



**SRI LANKA CANADA
BUSINESS COUNCIL**
OF THE CEYLON CHAMBER OF COMMERCE

Trade and Investment Promotion Visit to Canada

14th - 22nd October 2024



Briefing session between the delegates of Sri Lanka - Canada Business Council with Prime Minister of Sri Lanka, Hon (Dr.) Harini Amarasuriya on 10th of October 2024 prior to leaving to Canada.

Sri Lanka -Canada Business Council of The Ceylon Chamber of Commerce

Sri Lanka -Canada Business Council: Established to foster bilateral trade and investment between the two nations, actively promoting business partnerships and networking. **Ceylon Chamber of Commerce:** Over 185 years old, the Chamber is the most prominent private sector representative, advocating for economic growth and providing a platform for local and international business collaboration.



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Objectives:

- Promote tourism and trade between Sri Lanka and Canada, with a focus on increasing Sri Lankan exports to Canada.
- Encourage joint ventures between Canadian and Sri Lankan investors in Sri Lanka.
- Facilitate the exchange of trade and investment information with relevant Canadian institutions.
- Organize joint meetings with Canadian business organizations both in Sri Lanka and in Canada.
- Represent Sri Lanka's business sector in matters related to business relationships with Canada.
- Collaborate with the Sri Lankan Government to achieve these objectives.
- Provide opportunities for businesses to support the welfare and training of women and marginalized youth.
- Organize forums to link businesses with training institutions, promoting equity, addressing market needs, and enhancing Sri Lanka-Canada trade.
- Promote Corporate Social Responsibility (CSR) programs that support the welfare of vocational training students in need.
- Facilitate executive exchange programs between Sri Lankan and Canadian organizations.
- Partner with Canadian institutions and organizations globally to achieve shared goals.



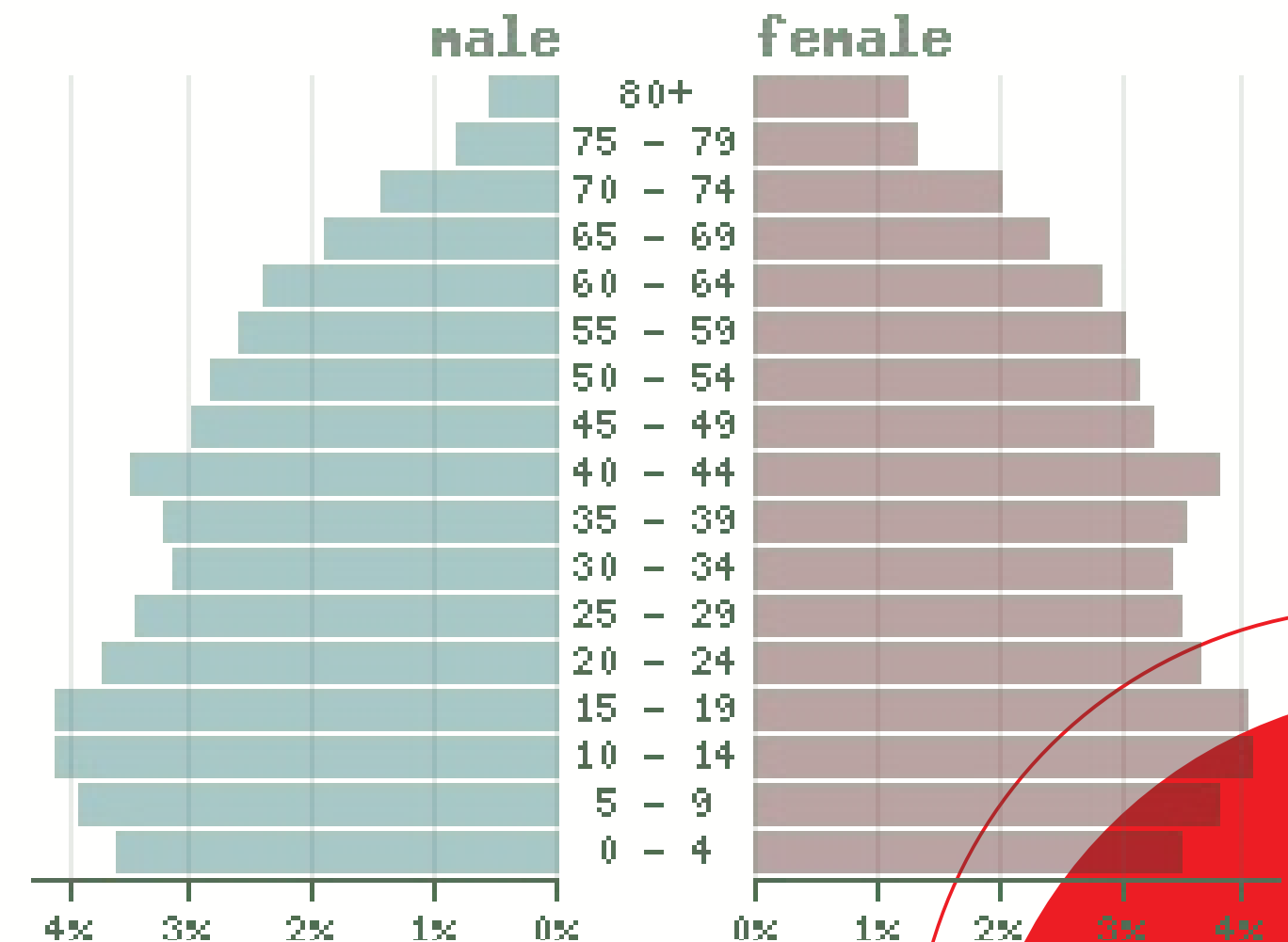
Sectors:

- Education
- Consulting
- Tourism
- Immigration services
- Manufacturing and exports
- Environment and Sustainability advisory
- IT Enabled services and outsourcing

Sri Lanka: Geography

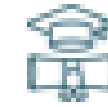
Geography Sri Lanka is an island state in the Indian Ocean about 60 km from the Indian mainland. The land has a total area of 62,710 Km² (24,212 sq. miles) and a total coastline of 1,340 km (832.6 mi). This land area is approximately 82% of the area of Maine. Sri Lanka ranks number 61 in the list of countries (and dependencies) by population.

- [Population:23,137,966](#)
- [Population density](#)368 per Km²
- [Life expectancy](#)77.67 years
- Fertility Rate: 1.95
- Death rate: 6.2 ‰
- Males/Females: 49.3% : 50.7%



Location and talented education

Talent & Education



Sri Lanka Ranks 1st in South Asia's Literacy Rate



Proficient in English Language



Highly Versatile and Skilled Workforce



30,000 Graduates Per Year



2nd Largest CIMA Pool in the World



100,000 Tertiary & Vocationally Trained Students Per Annum



15 State Universities / 19 Higher Education Institutes / 1,346 Tertiary & Vocational Training Institutes



Quality of Life



Great place to live & work



8 World Heritage Sites & Recreational Activities



International Healthcare Facilities



Leading International Schools with Quality Education



Wide selection of Housing & Luxury Condominium Apartments

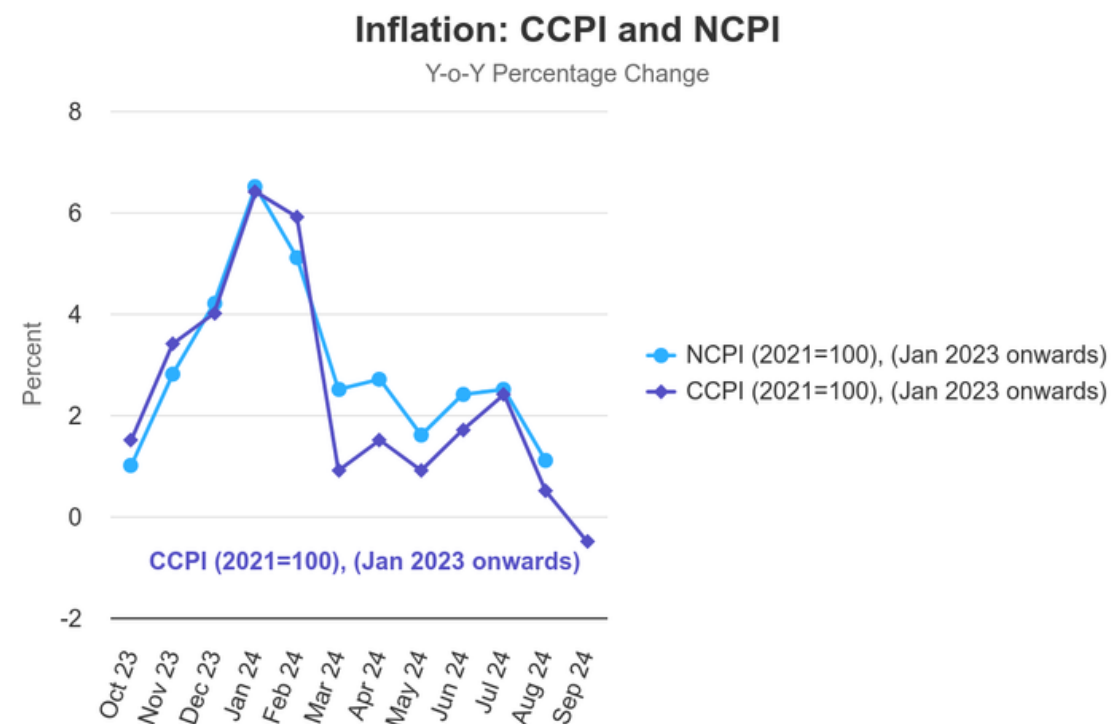
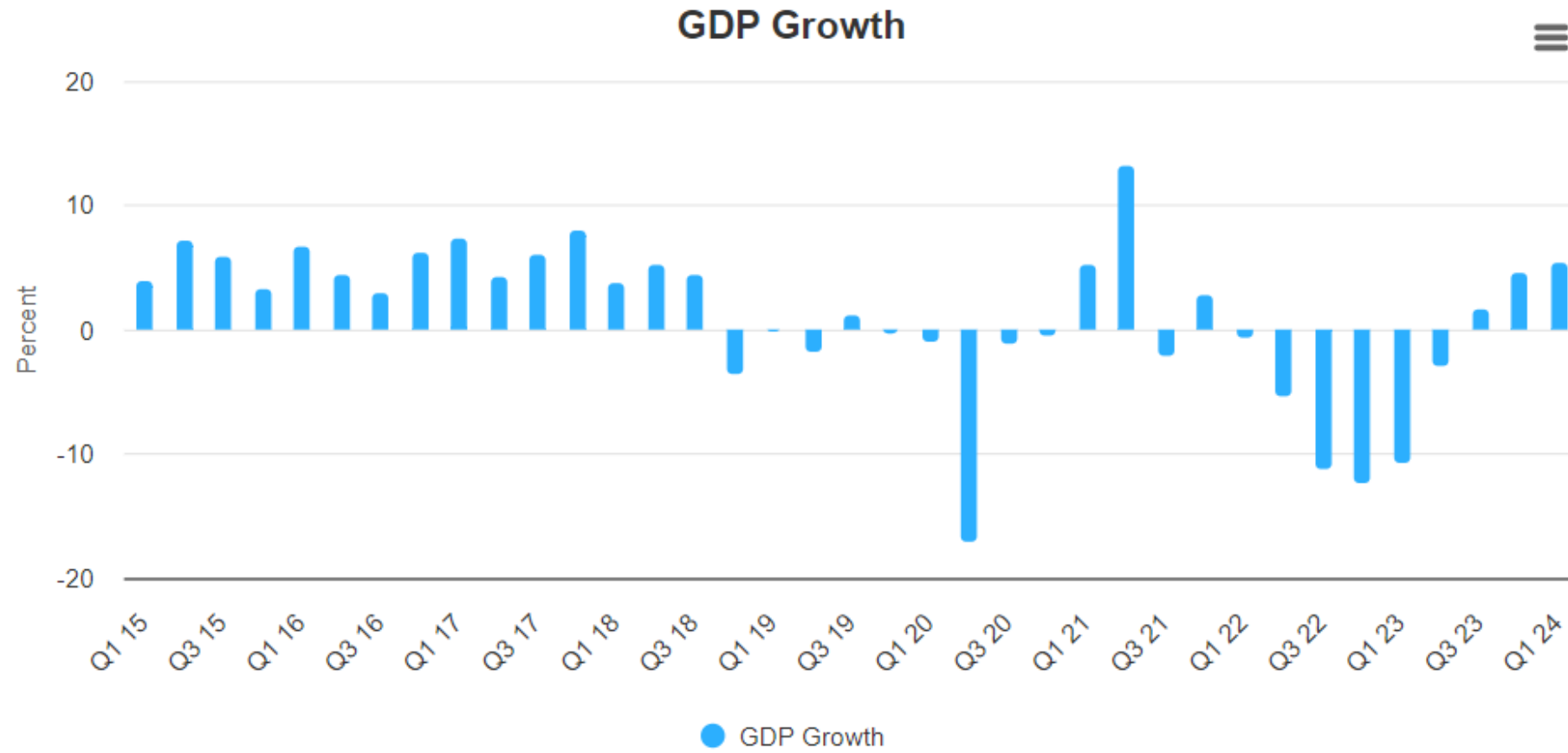


World Class Hotels, High-end Shopping, Theatres, Cafe, Art & Craft with Cosmopolitan Lifestyle



Ranked Highest in Human Development Index in South Asia

Sri Lanka Economy



Sri Lanka Economy SNAPSHOT

Inflation

CCPI (Y-o-Y)
-0.50

September 2024



Area

65,610
Sq. Km



Economic Growth

4.7%

Q2, 2024



\$ =

LKR 292.9175

INDICATIVE

Policy Rates

SDFR 8.25

SLFR 9.25

Interest Rates

T-bill < 364 days 9.75%

T-bond < 3 year 10.48%

T-bond < 5 year 11.97%

Unemployment Rate

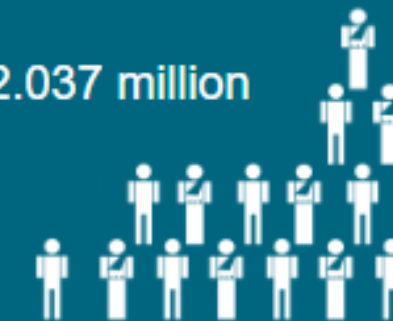
4.5%

Q1, 2024



Population

22.037 million



Per Capita Income

Rs. 1,253,785

USD 3,830



Path to Recovery

Inflation

CCPI (Y - Y)

Sep 2022 – 69.8%
 Oct 2022 – 66.0%
 Nov 2022 – 61.0%
 Dec 2022 – 57.2%
 Jan 2023 – 54.2%
 Feb 2023 – 50.6%
 Mar 2023 – 50.3%
 Apr 2023 – 35.3%
 May 2023 – 25.2%
 Jun 2023 – 12.0%

Per Capita Income

Rs. 1,088,667
 USD 3,474



Exports

USD 12.7 Billion

Imports

USD 17.3 Billion



Unemployment Rate

4.7%

Q3, 2022



Tourism Earnings

Jan - Apr YoY

2022 - \$ 591 Mn

2023 - \$ 696 Mn

+27%



Worker Remittances

Jan - May YoY

2022 - \$ 1,335 Mn

2023 - \$ 2,347 Mn

+76%



Tourist Arrivals

	2022	2023	
June	32,856	100,388	+205
Jan - June	411,377	624,874	+52%



Currency Performance



Sri Lanka USP:

- We follow Roman Dutch Legal System
- Open economy and up to 100% ownership in all areas
- Almost 100% literacy and Talented Pool of skills
- Market access

Market Access



€ Europe

The Generalized Scheme of Preference Plus (GSP+) with easy access over **450 Mn**

Zero duty facility for over **6,400** items to **27 EU countries**

Rs Asia

India and Pakistan, giving duty free access to over **1.5 Bn** consumer market

Country	Tariff Lines	Value Addition
	4,228	35%
	4,676	35%
	All Items	35%



Regional Trade Agreements

- South Asian Free Trade Agreement (SAFTA) - **1.7 Bn**
- Asia Pacific Trade Agreement (APTA) - **2.5 Bn**



Key Facts

- Number of Universities: 17
- Number of Higher Education Institutes: 19
- Graduate output
 - First Degree : 25,890/year
 - Post Graduate : 10,122/ Year

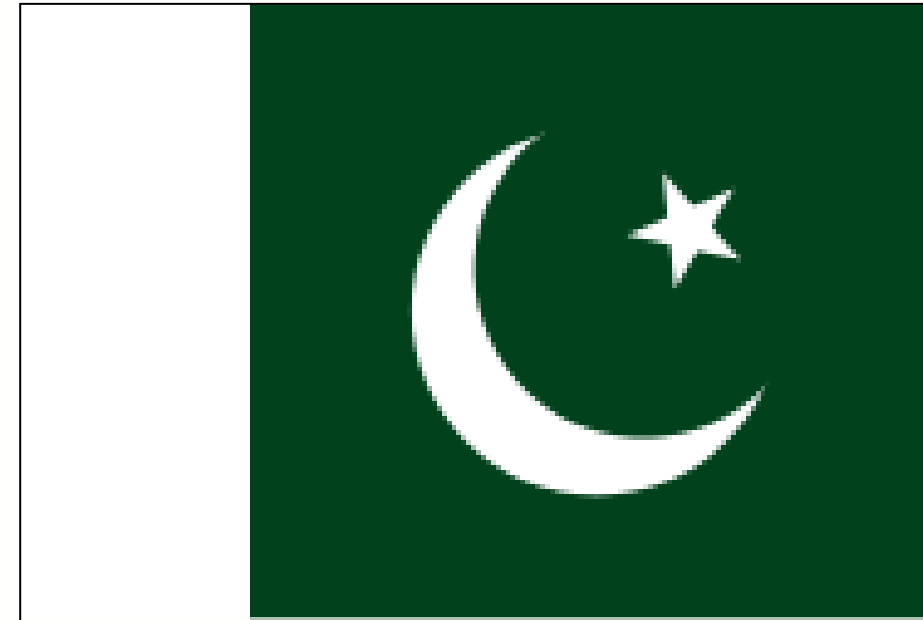
- A/L students eligible for university education : 62%
- University admission as a percentage of eligible students : 23%
- The public university system of Sri Lanka faces a severe capacity constraint to accommodate all those who are eligible for university education.



Free Trade Agreements (FTAs)



01st March 2000



01st August 2002



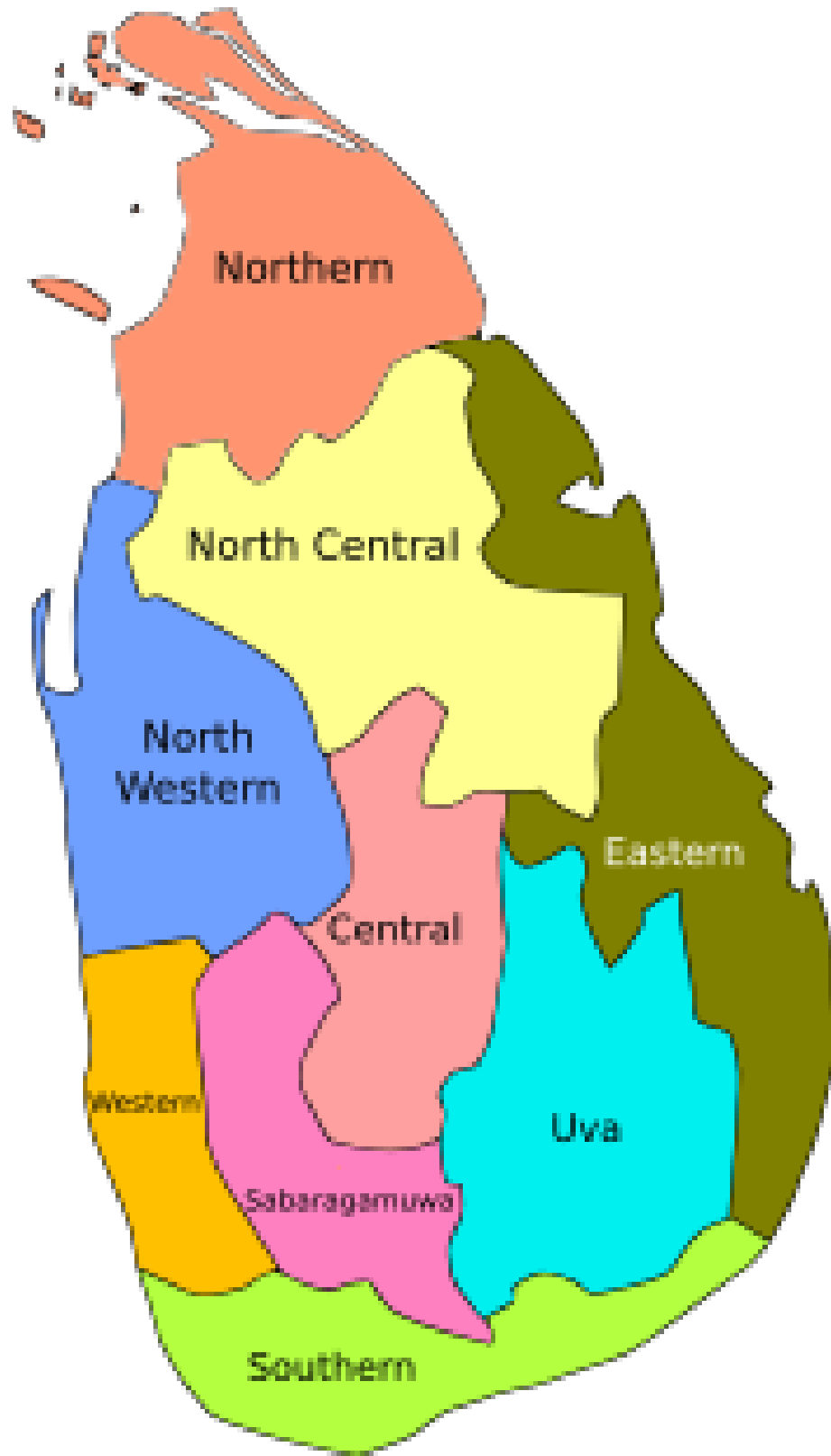
23rd January 2024



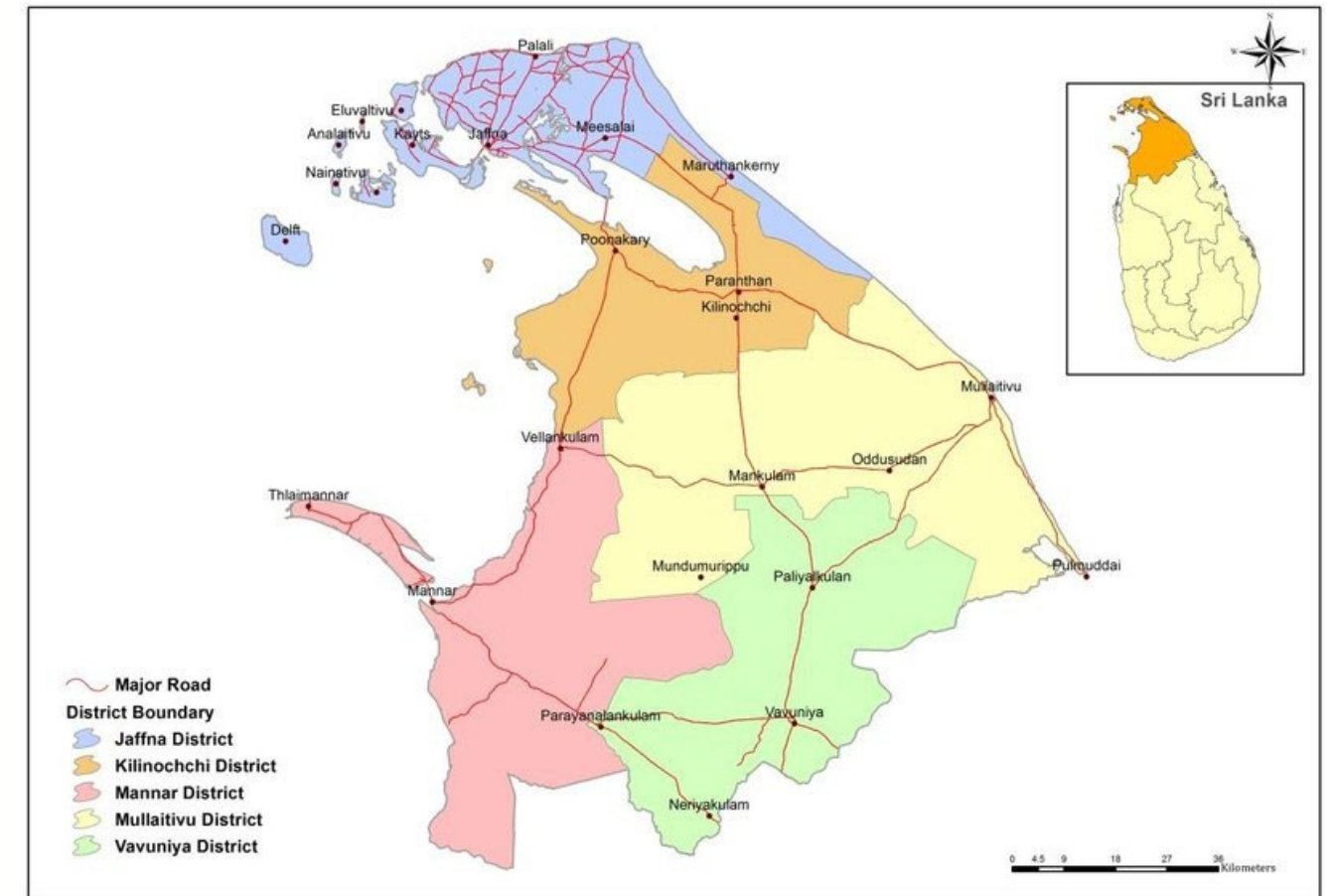
3rd February 2024

Incentives – Enhance Capital Allowance
 For Northern Province 200% and Other
 Provinces 100%

Northern Province: A Rising Industrial Hub



- Three key industrial zones: Paranthan, Atchuvely, and Mankulam.
- Proximity to India and the Bay of Bengal provides logistical advantages.
- Opportunities in manufacturing, fisheries, logistics, and agriculture.
- Government incentives for foreign direct investment (FDI) in these zones.



1. KKS Export Processing Zone

Aprox. 350 Acres most suitable for heavy industries
 Available : A deep sea port and an International Airport (Palaly)
 Water / Power available

2. Paranthan Export Processing Zone

Aprox. 215 Acres most suitable for Chemical based industries
 Water / Power available

3. Proposed Mankulam Export Processing Zone

Approx. 600 Acres Most suitable for Agro based industries with modern Water / Power available All these EPZ will enjoy 200% enhanced capital allowance. This allowance could be utilized across 10 years to set off any losses the project may incur. Proposed Hotel Project At KKS, A Private Land available for Hotel project. JV / Long Lease 1.5 acres for a High End Hotel, Between KKS harbour and Lighthouse

Note: All Capital Goods are exempted from Custom Duty

South Asia's Gateway for Investments and Offshore Business Activities: Colombo Port City

- A multi-billion-dollar special economic zone, designed to be the financial hub of South Asia.
- Business opportunities in real estate, financial services, healthcare, and technology.
- Incentives for international companies, including tax benefits and fast-track approval processes.



South Asia's Gateway for Investments: Colombo Port City

INTERNATIONAL ISLAND

Medium Density

- Integrated Resort
- Convention & Exhibition
- International School
- Healthcare Facility
- Entertainment Hub



CENTRAL PARK LIVING

Medium High Density

- The Channel
- Central Park
- Pavilions
- Green Heart
- Open Blocks



ISLAND LIVING

Medium Density

- City Beach
- Pagoda Park
- Cinnamon Park
- Lotus Boulevard
- Villa Living



INTERNATIONAL ISLAND

CENTRAL PARK LIVING

ISLAND LIVING

FINANCIAL DISTRICT

THE MARINA

FINANCIAL DISTRICT

High Density

- Grade-A Office Buildings
- Commercial Boulevard
- Linear Park
- CBD Plaza
- Retail Destination



THE MARINA

Low Density

- Marina Promontory
- Marina Park
- Marina Village
- Sunset Bar



South Asia's Gateway for Investments: Colombo Port City Economic Commission



The Commission is the sole Government of Sri Lanka entity, which is entrusted and authorized, by way of the Colombo Port City Economic Commission Act, with the administration, regulation and control of all matters connected with businesses and other operations, in and from the Area of Authority of Port City Colombo.

Single Window Investment facilitator for the promotion of ease of doing business within Port City Colombo.

Port City Colombo

International, service-oriented Special Economic Zone/SEZ

- **International Trade**
- **Shipping Logistic Operations**
- **Banking & Financial Services**
- **IT/BPO**
- **Corporate Headquarters Operations**
- **Regional Distribution Operations**
- **Tourism**
- **Ancillary Services**

Incentives provided by Colombo Port City, Special Economic Zone for offshore activities

Primary Investors

- Cooperate income tax holidays 25 years
- Concessionary tax rates – 50% of the prevailing tax for 10 years or enhance capital allowance 300%

Secondary Investors

- Cooperate income tax holidays up to 25 years

Exemption from indirect taxes

- 0% Sales Taxes (VAT)
- 0% Withholding Tax and Tax on Dividends
- 0% Customs Duty and other orders tariffs (CESS and PAL)



Investment Protection and Double Taxation

- Sri Lanka is the one of the safest countries in the world to invest in due to a number of mechanisms in place to protect investors. Article 157 of the island's constitution guarantees the safety of investment protection treaties and agreements approved by parliament by a two thirds majority.
- Sri Lanka has signed bilateral Investment Protection Agreements (IPA) with 28 countries. The country has a very independent system of courts which can redress any concerns of investors.
- Sri Lanka also has bilateral Double Tax Avoidance Agreements with 38 countries.
- Sri Lanka is developing its model BIT with a view of catering to the needs of covering the aspects of sustainable development principles in attracting foreign investments.





**Sectors Sri Lanka are looking for
Collaborations/Partnerships and
Joint Venture Opportunities**

Smart Agriculture

Sri Lanka (formerly Ceylon) has been an agricultural country since time immemorial. The chief occupation of then Sri Lanka was agriculture, and land use in ancient Sri Lanka had been mainly agricultural. People grew their own food and there was hardly any foreign agricultural food trade. The earliest agricultural settlements were in the river valleys in the northern and south-eastern plains and the main crop cultivation was paddy under rain-fed conditions. One of the main features of the civilization in ancient Sri Lanka was the development of irrigation technology. Thousands of small irrigation tanks of varying sizes and shapes, particularly in the Dry Zone provided water for paddy cultivation. Paddy was cultivated only in one season and during the dry season, the lands were left fallow. Uplands were cultivated under rainfed conditions with subsidiary food crops under a shifting cultivation system. Until the 19th-century subsistence agriculture continued to be the mainstay of the country.

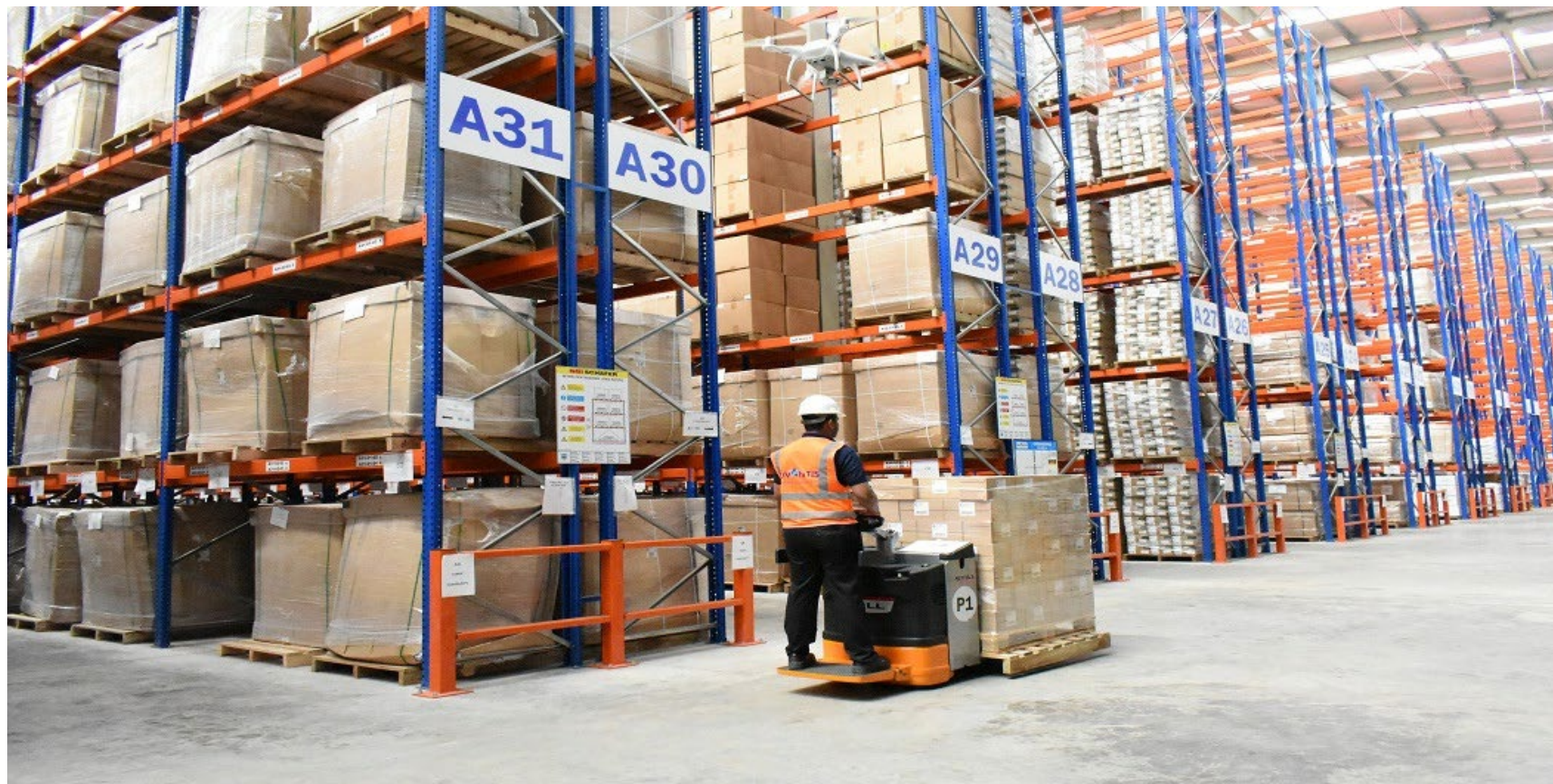
- Rice cultivation
- Tea plantations
- Fruits and vegetables
- Oilseed crops
- Spices
- Coconut production
- Rubber production



RHQ and Commercial Hub Operation

The designated free ports and bonded areas under commercial hub regulations include;

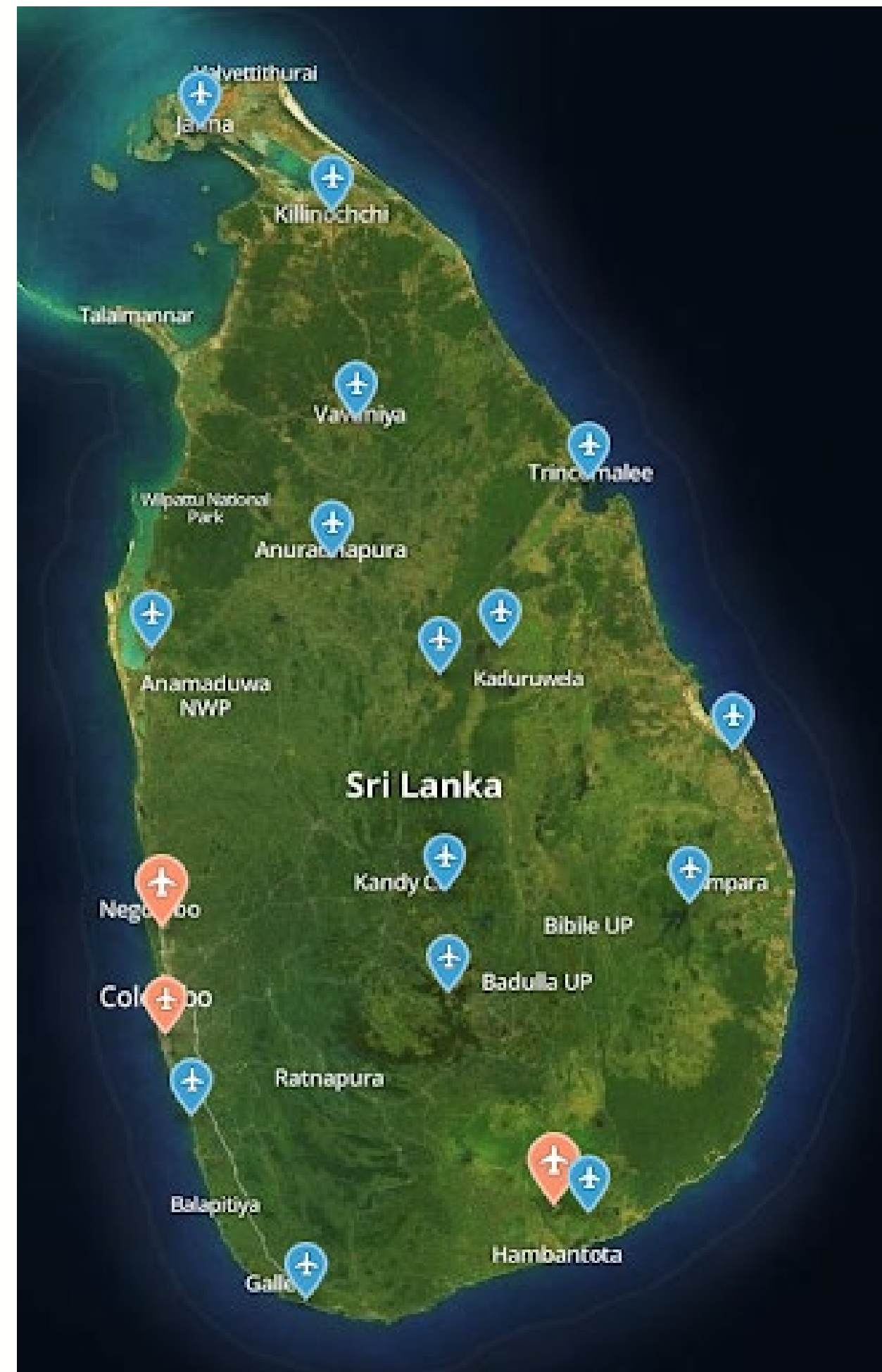
- Colombo Port
- Hambantota Port
- Mattala Airport
- Katunayake Export Processing Zone
- Koggala Export Processing Zone
- Mirijjawila Export Processing Zone



Under the Commercial Hub Regulation No. 1818/ 30 issued in the year 2013, Sri Lanka offers a series of commercial hub operational services including:

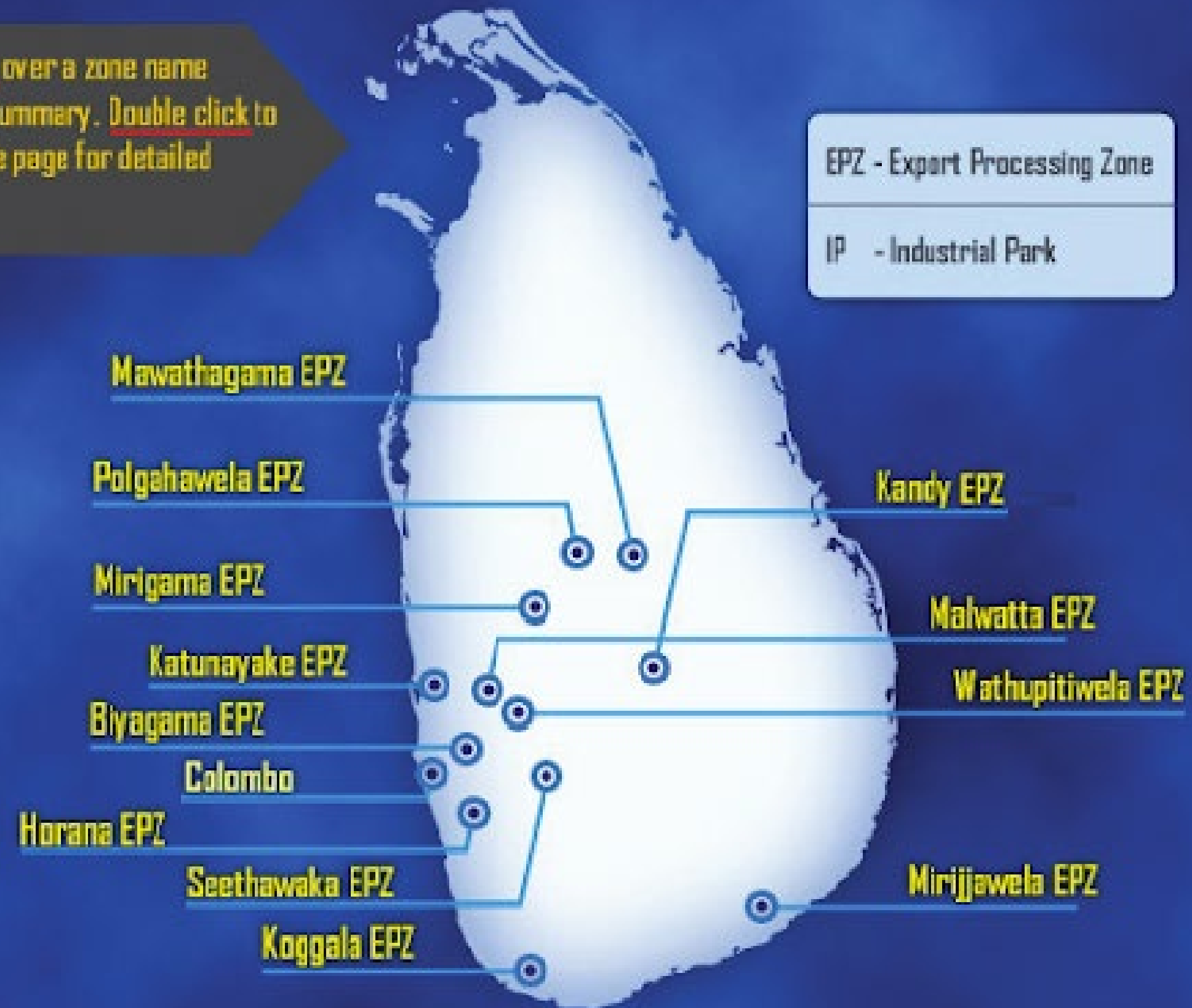
- Regional and Global distribution centre operations
- Entrepot trade operations
- E-commerce fulfilment centres
- Multi-Country Consolidation (MCC) and groupage services
- A range of value-added re-export services for a variety of industries
- Regional and global quality assurance centres
- Controlled atmosphere cold storage facilities Canning and packing operations for food and beverage industry
- Assembly and manufacturing of automobiles and machinery in specified bonded areas





LOCATIONS OF EXPORT PROCESSING ZONES IN SRI LANKA

Place mouse over a zone name below for a summary. Double click to go into a zone page for detailed information.



Logistic and Transshipment

Air Cargo Operations

- **Colombo Bandaranaike International Airport (CMB)** is Sri Lanka's largest and main international gateway, playing a vital role in connecting the country to the rest of the world. As the most prominent airport in Sri Lanka, it serves the Colombo metropolitan area and handles both international and domestic air traffic. Further Mattala International Airport place a significant role for deomestic internation Travelers.
- **Global Connectivity:** Colombo Airport offers non-stop passenger flights to 52 destinations across 26 countries. This extensive network supports tourism, business, and trade, making Colombo a significant hub in South Asia.
- **Airlines:** A total of 31 international airlines currently operate flights to and from Colombo, offering a variety of options for global travelers, contributing to Sri Lanka's role as a growing aviation center.
- **Domestic Flights:** While primarily an international airport, Colombo also manages 6 domestic flight routes, enhancing connectivity within Sri Lanka.
- **Expansion and Upgrades:** In recent years, Colombo Airport has undergone significant expansions to improve passenger experience and accommodate growing air traffic. Key infrastructure upgrades include:
- **Terminal Expansion:** New terminals have been added to increase the airport's capacity to handle more flights and passengers, easing congestion and supporting future growth and Jaffna International Airport
- **Passenger Services:** Colombo Airport is committed to enhancing the passenger experience with better facilities, including modernized lounges, expanded duty-free shopping areas, and upgraded baggage handling systems.

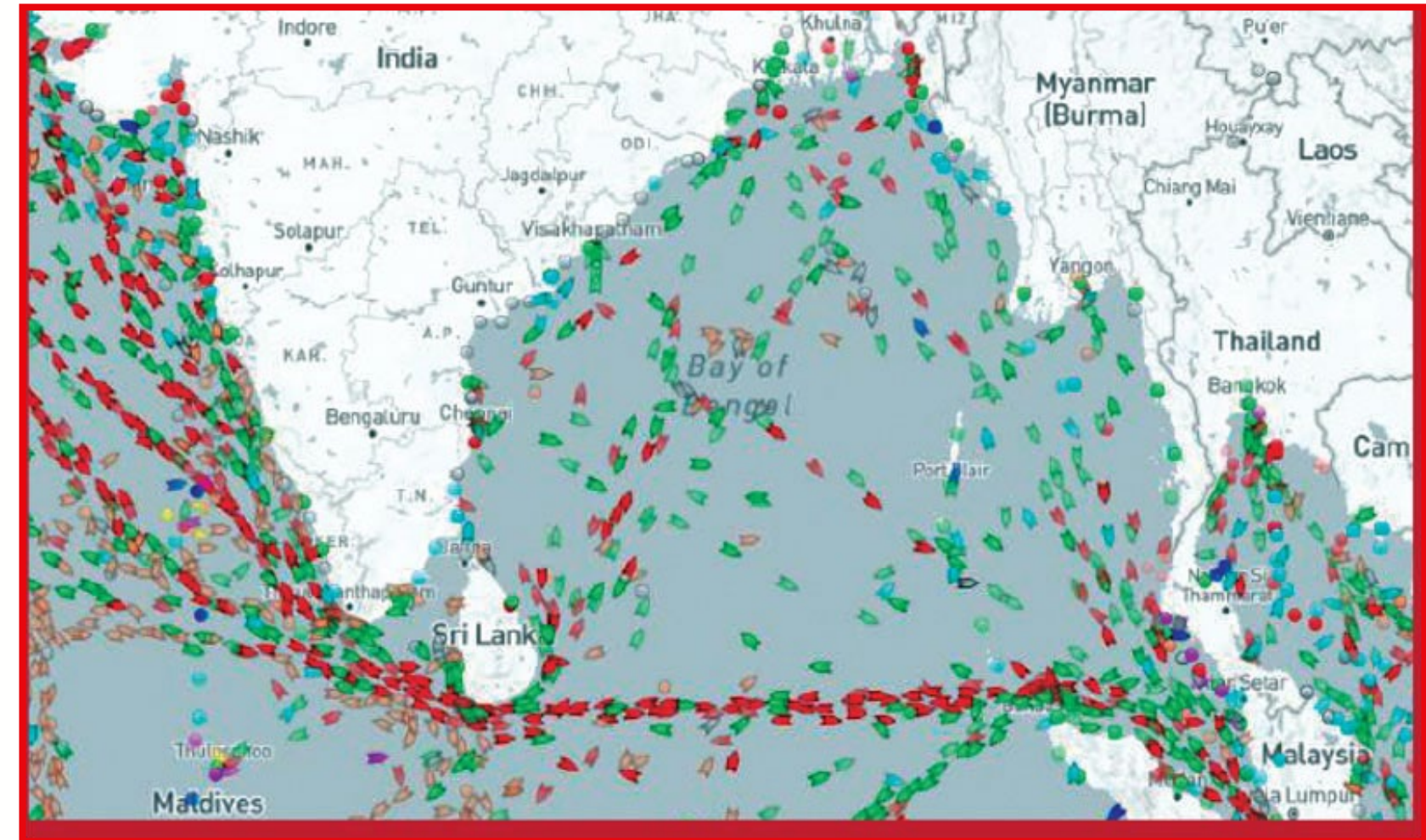
Importance to Sri Lanka's Economy:

- **Tourism:** Colombo Airport plays a crucial role in supporting Sri Lanka's tourism industry, serving as the primary entry point for millions of tourists annually.
- **Business and Trade:** The airport facilitates trade by supporting cargo transport and business travel, particularly with major economic centers across Asia, the Middle East, and Europe.



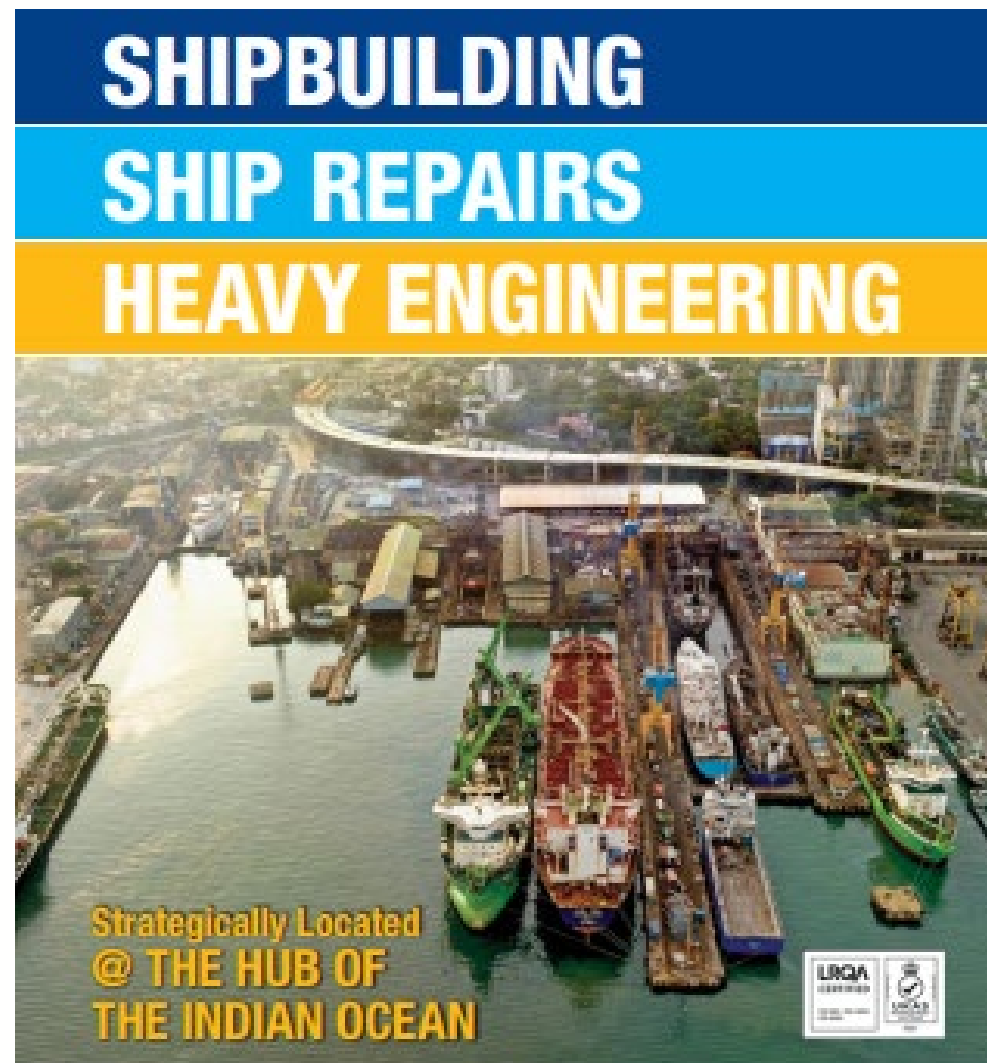
Transshipment

- **Colombo Port's Growth:** Highest container throughput growth globally in H1 2024, up by 23.6% year-on-year.
- **Comparison:** Colombo outpaced the Port of Long Beach, which saw a 23.3% increase.
- **Port Terminals:** Four main terminals—JCT, SAGT, ECT, CICT—contributed to the growth.
- **Terminal Performance:** JCT and ECT reported a 23.6% increase in throughput, a 15.5% rise in transshipment, and 17.7% total throughput increase.
- **Challenges:** Capacity constraints and congestion; container ship arrivals dropped by 20% in June, transshipment volumes down by 5%.
- **Congestion Impact:** Transit times extended up to 20 days, leading some ships to bypass Colombo in favor of Indian ports.
- **Indian Port Growth:** Cochin Port saw record growth—75,200 TEUs handled in February, a 38% year-on-year increase.
- **Future Expansion:** Colombo Port's West Container Terminal (WCT) project, with a capacity of 3.5 million TEUs, to be completed by end-2024/early-2025.
- **Regional Competition:** Adani Ports, Vizhinjam, is positioning itself as a strong alternative to Colombo, attracting major shipping lines like Maersk and MSC.



Heavy Industries

- Ship Building
- Ship Breaking
- Steel Manufacturing and Related profiles (melting, drawing)
- Ship repairing and Servicing operations



COLOMBO DOCKYARD PLC



- **IT:** Collaborating in software development, tech startups, and AI-driven solutions.

Key Facts

- \$3bn Exports and 2x growth by 2025
- \$1+ Bn. contribution to GDP in 2020
- 300+ IT & BPM Companies
- 85k + talent pool
- Competitive cost and high productivity

Rankings

- 2021 - 78th position in Networked Readiness Index (NRI) out of the 139 countries
- 2020 - 101st place on Global Innovation Index (GII) based on 81 indicators, which measure innovation in detail and provide a clear understanding of how it drives economic growth and prosperity.
- 2019 - 25th in the A.T. Kearney's Global Services Location Index (GSLI) against financial attractiveness, people skills and availability, and business environment.
- The United Nations e-Government survey ranks No 1 in South Asia in the e-Government ranking.
- Ranked on Gartner's 30 Leading Location for Offshore Services. Included among the Top 6 in Asia Pacific.
- Ranked among the top 10 emerging global destinations by Global Services Magazine.

Tech Start ups and Fincial Services

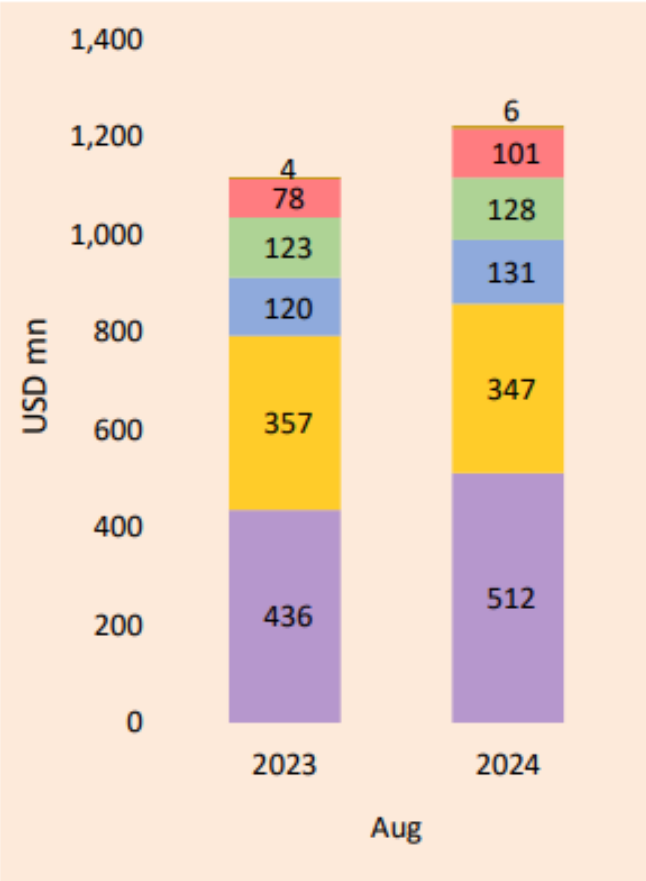
- **Growing Ecosystem:** Sri Lanka's startup ecosystem has been gaining momentum, with over **400 active startups** across various sectors including technology, fintech, agritech, and healthtech.
- **Support Networks:** Several incubators, accelerators, and co-working spaces like **Hatch, Slingshot, Spirulation, and StartupX Foundry** provide critical support to startups by offering mentorship, funding access, and workspace.
- **Government Initiatives:** The Startup Hub Development Program and Erambuma Credit Scheme by the Ministry of Digital Infrastructure are designed to encourage innovation and offer funding solutions to budding entrepreneurs.
- **Access to Funding:** Local and international venture capital firms, angel investors, and crowdfunding platforms are more active, with notable players such as **BOV Capital, Blue Ocean Ventures, and Lankan Angel Network** investing in early-stage startups.
- **Digital Adoption:** A surge in digital transformation has created opportunities in e-commerce, fintech, and logistics. **Pay Here, Direct Pay, and PickMe** are leading examples of startups capitalizing on these trends.
- **Youth and Tech Focus:** With over 65% of the population under the age of 35, Sri Lanka has a young, tech-savvy workforce. Programs like ICTA's Tech Startup Support aim to further nurture entrepreneurial talent.
- **Challenges:** Startups face hurdles like limited access to scale-up capital, bureaucratic red tape, and a relatively small domestic market, pushing many to look at international expansion early in their lifecycle.
- **International Partnerships:** Collaborations with global organizations such as Google for Startups, Seedstars, and 500 Startups are fostering international exposure and investment, driving growth in the ecosystem.
- **Future Prospects:** Sri Lanka's startup ecosystem is poised for further expansion with increasing focus on sectors like sustainable tech, blockchain, and AI as local innovators explore solutions for global markets.

Exports

Composition of Merchandise Exports

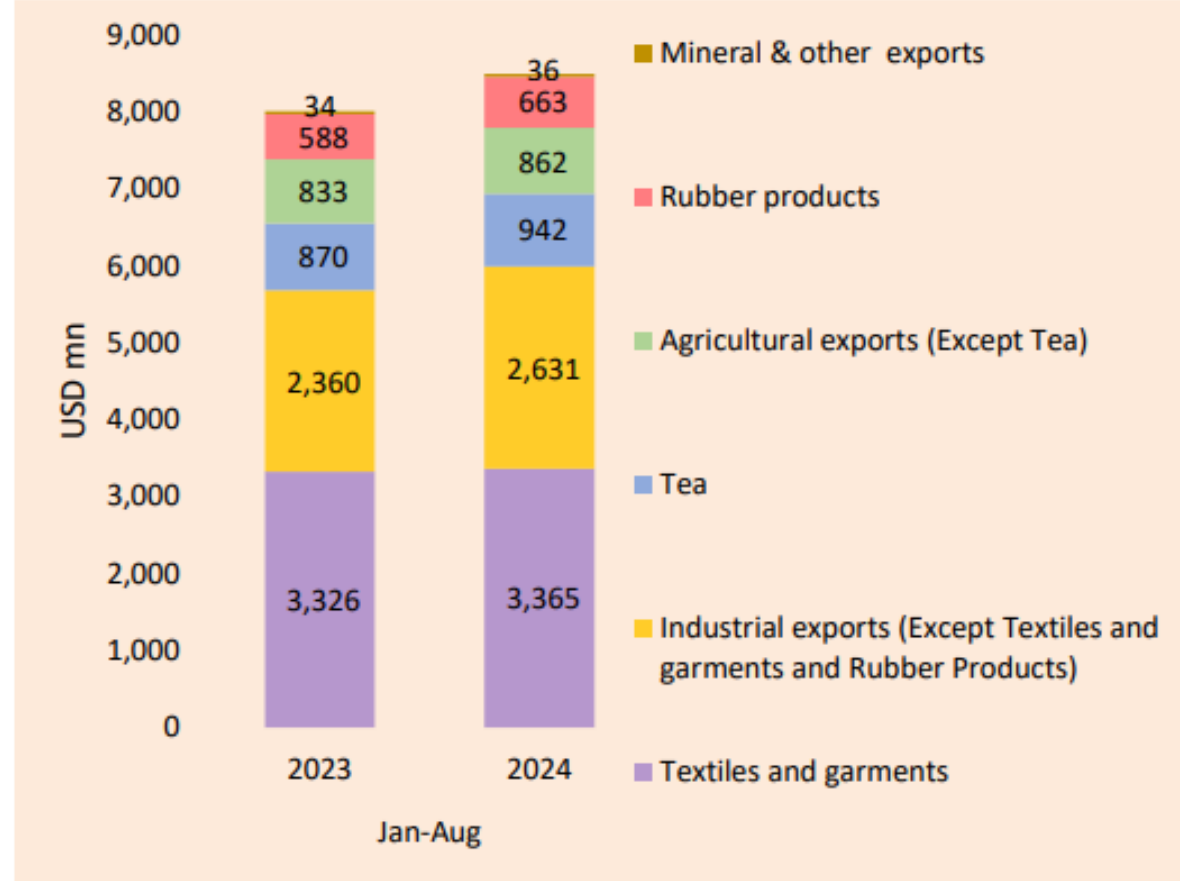
2024 Aug: USD 1,224 mn

2023 Aug: USD 1,119 mn



2024 Jan-Aug: USD 8,499 mn

2023 Jan-Aug: USD 8,010 mn



MORE EXPORT CATEGORIES



AYURVEDIC & HERBAL PRODUCTS



CERAMICS & PORCELAIN PRODUCTS



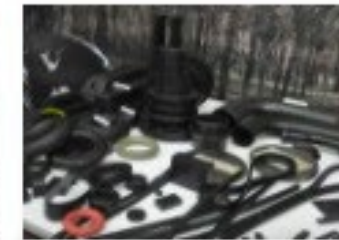
CHEMICALS & PLASTIC PRODUCTS



CUT FLOWERS & FOLIAGE



ELECTRICAL AND ELECTRONIC PRODUCTS



ENGINEERING PRODUCTS



FISH & FISHERIES PRODUCTS



FOOTWEAR AND PARTS



FRUITS, NUTS AND VEGETABLES



GIFTWARE & TOYS



HANDLOOM PRODUCTS



LEATHER PRODUCTS



LIGHT ENGINEERING PRODUCTS



ORGANIC PRODUCTS



ORNAMENTAL FISH



OTHER EXPORT CROPS



OTHER MANUFACTURED PRODUCTS



PRINTING, PREPRESS AND PACKAGING PRODUCTS



TOBACCO

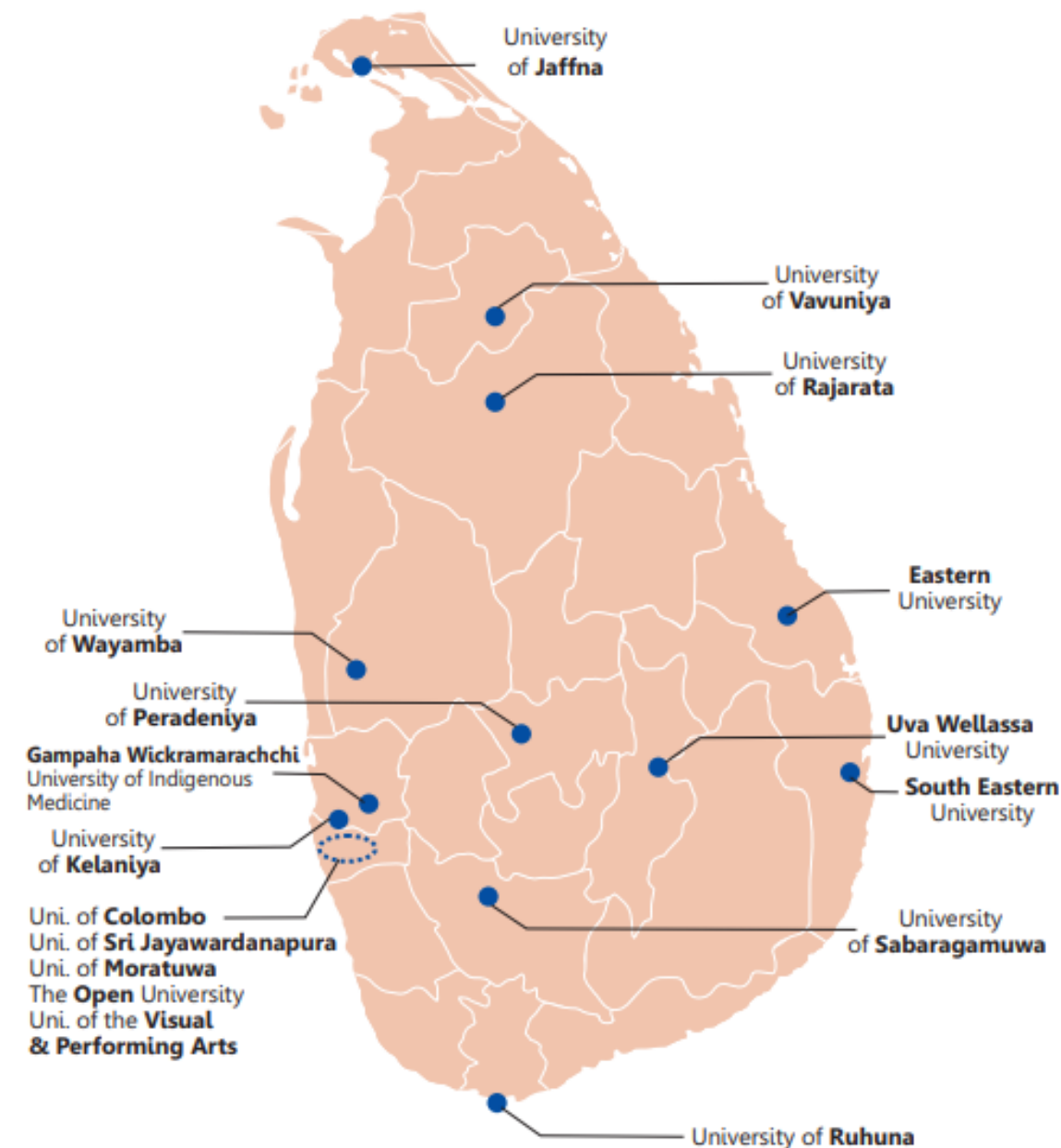


WOOD & WOODEN PRODUCTS

Unlocking Opportunities: Joint Ventures and Collaboration

- **Education** : Expanding Sri Lankan education institutes through Canadian expertise in technology-based learning and curriculum development.

Current University network of Sri Lanka



- Student Exchange Programs
- Collaborative Research Projects
- Joint Degree Programs
- Teacher Training Programs
- Language and Cultural Exchanges
- Scholarships and Funding Opportunities
- Distance Learning and Online Education
- Educational Consultancy Services

Unlocking Opportunities: Joint Ventures and Collaboration

- **Tourism:** Sri Lanka is home to a rich and diverse Tourism & Leisure industry which is the economy's third largest foreign exchange earner. The focus is on investments that would provide worldclass tourist experiences leveraging on established sub-sectors, as well as to diverse into new offerings.



As of 2023

Key Targets

- Approx. Target US\$ 8 Bn. revenue by 2025
- Approx. 4 Mn. tourist arrivals by 2025
- Sector specific 400,000+ talent pool



- **Renewable Energy:** Sri Lanka is committed to renewable energy initiatives, particularly solar and wind energy. Canadian investment in these sectors can transform energy security.

6. Renewable Energy Resource Maps

6.1 Solar Resource Map

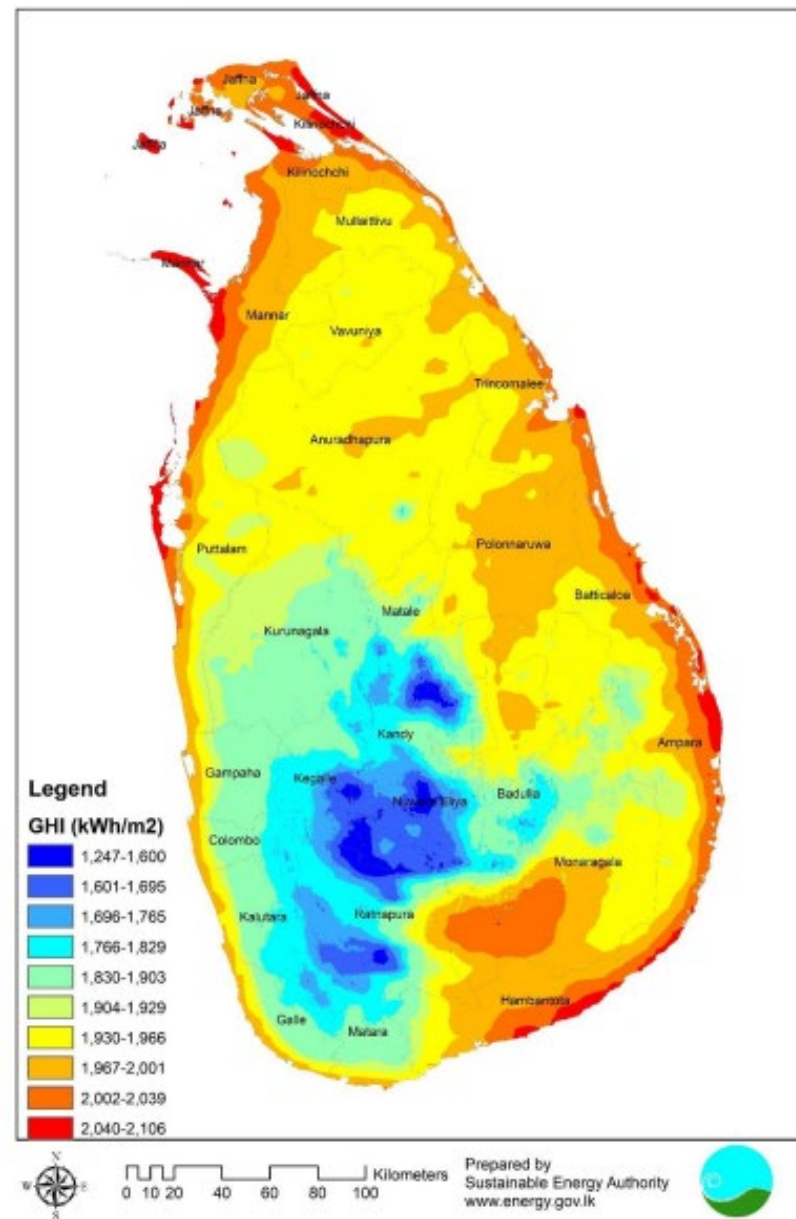


Figure 6.1: Solar Resource Map (Annual Global Horizontal Irradiance)

6.2 Wind Resource Maps

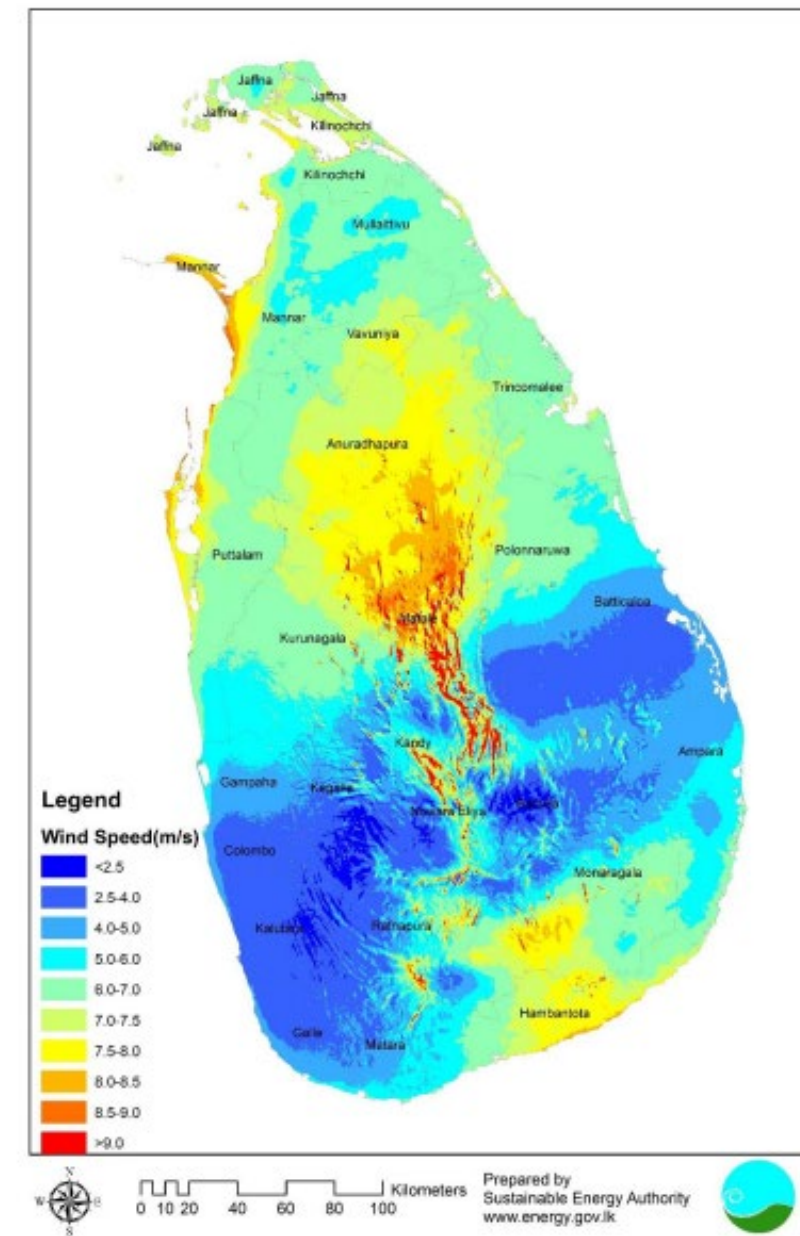


Figure 6.2: Wind Resource Map (Mean Wind Speed at 100m height)



- **Sustainability:** Seeking guidance and collaboration on sustainable practices in agriculture, manufacturing, and urban development.

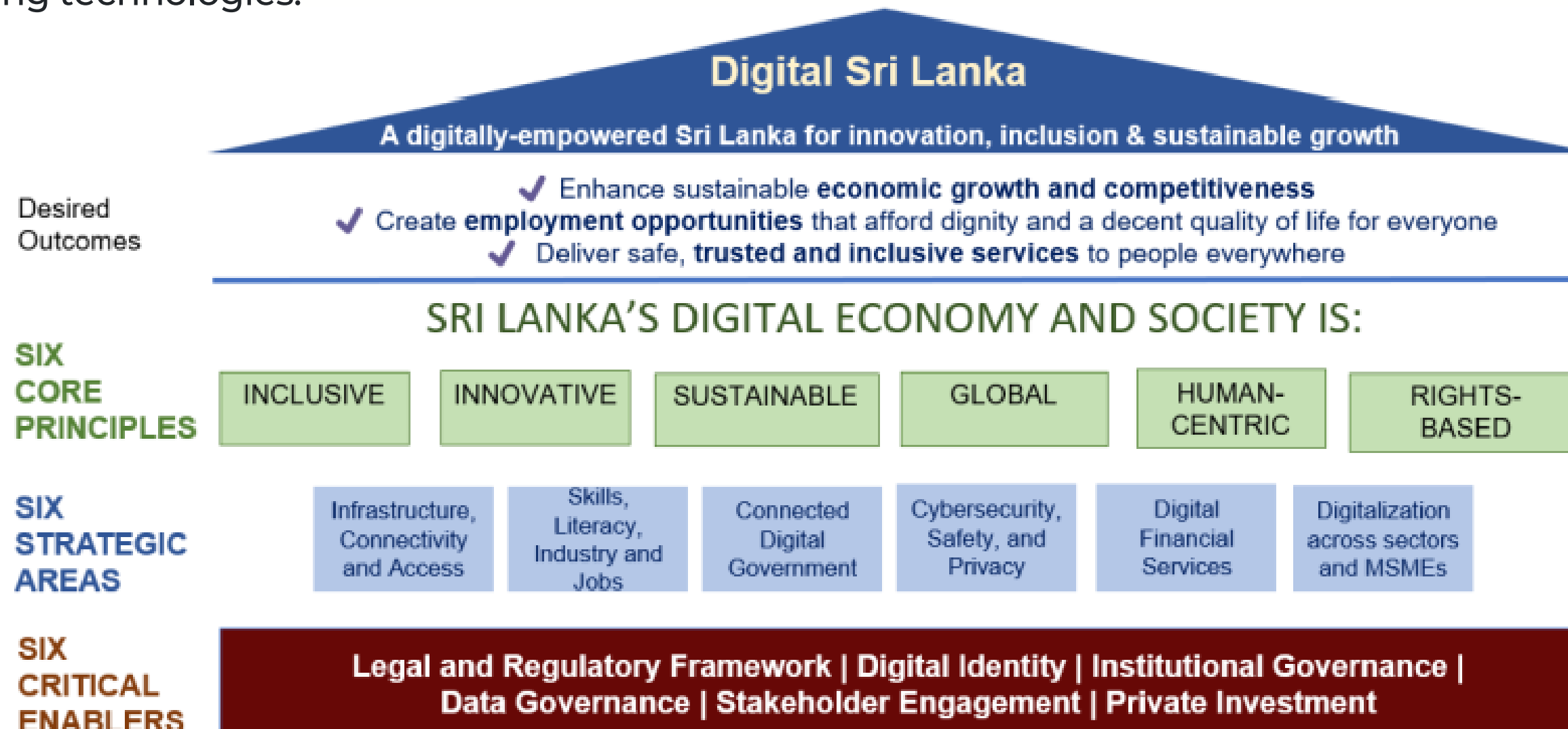
**Sustainable
business capacities
in Sri Lanka at the
individual,
organization and
ecosystem levels,
2024**



Green and digital economy

A dynamic Sri Lankan digital economy can drive economic competitiveness and growth, employment creation, sustainable development, and service delivery. Sri Lanka has made significant strides in its digital capabilities between the 1980s and early 2000s but has lagged regional peers in the last decade.

part of an inclusive and resilient recovery, Sri Lanka will need to shift gears towards a new economic model including digital transformation and relevant strategic measures to help the country navigate ongoing economic challenges and take advantage of the wide-reaching benefits of digital and emerging technologies.



Proposed Way forward

- **MOU on Key Sectors: Establish a working Memorandum of Understanding focused on specific, identified sectors for collaboration. Collaboration Areas: Highlight and explore strategic areas of cooperation between the two parties.**
 - **Business Support Facilitation: Both parties will actively facilitate business support and development opportunities for mutual benefit.**
 - **Business Delegation: The Surrey Board of Trade will lead a business delegation to Sri Lanka to explore investment and trade opportunities.**
 - **SLCBC Delegation: The Sri Lanka-Canada Business Council (SLCBC) will reciprocate by sending a business delegation to Surrey to focus on identified sectors and collaboration areas.**
- 



**SRI LANKA CANADA
BUSINESS COUNCIL**
OF THE CEYLON CHAMBER OF COMMERCE

***Let's build
together***

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