BOI
SRI LANKA

Invest

in Sri Lanka

Emerging Investment Opportunities in Sri Lanka

#WhySriLanka

2021

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Why Sri Lanka?

Sri Lanka's vibrant business environment is now home to over 1,200 foreign companies and continues to attract businesses across multiple sectors such as manufacturing (high value added/high tech), IT services, tourism, food processing, logistics, education and large-scale infrastructure etc.

15 Belgian Companies in Commercial Operation

Key Belgians Players

SAMTESI

BAFF
building a future foundation

utp

camso loadstar

TRELLEBORG

4 Decades & counting

As Sri Lanka's Investment Promotion Agency, The BOI partners with its clients to ensure that they set-up in Sri Lanka smoothly and successful and has been doing so for over 40 years

Sri Lanka is looking to unleash a decade of growth

Creating the path for **5-7% GDP growth** rate for the next 10 years

Five priority sectors to drive FDIs has been identified

Sri Lanka to be a **knowledge-driven economy** with 3X growth in the number of graduates by 2025

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Five priority sectors to drive FDIs

1

Manufacturing

- Pharmaceutical
- High value add Apparel
- Electronics and Electricals

2

ICT

- Knowledge Services
- Software Development
- IT training Institutes
- Emerging Technology

3

Hospitality and Tourism

- Agro/Eco Tourism
- Adventure/ Thrill tourism
- Luxury Hotels
- MICE tourism

4

Agriculture and Food processing

- Rubber
- Agri/processed food
- Fisheries

5

Construction and Infrastructure

- Railway systems (Monorails/LRTs/Sky Trains)
- Port/Airport development

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Pharmaceutical Zone (I/II)

Strategic development project: Customized & special incentives for investors

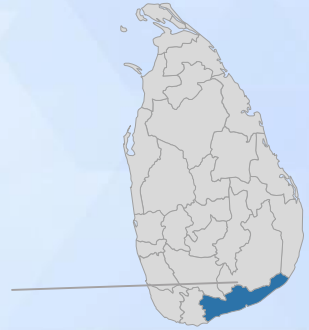
State of the art & modern zone: designed by a global pharmaceutical zone design specialist to meet international standards

Pre-cleared zone: Pre cleared environment approvals for all products, common facilities such as waste water treatment, sea outfall provided to start construction immediately

Strategically located: Adjoining Hambantota Port and International Airport

Location

- Province : Southern
- District : Hambantota
- Land Extent : Phase I - 200 Acres
  Phase II – 200 Acres



Economic Benefits

- Creating a pathway for a US$ 1 Bn export revenue vertical by 2025
- Supporting the Government's goal of meeting 40%+ of domestic demand for pharmaceutical products by 2025
- Direct & indirect employment generation including high paying specialized jobs currently unavailable in Sri Lanka
- Skills upgrading, technology transfer

Pharma Industry in Sri Lanka – Current Situation

- Current annual domestic market - USD 664 Mn (appr Rs 130 billion) - projected to grow at CAGR of 8-10%
- Sri Lanka's pharma supply is 85% import-dependent
- Cost of medicines: >35% of the annual health budget (compared to 18% in OECD countries)
- Sri Lanka is one of the largest buyers of medicine in Asia

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Pharmaceutical Zone (II/II)

Pharma Zone Pre-approved for Multiple Product Opportunities

- Generics
- Biosimilars
- APIs
- Vaccines
- Oncology Drugs

Policy Support and Incentives

Corporate Income Tax

5-10 year tax holiday on income generated through exports and import substitution

Zero Import Taxes

For importation of capital & construction related items, raw materials and production/process related consumables

Foreign Employment

Foreign employment permitted for specialized skill categories

Tax Exempted for Expats

Income Tax on employment exempted for a period of 5 years for a maximum number of 20 expats

100% Foreign Ownership

100% foreign ownership, repatriation for earnings, dividend, fees, capital & forex permitted

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Textile Manufacturing Zone (I/II)

Strategic development project: Customized & special incentives for investors

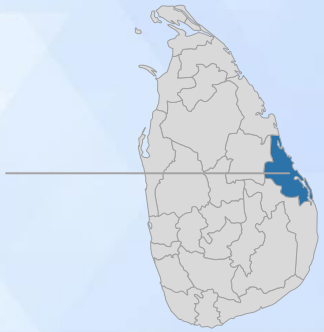
State of the art & modern zone: designed to international standards with a focus on low carbon footprint

Pre-cleared zone: Pre cleared environment approvals for all products, common facilities such as waste water treatment, sea outfall provided to start construction immediately

Strategically located: Expressway linked to both main ports of the country

Location

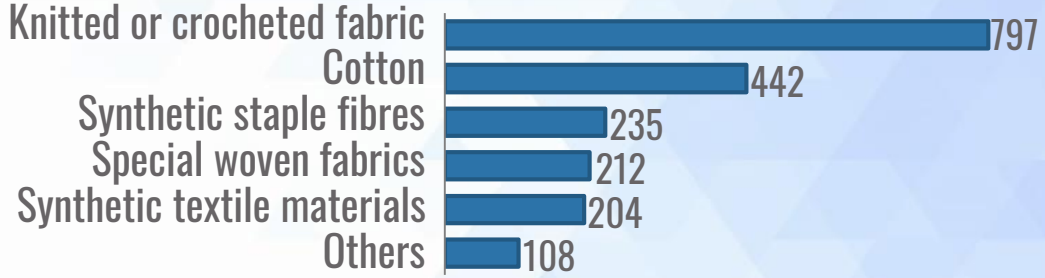
- Province : Eastern
- District : Batticaloa
- Land Extent : Phase I - 200 Acres
  Phase II - 62 Acres



Economic Benefits

- Foreign exchange savings by Import substitution for fabric
- Ability to meet with ROO of EU GSP plus, thus Increase in EU GSP utilization rate
- Shorter lead time with established raw material base within the country
- Increase foreign exchange earnings thro' textile exports
- 6-7 investors already given EOI

Imports ($ M)



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Textile Manufacturing Zone (II/II)

Textile Manufacturing Zone Pre-approved for Multiple Product Opportunities

- Textile Dying
- Textile Washing
- Textile Knitting
- Textile Weaving
- Other Associated activities

Policy Support and Incentives

Corporate Income Tax

5-10 year tax holiday on income generated through exports and import substitution

Zero Import Taxes

For importation of capital & construction related items, raw materials and production/process related consumables

Foreign Employment

Foreign employment permitted for specialized skill categories

Tax Exempted for Expats

Income Tax on employment exempted for a period of 5 years for a maximum number of 10 expats

100% Foreign Ownership

100% foreign ownership, repatriation for earnings, dividend, fees, capital & forex permitted

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Rubber Zone

Solid tyre capital of the world with further opportunity for large investments

Largest producer and exporter of Latex Crepe

35-40% Global share of OTR tyres

20% Global share of solid tyres

13th Largest rubber producer 75,000 MT production

50-65% Value addition created

Catering to following segments:

- Large & medium dry rubber industries
- Latex based industries
- SMEs, training, R&D, workshops
- Support services – mould & chemical suppliers

	Today	Vision for 2025
Exports	$0.9B	$1.8B – $2.0B
Employment	300,000	400,000+
Avg. Yield (Kg / Ha)	774	1000-1600
# of sub-sector	3 – Solid tyres, pneumatic tyres & gloves	4 -5 – Solid tyres, pneumatic tyres, gloves & HV products

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IT Parks

$1.2bn in IT/ KPO exports today, expected $2-3bn in 2025

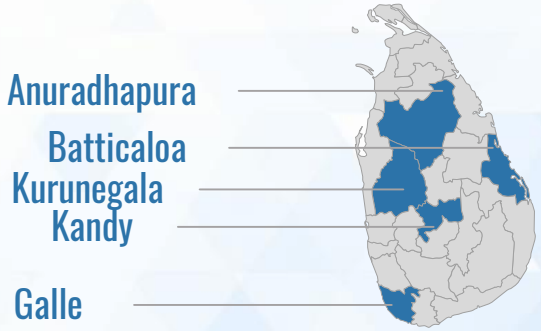
Extremely cost competitive talent pool

Proposed new IT parks in Anuradhapura, Batticaloa, Kurunegala, Kandy & Galle

0% corporate income tax on IT and enabling services

1st Country in South Asia to launch 5G mobile network

2nd In South Asia on International Property Rights Index



Catering to following segments:

- IT & ITeS
- Analytics (KPO)
- BPM
- IT related training centers

	Today	Vision for 2025
Exports	$1.2B	$2.0B - $3.0B
Employment	100,000+	200,000 – 300,000
Start-ups	500	1000

- Further develop niche expertise areas like FAO & LPO
- Build expertise in emerging technologies
- Increase IT related training centers

Electronics/Electrical Sector

Export growth: 4% for Sri Lanka vs. 2% for the world

Over 35,000 employed by EEC Industry

US $ 435 million export revenue in 2019

Government to set up dedicated zone for EEC sector

Supplying to the world's best brands

AIRBUS SIEMENS Panasonic

VOLVO Mercedes-Benz BMW TOYOTA

CHRYSLER Audi Ford

Products Manufactured

- Sensors
- Printed Circuit Boards
- Insulated Wires, Harness & Cables
- Batteries
- Electrical Transformers
- Static Converters & Capacitors
- Coils
- Switches & Panel Boards

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Investment Opportunities in the Logistics & Maritime Sector

Warehousing

- Room Temperature
- Cold Storage
- Bonded
- Hazardous

Ports and Shipping

- New Ports Development
- Port Modernization
- Hinterland connectivity
- Multi-Modal Logistics
- Inland waterway connectivity
- International & Coastal Shipping
- Ship Building & Repair

Trucking

- Inland Haulage
- Container Transport
- Project Logistics

Marine Services

- Bunkering/De-Bunkering
- Ship Husbandry Services
- Ship Repairs
- Ship Management Services
- Maritime Security Services

Hub Operations

- Entrepot Trade
- Offshore Business
- Front End Services
- Headquarter Operations
- Logistics Services

Agri Processing

- US $3 Bn export revenue in 2019
- Highest employment generating sector (17.5% of the workforce)
- Sector has achieved 60% export growth during 2015 –2019
- Ability to generate large crop and material base in the country through yield improvement

Aqua Culture

- Sri Lanka is an ideal location for aquaculture with a total coastline of approximately 1,700 km
- Total extent of lagoons and estuaries estimated to be 121,000 hectares (ha)
- 70,000 hectares (ha) low-laying delta lands
- Several 1000+ acre zones being planned with Ministry of fisheries

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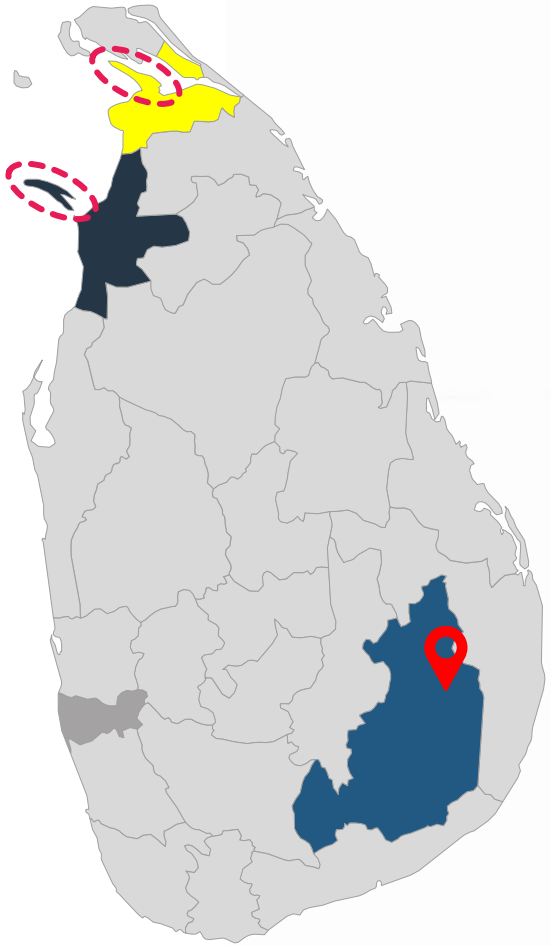
Power & Energy



- Siyambalanduwa
- Pooneryn
- Mannar
- Kerawalapitiya

100MW Solar Park in Siyambalanduwa
(Investment – USD 100 Mn)

Wind Projects

- 300MW Wind Park in Pooneryn
  (Investment – USD 410 Mn)
- 200MW Wind Park in Mannar
  (Investment – USD 200 Mn)

Power projects in Kerawalapitiya

- 300 MW Combined Cycle Power Plant
  (Investment – USD 300 Mn)

Colombo International Financial City (CIFC)

62 hectares (28 plots) of GOSL Land

	Land Utilization	Plot Area (sqm)
	Convention Centre	52,029 Sq. M
	International School	24,687 Sq. M
	International Hospital (2 Plots)	37,329 Sq. M
	Marina Front Residential (3 Plots)	40,023 Sq. M
	Luxury Villa Development	108,944 Sq. M
	Mixed Use Development	23,380 Sq. M
HOTEL	Hotel Use (2 Plots)	37,330 Sq. M

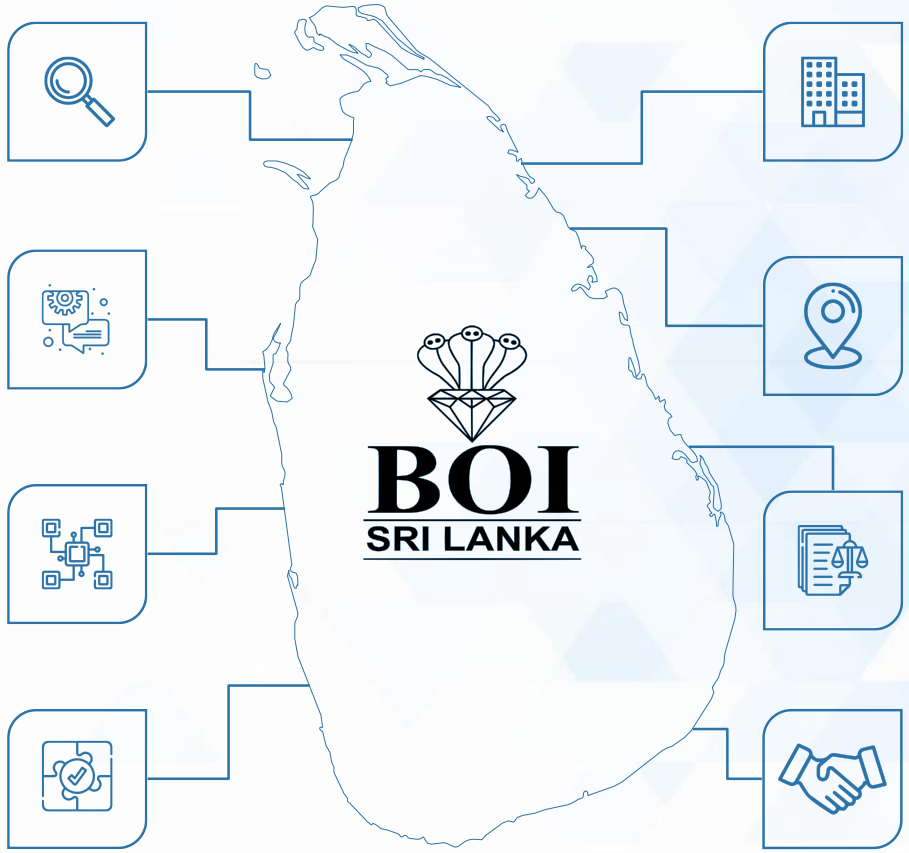
Thank You!

Research relevant to your investment

Detail explanation and clarification of policies

Connect to relevant stakeholders

Issue resolution



Arrange site visits

Analyze locations

Facilitation to obtain clearances

Arranging meetings with Joint Venture Partners

June 2021

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