



ANNUAL PERFORMANCE REPORT

2014

MINISTRY OF INDUSTRY AND COMMERCE

This Report has been translated in to Sinhala and Tamil languages as well

PREFACE

This Annual Performance Report – 2014 of the Ministry of Industry and Commerce has been prepared according to the requirement of the Treasury Circular No: 402 of 12th September 2002.

The first section of this report produces the progress of development activities implemented by Divisions and Institutions coming under the Industrial Sector of the Ministry. The second section of this report produces the progress of development activities implemented under the Commerce Sector of the Ministry.

General Information and overall Financial Progress of the Ministry are included in the third section of the report.

VISION

“A globally competitive industrial sector in Sri Lanka driven by a vibrant commercial environment”

MISSION

“Creation of a conducive environment for sustainable and commercially competitive manufacturing entities, producing high value - added products and

A vibrant commercial regime capable of contributing to the economic development of the country”

MAIN OBJECTIVES OF THE MINISTRY

Creating a globally competitive & knowledge based manufacturing industry sector

Maximizing export revenue through developing and promoting value added exports

Generating a congenial commercial environment

DUTIES AND FUNCTIONS OF THE MINISTRY

As per the extra ordinarily gazette notification dated 22.11.2010, the duties and functions of the Ministry of Industry and Commerce are as follows

1. Formulation of policies, programmes and projects in regard to the subjects of Industries, Commerce and all subjects that come under the purview of Departments and Statutory Institutions listed in Column II, on the basis of Mahinda Chinthana – Vision for the Future and any other overall National Policies that may be adopted by the Government.
2. Direction of the implementation of such policies, programmes and projects with a view to achieving the relevant national objectives within time lines agreed with the national planning authorities and within budgeted resources.
3. Provision of all public services that come under the purview of the Ministry in an efficient and people friendly manner.
4. Reforming of all systems and procedures to ensure the conduct of business in an efficient manner deploying modern management techniques and technology where applicable while eliminating corruption and waste.
5. Copyright of all the functions relating to the administration of the International Convention on Intellectual Property and Copyright of the World Intellectual Property Office (WIPO).
6. Export promotion and consultancy services.
7. International trade relation.
8. Representation of Sri Lanka Trade abroad
9. Competition policy
10. Promotion and development of Industries.

DIVISIONS, DEPARTMENTS & INSTITUTIONS UNDER THE PURVIEW OF THE MINISTRY OF INDUSTRY AND COMMERCE

Industry Sector

Macro Policy Division

Industry Development Division

Development Division 1

Development Division 2

Development Division 3

Industry Registration and Management Information Division

National Authority for the Implementation of Chemical Weapons Convention (NACWC)

Corporations and Statutory Boards Division

Kahatagaha Graphite Lanka Limited (KGLL)

Mantai Salt Limited (MSL)

National Enterprise Development Authority (NEDA)

Textile Industry Development Division

Department of Textile Industry

Sri Lanka Institute of Textile and Apparel (SLITA)

Commerce Sector

Department of Commerce (DOC)

Department of Registrar of Companies (ROC)

National Intellectual Property Office of Sri Lanka (NIPO)

Sri Lanka Export Development Board (SLEDB)

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Industry Sector

INDUSTRIAL POLICY AND DEVELOPMENT DIVISION (IPDD)

Introduction

The Industrial Policy and Development Division (IPDD) of the Ministry of Industry and Commerce contribute to the formulation of trade and tariff policies within the national framework for industrial development.

International Trade related functions

The Industrial Policy and Development Division (IPDD), together with the Department of Commerce, takes action to safeguard the interests of local industries, apart from giving assistance to exploit export opportunities for export oriented industries, through Free Trade Agreements.

Tariff related issues

By co-coordinating with relevant authorities such as the Department of Trade and Investment Policy, Department of Fiscal Policy the Department of Customs & the National Council for Economic Development of the Ministry of Finance and Planning, the division assists domestic industries by resolving tariff related issues.

Progress as at 31st December 2014

Resolution of tariff – related issues

During the past year, the Industrial Policy & Development Division has contributed to

resolve several tariff related issues of industrialists through the Ministry of Finance. In order to safeguard the interests of the local industrial sector, the Customs duty on certain beverages, spirits & vinegar etc. was increased, together with the Cess of margarine, natural rubber, ball point pens, stoppers caps & lids and sanitary towels while a customs duty was newly imposed on metalized polymers, flat rolled products of iron, taps, cocks, valves & other appliances.

Similarly, to facilitate the industrial sector by reducing the cost of inputs, the customs duty on centrifugal pumps was reduced, together with the Cess on whey, other sugars, chocolate & other food preparations containing cocoa, while the export Cess on natural sand waste was increased.

Measures taken by the Industrial Policy & Development Division to facilitate local industry sub sectors

Locally assembled / manufactured motor vehicles and electrical items that come under the HS headings 84 and 85, which achieve a Local Value Addition (LVA) of above 30% are exempted from the payment of excise duty, on the recommendations of the Minister-in-Charge of the subject of industries.

From the time that the first batch of vehicles was granted the duty exemption in 2008, seven companies have ventured into the automobile assembly industry of which, two continue to operate to date. It could be observed that since 2008, 18 models of vehicles have been assembled by the 7

companies locally, totalling to over 7500 vehicles with a LVA exceeding 30%.

Under this programme, two local electrical goods manufacturing companies were granted exemption from excise duty for two models of washing machines and two models of refrigerators manufactured during the year, with more than 30% LVA. This is in addition to the washing machines and refrigerators, which are already being manufactured with a LVA above 30%.

Apart from improving manufacturing technologies in Sri Lanka, establishing backward & forward linkages and encouraging innovation, the other objectives of this scheme are to improve the quality of the spare parts / components manufactured locally and to develop the manufacturing capabilities of the component manufacturers. This would curtail the foreign exchange outflow and enable the supply of motor vehicles and electrical items to the local consumers, at affordable prices.

An indirect benefit of this programme is that it opens up export opportunities under Free Trade Agreements (such as the India - Sri Lanka Free Trade Agreement) which offer concessionary duty rates for products exported from Sri Lanka, with more than 35% LVA, in addition to a substantial transformation between the inputs and the finished products exported and a substantial production process.

INDUSTRIAL DEVELOPMENT DIVISION

Introduction

Industrial Development division of the Ministry of Industry and Commerce contributes to expand the industrialization to the regional levels, which concentrated on the few districts in the country and enhance the industrial sector contributions to the national economy. In this endeavor, it is the responsibility of this division to promote investment in industrial sector in regional level, provision of infrastructure facilities and provide technical and consultancy assistance.

Regional Industry Services Committees

To achieve these objectives Regional Industry Service Committee (RISC) has been established in each province under the Industrial Promotion Act No 46 of 1990. The duties of this committee are to prepare plans and work programme for potential and emerging industries in the province, providing required infrastructure and assisting the industrialists to implement the investment decisions.

Chairman of the committee is a private sector businessman appointed by the Honorable Minister of Industry and Commerce in consultation with the Chief Minister of respective province along with other 15 members representing industrialists in the province and senior government officials.

Regional Industrial Services Center

To implement the duties of the Regional Industry Service Committee, 09 Regional Industry Service Centers were established in each province and a Regional Director has been appointed as a secretary to the committee and other staff for the assistance.

New project proposals from industrialists which were forwarded to the RISCs, requesting lands from Industrial Estates (IEs) to set up industries are being evaluated by the respective Regional Industrial Service Committee in the province and the Committee facilitates to select new industries for the particular IE / IEs in the region by recommending most suitable industries. The recommended projects submitted by the RISCs are further being screened by the Official Committee appointed by the Secretary of the Ministry. In this context, project proposals would be evaluated based on criteria viz: production process, percentage of value addition, creation of employment opportunities, environmental impact, and financial feasibility.

In addition, the Ministry takes measures to get recommendations from technical institutions such as Industrial Technology Institute (ITI) for environmentally sensitive projects enabling them to minimize negative effects to the environment by introducing new technologies. The recommended projects by the Committee are being forwarded to obtain the approval of Cabinet of Ministers and the Ministry allocates land blocks for the approved projects under a 35 year lease agreement.

Progress as at 31st December 2014

Regional Industrial Development Programme

The Ministry has already established 29 IEs in 19 districts and 897.98 acres have already been developed with necessary infrastructure such as electricity, water and road networks and generating employment opportunities at regional level. In these 29 IEs, 304 industries are in commercial production, 38 factories are under construction and 17,669 employment opportunities have been generated as at end 2014.

As at 31st December 2014, the RISCs have been received 70 applications with new project proposals and 46 project proposals were recommended by the respective RISC and forwarded to the Cabinet of Ministers for approval, of which 20 proposals were approved for the allocation of lands plots.

Mannar Industrial Estate

The Mannar Industrial Estate is the first Industrial Estate, which commenced regional development activities parallel to the "UthuruWasanthaya" program implemented in year 2010. The industrial estate has been established in close proximity to the Mannar town with an extent of 25 acres land.

Construction of two BOI approved factories with modern facilities for apparel industries have been completed. At present they are in commercial production by creating nearly 850 employment opportunities under this project. One industrialist has completed installations of machinery and doing test run and expects to commence commercial production soon.

Trincomalee Industrial Estate

Development activities of the Trincomalee Industrial Estate were commenced parallel to "NagenahiraNawodaya" program and 25 acres have been developed in stage – I. At present 05 industries out of 09 selected industries are already in commercial production and 875 employment opportunities have been already created.

Development activities of the Stage - II of the Trincomalee Industrial Estate are under way and 85% of the land development activities have been completed.

Mathugama Industrial Estate (Stage-1, II)

Development of Mathugama Industrial Estate, Stage-1 has been completed and lands have been allocated for the medium and large scale industries. Steel production plant, Plywood manufacturing plant and Asbestos roofing sheet manufacturing plant are now in commercial operation.

Dankotuwa Industrial Estate

The development activities of the Dankotuwa Industrial Estate with an extent of 53 acre land situated at Karanawan watta have already been completed and further improvements are expected to be completed in future. Forty two industrialists in the estate are in commercial operation by creating, 2205 employment opportunities. Improvements of internal roads constructions activity have been completed.

Minuwangoda Industrial Estate

There are 14 industrialists in commercial production in Minuwangoda Industrial Estate such as manufacturing of paper and tubes, Retreads tyres, Manufacturing of threads for tea bags and 332 employees are employed in these

factories. Rs. 603 Mn has been invested by the industrialist and the annual turnover is shown as Rs. 637.1 Mn. Reconstruction of parapet wall is being completed.

Nalanda Industrial Estate

In Nalanda Industrial Estate, 13 industries are in commercial production and one factory is under construction. In addition 955 employment opportunities have been created in this Industrial Estate. Development works of the Industrial Estate were recently completed and now in the process of supplying water to the Industrial Estate. Water sample test is being completed and requested detail estimation for water purification from the National Water supply & Drainage Board.

Bata-atha Industrial Estate

Five factories are now in commercial operation with 548 employees. Development activities of Industrial Estate have been completed and construction works of renovating of Access road have been awarded to the Road development Authority (Southern province)

Welioya Industrial Estate

A suitable land with an extent of 50 acres which belongs to the Mahaweli Authority has been

identified from Welioya Divisional Secretariat area to establish a dedicated Industrial zone for the apparel industry and decided to set up five garment factories with modern facilities. Cabinet Memorandum has been forwarded to obtain approval from the Cabinet of Ministers to initiate the development activities.

Wilgamuwa Industrial Estate

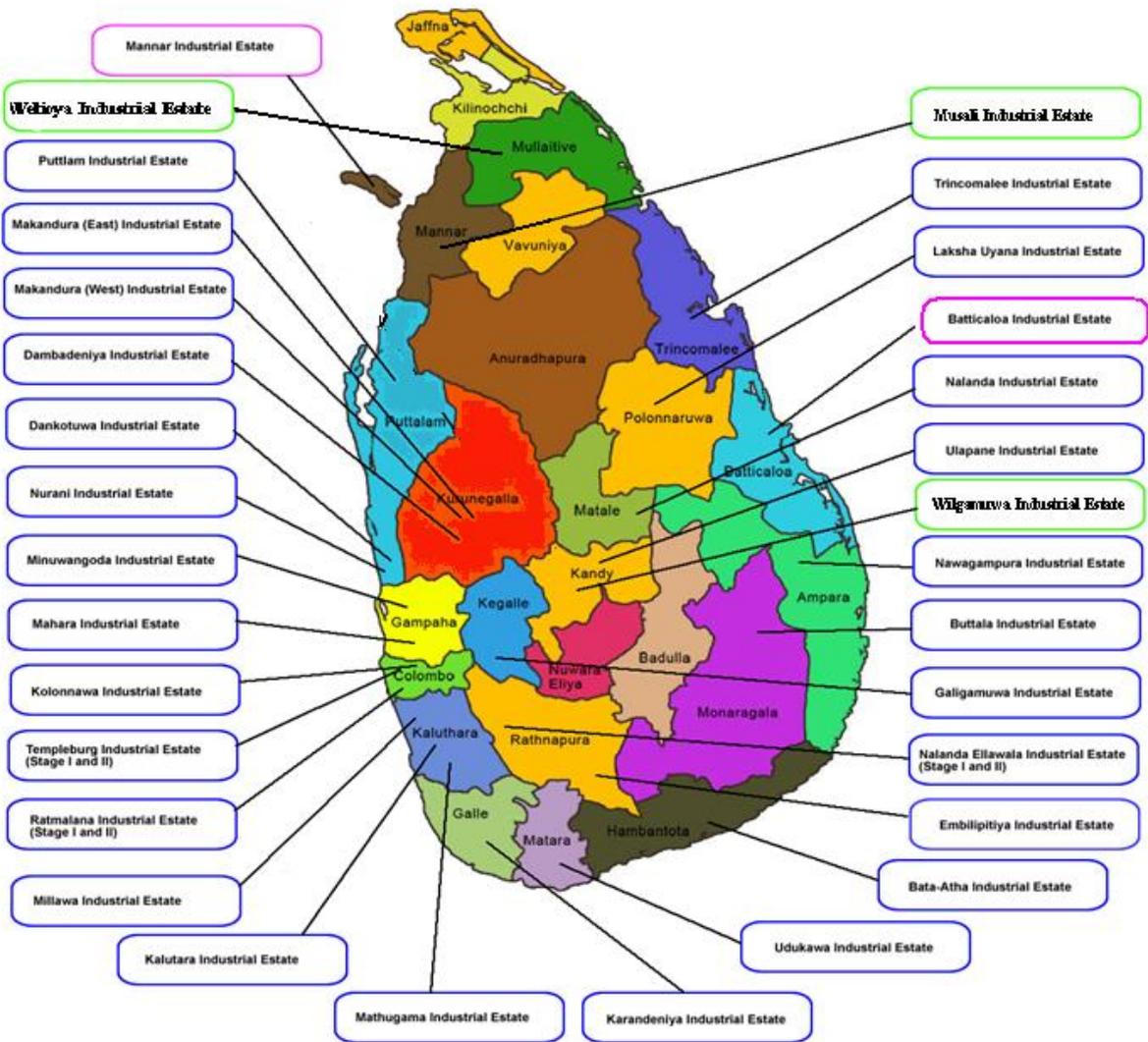
Establishment of Wilgamuwa Industrial Estate was proposed, as a strategy for regional development through encouraging the investment. Cabinet Memorandum has been forwarded to obtain the approval from the Cabinet of Ministers to establish an Industrial Estate with an extent of 18.6 acres.

Musali Industrial Estate

A suitable land with an extent of 25 acres was identified to establish 05 garment factories in Kallaruvillege of the Kondachchi Grama Niladari Division in Musali Divisional secretary Division. A Cabinet Paper memorandum has been forwarded to obtain the approval of the Cabinet of Ministers.

Regional Industrial Estates
Ministry of Industry and Commerce

- Development works completed
- Development works underway
- Proposed new locations



DEVELOPMENT DIVISION – I

Introduction

Sector-wise development approach has been implemented by the Ministry to identify specific issues inherited in different industries and to address them separately. In order to implement this strategy 03 Development Divisions have been established in the Ministry.

Among those, the Development Division – 1 consists of five agro based industries namely, tea, spices, coir, processed food and packaging.

Main Objectives of the Division

To promote local industries in order to produce high quality products to be competitive in the global market. To develop the industrial sectors in order to fulfill the local market requirements.

Industrial Sectors

- Processed food industry
- Packaging industry
- Value added spice industry
- Value added tea industry
- Value added coir industry

Main Activities

- Preparation and implementation of development plans and strategies for the relevant sectors in consultation with the Advisory Committees which include private sector manufacturers, exporters and academia.
 - Study the global market trends of above sectors and implement development programmes in order to achieve said development goals.
 - Discuss the issues and problems faced by industrialists and find solution in consultation with the advisory committees and other relevant institutions.
 - Coordination of relevant line ministries, General Treasury, industry chambers, private sector association and other stake holders in order to achieve development goals.
 - Processing industries have been encouraged for research and development programmes by linking them with technical institutes, universities and research institutes.
 - Organize training and technical knowledge transfer programmes to upgrade the skill levels of industry sectors in local and international institutions.
 - Facilitate industries for product diversification through industry, university and research institute linkage.
 - Develop and promote markets for local industries by organizing national and international exhibitions.
 - Provide facilities to import input materials tariff free basis to process, produce and add value to manufacture export products.
 - Support industries to obtain international quality and product certification in order to improve the quality of the final products and to achieve market requirements.
- Implementation of development programmes to achieve the development goals, related to above sectors, stated in the Mahinda Chinthana socio economic development programmes.

Progress as at 31st December – 2014

Processed Food Industry Sector

Under the Food Safety Certification Programme, Food processing industries, packaging industries and beverage industries can obtain food quality and safety related certificates such as ISO 22000, HACCP, SLS and GMP from a recognized institution. These industries can reimburse the total certification cost for the first year after submission of the certificate to the ministry. 27 industries have been selected for the food safety certification programme. The objective of this programme is to encourage processed food industries to obtain nationally and internationally recognized food quality and safety certificates thereby drive them to produce quality and hygienically safe food.

Profoods/ Propack exhibition

Profoods/ Propack exhibition had been conducted successfully for the thirteenth consecutive time with increased participation of local and foreign exhibitors in August 2014. Industries from India, Pakistan, China, USA, Dubai, Thailand, Malaysia, Korea and Germany along with almost all leading local food industries and packaging industries were participated at the exhibition. The Ministry organized the SME pavilion in which special concessions have been offered for upcoming small and medium industries. Also, the ministry paid special attention on encouraging participation of Universities and Research organizations in this exhibition inviting them to participate with the intention of providing opportunities for them to display their research products and to establish linkages between industry and research organization.

Awareness programmes have been organized focusing on different topics such as food safety,

food laws and regulations, food diversification and new generation food, nutrition and food habits etc. to educate industries. The objective of these programmes is to give knowledge on consumer protection laws and regulations, production standards and etc to the industry. More than hundred industries have been participated in this programme.

In 2014, 11 industries have been enrolled to obtain Temporary Import for Export Processing (TIEP) facility which is introduced to encourage exports.

Ayurveda Expo Exhibition in 2014 has been conducted with the support of this Ministry and manufacturers were encouraged to participate and establish their market.

Packaging Sector

Lanka Pack Exhibition had been conducted by Ministry in collaboration with Sri Lanka Packaging Institute (SLIP) in July 2014.

Organize training programmes and certificate programmes for packaging technicians to increase knowledge and skill level and to introduce new technology. The Ministry organized programmes to improve packaging with regional industry chambers to improve packaging of food products.

Value Added Tea Industry Sector

Value addition in tea is mainly done through the packaging process and adding flavours and various herbs, fruit particles and so on. Industries are encouraged to do these processes by facilitating them to import materials and technology in duty free basis. Up to now, 189 tea industries have been given this facilitation. Cause of this process, export values had been grown up significantly since 2010.

Value Added Coir Industry Sector

It was the practice to import additions raw material for manufacturing value added coir based industrial items for export market. With a view to encourage their process, facilities will be made exempt import duty and tax. In order to encourage this situation, the ministry has given facilities to 44 coir based raw materials to increase its production.

It is expected that these measures will be benefited for the National Development.

- To increase export earnings
- To minimize cost of production
- To improve quality and productivity

DEVELOPMENT DIVISION – II

Main Objectives:

To provide facilities for the development of the existing industries and promote new investments in order to produce high quality products for the challenging market environment.

Sectors under purview of the division:

- Die & Mould Industry
- Rubber Based Industry
- Metal Products and Machinery Industry
- Boat Building Industry
- Automobile & Transport Equipment Industry
- Wood & Wood Based Industry
- Plastic Based Industry
- Optical & Photographic Equipment Industry

The Main Activities:

- Preparation of the Industrial development plans.
- Understanding of issues relating to the technical, managerial production and marketing to find out remedial measures for the solutions.
- Implementation of necessary programmes for the introduction of higher technical

strategies to uplift productivity and increase value addition.

- Provision of the necessary facilities for the promotion of exports.
- Coordination between the relevant ministries, General Treasury, Private Sector, Industry Chambers & other Stakeholders.
- Facilitate industries to obtain tariff benefits by organizing national and international exhibitions.
- Organize training and technical transfer programmes to upgrade the skill level of industry sectors in local and international institutions

Progress as at 31st December 2014

Die and Mould

For the completion of Die & Mould Facilitation Center, Ministry has granted Rs. 85 Mn. for purchasing of Machinery Equipment and Software. At present the Center is successfully functioning and provides facilities to private sector stakeholders as well as University students. By providing facilities it has been able to earn Rs. 3.978 Mn.

Rubber Based Industry

The Sri Lanka Rubber Industry consist of three main sectors namely

- The plantation Industry
- The Rubber Products Manufacturing Industry
- Rubber Wood Based Industry

The value added Rubber Products Manufacturing Sector has recently emerged as the key driving force in the industrial based

development of the economy. The Rubber Sector has accounted of GDP for 1.5%. A contribution to total exports however around 10% of total national export income.

The major product categories marketed include solid tyres, car and cycle tyres, latex gloves and automotive components. However the lack of skilled person inadequate transfer of technology, poor productivity is the major constrains of the sector.

- To minimize the such constrains Ministry has facilitated the training of 15 local skilled persons who are engaged in Rubber Products Manufacturing Sector at Plastic & Rubber Institute (PRI) in Sri Lanka.
- Ministry has conducted the Rubber Product Sector survey in Sabaragamuwa & Western Provinces which is done by Development Officers.

Boat Building Industry Sector

Boat Show Sri Lanka - 2014 have been jointly organized by the Ministry Industry and Commerce and Boat Building Association at Dikowita Fishary Harbour in 10 – 12th October 2014. The Ministry granted Rs. 3.5 Mn for Development of this Sector.

In parallel to the Boat Show – 2014 the International Council of Marine Industry Associations (ICOMIA) regional group meeting and an industry conference was held. The event has been encouraged in the field of small and medium scale boat producing industry and developing the tourism industry in the country.

DEVELOPMENT DIVISION III

Objectives of the Division

To promote and facilitate manufacturing sectors in order to produce high quality products to be competitive in the International Market.

Sectors under purview of the Division

- Footwear Industry
- Leather Industry
- Ceramic Industry
- Electrical & Electronic Industry
- Pharmaceutical & Cosmetics Industry
- Paints & Printing Industry

Main Activities

- Preparation and implementation of development plans and projects for the sectors of footwear, leather, ceramics, pharmaceutical and electrical & electronic.
- Implementing the recommendations of Advisory Committees set up for the above sectors.
- Working with Line Ministries, Trade Associations, Chambers & Universities.
- Provide assistance for skills development for the selected industry sectors.

- Support industries to increase their market share through Free Trade and other bilateral agreements.
- Counseling for investment & trade promotions.
- Facilitate export oriented industries under the TIEP scheme, Recommendation of the Residence Visa for foreign expertise.

Important Events

- The Ministry of Industry and Commerce (MIC) and Sri Lanka Institute of Textile and Apparel (SLITA) are jointly established the foot wear and leather goods training institute in SLITA for develop the local footwear and leather goods industries.
- Ministry & EDB have organized the international level footwear & leather goods exhibition for local footwear & leather goods industries to find foreign market, adopt new technology and develop the value chain.
- Already done the mining survey at Central and Uva province for identification of shortage raw materials as a solution to the ceramic industry. Also Ministry assists to implementation of local red clay roofing tile manufacturing industry.
- This Ministry assists to expand the building space and purchasing additional high tech equipments for further development of Sri Lanka Pharmaceutical Laboratory at University of Colombo.

- Ministry has financial assists to organize the INCO exhibition for introducing of new technology and high tech equipments of local Electrical and Electronic industrialists.
- Already completed Ball Clay & mineral deposits identification surveys in a few selected sectors as solutions to the raw material problems faced by the Ceramic industry and acknowledge the relevant industrialists regarding this subject.

ELECTRICAL & ELECTRONIC INDUSTRY

Introduction

The Electrical and Electronics Industry consists of three segments, such as Home appliances, Electrical Parts and Industrial products. The Electrical & Electronic industry has huge market in locally & internationally. Therefore, in this sector can obtain foreign direct investments to the country. Hence, this industry identified as rapid development sector.

Progress of the Industry

- Ministry and University of Moratuwa set up Technical Support Centre in UOM to improve the knowledge and technology of new incubitees in small and medium Electrical and Electronic industry. Already selected 10 small manufacturers in this sector and arrange the training programme and providing initial facilities to them at the moment. In future,

this Ministry has planning to provide training facilities for more industrialists.

- Ministry has financial assists to organize the INCO exhibition for introducing of new technology and high tech equipments of local Electrical and Electronic industrialists.

CERAMIC INDUSTRY

Introduction

The Sri Lankan Ceramic Industry consists of the following sectors and this industry has around 15 active export companies and they provide around 5500-6000 direct employment & about 7500 indirect employments. Sri Lankan Ceramics are on par with any Asian competitor or is of a higher quality under import conditions and export ceramics have a higher value addition and locally manufactured goods are higher than 60%.

- Porcelain & stoneware tableware
- Ornamental ware and Utility ware
- Wall and floor tile
- Other brick and tile
- Advanced ceramics
- Glass
- Cement

It is a great strength that raw materials such as Kaolin, Ball Clay, Feldspar, Silica, & Dolomite are found locally. Another especially beneficial

condition enjoyed by Sri Lanka is that possess a highly skilled & educated workforce.

FOOTWEAR INDUSTRY

Introduction

At the present, footwear & leather industry has huge market in locally & internationally. Therefore, in this sector can obtain raw materials from India and as well as the proposed leather complex in Mannar district. Hence, Ministry of Industry & Commerce has identified this sector as a developing sector.

The following steps have been taken by the Ministry the sector development.

1. The Ministry of Industry and Commerce (MIC) and Sri Lanka Institute of Textile and Apparel (SLITA) are jointly established the foot wear and leather goods training institute in SLITA for develop the local footwear and leather goods industries. The above programmes are supported to improve and develop the new technology and technical knowledge of people is involving in foot wear and leather industry. Also high tech machines have been using for new training courses.
2. To give locally & internationally recognition to this industry the Ministry of Industry & Commerce together with the EDB is organizing an international footwear & leather goods exhibition. In month of February in every year. This exhibition is a

special event to build up the image of the Sri Lankan footwear & leather industry.

3. Ministry has increased the taxes (custom duty & cess) for importing footwear for protect local footwear manufacturers.

General information regarding the footwear industry of Sri Lanka

No. of Industries	No. Of employees	Value Total
Large scale export companies – 12	Direct and Indirect about 30,000	40% - 50%
Medium Scale Industries – 35		
Small Scale Industries 300		

30Source: Development Division 111

LEATHER INDUSTRY

Background of the Industry

Leather and Leather Goods industry is identified as a potential industry in Sri Lanka and it has a huge local & international market. Leather industry can be classified in three ways.

- Finished Leather
- Leather Goods
- Footwear

There are small scale manufacturers also who produce leather goods for the local tourism industry. Moreover, several large companies export high quality goods to the international market.

Progress of the Industry

- Under the dedicated leather city development programme and relocating of

tanning industry, Ministry was identified the 75 acres land at Marickkikatti in Mannar District and done the initial step of feasibility study. Awaiting for the land releasing to the Ministry.

- The Ministry in collaboration with the Export Development Board held an international level Leather Goods & Footwear Exhibition from 2007 to 2014 for the 6th consecutive time. Through this event the opportunities have been granted to industrialists to access the foreign market and to obtain the latest fashions for their industry.

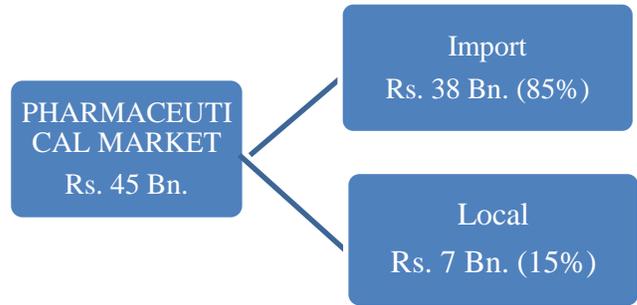
PHARMACEUTICAL & COSMETICS INDUSTRY

Introduction

The Pharmaceutical related industry in Sri Lanka is twofold. Mainly the Public Sector & Private Sector.

There are around 200 local & foreign pharmaceutical manufacturers engaged in the Pharmaceutical industry and about 10 large scale manufacturing companies provide contribution to it. There are 100 pharmaceutical items manufacturing by the 10 local industrialists. It was 15% - 18% out of total market requirement. The government sector import Rs. 20 Bn. and private sector import Rs. 18 Bn. Pharmaceutical items.

Sri Lanka Pharmaceutical market consist of two major segments.



Therefore, Rs.7 Bn. worth pharmaceutical items were manufacturing by the local & foreign pharmaceutical manufacturers in Sri Lanka.

COSMETICS INDUSTRY

At the present foreign and local companies are involving in the cosmetic industry and they are manufacturing the products for local and foreign markets.

Progress of the industry

- In the third stage, Ministry assists to expand the building space and purchasing additional high tech equipments for further development of Sri Lanka Pharmaceutical Laboratory at University of Colombo.
- Provide more efficiency services from Sri Lanka Pharmaceutical Laboratory to Sri Lanka Pharmaceutical & Cosmetics industries.

- Establish an efficient purchasing mechanism to purchase pharmaceutical items from the private sector.
- Ministry has taken initial activities to provide infrastructure facilities for build up a pharmaceutical manufacturing industrial park in Sri Lanka to bring up this industry to the international market level.
- Ministry is providing the duty concession for import attractive and new designing packing materials in Local cosmetic industry.

INDUSTRY REGISTRATION, PRODUCTIVITY PROMOTION AND MANAGEMENT INFORMATION DIVISION

Introduction

Establishing an environment which enhances the productivity of industrial manufacturing sector by supporting to upgrade the quality and standards of industrial products to face the competitiveness in the constantly changing global market, maintain a database of manufacturing industries to ensure the availability of data for policy making and monitoring & upgrading the Ministry website to forward online information to industries.

Activities

- Promoting introduction of appropriate technologies and facilitating technology upgrading
- Implementing programmes to increase the energy efficiency and reduction of energy cost
- Facilitating to mitigate environmental impacts of industries
- Registration of manufacturing industries and updating the database
- Maintaining and updating the Ministry website
- Preparing various statistical reports by analyzing industrial data for policy making

Progress as at 31st December 2014

Industry Registration

An inspection report is obtained from the relevant regional office for every industrial undertaking which seeks industry registration under the Industrial Promotion Act No. 46 of 1990. Hence, certificates are issued after obtaining a comprehensive inspection report from the relevant regional office which is prepared after visiting the industry by an authorized officer with his/her recommendations.

Registered Industries in operation under the Ministry of Industry & Commerce (as at 31st December 2014 by sub-sectors)

	Sub sector	Total No of Industries
1	Food, beverage & tobacco	23
2	Textile, wearing apparel & leather	05
3	Wood and wood products	03
4	Paper and paper products	02
5	Chemical, petroleum, rubber & plastic products	17
6	Non-metallic products	06
7	Basic metal products	01
8	Fabricated metal products	12
9	Other	00
	Total	69

Source: Industry Registration and Management Information Information Division

Databases on Industry Details

Industry Registration Database

Industry registration database is continuously updated based on the details submitted in the registration application form. It includes basic details such as factory location, contact details, type of manufacturing products, employees etc.

The total number of registered industries has increased by 3.7 % compared with the previous period.

The highest growth (8%) of registered industries has been recorded under the fabricated metal product sector.

The highest contribution of 22.7% to the total registered industries has been recorded under the chemical, petroleum, rubber and plastic product sectors.

Web based Developments

The upgraded, revamped website of the Ministry with the web 2.0 standard model of website development provides enhanced facilities such as higher ownership in modification, on-line submission of updated data related to contact details of registered industries, on-line submission of industry registration applications for new industries etc.

Library Services

New books, periodicals and magazines were purchased during the last period for the library after making requests from the Ministry officials about their requirements. The library was also rearranged to make the place more convenient for users.

Progress as at 31st December 2014

Programme on Energy Efficiency Improvement

The project is being implemented in selected 15 factories in Homagama, Makandura and Dankotowa Industrial Estates (IEs). In this regard, a Steering Committee has been established and the Ministry has signed an agreement with the selected consultancy firm to carry out the project which has four major components namely preliminary energy audit, detailed energy audit, implementation of energy options and progress monitoring.

The preliminary energy audit for 13 factories and detailed energy audit for 06 factories have already been completed by the consultants/auditors. Most factories have implemented energy saving options and a significant reduction of energy cost has been observed.

The project would be extended to another 15 factories in the next phase. Industrialists would be selected through open invitations and large energy consumers with high energy saving potentials would be given priority in the selection process.

Programme on Industrial Waste Management and Improve "By Products" Through Waste Exchange in Industrial Manufacturing Sector

The above project was initially planned to collect industrial waste in Western, North Western, Central and Southern provinces and to promote scavenger industries within IEs. However, due to the practical constraints in collection and segregation of wastes at local authority level, it was decided to execute the project within

Dankotuwa IE which is operated under the Ministry. For the implementation of the project, a well-designed system will be established within the IE to manage the generated waste during the manufacturing process. The project is executed through National Cleaner Production Center (NCPC). The preliminary step has been completed based on a walkthrough survey conducted in the Dankotuwa IE. Designing of in – house waste water treatment plants for five affected industries in the Dankotuwa IE has been already completed. Implementation of proposals together with industrialists has been started. A program will be designed to present overall results and the feedback of the Energy Audit at the Dankotuwa IE with participation of relevant industrialists.

Providing Industrial Support Services

Registration of industrial enterprises under the Industrial Promotion Act No. 46 of 1990 which is enforced by the Ministry of Industry & Commerce is the main responsibility of Management Information Division. Furthermore, the Division maintains a database on registered industries under the Ministry in terms of their basic details such as location, products, contact details etc. In addition, a web based database is also being maintained with on-line accessibility to the customers to obtain basic details of registered industries through the Ministry website www.industry.gov.lk.

Furthermore, the Division disseminates and publishes the information gathered from these registered industries among interested parties such as policy makers, researchers, academics and

students etc. on their request while using the same for internal purposes. A macro level database is also being maintained in digital and graphical formats to monitor and compare the performance of industry sector at the national level with other sectors.

Regional Distribution of Industrial Registration as at December 2014

District	No of Industries
Colombo	1325
Gampaha	370
Kalutara	110
Galle	38
Puttalam	43
Kandy	87
Kurunegala	40
Mathara	41
Hambantota	15
NuwaraEliya	06
Rathnapura	12
Anuradapura	12
Badulla	07
Kegalle	17
Mathale	18
Monaragala	02
Polonnaruwa	05
Ampara	07
Trincomalee	04
Batticalo	02
Vavuniya	01
Jaffna	04
Mannar	01
Killinochchi	01
Mulative	01
Total	2169

Source: Industrial Registration and Management Information Division

NATIONAL AUTHORITY FOR THE IMPLEMENTATION OF CHEMICAL WEAPONS CONVENTION

Introduction

Chemical Weapons Convention (CWC) is an international treaty for the prohibition of the Development, Production, Transfer, Stockpiling and Use of Chemical Weapons and on their Destruction. The Convention adopted in 1993 completely bans a whole category (chemical) of weapons of mass destruction. Unlike other conventions this includes comprehensive mechanisms to verify its prohibitions. Chemical Weapons Convention Act No. 58 of 2007 had been enforced by the Hon. Minister on 15th August 2008.

National Authority for the implementation of the Chemical Weapons Convention (National Authority) is an organization which is established under the Ministry of Industry and Commerce to fulfill the national implementation measures under the convention and to serve as a national focal point for the effective liaison within the Organization for the Prohibition of Chemical Weapons (OPCW), The Netherlands and other States Parties.

Progress as at 31st December 2014

▪ **Registration and Issuing permits for industries**

National Authority issues a new registration for 04 chemical importers/exporters and renewed the existing registration for 21 industrialists.

National Authority issued permits to imports schedule chemicals for 85 importers in Sri Lanka. Permits have been issued for importers under the Chemical Weapons Act and requested made by industrialists.

▪ **Submitting annual documents to the OPCW**

Annual declarations of 2013 were submitted to the OPCW according to the Article VI obligation of the CWC and the annual reporting of information on national programmes for protection against chemical weapons under article X of the CWC were submitted.

▪ **Routine Inspections**

Inspections are designed to verify compliance of States Parties with the requirements imposed on production and use of scheduled chemicals and to verify that industrial activities of member states have been correctly declared according to the obligation set by the CWC.

▪ **Templeburg Industrial Zone Survey Inauguration Programme: 07 March 2014**

On request of Western Province Regional Service Centre an awareness programme on Chemical Emergency Management was conducted for industrialists in Templeburg Industrial Zone on 07th March 2014 with basic introduction on emergency management plan preparation. The main objective of this awareness programme is to conduct a survey to assist the safety and security in their respective work places and to achieve a sustainable industrial development in Sri Lanka.

▪ **Participate for the Exhibition organized by Al-Ilmiya Madya Maha Vidyalaya.**

"60th Golden Jubilee Anniversary" organized by the Al-Ilmiya Madya Maha Vidyalaya located in Welpothuwewa, Nikawearatiya, Kurenegala from

21st – 23rd January 2014. The purpose of the participation of this exhibition is aware students and general public on Chemical Weapons Convention and gives general knowledge of hazardous chemicals/materials and protective measures.

▪ **Deyata Kirula Development Programme: 26 February 2014**

National Authority conducted an awareness programme on “Safe use of Pesticides and Fertilizers” for the farming community in the Galgamuwa area in Kurunegala Districts along with Deyata Kirula National Development Programme 2014 on 26th Feb 2014. This programme was initiated and implemented with the theme “Kethata Arunella” keeping in line with the “Mahinda Chintana forecast” to educate the farming community in Sri Lanka on safe handling of agrochemicals which may help to eradicate the rapidly spreading renal diseases in upper part of the Kurunegala district. At the end of the programme personal protective equipment were distributed to the participated farmers.

▪ **Participate for the Deyata Kirula Exhibition - 2014**

National Authority participated for the Deyata Kirula Exhibition 2014 at Kuliyaipitiya. At the exhibition members of the authority conducted two awareness programmes on safe handling of chemicals. End of the each programme personal protective equipment were distributed among participants.

▪ **Training Programme for SOCO: 03 March 2014**

As per the request made by Kalutara Police Training Collage, National Authority conducted a one day training programme on Chemical Sampling at a Crime Place for a team of SOCO officers. This training provided the basic

knowledge about the chemical sampling and safety procedures to access a place which a chemical incident happened. The training held on 03rd March 2014 at the Kalutara Police Training Collage. More than 20 participants participated for this training.

▪ **Certificate Programme in Emergency Management**

With the view of reducing the industrial issues through education, National Authority started a training course to aware industrial personnel’s on the area of Industrial Safety, Environment & Emergency Management. Hence the National Authority in collaboration with Institute of Human Resource Advancement (IHRA) of the University of Colombo was organized a Five Months Certificate Program on Industrial Safety, Environment & Emergency Management. Inauguration ceremony of this programme was held on 26th April 2014 at the Auditorium of the Ministry of Industry and Commerce.

▪ **4RS Programme for SL NAVY: 16 – 17 July 2014**

As per the request of the Sri Lanka Navy National Authority conducted a training programme on Mitigating Chemical Accidents/ Hazards to the Rapid Response Rescue and Relief Squadron of the Sri Lanka Navy from 16th and 17th July 2014. The training programme consisted one theoretical session and one day practical session. End of the programme, certificates was issued for the 35 participants.

▪ **Trainig Course for hazardous chemical transporters of Holcim Lanka**

National Authority in collaboration with the Institute of Human Resource Advancement (IHRA) of the University of Colombo was organized Training Course on Hazardous Chemical Transportation for officials of the

Holcim Lanka Cement Company. The training was organized on request of the Holcim Lanka. Two day training consisted theoretical and practical session.

- **BOI Training**

National Authority in collaboration with the Institute of Human Resource Advancement (IHRA) of the University of Colombo was organized Training Course on Hazardous Chemical Management and Emergency Response for the staff attached to the Environmental Department of the BOI on request of the BOI. The training course consisted both theoretical and practical sessions. The programme held at the auditorium of BOI, Level 08 West tower, World Trade Center on 10-11 January 2014 from 9.00 a. m. to 4.00 p.m.

- **Seminar on Chemical Safety and Security Management for South Asia Association for Regional Cooperation (SAARC) countries**

NACWC with the assistance of the Organization for the Prohibition of Chemical Weapons (OPCW) has organized Seminar on Chemical Safety and Security Management for South Asia Association for Regional Cooperation (SAARC) countries from 17th to 19th December 2014 in Colombo.

- **Certificate course on Industrial Safety, Environmental and Emergency Management**

Six month Certificate course on industrial Safety, Environmental and emergency Management successfully completed and award ceremony hold on 20th December 2014 at the Auditorium of the Ministry. This course was jointly organized by National Authority for CWC with IHRA. The objective of this certificate course is enhancing capacity in industrial sector to mitigate industrial disasters and emergencies through educating safety officers.

CORPORATIONS & STATUTORY BOARDS DIVISION

Introduction

The Corporations & Statutory Boards Division of this Ministry endeavors to support all Corporations and Statutory Boards coming under the purview of the Ministry of Industry & Commerce to perform as viable and sustainable public enterprises. To achieve this, the Division takes measures to enhance the productivity of all assets and maximize their revenue, expand the business activities by introducing appropriate business strategies and business models. In addition, the division coordinates the regulatory activities of these statutory institutions.

The state owned enterprises which are coming under the purview of Corporations and Statutory Boards Division are,

- Mantai Salt Limited
- Kahatagaha Graphite Lanka Limited
- National Enterprise Development Authority
- Lanka Leyland Limited
- Lanka Ashok Leyland Limited

Mantai Salt Limited

Mantai Salt Limited is a Fully Government owned Company, engaged in production and trading of salt. At present Mannar saltern and Chemmani salterns are comes under the company and out of which Mannar saltern produces normal salt, crushed salt and iodated salt. The production of the Chemmani saltern has been suspended as production of salt at Chemmani is uneconomical due to geographical reasons. However, Ministry has taken steps to prepare a proposal to reopen the factory aiming production of salt in future. In the year 2012, Mantai Salt Limited has developed 53 acres of extra saltern area with the assistant of the Ministry at a cost of Rs. 25 Mn. and average salt production of 4000 MT has increased up to 5500 MT after the development in this year.

Up to August 2014, the company has produced 4,643.7 MT of salt and has earned Rs. 35.1mn. Buy selling of 3050.6MT of salt. The Company is producing and distributing iodated salt in 1 Kg packets under the brand name of "Raja Salt" and reached the target of 50,000 packets per month. Ministry has monitored the human resource activities of the company during the revival period.

Kahatagaha Graphite Lanka Limited

Kahatagaha Graphite Lanka Limited (KGLL) is a fully Government owned limited liability

company. This company is the largest graphite mining organization in Sri Lanka, which operates under ground mining up to 2000 ft. depth at Kahatagaha, in the Kurunegala District. KGLL is the only public entity which has capacity and strength for mining of graphite.

During the reviewing period of year 2014, the company has produced 565.46 MT of graphite and exported 608.75 MT of graphite. The total earnings from the selling of graphite during the period of 2014 were Rs. 91.68 Mn. and the Net profit before tax was Rs.13.5 Mn. Further to the above activities, explore and detect new graphite deposits, investments for value addition has been arranged as development activities of the company during this period. The KGLL has requested to increase the carder of the institute up to 200 employees and letter has already sent to the Department of Management services to obtain the approval. Further, the Ministry has requested to include a General Manager Position for the above cadre recently in order to facilitate the development activities and human resource development of the company. In addition, Ministry has granted approval to introduce an insurance scheme for the deep mining employees.

National Enterprise Development Authority

As a result of the recognizing the SME sector as one of the important sectors to develop the Sri Lankan economy, National Enterprise

Development Authority (NEDA) was established under Act No. 17 of 2006 to promote, support, encourage and facilitate enterprise development with special emphasis to the Small and Medium Enterprise sector of the country. Among these, the Authority has contributed to the development of enterprises of the Divisional and Districts by way of establishment of District Enterprise forums, "Gamata Obina Viyapara Programme", and Cluster development programmes.

Ministry has taken following steps during the reviewing period to strengthen the human resource activities of the company.

- Ministry has developed the Scheme of Recruitment (SOR) of the institute with the assistant of the NEDA and recommended SOR by the National Salary and cadre commission has already sent to the Department of Management Services for the approval. In addition to that, Ministry has monitored all recruitments and promotions of the institute during the reviewing period.
- Conducted progress review programmes and aligned activities with the Corporate Plan and the Action Plan of the Authority. New activities have already been included to the new Corporate Plan aiming to strengthen SME sector.
- Actions have already been taken to ensure for audit quarries raised by the Auditor

General and corrective actions have been taken for the same during the reviewing period.

Lanka Leyland Limited

The Lanka Leyland Limited (LLL) is a 100% Government Owned Public Limited Company which comes under the purview of the Ministry of Industry and Commerce since 2008. Lanka Leyland Limited does only managing 42% of Government investment in Lanka Ashok Leyland Limited.

Lanka Ashok Leyland Limited

Lanka Ashok Leyland Limited is a public quoted company incorporated in Sri Lanka in 1982 as a joint venture company between Government of Sri Lanka (represented by Lanka Leyland Limited, which is 100% shares holds by the GOSL) having equity of 42% and Ashok Leyland Limited of India having equity of 28%, and left 30% holds by the Public. The Company assembles Ashok Leyland range commercial vehicles and is in the business of import and marketing of Ashok Leyland fully built buses, trucks, truck chassis, spare parts, generators and accessories. The Company also carries out repairs and recondition of commercial vehicles including body fabrication on new Ashok Leyland goods and passenger transport vehicles. The Ministry has monitored commercial activities and human resource activities of the company and

recommended visa extensions of the foreign employees after reviewing their necessity for the company.

Small and Micro Industries Leader and Entrepreneur Promotion Project III – Revolving Fund

(SMILE III - Revolving Fund)

Introduction

The SMILE III Revolving Fund project was implemented through the Project Management Unit (PMU) of this Ministry since 01st of May 2012.

The SMILE III Revolving Fund loan scheme would provide low interest rate loans to establish new enterprises or to enhance either productivity or level of operation and improve quality of products of the existing business. Further, the loan scheme will cover the improvement of organizational capacity and product development of small and micro industries.

Methodology

Two loan schemes are available under this project, namely, General Loan Scheme (GLS) and Technical Transfer Assistant Loan Scheme (TTAS).

- **General Loan Scheme**

Manufacturing and industrial sub-sectors are considered under this loan scheme.

▪ **Technical Transfer Assistant Loan Scheme**

Focuses to upgrade accounting, managerial and technical skills of the sub projects staff or upgraded the quality of end products of sub projects by purchasing quality control equipment's/ lab equipment's.

Information of loan scheme	GLS	TTAS
Maximum loan amount	5 Mn	2.5 Mn
Interest rate	9%	5%
Payback period	10 years (including 02 years grace period)	07 years (including 02 years grace period)

Source: SMILE III - Revolving Fund

These loans are disbursing through 10 participating Credit Institutions (Bank of Ceylon, People's Bank, Regional Development Bank, Commercial Bank, Hatton National Bank, Seylan Bank, National Development Bank, Sampath Bank, DFCC Bank, Sanasa Development Bank (PLC) and loan disbursements were commenced from July, 2013.

Progress as at 31st December 2014

As per our records, available total funds for SMILE III RF loan scheme is Rs. 9.5 Billion as at December 31st 2014. During the reviewing period of January to December 2014, 1510 loan applications were received and 1244 loan

applications were considered as an eligible sub projects by the Operational Level Committee. Out of them, 249 sub projects were fund allocated and allocated amount was Rs. 609.426 mn. Further, 318 sub projects were reimbursed at the worth of Rs. 806.426 mn. During this year PMU has conducted several awareness programmes at Horana, Hanwella, Matale and Jaffna to aware the small and micro sector entrepreneurs. Specially, a Rupavahini programme has been conducted under the "Diriyata Saviyak" on 25.09.2014.

KAHATAGAHA GRAPHITE LANKA LIMITED

Introduction

Kahatagaha Graphite Mines

Kahatagaha Mines are located in North Western Province of Sri Lanka at Maduragoda, Dodangaslanda in the Kurunegala District, approximately 90 km. from the capital of Colombo, and managed by Kahatagaha Graphite Lanka Limited. (KGLL) It is a fully government owned public limited liability Company, under the Companies Act No. 07 of 2007 purviewed by the Ministry of Industry and Commerce and the major shareholder is Secretary to the Treasury. KGLL main policy making body is it's Board of Directors headed by executive Chairman and KGLL derives the essence of its corporate policy from its line Ministry and the Treasury.

Kahatagaha Mines are situated at an elevation of 25 meters in Hilly terrain and approximately 102 acres with free hold title, while Kahatagaha Graphite Lanka Ltd. only occupying a few acres of the surface land. The mine extends as far as 500 meters at its widest point. In addition to that out of 102 acres, 75 acres of coconut cultivation also managed by KGLL.

Kahatagaha Mine is 2000 feet (610 meters)

deep which makes it is the deepest mine in Sri Lanka and accessed by 2 shafts. The one at Kahatagaha is 1132 feet (345 meters) and Kolongaha goes up to 330 feet (101 meters). The below shaft bottom access is by series of winches up to 2000 feet (610 meters). Main winch is operated to send underground workers up to 1132 feet level to reach up to 2000 feet level.

There are two major mines in Sri Lanka namely - Bogala mines and Kahatagaha mines. Earlier Kahatagaha and Kolongaha mines were working as two mines and operated since 1872. Presently these two mines are amalgamated and work as a single mine.

Kahatagaha Unique product

While having a world recognition, Sri Lanka is the only commercial Source of supply of high Carbon Natural Crystalline Vein Graphite and particularly Kahatagaha Mine is capable of mining high purity Natural Vein Graphite over 99% carbon in fully crystallized form. It is found as needles, lumps, rossets, and flakes, enjoying monopoly of high carbon crystalline vein graphite with low ash content having a proven reputation of world market acceptance as an unique product.

Graphite Export Countries

KGLL is an 100% export oriented Company, and its major export countries are U.S.A., U.K., JAPAN, AUSTRALIA, INDIA and PAKISTAN. New inquiries have been made for Kahatagaha Graphite from Brunel University of United Kingdom - to be used first in Boeing's aero planes and also in future testing of NASA space rockets.

Vision

"To be the unique source of the natural crystalline vein graphite in the world"

Mission

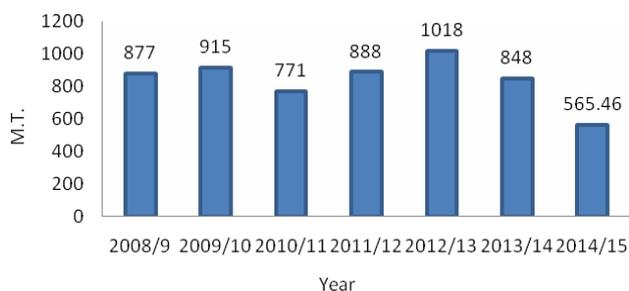
"To be a dynamic partner who is effective and efficient in the economic and social development of sri lanka by earning foreign exchange with optimum utilization of graphite mineral resource in the country"

Objectives

"The business objectives of the company are, mining and processing of high purity quality graphite for exports and maximum value addition and developing graphite based industries"

Progress as at 31st December 2014

Production



2014/15 Information up to 31st December - 2014

In 2014/15 up to 31st December 2014 the total Graphite (Run of Mine) Production is 565.46 M/T. After revival of Mine from 2006 to date total production 6,062.3 M/T. The production target was 100 M/T per month for 2014/15.

Comparing with last 10 years, monthly production per head has increased from 0.138 M/T to 1.185 M/T.

Productivity

Currently average Productivity is 45.88kg per man shift, as against the last year Productivity of 45 kg. per man shift.

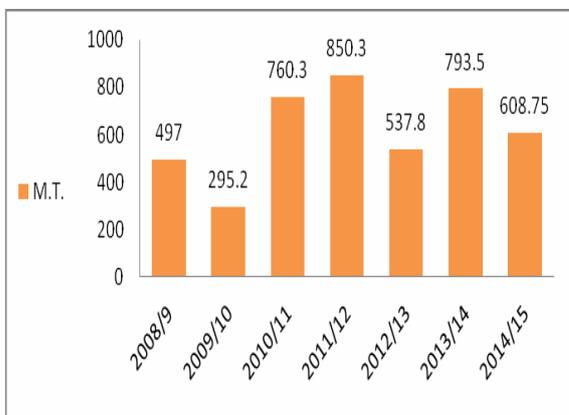
Sales

Graphite export market was activated during the 2007/2008 with regular traditional buyers of USA - Asbury Graphite Mills. Inc and Japan - S. Kato & Co.

After year 2000 we have entered the European market in U. K. in 2011 dealing with Graphexel Co. and exported high grade graphite to the European market.

Accordingly KGLL has exported 608.75M/T during the period of 2014/15 upto 31st December 2014 . After revival of mine from 2006 upto 31st December 2014 total export tonnage is 4,913.66 M/T. Sales Income has been increased to Rs. 144 Mn. in year 2013/14. Comparing with last year (2012/13) income of Rs. 91.68 Mn., revenue has been increased by Rs. 52.4

Mn. This is the norm of international Graphite industry and sales are fluctuating year by year according to the Market Trend.



2014/15 Information up to 31st December 2014

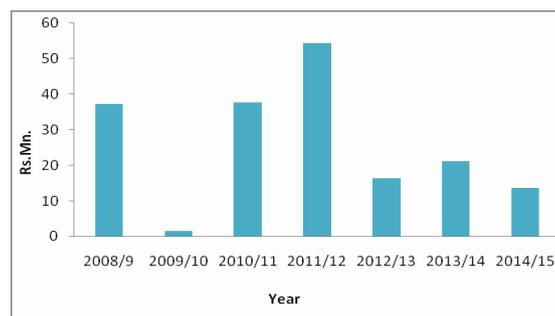
Funds

During the period of 2014/15 upto 31st December total Income is Rs.104.97 m.n. After the re-opening of Mines, Kahatagaha Graphite Lanka Limited has earned Rs.748.45 mn. from 2006 upto 31st December 2014.



2014/15 Information up to 31st December 2014

Profit



2014/15 Information based on draft accounts up to 31st December 2014

During the period of 2014/15 up to 31st December 2014 total Net profit before tax is Rs.13.5 m.n. After the re-opening of Mines in 2006, Kahatagaha Graphite Lanka Limited has earned Rs.227.13 mn of profit before tax from 2006 upto 31st December 2014.

Mines operational expenditure is incurred by KGLL earnings.

Funds have not been provided by the Treasury for Kahatagaha Mines.

Bank & Cash Balance as at end of 31st December 2014 was Rs.4.69 mn.

Stocks

Current stock availability as at 31st December 2014 is 762.1 M/T and it's approximate market value is Rs.168.4 mn.

Work Force

Total work force is 110 including skilled miners and other relevant Technical staff. One qualified Chartered Mechanical Engineer was appointed on part time basis.

MANTAI SALT LIMITED (MSL)

Introduction

Mantai Salt Ltd. has long history in salt production in Sri Lanka. It manufactures common salt, iodine mixed salt, crush salt and Industrial salt. The major production area is located in Mannar and its administrative office located in Colombo. The Chemmany saltern which functioned under Mantai saltern is wound up due the low productivity. However, Ministry has taken step to prepare a proposal to reopen the factory aiming production of salt in future.

The salt company was started in 1938 and it was controlled by the various administrative pattern under the deferent stake holder agencies and finally it was named as Mantai Salt Ltd in year 2001 and now functioning under the purview of Ministry of Industry and Commerce. The salt is being recognized as best in quality (99.5 is NaCl) in compare to the harvested salt in other part of the country.

The Mantai Salt not only functions as a natural resource utilization center also giving employment opportunities to the vulnerable people in the Mannar district. At present 43 permanent staff and 90 casual staff are employed in the institution.

Mantai Salt Ltd is governing by the board which comprised by the members represent from treasury and other government departments and it comes under the purview of Ministry of Industry and Commerce. The Corporation and Statutory Board Division of the Ministry is monitoring and facilitating the legal and accountable matters of the company. As it is a government enterprise it is registered under the company Act. No. 7 of 2007 as a Limited Company to abide for the company rules. Meanwhile the institution is certified by the SriLanka Standard Institution to ensure the quality. And also the company is being audited by the authorized auditors nominated by the treasury.

Production of Mannar Saltern

Total extent of Mannar Saltern is 240 acres of which 110 acres were in production area up to year 2010 and 53 acres were developed in 2011 with the assistance of the Ministry and present total production area is 163 acres. Annual salt production is around 5500 MT and contributing 3% of total salt production in Sri Lanka. This market share of 3% will be increased to 5% after further development of Mannar Saltern in near future.

Manthai salt Ltd is a self-financing & profit making institution. In addition to that major development projects have been launched with the assistance of government investment.

Mantai Salt Ltd.**Progress 1st January to 31st December 2014****Development Activities in Own fund (From Profit)**

Activities	Physical progress	Allocation in Rs.	Expenditure in Rs.
a) Pump house development Work	Completed	542,000.00	542,544.00
b) Extension of Brine intake pumping point	Completed	61,000.00	43,505.00
c) Iodizing Plant Wire net Covering up to Wall plate level	Completed	13,600.00	13,600.00
d) Rubble Pitching Around the Deep Tank No - 01	In progress	600,000.00	400,000.40
e) Rubble Pitching Around the China DC 1&2	Planning in process	200,000.00	198,000.00

Source: Manthai Salt Limited

Progress of Sale and Production

Sector	Target (MT)	Achievement (MT)	Remarks
Production	5500	6099.60	Production succeed the rate by the favorable climate and the hard-work of the team
Sales	6229	4255	The sales target is slightly less than the target due to the competitor's penetration.

Source: Manthai Salt Limited

Progress of Revenue

Revenue	Rs. 74,848,810.00	Rs. 44,477,818.00	The sales price is reduced than the budgeted amount.
Value addition.	-	Rs. 31405.	Rs 31405 spent for SLSI audit for packet salt.

Source: Manthai Salt Limited

NATIONAL ENTERPRISE DEVELOPMENT AUTHORITY

Introduction

National Enterprise Development Authority established under the Parliament Act No. 17 of 2006 is mandated to promote, support and encourage and facilitate enterprise development with special emphasis to the Small and Medium enterprise sector of the country.

Objectives

- To stimulate the growth, expansion and development of the economy of Sri Lanka by encouraging, promoting and facilitating Small and Medium Enterprise (SME) development.
- To stimulate and encourage the establishment and operation of enterprise outside Sri Lanka with a view to internationalize domestic enterprises, capable of penetrating in the foreign markets for the fulfillment of the objectives of the Act.
- To formulate appropriately designed policies, plans, promotional incentives and

effectively supporting and promoting trade and development of industry and agriculture sectors.

- To empower human capital development on technical skills as an integral component of enterprise development.
- To develop infrastructure facilities required to meet the development needs.
- To facilitate the access to finance.
- To establish a Technology Development Fund (TDF) to promote Research and Development (R&D) in connection with product development, technological enhancement and commercialization of patents.
- To facilitate regional economic development.

Performance - 2014

SME Issues For Policy Formation & SME Recognition Programme

NEDA developed a technical tool to track the issues in SME sector called issue tracker software and launched. A capacity building programme was conducted for development officers in Eastern province (Trincomalee, Batticalow and Ampara) regarding the issue tracker software.

Software Launching Programme in National level

NEDA has prepared the policy paper (Draft) in consultation with the Ministry of Traditional Industries and Department of National planning of Ministry of Finance & Planning.

Entrepreneur Award Ceremonies

National Enterprise Development Authority conducted Entrepreneur Award Ceremony with the objective of recognizing, rewarding and motivating these enterprises, who have profoundly contribute to the economic development of Sri Lanka.

The purpose of this Award is to:

- Recognize and reward outstanding entrepreneurs in the region
- Motivate and Encourage entrepreneurs to enhance their contribution to the Economic Development of the Province
- Stimulate Entrepreneurs to seek excellence in their respective field of business

Four Award ceremonies have been scheduled in North, East, Sothern and Central Provinces with supporting of District Chambers/Department of Small industries. But, Award Ceremony in Sothern & Central provinces was completed very successfully and other two award ceremonies will be held in 2015 (North & east).

Establishment & Strengthening of District & Regional Enterprise Forums

District and Regional Enterprise Forums are established to develop proper mechanism to provide business development services to the entrepreneurs at district & regional level. And also NEDA established Regional Enterprise Forums (REF) at Divisional secretariat level.

In 2014, NEDA is establishing District & Regional Enterprise Forums in each district. 14 District Enterprise Forums have been established & Regional District Forum was conducted in 34 Divisional Secretariats.

Information Dissemination

Publication of SME Guide book

NEDA published Business Development Service (BDS) Providers Directory and launched at national level and provincial level.

Diriyata Saviya Rupavahini Program

NEDA has been implementing entrepreneur education programmes through electronic media. Business information & business knowledge will be reached to entrepreneurs quickly & effectively through electronic media. Programme has been arranged to provide case studies, field observations & advertisement through panel discussion. This programme is telecasting in every month (30 Minuit programme).

“Gamata Obina Vyapara” Program
Study on identification of competitive business issues & proposals at Northern province

The small & medium Enterprises in the regional areas are the major source of employment and SME sector development. It is clear that the sector has not achieved desired level of contribution when compare with other countries. NEDA has under taken various steps to promote this vital sector since inception. NEDA has planned to promote SME sector especially in regional areas in the country and it is named as “Gamata ObinaVyapara” to promote business at village level.

This program consists of two major components:

- Identifies Competitive Business Opportunities, issues and suggestions for development of competitive business sectors in a given geographical area (District Level) through LOCA /VCD methodology or any other appropriate tools
- Implementation of Sector development proposals and entrepreneur development program.

Objective & Out Put:

This study report (LOCA/VCD Report) is very essential document for entrepreneurs and Business Development Service (BDS) Providers including NEDA to design development program at regional level.

In 2014, NEDA started study in Hambanthota and Jaffna districts and continue in 2015.

New Business Creation and Expansion at District level

This programme was arranged with financial Institutes. Entrepreneurship development and technical trainings were provided based on the beneficiary requirements. And financial support is provided by the relevant bank. In 2014, entrepreneurship development and technical training programme were conducted. Technical trainings were provided for 660 beneficiaries and entrepreneurship development trainings were provided for 654 beneficiaries.

Enhancement of Educated Sri Lankan Youth through Entrepreneurship Development

Entrepreneurship Development Programme for Vocational Trainees

This programme has been designed for vocational trainees, those who are in the exit level of the vocational/Technical colleges, and also equipped these youths in the field of entrepreneurship skills. Financial facilities, new technologies, business counseling & monitoring etc. This programme would help to promote & development of youth entrepreneurs as well as to achive the global economics opportunities.

In 2014, NEDA Provided entrepreneurship development (ED) training programs for 34

vocational trainees in Small Industry Department in NWP and 16 Vocational trainees in Department of Small Industry in Central Province.

Women Entrepreneur Development

Programme

NEDA arranged programmes for women entrepreneurs to encourage & contribute them for SME sector through entrepreneurship development. Objective is enhancement of rural women through entrepreneurship development

NEDA has established Handicraft women business associations in Kurunegala Gampaha and Puttalam districts. Entrepreneurship and technical trainings were provided them and, identified women group to establish women business association in Hambanthota.

In addition, NEDA provided training programmes for identified women business groups (Technical training 1594 women entrepreneurs and ED training for 69 women entrepreneurs)

Geographical Cluster Development Program

NEDA identify existing industry clusters and examine the value chain of a particular cluster

and geographical area. Accordingly, it undertakes interventions to improve the business activities of the cluster. Clusters with high developmental potential will be selected to develop as special economic zone. At present NEDA has identified clusters; Moratuwa wood cluster, Wayamba & Southern province coir, Uva & Northern Province Handicraft cluster, Northern Province light engineering, Puttalam pottery cluster, and Handloom cluster. NEDA is implementing programs to develop these clusters as globally compatible entrepreneur cluster as special economic zone in Sri Lanka by developing their capabilities with supporting of Market Development, Entrepreneurship Development, Technology Transfer, and Financial Assistant etc. And also, business linkages are established between these clusters and other related Entrepreneurs in the country & Overseas.

Objectives

- Establishment of Marketing Linkages
- Technology Development & Transfer
- Entrepreneurship Development
- Financial Assistance
- Infra-structure Development

In 2014, NEDA provided services for these clusters as given below

Moratuwa wood furniture	Provide ED training for selected furniture entrepreneurs (25) and provided machineries & equipment
Coir cluster in NW & Southern provinces	Convention program was conducted for coir millers in NWP & Sothern Province and arranging facilities for build for coir exporters.
Monaragala Handicraft	Provided 3 ED and 3 technical training programs for handicraft/dress making entrepreneurs (89) in Monaragala District.
Handicraft in Northern province	conducted 2 ED training program for 58 handicraft entrepreneurs
Light Engineering – Northern province	Provided 2 technical training programs for 45 light engineering entrepreneurs in Northern.
Pottery cluster – Putlam	Conducted stakeholder workshop
Handloom cluster	<p>Provided ED training program for 40 handloom weavers in Anuradapura , 21 handloom weavers in Kegalle. District,16 handloom weavers in Mannaer, 24 handloom weavers in Ampara District and 18 handloom weavers in Mulathiu District.</p> <p>Conducted handloom buyer seller meetings at Colombo (26 Participated).</p>
Tourism cluster	Conducted a research and developed a proposal to establish tourist focus marketing infrastructure (two sites were identified) proposals were submitted to MIC & Treasury.
Light engineering – Gampaha	Conducted conversion program for light engineering program and identified existing issues of the industry.

Source: National Enterprise Development Authority

Regional Support Service Programmes for SMEs at Regional Level.

NEDA provided enterprise development support service at regional level through NEDA development officers. They are providing supporting services such as short term training (Entrepreneurship, marketing, technical, book keeping & accounting etc based on the requirements), financial & marketing linkages, business counseling and any other BDS services.

NEDA provided technical training for 1381 entrepreneurs & Entrepreneurship Development programs for 1814 entrepreneurs through Development Officers.

Capacity development programs for BDS Providers/ Entrepreneurs

NEDA involved with technology transferring and entrepreneurship development programs. At present, most of people are involving with business or income generation activities with lack of entrepreneurial & technical skills. Hence, NEDA has decided to conduct capacity development training programs in different regions to improve their entrepreneurial, technical knowledge & skills.

Objective:

- Produce new products in order to cater the demands.
- Increase income level of entrepreneurs

- Creating of job opportunities.

In 2014, these capacity development programs were arranged based on the demand and implemented in regional & national level. NEDA conducted 12 capacity development training programs for 336 SMEs district

National programmes

Incense Sticks Enterprise Development Programme

NEDA is conducting development programme to promote incense stick production under cottage industry development programme parallel to the Divinaguma National Programme. NEDA implements this program covering all most all districts of Sri Lanka. In 2014, technical training were provided for 745 incense stick entrepreneurs.

Dayata kirula Development Programme

NEDA provided entrepreneurship development training for 132 floriculture entrepreneurs in Kurunegala District and 34 handicraft entrepreneurs in Puttalam district. NEDA collected BDS information in Southern province & Rathnapura district to publish Southern province BDS Directory. In addition, NEDA provided trainings for 1995 entrepreneurs under 'Dayata Kirula' National Programme.

TEXTILE INDUSTRY DEVELOPMENT DIVISION

Introduction

With a vision to convert Sri Lanka as a most creative and competitive manufacturer of textile and apparel sector in the region, Textile Industry Development Division is considering significant role played by this industry to the national economy of the country. The following industrial sectors come under the purview of the Textile Industry Development Division.

- Handloom Industry
- Textile Industry
- Apparel Industry

Progress as at December 31st 2014

Handloom Industry

The programs for sustainable Handloom industry development has been prepared and implemented as per the government policy document "Mahinda Chinthana Vision for the Future" which clearly mentioned that the Handloom sector will be subsequently assisted in the forms of finance, technology and market. In this context, the Hon, Minister of Industry and

Commerce appointed a task force for sustainable Handloom industry development. According to the recommendations of the task force Marketing, Training, designing and Technology and entrepreneurship development are the main areas which have been focused for the development of sustainable Handloom industry. The strategies and programmes for the development of Handloom industry implemented based on the recommendation of the Task force through the provincial councils, Department of Textile Industry Development (DTI), Sri Lanka Institute of Textile and Apparel (SLITA) and Handloom co-operative societies.

Handloom Village, Reactivation of Looms and Accessories, Human Resource Development

Establishing Handloom Villages

This project implemented by the Department of textile Industry Development in collaboration with the Ministry of Industry and Commerce. Under this project it is introducing the concept of cottage based industry with a modern outlook on public private partnership. This can be linked with family run enterprises as a model of cottage industry. In this concept the government's objective was to provide initial assistance and guidance to establish the village and then to convert them in to self-managed cottage industry. Through this concept, encouraging the present employees of the weaving units to become micro entrepreneurs

by providing weaving machines, raw materials and accessories while giving them entrepreneurship development training. Rs.12 Mn has been released to the Department of textile Industry Development for this development programmes.

Inspecting the Kalugamuwa handloom village by the Hon.Deputy Minister

Reactivation of Under Utilized Looms and Accessories in Handloom Centers and Supply of Looms and Accessories

Main objective of the programme is to enhance the working standards of weavers. Requirement of reactivation of underutilized looms and accessories has been completed in Uva provincial council in 2014 under this programme.

Human Resource Development

Training programme on Product Diversification, Yarn Dyeing and Colour Matching of handloom products are providing exposures to the handloom weavers on quality improvements. Product diversification and value addition programme have been introduced to enhance the market opportunities of handloom products and encourage manufacture of value added products. Under the training programmes 70 trainees were trained and 15 training programmes are provided under the handloom village programme.

Handloom Service Centers and Handloom Infrastructure

Regional Service Centers to Deliver the Services to the Handloom Industry

With the concept to provide all services related to the Handloom industry under one roof, the regional Handloom service centers are constructed to provide the quality service to the Handloom industrialists. The facilities to provide training, to showcase the products to Handloom weavers of the area, dyeing facilities with the modern technology to improve the quality of the products are made available at Polgahawela in North Western Province, Haragama in Central Province and Palaminai in Eastern Province (under construction). This centre provides training, upgrading skills, impact designs, product development to private sector and provincial councils and entrepreneurship development.

Development of Handloom Infrastructure

It is expected to enhance the production capacity in handloom industry by repairing the existing infrastructure and maximize the productivity of where available resources. Under this money has been allocated for building renovation in Niyagama center in 2014.

Market Promotion Activities

With the objective of upgrading the local entrepreneurs and to provide better market opportunities for the Handloom products and for the continuation of the sustainable growth of the industry, the Ministry adopts the marketing programmes. The national and provincial exhibitions were organized to popularize the creative Handloom fabrics and products among local and foreign buyers as a strategy to focus multi-faceted approach to the different segment of the market. The network session between buyers and weavers were organized to provide for better market opportunities for the products of Handloom villages.

Textile Industry

Productivity Improvement Programme (PIP) for textile sector including energy efficiency programme (SLITA)

With the objective to enhance the productivity and energy efficiency to the textile industrial sector of the country the productivity improvement programme is being implemented and towards to meet the competitiveness in world market. Under this programme, an advertisement has been published in newspapers in January 2014 calling interested factories to be the beneficiaries of the PIP Programme. Action Plan has been prepared incorporating four mile stones and assessed the

factories for taking them into PIP Programme. The energy efficiency programme for textile factories will be implemented as a componet of this programme.

Supplying Uniform materials for Government Institutions

The ministry has taken primary actions through domestic Textile Allocation Committee (DTAC) in view of facilitating the domestic textile industry in supplying raw material for Three Armed Forces, Department of Police, Special Task Force, Department of Civil Securities, Department of Prison and National Cadet Corps.

Requirement of uniform material of the Three Armed Forces, Department of Police, Special Task Force, Department of Civil Securities, Department of Prison and National Cadet Corps for the year 2014

Category	Quantity of Distributed Meters/Units	Value (Rs.mn)
Requirements of uniform material of the three Armed, forces, Department of police Special Task Force, Department of Prison and	3,335,500 Meters	1,196.7

National Carded Crops		
Other	1,947,500 Units	687.2
Total		1882.9

Apparel Industry Source: Textile Industry Development Division

Apparel Industry

Sri Lankan Apparel Industry is the most significant and dynamic contributor for Sri Lanka's economy and it is the largest manufacturing industry providing direct employment opportunities to substantial number of women in Sri Lanka. In that view Textile industry development division is strengthening this industry by formulating strategies in view of fostering human resource development, productivity and quality improvement programmes in collaboration with Sri Lanka Institute of Textile and Apparel (SLITA) and Joint Apparel Association Forum (JAAF).

Productivity Improvement Programme for SME Apparel Sector Including Energy Efficiency Programme for Apparel Sector (SLITA)

Since 2006 SLITA has been the implementing agency for carrying out PIP programme for SME sector apparel companies. In which SLITA provides consultancy services to the selected factories to develop their manufacturing efficiency, maintaining required quality level and to practice the best use of energy in the manufacturing of apparel products. Ministry of Industry and Commerce has allocated Rs. 7Mn for this programme in 2014 since 2006 the facilities were provided for 84 SME level Apparel factories with the objective of develop production staff to manage the production process in the SME sector apparel manufacturing plants to increase the production efficiency. The other one is improve the competitiveness of the SME sector apparel manufacturing plants to reduce the cost per minute of the production enabling the factory to increase profits. The institutional training programmes were conducted for 06 SME sector apparel factories. The programme is aimed to increase the productivity of the small and medium sector, Efficiency improvement, Improvement of quality standards, Cost reduction, Cleaner factories, Attitude building of employees and Energy saving in the factory & reduce electricity cost

Skill Development Programme for SME apparel sector factories (SLITA)

The Textile Development Division of the Ministry of Industry and Commerce, collaboration with SLITA has been providing consultancy and training for small and medium sector apparel factories for the Skill Development of the employees since 2008. In 2014 also it continues to provide training for the SME apparel sector. Ten institutional training programmes were conducted and 692 employees attended to training programmes under the above programme after advertise and calling application from interested SME sector factories, designing of learning materials and preparation of course curricula, conducted the proposed training programme at SLITA or at the factory in the areas of production, industrial engineering, quality, product development and outward bound training and conducting the training evaluation are the main activities done by the programme.

International / Local Image Building

Programme (JAAF)

The JAAF is the apex body representing the entire textile and apparel industry in Sri Lanka which include textile and apparel manufacturers and exporters, fabric and accessory manufacturers / suppliers as well as buying houses. It consists with 07 other associations in

the field. The membership of the above is 450 textile and apparel manufacturers, buying houses, accessory manufacturers, which employ close to 500,000 people. The JAAF therefore, is mandated and responsible for promoting the interest of its membership, hence involved in developing strategies for the success of the industry domestically. The JAAF works closely, on all policy matters with the government and make representation of foreign governments as well. The division in collaboration with JAAF is conducting International Market Development and Image Building Programme in view of improving positive image of the apparel industry, creating world class reliable manufacturers and networking and establishing Sri Lanka as a top apparel supplying destination among buyers and global consumers through online websites, marketing events and forum and direct marketing. In addition it is focusing on building a better image among general public through implementing programme for workers welfare and participating at Dayata Kirula.

Establishment of Apparel Based Cottage Industries

Establishing of Apparel Based Cottage Industries supports livelihood of more than 3400 families. Through this project it is expected to develop apparel industry as well as rural economy. The apparel industry is a labour intensive industry,

which earns 40% export revenue, facing challenge to retain the skill labour in the industry. Relocation of apparel industries to the areas where labours are available is a strategy to sustain the industry. The project is implemented via the District Secretariats and Rs. 100 Mn of allocation has been released to the Government Agents of the relevant Districts. The other objectives are to produce tailor-made and readymade garment for local customers, Enhancement of skills relevant to apparel manufacturing industrial sector. In this context, many apparel industries are established in large scale in the districts in Northern Province, in order of catering the skill labour force to the industry.

Apparel Export Service

The Textile Industry Development Division of the Ministry provides the regulatory and strategic support and required facilities to the garments and allied products to promote exports.

Services

- Registration of 20 Garment factories and 02 buying offices to promote apparel based product exports and issuing 18,000 certificates of origins to exporters to EU countries
- Monitoring the progress of manufacturing units and maintaining database on exports

- Provide facilities of duty free import of machinery, spare parts, semi finished goods, dye & chemicals, raw materials and other accessories for those who are registered in the Ministry
- Recommended 43 visas for foreign executives and technicians who are employed in buying offices, liaison offices and garment factories
- Recommendation to Sri Lanka Custom Department in case of re – exporting raw materials and accessories
- Recommending the factories in case of fabric transfer and sub – contract
- Recommending the Ministry of Defense in connection with items manufactured using camouflage materials

The division has taken steps to implement the online apparel export documentation system to simplify the export documentation procedure in collaboration with Sri Lanka Customs under the ASYCUDA System, which mitigate the time and resource waste of the exporters.

**Exports approved by Export Division as at
December 2014**

Sector	Units/ Meters	Garments Quantity	Value (US Dollars)
Registered Manufactures	Units Meters	76,308,735 26,296	34,606,798.83
Registered Exporters (Non manufactures)	Units Meters	1,360,646 4,105,485	4,589,277.76
Total	Units Meters	77,669,381 4,131,781	39,196,076.59

Source: Textile Industry Development Division

DEPARTMENT OF TEXTILE INDUSTRY

Introduction

According to the 13th Amendment of the Constitution of the Democratic Socialist Republic of Sri Lanka the subject relating to handloom textile industry has been vested with the Provincial Councils. In this context, the Department of Textile Industries is entrusted with the matters involving policy decision on the said subject, centralized activities and provision of services towards the development of the industry by way of coordination with the textile industry sector of the Provincial Councils.

Activities

- Formulation of policies in relation to the development of the handloom textile industry.
- Provision of product development oriented programmes.

Programmes.

- Design creation programs.
- Training of Trainers programs.
- Training programs relating to the subject of textile industries.
- Creation of successful entrepreneurs for the future through leadership training workshops aimed at personality improvement of the pupils of the Textile Schools.
- Training of instructors and staff required for the development of the handloom textile industry sector.
- Training of employees required for the sector.
- Sales promotion (Organization of national and international trade activities)

- Provision of appropriate projects, opportunities of the self-employment and support services and organization of programs with a view to expanding the handloom textile industry.
- Conduct of exhibitions and competitions with the objective of developing designs and qualitative improvement in the handloom textile industry.
- Conduct of the National Handloom Textile Exhibition.
- Experimental research and conservation work required for the uplift of the handloom textile industry.
- Introduction of new technology and related development activities.

Progress as at 31st December 2014

- 5 Textile Instructors were recruited in Sinhala medium
- Renovation works were completed in two buildings
- 2785 workers were benefited by the compensation scheme worth Rs. 119.8 Mn.
- 138 students have been recruited for the training school and 16 were recruited for the design school
- Handloom industry census were completed and also provide training for weavers in 3 districts of North Western province.
- 710 trainees have been trained. One work shop for instructors' programmes for students and one power loom programme were conducted under this project
- Construction work of hand loom textile design , dye and sales center has been initiated in palamunai.

SRI LANKA INSTITUTE OF TEXTILE AND APPAREL (SLITA)

Introduction

Sri Lanka Institute of Textile and Apparel, SLITA was established in 2009 under the Act No. 12 of 2009 and started operation from 15th June 2009. SLITA is one of the top Institutes in Sri Lanka dedicated to train manpower in textile, apparel, footwear and allied industries. In addition to training offered, the Institute provides technical services, consultancy and undertakes physical and chemical textile and apparel testing. The Institute offers long-term Diploma, short-term and customized training programmes in the field of textile and apparel technology management. SLITA testing laboratory is accredited with ISO 17025 certification for testing. The strategic decision taken to establish SLITA by amalgamating Textile Training & Services Centre (T&SC) and Clothing Industry Training Institute (CITI), ensures optimum utilization of human resources, equipment and space availability for an efficient and productive service. Further, SLITA took its path into a total transformation with re-organized six departments and management structure to face the emerging business challenges to serve the Sri Lankan Textile and Apparel Industry. Management structure of SLITA has created clear lines of authority and responsibility with the defined deliverables to generate revenues for its business continuity.

As per the Act, SLITA will be responsible to serve the Textile and Apparel Sector of Sri Lanka with the focus on meeting the following objectives,

- To provide expertise for the sustainable development of the Textile and Apparel Industry.
- To enhance the knowledge base of the Textile and Apparel A Sector to meet the emerging technological developments.
- To play a leading role in providing consultancy and technical services to local and overseas textile and apparel manufacturers.
- To provide technical expertise knowledge to the domestic Handloom Industry.
- To introduce a multiple services approach in providing technical assistance to the small scale
- Entrepreneurs in the rural sector engaged in textile, garment, handloom and footwear manufacturing.
- To continue as the leading training provider, SLITA is to elevate its services to tertiary level by conducting Diploma/Degree programmes to meet NVQ standards.
- To strengthen the information and communication technology of SLITA for easy access of services to ensure customer satisfaction.
- To embark on research and development activities.

With the above objectives, SLITA is expected to accelerate its services to continue as the leading services provider for the Textile and Apparel Industry and to become an economically viable organization in the long run.

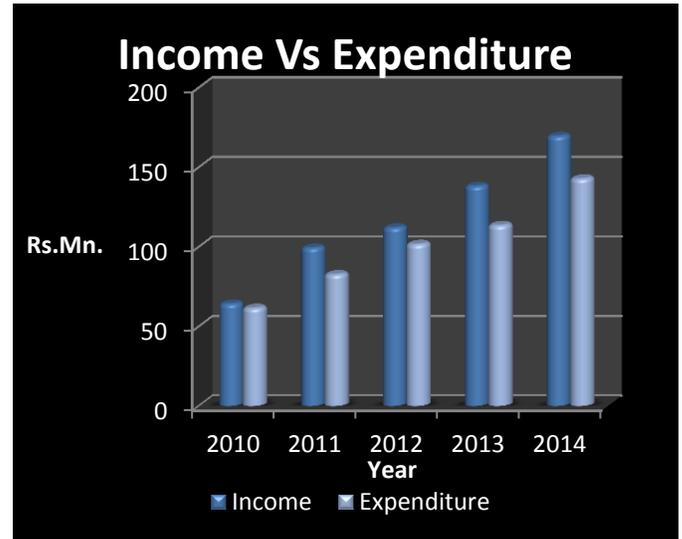
Financial and Physical Progress as at 31st December 2014

Sector	2014 Actual	2014
		Target
Financial Performance Revenue (Rs. Mn.)		
Testing	83.58	76
Training	56.27	57.13
Consultancy	1.14	6.9
Others	28.49	15.62
Government Grant	-	5
Deferred Income	19.6	19.95
Total Revenue	189.1	180.6
Total Expenditure	142.9	133.06
Surplus/Deficit	46.22	47.54

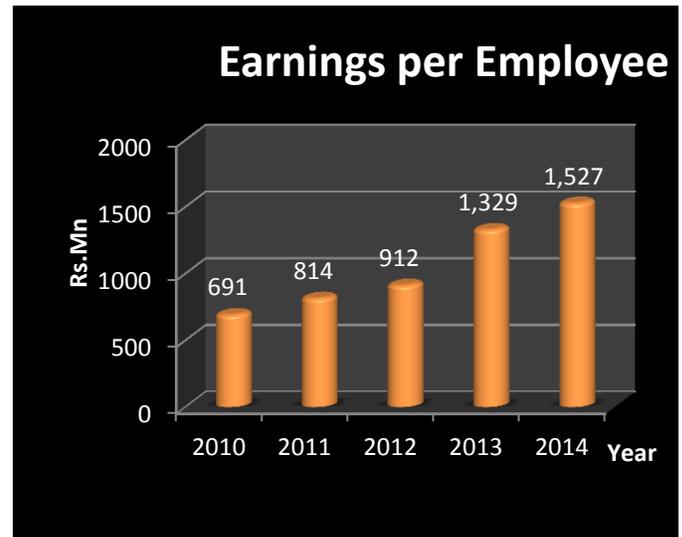
Sector	2014 Actual	2014
		Budget
Physical Performance (Nos.)		
No. of Tests	65031	30000
No. of Trainees	2520	1173
No. of Training Courses	120	101

Source: Sri Lanka Institute of Textile and Apparel, SLITA

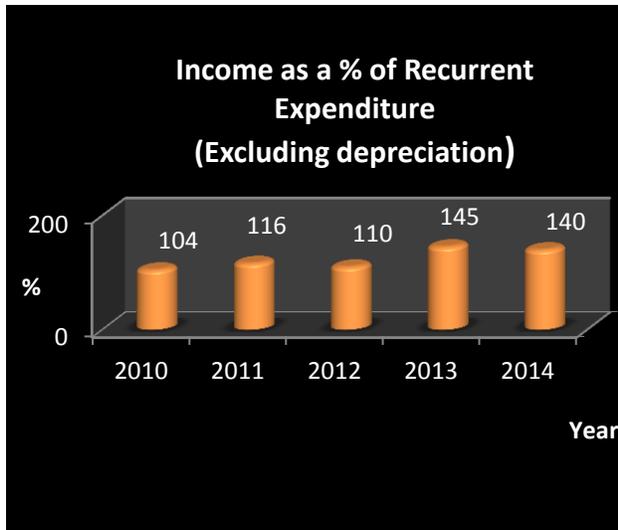
Financial Performance



Source: Sri Lanka Institute of Textile and Apparel, SLITA



Source: Sri Lanka Institute of Textile and Apparel, SLITA



Source: Sri Lanka Institute of Textile and Apparel, SLITA

Textile, Apparel Technology and

Management Training

The training activities have shown a remarkable growth during the past 8 ½ months of the year 2014 due to the favorable condition of the export growth of textile and apparel industry. In addition to the 100 structured training programmes planned for the year 2014, Institute introduced new Diploma courses, Diploma in Industrial Engineering, Diploma in Fashion Designing and Product Development Courses. Full time Diploma in Textile and Apparel Technology training programme is the main structured programme which has been developed to meet the demand of the middle management employment requirement in the textile and apparel sector and also for the students to persuade their studies leading to degree level programmes. Institute is in the process of collaboration with the Bolton University, UK to start of awarding top up degree for the diploma students. Institute has focused conducting more long-term programmes for industry personnel to upgrade their knowledge for them to hold middle level positions in the textile and apparel industry.

Meanwhile, Institute organized tailor made in-house training programmes in large scale textile and apparel factories. The Open University of Sri Lanka has also recognized SLITA Diplomates to grant exemptions for them to continue their higher studies in the respective discipline of Textile and Apparel Technology.

With the increased intake of the Diploma, Institute arranged job opening days for the Diplomates to find their employment needs after the completion of the training in the reputed textile and apparel companies. During this period, 82 long term, short term and customized training programmes were conducted for 1840 participants of school leavers and industry personnel. Full time Diploma was started in March 2014 and accommodated 60 students for the batch and they will be continuing their studies at the Institute. In line with the increasing number of long term training programmes, staff development programmes for academia were taken place locally and overseas. Total income from training was Rs.44.23 Mn. which shows a significant improvement compared with the same period of the last year.

Apparel Based Cottage Industry Training

Apparel based cottage industry training programme was started in August 2014 in Northern Province under the purview of Ministry of Industry & Commerce. According to this programme 97 new sewing centers are planned to be opened in Mannar, Vavunia and Mulatiuv. Sewing centres operational activities come under the trainers whom were given thorough training to continue their work related to managing the proposed sewing centers in three districts. Accordingly, 74 trainers underwent training at SLITA, Mannar Centre and 28 trainers at SLITA, Ratmalana Training Centre.

Physical and Chemical Testing Services for Textile and Apparel Industry

Laboratory is accredited with ISO 17025 under the accreditation of Sri Lanka Accreditation Board. Annual quality audit was also conducted by the Sri Lanka Accreditation Board (SLAB). Limited Brand accreditation was also obtained from the Intertek Limited from India to cater to the testing standard requirements for the export garment industry. SLITA Laboratory provides reliable testing services to

public and private sector institutions. Revenue from the testing services became the major income generation to the institute during the past 8 ½ months period compared with the income from training. It is vulnerable for undertaking testing for the public institutions like Police, Army, Navy, Air Force, Civil Security, Prison and Education Services Ministry. However the testing laboratory has now started undertaking testing of leather and footwear industry sector also. The Testing Laboratory was able to earn Rs.45.92 Mn. for undertaking testing out of 39,212 physical and chemical tests from the private sector and a few government agencies.

Consultancy Services

SLITA provides technical support to the Ministry of Industry & Commerce funded textile and handloom projects to re-organize the handloom industry in association with Department of Textile Industries. Under these initiatives training and consultancy programmes were introduced to the textile and handloom industry in Eastern Province, Palamunai. In addition to that, consultancy related to the apparel production organization in two factories in Northern Province was undertaken by the Institute.

Productivity Improvement Programme

Ministry of Industry and Commerce, Sri Lanka Chamber of Garment Exporters, Domestic Garment Manufacturers Association and SLITA are the stake holders of the Productivity Improvement Programme to assist the small and medium sector textile and apparel factories to improve the productivity. During the period from February to August 2014, 6 small and medium sector factories were taken into the programme and SLITA consultants delivered the consultancies to the factories for the improvement of quality and efficiency for them to be competitive in the export and domestic markets.

Under this programme, consultants addressed the issues at the manufacturing floors and energy saving for them to be efficient. Beneficiary factories have met the 4 targeted milestones for the completion of the programme and consultants transferred technical knowhow through 8 training programmes during the programme period. Progress of the Productivity Improvement Programme is reviewed by a Steering Committee comprising all stake holders. A sum of Rs. 7 Mn. has been allocated for the Productivity Improvement Programme and SLITA has already utilized Rs.5.8Mn. for the first six months period of the year 2014.

Productivity Improvement Programme for the Textile Manufacturing factories was also started in July 2014. Two Textile factories were taken into the programme for a period of six months from July to December 2014. The ministry has allocated 3 Mn. for this programme. SLITA has already utilized Rs. 1 Mn. for this programme.

Skill Development Training Programme

Skill Development Training Programme is focused on the development of the skills of the human resources of the SME sector factories in the areas of technology and management. During the last 8 ½ months, 10 inhouse and institutional training programmes have been conducted to train 692 participants by SLITA. Under this programme, the training needs of the prospective factories are identified prior to organizing tailor-made training programmes for the factories of their interest. During this period, the skill development programme was imperative to address the issues of skills needed to enhance the productivity. Ministry of Industry and Commerce allocated Rs.2.5Mn. for this programme in 2014 and SLITA has already utilized the funds of Rs.1.25 Mn. for this programme.

Leather & Footwear Manufacturing

Technology Training

Sri Lanka Institute of Textile & Apparel (SLITA) commenced the Leather & Footwear Technology Training Programme for industry personnel and youths who wish to embark their career in the leather & footwear industry. Ministry of Industry & Commerce funded Rs. 15 mn. for installation of 31 leather and footwear machinery to establish a leather and footwear technology division at the Institute. Hon. Rishad Bathiudeen, Minister of Industry and Commerce declared open the division on 19th March 2014 at SLITA. Ministry officials and industry personnel participated in this opening ceremony. The objective of the courses conducted at this division are to be visionary and inspired middle level technical personnel to fill the gap in the leather and footwear industry and aiming to capture export market similar to

the textile and apparel manufacturing sector in Sri Lanka. Overseas trained technical staff demonstrates the technology in leather & footwear manufacturing with the support from external experts in leather & footwear industry. After the establishment of leather and footwear division, around 14 trainees have followed training programmes in footwear manufacturing and designing and 41 industry personnel participated in two workshops on Industrial Engineering and leather processing. Now SLITA is equipped with state of the art of new machinery and wish to propagate the services on training and consultancy. Testing Laboratory of SLITA is also equipped with necessary footwear testing machines to provide testing services to the industry.

Research and Development Unit

Setting up of the consultancy unit was formed in June 2013 under the guidance of a Consultant to undertake, promote, foster and engage in research for the extension of knowledge to factories connected with the textile and clothing industry. Initially, research and development unit started an island-wide research to collect data from the textile, handloom and apparel industry to establish a data base at SLITA to fetch the necessary statistics for the official use. In addition to that steps are taken to commence scientific research with the help of external experts in the industry.

Commerce Sector

DEPARTMENT OF COMMERCE

Introduction

The Department of Commerce (DOC) is the advisory arm of the Ministry of Industry and Commerce on formulation and implementation of Sri Lanka's foreign trade policy at bilateral, regional and multilateral level. This responsibility, inter-alia, includes:

- Negotiating, operationalizing and monitoring of Sri Lanka's free/preferential trade agreements,
- Steering of Joint Economic Commissions with other countries,
- Representing Sri Lanka at various international trade policy related fora.

The DOC executed its work programme in the height of the government vision for the foreign trade, taking pivotal contribution into consideration the trade can make towards the overall economic development of the country. On the promotional front, the DOC focused on further strengthening the existing international trade ties, finding new markets, promotion of new products, encouraging effective participation of the SME in the international trading and promotion of Sri Lanka as a trading hub in the South Asian region. Through its overseas Trade Representation, the DOC provided necessary information and extended necessary guidance and facilitates promotion of exports, FDI, portfolio investment and tourism.

Progress as at 31st December 2014

Export Performance

As per the data of Sri Lanka Custom, the cumulative export earnings of Sri Lanka in the year

2014 have increased to US \$ 11,044.38 Mn from US \$ 10,009.45Mn in the corresponding period in 2013 projecting growth over 10%.

Export values under Free Trade Agreements (FTAs) namely Indo-Sri Lanka Free Trade Agreement (ISFTA), Pakistan-Sri Lanka Free Trade Agreement (PSFTA) and Regional Trading Arrangements (RTAs) namely South Asia Free Trade Area (SAFTA), South Asia Preferential Trade Agreement (SAPTA), Asia Pacific Trade Agreement (APTA), Generalized System of Preferences (GSP), including the EU-GSP and the US- GSP and Global System of Trade Preferences (GSTP), for the year 2014, are shown in the table 01.

Sri Lanka's Export Values under FTAs and RTAs (Value in US \$ Mn)

Agreement	2014
ISFTA	375.80
PSFTA	51.78
*SAFTA	1.73
*SAPTA	1.18
APTA	114.50
GSP	3,578.55
*GSTP	13.11
Total	6,150.65

Source: Sri Lanka Customs /Dept. of Commerce

Proposed China- Sri Lanka FTA

During the period under review, the DOC under the guidance of the Ministry of Industry and Commerce provided the Ministry of Finance and Planning with substantial technical inputs to compile the Joint Feasibility Study report, Draft Framework Agreement and Request and Offer Lists under the proposed China- Sri Lanka FTA.

The negotiations on the China – Sri Lanka Free Trade Agreement were formally launched in September 2014 in Colombo during the visit of H.E the President of China to Sri Lanka. The Second Round of the negotiation was held in Beijing in November 2014, with a special emphasis on the trade liberalization programme.

Inter-Governmental Economic Policy Dialogue between Sri Lanka and Japan

A MOU on launching an Inter-Governmental Economic Policy Dialogue between Sri Lanka and Japan, initiated by the DOC, was signed during the visit of the Hon. Prime Minister of Japan to Sri Lanka in September.

Joint Commissions

Following meetings of the Joint Commissions were held;

- 10th Meeting of Joint Commission for Economic Cooperation between Iran & Sri Lanka, held in Teheran in January.
- Bilateral Discussion on Trade, Investment & Economic Issues between India and Sri Lanka, held in January, New Delhi
- 01st Joint Working Group on Trade with Bangladesh was held in February, Dhaka
- 8th Session on Joint Committee for Economic & Technical Cooperation between Iraq and Sri Lanka was held in February, Bagdad
- The First Meeting of Sri Lanka Qatar Joint Commission on Economic, Commercial and Technical Cooperation was held on 14th–15th September in Doha.
- 1st Session on Joint Commission on Trade and Economic Cooperation between Belarus & Sri Lanka was held on 9th and 10th July 2014 in Colombo
- Meeting on Modalities of the Sub Committee on Trade (SCT) between Sri Lanka and Vietnam on 21st – 22nd August 2014
- 11th Session on Joint Council between USA & Sri Lanka under Trade & Investment Framework Agreement was held on 15th October 2014 in Colombo

- 1st Session on Joint Working Groups on Trade, Investment, Customs Cooperation & Auto sector was held on 20th – 21st October 2014 in Islamabad, Pakistan
- 2nd Joint Working Group between Bangladesh & Sri Lanka September 2014
- 1st Session on Joint Commission between Kenya & Sri Lanka November 2014

Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)

The 3rd BIMSTEC Summit, 14th BIMSTEC Ministerial Meeting and the 16th BIMSTEC Senior Officials' Meeting were held in Nay Pyi Taw in March. Sri Lanka has finalized the negative list under BIMSTEC FTA.

Multilateral Trade Relations

World Trade Organization's (WTO) Trade Facilitation Self – Assessment of Need & Priorities for Sri Lanka was held in March 2014, Colombo

Implementation of the Bali Package of the 9th WTO Ministerial Conference held in December 2013 in Bali, Indonesia was continued

In consultation with World Intellectual Property Organization (WIPO), WTO and Advisory Centre for WTO Law (ACWL), the PR/WTO has assisted the National Intellectual Property Office of Sri Lanka (NIPO) with detailed information on the different flexibilities available to developing countries in translating copyrighted work.

Key Promotional activities undertaken by the Commercial Officers stationed abroad

Facilitated the advance visit to have a Sri Lanka Roadshows in Saudi Arabia led by Hon. Rishad Bathiudeen, Minister of Industry and Commerce from 14-17 June 2014.

Initiation of discussion on signing a MOU including operational modalities in issuing non – manipulation certificate for transit cargo under FTAs destined to China on Customs Strategic

Cooperation between Sri Lanka Customs and Chinese Customs.

Initiation of actions to obtain quarantine clearance for exports of Sri Lanka's Banana to China.

Initiation of measures to register Pure Ceylon Cinnamon in Mexico.

Arrangements for signing of Air Services Agreement between the Government of Sri Lanka and Government of South Africa.

Successful completion of Afro-Lanka Business Forum and Business Matchmaking Programme on 22nd June, 2014 in Johannesburg, South Africa. Hon. Deputy Minister of Industry and Commerce led the Sri Lanka delegation. Over 140 companies from the countries of South Africa, Zambia, Swaziland and Namibia participated at the event.

DOC facilitated the visit of a 14 member French; Trade and Investment delegation to Sri Lanka from 05th to 12th August. The delegation was comprised of the well-known Architects and Hotel Developers; Such as Cardete & Huet, Accenture, and Vinci Construction etc.

In coordination with the European Chamber of Commerce of Sri Lanka, EU – Sri Lanka Business Council and SLASSCOM-IT / BPO Association organized a delegation to Belgium from 26 – 27 May 2014. The Commercial officer in Brussels assisted the delegation to identify prospective products.

Sri Lanka pavilion wide participation of 135 Sri Lankan Companies, including SME sector from product sectors such as gems and Jewellery, tea, Batik, handicraft, coir, Ayurveda products and giftware at 2nd China South Asia Expo from 06th to 10th June

Participated at West Japan Import Fair 2014, Japan in May with 11 Sri Lankan companies.

Sri Lanka High Commission in the UK, hosted Sri Lanka Capital Market Day with the London Stock Exchange on 29th and 30th May, London.

Assistance extended to Kahatagaha Graphite and Mantai Salt to promote graphite and salt overseas buyers and to find investment partners through commercial officers abroad.

Apparel Promotion Mission to Brazil from 20th to 28th September 2014. A Delegation from 09 leading apparel exporting companies participated

Brief of the Trade Promotional Activities Undertaken During year 2014 by the Commercial Officers Stationed Abroad

Table 02:

Activities		Quantity
Staged Sri Lanka specific (single-country) promotional campaigns in host countries		33
Trade delegations to Sri Lanka	Number of delegations	35
	Number of delegates	387
Trade delegations to the host country	Number of delegations	78
	Number of delegates	805
Individual visits to Sri Lanka		237
Individual visits to the host country		280
Exhibitions promoted in the host country	Number of fairs	61
	Number of exhibitors / visitors	737
Promotional fair participation from the host in Sri Lanka	Number of fairs	22
	Number of exhibitors / visitors	169
Number of inquiries served (trade/ investment/tourism)		2,132
Number of trade complaints attended		47

Source: Sri Lanka Customs /Dept. of Commerce

**Progress of the Issuance of Certificate of Origins
(COOs) in year 2014**

Scheme/ Agreement	No. of COOs
EU GSP	83,898
GSP- Other	12,706
GSP-CIS	842
ISFTA	10,852
PSFTA	7,069
APTA	4,131
SAFTA	388
SAPTA	309
GSTP	107
Total	120,302

Source: Sri Lanka Customs /Dept. of Commerce

Issuance of GSP Certificate of Origins under Hub Operations was initiated.

Sri Lanka Customs and Embassy of Sri Lanka facilitated to exchange the respective official delegations on the issuance of Non-Manipulation Certificates (NMC) and during the year the operational modalities were under discussion.

Issuance for EU- GSP COOs for cigars manufactured in Sri Lanka using the unprocessed tobacco imported from Indonesia, under Cross Regional Cumulation between the SAARC and the ASEAN, was initiated.

Seminar on Norway GSP+ Scheme was held jointly with the EDB in March in Colombo.

DEPARTMENT OF THE REGISTRAR OF COMPANIES

Vision

“Develop and foster a trusted business environment by making available an effective regulatory regime capable of instilling a culture of good governance covering the business sector in Sri Lanka”

Mission

“The Department of the Registrar of Companies in accordance with the economic and trade policy of the Government of Sri Lanka endeavors to give legal form to business and other institutions under the Acts administered by it and regulate their functions.”

Introduction

After the British colonization of Sri Lanka from 1815, English people expanded the scope of the Sri Lankan economy by introducing the export agriculture such as Coffee, Tea and Rubber. In 1861, Companies had been registered under the Joint Stock Companies Ordinance. Until the 04.02.1815, companies were registered under the Joint Stock Banking Ordinance and the Companies Ordinance No.51 of 1938. Under that Ordinance, the Department of Registrar of Companies had been established and vested the powers to execute the following Ordinances such as Trade Mark Ordinance, Business Name Ordinance, Cheettu Ordinance and Societies Ordinance. In 1980, National Intellectual Property Office had been established under the Intellectual Property Act no. 02 of 1979 and

vested the powers to execute Trade Mark Ordinance in 1981.

After the Independence, Sri Lankan economy was executed with local identity and which was facilitated by the Companies Act No. 17 of 1982. This Act was executed for 25 years and new Companies Act No. 07 of 2007 was introduced to attract the large scale investments for the expanded economy and the Act was come into operation on 3rd May 2007.

Objectives and Functions

The implementation, administration and enforcement of the following acts and ordinances constitute the principal objectives and functions of the department.

- The Companies Act No. 7 of 2007
- The Societies ordinance chapter 123
- The Public Contracts Act No. 3 of 1987.

Progress as at 31st December– 2014

Development activities of the Software Development and Document Scanning Project are in progress at a cost of Rs. 60.8 Mn.

Software Quality Auditing and changing the Office Environment projects have been processing at a cost of Rs. 13.7 Mn and Rs. 5.5 Mn respectively.

In year 2014, the Department allocated Rs. 16.3 Mn for the acquisition & Rehabilitation of the Capital Assets. At present, more than 96.8% of these activities have already been completed as at 31st December 2014.

Registration under the Department in year 2014

Activity	Target 2014	Achievement up to 31 st December 2014	Remarks
(1) New Incorporation	7,000	6,845	Implementation of companies Act & Public Contract Act & Societies Ordinance
(2) No of document Registration	180,000	166,508	
(3) No of Societies Registration	500	71	
(4) No of Secretaries Registration	600	566	
(5) No of Public Contracts	4,000	10,384	
Agreements			
Total	192,100	184,374	

Source: Department of the Registrar of Companies

Income & Expenditure Summary

(6) Summary of the Income & Expenditure			
Department Revenue (Rs.Mn)	390	566	145%
Expenditure (Rs. Mn)	178.5	102.52	57%

Source: Department of the Registrar of Companies

NATIONAL INTELLECTUAL PROPERTY OFFICE OF SRI LANKA

Introduction

National Intellectual Property Office of Sri Lanka established by the Intellectual Property Act No.36 of 2003 (referred to as the Act), is vested with the power to administer the Intellectual Property system in Sri Lanka. National Intellectual Property Office was first established in 1980 by the Code of Intellectual Property Act No.52 of 1979.

Vision

To become a leading development oriented government agency offering quality based services with enhanced productivity.

Mission

To actively contribute to the development of the country by ensuring that the Intellectual Property System fosters an environment conducive to innovative and creative activity, investment and entrepreneurship.

Objective

The objectives of the introduction of the intellectual property law and establishment of the National Intellectual Property Office was aiming to encourage the national creativity, facilitate and systematize trade, increase exports, attract more investments , protect the rights of the consumer and integration of the national economy in to the knowledge based global activities.

Responsibility

- Administration of intellectual property including the activities relating to registration and post registration of marks, patents, industrial designs, layout designs of integrated circuits and collective societies.
- Collection and dissemination of intellectual property information.
- Promotion of awareness in the subject of intellectual property.
- Promotion of the use of intellectual property system in the development process by the intellectual property owners, enterprises & industries.
- Fulfillment of international obligations of Sri Lanka relating to intellectual property and promotion of international and regional cooperation on Intellectual property.
- Proposing policies on Intellectual Property.

- Facilitation of enforcement of IP rights including dispute resolution in the field of copyright and related rights.
- Registration and administration of Intellectual Property Agents

Intellectual Property System in Sri Lanka

Sri Lanka's Intellectual Property System is presently governed by the Intellectual Property Act No.36 of 2003. The Intellectual Property Act administers patents, trademarks, industrial designs, unfair competition, audio visual works, copy right and other related rights in various sectors whilst providing for the enforcement and administration of Intellectual property rights. Sri Lanka is a signatory to the following key international treaties/conventions on Intellectual Property namely the Berne Convention for the protection of literary and artistic works, Paris Convention for the protection of industrial property, Patent Cooperation Treaty, the Trademark Law Treaty, the Universal Copyright Convention and the Agreement on Trade Related Aspects of Intellectual Property Rights.

Progress as at 31st December 2014

Administration of Intellectual Property

The administration of Intellectual Property law mainly consists of activities relating to copyrights and work connected thereto, trademarks, patents and industrial designs, registration of Intellectual Property agents and

registration of collective management societies, post registration activities such as renewals of registrations, assignments and license contracts. The following progresses have been achieved in the area of administration of intellectual property.

Trade Marks

The Office undertakes the examination of trademarks, service marks, collective marks and certification marks for which registration is sought, as to form, substance and legality and grants the registration for those qualified. Further, it attends to renewals, assignments and license contracts related administrative work and collect and disseminate information relating to marks. The statistics relating to receipt of applications and activities completed during the specified period of time are given below.

	Activities	Completed Work 2014
01.	Vienna Classification	5,078
02.	Examination and Preparation of Search Reports	21,931
03.	Sending of Letters to Applicants (acceptance and rejections)	17,774
04.	Submission for Preparation of Gazette Notifications	6,902

	after required payments are made	
05.	Preparation of Gazette Notifications	1,714
06.	Publishing of Gazette Notifications	2,184
07.	Referred for Registration after relevant payments are made	1,556
08.	Issuing of Registration Certificates	1,140
09.	Renewal of Certificates	919
10.	Ex-parte Hearings	987
11.	Opposition Hearings	65
12.	Abandoned Files	1,391
13.	Sending of other relevant Letters	12,306
14.	Recording the Assignments & Change of Addresses and amending the Trademark Notices	1,729

Source: National Intellectual Property Office

Applications and other Documents received

	Type of Applications	No. of Applications / Documents received
01	Applications	8,552
02	Payments for Gazette Notifications	8,212
03	Payments for Registration	1,577
04	Applications for Renewals	2,503
05	Assignment & Change of Addresses	838

Source: National Intellectual Property Office

Patent Rights for new Inventions

This Office examines the resident and non-resident applications for patents and upon consideration of their novelty and suitability patents are granted to protect new inventions. After awarding these patents, post granting activities such as renewals, assignments and license contracts too shall be registered and administered by this office. Nevertheless, one of the responsibilities of this office is dissemination of patent and technical information (national and international) for the use of scientific and trade related research and development organizations, and industrialists. The data on applications received and activities completed are given below:

Activities	2014	
	Applications Received	Completed no. of Applications
Applications received for Registration	536	263
Acknowledgements	-	491
Formality Search	-	827
Amendments	-	22
Searches and Search Reports	-	93
Gazette Notifications	-	41
Further Action on related Documents	287	1,963
Validation and Miscellaneous Work	-	888
Assignments	24	08
Assignments and Change of Addresses	31	18
Renewals	556	520
Copies of Documents	-	23

Industrial Designs

The Office examines the applications for registration of industrial designs and grants registration to those qualified and attends to the post-registration activities including renewals, assignments and license contracts. Further, the Office collects and disseminates the information relating to industrial designs as well. The statistics relating to receipt of applications and activities completed during the specified period are given below.

Activities	2014	
	Applications Received	Applications Completed
Applications received	292	529
Acknowledgements	-	339
Basic Search	-	411
Search Report (with novelty)	-	264
Search Report (refused due to lack of novelty)	-	85
Call for Registration Fees	-	249
Publishing of Gazette Notifications	251	200
Work of	183	1,897

Documents related to it		
Validation and Other Work (data entry)	-	634
Assignments	-	02
Change of Names and Addresses	08	04
Renewals	39	35
Copies of Documents	-	06

Copy Right and Related Rights

This office promotes and ensures protection of Copyright and related rights. Four (04) requests have been received for dispute settlement and necessary action is being taken to conduct inquiries.

Infrastructure Development

The major area on focus was the automation of the intellectual property administration system (IPAS). The system is now in full operation with regard to trademarks, patents and industrial designs. Studies are under way to introduce a computerized system for the Shroff counter and to provide e-mail facilities to all the officers of the office. The absence of an Information and Communication Technology officer to assign the responsibilities is a problem encountered by this office. Once an Officer is assigned, the proposed plans will be implemented shortly.

Strengthening awareness, capacity building and Special Programs

Enhancing of public awareness on the subject of intellectual property receives much consideration for the benefit of both the users and the owners of Intellectual Property. The Intellectual Property office has already organized activities and actively participated in organizing nineteen (19) such events consisting of seminars/conferences and public lectures which were directed at various target groups in the government as well as in the private sector. Participants at these seminars/conferences and public lectures constituted of the Ministry of Industry and Commerce, Ministry of Environment and Renewable Energy, Ministry of Science and Technology, National Institute of Traditional Medicine, Sri Lanka Inventors Commission, University of Moratuwa, Medium Scale Industries Board, Sri Lanka Judges' Institute and various Private Sector Institutions as well.

In addition, an awareness workshop was held on 30th October 2014 in collaboration with the Chamber of Commerce and Industry of Central Province. Training is encouraged at all times for the employees whilst in service. In addition, eighteen (18) officers have received overseas training as well.

A five day workshop was held on the preparation of Patent application/ patent drafting with the assistance of the World

Intellectual Property Organization and also with its cooperation, a 3 day (follow up) workshop was conducted on Establishment of Technology and Innovation Support Centers (TISCs) in Sri Lanka . The Memorandum of Understanding was signed between the respective Director Generals of the World Intellectual Property Office (WIPO) and the National Intellectual Property Office (NIPO) of Sri Lanka to obtain necessary assistance with respect to TISCs project.

A Fact finding Mission comprising of two experts assigned by the World Intellectual Property Organization (WIPO) conducted a Need Assessment Survey from 2nd – 6th June 2014 in coordination with the relevant Ministries, Research Institutions, Universities and other stakeholders to formulate an Innovation Policy in Sri Lanka (The report is pending).

National Intellectual Property Office, United States Patent and Trademark Office and Global Intellectual Property Academy jointly organized a workshop on “Exchange of Best Practices used in Patent and Trademark Examination” from 16th to 19th June at the Hilton, Colombo.

The WIPO/NIPO joint workshop, a regional programme on “Building Respect for IP” for the members of the Judiciary took place on 24th and 25th November 2014. An IP Strategy Meeting was held on 26th November 2014. A programme on copyright titled “Making a Living in the Film Industry – Copyright for Film Industry

Professionals” took place from 15th -17th December 2014.

United Nations Conference on Trade and Development (UNCTAD) funded training programme for judicial officers titled “Develop a comprehensive understanding of public health related TRIPs flexibilities and their application to national Law” was conducted from December 03rd – 05th, 2014.

Draft Legislation

The draft amendment to the Act to introduce a voluntary depository system for Copyright protection is before the newly appointed Advisory Commission and the draft cabinet paper has been tabled for approval for the proposed amendments to the Act to facilitate registration of “Geographical Indications” in Sri Lanka.

International Cooperation

This office maintains a close relationship with the World Intellectual Property Organization (WIPO) and offices and institutions of other countries such as Japanese Patent Office, Korean International Intellectual Property Training Institute, United States Patent and Trademark Office (USPTO) with a view to upgrade and strengthens the domestic Intellectual Property System

Information and Advisory services

This office collects relevant data on intellectual property and all its related areas, stores and circulates same for the use of those business institutions, technical institutions, research and development institutions interested in intellectual property and for the use of new inventors.

National Intellectual Property Office provides expert and advisory services to the inventors, industrialists, literary and artistic creators, and research and development institutions upon request. National Intellectual Property office web site is active and is uploaded with updated activities. An information desk is functioning to provide speedy advice and distribute information. At this information desk, 8810 Public searches have been conducted whilst 11563 advisory services have been given.

Cooperation with Governmental and Non-Governmental Organizations

This office maintains close coordination and cooperation with several Governmental and Non-governmental Organizations in relation to Intellectual Property issues. These include the Ministry of Industry and Commerce, Department of Export Agriculture, Sri Lanka Judges' Institute, Ministry of External Affairs, Department of Immigration and Emigration, National Film Corporation, United Nations Development

Programme, Legal Draftsman's Department, Attorney General's Department, National Gem and Jewellery Authority, Ceylon Chamber of Commerce, Ministry of Agriculture, Ministry of Minor Export Crops Promotion, Sri Lanka Spice Council, Sri Lanka Cashew Corporation, Sri Lanka Chamber of Small and Medium Industry and various Private Sector institutions.

Registration of IP Agents.

21 new agents were registered and renewals of 23 registered agents were carried out.

Financial Affairs

NIPO is an income generating department which, charges a service fee and maintains the Intellectual Property Fund which was established under the Act. Income generated by providing services during the relevant period is given below:

Income Summary

The revenue earned for the services provided during the stipulated period is as follows:

2013	2014
Rs. 78,176,424.13	Rs. 82,311,485.52

SRI LANKA EXPORT DEVELOPMENT BOARD

Vision

To be the most sought after destination for global sourcing in identified product sectors.

Mission

To be the nation's leading catalyst organization for the development and promotion of products and services for exports, to enhance global competitiveness, maximize export earnings and achieve national economic goals.

Overall objectives of the EDB

- To increase the country's export value of products and services in line with the Governments' vision.
- To increase exports to markets other than the EU and USA by over 50% by 2020, while consolidating the market position in the EU and USA.
- To pay particular attention to the seven identified key product sectors, which will contribute over 80% of total export value, and achieve significant growth in those sectors.
- To project a more positive and a favourable image of Sri Lanka's exports as a whole, through the conduct of integrated marketing communication programmes in selected markets.

- To broad-base the beneficiaries of exports across the country and sectors, including SMEs.
- To build a team of excellence at the EDB based on core values, with particular emphasis on employee productivity and commitment.

Performance of the EDB 2014

Introduction

The Sri Lanka Export Development Board (EDB) is the national trade promotion organization specially vested with the responsibility for promotion and development of exports of products and services from Sri Lanka and was established in 1979 under the Sri Lanka Export Development Act No.40.

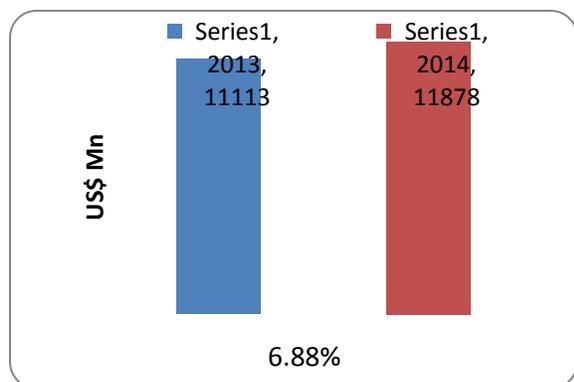
As exports contribute nearly 20% to the GDP, the policy framework of the country has identified the exports sector as a priority area for development. In line with the government's development agenda, the EDB is geared towards promoting products and services to international buyers and in global markets in order to make Sri Lanka the most sought after destination for global sourcing in identified products. EDB performs its key functions in five identified roles as a Policy Advisor, Monitor, Promoter, Facilitator and Knowledge Provider.

The EDB formulates and implements the national export development plan in collaboration with all relevant public and private stakeholders in order to achieve the development objectives of the export sector. The approach of the EDB is based on the principle that the public sector facilitates the strategic process, but exporters own and drive the strategy.

Export Sector of Sri Lanka

An Overview of the Export Performance

Export earnings of Sri Lanka increase by 6.88% to US\$ 11.88 Bn in 2014 from US\$ 11.11 Bn, registered during the corresponding period in 2013. This positive performance continued during the year 2014.



Source-Sri Lanka Custom

Export earnings of Sri Lanka reached US\$ 11.8 bn in January-December 2014

Sri Lanka's earnings from exports increased by 6.88% to US\$ 11,878 Mn in 2014 from US\$ 11,113 Mn recorded in the corresponding period in 2013.

All the three major sectors ie: Agriculture, Fisheries and Industrial which contributed 22.72%, 2.23% and 67.92% to the total merchandize export earnings of the country in 2014 grew by 8.8%, 8.5% and 6.1% respectively.

Within the industrial sector, earnings from exports of garments, which contributed 41.32% to the total export earnings of the country increased by 9.23% in 2014.

Exports to our major markets, EU & USA which absorbed 31.35% and 24.43% of our exports, increased by 6.43% and 9.14% respectively during 2014.

Performance of EDB Activities

The EDB implemented a series of programmes ie; integrated supply/ product/ design/quality/ packaging development programmes, trade facilitation, provision of trade information and e-commerce services to enhance the supply chain efficiency. EDB also organized a series of market promotion programmes with the objective of assisting our exporters to retain their markets and penetrating into new and emerging markets. Organizing Sri Lanka's participation at the selected international trade fairs/exhibitions in selected markets, organizing inward and outward trade mission, aggressive market communication campaign to project Sri Lanka's image as a reliable supplier of quality products and services and national branding campaign for Sri Lanka's products with unique characteristics and geographical identity are some of the activities carried out by the EDB. Regional export development programmes were also implemented to harness rural skills and resources to broaden the supply base.

Progress of the Major Development Programmes carried out by the EDB during 2014

Strategic Plan of the EDB 2015-2020

The EDB is in the process of formulating a new Strategic Plan for the period 2015-2020 in consultation and co-operation with the public and private sector agencies involved in the export development process.

National Export Strategy

The EDB initiated to formulate the National Export Strategy (NES) for the period 2015-

2020 in consultation and co-operation with the public and private sector agencies involved in the export development process.

Technical assistance will be obtained from the ITC Geneva for the formulation of the NES. An ITC pre-engagement mission visited Sri Lanka in August 2014 and conducted initial consultations with relevant stakeholders.

Advisory Committees

The EDB established 26 advisory committees under the EDB act as a key instrument used in strengthening the private/public partnership that is essential to facilitate export trade. These advisory committees are currently actively working with the EDB.

Benchmark programme for EDB – Performance Improvement Road Map (PIRM) for EDB

ITC based in Geneva carried out a benchmarking programme for EDB in 2012 aimed at assessing the effectiveness and efficiency of EDB and position EDB as a TPO vis-a-vis other TPOs.

A 03 member ITC delegation visited Sri Lanka in July to carry out a Performance Improvement Road Map (PIRM) for the EDB as a follow up to the Benchmarking programme.

The Exporters Forum

Under the Chairmanship of Hon. Minister of Industry & Commerce a Forum was held and a total of 53 issues were discussed.

Market Development Programmes

The EDB implemented an array of market development and promotion programmes during this period with the objective of ensuring successful consolidation of Sri Lankan product

and services in existing markets and penetrating into new and emerging markets. Most of these programmes were carried out with assistance of our foreign missions abroad.

- **EU Region** : ALIMENTARIA, Barcelona, Spain [5 exporters] , SEA FOOD EXPO GLOBAL 2014, Belgium[5 exporters], SIAL, Canada[5 exporters], INTERZOO, Germany [7 companies], Paper World 2014, Germany[3 exporters]
- **American Region** : IFT 2014, New Orleans, USA [2 exporters]
- **Asian Region** : FOODEX 2014, JAPAN [4 exporters], International Horticulture(IHK), Korea [6 exporters], 'Japan IT Week' Trade Exhibition [4 companies], 2nd China South Asia Exposition in Kunming [120 exporters], India Int'l Trade Fair [5 exporters]
- **Middle East, CIS, African Region** : GULF FOOD 2014,February[23 Exporters], SAITEX Trade Fair, South Africa [12 exporters]

Organizing Inward & outward trade missions

Outward Buying Missions - 18-member delegation to Myanmar Construction Summit & Market Development Programme in Myanmar , 20 member trade delegation to Bahrain, 20 member delegation to Israel, 3 member delegation to Tunisia, 5 member delegation to India, 15 member delegation to Maldives, 9 member Delegation to Brazil [Apparel], 23 member delegation to Maldives [Education Sector]

Inward Buying Missions - A Maldivian Delegation , A delegation from the General Administration of Quarantine Supervision, Inspection & Quality of China, 20 member delegation from the Fujian Province, China , 3

member Chinese delegation, 2 member buyer delegation from Brinda's Singapore, 4 member delegation from Seychelles, delegation from Egypt, Poland etc.

Market Research : With the objective of diversifying our exports to minimize the dependency on a few large export markets the EDB carried out market research studies on Brazil, South Africa, China etc with the aim of penetrating into these markets. Brazil and South Africa which are member countries of the BRICS group has been identified as a center with high economic growth prospect. EDB carried out several missions to exploit these markets with exporters. The first ever Sri Lankan Apparel promotional mission to Brazil was organized by the EDB with JAFF and the Sri Lanka embassy in Brazil in September 2014 with 09 leading apparel companies and 05 SMEs.

Organizing participation at Local trade exhibitions

- FACETS 2014
- Footwear & Leather Fair 2014

Programmes implemented for Agricultural Products, Industrial Products & Services

Branding of Ceylon Cinnamon

The EDB established Pure Ceylon Cinnamon as a Global Brand in the international market. The registration of trade mark in main markets such as USA, EU, Colombia and Peru already completed. Pure Ceylon Cinnamon trade mark was also registered with WIPO.



EDB is on the process of obtaining Geographical Indication (GI) for Ceylon Cinnamon in the EU market.

Scheme to issue "Pure Ceylon Cinnamon" Lion Logo

EDB issued licenses to 13 qualified exporters to use Pure Ceylon Cinnamon logo [PCC Logo] in their value added cinnamon exports. To the global markets, this logo shows where true cinnamon originates from.

Establishment of NOCU

National Organic Control Unit (NOCU) was established as an independent national body to control export/import of all organic agriculture products. This will facilitate to protect and the safe guard the credibility and organic products in the international market and also ensure quality and safety of such products imported in to Sri Lanka. It is mandatory for all producers, processors manufacturers and exporters/imports of organic agriculture products to register with NOCU and adhere to and comply with organic standards. To label a product as a organic it is compulsory obtain and organic certificate from an internationally accepted certification body.

Agro Export Zones

The EDB assisted to established and sustain agro export zones with the objective of expanding agri supply based for exports while trickling down the benefits of exports to the rural community. 15 GMP centers were also establish for the cinnamon industry to upgrade quality standards of cinnamon peeling in the southern province.

A programme for breeding and raring of ornamental fish for exports in polonnaruwa

district carried out. In 2013 and 2014, at the Aquarama International Aquarium Fish Competition held in Singapore, the aquarium fish breeder from polonnaruwa agro export zones were among the winners and this demonstrated the success of the programme implemented to place our exporters at international level. A programme for turmeric cultivation in Ampara district and a pineapple project in the Eastern province were also established.

Financial Assistance Scheme to improve Quarantine /Withholding facilities

The EDB implemented a financial assistance scheme approved by the National Budget 2013 to improve quarantine/withholding facilities of the ornamental fish sector. 10 agreements were signed during the period under review and 4 companies were assisted.

Design Development Programme for Sri Lanka's Handloom Sector

With the objective of strengthen Sri Lanka's handloom designs and promotion capacities and sustaining the industry's special identity, the Export Development Board organized a workshop for more than 50 Lankan handloom designers and experts on the theme titled "Design Development for Sri Lanka's Handlooms" on 30th June in Colombo.

Introducing and implementing Fair Trade Practices to the Craft Sector.

The EDB conducted a programme to introduce Fair Trade to Sri Lanka's Handicraft Sector in 2013 with the assistance of a foreign Fair-trade expert. In the year 2014 under the 2nd stage of the programme, 9 companies were selected to upgrade them into Fair-trade standards.

Boat Show & fisheries Exhibition Sri Lanka 2014

With the objective of providing a single platform for all related business sectors involved directly and indirectly in the boat industry to display and promote their respective sectors for potential clients, an exhibition was organized by the EDB, together with the Boat Technology Improvement Institute and Lanka Exhibition & Conferences Services (Pvt) Lt[LECS] in association with the Ministry of Industry & Commerce and Ministry of Fisheries and Aquatic Resources, at Dickowita Fishery Harbour, in Wattala on 10th -12th October 2014. The first ever on-water display in Sri Lanka was one of the salient features of the show. There were 65 exhibition stalls including 11 Large Boats on water and 9 land stalls.

International Council of Marine Industry Associations [ICOMIA]

ICOMIA Regional Meeting was organized by the EDB together with the Boat Building Technology Improvement Institute [BTI] and BAF Foundation in parallel to the Boat Show 2014.

The Industry Conference on "Marina Development and Marine Tourism in Sri Lanka" was also held. Eminent speakers from ICOMIA shared their experiences on marina and water front development, marina master plan & design requirements, sustainability and many more subjects which were of benefit to Sri Lanka.

Global Rubber Conference [GRC] 2014

Global Rubber Conference was held in Sri Lanka for the first time from 27th to 30th October 2014 with the participation of renowned international leaders in the rubber industry and Sri Lankan rubber manufacturers and exporters. The GRC is recognized as one of the world's leading

conferences on natural rubber and NR-based products.

The conference was aimed to fulfill five key objectives which are, to bring together regulatory authorities and commercial players of the rubber industry to provide updates on current trends and future challenges faced by NR industry, to facilitate the exchange of information and subsequently open up new turfs of business opportunities and expansion, to promote industry-wide investment opportunities in Pan Asia countries in general and specifically in the host country, to provide a platform for policymakers and association heads to discuss and determine factors within the industry and to enable industry experts to communicate the latest R&D innovations.

First Sri Lankan International Ornamental Fish Trade Conference (INFOFISH 2014)

The First Sri Lankan International Ornamental Fish Trade Conference was co-organised by the Sri Lanka Export Development Board (EDB), the Ministry of Fisheries & Aquatic Resources Development, INFOFISH, an intergovernmental organization for Asia-Pacific region for marketing information and technical advisory services, based in Malaysia in collaboration with Ornamental Fish International (OFI), a worldwide organization representing all sectors of the ornamental aquatic industry.

The Conference was ceremonially opened on 10th November 2014 at Galadari Hotel, Colombo. The conference enabled many top global fishery experts and exporters to gather in one place for the first time in South Asia.

The focus of the conference was on the status of the ornamental fish market and supply and on

trade issues relevant to domestic and international trade. Recent advances in different sub sectors like ornamental fish farming, health etc were also discussed. Representing various sub segments from the ornamental fish industry, more than 300 local and international delegates attended the two day conference.

Export of Services

- Under the CBI-Export Coaching Program, a Consultant from CBI in The Netherlands visited 7 selected companies and advised them on Business marketing Plan.
- With the assistance of the CBI, the EDB Organized a Workshop on "Website Enhancement and Online Marketing of IT/BPO" on June 19th & 20th 2014 for 30 participants from the ICT sector
- A seminar on 'Internet of Things' was organized in Colombo for 84 participants representing Electronics and ICT sectors. Electronic manufacturers were made aware of the new devices which candy manufactured in Sri Lanka in Collaboration with ICT sector design companies.

A seminar on " Free & Open Source Software[FOSS]" was organized on 29th May in Colombo for 80 participants.



Some rival ICT



Branding of Sri Lankan Software (Preliminary work) Logos

A group consisting of 25 members representing Government Institutions, Industry Associations, Software Development companies, BPM / KPM, Education, Infrastructure, Engineering sectors was appointed to discuss and to come up with

an appropriate method to implement the Branding Process. 62 responses were received to the questionnaire sent to the ICT companies regarding Branding of Sri Lanka Software. Accordingly, it was recommended by the Advisory Committee on ICT/BPM to carry out this process on designing and selecting a theme for Branding.

Organized an Exposure visit to IT Park in Colombo and a knowledge sharing session for 25 IT companies from Kandy/ Galle/ Matara districts in collaboration with SLASSCOM and EDB's provincial offices with the objective of generating ICT/BPO exporters from the provinces.

Regional Development Programmes

With the objective of harnessing rural resources and skills for export development, a range of regional development programmes have been carried by the EDB during the period under review. These programs are given below.

- Assistance Scheme for Grading Area Capacity Development for Tea manufacturers/ exporters/ industrialists - 2 factories were assisted.
- Assistance Scheme for system /product certification for the Tea Sector - 5 factories were assisted.
- Assistance Scheme for development of "Brand Names & Brand Excellence - 4 companies were selected for assistance in Stage I and 2 companies have already been assisted under Brand Assistance. One company namely "Basilur Tea Export (Pvt) Ltd" was assisted for Brand Registration.
- Supply development programme for Foliage Cultivation under net houses (Hambantota) - 8 Growers were selected for assistance and linked them with direct exporter companies.

- Program for promotion of Turmeric cultivation in Vavuniya - First harvest has been obtained and arrangements were made to link the farmers with exporter for by back arrangements
- Awareness programme for fruits, spices, value added tea, cut foliage etc (CP, NWP, SP, and HO). - 6 programmes were completed. Around 200 growers/farmers participated at these programmes.
- Project for supply development of high value vegetables/spices in the regions for export - 16 poly tunnels were completed by the selected farmers. Arrangements are being made to link farmers with exporter companies.
- Awareness seminar/workshop on Producing cut foliage and flowers for the export market for export oriented out growers in the North Western province [102 Cut foliage & Flowers out growers]
- Technical exposure and awareness on Fresh Agricultural Produce-Processing and Marketing in Israel 2014 - 7 companies from SL Protected Agriculture Entrepreneurs Association participated
- SLEDB Scheme of Assistance for the Exporters/ Potential Exporters/ Manufacturers of Spices & Essential Oils to obtain Product/ System Certifications
- Successfully conducted a one day Training programme/Workshop on technical awareness for making Bathroom slippers for a selected group of export oriented Footwear manufactures in Nachchadoowa Divisional Secretariat Division in Anuradhapura District.

Other Programmes

E-Promotion of Sri Lankan Products & Services - An e-Marketing campaign was

launched through the EDB Web portal www.srilankabusiness.com to promote Sri Lankan products & services using internet marketing technology. Developed a web page to promote Pure Ceylon Cinnamon.

Online Trading Portal - Five (05) on line transactions were carried out for Sri Lankan spices, herbal products & cosmetics with buyers in UK, Sweden & Germany through the portal. Fifteen (15) online Product inquiries for Tea, Apparel, Leather products & Food items Blue Sapphire, Desiccated coconut, Fast Motor boat, Vegetables, Chilies (Green), Pineapple have been received within this period.

Export Performance Indicators – 2004-

Skills Development, Awareness and Training Programme

During the period under the review the EDB conducted 42 skills and entrepreneurship development programmes in Matara, Colombo, Kandy, Badulla, Galle, Hambanthota, Nuwaraeliya, Monaragala with the participation of 2673 entrepreneurs engaged in export related activities. These programmes were aimed creating awareness on the markets, potential products, regulation and procedures in key markets, imports/export procedures, packaging and enhancing product specific technical skill.

Three Certificate Courses on import export procedure and two programmes on “Operational Aspects of International Trade” were conducted and nearly 234 entrepreneurs were trained through these programmes during the period.

The printed and electronic edition (CD) of the Export Performance Indicators– 2004-2013 was published. This publication includes

comprehensive data relating to the export sector of Sri Lanka.

Policy & Strategic Planning Division

26.02.2015

UKD/NS/psw

Plans for the year 2015

Export Promotion Programmes

Integrated supply/ product/ design/ packaging and market development programmes to promote agriculture, fisheries, industry and services sectors.

- Formulation of a “National Export Strategy 2015-2020” for Sri Lanka
- Formulation of a “Strategic Plan 2015-2020” for the EDB
- Implementation of a Performance Improvement Road Map for EDB
- “Ceylon Cinnamon” Brand development & promotion programme – Trade Mark & GI Registration in selected international markets.
- Scheme to issue “Pure Ceylon Cinnamon” Lion Logo
- Assistance for Corporate Branding to enhance export revenue
- Establishment of export oriented Agri Zone projects for selected fruit crops [EDB, DOA & F&V Association]
- Development of fresh water fish culture in Sri Lanka to increase the Fresh Water Fish Production [EDB & NAQDA]
- Assistance to improve quarantine/withholding facilities of the ornamental fish exporters/indirect exporters
- Assist & encourage exporters to invest on High-Tech [Innovation & Renovation]

- Upgrading of the Sri Lanka National Packaging Centre
- Development of Boat Building Sector
- Assistance scheme for product & system certification and GMP for value added products
- Development of Export oriented Organic Agriculture Products
- Development of Coconut fibre & coco peat products
- Implementation of INFOFISH – CFC, fresh water fish processing project
- Facilitate exporters to minimize the cost of Organic Certification through National Organic Control Unit[NOCU]
- Image building programme for apparel sector
- Organize Sri Lanka Design Festival to showcase the capabilities of Sri Lanka Apparel
- Reposition of Sri Lankan rubber based products in international markets
- Publicity/image building programme particularly to promote “Ceylon Blue Sapphire”
- Productivity improvement programme for ceramics to increase the competitiveness of the industry in the global market
- Development of Roof Tile Industry for Exports
- Assist exporters to export value added Mineral Products
- Technology upgrading programme for foundry industry
- Programme to upgrade & enhance the knowledge of SME handloom exporters on product/market trends
- Development of Giftware Products through Fair Trade Standards
- Identifying ICT/BPO Sourcing Conference in Sri Lanka 2013/14 to cater for strategic needs of the ICT/BPO exporters
- Organizing interactive seminars between ICT industry and Telecom companies and University to enhance the capabilities of ICT /BPO exporters
- Promotion and branding of “Sri Lanka ICT/BPO” Industry in the Global market through PR
- Development of Services Sector, such as Entrepot trade, Construction , Heath & Ayurveda
- Initiate brand development programmes, eg. Pineapple, etc
- Quality improvement programme for Sri Lankan suppliers to the electronic sector exporters
- Quality development programmes to upgrade agriculture, industry and fisheries sectors
- Development and promotion programmes for the spices sector
- Technology development programmes for the printing sector
- Productivity development programmes for the boat industry
- Development of export ready small & medium giftware manufacturers
- Technology development programme for the footwear industry
- Organize awareness/workshopos programmes for all product sectors and market promotion programmes
- Public-Private Partnership through Advisory Committee Meetings

Regional Export Development Programmes

- Continuation of Agro Export Zones
- Sustainable energy management programme for the fibre industry [North Western]
- Cut flowers and foliage development project in Provinces
- Organize cultivation of green chillies and turmeric for exports in the Northern Province
- Ornamental fish link up programme in the Central Province
- Project on supply development of high value vegetables/spices for export in the NWP
- Assist cinnamon processing factories and essential oil plants in the southern province to obtain quality certification.
- Pilot project on pineapple cultivation for export in Batticaloa district and pineapple nurseries in Ampara district
- Assistance Scheme for Grading Area Capacity Development for Tea manufacturers/ exporters/ industrialists
- Assistance Scheme for system /product certification for the Tea Sector
- Assistance Scheme for development of "Brand Names & Brand Excellence.

Market Development Programmes

- Organize Sri Lanka's participation at International Trade Fairs in selected priority and emerging markets.
- Implementing market diversification programmes (Fish to Russia, Apparel to Japan, Software to Japan, Middle East and

Africa, Rubber Automotive products to India, Rubber Products to Korea, Construction Services to Myanmar, Education Services to Maldives, Health Services to Europe etc.)

- Organize exposure programmes to Exploit new markets such as Brazil for Apparel & other products
- Organize Inward and Outward Trade Missions in selected markets
- Implement an appropriate market communication strategy to build the image of the export sector in Sri Lanka
- Closely co-ordinate with the Commercial Attachees abroad to promote our products and services
- Conduct market research/surveys
- Organize participation of exporters in local trade exhibitions – ie: 'Facets', 'Ayurveda', 'Pro-Foods'
- Organize local Trade Exhibitions
- Organizing international conferences in Sri Lanka. - IFEAT, ATPF, ICA Congress
- Organize 'Footwear & Leather Products Exhibition'

Other Programmes

- Development of packaging for exports
- Provision of trade information, market intelligence, e-commerce services and export related publications
- Resolving problems faced by exporters [Exporters' Forum]
- Conduct training programmes on import/export procedures and export packaging
- Conduct awareness programmes on export related subjects, skill development programmes and entrepreneurship development programmes

Training & Human Resource Information

Carder Information

Designation	Specialization	Service	Service level	Grade/Class	Salary Code	Approved permanent	Existing permanent
Secretary			1		SL -4	1	1
Additional Seretary	Admin & Finance	SLAS	1	Special Grade	SL -3	1	0
Additional Seretary	Regional Industry Development	SLAS	1	Special Grade	SL -3	1	1
Additional Secretary	Policy Development	SLAS	1	Special Grade	SL -3	1	1
Additional Secretary	Commerce	SLAS	1	Special Grade	SL -3	1	1
Additional Secretary	Textiles & Exports	SLAS	1	Special Grade	SL -3	1	1
Senior Assistant Secretary	Admin	SLAS	1	Class I	SL -1	1	1
Chief Internal Auditor		SLAcS	1	Class I	SL -1	1	1
Chief Accountant		SLAcS	1	Class I	SL -1	1	1
Director	Field 1,2,3	Dept.	1		SL -1	3	2
Director	Regional Industry Development	SLAS	1	Class I	SL -1	1	0
Director	Planning	SLPS	1	Class I	SL -1	1	1
Director	Corporations	SLAS	1	Class I	SL -1	1	0
Director	Industrial Registration	SLAS	1	Class I	SL -1	1	1
Director	Industrial Policy & Development	SLAS	1	Class I	SL -1	1	0
Director	Textile & Exports	SLAS	1	Class I	SL -1	1	1
Director	Research & Development	SLAS	1	Class I	SL -1	1	1

Designation	Specialization	Service	Service level	Grade/Class	Salary Code	Approved permanent	Existing permanent
Director	Commerce	SLAS	1	Class I	SL -1	1	0
Deputy Director/ Assistant Director	Field 1,2,3	Dept	1	Class II-I/ II-II	SL -1	3	3
Deputy Director/ Assistant Director	Regional Industry Development Head Office	SLAS	1	Class II, III	SL -1	2	2
Deputy Director/ Assistant Director	Divisional Office	SLAS	1	Class II, III	SL -1	14	10
Deputy Director/ Assistant Director	Textiles	SLAS	1	Class II, III	SL -1	2	2
Deputy Director/ Assistant Director	Planning	SLPS	1	Class II, III	SL -1	3	3
Deputy Director/ Assistant Director	Industrial Policy & Development	SLAS Dept.	1	Class II, III Dept.	SL -1 SL -1	1 1	1 1
Deputy Director/ Assistant Director	Corporations	SLAS	1	Class II, III	SL -1	1	1
Deputy Director/ Assistant Director	Industrial Registration	SLAS	1	Class II, III	SL -1	1	0
Deputy Director/ Assistant Director	Commerce	SLPS SLAS	1 1	Class II, III Class II, III	SL -1 SL -1	1 1	1 1
Assistant Secretary	Administration	SLAS	1	Class III	SL -1	3	3
Internal Auditor		SLAcS	1	Class II/ III	SL -1	1	0
Accountant		SLAcS	1	Class II/ III	SL -1	3	3
Administrative Officer		PMAS	2	Supra	MN 7	1	1
Translator		TS	2		MN 6	2	1
Information & Communication Technology Officer		ITS	2	Class I, II,III	MN 6	4	1
Personal Security Officer		Dept	2		RS 1	05	05

Designation	Specialization	Service	Service level	Grade/Class	Salary Code	Approved permanent	Existing permanent
Computer Programmer		Dept.	3		MN 2	1	1
Media Officer		Asso.officers	3		MN 4	1	1
Industrial Inspector		Asso.officers	3		MN 4	16	07
Development Officer		Asso.officers	3		MN 4	810	513
Industrial Development Assistant		Asso.officers	3		MN 4	47	38
Development Assistant		Asso.officers	3		MN 4	08	4
Budget Assistant		Asso.officers	3		MN 4	01	0
Accounts Assistant		Asso.officers	3		MN 4	01	1
Procurement Assistant		Asso.officers	3		MN 4	01	0
Management Assistant		PMAS	3	I,II,III	MN 2	105	70
Information Technology Assistant		ITS	3	III	MT1	1	0
Data Entry Operator		Dept.	3		MN 1	02	2
Receptionist		Dept.	3		MN 1	01	0
Still Photographer		Dept.	3		MT 1	01	1
Video Grapier		Dept.	3		MT 1	01	1
Assistant Cameraman		Dept			PL 1	01	1
Drivers		DS		I, II A, II B	PL 3	41	32
Office Employee Assistant		OES		I,II,III	PL1	57	56
TOTAL						1174	781

LOCAL TRAININGS – 2014

	Course Name	Institute	No of Officers
01	Diploma in Public Procurement & Contract Administration	Sri Lanka Institute of Development Administration	01
02	Training Consultancy Assignment on Project Proposal Writing	Sri Lanka Institute of Development Administration	20
03	Training Seminar on ISO Certification for Sustainable Industrial Development	University of Colombo	05
04	Awareness Programme on Sri Lanka Public Sector Accounting Standards	Association of Public Finance Accountants of Sri Lanka	01
05	Workshop on Good Governance & Leadership	Sri Lanka Foundation	06
06	Master of Arts (Economy)	University of Kelaniya	01
07	Effective Internal Auditing	Skills Development Fund Limited	01
08	Practical Aspects of BID Evaluation	Skills Development Fund Limited	01
09	Programme on Skill Development for Receptionist & Telephone Operator	National Institute of Labour Studies	01
10	AAT Sri Lanka Conference – 2013	Association of Accounting technicians of Sri Lank	01

FOREIGN TRAINING - 2014

Country		Programme	No of Officers
01	China	Study Visit to China	03
02	Japan	WIPO Training Course on IP management and the Formulation and Implementation of Results - Based IP office Plan	01
03	Malaysia	Second Country Study visit of Master of Public Management (MPM) Programme	01
04	China	Seminar on Chemical Management	02
05	Korea	Tenth Regional Assistant and Protection Course for Asian Parties	01
06	China	Third Advanced Regional Assistance and Protection Course	01
07	Netherlands	03rd OPCW Assistance & Protection Course for Instructors	01
08	Thailand	UNIDO Training on Monitoring and Evaluation Management	01
09	China	Seminar on Construction and Development of CAFTA	02
10	Korea	Knowledge Sharing Programme	01
11	China	Seminar on Export - Oriented Economy for Developing Countries	01
12	China	Seminar on Youth Business Initiation for Asian Countries	01
13	Thailand	Grassroots Economic Development (GED) Following Sufficiency Economy Philosophy	01
14	China	Seminar on Tea International Trade and Industrialization for Asian European Countries	03
15	India	Industrial & Infrastructure Project Preparation & Appraisal	01
16	India	Promoting Innovation and Entrepreneurship through Incubation	01
17	India	Training Program on Small Business & Promotion	01
18	China	Seminar on Business Data Collecting, Summarizing and Analyzing for Asian and European Countries	03
19	China	Training Course on Hybrid Cotton Technology for Asian Countries	01
20	China	Seminar on Biogas Industry Promotion & Management for Officials from Asian Countries	01
21	China	Seminar on Industrial Park Construction & Cooperation between China, Asian & European Countries	05
22	India	Small Business Planning and Promotion	01
23	China	Seminar on Service Industry Management for Asian & European Countries	03

24	China	Seminar on Chinese for Diplomatic from Asian & European Countries	02
25	China	Training Course on Import-Export Textile Product Testing Technology for Asian Countries	01
26	Korea	International Trade & World Trade Organization	01
27	Korea	Knowledge Sharing Programme	01
28	China	Seminar on Automobile Industry for Asian and European Countries	01
29	India	Training Program on Women and Enterprise Development	01
30	India	Training Program on Innovative Strategies for SME Development	01
31	India	International Training Program on Leadership Development	01

Financial Progress of the Ministry 2014

Recurrent and Capital Expenditure up to December 31st 2014 (Revised Budget)
Head: 149 Ministry of Industry & Commerce
Programme: 01 Operational Activities
Project: 01 Minister's Office.

Sub proj	Object	Category / Object Title	Estimate2014 LKR	Expenditure Up to 31.12.2014	Balance LKR
		Personal Emoluments	16,260,000	16,106,365	153,635
0	1001	Salaries and Wages	8,900,000	8,802,574	97,426
0	1002	Overtime and Holiday Payments	2,100,000	2,080,953	19,047
0	1003	Other Allowances	5,260,000	5,222,839	37,161
		Travelling Expenses	12,250,000	12,183,623	66,377
0	1101	Domestic	800,000	755,043	44,957
0	1102	Foreign	11,450,000	11,428,580	21,420
		Supplies	12,050,000	11,770,324	279,676
0	1201	Stationary and Office Requisites	2,200,000	2,174,540	25,460
0	1202	Fuel and Lubricants	9,790,000	9,563,784	226,216
0	1203	Uniforms	60,000	32,000	28,000
		Maintenance Expenditure	10,350,000	10,244,805	105,195
0	1301	Vehicles	9,450,000	9,437,580	12,420
0	1302	Plant, Machinery and Equipment	400,000	397,534	2,466
0	1303	Buildings and Structures	500,000	409,690	90,310
		Contractual Services	7,450,000	7,080,964	369,036
0	1401	Transport	450,000	360,900	89,100
0	1402	Postal and Telecommunication	1,000,000	919,673	80,327
0	1403	Electricity and Water	1,150,000	1,098,944	51,056
0	1404	Rents and Local Taxes	3,000,000	3,000,000	0
0	1405	Other	1,850,000	1,701,448	148,552
		Other recurrent expenditure	5,000	0	5,000
0	1506	Property Loan Interest to public servent	5,000	0	5,000
		Recurrent Total	58,365,000	57,386,081	978,919
		Capital Expenditure			
		Rehabilitation & Improvements of Capital Assets	7,300,000	7,197,598	102,402
0	2001	Buildings and Structures	3,000,000	3,000,000	0
0	2002	Plant, Machinery & Equipment	500,000	497,448	2,552
0	2003	Vehicles	3,800,000	3,700,150	99,850
		Acquisition of Fixed Assets	39,800,000	37,092,256	2,707,744
0	2101	Vehicles	36,000,000	33,353,960	2,646,040
0	2102	Furniture & Office Equipment	3,500,000	3,438,296	61,704
0	2103	Machinery	300,000	300,000	0
		Capital Total	47,100,000	44,289,854	2,810,146
		Full Total	105,465,000	101,675,935	3,789,065

Recurrent and Capital Expenditure up to December 31st 2014 (Revised Budget)
Head: 149 Ministry of Industry & Commerce
Programme : 01 Operational Activities
Project : 02 Administration & Establishment Services

Sub proj	Object	Category / Object Title	Estimate 201 4 LKR.	E Expenditure Up to 31.12.2014	Balance LKR.
		Personal Emoluments	63,752,000	60,414,023	3,337,977
1	1001	Salaries and Wages	36,800,000	34,999,724	1,800,276
1	1002	Overtime and Holiday Payments	3,000,000	2,297,298	702,702
1	1003	Other Allowances	23,952,000	23,117,001	834,999
		Travelling Expenses	4,300,000	3,502,858	797,142
1	1101	Domestic	800,000	570,324	229,676
1	1102	Foreign	3,500,000	2,932,534	567,466
		Supplies	9,445,000	8,639,851	805,149
1	1201	Stationary and Office Requisites	3,000,000	2,952,854	47,146
1	1202	Fuel and Lubricants	6,225,000	5,502,997	722,003
1	1203	Uniforms	220,000	184,000	36,000
		Maintenance Expenditure	8,075,000	6,845,598	1,229,402
1	1301	Vehicles	4,800,000	4,501,920	298,080
1	1302	Plant, Machinery and Equipment	1,275,000	1,248,142	26,858
1	1303	Buildings and Structures	2,000,000	1,095,536	904,464
		Contractual Services	22,300,000	20,662,359	1,637,641
1	1401	Transport	1,600,000	1,542,070	57,930
1	1402	Postal and Telecommunication	3,000,000	2,830,061	169,939
1	1403	Electricity and Water	10,200,000	9,097,225	1,102,775
1	1404	Rent and Local Taxes	1,000,000	1,000,000	0
1	1405	Other	6,500,000	6,193,003	306,997
		Transfers	6,022,000	5,606,422	415,578
1	1505	Subscription and Contributions Fees	5,000,000	4,623,585	376,415
1	1506	Property Loan Interest to public servant	1,000,000	977,514	22,487
1	1701	Losses & Write off	22,000	5,324	16,676
		Recurrent Total	113,894,000	105,671,111	8,222,889
		Capital Expenditure			
		Rehabilitation & Improvements of Capital Assets	10,500,000	10,126,981	373,019
1	2001	Buildings and Structures	6,100,000	5,938,852	161,148
1	2002	Plant, Machinery & Equipment	200,000	195,816	4,184
1	2003	Vehicles	4,200,000	3,992,314	207,686
		Acquisition of Fixed Assets	7,800,000	7,545,045	254,955
1	2102	Furniture & Office Equipment	5,400,000	5,184,197	215,803
1	2103	Plant, Machinery & Equipment	2,400,000	2,360,848	39,152
		Capacity Building	1,800,000	1,733,071	66,929
1	2401	Knowledge Enhancement & Inst.	1,800,000	1,733,071	66,929
		Capital Total	20,100,000	19,405,097	694,903
		Full Total	133,994,000	125,076,209	8,917,791

Recurrent and Capital Expenditure up to December 31st 2014 (Revised Budget)
Head: 149 Ministry of Industry & Commerce
Programme : 02 Development Activities
Project : 03 Industrial Development

Sub proj	Object	Category / Object Title	Estimate2014 LKR.	Expenditure Up to 31.12.2014	Balance LKR
		Personal Emoluments	243,340,000	241,285,647	2,054,353
1	1001	Salaries and Wages	139,550,000	138,914,851	635,149
1	1002	Overtime and Holiday Payments	1,740,000	709,910	1,030,090
1	1003	Other Allowances	102,050,000	101,660,886	389,114
		Travelling Expenses	3,600,000	2,012,887	1,587,113
1	1101	Domestic	1,100,000	1,012,874	87,126
1	1102	Foreign	2,500,000	1,000,012	1,499,988
		Supplies	6,075,000	5,873,083	201,917
1	1201	Stationary and Office Requisites	1,650,000	1,565,147	84,853
1	1202	Fuel and Lubricants	4,300,000	4,187,937	112,063
1	1203	Uniforms	125,000	120,000	5,000
		Maintenance Expenditure	4,100,000	3,460,879	639,121
1	1301	Vehicles	2,750,000	2,565,060	184,940
1	1302	Plant, Machinery and Equipment	750,000	689,362	60,638
1	1303	Buildings and Structures	600,000	206,457	393,543
		Contractual Services	11,810,000	8,961,628	2,848,372
1	1401	Transport	1,300,000	945,616	354,384
1	1402	Postal and Telecommunication	2,400,000	1,822,245	577,755
1	1403	Electricity and Water	1,500,000	1,317,413	182,587
1	1404	Rent and Local Taxes	3,110,000	1,876,980	1,233,020
1	1405	Other	3,500,000	2,999,374	500,626
		Other Recurrent Expenses	1,600,000	1,585,642	14,358
1	1506	Property Loan interest to Public Servant	1,600,000	1,585,642	14,358
		Recurrent Total	270,525,000	263,179,767	7,345,233
		Capital Expenditure			
		Rehabilitation & Improvements of Capital Assets	5,240,000	4,423,475	816,525
1	2001	Buildings and Structures	3,500,000	3,378,558	121,442
1	2002	Plant, Machinery & Equipment	240,000	235,312	4,688
1	2003	Vehicles	1,500,000	809,605	690,395
		Acquisition of Fixed Assets	3,900,000	3,833,935	66,066
1	2102	Furniture & Office Equipment	3,700,000	3,633,935	66,066
1	2103	Machinery	200,000	200,000	0
		Capacity Building	4,900,000	4,829,215	70,785
1	2401	Knowledge Enhancement & Inst.	4,900,000	4,829,215	70,785
		Capital Total	14,040,000	13,086,624	953,376
		Full Total	284,565,000	276,266,391	8,298,609

Recurrent and Capital Expenditure up to December 31st 2014 (Revised Budget)
Head: 149 Ministry of Industry & Commerce
Programme : 02 Development Activities
Project : 03 Industrial Development

Sub proj	Object	Category / Object Title	Estimate2014 LKR.	Expenditure Up to 31.12.2014	Balance LKR.
		Capital Expenditure			
2	2502	Industrial Estates	315,000,000	216,915,489	98,084,511
3	2502	(Thrust Area Dev.Prog.)	75,000,000	48,951,516	26,048,484
		Development Division I	8,160,000	6,784,397	1,375,603
		Development Division II	25,000,000	5,045,563	19,954,437
		Development Division III	141,200,000	19,906,340	121,293,660
		Dayata Kirula	10,000,000	10,467,811	(467,811)
		Other Exhibitions	1,000,000	3,843,097	(2,843,097)
		Productivity, Industry Registration and Management Information Division	12,540,000	2,371,786	10,168,214
		National Authority for the Implementation of Chemical Weapons Convention	2,100,000	532,522	1,567,478
4	2502	Handloom & Textile Industries Investment	200,000,000	181,093,279 *53,648,746.74	18,906,721
7	2502	Mannar Saltern Project (Manthai Salt Ltd)	10,000,000	0	10,000,000
		Total Expenditure	600,000,000	446,960,285	153,039,715