Invest in Sri Lanka

Emerging Investment Opportunities in Sri Lanka

#WhySriLanka

June 2021
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.

US$ 7 Bn +

Sri Lanka attracted an cumulative FDI of US$ 7.04 Bn from 2015 to 2019

Sri Lanka is a founder member of the Multilateral Investment Guarantee Agency (MIGA)

4 Decades & counting

As Sri Lanka’s Investment Promotion Agency, The BOI partners with its clients to ensure their set-up in Sri Lanka is as successful as possible and has been doing so for over 40 years

Sri Lanka has been chosen by:

- 4 of the top 10 global hotel chains
- 3 of the Asia-Pacific’s 20 largest telecom operators
- 3 of the top 10 global construction companies
- 1 of the top 10 global software companies
- 7 of the Fortune 500 (2020)
- World’s no.1 tyre manufacturer

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2021 Budget has further increased Sri Lanka’s attractiveness

**Investment Climate**
- Consistent policy environment covered by a five year window
- Clear direction on national economic priorities
- Simplified tax regime
- Strategic Development Project Act with expanded scope and coverage
- Cabinet sub-committee appointed to fast track investor facilitation

**Tax Incentives**
- Agriculture, fisheries, and livestock farming (5 years)
- Off shore wind and floating solar power (7 years)
- Boat & ship building (7 years)
- Processing of milk powder (5 years)
- Private educational institutions (5 years)
- Start-up companies (5 years)
- Recycling sites for construction materials (10 years)
- Construction & installing communication towers (5 years)
- Bonded & offshore business warehouses (exempt from all taxes)
Five priority sectors to drive FDIs

1. Manufacturing
   - Pharmaceutical
   - High value add Apparel
   - Electronics and Electricals

2. ICT
   - BPM/KPM
   - 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
   - Transport Infrastructure
   - Port/Airport development
   - Renewable Energy
**Textile Zone**

**Textile manufacturing zone - Eravur**

- **Location**
  - Province: Eastern
  - District: Batticaloa
  - Land Extent: 200 - 300 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)**
- Knitted or crocheted fabric: 797
- Cotton: 442
- Synthetic staple fibres: 235
- Special woven fabrics: 212
- Synthetic textile materials: 204
- Others: 108

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**Pharmaceutical zone**

**Pharmaceutical zone - Hambantota**

- **Location**
  - Province: Southern
  - District: Hambantota
  - Land Extent: Phase I - 200 Acres
  - Land Extent: 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
### Rubber Zone

#### Proposed Rubber zone of BOI at Milleniya

<table>
<thead>
<tr>
<th>Today</th>
<th>Vision for 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>$0.9B</td>
</tr>
<tr>
<td>Employment</td>
<td>300,000</td>
</tr>
<tr>
<td>Avg. Yield (Kg / Ha)</td>
<td>774</td>
</tr>
<tr>
<td># of sub-sector</td>
<td>3 - Solid tyres, pneumatic tyres &amp; gloves</td>
</tr>
</tbody>
</table>

**Milleniya**

### IT Parks

#### Proposed IT Parks

<table>
<thead>
<tr>
<th>Today</th>
<th>Vision for 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>$1.2B</td>
</tr>
<tr>
<td>Employment</td>
<td>100,000+</td>
</tr>
<tr>
<td>Start-ups</td>
<td>500</td>
</tr>
</tbody>
</table>

- **Catering to following segments:**
  - IT & ITeS
  - Analytics (KPO)
  - BPM
  - IT related training centers

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

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