried out 3000 major and minor surgeries. The project was implemented at a cost of INR 24,470,500/-
- **Supply of Shelter Material for IDPs:** 10,400 MT of Galvanized Corrugated Iron Sheets were supplied to IDPs between August 2009 and May 2011, to help build temporary shelters for about 65,000 families at a cost of: \$11.78 million.
- **De-mining:** Seven Indian de-mining teams were deployed in Sri Lanka since 2009 to remove landmines and UXOs to facilitate resettlement of IDPs at a cost of \$10 million.
- **Supply of Cement Bags:** 400,000 cement bags (about 20,000 MT) were supplied in 2010 for resettling families to help build transitional shelters at a cost of \$1.75 million.
- **Agriculture Renewal:** 95,000 packs of agricultural implements were distributed to IDPs to help commence their agriculture at a cost of US\$2 million.
- **Supply of tractors and machinery:** 500 four-wheel tractors with farm implements, including rotovator, disc plough, nine-tine tiller and cage wheels were delivered to Agrarian Service Centres in the Northern Province in Nov-Dec 2010 at a cost of US\$ 6 million.
- **Seeds:** Green gram (5500kgs) & black gram (43000kgs) seeds were supplied to farmers in November 2010. The project was implemented at a cost of INR 4,606,000/-
- **Supply of fishing boats, equipment, nets, etc.:** Provided to cooperative fishermen's societies comprising IDPs in the Vaharai area of the Eastern Province at a cost of US\$1 million.
- **Limb Refitment Project:** Two camps were organized, utilizing the services of the world-famous Jaipur Foot organization to fit artificial limbs and other devices to war victims, including IDPs and disabled soldiers. The project implemented at a cost of INR 13,673,000/- helped 2,563 beneficiaries to regain mobility, dignity and sustenance.
- **Establishment of Nenasalas (e-learning centres):** 20 Nenasalas were set up in western and southern Sri Lanka in 2007-08; another 20 Nenasalas were set up in the Eastern Province in 2009-10. Total cost of the Project was INR 12.50 million
- **Rail Bus Project:** Aimed at improving connectivity and enabling affordable means of travel between Batticaloa and Trincomalee and from eastern cities to Colombo. India gifted 10 Rail Buses which run on existing rail tracks. The Cost of the Project is INR 30 million.





Batticaloa

- **Supply of Buses:** Aimed at improving accessibility in rural areas of Sri Lanka, India gifted 85 buses at a cost of INR 60.80 million.
- **Setting up of a Siddha Faculty:** India assisted the Eastern University to set up a Siddha Faculty at Trincomalee at a cost of INR 44 million.
- **Rain Water Harvesting:** Construction of Rain water harvesting structures at Western and in Eastern Province at a cost of INR 3.2 million helped to conserve rainwater.
- **Supply of Medicines:** India supplied essential and critical care medicine for IDPs of Northern Province immediately after the war at a cost of INR 8 million
- **Support to Thondaman Vocational Training Centre:** India supported the VTC functioning at Hatton by providing technical staff to train the students at a cost of INR 10.6 million.
- **Setting up of Computer Laboratories in Plantation Schools:** India supplied computers to Plantation schools at a cost of INR 7 million.
- **Centre of English Language and Training (CELT), Peradeniya:** India set up a CELT at Peradeniya to train Sri Lankan master trainers in English Language. The project was implemented at a cost of INR 6.5 million. India will be setting up nine English labs in each of the nine provinces of Sri Lanka.
- **Vocational Training:** Rural Vocational Training Centres (VTC) at Batticaloa, Nuwara Eliya and Puttalam were set up to impart vocational training in a variety of technical trades. The project was implemented at a cost of INR 245 million





- **Health:** India supplied medical equipment to the Teaching Hospital at Jaffna to help in setting up ICUs, OT and Eye Ward. Cost at a cost of US \$1 million. India also supplied critical care equipment to Kilinochchi and Mullaitivu General Hospitals. The project was implemented at a cost of INR 48.6 million. India is also constructing Base Hospital at Dickoya in Central Province at a cost of USD 10 million and a 200 bed ward complex at Vavuniya at a cost of INR 85 million.
- **Education:** India undertook a Project to renovate 79 war affected schools in Northern Province at a cost of INR 78.20 million.
- **Fisheries:** India supplied 175 fishing boats with Out-Board Motors and nets to fishermen in Mannar at a cost of INR 30 million
- **Industries:** A Project to establish an Industrial Zone at Atchchuvely at a cost of INR 80 million is being implemented in Jaffna.
- **Supply of bicycles:** 10,000 bicycles were supplied to IDPs of Northern Province at a cost of INR 28 million.
- **Supply of research Equipment:** India supported a Project to develop the Palmyrah Research Institute at Jaffna at a cost of INR 28.60 million
- **Cultural Centre in Jaffna:** India will be constructing a 'State of the art' modern Cultural Centre at Jaffna for which a National Design Competition was held in association with the Sri Lanka Institute of Architects.
- **Livelihood:** India is supporting a Project to assist about 1325 small scale entrepreneurs to repair their business premises, which were damaged during the war at a cost of INR 31.80 million
- **Self Employment Programme for Widows:** In order to empower women especially widows of Eastern Province, India is supporting a Project at a cost of USD 2 million which is executed by SEWA (Self Employed Women's Association) aimed at empowering women in different vocational trades which would assist in their livelihood.
- **Fish net Factory:** In order to assist the fishing community, India is supporting a Project to set up a Fish net factory at Jaffna at a cost of USD 70 million.



**Projects to be implemented in future:** India will be supporting a Project for setting up 79 Child Development Centres (crèches) for plantation workers of Central Province; a Project for establishing Handicraft Villages at Hambantota and Jaffna to help traditional handicraftsmen; a Project to Construct a Mahatma Gandhi Memorial Centre at Matale; a Project to renovate the Duraipappa Stadium at Jaffna; a Project for providing technical assistance to convert Sri Lanka into a Trilingual Society by 2020; a Project to renovate the Tiruketheeswaram Temple in Mannar.

## Projects Under Implementation Under Credit Lines

a) Reconstruction of Southern Railway under a \$167.4 million Line of Credit

- Project being implemented in phases:
  - ◆ Track laying on the Kalutara-Galle and Galle-Matara; (Galle-Matara completed)
  - ◆ Track-laying in the Colombo-Kalutara sector;
  - ◆ Supply of rolling stock
  - ◆ Training to SLR personnel and setting up of a maintenance facility.

b) Reconstruction of Northern Railway Lines under \$800 million Line of Credit

- Omanthai-Pallai(\$185.35 mn) – construction underway
- Madhu-Talaimannar(\$149.74 mn) – construction underway
- Medawachchiya-Madhu (\$81.30 mn) – construction under
- Pallai-KKS (\$150 mn approx.) contract finalized; GoSL Cabinet approval obtained on 13 July, 2011;
- Construction of Signaling and Telecommunications Network
- (\$ 86.50 mn) – contract finalized
- Rolling Stock

### Other Major Projects

- Rehabilitation of Kankensanthuari Harbour: Aimed at restoring critical infrastructure in the north that will also help connectivity as well as regional and domestic connectivity. Being implement in multiple phases:
  1. Hydrographic check survey [Completed].
  2. Wreck removal [In progress – under a contract for approximately \$19 million].
  3. Dredging of harbour and approach channel.
  4. Repair and strengthening of breakwater.
  5. Construction of new pier.
  6. Final survey and publication of harbour chart
    - ◆ Stages 1,2,3 and 6 under grant; 4 and 5 under an Indian Line of Credit.
- Palaly Airfield: Proposal to assist GoSL in rehabilitation of Palaly airfield and its utilization as a domestic/ regional airport. India will assist by providing a grant as well as a loan.

## Doing Business with Sri Lanka

### Government Policies on Foreign Investment

Sri Lanka started its economic reform in 1977 and is widely considered as one of the more open economies in South Asia. Total foreign ownership is permitted in large areas of the economy. There are no restrictions on repatriation of earnings, fees, capital, and on foreign exchange transactions related to current account payments. There is a range of legal and regulatory framework available, and which is constantly being updated and upgraded, covering various areas of business law.

### Constitutional Guarantee for Foreign Investment

Bilateral investment agreements supported by constitutional guarantee provide protection for foreign investment in Sri Lanka. Under article 157 of the country's constitution, the agreement enjoys the force of law and no legislative, executive, or administrative action can be taken to contravene the provisions of a bilateral investment agreement except on grounds of national security. Sri Lanka has a Bilateral Investment Protection and Promotion Agreement (BIPA) with India which was signed on 22nd January 1997 and came into force on 13th February 1998. The BIPA document can be accessed at following link of Ministry of Finance, Government of India: [http://finmin.nic.in/bipa/bipa\\_index.asp](http://finmin.nic.in/bipa/bipa_index.asp)

### Access to Key Markets

Sri Lanka has bilateral Free Trade Agreements with India and Pakistan providing duty free or preferential access to a market of over 1.3 billion. India-Sri Lanka Free Trade Agreement provides strategic access through Sri Lanka to about 4200 tariff lines at zero duty to India. The Pakistan-Sri Lanka Free Trade Agreement provides access to nearly 4,500 tariff lines at zero or preferential duty. Sri Lanka is also a participant country of multilateral trading arrangements such as South Asian Free Trade Area (SAFTA), Asia-Pacific Free Trade Agreement (APTA) and is negotiating a similar arrangement under the Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC). Sri Lanka is also a beneficiary of GSP Plus Scheme of the European Union (EU) that provides access to 7,200 products originating from Sri Lanka to be imported to the EU at zero customs duty. Sri Lanka is the only country in South Asia to enjoy this facility.

### Legal Basis for Business

Sri Lankan legislation matters pertaining to business includes the Board of Investment Law, the Intellectual Property Act, the Companies Act, the Securities and Exchange Commission Act, the Banking Act, the Industrial Promotion Act and Consumer Affairs Authority Act. Sri Lanka is also a signatory of many bilateral investment protection agreements and is a Party to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank. Foreign investments also have Constitutional Guarantees in Sri Lanka. Arbitral awards made abroad are now enforceable in Sri Lanka.

The legal system in Sri Lanka allows acquisition and disposal rights on property to non-Sri Lankans. Private entities are also allowed to establish, acquire and dispose of their interests in commercial enterprises. The problem area, however, is the land system, which is heavily loaded against private ownership. Private land ownership is restricted to a maximum 50 acres per person. However, this restriction is not applicable to the companies incorporated in Sri Lanka by foreign nationals/entities or locals. Foreign investors are free to buy land from private vendors, but there is a 100% tax on land transfers to foreigners. However, the land transfer system grants exemptions from taxes for foreign investment in key sectors, subject to minimum thresholds.

## Indian Investments in Sri Lanka

India has been one of the main investor in Sri Lanka. Investments from India picked up rapidly after the signing of the FTA in year 1998 and it became effective in year 2000. The FTA has spurred bilateral investments by capitalizing on the opportunities generated by the FTA and availing of the comparative advantages both countries possess. Please refer to the Chapter on India-Sri Lanka Economic Engagement for an overview of main investments into Sri Lanka by Indian companies.

## Starting a Business

### Registration of Company

The Companies Act (No. 7 of 2007) contains the rules, procedures, accounting and reporting requirements for companies incorporated or registered in Sri Lanka. The registration of companies, filing of accounts and annual returns are done with the Registrar of Companies.

Following documents are required for registration:

- Memorandum and Articles of Incorporation
- Name of the Company Secretary
- Location of the Registered Office
- Particulars of the Directors
- List of machinery and equipment required for the project
- Letter of Approval from the BOI, which is sufficient to confirm to the Registrar that the foreign investment has been officially approved.

### Type of Companies

- i. **Private Companies:** A private company must consist of at least two and not more than fifty members. It must have at least one director. A private company cannot invite public subscription for its shares.
- ii. **Public Companies:** At least seven members are required to form a public company (there is no upper limit). It must have at least two directors. Public companies may invite public subscriptions for their shares or debentures and other securities, and can also be listed on the stock exchange. They cannot commence business without a business commencement certificate.
- iii. **Offshore Companies:** A company registered within or outside Sri Lanka may register itself in Sri Lanka as an offshore company to carry on any business outside the shores of Sri Lanka. If a company registered outside Sri Lanka registers itself as an offshore company, it is deemed to have been incorporated in Sri Lanka. An offshore company cannot conduct any business in Sri Lanka.
- iv. **Subsidiaries:** To establish a business in Sri Lanka foreign companies can incorporate as a local subsidiary company. Following incorporation, a subsidiary in Sri Lanka must comply with all statutory requirements imposed on domestic companies.
- v. **Branches:** A company incorporated outside Sri Lanka may establish a place of business in Sri Lanka by registering a branch office with the Registrar of Companies. Applications for registration must be made within one month of establishing a place of business in Sri Lanka. Generally approval from the relevant line ministry would be required before the registration can be completed. The liability of a branch extends to its foreign assets.
- vi. **Liaison/Representative Offices:** A company incorporated outside Sri Lanka may maintain its presence in Sri Lanka through a representative office, and is of similar status to that of a branch office. It is however, prohibited from engaging in any trading or investment activity or accruing any turnover in Sri Lanka. No



tax incident arises since it is not permitted to trade. Therefore, the question of permanent establishment is not relevant.

- vii. **Joint Venture Company:** A joint venture can be with other Sri Lankan companies or foreign entities. A joint venture business may be incorporated or carried on as an unincorporated business similar to that of a partnership. Joint ventures have become popular in recent years; particularly in export oriented projects.

For more information please see the website of Department of the Registrar of the Companies [www.drc.gov.lk](http://www.drc.gov.lk)

### Key laws affecting foreign investment

Among key laws affecting foreign investment are: (i) The 1978 BOI Act, which was later replaced by a new BOI Law (announced in 2002), which streamlines tax incentives with the regular income tax law, and allows for decentralization of some of the BOI's activities to the regions; (ii) The Securities and Exchange Commission Act (1987), with amendments; and (iii) The Takeovers and Mergers Code of 1995.

## Banking and Finance

The Central Bank is the apex institution in the financial system of Sri Lanka. Sri Lanka has several Commercial Banks, Development financial Institutions, Merchant/ Investment banks, Finance companies, Leasing Companies, Mortgage banks, Savings Bank, Pension funds and Insurance companies. Banks from India like State Bank of India, Indian Bank, Indian Overseas bank and ICICI Bank are present in Sri Lanka.

### Banks and Financial Institutions in Sri Lanka

Central Bank of Sri Lanka:	<a href="http://www.cbsl.gov.lk">www.cbsl.gov.lk</a>
Standard Chartered:	<a href="http://www.standardchartered.com/lk/index.html">www.standardchartered.com/lk/index.html</a>
Bank of Ceylon:	<a href="http://www.boc.lk">www.boc.lk</a>
Citi Bank	<a href="http://www.citigroup.com/citi/global/lka.htm">http://www.citigroup.com/citi/global/lka.htm</a>
Commercial Bank:	<a href="http://www.combank.net">www.combank.net</a>
Deutsche Bank:	<a href="http://www.db.com/srilanka">www.db.com/srilanka</a>
Development Finance Corporation of Ceylon:	<a href="http://www.dfccbank.com">www.dfccbank.com</a>
Hatton National Bank:	<a href="http://www.hnb.net">www.hnb.net</a>
Hongkong & Shanghai Banking Corporation:	<a href="http://www.hsbc.lk/lk">www.hsbc.lk/lk</a>
People's Bank:	<a href="http://www.peoplesbank.lk">www.peoplesbank.lk</a>
Sampath Bank:	<a href="http://www.sampath.lk">www.sampath.lk</a>
Seylan Bank:	<a href="http://www.eseylan.com">www.eseylan.com</a>
Seylan Merchant Bank:	<a href="http://www.smbk.com">www.smbk.com</a>
State Mortgage Bank:	<a href="http://www.lanka.net/smib">www.lanka.net/smib</a>
National Development Bank (NDB):	<a href="http://www.ndbbank.com">www.ndbbank.com</a>
National Savings Bank:	<a href="http://www.nsb.lk">www.nsb.lk</a>
Vanik Incorporation Ltd:	<a href="http://www.vanik.lk">www.vanik.lk</a>
Merchant Bank of Sri Lanka Ltd:	<a href="http://www.mbslbank.com">www.mbslbank.com</a>
ICICI Bank:	<a href="http://www.icicibank.lk/about.htm">http://www.icicibank.lk/about.htm</a>

State Bank of India:	<a href="https://www.onlinesbiglobal.com/64LK/web/index.htm">https://www.onlinesbiglobal.com/64LK/web/index.htm</a>
Indian Overseas Bank:	<a href="http://www.iob.in/colombo.aspx">http://www.iob.in/colombo.aspx</a>
Indian Bank	<a href="http://www.indian-bank.com">www.indian-bank.com</a>

## Taxation System

The Sri Lanka tax regime works on a self-assessment and declaration system and is built on lines similar to the British and Indian system of taxation. Sri Lanka has Double Taxation Avoidance Agreement with India apart from other countries including USA, UK, Singapore, Pakistan, Indonesia, Canada, Japan, France, Germany, and Italy. These are based on UN principals and OECD model.

The principal taxes in Sri Lanka and there rates are Corporate Income Tax, Personal Income Tax, Value Added Tax (VAT), Nation Building Tax, Economic Service Charge (ESC), Stamp Duty, Property Transfer Tax, Capital gains Tax, Business Turnover Tax etc. For more details visit the Department of Inland Revenue website: <http://www.inlandrevenue.gov.lk/>

## Import Point Taxes

Taxes at Import Point have to be paid including Customs Duty, PAL, Cess and others. In case of items imported from countries with which Sri Lanka has a Free Trade Arrangement, Customs duty may be at preferential rate, which could vary from complete exemption to certain margins of preference.

The rates of these taxes are available at the website of Sri Lankan Customs: <http://www.customs.gov.lk/>

## Double Taxation Avoidance Agreement (DTAA)

Sri Lanka has a DTAA with India apart from 36 other countries. Double Tax Relief Agreements signed between Sri Lanka and other countries provide for reduced tax rates on dividends, interest and royalties. Recently completed agreements include special provisions to ensure that foreign investors receive the benefits arising from the various tax incentives. The countries having tax treaties with Sri Lanka are:

Australia, Bangladesh, Belgium, Canada, China, Denmark, Egypt, France, Finland, Germany, Hong Kong, India, Italy, Indonesia, Iran, Japan, Jordan, The Republic of Korea, Kuwait, Malaysia, Mauritius, Nepal, The Netherlands, Norway, Oman, Pakistan, Poland, The Philippines, Romania, Russia, Saudi Arabia, Singapore, Sweden, Switzerland, Thailand, The United Kingdom, The United Arab, The United States of America, Emirates, Yugoslavia.

For more details visit the Department of Inland Revenue website: <http://www.inlandrevenue.gov.lk/>

## Exchange Control System

Sri Lanka has liberalized exchange controls on current account transactions. All foreign investments in Sri Lanka are governed by the Exchange Control Regulations. These regulations permit up to a 100% investment for non-residents in non-regulated areas. In regulated areas, a 40% restriction for non-residents remains unless a higher percentage has been approved by the BOI or the relevant Ministry of the Government. Certain limitations exist with regard to investments in retail trade, money lending, provision of management services and coastal fishing.

There are no barriers, legal or otherwise, to the remittance of corporate profits and dividends for foreign enterprises doing business in Sri Lanka. Remittance of business fees (management fee, royalties and licensing fee) is also freely permitted for companies with majority foreign investment approved under Section 17 of the BOI Act. Other companies require approval for this purpose from the Central Bank of Sri Lanka. Repatriation of funds for debt service and capital gains of companies exempted by the BOI from exchange control regulations is permitted. Foreign companies outside this category, remitting funds for debt service and capital gains require the approval of the Central Bank of Sri Lanka.

All foreign investments must be remitted via the share investment external rupee account. There are no restrictions for the repatriation of capital on the sale of shares. Dividends, profits and royalties can be remitted freely provided the relevant tax has been paid.

For more details visit the Central Bank of Sri Lanka website: <http://www.cbsl.gov.lk/>

## Protection of Intellectual Property

### Intellectual Property Law

The Code of Intellectual Property Act No. 52 of 1979, embodies legislation relating to copyright, industrial design, patents, trademarks, trade names and unfair competition. Sri Lanka's Intellectual Property Law, which is based on the WIPO model law for developing countries, has incorporated internationally accepted principles & concepts of intellectual property. All trademarks, designs, patents & copyrights need to be registered with the Registry of Patents & Trade Marks. A patent granted in respect of inventions is valid for a period of 15 years. Registration of a trademark is valid initially for 10 years & can be renewed for consecutive periods of 10 years.

Sri Lanka is a signatory to several international conventions & treaties on Intellectual Property. They are:

- The Paris Convention for the Protection of industrial property
- The Madrid Agreement for the repression of false or deceptive indication of source on goods
- The Nairobi Treaty
- The Patent Cooperation Treaty
- The Universal Copyright Convention
- The convention establishing the WIPO
- The Agreement on TRIPS
- The Trade Mark Law Treaty

The main intellectual Property Right Administration body in Sri Lanka is the National Intellectual Property Office of Sri Lanka under the Ministry of Industry and Commerce of Sri Lanka. For more details visit the website of the National Intellectual Property Office of Sri Lanka: <http://www.nipo.gov.lk/>

## Security and Exchange Commission

The Securities and Exchange Commission of Sri Lanka (SEC) was established in pursuance of the Securities and Exchange Commission of Sri Lanka Act, No. 36 of 1987 as amended by Act No. 26 of 1991 and Act No. 18 of 2003. The Commission is responsible for activities as under:

- the creation and maintenance of a market in which securities can be issued and traded in an orderly and fair manner;
- the protection of the interest of investors;
- the operation of a Compensation Fund to protect investors from financial loss arising as a result of any licensed stock broker or licensed stock dealer being found incapable of meeting his contractual obligations; and
- the regulation of the securities market and to ensure that professional standards are maintained in such market.

For details regarding foreign Investment in shares, procedure for investment and repatriation for Non – Residents, Procedure for investments by Sri Lankan Non residents consult the following websites:

Securities and Exchange Commission of Sri Lanka:

<http://www.sec.gov.lk/>

Colombo Stock Exchange:

<http://www.cse.lk/welcome.htm>

## Import & Export Procedure

For details on import and export procedure please refer to website of Sri Lanka Customs <http://www.customs.gov.lk/imp.htm#imp>

## Labour and Labour Relations

### Recruitment and Retirement

The minimum age for recruitment is 18 years and the normal age of retirement is 55 years. However, extensions beyond 55 years can be granted at the discretion of management.

### Equal Status

There should be no discrimination between male and female workers in terms of remuneration and facilities.

### Contract and Employment

A written contract of employment embodying terms and conditions of service including the designation or category of the employee, normal hours of work, rate of pay, period of training if any, probationary period, leave, holidays and superannuation contribution, has to be issued to every worker including trainees, and acknowledgement of receipt obtained by the employer. On termination or resignation any certificates in the custody of the management should be returned to the worker at least within 30 days from the date of termination/resignation.



Colombo Stock Exchange

For more details on Normal Working Days and Night Work, Night Work, Overtime Remuneration, Leave, Superannuation Benefits and Termination of Services visit Department of Labour of Sri Lanka website: <http://www.labourdept.gov.lk/>

## Competition and Fair Trading

Sri Lanka's competition policy is designed to create competitive market structures and discourage monopolistic practices. The Fair Trading Commission (FTC), established under the provisions of the FTC Act No. 1 of 1987, is the body empowered to control monopolies, mergers and anti-competitive practices, in addition to being responsible for formulating and implementing national pricing policies.

Following the liberalization of trade in 1977, internal trade policy in Sri Lanka has been geared to provide a more important role to market forces in trading activities relating to trading in goods and services. State intervention in internal trade is confined to maintaining price stability and ensuring an adequate supply of essential goods. State trading organizations under the Ministry of Internal and International Trade & Shipping Development & the two regulatory bodies -Department of Internal Trade & the FTC -play an important role in ensuring fair competition in a liberalized economy.

## Land and Property Ownership

In terms of recent amendments to Finance Act 100% transfer tax is applicable to non-citizens of Sri Lanka. The tax prescribed in the above will be applicable to a company, which is incorporated under the Companies Act of Sri Lanka, if more than twenty five per centum of the issued shares in such Company are owned by non citizen of Sri Lanka.

However exemptions are granted by Extra Ordinary Gazette No. 1386/18 dated 30/03/2005 to the following categories:

### (1) Exemption on BOI Enterprises

	Business Activity	Investment criterion	Other Conditions
1.	Construction of housing units or condominium apartments for residents or non residents		a) 100 units should be constructed b) Each housing unit should be constructed on a land not exceeding 10 perches. c) Total value of the land is met by inward remittance of foreign currency
2.	Construction and operation of a hospital or a hotel project	US \$ 10 Mn. or its Rupee equivalent	Total value of the land is met by inward remittance of foreign currency
3.	Infrastructure development or any other development determined by the Minister as being essential for economic progress of Sri Lanka	US \$ 50 Mn or its Rupee equivalent	Total value of the land is met by inward remittance of foreign currency
4.	Manufacture of non-traditional goods for export	US \$ 1 Mn or its Rupee equivalent	a) Land should be utilized to construct its manufacturing plant, office, stores, dormitories for workers b) Total value of the land is met by inward remittance of foreign currency

## (2) Exemption on Other Agencies & Institutions etc.

- (a) Lending institutions such as Bank, finance leasing institution, which are incorporated under Banking Act and Finance Leasing Act:
  - ◆ When the ownership of the land is transferred to such institution to recover of a debt
  - ◆ To carry on its business. (Para 1 to 05 in Regulation No. 1386/18).
- (b) Condominium Unit situated on or above the fourth floor of condominium property, provided value of such unit is met by inward remittances of foreign currency (Para 7 in Regulation No. 1386/18).
- (c) On a dissolution, of a company, a property which had been acquired by this company prior to 5th October 2004 and transferred to another company consequent on merger of that Company.

## Arbitration

An Arbitration Centre has been established in Colombo for the settlement of commercial disputes expeditiously, economically and privately. A new law has already been enacted for this purpose. The Centre will be affiliated with the Arbitration Institute of the Stockholm Chamber of Commerce and will follow its standards and norms. The Arbitration Act gives recognition to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. This means that arbitration awards made abroad are now enforceable in Sri Lanka. Similarly awards made in Sri Lanka can be enforced abroad.

## Guide to Investing in Sri Lanka

### Sri Lanka's Board of Investment (BOI)

Sri Lanka's Board of Investment (BOI) is the main investment promotion agency in Sri Lanka and is first stop for any foreign investor. It is an autonomous agency and is the primary government body responsible for foreign investment. The BOI is structured to function as a central facilitation point for investors. Approval is required from the BOI prior to the establishment of a foreign business venture in Sri Lanka. The BOI is located at:

#### Board of Investment of Sri Lanka

Level 26, West Tower, World Trade Center,  
Colombo 01, Sri Lanka.

Tel: (+94 11) 2427060 (+94 11) 2427060/2434403-5

Fax: (+94 11) 2422407

E-Mail: [infoboi@boi.lk](mailto:infoboi@boi.lk)

Website: <http://investsrilanka.com>

## Where to Set Up?

### Introduction

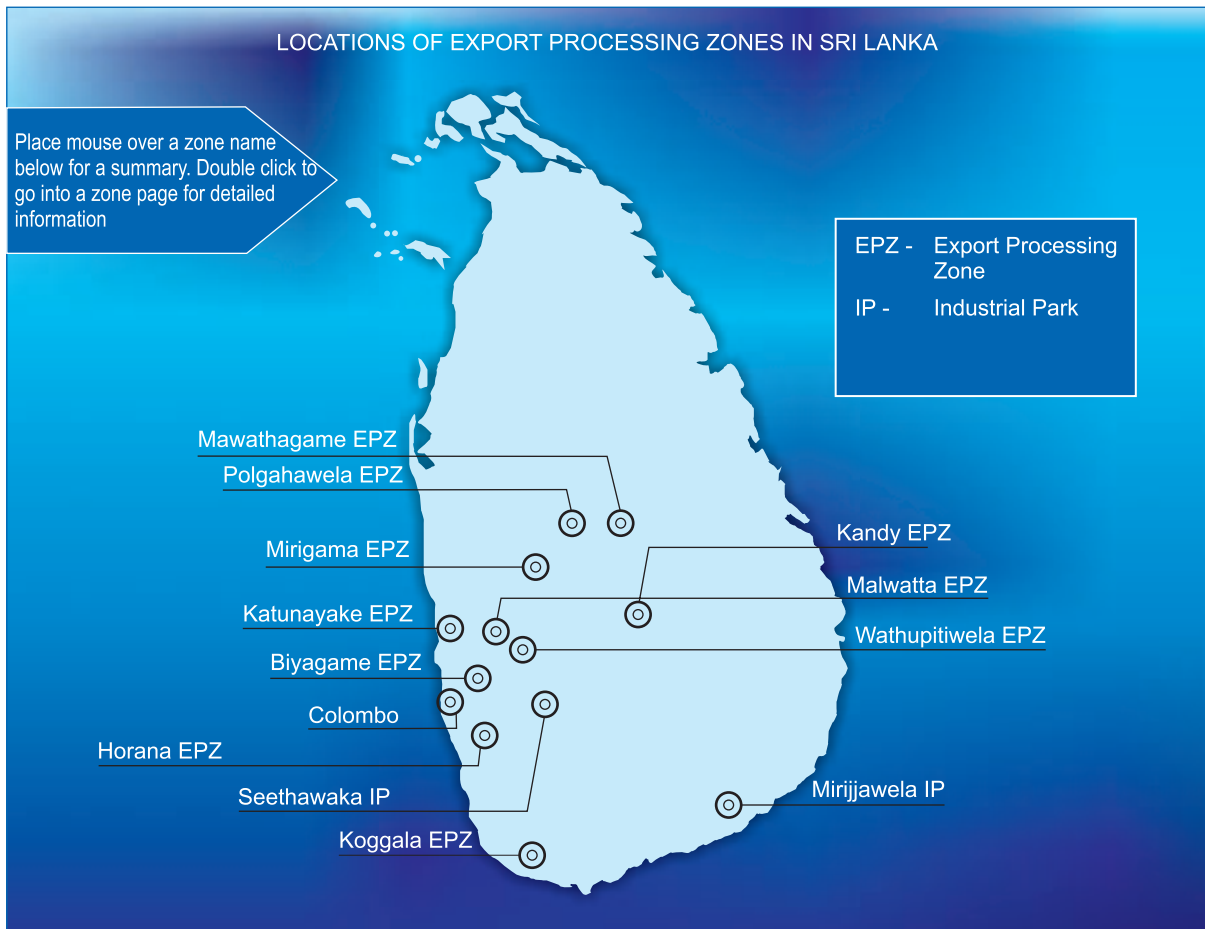
As an investor, you may select the following options to locate your project within Sri Lanka:

1. Locate your project within a BOI administered Export Processing Zone or Industrial Park (with required infrastructure facilities) on long-term lease basis. These zones/parks are more suitable for industrial manufacturing and processing businesses.
2. Locate your project outside zones
  - a. Purchase a privately owned land on outright purchase or lease basis.
  - b. There are governments owned lands available for long term lease under different government agencies. Acquisition of government lands involves a comparatively longer process and valuation is based on current market price.



### BOI Administered Zones

Sri Lanka's export processing zones and industrial parks have been a linchpin in the industrial development and inflow of foreign direct investment into Sri Lanka.



### Other Privately Managing Zones

In addition to BOI administered zones, there are specialized sector specific privately owned industrial parks.

1. Apparel and Related Industries: MAS Fabric Park, Thulhiriya [www.masfabricpark.com](http://www.masfabricpark.com)
2. IT / Knowledge Services : Orion City IT Park, Colombo 9 [www.orioncity.com](http://www.orioncity.com)

### Outside Zones

An investor has two options in locating a project outside a zone.

1. Purchase a privately owned land on outright purchase or lease basis.
2. Seek a government land. Although there are government owned lands available for long term lease under different government agencies, acquisition usually involves a comparatively longer process. Final valuation will also be based on prevailing market rates.

There are some lands registered in the BOI land bank.

## How to Set Up in Sri Lanka

### Section 16

Approval under Section 16 of the BOI Act permits foreign investments entry to operate only under the 'Normal Laws' of the country, that is, for such enterprises, provisions of the Inland Revenue, Customs and Exchange Control Laws shall apply.

### Section 17

Under Sec.17 projects are approved with fiscal concessions such as Exchange Control and Custom duty exemption. Further, considering the minimum requirement of investment, the BOI will recommend a corporate tax exemption period through Inland Revenue Department.

### Strategic Development

In terms of the Strategic Development Projects Act No 14 of 2008 (as amended), exemptions not exceeding twenty five years may be granted for a Strategic Development Project (\*SDP) either in full or part from one or more of the enactments such as The Inland Revenue Act No.10 of 2006, The Value Added Tax Act No. 14 of 2002, The Finance Act No. 11 of 2002, The Excise (Special Provision) Act No.13 of 1989, The Economic Service Charge Act No. 13 of 2006, Customs Ordinance (Chapter 235), The Nation Building Tax Act, No 9 of 2009 and The Port and Airport Development Levy Act, No.18 of 2011.

The approval process for a SDP entails publication of a gazette notice on identifying the project; obtaining cabinet approval for same, publication of an Order in the gazette specifying the exemptions granted and then placing it before parliament for approval by Resolution of parliament. SDP means a project which is in the national interest and which is likely to bring economic and social benefit to the country and which is also likely to change the landscape of the country, primarily through

- i. the strategic importance attached to the proposed provision of goods and services, which will be of benefit to the public;
- ii. the substantial inflow of foreign exchange to the country;
- iii. the substantial employment which will be generated and the enhancement of the income earning opportunities; and
- iv. the envisaged transformation in terms of technology.

## Key Steps in Start Up

### Investing in Sri Lanka

The Board of Investment (BOI) of Sri Lanka is the primary agency responsible for approving private Foreign Direct Investment (FDI) as well as local investment under the Board of Investment Law No. 4 of 1978 (BOI Law) and its amendments. You may apply to invest in a permitted business activity either under Section 16 or Section 17 of the BOI Law. All sectors in the Sri Lankan economy (except for a handful) are now open for Foreign Direct Investment (FDI). There options are available to potential investors:

#### Option 1: Section 17 Projects

Both foreign and local investors can request to set up a Section 17 project if you can meet the eligibility criteria stipulated by the BOI regulations with respect to the Investment Sector (Sector) you have chosen to invest in.

Section 17 projects are eligible for certain concessions including:

1. Corporate tax concessions granted under the Inland Revenue Act of Sri Lanka
2. Customs duty-free Import of capital goods and raw materials (granted under the BOI Law)



### 3. Exemption from Exchange Control Act (Part I-VI) (granted under the BOI Law)

Selected projects approved under Section 17 may additionally qualify for approval as a Strategic Development Project (SDP). SDPs are considered to be of strategic importance, and likely to bring substantial economic and social benefit to the country.

SDPs may also qualify for tax exemptions of up to a maximum duration of 25 years and will require approval by the Cabinet of Ministers as well as by a resolution of Parliament. For more details, please see Strategic Development Projects later in this guide.

#### **Option 2: Section 16 Projects (Foreign Investment OR Joint Ventures Only)**

Foreign investors may obtain BOI approval to set up a Section 16 project (for Foreign Investment entry only) in either of the following circumstances:

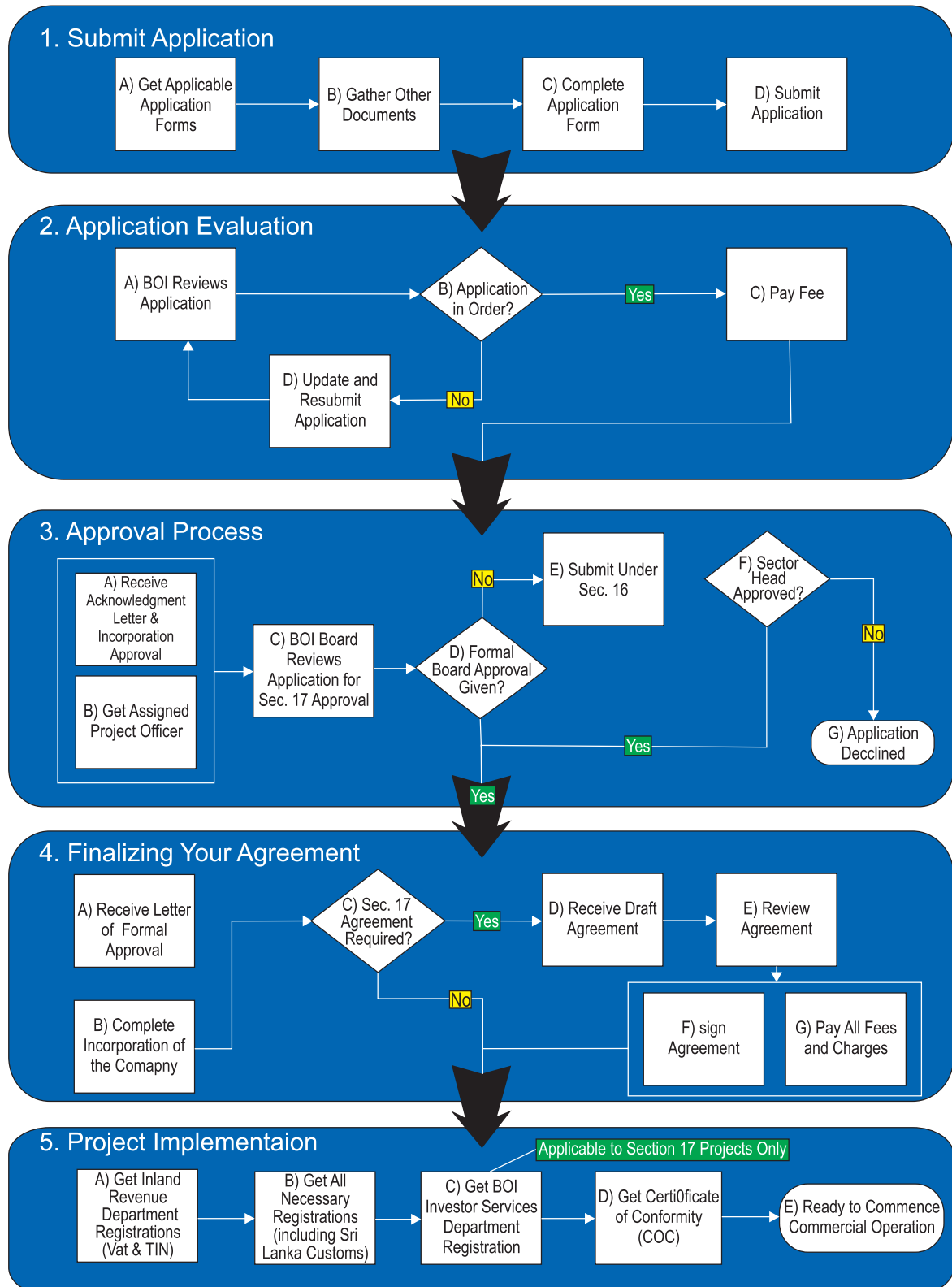
- If your project does not fulfill the approval criteria required under Sec. 17 of the BOI Law
- If you are transferring shares of a non-BOI enterprise to foreign investors

Projects set up under Section 16 of the BOI Law will operate under the normal laws of Sri Lanka and are not eligible for any of the special concessions provided under Section 17 of the BOI Law.

Section 16 projects may also be set up as a Joint Venture with a local partner.

## Understanding the Process

The BOI has significantly streamlined the Investment Approval Process to make it easy for you. The flowchart below shows an overview of the entire process.



## Detailed Steps- Investment Approval Process

### 1. Submit Application

To start your project you need to submit an application and accompanying paperwork.

- A. Contact the Investor Relations Center of the BOI (IRC) to get an application form and for assistance with the application process. You may also download the application form from the BOI Website.
- B. Review eligibility criteria, guidelines and supporting documentation required as stated at the back of the application. For help, contact the Investor Relations Center of the BOI. Gather necessary supporting documents.
- C. Complete the application form.
- D. Submit your completed application, together with all necessary attachments, to the Sector Teams of the Investor Relations Center.

### 2. Application Evaluation

When your application is received, the BOI will:

- A. Check whether the Project satisfies the requirements of the thrust sectors (see Sector listing) identified by the BOI. If required the BOI will refer the project to the relevant Line Agency for observations – for example: Tourism Development Authority for hotel projects see Line Agencies below.
- B. Evaluate your Project and, if all is in order, accept your Application.
- C. If everything is in order, you will need to pay the application fee.
- D. Otherwise, if your application is incomplete or requires any changes you will be requested to update and resubmit.

### 3. Approval Process

- A. If the BOI accepts your application, you'll receive a Letter of Acknowledgement as well as, Approval to Incorporate your company; this process usually takes about 1 to 2 days. Commonly, the application is accepted, and the Letter of Acknowledgement is given if all necessary paperwork is submitted and:
  - ♦ The economic activity in which investment is proposed is neither reserved nor restricted.
  - ♦ The application is for a regulated activity but the application meets the conditions of such activities.
- B. You will be assigned a Project Officer to assist and guide you through the Application Approval and Project implementation process.
- C. Your application is then submitted to the BOI board for approval under Section 17.
- D. If the Board approves your application, you will be notified, and you can proceed to finalizing your agreement; see next section.
- E. If the Board declines your application under Section 17 you may request approval under Section 16 (provided the project meets the published guidelines for Section 16 projects) from the appropriate Sector Head.
- F. The Sector Head will approve your application if it meets the current guidelines for Section 16 projects.
- G. If your application is declined under both Section 16 and Section 17 you will need to resubmit a new and modified application if you wish to obtain approval for your Project.

#### 4. Finalizing Your Agreement

##### A. Once you receive BOI (Board or Sector Head) approval, you will receive a Formal Letter of Approval

- ◆ Environmental clearance
- ◆ Approval from the Ministry that oversees the sector of proposed investment and any relevant Line Agencies
- ◆ Receiving site approval, and land allocation and clearance, from the Engineering Approval & Special Projects Department of BOI
- ◆ Any other approvals that may be required

##### B. Complete the incorporation of your company.

##### C. If your Project was approved under Section 17 then you will receive and need to sign an agreement with the BOI; section 16 projects are governed by the normal laws of Sri Lanka and not the BOI Laws so you will not be required to sign an agreement with the BOI

##### D. Once all required clearances are obtained, you will receive a Draft Agreement from the BOI for review.

##### E. You will need to review this agreement as it states all the eligibility criteria as well as incentives and concessions being offered to your Project.

##### F. If the agreement is in order sign the agreement.

##### G. Pay the annual fee or ground rent for the first year and any lease premium due as applicable.

*Work with your Project Officer to take immediate action to get clearances, from all relevant ministries and agencies and to satisfy any other conditions.*

#### 5. Project Implementation

After signing an agreement with the BOI (if required) contact your Project Officer to facilitate getting:

- Registrations, such as for (A) Income Tax, Value Added Tax (VAT) and Tax Identification Number (TIN); (B) Sri Lanka Customs and (C) BOI Investor Services (only for section 17 projects).
- Provisions for infrastructure service facilities
- Building plan approval subject to local authority approval
- (D) Certificate of Conformity (COC), for the factory premises, once you are ready to commence commercial operations.

After you receive your COC, you're permitted to commence commercial operations.

Note: Investors are advised not to import any items free of customs duty prior to:

1. Signing of the Agreement with the BOI
2. Obtaining BOI approval for import of project related items as well as construction materials

All imports should be consigned directly to the BOI enterprise; see the negative list on the BOI Website for those items you are not permitted to import free of Customs Duty.

#### Points of Contact / Investor Facilitation Center

The Board of Investment of Sri Lanka is the central facilitation point for investors. They provide assistance and advice throughout the investment process.

The BOI currently facilitates investors on a sector-focused approach. These sectors (together with special units to handle high profile projects and regional initiatives) cover all vital areas of the economy.

- An investment application form can be obtained from the relevant sector.
- Duly completed application forms need to be handed over to the relevant Sector Heads.
- The sectors will act as relationship managers for all investors in their sector, from project evaluation to implementation to post - investment aftercare.

The contact details of officials can be obtained from BOI website.

## Investment Incentives

### Strategic Development Projects Act No. 14 of 2008

Qualifying Criteria	Incentives
<p>Projects which are in the national interest and which are likely to bring economic and social benefit to the country and which are also likely to change the landscape of the country, primarily through:</p> <ol style="list-style-type: none"> <li>1. The strategic importance attached to the proposed provision of goods and services, which will be of benefit to the public</li> <li>2. The substantial inflow of foreign exchange to the country</li> <li>3. The substantial employment which will be generated and the enhancement of income earning opportunities</li> <li>4. The envisaged transformation in terms of technology</li> </ol>	<p>Exemptions of up to a maximum duration of 25 years from the applicability of the provisions of one or more of the following:</p> <ol style="list-style-type: none"> <li>1. The Inland Revenue Act No. 10 of 2006 and its Amendments</li> <li>2. The Value Added Tax Act No. 14 of 2002 and its Amendments</li> <li>3. Port and Airport Development Levy Act No. 18 of 2011</li> <li>4. The Finance Act No. 5 of 2005</li> <li>5. The Excise (Special Provision) Act No. 13 of 1989</li> <li>6. The Economic Service Charge Act No. 13 of 2006 and its Amendment</li> <li>7. Nation Building Tax Act No 9 of 2009 and its Amendment</li> <li>8. Customs Ordinance (Chapter 235)</li> </ol>

## Under “Normal Law”

### Section 16A, 16B of Inland Revenue (Amended) Act no 22 of 2011

Category	Incentives
<p>Undertaking for Fishing (Section 16A)</p> <p>This includes any:</p> <ul style="list-style-type: none"> <li>• Cleaning, Sizing, Sorting, Grading, Chilling, Cutting Dehydrating, Packing or Canning of fish in preparation of such produce for the market</li> </ul>	Exempt from income tax for 5 years commencing from April 1, 2011.
<p>Producing Agriculture seeds or planting materials or primary processing of such seeds or materials (Section 16B)</p> <p>This includes any:</p> <ul style="list-style-type: none"> <li>• Cleaning, Sizing, Sorting, Grading, Chilling, Cutting Dehydrating, Canning or Packaging for the purposes of preparation of such produce for the market</li> </ul>	Exempt from income tax for 5 years commencing from April 1, 2011.

**Section 16C of Inland Revenue (Amended) Act no 22 of 2011**

The Manufacture of any article other than any liquor or tobacco products (Section 16C)

Amount of Investment	Period of Exemption
Investing more than Rs 50 Million in fixed assets in a new undertaking on or after April 1, 2011 which manufactures any article other than liquor or tobacco products.	Exempt from income tax for a period of 3 years
Investing more than Rs 50 Million in the acquisition of fixed assets after November. 22, 2010 but before March 31, 2012	Exempt from income tax for a period of 3 years

**Investment with Tax Incentives (Section 17) - (As per Budget 2012)**

A new tax incentive regime has been introduced with the budget 2012 to promote private investments, both domestic and foreign. These new incentives are applicable to following categories of investments.

1. Small Enterprises
2. Medium Enterprises
3. Large Enterprises
4. Project Expansions
5. Strategic Import Replacement Enterprises

The details of the qualifying investment and the incentives granted for the enterprises under each category are highlighted below.

**1) Small Scale – New Enterprises**

New enterprises engaged in any of the following activities, provided that the investment is made on or before 31st March 2015 will be eligible to tax holidays as follows.

Category		Qualifying Criteria		Tax Incentives
		Min. Investment* (Rs. Mn)	Min. Export Req. (% of Output)	Full Tax Holiday (years)
1.	Manufacturing (Other than any liquor or tobacco products) for domestic and/or export market	50		4
2.	Agriculture Agriculture and/or Agro Processing Animal Husbandry and/or Processing Fisheries and/or Fish Processing.	25		4
3.	Services Creative work including art work Information Technology Essential Services related to Agriculture & Animal Husbandry	25		4

\* Minimum Investment means the value of “fixed assets” such as land, plant, machinery and equipment.

- Custom duty will be exempted on imports of;
  - ♦ Project related capital goods and,
  - ♦ Raw materials of export oriented projects

## 2) Medium Scale - New Enterprises

New enterprises engaged in “specific activities” provided that the investment is made on or before 31st March 2015 will be eligible to tax holidays as follows.

Category		Qualifying Criteria		Tax Incentives
		Min. Investment* (Rs. Mn)	Min. Export Req. (% of Output)	Full Tax Holiday (years)
1.	Manufacturing	50 – 100		4
	Other than any liquor or tobacco products)**	100 – 200		5
		Over 200		6
2.	Agriculture	50 – 100		4
	Agriculture and/or Agro processing, Animal Husbandry and/or processing, Fisheries and/or Fish processing	100 – 200		5
		Over 200		6
3.	Services	50 – 100		4
	Information Technology	100 – 200		5
	Software Development	Over 200		6
	Business/ Knowledge Process Outsourcing			
	Health Care			
	Education			
	Beauty care			
	Cold room and storage			
	Tourism			
	Sports and fitness centers			
	Creative work including art work			

\* Minimum Investment means the value of “fixed assets” such as land, plant, machinery and equipment.

\*\* Products covered by this provision shall satisfy the Rules of Origin criteria which includes

- Minimum of 35% domestic value addition
  - Sufficient Process and,
  - Transformation of H.S. Code at 4-digit level in converting imported inputs into final product.
- Custom duty will be exempted on imports of;
    - ♦ Project related capital goods and,
    - ♦ Raw materials of export oriented projects

## 3) Large Scale – New Enterprises

A 6 -12 year tax holiday period has been introduced to large scale projects engaged in “specific activities”.

Category		Qualifying Criteria		Tax Incentives
		Min. Investment* (Rs. Mn)	Min. Export Req. (% of Output)	Full Tax Holiday (years)
1.	Agriculture or Forestry	300 – 500		6
	Cultivation of food crops, industrial crops or horticulture	500 – 700		7
	Forestry	700 – 1,000		8
	Animal Husbandry:	1,000 – 1,500		9
	Dairy, poultry, Swine, Goat etc.	1,500 – 2,500		10
		Above 2,500		12
2.	Manufacturing	300 – 500	90% (75% for Apparel & Textile)	6
2.1	Manufacturing, Production or processing of non-traditional goods for exports, including deemed exports; processing	500 – 700		7
		700 – 1,000		8
		1,000 – 1,500		9
		1,500 – 2,500		10
		Above 2,500		12
2.2	Manufacturing for domestic and/or export market	300 – 500	N/A	6
		500 – 700		7
	a) Boats, Pharmaceuticals, Tyres and Tubes, Motor Spare Parts, Furniture, Ceramics, glass	700 – 1,000		8
	ware or other mineral based products, rubber based products, Cosmetic products, edible	1,000 – 1,500		9
	products manufactured out of locally cultivated agricultural products, construction materials.	1,500 – 2,500		10
		Above 2,500		12



3.	Services	300 – 500		6
	• Provided to a person or partnership outside Sri Lanka***	500 – 700		7
	• Tourism or Tourism Related Projects,	700 – 1,000		8
	• Providing Hotel Services, Guest Houses or Similar Services,	1,000 – 1,500		9
	• Infrastructure Projects including Construction of Commercial Buildings,	1,500 – 2,500		10
	• Development of any warehousing or storage facility,	Above 2,50		12
	• Power Generation using Renewable Resources			
	• Establishment of Industrial Estates, Special Economic Zones or Knowledge Cities,			
	• Urban Housing or Town Centre Development,			
	• Provision of Any Sanitation Facility or Waste Management Systems,			
	• Development of Water Services,			
	• Development of internal water ways, and /or related transport (passenger/freight)			
	• Construction of Hospitals and Provision of Health Care Services,			
	• Maintenance /repair of maritime vessels/ aircrafts			
	• Sporting Services (e.g. Motor Racing or Golf Course)			
	• Information Technology			
	• Software development			
	• Business/knowledge process outsourcing			
	• Any Project in Light or Heavy Engineering Industry,			
	• Artificial insemination for cattle (Dairy development)			
	• Higher Education/skills Development /adult education			
	• Processing & Solid Waste Management			

\* Minimum Investment means the value of “fixed assets” such as land, plant, machinery and equipment

\*\*\* 70% of turnover should be in convertible foreign currency as applicable

- Custom duty will be exempted on imports of;
  - ♦ Project related capital goods and,
  - ♦ Raw materials of export oriented projects

#### 4) Expansion of Existing Enterprises

To encourage project expansions, special incentive scheme has been introduced for existing enterprises (applicable for both BOI & Non-BOI enterprises).

Category	Qualifying Criteria		Tax Incentive
	Min. Investment (Rs Mn)	Min. Export Req. (% of Output)	
Any Existing Enterprise	50		The investment will be treated as a qualifying payment deductible from the assessable income of the enterprise subject to a maximum of 25% of the investment for each year of assessment falling within the period of 4 years commencing from the year of investment since 01.04.2011.

#### 5) Strategic Import Replacement Enterprises

To encourage import substitution, tax incentives have been granted for both new and existing enterprises (applicable for both BOI & Non-BOI enterprises) engaged in the following sectors.

Sector	Minimum Investment (USD. Mn.)	Tax Incentive	
		New Enterprises	Existing Enterprises
i. Fabric	5	years Tax holiday followed by a concessionary tax rate of 12%	Concessionary tax rate (12%) for 5 years coupled with, qualifying payment relief (Investment is considered as a qualifying payment deductible from the assessable income of the enterprise subject to a maximum of 25% of the investment for each year of assessment falling within the period of 4 years commencing from the year of investment).
ii. Pharmaceutical	10		
iii. Milk Powder	30		
iv. Cement	50		

#### 6) VAT, Customs Duty, and PAL – Exemptions on Imports of Capital Goods

To reduce the upfront cost incurred on account of importation of project related plant, machinery and equipment, the applicable VAT, Customs Duty, and PAL will be deferred during the project implementation period, and such deferment will be treated as an exemption on the fulfillment of the conditions specified by the Board of Investment of Sri Lanka.

Please note sectors are open for investment subject to (i) Areas Reserved for Sri Lankans (ii) Areas Subject to Automatic or Conditional Approval and (iii) Regulated Areas

##### Areas Totally Reserved for Sri Lanka

Foreign investment is not permitted in the following areas:

1. Money Lending
2. Pawn-broking
3. Retail trade investment with a capital of less than One Million US Dollars
4. Coastal Fishing

### **Areas Subject to Automatic or Conditional Approval**

Foreign investments in the areas listed below will be approved limited to 40%. Foreign ownership in excess of 40% will be approved on a case by case by the BOI.

1. Production of goods where Sri Lanka's exports are subject to internationally determined quota restrictions.
2. Growing and primary processing of non renewable natural resource
3. Mining and primary processing of non renewable natural resource
4. Timber based industries using local timber
5. Fishing (deep sea fishing)
6. Mass communication
7. Education
8. Freight forwarding
9. Travel agencies
10. Shipping agencies

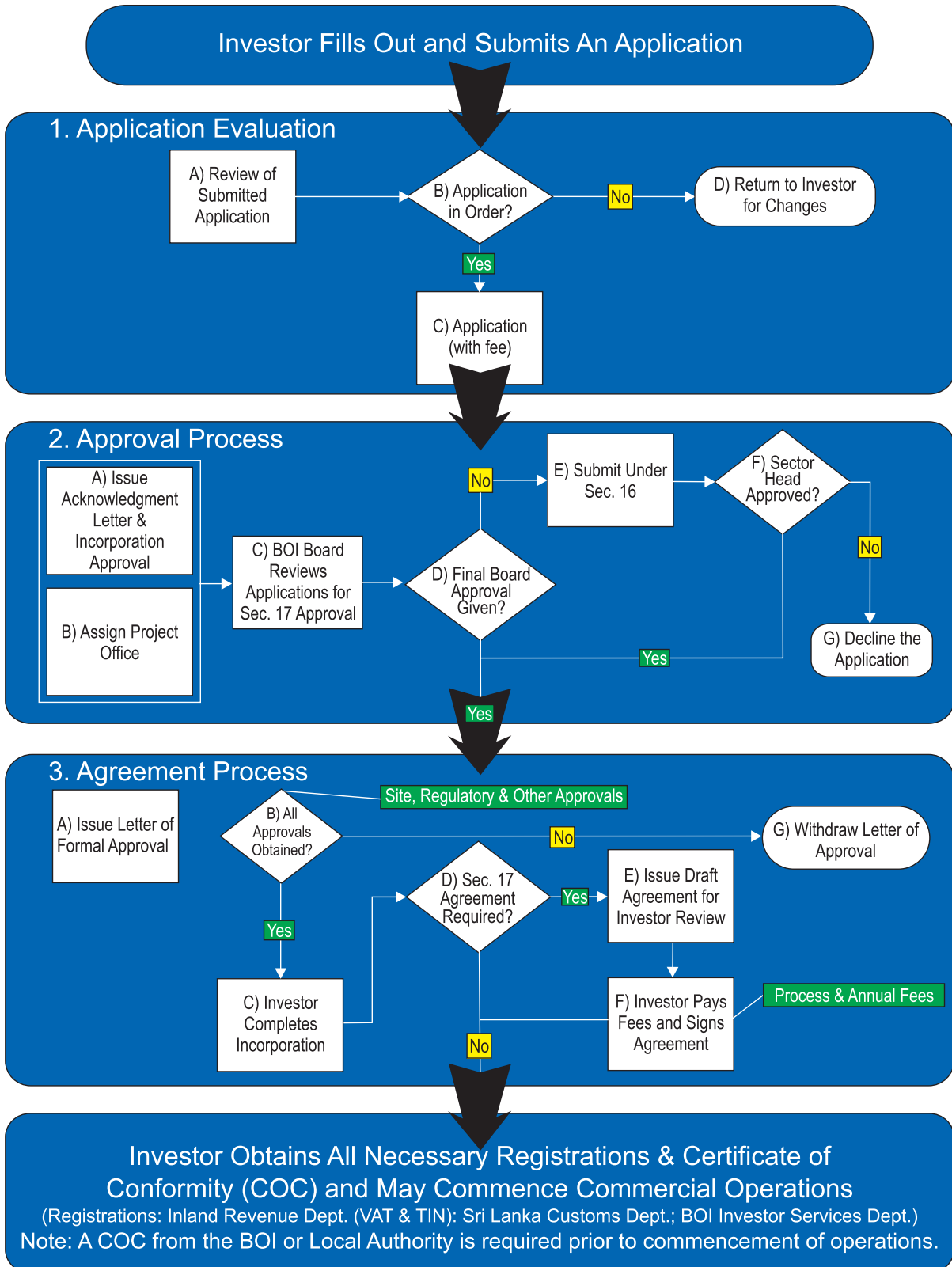
### **Regulated Areas**

Foreign investments in the areas listed below will be approved by the respective Government agency or BOI (upto the percentage of foreign equity specified by BOI). The BOI assists potential investors by referring applications to the appropriate agency and approval is usually straight forward.

1. Air transportation
2. Coastal shipping
3. Industrial undertakings in the Second Schedule of the Industrial Promotion Act No. 46 of 1990, namely any industries manufacturing arms, ammunitions, explosives, military vehicles and equipment aircraft and other military hardware any industries manufacturing poisons, narcotics, alcohols, dangerous, drug and toxic, hazardous or carcinogenic materials any industry producing currency, coins or security documents
4. Large scale mechanized mining of gems
5. Lotteries

All other sections other than the above limitations are opened for 100% foreign owned investments.

## Board of Investment Approval Process



### Duty Free Facilitation

Companies signing an agreement with the Board of Investment of Sri Lanka are entitled to duty free facilities under Sec. 17 of BOI Law No. 4 of 1978. Companies that export more than 90% of goods or services produce are entitled to be free of Customs Duty on capital goods and raw materials. Other companies are entitled to capital goods (also construction materials where applicable) free of Customs Duty during the project implementation period.

Prior to signing an agreement, the company should forward the list of items that it requires to set up and operate the project. These lists will be evaluated and approved by the Sector groups.

### Exchange Control Regulation

Exchange Control exemption is granted only for Export-oriented projects under Sec. 17 of BOI Law and Strategic Development Projects. At present, a project is considered as an export oriented project only if it exports 90% of its production. Parts I, IA, II, III, IV V & VI of the Exchange Control Act are exempted for these companies and they could operate FCBU (Foreign Currency Banking Unit) accounts.

**Note: For up to date and latest information it would be useful to consult BOI officials.**

# Sectoral Opportunities for Investment

## Introduction

With the ending of the 30 year civil conflict, Sri Lanka is poised for aggressive growth in several key sectors of its economy. With almost all the areas open for foreign investment, indicated below are the priority sectors that the government is actively encouraging Foreign Direct Investment to ensure strong and positive economic indicators.

### 1. Tourism and Leisure

Tourism sector has been experiencing an impressive growth both in terms of arrivals and the revenue to the country in foreign exchange in the wake of the return of peace and normalcy in the country in 2009.

Tourist arrivals in 2010 (654,000) recorded a growth of 46% over the previous year and the earnings for 2010 (US\$ 501 mn) have increased by 42%. Projected arrivals for the current year (2011) is 800,000 and the sector targets an inflow of 2.5 million foreign visitors in 2016 with earnings to reach US\$ 2.75 billion. The sector directly employs 52,000 persons and indirectly provides livelihood for over 100,000. As most of the tourism activities and establishments are dispersed evenly throughout the country, the sector has the unique potential to share the economic benefits with the community at large.

The leading sub-sector is accommodation – hotels / boutique hotels / guest houses / villas - which comprises 1215 establishments of which only 256 are classified as graded hotels. The total room capacity of 22,735 of which 15,529 rooms are available in the graded hotels & villas which is 68% of the total. It is estimated that an additional accommodation capacity of 35,000 is needed for the next 05 years to accommodate increasing arrivals. To achieve the required level of accommodation capacity and other services, the sector requires an investment of US\$ 3 billion over next 05 years into the following segments / sub-sectors which provides diversified Key Sectors for Investment for investors.





Emerging Key Sectors For Investment have already attracted the attention of the international investors including-Shangri-La Group, CATIC (China) The Minor group (Thailand) and M-Far Hotels (Oman) who have committed substantial investments. Additionally Sixth Sense Hotels, Banyan Group, Accor Hotels, Dushit (Thailand), and ITC (India) are currently exploring the opportunities.

Investment laws permit 100% foreign ownership in this Sector. Foreign Investments over US\$ 10 million are allowed to outright purchase land and properties pertaining to the project.

### Sub Sector

1. Hotels / Resorts / Villas
2. Higher-end restaurants
3. Leisure / Entertainment and Theme Parks
4. Tourist transport: Domestic and International Sea & Air transport
5. Meeting Incentive Convention and Exhibition: MICE
6. Domestic and International Air transport / Water-based transport
7. Skill Development: Hotel / Hospitality Training Institutes

### Investment in the Allied and / Ancillary sub-sectors:

1. Convention and Exhibition Centres
2. Entertainment Complex / Tourist Shopping Complex
3. Water Sports / Golf Course / Race Course / Angling
4. Spa & Wellness Centres
5. Yacht Marina
6. Eco-Lodges, Camping, Whale & Dolphin Watching
7. Coastal Ferry Service & Cruise Lines

### Relevant Agencies / Organizations

Name of the Agency		Contact
Sri Lanka Tourism Development Authority (SLTDA) - One Stop Unit	Approvals / Clearances for Tourism Projects	Web: <a href="http://www.sltda.gov.lk">www.sltda.gov.lk</a>
Tourist Hotels Association of Sri Lanka (THASL)	Information / Collaboration	

## 2. Infrastructure

The massive infrastructure development drive currently in progress is expected to support the country to maintain a high and sustainable growth in the medium and long term. Timely development of economic infrastructure will help to increase economic efficiency while expanding the production capacity of the economy, facilitate productivity enhancement and reduction of regional disparity. In 2010, the economic infrastructure development programme of the government focused on all areas of infrastructure; development of roads, water supply and sanitation, ports and aviation, transport, housing and urban development, establishment of industrial zones, hospitals and warehousing and logistic centres etc. The construction sector expanded significantly by 9.3% in value added terms in 2010 compared to 5.6% in 2009. Increased activity in construction was depicted by the growth in domestic production of building material by 12% during the year. Cement availability grew by 18.1 per cent in 2010 compared to a contraction of 11.1% in the previous year. The

increased involvement in the private sector was reflected in the growth of private sector credit for construction purposes by 19.3% during the year. The construction sector expanded with the acceleration of the ongoing road development projects such as expressways, inter-regional national highways and mega construction projects and urban development projects together with construction of houses and reconstruction work done in newly liberated areas boosted construction activities in the country.

### Sub Sector

- Housing and Property Development
- Shopping & Office Complex
- Hospital Services and Medical Services
- Warehousing & Logistic Services
- Exhibition Centers
- Industrial Parks
- Construction of Highways and Railways

### Relevant Agencies

1. Urban Development Authority
2. Local Authorities such as Municipal Councils, Pradeshiya Sabhas
3. Sri Lanka Land Reclamation & Development Corporation
4. Central Environmental Authority
5. Ministry of Health

### 3. Knowledge Services

The Knowledge Services sector which encompasses IT software development, Knowledge Process Outsourcing / Business Process Outsourcing industry, IT and IT enabled services and IT Training sectors, has tremendous potential to emerge as a key growth sector in Sri Lanka. Given the quality of students, level of English and literacy, and the proximity to India, Sri Lanka is in an ideal position to develop into a high value added IT / KPO services provider. The Industry has set the target of Export revenues of US\$ 1 Bn and Employment of 100,000 by 2015 and well on the way to achieving them.

#### a. IT Software Development

There are over 100 software developments operations in Sri Lanka which caters to both independent and captive markets. Sri Lankan companies have been able to develop software products of their own which have earned them international recognition.

Millennium Information Technology (Pvt) Ltd, Virtusa (Pvt) Ltd, Industrial and Financial Services R & D International (Pvt) Ltd, Metatechno Lanka Company Ltd., WSO2 Lanka (Pvt.) Ltd,

#### b. KPO / BPO Industry

The KPO / BPO industry is an emerging sector in Sri Lanka. A still nascent industry, within its short history since 2000, KPO / BPO sector has come a considerable distance while being able to attract some of the BPO / KPO giants in the world. Sri Lanka is growing in reputation for niche areas of Financial and other Professional Services, Transaction processing and Document management, and call center services thanks to high literacy rates (approximately 92%) and growing accounting graduates pool.

HSBC Data Processing Lanka (Pvt.) Ltd, WNS Global Services (Pvt.) Ltd, Office Tiger Lanka (Pvt.) Ltd (RR Donnelly), Amba Research Lanka (Pvt.) Ltd. HelloCorp (Pvt.) Ltd

### c. IT Enabled Services

IT enabled and IT related Services sector identify projects which require extensive use of information technology for the provision of services such as Server farms, Business Services etc. current there are close to 30 companies operating under the Board of Investment of Sri Lanka.

Dialog Business Services (Pvt.) Ltd, MphasiS Lanka (Pvt) Ltd, hSenid Mobile Solution (Pvt) Ltd, Heyleys Business Solutions (Pvt) Ltd.

### d. IT Training Centres

In an effort to develop Sri Lanka to a Knowledge Services the education industry has been identified as one of the key areas of interest to the government of Sri Lanka. In order to ensure a consistent work force flow to meet the growing employee requirement of the knowledge services industry, IT Training has been identified individually and has been given priority. There are around 20 IT Training Centres under the BOI. Asia Pacific Institute of Information Technology Lanka (Pvt) Ltd (APIIT), I D M Computer Studies Islandwide (Pvt) Ltd

### Sub Sectors

1. IT Software Development,
2. KPO / BPO Industry,
3. IT and IT Enabled Services
4. IT Training Sectors.

### Relevant Agencies

Organisation Purpose Contact Details	Purpose	Contact Details
Information and Communication Technology Agency (ICTA)	The single apex body involved in ICT policy and direction for the nation which is wholly owned by the Government of Sri Lanka. Approval for the project to establish in Sri Lanka.	Web: <a href="http://www.icta.lk">www.icta.lk</a>
Sri Lanka Association of Software Services Companies (SLASSCOM) (THASL)	The IT/BPO Industry body comprising the industry companies.	Web: <a href="http://www.slasscom.lk">www.slasscom.lk</a>
Telecommunication Regulatory Commission (TRC)	The regulatory body which will provide approval for voice related equipment and services.	Web: <a href="http://www.trc.gov.lk">www.trc.gov.lk</a>
Ministry of Higher Education	Approvals for Education Institutes	Web: <a href="http://www.mohe.gov.lk">www.mohe.gov.lk</a>

### 4. Utilities

Utility sector covers the BOI enterprises established for the development, improvement or enhancement of common facilities to the public.

### Power & Energy Sector

The base demand for power in Sri Lanka was 2517 MW in 2010 and is forecasted to increase up to 5306 MW by the 2020.

In view of the growing demand for power, it has been planned to increase the power generation capacity to 3470MW in 2012 and to reach 6367 MW in 2020, respectively.

The Ceylon Electricity Board plans to generate 20% of the Power supply from renewable energy sources by 2020 from 6% at present. For the purpose of bridging this gap, sufficient investment opportunities will be envisaged on development of renewable energy sector through wind, dendro, solar and mini hydro power plants.

### Telecommunication Sector

Sri Lanka's telecom sector has shown a significant growth in recent times. The sector has been the No.1 contributor of Foreign Direct Investments (FDI) to the county totaling well over US\$ 1.5 Billion.

The telecom sector is expected to expand the capability of users for quick adaptation to digital technology, create partnerships with the private sector to improve information and knowledge sharing, up grade the telecommunications services to meet the expectations and requirements of government, business communities international communities & general public and minimize the regional disparity of telecommunication facilities.

Statistical overview of the sector as at end December 2010 is as per below:

1	Number of System Licenses issued	64
2	Total no. of fixed phones	3,578,463
17	Tele density (per 100 inhabitants)	17
4	Tele density (fixed per 100 inhabitants in Colombo district)	38.5
5	No. of cellular mobile subscribers	17,359,312
6	Mobile subscribers per 100 people	82
7	Internet & e-mail subscribers fixed	280,000
8	Mobile Broadband subscriber	294,000

The expansion of the e-governance network, the improvement of access to telecommunication facilities, the establishment of dedicated Economic Zones and Telecommunication Parks and the encouragement of the private sector to set up ICT Institutions are among the future strategies to move forward this rapidly growing sector.

### Ports Development Sector

The island's port strategy will centre on six major port: Colombo, Hambantota, Galle, Trincomalee, Kankasanturai and Oluvil. The government has given the highest priority to the development of port infrastructure in recent years. Key port development projects are Colombo South Harbour expansion project, Hambantota Port Development Project, Kankasanturai port development and restoration, Oluvil Port Development Project, and Galle Tourist Port Development.

Colombo South Harbour Development which is considered to be one of the single largest FDI secured for an investment project with an investment of US\$ 500Mn (with major investment coming from China) has finalized the BOT agreement with the Sri Lanka Ports Authority for the first terminal. The initial phase of this project is targeted to complete the work of a 600 meters quay length with a capacity handling of 1.2 million tons per annum.

### Sub Sectors

- Power & Energy
- Telecommunications and related services



Port of Colombo, Sri Lanka

- Ports development
- Radio & Television Broadcasting
- Distribution of Petroleum related products such as LPG & LNG
- Recycling of waste

### Relevant Agencies

	Activity	Required License/Approval
1	Non Conventional Renewable Energy Projects Power Generation (Over 10MW)	1. Provisional approval from Sri Lanka Sustainable Energy Authority 2. Letter of Intent from Ceylon Electricity Board (CEB). 3. Standardized Power Purchase Agreement with CEB from to signing the agreement with the BOI; <ul style="list-style-type: none"> <li>i. Letter of Intent from CEB</li> <li>ii. Power Purchase Agreement with CEB to signing the agreement with BOI.</li> <li>iii. Solicited proposals to the Ministry of Power Energy.</li> </ul>
2	Providing Fixed/Mobile Telecommunication Services	License and Spectrum allocation from Telecommunication Regulatory Commission.
3	Pay Phone Service	Approval from Telecommunication Regulatory Commission





Port of Colombo, Sri Lanka

4	Operate and maintain Private Radio Broadcasting Station	License from Ministry of Mass Media & Information Frequency allocation & approval from Telecommunications Regulatory Commission.
5	Oil Refinery	Approval from Ministry of Petroleum Industries
6	Import and Distribution of LP Gas/LNG	Approval from Ministry of Petroleum Industries
7	Recycling of waste	Central Environmental Authority

## 5. Apparels

The apparel industry in Sri Lanka had a modest beginning in the 1960s producing mainly textile and clothing for the local market under heavy protection.

The export oriented production of clothing (readymade garments) began in 1970s and expanded rapidly after the liberalization of the economy in 1977. When Sri Lanka liberalized its economy in 1977 the country's garment industry took off immediately mainly as the quota hopping East Asian garment exporters who were attracted by the country's liberal trade regime relocated their already well-established garment business to Sri Lanka due to low labor cost which ensured the production costs being low. This relocation encouraged local business community to commence its own garment enterprises to exploit markets guaranteed by quotas assisted by the liberal trade regime for importations and subsequently incentives granted by the Board of Investment of Sri Lanka (BOI) including tax holidays and other fiscal and non-fiscal concessions

During 1980s garment exports were growing rapidly and by 1986 garment exports accounted for the largest share of all exports (27%). In 1992, the BOI offered an attractive incentive package to all garment manufacturers to move into the rural areas of Sri Lanka under 200 garment factory programme which is considered as the turning point of the apparel industry. The BOI was able to set up 163 factories under the said programme by 1995. By 1992, the garment industry had become the largest foreign exchange earner





in the country (US\$400Mn) overtaking the tea industry. By 2002, Sri Lanka's textile and garment sector accounted for 6% of the GDP, 30% of industrial production, 33% of manufacturing employment, 52% of total exports and 67% of industrial exports.

The apparel sector is the highest industrial employment generator and the highest foreign exchange earner. The total export income of the sector for the year 2010 was US\$3.5Bn which is equivalent to 42.2% of the total exports of the country and 56.5% of industrial exports in 2010 reflecting a 7.0 percent growth during the year.

Apparel manufacturers comprise nearly 90% of the textile/apparel sector in Sri Lanka. They produce a wide range of international branded clothing such as Victoria's Secret, Liz Claiborne, Pierre Cardin, Nike, Gap etc. BOI approved ventures account for almost 90% of Sri Lanka's total garment export.

Garment exports to EU which constituted approximately 50.7% of total apparel export increased by 3.0% to US\$. 1.678 Mn. in 2010 and exports to USA which is the 2nd largest market increased by 5.5% to US\$ 1,678Mn in 2010. The industry target is to increase the export value to US\$ 5Bn by 2016.

The employment generation exceeds 250,000. A large portion of Sri Lanka's factory workers are women and as of 2010, 350,000 women are employed in the country which is 85% of the industries work force. Originally, the industry commenced as a sewing operator (contracted Manufacturer) and dependent on textile quota offered by USA and EU and currently it has transformed into a full apparel solution provider.

The most number of apparel projects operate in the Western Province. This shows that opportunities for apparel factories are available in emerging areas where enough employment is available and emerging constraint in the Western Province. Therefore, prospective investors could set up their projects in emerging areas including the Northern Province. With the peace prevailing in the country, apparel projects could be set up in the Northern and Eastern province and other emerging areas of the country.

## Sub Sectors

1. Apparel manufacturing
2. Textile and Fabric Manufacturing
3. Garment Accessories
4. Garment related services such as Garment washing, Textile testing, Screen printing etc.,

## 6. Manufacturing

Being one of the key sectors which generates over 25% of national industrial exports, the government has identified a wide range of targeted industrial sub-sectors to be promoted under the BOI to drive the economic development process of the country.

In line with the new policy guidelines of the government the manufacturing sector is to be promoted in three different segments.

- a. Export oriented sector to manufacture and export non traditional goods to generate foreign exchange earnings, employment, local value addition and the enhancement of industrial base is to be promoted by giving corporate tax exemptions. Customs duty exemptions will be granted for capital items and all other required items during the operational period of the project.

Under this category, projects to manufacture and export of all non traditional products other than black tea in bulk, crepe rubber, sheet rubber, scrap rubber, coconut oil, desiccated coconut (other than desiccated coconut manufactured using continuous scale automated process technology and marketed with a quality guarantee) copra, fresh coconuts, coconut fibre will be promoted.

Presently over 30% of the total exports under the BOI is contributed by the manufacturing sector other than apparel and over 60% of the national industrial export other than apparel is contributed by the export oriented manufacturing projects operating under the BOI.

- b. Newly targeted local market oriented sector is to be promoted by granting the same tax exemptions given to export oriented manufacturers to encourage manufacturers which substitute the imported products. Customs duty exemptions will be granted for capital and construction items during the project implementation period.

The following products are to be promoted under this category and such products are permitted to be supplied for both local and export markets.

- Boats
- Pharmaceuticals
- Tyres and tubes
- Motor spare parts
- Furniture
- Ceramics, glassware of the mineral based products
- Cosmetic products
- Edible products manufactured out of the cultivated agricultural products
- Construction materials

Or any other products which give the economic benefits of the country as determined by the Hon Minister of Finance.

### c. Projects under Strategic Development Project Act

Large Scale Projects which are in the national interest and which are likely to bring economic and social benefits to the country to change the landscape of the country preliminary through giving benefits to the general public, substantial inflow of foreign exchange, substantial employment which enhance the earning opportunities and envisaged transformation in terms of technology.

Tax exemptions upto a maximum of 25 years and other exemptions of other levies would be granted by the State depending upon the meeting the objectives referred above in the Act.

### Sub Sector

- Rubber, PVC Products Cement
- Minerals
- Metal
- Transport Equipment
- Gem & Jewellery
- Electrical & Electronics
- Ceramic
- Paper
- Leather
- Chemicals
- Pharmaceutical
- Boats
- Food
- Tea
- Wood
- Coir

## 7. Export Services

It is a policy decision of the Sri Lanka government that the country's further development should be based five major service-related hubs: naval, aviation, commercial, energy and knowledge.

The services sector contributed almost 60% to the country's GDP in 2010. This sector grew by 8% in 2010 compared to 3% in 2009. In line with government policy, the BOI has given special emphasis on developing these hub areas by promoting investors in Export Service Sector where enormous opportunities are available for foreign investors. Adding further impetus to the development of this sector is the significance of the strategic geographical location of Sri Lanka.

With the large expansions currently taking place in the Ports sector, it is expected that foreign as well as local investors will have a major role to play in the marine related export services including the following:

- Ship repairing and ship building
- Marine support industries
- Rigging & offshore engineering

- Supply of spares, food, water and other goods
- Medical evacuation and assistance
- Bunkering
- Maintenances Services

Apart from the above, other export services are promoted by the BOI on a case by case basis. (Eg. Services supporting export manufacturing, Aviation Services, other direct and indirect export services). Main criterion for export services sector is to earn a minimum of 70% income in convertible foreign currency.

### Sub Sectors

- Shipping services
- Other marine services (shipping services, crew exchange etc)
- Printing services
- Management consulting services
- Aviation Services
- Automation services
- Other export services

### Relevant Agencies

Name of the Agency	Contact
Ministry of Ports and Aviation	<a href="http://www.ports-aviation.gov.lk">www.ports-aviation.gov.lk</a>
Sri Lanka Ports Authority	<a href="http://www.slpa.lk">www.slpa.lk</a>
Merchant Shipping Division	<a href="http://www.dgshipping.gov.lk">www.dgshipping.gov.lk</a>
Ministry of Petroleum Industries	<a href="http://www.petroleummin.gov.lk">www.petroleummin.gov.lk</a>
Petroleum Resources Development Secretariat	<a href="http://www.prds-srilanka.com">www.prds-srilanka.com</a>
Ministry of Defence	<a href="http://www.defence.lk">www.defence.lk</a>
Central Environmental Authority	<a href="http://www.cea.lk">www.cea.lk</a>
Exchange Control Department of Central Bank of Sri Lanka	<a href="http://www.cbsl.gov.lk">www.cbsl.gov.lk</a>

## 8. Agriculture

- There are significant opportunities for investors in the agriculture sector both for the domestic market and for value added exports. The agriculture sector plays a key role in the country's economic development and its new role has been redefined in the light of the development goals of the nation.
- The agriculture sector contributes 12% to the GDP of the country, 25% of total export earnings and 30% of national employment in the year 2010.
- The three main traditional export crops from Sri Lanka are Tea, Rubber and Coconut. Since these industries are already well established, the main focus of BOI is in terms of developing other agricultural crops particularly by enhancing domestic value additions. The government looks to specialised investment to improve productivity, level of technology innovation, access to international markets, use of quality seeds and planting materials and improve overall value addition. Some of the opportunities include:
- **Horticulture:** Sri Lanka aims to be recognized as one of the best horticulture produces in the world. In cut flower production there are opportunities for investors who can bring in new hybrid varieties imported from overseas which can be used as mother plants and modernised with tissue culture technology.

Similarly opportunities are available to produce fruits and vegetables for the export market such as the Middle East, Japan including by the use of out grower system.

- **Enhancing of values addition**

- There are many areas in which value addition can be enhanced in the agro based sector for e.g Sri Lanka has been one of the largest exporters of variety spices. However much of the exports has been in raw commodities form. The government encourages the induction of investors who can enhance the domestic value addition in Sri Lanka so that these items are exported in high value forms.
- **Fisheries:** Sri Lanka has considerable fisheries potential in offshore/deep sea, inland fisheries and aquaculture. The fisheries sector contributes around 1.2 per cent to GDP and employs over 650,000 people directly and indirectly through related activities.
- **Livestock:** The livestock sector consists mainly of the dairy and poultry sub-sectors, which are considered as priority areas for growth, employment generation and increasing income of rural farmers. The livestock sector accounted for about 1 per cent of GDP in 2009. About 670,000 smallholders are engaged in the sector. As of 2009, local milk production covers only 33 percent of the national consumption. Around 63,876 mt of milk and milk products valued at over US\$ 296 have been imported in 2009 and it represented 2.1 percent of Sri Lanka's food imports.
- Overall, Sri Lanka has much to offer both local and foreign investors in the Agriculture, Livestock and Fisheries sectors including diverse agro zones for agro based industry and access to a large fishing area.

### Sub Sectors

- Cultivation and processing of fruits, vegetables, herbal and spices
- Deep Sea Fishing & rearing processing of fish
- Animal husbandry projects.
- Horticulture / Floriculture

### Relevant Agencies

Name of the Agency	Contact
Ministry of Fisheries and Aquatic Resources Development	Web: <a href="http://www.fisheries.gov.lk">www.fisheries.gov.lk</a>
Ministry of Livestock and Rural Community Department of Animal Production & Health	Web: <a href="http://www.daph.gov.lk">www.daph.gov.lk</a>
Ministry of Indigenous Medicine	Web: <a href="http://www.indigenousmedimini.gov.lk">www.indigenousmedimini.gov.lk</a>
Central Environmental Authority	Web: <a href="http://www.cea.lk">www.cea.lk</a>
Department of Forest Conservation	Web: <a href="http://www.environmentmin.gov.lk">www.environmentmin.gov.lk</a>
Department of Export	Web: <a href="http://www.imexport.gov.lk">www.imexport.gov.lk</a>
Agriculture	Web: <a href="http://www.agridept.gov.lk">www.agridept.gov.lk</a>
Coconut Development Authority	Web: <a href="http://www.cda.lk">www.cda.lk</a>

### Education

- The role of especially Higher Education is a major driver of economic development in Sri Lanka. Higher Education in the country is now in a unique position, as Sri Lanka's future in the global knowledge economy depends critically on the country's human capital.
- As the country is geared to take off and advance as a fast growing middle income country, it is critically important that Sri Lanka has the human capital needed to compete with the global knowledge economy.

Thus Sri Lanka needs a higher education system which can produce skilled, hard working and enterprising graduates. Also the country needs a research and innovation capacity capable of promoting dynamic economic development.

- The knowledge hub initiative will help to develop Sri Lanka as a destination for investments in Higher Education and position the nation as a centre of excellence and regional hub for learning and innovation.
- The state university sector comprises 15 universities, 6 post graduate institutes and 9 other degree granting universities. The capacity of the state university system is limited and not more than 17% of the 120,000 students who qualify for university education can gain admissions to these Universities.
- Sri Lanka has targeted achievement of excellence in higher education by 2020, becoming the most preferred country for higher education in the Asian subcontinent. It will be among the top countries for higher education in Asia. The government has already commenced the formulation of necessary legislation to regulate private sector higher education institutes.
- While the state university systems perform as the main provider of the university systems, the establishment of private universities will be encouraging the government to attract approximately around 50,000 foreign students to Sri Lanka through proposed private universities. These universities are also expected to absorb, on average the 12,000 Sri Lankan students leaving the country for higher education and thereby protecting foreign exchange savings and earnings.

The Board of Investment of Sri Lanka is currently in the process of identifying and promoting the FDI that can support the government's objective of making Sri Lanka a "Knowledge Hub".

### Sub Sectors

- Branch campuses of leading Foreign Universities
- Higher Educational Institutes
- Hospitality / Tourism / Hotel Management
- Design Development
- Engineering
- Nursing
- Maritime Training

### Relevant Agencies - Education

Name of the Agency	Contact
Ministry of Higher Education	Web: <a href="http://www.mohe.gov.lk">www.mohe.gov.lk</a>
Vocational Training Authority of Sri Lanka	Web: <a href="http://www.vtasl.gov.lk">www.vtasl.gov.lk</a>



## Shopping and Sightseeing in Colombo

### I. Sightseeing in Colombo

#### National Museum

Description : Both the National Museum and the Natural History Museum have the same entrance. Open: 9 am - 5 pm. Closed on Fridays. Vast collection of antiques, inscriptions, statues, coins, furniture etc. Also houses the throne and other royal insignia of the last king of Kandy, Sri Wickrema Rajasinghe.

The Puppetry and Children's Museum is within the National Museum. Puppetry is a living part of the country's cultural heritage, and the museum shows traditional Sri Lankan figures and marionettes from all over the world, with weekend performances.

Address : Sir Marcus Fernando Mw., Col. 07.  
Telephone : 269 4366, 269 4768, 269 2092  
Open Saturday to Thursday from 9.00 am to 5.00 pm.

#### Gangarama Vihara

Description : The most famous and beautiful restored Buddhist temple in Colombo, of which the small temple in the middle of Beira Lake is also part. The temple is beautifully decorated with stone carving, brass work and other forms of Buddhist Art. Also has a museum and bookshop on Buddhism. A small fee is charged as a support.

Address : 61, Sri Jinaratana Rd., Hunupitiya, Col.02.  
Telephone : 2327084, 323038

#### Captain's Garden Kovil

Description : One of the largest Kovils (Hindu Temples) in town located behind Fort Railway Station. Open from 5 - 11:30 am and 5 - 9 pm.

Address : Kovil Veediya Rd., (off D.R. Wijewardena Mawatha) Colombo - 10.

#### Mayura Place Amman Kovil

Description : This road is also full of little shops selling all kinds of religious (Hindu) items, such as cards, garlands, flowers, oil, rosewater, henna etc.

Address : Mayura Place, (off Havelock Rd.,) Col. 06. Wellawatta

**Galle Face Green:** This promenade on the sea face was laid out in 1859 by the British Governor Sir Henry Ward. Used for horse racing a hundred years ago it is now the largest open space in Colombo and a favorite haunt for people of all ages.

**Dutch Period Museum:** It housed in the old 'Dutch House' on the Prince Street, Pettah in Colombo was built in the latter part of the 17th century. The collection of furniture, ceramics, coins and arms on the premises, gives the visitor a glimpse of the grandeur in which the Dutch rulers lived in Sri Lanka.

**Negombo:** It is a characteristic fishing town, 37 km north of Colombo. Set amid lush groves of coconut palms, Negombo is a seaside resort is a seafood lover's paradise. Old world fishing craft like the outrigger canoes and catamarans are used to net seer, skipjack, herring and mullet, pomfret and amberjack, while lobster and prawns are caught in the lagoon.

**Mount Lavinya Beach:** Mount Lavinya Beach is located 12 Km south of the city and lies alongside a wind-swept headland jutting into the waters of the Indian Ocean.

**Beruwela:** Located 56 Km from Colombo, Beruwela marks the beginning of a 130 Km-long stretch of golden beach. The warm, sunny weather and crystal clear waters of the bay, make it a sunbathers' and swimmers paradise.

## ii. Shopping in Colombo

### Garments

#### House of Fashions

Always busy, always a bargain, always a great choice in garments. The enormous collection caters to the whole. If you come for the first time it's best to see all departments so it will give you a good idea of the quality, models, colours and sizes available. To give you some idea, sports clothing and goods, linen (like towels, bed sheets and pillows), shoes (for kids, ladies and gents), bags and luggage, accessories and toys, and an almost never-ending list of garments for ladies, gents and children.

Address : 28, R.A. de Mel Maw., (Duplication Rd), Col. 05

Telephone : 250 4639, 250 4641-2

Timing : Open Monday to Saturday from 10 am - 8 pm. and Sunday from 10 am - 3 pm. closed on Poya days (Full moon days).

#### Odel Unlimited

The best-known lifestyle shop in Colombo. A large collection of the latest in kids wears for all ages in summer and winter clothing. The adjoining ladies section features many American and European styles in a huge variety of sizes and colours. The sports wear section with the best brands available for both ladies and gents. Upstairs you'll find a huge selection of the best in both male and female in departments called "Select@Odel" with world famous brands. The Parfumerie with top-brands in perfumes, spices & rice. Good for hand made extra ordinary gift items.

Address : 5, Alexandra Place, Col. 07

Telephone : 268 2712-3

Fax : 533 7855

Timing: Open Monday to Saturday 10 am - 8 pm. And Sunday: 10 am - 6 pm.

#### Beverly Street

Beverley Street is the first ever garment store that is open up to midnight! Go to Beverley Street along Duplication Rd. for kids, ladies and gents clothing.

Address : 438, R.A.de Mel Maw. (Duplication Rd) Col. 03

Telephone : 256 4777, 237 0242, 237 0241

Timing: Open Monday to Sunday from 9.00am to midnight 12.00

#### Cotton Collection

The idea behind Cotton Collection is to offer the best of the seasons' clothing to all family members at prices hard to resist. Many visitors (and residents) in Colombo frequently visit Cotton Collection knowing that they will find what they are looking for in kids', men's and ladies' garments all of export quality

Address : 8, Jawatte Rd., Col. 05.

Telephone : 258 0826-7

Fax : 472 4043

Timing: Open Monday to Saturday from 10.00am to 7.00pm and Sunday 10.00am to 3.00pm

#### Barefoot

The Barefoot concept is not static but a constant development of new ideas exploring new colours, designs, models and shapes within the possibilities of age old handloom techniques. Their fabulous collection of shirts, sarongs, trousers, dresses, sarees and many other items are worth wearing (or simply seeing) either as casual

wear, or when you have a special occasion. Barefoot does not manufacture for the masses and stresses that all their designs are unique, of which the materials in silk, cotton or mixtures are especially fabricated by Barefoot's own weavers. Colours are carefully chosen while dyeing is done with care to ensure many years of complacent use. Made by experienced hands with love for the subject, each piece is unique and differences in patterns and colours are not flaws, but merely a confirmation of its unsurpassed individuality.

Address : 704, Galle Rd., Col. 03.

Telephone : 258 9305, 258 0281

Timing: Open Monday to Saturday 10.00am to 7.00pm and Sunday 11.00am to 5.00pm.

### Gifts and Handicrafts

#### Lakmedura

Open 7 days a week offering traditional handicrafts and non traditional Sri Lankan products.

Address : 113, Dharmapala Maw., Col. 07

Telephone : 232 8900

Fax : 233 5380

Timing: Open Monday to Sunday 9.30am to 7.00pm

#### Laksala

Run by the Sri Lankan Handicraft Board, a government institute promoting skills to produce traditional items for export. Laksala offers everything Sri Lanka can offer in wood carving, brass items, furniture, silver ware, leather, batik, spices, tea, books and cards.

Address : 60, York Str., Col. 01. Fort

Telephone : 232 9247, 232 3513-4

Timing: Open Monday to Friday 9.30am to 5.30pm and Saturday 9.00am to 4.00pm.

### Gems & Jewellery

#### Stone'n String

Stone-n-String takes a special place among the jewellers. It produces and sells fashion jewellery for today's women either plain or with precious or semi-precious stones. Their focus is on wearing rather than only having it in a cupboard afraid to wear it because it is so expensive. Their starting price is below Rs. 200/- ranging to many thousand

Address : 275, R.A. de Mel Maw., (Duplication Rd) Col.03.

Telephone : 537 6161-4, 230 1554/5

Timing: Open Monday to Friday 9.30am to 7.00pm and Saturday 9.00am to 5.00pm.

#### Sifani Jewellers

Located on the Galle road, Sifani's deal in 18 ct. jewellery and gem stone jewellery at reasonable prices. Contact the General Manager Mr. Zarook Haniiffa who will give you details of all their products.

Address: 86, Galle Road, Colombo 3

Telephone: 2399601/8

Fax: 2399603

Timing: Open Monday to Saturday from 8.30am to 5.00p.m

#### Mallika Hemachandra

Their Horton Place showroom has many beautiful modern and classic designs to choose from in a range of prices. They are also the official licensee for Walt Disney jewellery.

Address : 73, Horton Place, Col. 07.

Telephone : 268 8531, 267 7537

Timing: Open Monday to Saturday from 10.00am to 6.30pm

### **Zam Gems**

Zam has created a loyal customer base and specializes in jewellery with gem stones. Their showroom is located on the first floor where a large number of gemstones are displayed, large-, rare- mounted- and un-mounted stones. Custom made jewellery is possible. A small 'museum' has been set up to explain to customers where and how the many different stones are mined and polished.

Address : 81, Galle Rd., Col. 04.

Telephone : 258 9090, 250 3978

Timing: Open Monday to Friday 9.00am to 5.50pm and Saturday 9.00am to 1.00pm

### **Sri Lanka Gem and Jewellery Exchange**

Located at the World Trade Centre, it has a number of outlets of individual gem traders and is an ideal location for shopping for gems and jewellery. It also has the office of the Sri Lanka Gems and Jewellery Authority from where certificates of authenticity can also be obtained.

### **Porcelain and Ceramics**

#### **Dankotuwa Porcelain**

Dankotuwa is well known brands of ceramic items manufactured locally. All these items are manufactured for export meaning their quality is extremely high. Plates, cups, and other crockery are available loose or in sets with many different colours, shapes and sizes in modern and classic designs. All items can be packed and shipped to any country in the world.

Address : 283, Galle Rd., Col. 03.

Telephone : 257 6572

#### **Noritake Lanka Porcelain (Pvt) Ltd.**

Manufacturers of high quality porcelain tableware under the brand name NORITAKE and porcelain restaurant ware for the local and overseas market. It is slightly expensive but then quality always comes at a price.

Address: 12, Glen Arber place, Colombo 03.

Telephone: 582562, 583407 (Colombo),

Website: [www.noritake.com](http://www.noritake.com)

#### **Lanka Ceramic**

Located on the sea-side of Galle Rd., offers a wide choice in beautiful export quality ceramics and porcelain items ranging from tea-, dinner- and breakfast sets. Best known for their ornamental cups and saucers with high artistic value.

Address : 696, Galle Rd., Col. 03

Telephone : 258 9349

### **iii. Eating Out in Colombo**

#### **Raja Bojun (Sri Lankan Cuisine)**

One of the most popular restaurants among foreigners for Sri Lankan food. Situated on the Galle Road near the High Commission with an ethnic ambience and full length windows overlooking the sea, it is one of the best places if you are looking for the native taste. They serve a milder version of the otherwise 'Hot' Sri Lankan cuisine. The lunch buffet is elaborate with great variety for both vegetarians and non-vegetarians. A la carte could also be tried.

Location: 500 Meters from Taj. Turn left facing the sea

Address: 90 Ceylinco Seylan Tower, Galle Road, Colombo 3

Phone: 074716171 or 2452657/8

**Mango Tree (Indian Cuisine)**

The name comes from a mango tree on the premises. It serves the best North Indian cuisine in Sri Lanka. You will find a reasonably large gathering of both Indians and Sri Lankans in the evenings. The prices are high but if you are missing your typical Delhi restaurant food there is no better place. Book in advance if you are planning to go there in the evening or try your luck.

Address: 82, Dharmapala Mw. Colombo 3

Ph. 5379790, 5379791 or Mobile Sukhvinder Singh 0714025873

**Mathura (Indian Cuisine)**

If you are a vegetarian, then Mathura serves some of the best Indian vegetarian dishes (both North and South Indian). The place is adorned with paintings of Krishna Leela and other paintings of Mahabharata.

Address: 185, Havelock Road, Colombo 5

Phone: 2556889

**Beach Wadiya (Sea Food)**

They specialize in seafood with a special menu that changes frequently. Situated on the seaward side of the railway track, you will not find a restaurant closer to the sea. It has a very informal setting and boasts of visits by renowned personalities from Prince Charles to almost every cricketer who played in Sri Lanka after 1975. It should be an enjoyable experience for seafood lovers.

Address: 2, Station Avenue, Wellawatte

Phone: 2588568, 4514477

**Crescat Food Court**

It is a reasonably priced food court serving Indian, Chinese, Korean, Malaysian, Sri Lankan and Western Cuisine. Food court is attached to a shopping mall.

Location: 500 Meters from Taj on the Landside. Turn left facing the sea.

All the hotels in Colombo have dining facilities.

**iv. Hotels in Colombo**

1. Taj Samudra Hotel  
25, Galle Face Centre Road, Colombo - 03  
Phone: 011-2446622  
E-mail: samudra.colombo@tajhotels.com
2. Taj Airport Garden Hotel  
234/238, Colombo -Negombo Rd, Seeduwa  
Phone: 253771  
E-mail: airport.colombo@tajhotels.com
3. Cinnamon Grand  
77, Galle Road, Colombo - 03  
Phone: 011-2437437  
E-Mail: grand@cinnamonhotels.com
4. Cinnamon Lakeside  
115, C.A.Gardiner Mw, Colombo - 02  
Phone: 011-2491000  
E-Mail: tah\_asia@transasiahotel.com

5. Hilton - Colombo  
Lotus Road, Echelon Square , Colombo - 01  
Phone: 011-2437177  
E-mail: colombo@hilton.com
6. Ceylon Continental Hotel  
48, Janadhipathi Mw, Colombo - 01  
Phone: 011-2421221  
E-mail: gm@ceyloncontinental.com
7. Galadari Hotel  
64, Lotus Road, Echelon Square, Colombo - 1  
Phone: 011-2544544  
E-Mail: sampath@galadarihotel.lk
8. Hotel Renuka  
328, Galle Road, Colombo - 03  
Phone: 2573598  
E-mail: renukaht@renukahotel.com
9. Galle Face Hotel  
2, Kollupitiya Road, Colombo - 03  
Phone: 541010/16  
E-mail: reservation@gallefacehotel.net
10. Ramada - Katunayake  
842/2, Negombo Road, Seeduwa  
Phone: 253647
11. Mt. Lavinia Hotel  
Hotel Road, Mt.Lavinia  
Phone: 715221  
E-mail: lavinia3@sltnet.lk
12. Ramada Inn Hotel  
30, Sir Mohamed Macan Maker Mw, Colombo -3  
Tel: 422001-9 E-mail: mshanthi@sltnet.lk



## High Commission of India, Colombo

### **The High Commission of India**

36-38, Galle Road,  
Colombo-03, Sri Lanka.

#### **Contact Numbers**

Tel: +94-11-2327587 / 2422788 / 2421605 Fax: +94-11-2446403 / 2448166

Website: [www.hcicolombo.org](http://www.hcicolombo.org)

The High Commission of India, Colombo, provides comprehensive information to Indian business persons wishing to interact with Sri Lankan enterprises. This is carried out through its website, a monthly newsletter for economic and business news, exhibitions and other trade events, and trade-matching.

### **Trade and Investment Queries**

The High Commission responds to online trade queries, and supplies information on entry strategies to Indian investors. Contact e-mail addresses are: [com.colombo@mea.gov.in](mailto:com.colombo@mea.gov.in); [com2.colombo@mea.gov.in](mailto:com2.colombo@mea.gov.in) and [com2.colombo@gmail.com](mailto:com2.colombo@gmail.com)

### **Online Database and Business Information**

An online trade enquiry form is also available on the website to send messages to the Counsellor (Economic & Commercial) directly from the webpage.

### **Newsletters**

The High Commission of India brings out two newsletters namely 'India Connects', a business newsletter and 'Sandesh' a newsletter covering various facets of India and also the important developments in India. Both these newsletters may be accessed at the website and are circulated through e-mail as well. The website also has archives of these newsletters for ready reference. A request for e-mail despatch of these newsletters may be made to [com.colombo@mea.gov.in](mailto:com.colombo@mea.gov.in)

### **Exhibitions**

The High Commission of India in Sri Lanka facilitates a number of trade events in partnership with Indian chambers of commerce and industry and trade promotion councils. Information in this regard is circulated through e-mail and also included in the e-Business newsletter "Indian Connects".

Trade associations and councils are encouraged to contact the High Commission for assistance in organising business missions and delegations to and from Sri Lanka.

## Useful Contacts and Websites

### A. Contacts in India

#### I. Sri Lankan High Commission and Other Offices in India:

##### **High Commission for the Democratic Socialist Republic of Sri Lanka**

27, Kautilya Marg

Chanakyapuri

New Delhi-110021

Tel: +91-11-23010201 / 23010202 / 23010203 / 23017498

Fax: +91-11-23793604

E-mail: [lankacomnd@airtelmail.in](mailto:lankacomnd@airtelmail.in)

Web Site: [www.newdelhi.mission.gov.lk](http://www.newdelhi.mission.gov.lk)

##### **Consulate of Sri Lanka in Mumbai**

34, Homi Mody Street,

Hutatma Chowk (Flora Fountain),

Mumbai, Maharashtra 400023

Tel: +91-22-22045861 / 22048303

Fax: +91-22-22876132

Email: [slcon@bom5.vsnl.net.in](mailto:slcon@bom5.vsnl.net.in)

##### **Deputy High Commission of the Democratic Socialist Republic of Sri Lanka**

196, T.T.K. Road, Alwarpet

Chennai - 600018

Tel: +91-44-24987896 / 24987612

Fax: +91-44-24987894

E-mail: [sldehico@md3.vsnl.net.in](mailto:sldehico@md3.vsnl.net.in), [lankacom@dataone.in](mailto:lankacom@dataone.in)

Website: [www.sldhcchennai.org](http://www.sldhcchennai.org)

#### II. Indian High Commission and Other Offices in Sri Lanka:

##### **High Commission of India**

336-38, Galle Road,

Colombo-03,

Sri Lanka.

Tel: +94-11-2422788-89 / 2327587 / 2421605

Fax: +94-11-2446403 / 2448166

Website: [www.hcicolombo.org](http://www.hcicolombo.org)

##### **Consulate General of India, Jaffna**

280, Palaly Road, Jaffna.

Tel: +94-21-2220504 / 505

Fax: +94-21-2220503

E-mail: [cg.jaffna@mea.gov.in](mailto:cg.jaffna@mea.gov.in)

##### **Assistant High Commission of India, Kandy**

31, Rajapihilla Mawatha, Kandy.

Tel: +94-81- 2222652 / 2223786

Fax: +94-81- 2232479

E-mail: [ahc.kandy@mea.gov.in](mailto:ahc.kandy@mea.gov.in)

**Consulate General of India, Hambantota**

103, New Road, Hambantota.

Tel: +94-47-2222500 / 2222503

Fax: +94-47-2222501

E-mail: cg.hambantota@mea.gov.in

**Indian Cultural Centre**16/2, Gregory's Road,  
Colombo-07.

Tel: +94-11-2684698

Fax: +94-11- 2684697

Tel (Director): +94-11-2673366

E-mail: iccrcolombo@gmail.com

**Indian Visa Application Centre**433, Galle Road,  
Colombo-03.

Tel: +94-11-4505588

E-mail: info.inlk@vfsline.com

Website: www.vfs-in-lk.com

**B. Contacts in Sri Lanka****I. List of Ministries and Secretaries in Sri Lanka**

S.No	Address	Contact Person & Designation	Contact Details
1.	Ministry of Finance & Planning Secretariat Building, Colombo-01.	Dr. P.B. Jayasundera, Secretary	Tel: +94-11-2484510 Fax: +94-11-2433349 E-mail: sf@mo.treasury.gov.lk Website: www.treasury.gov.lk
2.	Ministry of Ports and Highways 9th Floor, Sethsiripaya, Battaramulla.	Mr. R.W.R. Pemasiri, Secretary	Tel: +94-11-2862739/ 2887462 Fax: +94-11-2862705 E-mail: sec@mohsl.gov.lk Website: www.mohsl.gov.lk
3.	Ministry of Technology & Research No. 408, Galle Road, Colombo-03.	Mrs. Dhara Wijayatilake, Secretary	Tel: +94-11-2372277 Fax: +94-11-2372280 E-mail: secretary@trmin.gov.lk Website: http://www.motr.gov.lk
4.	Ministry of Ports & Aviation No. 19, Chaithya Road, Colombo-01.	Mr. K. V. P. Ranjith De Silva, Secretary	Tel: +94-11-2431864-5 Fax: +94-11-241867 E-mail: secciviav@slt.net.lk Website: www.ports-aviation.gov.lk
5.	Ministry of Power & Energy No.72, Ananda Coomaraswamy Mawatha, Colombo-07.	Mr. M.M.C. Ferdinando, Secretary	Tel: +94-11-2574918 Fax: +94-11-2574880 E-mail: secrepen@slt.net.lk Website: www.powermin.gov.lk
6.	Ministry of External Affairs Republic Building, Colombo-01.	Mr. Karunatilaka Amunugama, Secretary	Tel: +94-11-2438263 Fax: +94-11-2380280 E-mail: sfa@mea.gov.lk Website: www.mea.gov.lk

7.	Ministry of Health 385, Ven. Baddegama Wimalawansa Thero Mawatha, Colombo-10.	Dr. T. R. C. Ruberu, Secretary	Tel: +94-11-2698511 Fax: +94-11-2698517 E-mail: secretary.health.sl@gmail.com Website: www.health.gov.lk
8.	Ministry of Petroleum Industries No. 80, Sir Ernest De Silva Mawatha, Colombo-07.	Mr. R.H.S. Samaratunga, Secretary	Tel: +94-11-2370115 Fax: +94-11-2372115 E-mail: pisec@sltnet.lk Website: www.petroleummin.gov.lk
9.	Ministry of Transport No. 1, D. R. Wijewardana Mawatha, Colombo-10.	Mr. Dhammika Perera, Secretary	Tel: +94-11-2690671 Fax: +94-11-4741159 E-mail: mintransport@sltnet.lk Website: www.transport.gov.lk
10.	Ministry of Fisheries and Aquatic Resources Development New Secretariat, Maligawatta, Colombo-10.	Dr. (Mrs.) Damitha de Zoysa, Secretary	Tel: +94-11-2327060 Fax: +94-11-2541184 E-mail: secretary@fisheries.gov.lk Website: www.fisheries.gov.lk
11.	Ministry of Indigenous Medicine Old Kottawa Road, Navinna, Maharamagama.	Mr. B. D. Dahanayake, Secretary	Tel: +94-11-2676386 Fax: +94-11-2676377 E-mail: banduladhanayake@yahoo.com Website: www.indigenousmedimini.gov.lk
12.	Ministry of Agriculture 80/5, Govijana Mandiraya, Rajamalwatta Avenue, Battaramulla.	Mr. W. Sakalasooriya, Secretary	Tel: +94-11-2868920 Fax: +94-11-2863497 E-mail: sec.agri@yahoo.com Website: www.agrimin.gov.lk
13.	Ministry of Co-operatives & Internal Trade CWE Secretariat Building, 27, Vauxhall Street, Colombo-02.	Mr. Sunil S. Sirisena, Secretary	Tel: +94-11-2300345 Fax: +94-11-2447669 E-mail: secretary@trade.gov.lk Website: www.trade.gov.lk
14.	Ministry of Industry and Commerce 73/1, Galle Road, Colombo-03	Mr. Tilak Collure, Secretary	Tel: +94-11-2436123-4 Fax: +94-11-2449402 E-mail: secretary@industry.gov.lk Website: www.industry.gov.lk
15.	Ministry of Economic Development 464, T.B. Jaya Mawatha, Colombo-10.	Dr. P.B. Jayasundera, Secretary	Tel: +94-11-2676130 / 2676353 Fax: +94-11- 2676720 E-mail: sec_mo@med.gov.lk Website: www.med.gov.lk

## II. List of Provincial Councils in Sri Lanka

S.No	Council Address	Contact Person & Designation	Contact Details
1.	Central Provincial Council P.O.Box: 07, Pallekelle, Kundasale.	Hon. Mr. Sarath Ekanayake, Chief Minister of Central Province	Tel: +94-81-2237672 / 2420108-9 Mobile: +94-777813222 Fax: +94-81-2237671 / 2421969 E-mail: sarath.chiefminister@gmail.com Website: www.cpcouncil.net

2.	Eastern Provincial Council Chief Minister's Secretariat, Kanniya Road, Varothayanagar, Trincomalee.	Hon. Mr. Sivanthesathurai Chandrakanthan, Chief Minister of Eastern Province	Tel: +94-26-2226052 Fax: +94-26-2226094 E-mail: chiefminister@ep.gov.lk Website: www.ep.gov.lk
3.	North Central Provincial Council, Chief Minister's Office, Anuradhapura.	Hon. Mr. Berty Premalal Dissanayake, Chief Minister of North Central Province	Tel: +94-25-2224855 Mobile: +94-777810506 Fax: +94-25-2222610 E-mail: b.p.dissanayake@hotmail.com Website: www.ncp.gov.lk
4.	North Western Provincial Council 1st Floor, Provincial Council, Office Complex, Kurunegala.	Hon. Mr. Athula Wijesinghe, Chief Minister of North Western	Tel: +94-37-2222219 Fax: +94-37-2222203 Website: www.localgovernment-nwp.lk
5.	Northern Provincial Council No.187, Adiyapatham Road, Thirunelvely, Jaffna.	Major General G. A. Chandrasiri, Governor of the Northern Province	Tel: +94-11-2883371 Fax: +94-11-2885436 E-mail: gachandrasiri@yahoo.com Website: www.np.gov.lk
6.	Sabaragamuwa Provincial Council Secretariat Complex, New Town, Ratnapura.	Hon. Mr. Mahiepala Herath, Chief Minister of Sabaragamuwa Province	Tel: +94-45- 2230816 / 2222204 Mobile: +94-777379311 Fax: +94-45-2222793 / 2222186 E-mail: chiefmin@sltnet.lk Website: www.sg.gov.lk
7.	Southern provincial Council 15A, Lower Dickson Road, Galle.	Hon. Mr. Shan Vijayalal De Silva, Chief Minister of Southern Province	Tel: +94-91- 4381573 / 2234528 Fax: +94-91- 2234545 / 2223054 E-mail: shanvijayalal@gmail.com Website: www.cm.sp.gov.lk
8.	Uva Provincial Council Kings Street, Badulla.	Hon. Mr. Shashindra Rajapaksa, Chief Minister of Uva Province	Tel: +94-55-2222802 / 3556160 Mobile: +94-777420480 Fax: +94-55-2231908 E-mail: chiefminister@up.gov.lk shasheendra28@presidentsoffice.lk Website: www.cm.up.gov.lk
9.	Western Provincial Council "Srawasthi Mandiraya", 32, Sir Marcus Fernando Mawatha, Colombo-07.	Hon. Mr. Prasanna Ranatunga, Chief Minister of Western Province	Tel: +94-11-2698410 Fax: +94-11-2675560 E-mail : chiefminist@sltnet.lk Website: www.wpc.gov.lk

### III. List of Boards in Sri Lanka

S.No	Name of the Board & Address	Contact Person & Designation	Contact Details
1.	Ceylon Electricity Board P.O.Box 540, 50, Chittampalam A Gardiner Mawatha, Colombo-02.	Prof. Wimaladharm Abeywickrema, Chairman	Tel: +94-11- 2329108 / 2329894 Fax: +94-11-2449572 E-mail: chairmanceb@ceb.lk Website: www.ceb.lk
2.	Sri Lanka Export Development Board 42, Nawam Mawatha, Colombo-02.	Mr. Janaka Ratnayake, Chairman & CEO	Tel: +94-11-2300712 Fax: +94-11-2300715 / 2305211 E-mail: chairman@edb.tradenets.lk Website: www.srilankabusiness.com

3.	Industrial Development Board of Ceylon P.O. Box: 09, 615, Galle Road, Katubedda, Moratuwa.	Mr. Udayasri Kariyawasam, Chairman	Tel: +94-11- 2607175 / 2605887 Fax: +94-11-2607002 E-mail: chairman@idb.gov.lk idbch@sltnet.lk Website: www.idb.gov.lk
4.	Board of Investment of Sri Lanka Level 26, West Tower, World Trade Center, Colombo-01.	Mr. M.M.C. Ferdinando, Chairman / Director General	Tel: +94-11-2436639 / 2430514 Fax: +94-11-2447994 E-mail : ferdinandoc@boi.lk Website: www.boi.lk
5.	Sri Lanka Tea Board P.O. Box: 1750, 574, Galle Road, Colombo-03.	Mrs. Janaki Kuruppu, Chairman	Tel: +94-11-2585701 Fax : +94-11-2590968 E-mail: chairman@pureceylontea.com Website: www.pureceylontea.com
6.	Tourist Board Sri Lanka Tourism Development Authority 80, Galle Road, Colombo 03	Dr. Nalaka Godahewa, Chairman	Tel: +94-11- 2437759 Fax : +94-11-2437953 E-mail: chairman@srilanka.travel Website: www.slttda.lk
7.	National Water Supply and Drainage Board Galle Road, Ratmalana.	Eng. Karunasena Hettiarachchi, Chairman	Tel: +94-11- 2634488 Fax: +94-11- 2611234 E-mail: ch@waterboard.lk Website: www.waterboard.lk
8.	Sri Lanka Handicraft Board (Laksala) No. 60, York Street, Colombo-01.	Mr. Anil Koswatte, Chairman	Tel: +94-11-2588316 Fax: +94-11-2594872 E-mail: laksalachairman@gmail.com Website: www.laksala.lk
9.	Palmyrah Development Board 244, Galle Road, Colombo-04.	Mr. P. Seevaratnam, Chairman	Tel: +94-11-2586820 Mobile: +94-777568734 Fax: +94-11-2553697 E-mail: slpdbho@yahoo.com Website: www.katpahachchola.com
10.	Coconut Cultivation Board 9/428, Denzil Kobbekaduwa Mawatha, Battaramulla.	Mr. Sarath Keerthirathna, Chairman	Tel: +94-11-5549501 / 2861330 Fax: +94-11-5549507/5635623 E-mail: ccb@sltnet.lk Website: www.coconut.gov.lk

#### IV. List of Associations in Sri Lanka

S.No	Name of the Organisation & Address	Contact Person & Designation	Contact Details
1.	Asia Tyre Importers Association, 221-1/2, Sri Sangaraja Mawatha, Colombo-10.	Mr. Lesly Fonseka, Chairman	Tel: +94-11-2385461-2 Fax: +94-11- 5364632
2.	Colombo Tea Traders Association C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. Jayantha Keragala, Chairman	Tel: +94-11-2380150/5588800 Fax: +94-11-2449352 E-mail: kethaki@chamber.lk
3.	Ceylon Association of Ships' Agents (CASA) 56, Ward Place, Colombo-07.	Mr. Nimal Ranchigoda, Chairman	Tel: +94-11- 2696227 Mobile: +94-777744309 Fax: +94-11-2698648 E-mail: ranchi@starlanka.lk Website: www.casa.lk



4.	Coconut Growers Association of Sri Lanka 25, Peter's Place, Negombo.	Mr. Anton Nishantha Fernando, President	Tel: +94-31-2224155 Mobile: +94-777672047 Fax: +94-31-2224155 E-mail: mas@sltnet.lk Website: www.coconutgrowers.com
5.	Protected Agriculture Entrepreneurs' Association 361, Colombo Road, Eriyagama, Peradeniya.	Mr. D. Rathnayake, President	Tel/ Fax: +94-81-237121 E-mail: pea@sltnet.lk Website: www.agrolanka.net
6.	Sri Lanka Association of Printers 290, D.R. Wijewardena Mawatha, Colombo-10.	Sanjeev Mohan, President	Tel: +94-11-2472315 / 2386716 Fax: +94-11-2386716 E-mail: slap@srilankaprint.com Website: www.srilankaprint.com
7.	Sri Lanka Gem & Jewellery Association 38, Frankfurt Place, Colombo-04.	Deshabandu M. Macky Hasim, Chairman	Tel: +94-11-2597226 / 2597470 Fax: +94-11-2597250 E-mail: info@slgja.org Website : www.slgja.org
8.	Sri Lanka Logistics Providers Association C/o National Chamber of Commerce 450, D.R. Wijewardena Mawatha, Colombo-10.	Mr. Samaranaikie, President	Tel: +94-11-4741788 Mobile: +94-773024512 Fax: +94-11-2689596 E-mail: tissa@nccsl.lk
9.	Association of International Standard C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. Priyantha Punchihewa, President	Tel: +94-11-4608251 Fax: +94-11-2698786 E-mail: priyantha.punchihewa@mitcargo.com
10.	Consumer Electronics & Domestic Appliance Association of Sri Lanka 150/3, Ward Place, Colombo-07.	Mr. Nimesh Udeshi, Chairman	Tel : +94-11-2699063 Fax: +94-11-2698704 E-mail: spl@siedles.com
11.	IATA Agents Association of Sri Lanka, C/o the Ceylon Chamber of Commerce, 50, Nawam Mawatha, Colombo-02.	Mr. Paramanathan, President	Tel : +94-11-2375361 Fax: +94-11-2375360 E-mail: param.atlaslanka@gmail.com Website: www.iata-agents.lk
12.	Exporters Association of Sri Lanka, C/o the Ceylon Chamber of Commerce, 50, Nawam Mawatha, Colombo-02.	Mrs. Dawn Austin, Chairman	Tel: +94-11-5588871 Fax: +94-11-2449352 E-mail: irangika@chamber.lk dawn.austin@nisol.lk
13.	National Construction Association of Sri Lanka 350 A, Pannipitiya Road, Pelawathe, Battaramulla.	Mr. Priyantha Perera, Chairman	Tel: +94-11-2786240 / 2786325-6 / 4541743 Fax: +94-11-2786241 E-mail: info@ncasl.lk ncasl@sltnet.lk Website: www.ncasl.lk
14.	Sri Lanka Computer Vendors' Association 51, Sir Marcus Fernando Mawatha, Colombo-07.	Mr. B.S. Lakmal, President	Tel: +94-11-2665261 / 4713822 Fax: +94-11-4713821 E-mail: lakmal@avian.lk slcva@infotel.lk Website: www.slcva.lk

15.	Spices & Allied Products Producers' and Traders' Association, C/o the Ceylon Chamber of Commerce, 50, Nawam Mawatha, Colombo-02.	Mr. Viren Ruberu, President	Tel : +94-11-4951353 Fax: +94-11-4722495 E-mail: kethaki@chamber.lk
16.	Sri Lanka Apparel Exporters' Association 45, Rosmead Place, Colombo-07.	Mr. Rohan Abayakoon, Chairman	Tel: +94-11-2675050 / 2674528 Fax: +94-11-2683118 E-mail: sl-apparel@sltnet.lk rohan@penguinsl.com Website: www.srilanka-apparel.com
17.	Joint Apparel Association Forum (JAAF), No. 8, Arunachalam Avenue, Off Horton Place, Colombo-07	Mr. A. Sukumaran, Chairman	Tel: +94-11-4542231 / 4528494 Fax: +94-11-2698827/ 4542232 E-mail: info@jaafsl.com suku@star.lk Website: www.jaafsl.com
18.	Fabric & Apparel Accessory Manufacturers' Association (FAAMA) C/o JAAF, No. 8, Arunachalam Avenue, Off Horton Place, Colombo-07.	Mr. Beauno Fernando, Chairman	Tel: +94-11-2303782 Mobile: +94-777368967 Fax: +94-11-4710687 E-mail: info@faama.lk Website: www.faama.lk
19.	Sri Lanka Apparel Sourcing Association 1/1 A, Anderson Road, (Off Dickmens Road), Colombo-05.	Mr. J.D.R. Sylvester, Chairman	Tel/ Fax: +94-11-2553057 E-mail: info@garmentslanka.com Website: www.garmentslanka.com
20.	Sri Lanka Banks Association (Guarantee) Ltd., Ceylinco House, Level 8, 69, Janadhipathi Mawatha, Colombo-01.	Mr. Harris Premaratne, Chairman	Tel : +94-11-2345230 Fax: +94-11- 4710900 / 4627154 Email: mudes@sltnet.lk Website: www.slba.lk
21.	Sri Lanka Pharmaceutical Manufacturers' Association C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. Shalutha Athauda, President	Tel : +94-11-2552077 Mobile: +94-777636424 Fax: +94-11-2580352 E-mail: coo@ceylincopharma.com
22.	The Ceylon Motor Traders' Association C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. Tilak Gunasekera, Chairman	Tel : +94-11-5588836 Fax: +94-11-2449352 E-mail: rohan@chamber.lk
23.	The Colombo Rubber Traders' Association C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. M.S Rahim, President	Tel : +94-11-5588801 Fax: +94-11-2448345 E-mail: kethaki@chamber.lk
24.	The Industrial Association of Sri Lanka C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. Noel Selvanayagam, President	Tel : +94-11-5588836 Fax: +94-11-2449352 E-mail: rohan@chamber.lk
25.	Unit Trust Association of Sri Lanka C/o National Asset Management Ltd, Tower1, 3rd Floor, Aitken Spence Building, 305, Vauxhall Street, Colombo-02.	Mr. S. Jeyavarman, President	Tel: +94-11-2445911 Fax: +94-11-2445903 E-mail: info@utasl.lk Website: www.utasl.lk
26.	Sri Lanka Economic Association 2nd Floor, OPA Professional Centre, 275/75, Prof. Stanley Wijesundera Mawatha, Colombo-07.	Prof. A.D.V. De S. Indraratna, President	Tel/ Fax: +94-11-2559478 E-mail: slea@sltnet.lk Website: www.slea.co.nr

**V. List of Councils in Sri Lanka**

S.No	Name of the Organisation & Address	Contact Person & Designation	Contact Details
1.	Sri Lanka Ceramics Council C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. Dayasiri Warnakulasooriya, President	Tel : +94-11-2421745-6 Fax: +94-11-2449352 E-mail: ceramics@chamber.lk
2.	Sri Lanka Shippers Council 50, Nawam Mawatha, Colombo-02.	Mr. Gihan Kuruppu, President	Tel : +94-11-2421745-6 Fax: +94-11-2449352 E-mail: manori@chamber.lk
3.	Ayurveda Medical Council, Old Kottawa Road, Nawinna, Maharagama.	Mr. P. S. K. R. Weerakoon Chairman	Tel: +94-11- 5672905 / 2694308 / 2692385 Fax: +94-11- 2746754 / 2697175 E-mail: ayurmc@sltnet.lk Website: www.ayurvedicmedicoun. gov.lk
4.	Sri Lanka Council for Agricultural Research Policy, 114/9, Wijerama Mawatha, Colombo 07.	Mr. J.D. Samarasinghe, Chairman	Tel: +94-11-2697103 Fax: +94-11-2682951 E-mail: carp@slcarp.lk Website: www.slcarp.lk
5.	National Crafts Council Gramodaya Folk Art Centre, Pelawatte, Battaramulla.	Mr. Buddhi Keerthisena Chairman	Tel: +94-11-2784425 / 2785381 Fax: +94-11-2785720 E-mail: craftscouncil@sltnet.lk buddhincc@sltnet.lk
6.	National Agri Business Council, C/o the Ceylon Chamber of Commerce 50, Nawam Mawatha, Colombo-02.	Mr. Aruna Weerakoon, Chairman	Tel: +94-11-5231090 Fax: +94-11-5588894 E-mail: nac@chamber.lk Website: www.nac-sl.com

**VI. List of Corporations in Sri Lanka**

S.No	Name of the Organisation & Address	Contact Person & Designation	Contact Details
1.	Ceylon Petroleum Corporation, 609, Dr. Danister de Silva Mawatha, Colombo-09.	Mr. D. Widanagamachchi, Acting Chairman & Managing Director	Tel: +94-11-5455107 Fax: +94-11-5455421 E-mail: chairman@ceypetco.gov.lk Website: www.ceypetco.gov.lk
2.	State Pharmaceuticals Corporation of Sri Lanka 75, Sir Baron Jayatillake Mawatha, Colombo-01.	Prof. S.D. Jayaratne, Chairman	Tel: +94-11-2338500 Fax: +94-11-2344084 / 2446204 E-mail: chairman@spc.lk Website: www.spc.lk
3.	Sri Lanka Cashew Corporation 1334, Old Kotte Road, Rajagiriya.	Mr. Sanath Weerakoon, Chairman	Tel: +94-11- 2871005 Mobile: +94-778814004 Fax: +94-11- 2884906 E-mail: cashewco@dialogsl.net Website: www.cashew.lk
4.	Sri Lanka Cement Corporation 130, W.A.D. Ramanayake Mawatha, Colombo-02.	Mr. Sisira Paranagama, Chairman	Tel: +94-11-2440203 / 2440212 Fax: +94-11-2448866 E-mail: slcc@sltnet.lk

5.	Ceylon Fisheries Corporation P.O. Box.1384, Rock House Lane, Mutwal, Colombo-15.	Mr. Maheel Senarathna, Chairman	Tel: +94-11- 2523689 / 2540455 / 2523227-8 Fax: +94-11-2523385 E-mail: cfcch@slt.net.lk Website: www.fisheriescorporation. gov.lk
6.	Ceylon Shipping Corporation 27, MICH Building, Bristol Street Colombo-01.	Mr. Kanchana Ratwatte, Chairman	Tel: +94- 11-2328772-3 Fax: +94-11-2449486 E-mail: cscl@cscl.lk Website: www.cscl.lk
7.	State Engineering Corporation of Sri Lanka No. 130 W.A.D. Ramanayake Mawatha, Colombo- 02.	Mr. B.K.J.K. Perera, Chairman	Tel: +94-11-2434941-2 Fax: +94-11-2446288 E-mail : chairman@secsl.lk Website: www.secsl.lk
8.	State Timber Corporation, " Sampath Paya", 82, Rajawalwatha Road, Battaramulla.	Mr. S. Amarasinghe, Chairman	Tel: +94-11-2866610 / 2860042 Fax: +94-11-2866600 E-mail: cman_stc@slt.net.lk Website: www.timco.lk

#### VII. List of Authorities in Sri Lanka

S.No	Name of the Organisation & Address	Contact Person & Designation	Contact Details
1.	Sri Lanka Ports Authority 19, Chaithya Road, P. O. Box 595, Colombo-01.	Dr. Priyath B. Wickrama, Chairman	Tel: +94-11-2325559 Fax: +94-11-2440651 / 2440651 E-mail: chairman@slpa.lk Website: www.slpa.lk
2.	National Gem & Jewellery Authority 25, Galle Face Terrace, Colombo-03.	Mr. Prasad Galhena, Chairman	Tel: +94-11- 2329352 / 2390650 Fax: +94-11-2329352 E-mail: chngja@slt.net.lk Website : www.srilankagemautho. com
3.	Civil Aviation Authority of Sri Lanka, 4, Hunupitiya Road, Colombo-02.	General Rohan Daluwatte, Chairman	Tel: +94-11-2358806 Fax: +94-11-2304633 E-mail: chairman@caa.lk Website: www.caa.lk
4.	Road Development Authority, 1st Floor, "Sethsiripaya", Battaramulla.	Mr. R.W.R.Pemasiri, Chairman	Tel: +94-11-2862767 Fax: +94-11-2864801 E-mail: cho@rda.gov.lk Website: www.rda.gov.lk

#### VIII. List of Chambers of Commerce in Sri Lanka

S.No	Address	Contact Person & Designation	Contact Details
1.	The Ceylon Chamber of Commerce 50, Navam Mawatha, Colombo-02.	Mr. Harin Malwatte, Secretary General/CEO	Tel: +94-11-5588887 Fax: +94-11-2449352 E-mail: harin@chamber.lk Website: www.chamber.lk
2.	Indo Lanka Chamber of Commerce & Industry C/o The Ceylon Chamber of Commerce, 50, Navam Mawatha, Colombo-02.	Ms. Ayoni Waniganayake, Asst. Secretary General	Tel: +94-11-5588804 Fax: +94-11-2449352 E-mail: ayoni@chamber.lk Website: www.chamber.lk

3.	National Chamber of Commerce of Sri Lanka 450, D.R.Wijewardena Mawatha, Colombo-10.	Mr. E.M. Wijetilleke, Secretary General/CEO	Tel: +94-11- 4741788, 2689600 Fax: +94-11-2689596 E-mail: sg@nccsl.lk Website: www.nccsl.lk
4.	Federation of Chambers of Commerce & Industry of Sri Lanka Level 3, 53, Vauxhall Lane, Colombo-02.	Mr. Kumar Mallimaratchi, Secretary General	Tel: +94-11-2304253-4 Fax: +94-11-2304255 E-mail: president@fccisl.lk Website: www.fccisl.lk
5.	National Chamber of Exporters of Sri Lanka 532/4K, Sirikotha Lane, Galle Road, Colombo-03.	Dr. Jagath Peiris, President	Tel: +94-11-4651765 Mobile: +94-722220107 Fax: +94-11-2372818 E-mail: ncc@eureka.lk Website: www.nce.lk
6.	The Ceylon National Chamber of Industries (CNCI), 52, Galle Face Court 2, Colombo-03.	Mr. Preeti Jayawardena, Chairman	Tel: +94-11-2387503 Mobile: +94-777598989 Fax: +94-11-2445050 E-mail: preethi-md@chemanex.lk Website: www.cnci.biz
7.	Chamber of Young Lankan Entrepreneurs 24, Beddegana Road, Kotte.	Mr. W K H Wegapitiya, Chairman	Tel: +94-11-2889560/4319996 Mob: +94-714003153 Fax: +94-11-4319996 E-mail: coyle@isplanka.lk Website: www.coyle.lk
8.	Women's Chamber of Commerce & Industry 380/7, Sarana Road, Baudhaloka Mawatha, Colombo-07	Ms. Vidyani Hettigoda, Chairperson	Tel: +94-11-2671762 / 2736910 Fax: +94-11-2669074 / 2735465 E-mail: siddalep@slt.lk, wcicsl1@sltnet.lk Website: www.wcicsl.lk

#### IX. List of District Chamber of Commerce in Sri Lanka

S.No	Address	Contact Person & Designation	Contact Details
1.	Hambantota District Chamber of Commerce Tangalle Road, Hambantota.	Mr. M. S. Usuph, President	Tel: +94-47-2220940/1 Fax : +94-47-2220448 E-mail: chamber@hdcc.lk Website: www.hdcc.lk
2.	Chamber of Commerce & Industries of Yarlpanam (CCiy), 175, Point Pedro Road, Anaipanthi, Jaffna.	Mr. K. Pooranachandran, President	Tel: +94-21-2223088 Mobile: +94- 777570215 Fax: +94-21-2226609 E-mail: jaffnacciy@sltnet.lk cciy@sltnet.lk Website: www.yarlpanamchamber.lk
3.	Anuradhapura District Chamber of Commerce, Industry & Agriculture 334/110E 1, Main Street, Anuradhapura.	Mr. N. B. Rathnayake, President	Tel: +94-25-2222753 Mobile: +94-7776647203 Fax: +94-25-4580771 E-mail: adccia@yahoo.com Website: www.anuradhapurachamber.lk
4.	Wayamba Chamber of Commerce & Industry 18, 1st Floor, Mihindu Mawatha, Kurunegala.	Mr. I. S. Premalal, President	Tel: +94-37-2220888 Mobile: +94-777358867 Fax: +94-37-2224355 E-mail: wcci@sltnet.lk

5.	Sabaragamuwa Chamber of Commerce & Industry 2/8, Bandaranayake Mawatha, Ratnapura.	Mr. Dharshaka Rupasinghe, President	Tel: +94-45-2223662 Mobile: +94-777466355 Fax: +94-45-2222056 E-mail: sccij@sltnet.lk Website: www.scci.lk
6.	Chamber of Commerce & Industry of Trincomalee District 171, Power House Road, Trincomalee.	Mr. S. Sivapalan, President	Tel: +94-26-2227498 Mobile: +94-777426175 Fax: +94-26-2225270 E-mail: chambertrinco@gmail.com Website: www.trincomaleechamber.lk
7.	Galle District Chamber of Commerce & Industry Chamber Building, Velson Square, Oropuwatta, Galle.	Mr. Ravindra Kalansoriya, Chairman	Mobile: +94-777330715 E-mail: cityline@sltnet.lk gallechamber@yahoo.com Website: www.gallechamber.com
8.	Ampara District Chamber of Commerce & Industry, 2nd Floor, T.K.S. Building, D.S. Senanayake Street, Ampara.	Mr. Daya D.K. Gamage, President	Tel: +94-11-4308661 / 63-2223790 Mobile: +94-777325553 Fax: +94-63-2223315 E-mail: amparachamber@ct.lk Website: www.amparachamber.lk
9.	Batticaloa District Chamber of Commerce & Industry, 230, Bar Road, Batticaloa.	Mr. Muthukumar Selvaraj, President	Tel: +94-65-2223242 / 4923923 Mobile: +94-755002020 Fax: +94-65-2228477 E-mail: info@bccilk.org Website: http://bccilk.org
10.	Uva Province Chamber of Commerce & Industry No. 30, Udayaraja Mawatha, Badulla.	Mr. M.I.M. Pathahulla, President	Tel: +94-55-2225222 Mobile: +94-777635359 Fax: +94-55-2225125 E-mail: uvachamber@gmail.com Website: www.uvachamber.lk
11.	Matara District Women's Chamber of Commerce & Industry, 3/6, Siri Dhammarathana Mawatha, Pamburana, Matara.	Ms. Wimali Rathnayake, Chairperson	Tel: +94-41-5670105 Mobile: +94-714228354 Fax: +94-41-2227494 E-mail: mdwc@hotmail.com Website: www. matarawomenschamber.lk

## C. Designated Authority for the issue of Certificates of Origin

### In Sri Lanka

Director General of Commerce  
Department of Commerce  
4th Floor, Rakshana Mandiraya,  
21, Vauxhall Street,  
Colombo-02,  
Sri Lanka.  
Tel: +94-11-2329733 / 2346114  
Fax: +94-11-2430233 / 2325524  
E-mail: fortrade@doc.gov.lk  
Website: www.doc.gov.lk

**In India**

Export Inspection Council  
 (Ministry of Commerce & Industry, Government of India)  
 3rd Floor - NDYMCA Cultural Centre Building,  
 1, Jaisingh Road,  
 New Delhi – 110 001,  
 India.  
 Tel: +91-11-23341263 / 23748189 / 23365540  
 Fax: +91-11-23748024  
 E-mail: eic@eicindia.gov.in

**D. Trade/Business Websites & Portals****Sri Lankan Trade/Business Portals**

Lanka Business Online:	<a href="http://www.lankabusinessonline.com">www.lankabusinessonline.com</a>
Lanka Business Report:	<a href="http://www.lbr.lk">www.lbr.lk</a>
Sri Lanka Export Development Board:	<a href="http://www.srilankabusiness.com">www.srilankabusiness.com</a>
Institute of Policy Studies:	<a href="http://www.ips.lk">www.ips.lk</a>
LIRNEasia:	<a href="http://www.lirneasia.net">www.lirneasia.net</a>

**Print Media**

Daily News:	<a href="http://www.dailymirror.lk">www.dailymirror.lk</a>
Daily Mirror:	<a href="http://www.dailynews.lk">www.dailynews.lk</a>
The Island:	<a href="http://www.island.lk">www.island.lk</a>
The Bottomline:	<a href="http://www.thebottomline.lk">www.thebottomline.lk</a>
The Nation:	<a href="http://www.nation.lk">www.nation.lk</a>
The Sunday Times:	<a href="http://www.sundaytimes.lk">www.sundaytimes.lk</a>
The Sunday Observer:	<a href="http://www.sundayobserver.lk">www.sundayobserver.lk</a>
The Sunday Leader:	<a href="http://www.thesundayleader.lk">www.thesundayleader.lk</a>

**E. Consultancy Service****Quest & Query (Pvt) Ltd**

Promoted by Indians, Quest & Query (Q&Q) has been instrumental in bringing in investors into the emerging market of Sri Lanka and guided various companies to set up operations in Colombo. With in depth country specific demographic knowledge they deliver value as one stop shop to investors. Q&Q had partnered as promoters and developers for various real estate projects, provided expert advisory services with no limitations, provided management services forming specific support teams for varied projects. MD/CEO: Mr. Kishore Reddy, Ph+94-7575-99999





## **Confederation of Indian Industry**

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes.

CII is a non-government, not-for-profit, industry led and industry managed organisation, playing a proactive role in India's development process. Founded over 117 years ago, it is India's premier business association, with a direct membership of over 7100 organisations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 250 national and regional sectoral associations.

CII catalyses change by working closely with government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialised services and global linkages. It also provides a platform for sectoral consensus building and networking. Major emphasis is laid on projecting a positive image of business, assisting industry to identify and execute corporate citizenship programmes. Partnerships with over 120 NGOs across the country carry forward our initiatives in integrated and inclusive development, which include health, education, livelihood, diversity management, skill development and water, to name a few.

The CII Theme for 2012-13, 'Reviving Economic Growth: Reforms and Governance,' accords top priority to restoring the growth trajectory of the nation, while building Global Competitiveness, Inclusivity and Sustainability. Towards this, CII advocacy will focus on structural reforms, both at the Centre and in the States, and effective governance, while taking efforts and initiatives in Affirmative Action, Skill Development, and International Engagement to the next level.

With 63 offices including 10 Centres of Excellence in India, and 7 overseas offices in Australia, China, France, Singapore, South Africa, UK, and USA, as well as institutional partnerships with 223 counterpart organisations in 90 countries, CII serves as a reference point for Indian industry and the international business community.

## **Confederation of Indian Industry**

The Mantosh Sondhi Centre

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T: 91 11 24629994-7 • F: 91 11 24626149

E: [info@cii.in](mailto:info@cii.in) • W: [www.cii.in](http://www.cii.in)

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