

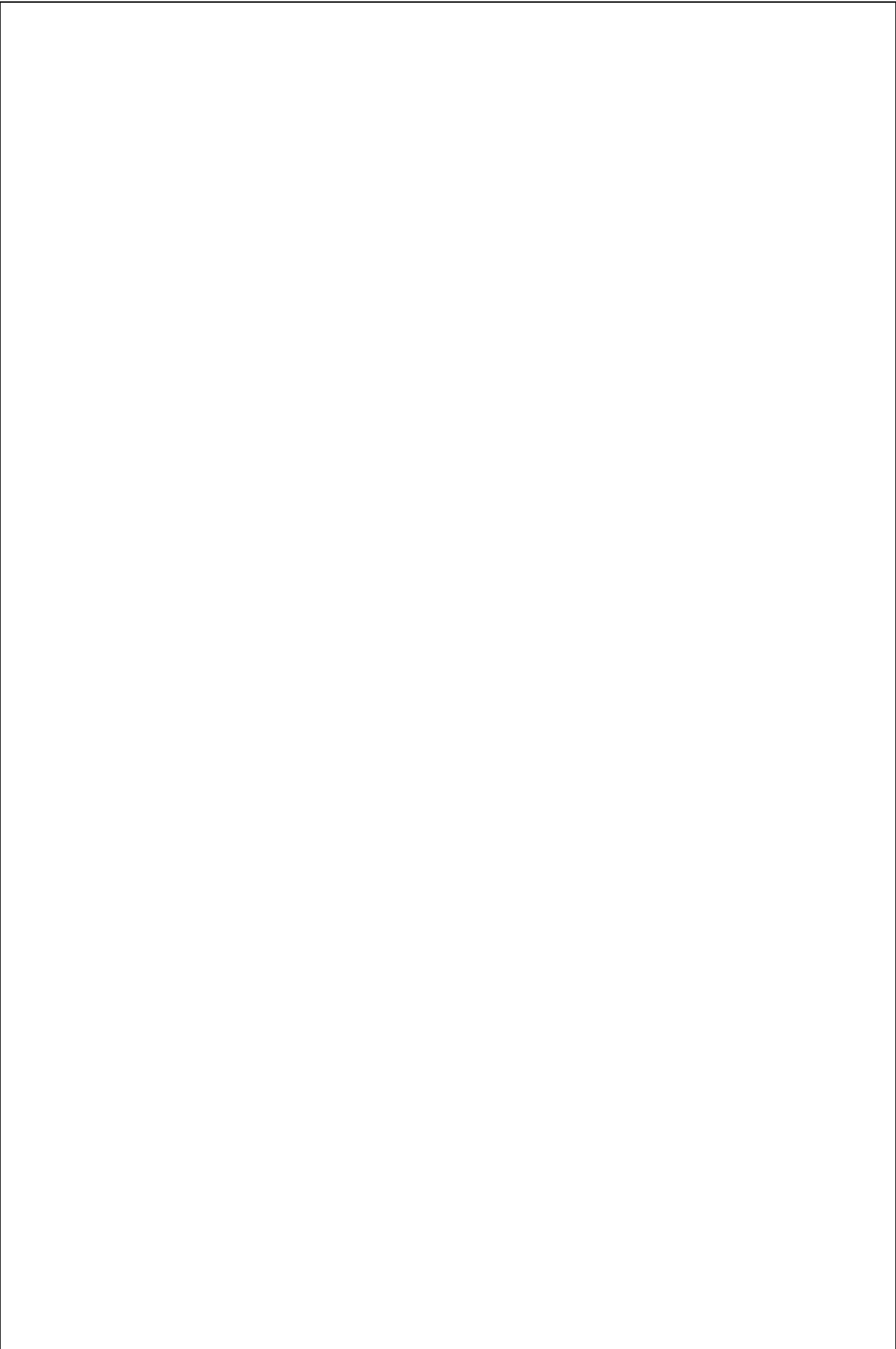


கரீமாஜை அலாநாண்டை  
கைத்தொழில் அமைச்சு  
Ministry of Industries



புரதரி வர்க்கால  
முன்னேற்ற அறிக்கை  
Progress Report

2022





# Progress Report - 2022

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





## Leadership and Direction



**Hon. Dr. Ramesh Pathirana**  
**Minister, Ministry of Industries**



**Hon. Prsanna Ranaweera**  
**Minister of State, Small and Medium  
Enterprises Development**



**Hon. Chamara Sampath Dasanayake**  
**Minister of State, Primary Industries**



**J. M. Thilaka Jayasundara**  
**Secretary, Ministry of Industries**



## **Vision**

“A globally competitive, sustainable and unique Sri Lankan manufacturing industry sector”

## **Mission**

“To create a conducive environment which is technology intensive, knowledge and innovative thinking driven in order to encourage diversified, high value added and innovative products, green practices, better market access and inclusive industrial development”



## Objectives

- To establish a conducive structure to provide an efficient service delivery for all stakeholders in the manufacturing sector.
- To augment the application of technologies, value addition, product diversification, usage of local resources and sustainability in the manufacturing sector.
- To promote regional industrial development and expand investment opportunities to ensure inclusive industrial development.
- To enhance local and global market access in manufacturing industry sector.

## Divisions of the Ministry

- Policy Development Division
- Industrial Development Division
- Development Division - I
- Development Division - II
- Development Division – III
- Industrial Registration Division
- Project Management Unit
- Public Enterprises and Restructuring Division
- Textile and Local Apparel Products Promotion Division
- Jem and Jewellery Industry Division
- Small and Medium Entrepreneur Development Division

## Statutory Institutions and Public Corporations under the Purview of the Ministry

- Industrial Development Board of Ceylon (IDB)
- National Enterprise Development Authority (NEDA)
- Kahatagaha Graphite Lanka Limited (KGLL)
- Ceylon Ceramics Corporation (CCC)
- Paranthan Chemicals Company Limited (PCCL)
- Lanka Mineral Sands Limited (LMSL)
- National Salt Ltd (NSL)
- National Paper Company (NPCL)
- B C C Lanka Limited (BCC)
- Sri Lanka Cement Corporation (SLCC)
- Lanka Cement PLC
- Lanka Ashok Leyland Limited (LAL)
- Lanka Leyland Limited (LLL)
- National Design Centre (NDC)
- Department of Textile Industry (DTI)
- Sri Lanka Institute of Textile & Apparel (SLITA)
- Sri Lanka Handicrafts Board (SLHB)
- National Crafts Council (NCC)
- Lanka Salusala Ltd (LSL)
- National Gem and Jewellery Authority (NGJA)
- Gem and Jewellery Research and Training Institute (GJRTI)



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## Preface

The Ministry of Industries has been entrusted with a great responsibility in achieving the economic development goals of Sri Lanka. The ultimate objective of the Ministry is to maximize the contribution to the industry sector through targeted programmes for development of the economy.

Even in the face of difficulties such as the prevailed covid epidemic situation and the economic recession, the Ministry has contributed in various ways to the promotion of the manufacturing industry sector through the implementation of specific programs and the necessary intervention for the development of industries. The Ministry and the institutions coming under the purview of the Ministry execute a huge responsibility for this purpose.

Measures have been taken to prepare a favorable legal and regulatory framework for the manufacturing industries. Preparation of the national policy for industrial development and the amendment of the Industrial Development Act to make industrial development more efficient take a leading place.

The Ministry has implemented a number of programs to provide the necessary infrastructure to encourage local investment to spread industrial development at the regional level, which is concentrated only in the developed areas.

The Ministry has also implemented many programs and projects to strengthen the contribution of the micro, small and medium-scale enterprise sector to the national economy, which is the backbone of the local economy.

The Ministry has contributed to achieve sustainable industrial development through the necessary intervention to solve the problems related to raw materials, energy, and fuel faced by local industrialists with special emphasis on their protection and promotion.

The ministry has introduced many essential measures for the maximum utilization of mineral resources, value-addition, and to strengthen loss-making state enterprises into profitable and commercially viable enterprises.

It is an achievement of the Ministry to contribute in some way to solving the foreign exchange crisis in the country by getting maximum income for Mineral Sands through the introduction of a new transparent sales method.



## Cabinet Decisions implemented to promote local manufacturing industries

### 1. Building a conducive environment for manufacturing industries

#### 1.1 Formulation of the National Policy for Industrial Development

The initial draft of the National Policy for Industrial Development has already been prepared and finalized with the objective of raising the country's economy to the level 4.0 in the industrial sector by creating an industrial sector that benefits all people through making a conducive business environment that provides the necessary certification and guidance to the industry. Feedback regarding this was obtained from public and private sector stakeholders. After inviting public views on the revised draft, the final draft has been submitted to the Cabinet of Ministers for approval, in due course. At present, the draft Strategic Implementation Plan to implement the Industrial Policy, has been prepared, which includes the following:

- The Implementation Framework outlining the strategies, activities, time frame, outputs, outcomes, impacts, key performance indicators and the responsibility
- The mechanism for monitoring and evaluation
- The methodology for conducting periodic reviews of the policy

#### 1.2 Standard Operating Procedure for the manufacture, assemble and manufacture of vehicle accessories in Sri Lanka

The SOP is a self-explanatory document that prepared by the Policy Development Division of the Ministry of Industries with a 'Local Value Addition Matrix' including all guidelines, regulations and procedures for local vehicle assembly. Ministry of Industries is making a great effort to promote local assembly of vehicles with locally manufactured components, in order to develop the automobile industry and create new job opportunities in the country.

Eighteen (18) assembling institutions have received approval to assemble Forty-Five (45) vehicle models after launching the SOP. Fourteen (14) new vehicle models have been approved and ten (10) assembling institutions received approval to assemble new vehicle models up to September 2022.

Accordingly, 7,739 motor vehicles (Four Wheels 1,957 vehicles and Two Wheels 5,782 vehicles) have been assembled from January to September 15, 2022 under the SOP. In the face of the country's economic crisis and restrictions on vehicle imports, the SOP has opened new doors to the country's automobile industry.

### **1.3 Taking necessary measures to impose an appropriate cess to protect the local plywood industry**

There has been a scarcity of rubber wood, which is the main raw material required for domestic plywood production, due to exporting veneers without value addition, and this has led to an increase in domestic veneer prices.

Currently, around 27 industrialists are engaged in the local plywood industry and it has been recognized that if these industrialists are tempted to export plywood in the form of veneer, there would be a threat of collapse of the local plywood industry.

In order to protect the local plywood industry, it has been decided by the committee appointed under the chairmanship of the Secretary, Ministry of Industries to ban the export of veneers made from rubber wood without value addition and to impose an appropriate cess on companies that currently have an agreement with the Sri Lanka Board of Investment for exporting veneers without value addition.

### **1.4 Establishment of advisory councils for the promotion of local manufacturing industries**

Due to the poor performance of the previous industry advisory councils, steps were taken to establish 20 new advisory councils for industrial sectors to meet the need to strengthen and promote local industries. Advisory councils have already been set up for many sectors. Apparel, textiles and allied industries, jewellery and gem industries, metals, dyes, molding, machinery and accessories and allied industries, dairy and dairy-related

industries, and ink and printing industries can be indicated as examples.

### **1.5 Removal of constraints in the supply of raw materials for local manufacturing industries by restricting imports**

The government imposed import restrictions from time to time to maintain a stable exchange rate in the country due to the covid-related lockdowns. However, some of the restricted materials are used as raw materials by local industrialists and it directly affected the local manufacturing sector. The Ministry intervened to solve the problem and took steps to remove the import restrictions so that the raw materials could be made available to the industrialists without hindrance. Accordingly, concessions were provided to sectors such as the metal, packaging, and cosmetic industries.

### **1.6 Prohibition of export of scrap metal removed from the production process in metal-related industries**

With a view to encouraging local manufacturers to set up new factories, the export of iron, copper, aluminum, white iron, high carbon iron, scrap metal, aluminum ingots and zinc ingots, and copper wire have been suspended with effect from 09.07.2020. Accordingly, necessary arrangements have been made to obtain the metals required by local manufacturers within the country.

Currently, the export of scrap metals other than those approved by the cabinet decision has been banned. Accordingly, there has already been an awakening in new industrial fields by preparing raw materials such as stainless steel and aluminium. Similarly, manufacturers who import raw materials



say that they can reduce their production costs by banning the export of scraps removed from the institutions where the above metals are imported as raw materials and manufactured.

### **1.7 Production of sticks and raw materials locally, used for incense sticks which were being imported**

This project has been planned to be implemented with the aim of supplying the need of special bamboo sticks used for the production of incense sticks from within the country. The necessary instructions have been given to the Department of Forest Conservation, the Department of Agricultural Services, and the Mahaweli Authority to identify the areas where these special bamboo plants exist and to identify the lands where they can be cultivated.

The Industrial Development Board, together with the University of Moratuwa, has conducted a survey using drone technology for places where bamboo has been cultivated along the rivers and given a report. Imports are allowed until the number of bamboo plants available locally is sufficient for local production. As well,

Industrial Development Board has been directed to prepare a report paying special attention to which of the bamboo plants currently available in Sri Lanka can be successfully used for the production of these sticks.

### **1.8 Obtaining tariff concessions to develop textile sector**

One of the main sources of foreign exchange for Sri Lanka is the textile and apparel sector. Due to the economic crisis faced by textile manufacturers, tariff concessions have been obtained on the cabinet approval for the importation of the following 17 types of accessories, selected out of the accessories that are not produced locally and that are needed in value addition in the apparel production. The main objective of this is to provide apparel products at competitive prices to the local and foreign markets.

1. Metal Button
2. Metal Rivets
3. Leather patches type 0
4. Metal Badges
5. Plastic Buttons
6. Cufflinks
7. Metal Zipper
8. Nylon Zipper
9. Brass pin
10. Brass Hook and Bar
11. Leather patch type 02
12. Buckle
13. Collars and cuffs
14. Leather belt
15. Plastic cover string cord
16. Appliques
17. lace

## **2. Revival of collapsed state enterprises, optimal utilization of mineral resources, and local value addition**

### **2.1 Resumption of production at Embilipitiya Paper Mill under the Public-Private Partnership method.**

The agreement related to restarting the production activities of the Embilipitiya paper mill under the public-private partnership method was signed on 09.03.2022 between National Paper Company Ltd. and its related investor KSPA Embilipitiya Paper Mills (Pvt) Ltd. It is expected to start production after 18 months after completing the renovations and getting the power connection. The investment is Rs. 3.5 billion. The expected annual production is 74250 MT.

### **2.2 Taking over the land of the Embilipitiya paper mill, owned by the Sri Lanka Mahaweli Authority, to the National Paper Company on a long-term lease basis.**

The relevant lease deed to transfer the land on which Embilipitiya Paper Mill is located (111 acres 02 Roods 33 Perches) was handed over on a long-term lease basis for 30 years from 13.10.2021 by Sri Lanka Mahaweli Authority to National Paper on 08.03.2022.

### **2.3 Resumption project of Kurunchantivu (Elephantpass - North) Saltern under Public Private Partnership system.**

Detailed project proposals submitted for this project have been evaluated by the project committee. The information about the investor company recommended for selection has been submitted to the Negotiation Committee appointed by the Cabinet of Ministers.

### **2.4 Implementation of a value-addition project based on the public-private partnership system for graphite mined by Kahatagaha Graphite Lanka Limited.**

It has been decided to conduct a survey of the existing graphite reserves in the Kahatagaha Mine prior to commencing the project. The first phase of mapping has been completed by the Bureau of Geological Survey and Mines. According to the Cabinet Decision dated 13.09.2022, the Cabinet of Ministers has given instructions to complete the second phase (the drilling phase) within a period of 03 months with the funds of the Bureau, and submit the related report.

## **2.5 Resumption of production of Valachchena Paper Mill owned by National Paper Company Ltd as a diversification project.**

National Paper Company started the production of Valachchena Paper Factory from 01.07.2020. The average monthly paper production of this mill in the year 2021 was around 100 MT and in the year 2022, it will be around 117 MT.

## **2.6 Conducting a feasibility study related to carrying out a urea fertilizer production project.**

The Cabinet has given the approval to carry out a feasibility study from Sri Lanka Nano Technology (Private) Company under the supervision of Paranthan Chemicals Company Ltd. to investigate the possibility of producing urea. However, the Ministry of Finance has informed that it is suitable to conduct a pre-feasibility study in this regard. Paranthan Chemicals Company Ltd has been informed to prepare and submit the cost estimate related to the pre-feasibility study to inform the Cabinet.

## **2.7 Cleaning the Kankesanturai cement factory premises by removing unusable materials**

In this regard, the tender committee and the technical evaluation committee have been appointed by the Cabinet and the technical committee report has been prepared for the disposal of the buildings, machinery, structures, and scrap

metals recommended under the approved tender method.

## **2.8 Acquisition of the land of old chemical factory in Paranthan to Paranthan Chemicals Limited on long term lease basis.**

The Commissioner General of Lands has started the process of handing over the land where the old Paranthan chemical factory is located in the Kilinochchi district to Paranthan Chemicals Company Limited on a long-term lease basis.

## **2.9 Implementation of value addition project for mineral sand mined and supplied by Ceylon Mineral Sands Limited under public and private partnership system.**

Investors from 13 countries including China, India, United Arab Emirates and Australia have submitted proposals of Expression Of Interest. Necessary measures are being taken to acquire the 125 acres of land owned by the Sri Lanka Ports Authority in the Kappalthurai area of Trincomalee District proposed to implement this project to Lanka Mineral Sands Limited on a long-term lease basis.

### **2.10 Allocation of the seven mineral sand grid units on the coast of Kirinda Magama in Tissamaharama Divisional Secretariat of Hambantota District to Ceylon Mineral Sand Company for exploration and mining activities.**

Discussions have been held with the religious leaders, political authorities, and the general public of the area regarding the proposed project. Ceylon Mineral Sands Limited has been informed to carry out the relevant feasibility study as per the instructions given by the Cabinet.

### **2.11 Preparation of a new methodology for the sale of mineral sands of Lanka Mineral Sand Company**

The new sales method was prepared and on 03.08.2022 tender notices were issued for the implementation of the first tender for the sale of mineral sand according to that method. Bids were opened on 23.08.2022, and twelve (12) bidders appeared for the tender. The highest bid for a metric ton of Ilmenite was USD 285. The highest bids for Hi Ti Ilmenite and Rutile were USD 404 and USD 2,005 per metric ton, respectively. Under this tender, 62,150MT of mineral sand including 60,000MT of ilmenite were sold and the total revenue earned was USD 20.33 Mn.

## **3. Development of infrastructure facilities needed to uplift manufacturing industries**

### **3.1 Establishment of a special industrial zone for textile-related entrepreneurs in the Eravur area**

Development of roads, provision of electricity facilities, provision of water facilities, preparation of a sewage system to discharge wastewater into the sea, and repairing the water treatment plant in the Valachchena paper mill to increase the water supply capacity have been identified as key development tasks. Accordingly, the task of providing infrastructure including electricity, water, and roads has been completed by 75%. The laying of water pipes and preparing the plumbing system have been completed by 80%.

### **3.2 Establishment of Katunayake Industrial Park**

Agreed with the Urban Development Authority regarding the determination of the land required to start the construction of this industrial estate and the surveying has started on 10.08.2022.

### **3.3 Establishing an industrial zone in the Welipitiya Divisional Secretariat**

In order to acquire this land, compensation must be paid to the plantation company that owns the land. The relevant request to get the approval to make the payment has been directed to the Director General of the national budget.

### **3.4. Implementation of the budget proposals for the year 2022**

The main objective of this project is to establish small and medium industrial zones at the local and district levels and provide investment opportunities for new business development. Under the first phase of this, the construction of 10 industrial estates has been started all over the island and as the initial work, the land surveying and boundary lines preparation have started. The lands in Divulapitiya, Bulathsinhala, Dambulla, Dimbulagala, Rabewa, Mahawa, Mahawewa, Dikwella, Suriyawewa, Trincomalee Town & Gravets, and Wellawaya Divisional Secretariat Divisions have been identified for the 10 industrial estates.

### **3.5 Establishment of a One Stop Shop to provide facilities for the development of the port-related industrial zone, giving the priority to industrial development in the Southern Province**

In this regard, all the measures related to the Cabinet Decision have been completed and this center is being run under the Industrial Development Board.

### **3.6 Establishment of Boilers and Pressure Vessels Research, Development, and Regulation Center in Sri Lanka**

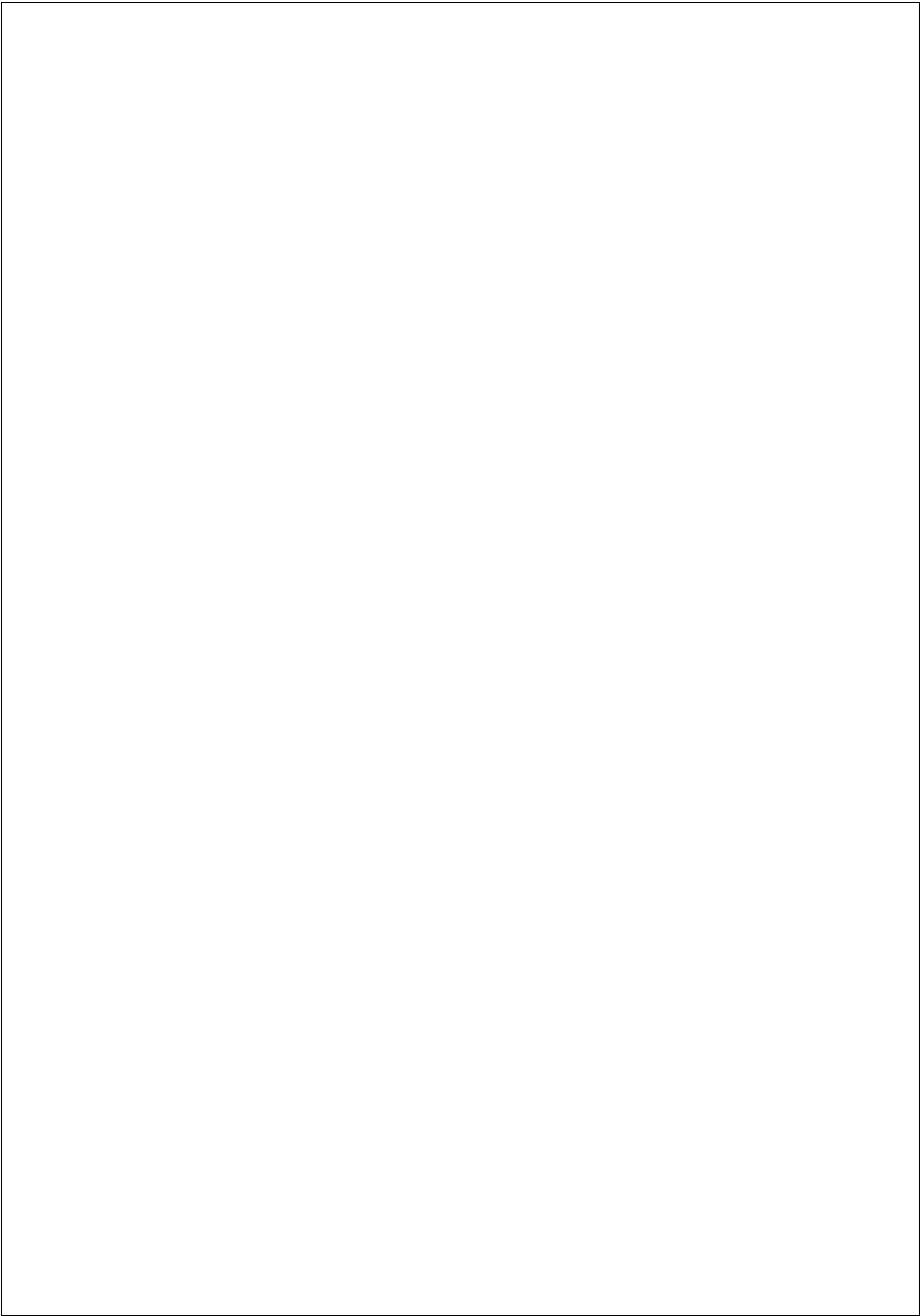
The Ministry of Industries has received cabinet approval for the establishment of the Boilers and Pressure Vessels Research, Development, and Regulation Center in the Ceylon Industrial Development Board. The project has planned to

establish this center and undertake approval, technology, training, and regulatory activities for Boilers and Pressure Vessels. So far, the Ceylon Industrial Development Board has received approval for the establishment of the Boilers and Pressure Vessels Research, Development, and Regulation Center after discussions with the relevant stakeholders. Standard Operating Procedures (SOP) for setting up Boilers and Pressure Vessels Research, Development and Regulation Center is currently being prepared

### **3.7 Construction of international gem and jewellery Trade center in Ratnapura**

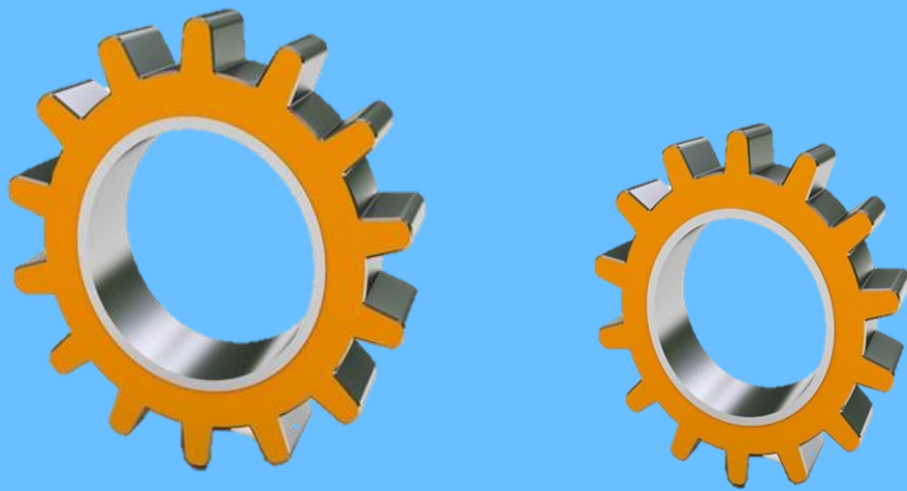
The gems and jewellery industry has been identified as a sector that that can make a significant contribution to economic revival and poverty alleviation. In order to attract foreign buyers for this purpose, it is necessary to provide all services related to the gem and jewellery industry such as issuance of gem certificates, quantification and sealing of gold, issuance of business licenses, provision of export services, banking facilities and safe accommodation under one roof and necessary facilities for local and foreign buyers to maintain buying offices in addition to gem and jewellery shops.

The construction work of the Rathnapura International Gems and Jewellery Trade Center, with all these facilities, is currently carried on, under the supervision of the National Gems and Jewellery Authority. About 80% of the construction work has been completed and it is scheduled to be handed over to gem and jewellery manufacturers by the end of December 2022. The total estimated cost of this project is Rs.365 million.





# Main Divisions





# 01

## Policy Development Division

### 1.0 Introduction

A conducive business environment which is favorable to domestic industries could only be created through prudent and timely policy measures, which contribute to achieve a country's long-term objectives. The industrial sector is influenced both positively and negatively, by the diverse policies that are effective within a country as well as those beyond its geographic borders, particularly the trade and tariff policies. Thus, the Policy Development Division of the Ministry of Industries plays an active role in ensuring the policies that affect the domestic industrial sector are both favourable and catalytic.

### The formulation of the National Policy for Industrial Development

In order to fulfill a long-felt need of the country, the Policy Development Division of the Ministry of

Industries has taken steps to formulate a national policy for the development of the domestic manufacturing industry sector, with the objective of creating a globally competitive industrial base for the sustainable and inclusive growth of Sri Lanka.

The Industrial Policy, along with the Strategic Implementation Plan to carry out the activities of the same, were prepared in line with the objectives outlined in the National Policy Framework of Sri Lanka: 'Vistas of Prosperity and Splendour', as well as the 17 Sustainable Development Goals of the United Nations, with the view to create a conducive environment for the industrial sector in general, while facilitating the industries operating at the higher tiers, to graduate to the Industry 4.0 level.

### Tasks Related to Resolution of Tariff Related Issues and Industrial Development

The Policy Development Division is handling the activities related to the import restrictions and facilitating the domestic industries to eliminate the existing anomalies in the tariff structure and for the activities related to the tariff issues and tariff policy matters during the year.

This division is coordinating with the authorities which are related to the tariff policy such as the Department of Trade and Investment Policy and the Department of Fiscal Policy and forwarding the recommendations of the Ministry to the same Departments, Sri Lanka Customs and Ministry of Finance for the required action.

## 1.2 Performance – 2022 (Progress as at 30<sup>th</sup> September 2022)

### The formulation of the National Policy for Industrial Development

The formulation of the National Policy for Industrial Development is a joint collaboration between the Policy Development Division and a team of consultants selected through the Government procurement process.

Subsequent to the finalization of the National Policy for Industrial Development with the inputs of the stakeholders, the draft Strategic Implementation Plan to implement the same, was prepared by the Consultancy Team, which includes the following:

- The Implementation Framework outlining the strategies, activities, time frame, outputs, outcomes, impacts, key

performance indicators and the responsibility

- The mechanism for monitoring and evaluation
- The methodology for conducting periodic reviews of the policy

A workshop was conducted on 23rd and 24th of September, to obtain inputs of the stakeholders with the view to improving the Strategic Implementation Plan. Currently, it is being revised by the Consultancy Team, based on the views received.

### Tasks Related to Resolution of Tariff Related Issues and Industrial Development

During the economic crisis period throughout the year 2022, Policy Development Division is supporting the industrialists to resolve several tariff issues in this year with the concern of reducing unnecessary imports, encouraging the local manufactures and ensuring a conducive environment towards industrial development of the country. The Division conducted several discussions with the local manufacturers with regard to the concerns of the development of the local industries. In addition, the Division is working closely with the Ministry of Environment to reduce the non-eco-friendly products through the tariff system.

The recommendation process for the exemption of excise duty for the locally assembled / manufactured electrical and electronics items which are classified under the HS Codes 84 and 85, has been carried out throughout the year. Certain

numbers of new models of electrical items such as refrigerators and washing machines have been counted in and being assembled locally with more than 30% Domestic Value Addition. Considerable support from the Ministry of Industries for this type of domestic industries, created remarkable number of local job opportunities to the youths of the country.

### **Standard Operating Procedure (SOP) for Automobile Manufacturing / Assembling Industry and Automobile Component Manufacturing Industry**

Recommendation of excise duty concession for the Automobile Sector is another major role of the Policy Development Division. The SOP is a self-explanatory document that prepared by the Ministry of Industries with a 'Local Value Addition Matrix' including all guidelines, regulations and procedures for local vehicle assembly.

Accordingly, Ministry of Industries is making a great effort to promote local assembly of vehicles with locally manufactured components, in order to develop the automobile industry and create new job opportunities in the country.

Eighteen (18) assembling institutions have received approval to assemble Forty-Five (45) vehicle models after launching the SOP. Fourteen (14) new vehicle models have been approved and ten (10) assembling institutions received approval to assemble new vehicle models up to September 2022.

Accordingly, 7,739 motor vehicles (Four Wheels 1,957 vehicles and Two Wheels 5,782 vehicles) have been assembled from January to September

30<sup>th</sup> in 2022 under the SOP. In the face of the country's economic crisis and restrictions on vehicle imports, the SOP has opened new doors to the country's automobile industry.

### **1.3 Future Plans– 2023**

#### **The formulation of the National Policy for Industrial Development**

With the beginning of the year 2023, it is expected to implement the National Policy for Industrial Development through the Strategic Implementation Plan, subsequent to the signing of a Performance Agreement with the parties which are responsible in carrying out each of its activities.

#### **Tariff related functions**

In the face of the current economic crisis, it is expected to continue to contribute the formation of a stable tariff structure in 2023 by improving or maintaining the revenue generation of the country.

In this context, Policy Development Division will more focus on the local value addition and the environment friendly manufacturing industries.

During 2023, it is planned to review the SOP Version 1 with the comments of the automobile industrialists and the impacts and practical experiences faced in 2022 in the local assembling of motor vehicles industry.

It is anticipated to develop the local assembling of motor vehicles and attract more foreign investors for forming joint ventures with local companies to engage in the local automobile industry in the near future.

## 02

# Industrial Development Division

### 2.1. Introduction

#### Main Purpose/ Objectives

Mandate of the Industrial Development Division of the Ministry of Industries is to develop the industrial sector in regional level from which only scattered in the developed areas, thereby enhance the contribution of industrial sector to the national income. This can be achieved by establishment of new industrial estates and creation of new employment opportunities in the regional level via developing the existing industrial estates. Further Industrial Development Division is putting its efforts to uplift industrial sector development such as, encouraging investments related to the industrial sector at the regional level, creating new investment opportunities, providing infrastructure facilities,

providing technical support and advisory services for investors.

#### Establishment of New Industrial Estates and Development of Infrastructure Facilities in Existing Industrial Estates.

Industrial Development Division is performing development activities in the industrial estates described above, providing investment opportunities to the investors, generating employment, value addition of exports and promote import substitutions. A sum of Rupees 200 million has been allocated for the period from January 2022 to December 2022 for the development of such projects.

6 investment proposals have been received during the year 2022 and 4 out of which have been concluded. Other projects are actively in progress



and these are expected to be completed by the end of 2022.

### **Regional Industry Services Committee (RISC)**

Regional Industry Services Committees (RISC) have been established in all provinces in order to achieve above objectives according to stipulated provision therein the Industrial Development Act No 46 of 1990. Roles and responsibilities of RISC are setting up strategic plan and execution plans required for industrial promotion in the region, providing required facilities relevant to the implementation process and providing assistance for investment decisions related to the industrial sector.

A representative shall be appointed as the Chairman of the RISC by the Minister of relevant subject with the concurrence of Chief Minister of the respective province. Further the committee comprises of members by which officials from institutions that directly contribute to the development of industrial sector in such provinces namely, Central Environment Authority, Board of Investment of Sri Lanka, Industrial Development Board and Ceylon Electricity Board etc.

### **Regional Industry Service Centers**

Regional Industry Services Centers have been established in all 09 provinces to perform the activities of Regional Industry Services Committees. A Regional Director shall be appointed for each province as the Secretary to such Regional Industry Services Committee in order to support the assign tasks. Further office staff shall also be appointed to assist the position aforesaid. Proposals submitted to receive land plots to set up

industries shall be evaluated by the Regional Industry Services Committee established under the Act No 46 of 1990. This creates an opportunity to select new investors in the regional level.

Recommended proposals from the RISC shall be forwarded to the Project Evaluation Committee appointed by the Secretary of the relevant Ministry for further assessment. Project Evaluation Committee consider production process, percentage of value addition, environmental impact, financial feasibility and employment generation during the assessment of proposals recommended by the RISC.

In addition, special intervention and monitoring are to be carried out for projects especially sensitive to the environment, providing technological services and guidance by organizations such as the Industrial Technology Institute. Further ministry provides directives for implementing technological development and incorporates newest technologies for successful completion of such projects by minimal impact to the environment. Projects that were granted approval by the Project Evaluation Committee shall be forwarded to the Cabinet approval and the projects that have been qualified by the Cabinet of Ministers shall be offered a plot of land in the industrial estate governed by the Ministry for a long-term lease of 35 years.

### **National program for the establishment of small and medium industrial zones at the local and district level**

This is a program for providing land; to new investments; export-oriented industries or import substitution industries; investments of micro, small and medium enterprises already operating in the respective areas, and investments of new

entrepreneurs; traditional industrialists native to the respective areas as well as investments of entrepreneurs making products using local raw materials, and technology-based investments which can impact on the local economy.

Under this project, 15 suitable lands have been identified from different areas to establish industrial estates and 10 industrial estates are expected to be started in the year 2023 as the first phase.

Accordingly, through the establishment of these 10 industrial parks, about 20 industries can be started and it will pave the way to invest Rs.3000Mn, create 800 employment opportunities, and add an export income of Rs.8000Mn to the economy.

## 2.2 Progress (As at 30<sup>th</sup> September 2022)

The Ministry has developed infrastructure such as electricity, water, access roads in 33 industrial estates that consist of 1024.25 acres. The government has invested nearly Rs.3980.05 million for these development activities in 33 industrial estates. In addition, private sector further invested approximately Rs. 56,480.70 million for the establishment of industrial estates.

### Industrial Estates

#### Cumulative Progress as at 30<sup>th</sup> September 2022

Number of industrial estates	33
Developed land extent (acres) (Electricity, water supply, road ways)	1,024
Total Investment (approximately) (Rs. Mn)	52,826
Government Investment (approximately) (Rs. Mn)	3,980
Private Investment (approximately) (Rs. Mn)	56,480
Number of commercial manufacturing industries	469
Number of factories that are in construction stage	32
Employment Opportunities	22,818

Source: Industrial Development Division

## Allotment of land for new industries

In the last quarter of 2021, the Cabinet approved the allocation of land for 60 investors and letters of land allocation were issued for those 60 investors in January 2022.

### Progress from 1st January to 30<sup>th</sup> September, 2022

Number of new project proposals approved by the Regional Industry Service Committee	48
Project proposals that have been recommended by the Ministerial Project Evaluation Committee	42
Cabinet approved projects for land allocation	41
Number of industries that have undergone name changes	8
Number of industries that have changed product.	2

Source: Industrial Development Division

## Construction of Raigama Industrial Park

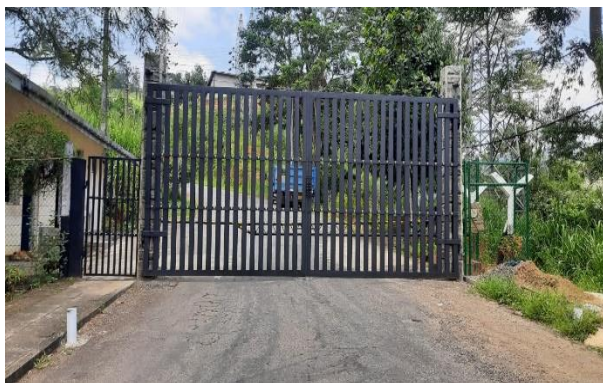


It has been allocated Rs.346 million for the development of infrastructure in the Raigama Industrial Estate

But, due to the current price hike in raw materials and increase in other expenses, there is an inadequacy of the allocated provisions. Therefore, it is expected to obtain the approval of the Cabinet for the reallocation of Rs.400 million. About 95% of the construction of the administration building has been completed and the initial development work on the internal roads has been completed. About Rs.318 million has been spent on water supply and other infrastructure development activities of the industrial estate. Rs.120 million has been allocated for the year 2022.

### Development of infrastructure in Ulapane Industrial Park

#### Construct the gate



#### Repair of Barrier



At the beginning of this year, the works of repairing the fence, the barrier and preparing the main gate of the Ulapane Industrial Estate were completed. The total cost for that is Rs. 2.69 million.

### 2.3. Future plans - 2023

It is expected to start the construction of 02 new industrial estates under the regional industrial estate development programme.

Infrastructure development of 10 selected land blocks will be completed and given to suitable investors, under the national program of the establishment of small and medium industrial zones at the regional and district levels.

## Progress Report - 2022

### Summary of Industrial Estates (Cumulative Progress as at 2022.09.30)

District	Industrial Estate	Land Extent (Acres)	Government Investment Cumulative (Rs. Mn)	Private Investment Cumulative (Rs. Mn)	Number of Industries	Direct Employment	Annual Turnover (Rs. Mn)
Colombo	Kolonnawa	7	36.17	636.8	13	618	612.80
	Ratmalana Stage I & II	17	89.78	2,617.4	21	1526	2750.00
	Templeburg Stage I & II	48	180.58	4,820.00	37	1798	6072.00
Kalutara	Kalutara	50	118.54	5,006	38	909	1209.00
	Matugama	50	174.43	3,155	14	462	3549.00
	Millawa	11	76.13	738.5	15	437	2228.90
	Raigampura	24	318.78	Construction work is in progress.			
Gampaha	Minuwangoda	15	44.12	1,747.47	14	699	1805.00
	Mahara	2.5	14.05	636.8	7	104	263.00
Puttalam	Puttalam	40	124.19	768.5	17	132	50.26
	Dankotuwa	53	109.74	5,065	36	1552	12947.50
	Nurani	15.84	12.579	2000	16	374	120.00
Kurunegala	Makandura - East	27.19	35.79	5120	2	735	8511.89
	Makandura - West	65.56	95.94	3,657.00	15	1131	18343
	Dambadeniya	10.15	38.36	663	3	1024	389.13
	Nikaveratiya	2.55	6.12	413	1	747	662.97
Polonnaruwa	LakshaUyana Stage I & II	63.9	176.04	3,070.00	22	1152	
Matale	Nalanda	24.7	77.28	2616	16	1158	4931.00
Kandy	Ulapane	25	135.43	2431	18	587	686.50
Galle	Karandeniya	40	64.28	704.23	19	491	602.01
Matara	Udukawa	21.13	50.93	870.8	3	1102	3422.50
Hambantota	Bata Atha	105	320.08	2,031.37	16	621	3345.04
Ampara	Nawagampura	20	45.83	215.2	11	56	
Trincomalee	Trincomalee Stage I & II	50	511.07	919.86	10	984	6420.00
Batticaloa	Thiraimadu	24.3	8.35	241	Construction work is in progress.		
Ratnapura	NalandaEllawala I	36.38	66.1	1375.47	29	307	1525.37
	NalandaEllawala II	45	112.54	950.45	37	729	515.36
	Ambilipitiya	22.81	98.98	1060.2	3	180	1060.00
Kegalle	Galigamuwa	21.59	168.49	2141.13	9	341	1141.00
Monaragala	Buttala	18.35	118.76	480	21	900	1300.00
Badulla	UvaParanagama	3.3	0.81	50	2	20	729.00
Mannar	Mannar	24	351.775	1.4	1	415	83.75
Mullaithivu	Walioya	40	198.01	278	3	1527	314.50
	<b>Total</b>	<b>1024.25</b>	<b>3980.05</b>	<b>56,480.70</b>	<b>469</b>	<b>22,818</b>	<b>85,590.48</b>

Source: Industrial Development Division

# 03

## Development Division – 1

### 3.1. Introduction

Among the 20 main production sectors that provide service facilities under the Ministry, the agricultural industry development activities are under the division 1. Development programs related to processed food, tea, spices, coir related products, packaging industries, milk and milk related industries, gems and jewelry related industries are implemented under this sector.

### Main objectives

- To promote local industries in order to produce high quality products to with stand the competitiveness in the global market.
- To develop the industrial sectors in order to fulfil the local market requirements.

### Activities

- Implementation of development programmes which have been planned to develop relevant sectors under the socio-economic development programmes.
- Preparation and implementation of development plans and strategies for the relevant industry sub sectors in consultation with the advisory committees which consist of the private sector manufacturers, exporters and academia.
- Study the global market trends of the above sectors and implement development programmes in order to achieve said development goals.



- Discuss issues and problems faced by industrialists and find solutions in consultation with the advisory committees and other relevant institutions.
- Coordination of relevant line ministries, General Treasury, chambers of commerce, private sector associations and other stakeholders and taking necessary measures to develop industries.
- Facilitate industries for product diversification and transfer of new technical knowledge through the coordination of industry, university and research institutions.
- Provide necessary training and research facilities for industries on modern technology and research through local and international industrial institutions.
- Introduction of new technologies and facilitate finding out local and international markets for industries by organizing national and international trade exhibitions.
- Provide facilities to import input raw-materials on the tariff-free basis to process, produce and add value to manufacture export product.
- Support for industries to obtain international quality certifications in order to improve the products to meet international standards.

### Implemented Programme

#### Fourth phase of the establishment of an Accredited Food Laboratory

- Fourth phase of the establishment of an Accredited Food Laboratory at Industrial Development Board (IDB) has been initiated to provide laboratory testing services and research and development facilities to small and medium industries in Sri Lanka. In this phase, the laboratory building will be expanded by constructing first and second floors. Chemical laboratory of the food laboratory was opened in January 2020 and has commenced to provide laboratory services for the industries at a competitive price.

Accordingly, chemical lab has completed and more than 500 internationally recognized laboratory reports on SLS/ISO to comply with labelling requirements, nutrient composition etc, and also initiated the establishment of the microbiology laboratory.

- Provision of Rs. 1.2 million

Industries are encouraged by facilitating to import raw-materials on duty free basis through Temporary Importation for Export Processing Scheme (TIEP). In this year up to the reviewing period Industries were facilitated. The total no of industries facilitated under the scheme is 59 in 2022. Industries which are involved in export both directly and indirectly were facilitated, adding value to products such as packaging, processed food, spices, coir products, tea, gems and jewelry sector and milk and milk related products sector.

- The Ministry supports some industries sectors by providing tariff concessions to import of raw-materials which utilize to increase value addition. This measure will enhance the competitiveness of exports in the international market.

### Quality Improvement Programmes

- The Ministry implements quality and productivity improvement programmes for industries to obtain quality, safety and system certificates (ISO 9001, ISO 14001, ISO 22000, ISO 50001). The industry which completes the programme successfully can reimburse the total certification cost maximum up to Rs 300,000/- (including consultancy fee) after submission of the certificates to the Ministry. Under this programme, 58 industries representing processed food packaging, value added tea, value added spices and coir industry sectors will be receive the opportunity for the year 2022.  
financial facilities were provided for 58 industries. Which are successfully completed ISO certification  
Provision: Rs. 16 million.

### Skills Development Programmes

- The Measures have been taken to conduct **12 day- weekend certificate course in packaging technology**. The objective of this programme is to enhance the knowledge and skills of technicians as a timely need of the packaging industry. This programme had been planned to implement in collaboration with the Ministry and Packaging Development Center

for 25 technicians engaged in the packaging industry.

- Provision – Rs. 6.75 million

### Marketing Promotion Programmes

- Profoods/Propack exhibition has organized to conduct successfully by the Ministry in collaboration with Sri Lanka Food Processors' Association for the 19th consecutive time with a large number of local and foreign exhibitors in November 2022 at the BMICH.
- **A special pavilion was reserved for the selected small and medium scale industries** and a special focus on providing an opportunity to establish connection between universities and industries were facilitated in the exhibition and to showcase their research.  
Provision – Rs. 2.0 million
- “Lanka Pack 2022” exhibition was successfully held on 12th, 13th and 14th February 2022 at the BMICH to increase foreign market opportunities for local packing industries. Small and medium packaging industries were assisted to set the initial background required to obtain sub contracts for creative products and increase orders for their products.
- The objective of this exhibition is to enhance, develop and share experiences in packaging technology in Sri Lanka. The exhibition was organized by the Ministry in collaboration with the Sri Lanka Institute of Packaging (SLIP). Along with this, the packaging convention was also held.  
  
Provision – Rs. 2.0 million

### 3.2 Progress (As at 30<sup>th</sup> September 2022)

1. The fourth stage of establishing a food laboratory

**(Allocated provision Rs. 1.2 million)**

- provision of necessary facilities to laboratory have been started.
- Providing internationally recognized laboratory reports for more than 206 food products.
- Taking ministerial support to provide import duty concessions to enhance value addition.

2. Standard/ quality improvement programs

**(Allocated provisions Rs. 16 million)**

- Financial facilities have been provided to 58 industries that have successfully completed ISO certification.

3. Skill Development Programmes

**(Allocated provision Rs. 6.75 million)**

- Providing opportunities to 25 technicians in the field through training programs to enhance packaging technology.
- Providing financial facilities for organic certification for 25 food manufacturing and export industries.

4. Marketing Promotion Programs

**(Allocated provision Rs. 2.0 million)**

- Propack exhibition is scheduled to be held in November 2022.
- Lankapack exhibition held in February 2022

### 3.3 Future Plans - 2023

1. Preparation and implementation of development plans for the respective sectors based on the suggestions and opinions of the advisory committees of the industrial sectors.

2. Support marketing promotion programmes by organizing international exhibitions for the processed food industry sector and packaging industry sectors.

3. Implementation of Industrial Productivity, Market Competitiveness and Sustainability Improvement Programme (ISO 9001, ISO 14001, ISO 22000, ISO 50001) for the processed food, packaging, tea, coir, milk and milk related products and spice sectors to obtain quality certification, productivity and competitiveness.

4. Implementation of Good Manufacturing Practices (GMP) Certification programme to improve food safety in small scale industries.



5. Taking measures to further improve and provide necessary services of the accredited food laboratory to be established in the Industrial Development Board and provide necessary services.
6. Taking necessary measures to improve facilities for the export of value-added products.
7. Implementation of programmes to acquire modern technologies and to improve skills of the small and medium scale industries.
8. Implementation of programmes jointly with the Food Processors' Association and the Export Development Board to introduce local foods to the world market preserving the identity of Sri Lankan food under the theme of "Sri Lankan Cuisine".
9. Project to provide facilities for upgradation of packaging technology of small and medium scale industrialists involved in food production.

# 04

## Development Division – 2

### 4.1. Introduction

#### Main Objective

The main objective of the Division is facilitating manufacturing industry sub sectors under its purview to produce high quality products which are globally competitive.

#### Sectors under purview of the Division

- Rubber based industry
- Tile, Granite & Ceramic Industry
- Boat Building industry

- Automobile assembly & Automobile Component Industry
- Wood and Wood based Industry
- Plastic based Industry
- Electrical & Electronic Industry
- Paint, printing materials and chemical related industry
- Mineral and mineral related manufacturing Industries

## Responsibilities

- Collaborate with the public sector, industry experts, academia and manufacturing industries to formulate plans for industrial development.
- Assisting to comprehend issues related to management of technology and provide the required advice and facilities.
- Coordinate with local and foreign chambers of commerce, state owned corporations, companies and other institutions, which fund for industrial development.
- Implementing required local and foreign training programmes to improve the skills of the workforce and productivity of manufacturing industries.
- Facilitate to encourage export-oriented industries.
- Providing visa recommendations for foreign workers working in Sri Lankan factories (skilled workers, specialists and investors who cannot be met locally).
- Making necessary recommendations for import of raw materials and local value addition and re-export (TIEP).
- Providing recommendations for import of raw materials to industries whose imports are currently temporarily restricted. Providing facilities to industrialists to run their industries through functions like

## 4.2 Progress (As at 30<sup>th</sup> September 2022)

### International Boat Show

International Boat Show organized by the Boat Manufacturing Industry Sector had to be cancelled due to the situation in the country at the beginning of 2022, fuel shortage, and power cuts.

### Rubber Related Products Manufacturing Sector

Rubber Related Products Manufacturing Sector considering its importance as a value-added manufacturing sector, the skill development program for technicians employed in that industry sector is to be completed this year. Under that, four(4) training courses will be implemented this year at the Plastics & Rubber Institute of Sri Lanka, and Rs.1.6Mn will be borne by the Ministry.

### Automobile manufacturing and Automobile Parts Manufacturing Industry Sector

The Domestic Vehicle Assembly Industry has achieved remarkable progress with the government's decision to temporarily ban the import of vehicles due to the current financial crisis in the country

### Launching the Standard Operating Procedures (SOP).

Taking into account the benefits of the standard operating procedure introduced in 2021, 18 industries have so far entered the automobile assembly industry.

The domestic auto parts industry has also shown remarkable growth simultaneously with the automobile assembly industry. Measures are being

taken to introduce an internationally recognized quality certificate to raise the standard of products in this sector. As well, the Ministry is taking measures to provide facilities for 7 local auto parts manufacturers to obtain the IATF 16949 (International Automotive Task Force) quality certificate and, for this purpose Rs. 4.2Mn will be spent by the Ministry.

### 4.3 Future Plans - 2023

- The IATF 16949 (International Automotive Task Force) quality certificate, introduced for the automotive component manufacturing industry sector, will be introduced for 15 industrial organizations in the year 2023.
- Implementation of SLSI standard certification program for red clay roofing tiles.
- Conduct resource efficiency assessments and training programs for SMEs.
- Implementation of a program to train technicians in the rubber and plastic-related manufacturing industry.
- Conducting a graduate-level course on Polymer Technology for the rubber and plastic-related products industry sector.
- Implementation of a program to train technicians in the wood and wood-related products industry.
- Conducting an international trade fair for the boat manufacturing sector.
- Implementation of a program to obtain international standard certificates for electrical and electronic products manufacturing industries.
- Organizing a regional summit with Maldives/India/Seychelles on opportunities to promote Integrated Naval tourism program to boost demand for boats from the regional market.

# 05

## Development Division 3

### 5.1. Introduction

#### Main objective

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

- Footwear Industry
- Leather Industry
- Pharmaceutical Industry
- Cosmetics Industry
- Metal based industry
- Garments, textiles and allied industries

#### Main Activities

- Organizing ministry consultative meetings to discuss the development strategies for implementation of the industries.

- Preparation and implementation of development plans and projects for the sectors.
- Working with line ministries, Trade Associations, chambers and universities for the betterment of sub sectors.
- Provide assistance for skills development of the selected industry sub sectors.
- Support industries to increase the market share through free trade and other bilateral agreements.
- Counselling for investment and trade promotions.
- Facilitate export-oriented industries under the Temporary Import Export Process (TIEP) scheme.
- Providing recommendations to the local industrialist to obtain the duty concession and duty exception facilities.

- Facilitate to local industrialist to obtain an international standard certificate to find the new opportunities in the international competitive market.
- Implement programmes to enhance value addition of metal-based industries.
- Assist the industrialists to obtain raw materials through policy measures.
- Make recommendations to export metal scraps.
- Recommend VISA for expatriates working in the above industries.
- Providing recommendations for obtaining industrial raw materials required for manufacturing industries under Indian Credit Line.
- Issuance of letters of recommendation to prioritize the purchase of fuel by solving the problems faced by the industrialist during the fuel crisis.
- Providing necessary recommendations to import raw materials for industries under Open Account

- Approval has been received for the establishment of the Boilers and Pressure Vessels Research, Development, and Regulation Center in Sri Lanka and the Ceylon Industrial Development Board is carrying out further measures in this regard.
- The Empowerment programme to promote skills related to footwear production in the Colombo district was implemented and completed by providing technical knowledge and equipment for more than 100 beneficiaries in association with the Sri Lanka Textile and Clothing Institute

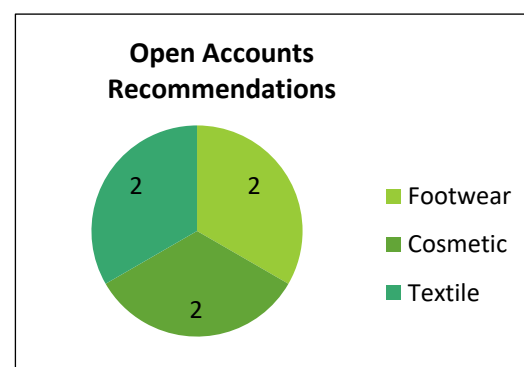
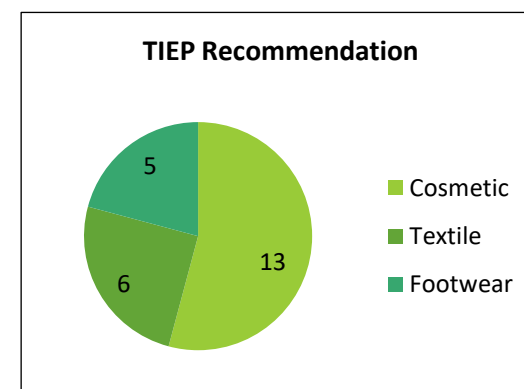
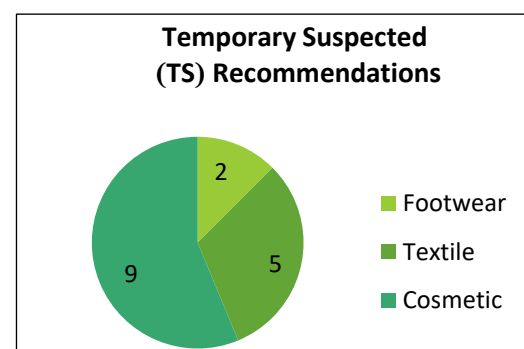
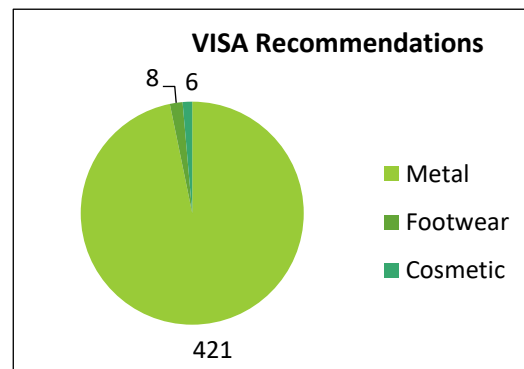
#### Technology transfer and sharing knowledge



### 5.2 Progress (As at 30<sup>th</sup> September 2022)

- A formula for value addition has been prepared in collaboration with the Ceylon Industrial Development Board to calculate value addition while giving recommendations for the export of scrap metal and value added metal related products.

- In which started on the decisions of the Council of Ministers regarding the Industrial Development Board together with the University of Peradeniya has identified and completed the survey regarding the places where bamboo has been cultivated using GIS technology relevant to the project started with the approval of the Cabinet Decision on the supply of special bamboo sticks required for the production of the entire incense stick in Sri Lanka.
- The Sri Lanka Industry Exhibition and Awards Ceremony were successfully held in association with the Industrial Development Board on the 3rd, 4th, 5th, and 6th of February 2022 at the Bandaranaike Memorial International Conference Hall.
- In addition to this, the recommendations given by the development sector 3 to industrialists for the continuation of their production activities and the quantitative data about the conducted committees are presented in the following charts.



Source: Development Division 3

## Progress Report - 2022

### Providing Recommendations

Description	Sub Division	Quantity
1.Raw Hide Recommendations	Footwear section	7
2.Tax relief recommendations	Footwear section	19
3.Price committees	Metal Section	11
4.Advisory Committees	Footwear section/ Beauty Culture	4
5.Chamber Committees	All Sections	1
6.Recommendations under the Indian Credit Scheme		250
7.Recommendations for fuel		77
Number of Institutions		369

Source: Development Division 3

- Regarding skill development in the leather and footwear sector, advanced training courses have been planned for those who have entered footwear and leather production through the skill development training courses conducted in the past years. It is expected to conduct training courses to improve the skills of existing employees of the small and medium leather and footwear enterprises to access the export market.

- Improvement of the cosmetic sector - It is expected to provide financial facilities to obtain test reports for cosmetic products and to provide financial facilities for the cosmetic manufacturers to obtain the required quality certificates for export.

- The Ministry of Industries expects to sponsor the footwear and leather goods trade fair in 2023, held annually since 2007.

- Intended to facilitate innovations to expand leather and footwear research and development in the small and medium sectors.

### 5.3 Future Plans- 2023

- In order to empower the youth and women, the SLITA conducts basic training courses for the development of skills related to footwear production for unemployed unskilled youths and women all over the island. It is expected to direct the trainees to self-employment in the footwear industry, as well as provide basic equipment, and coordinate to get financial facilities.



# 06

## Industrial Registration Division

### 6.1 Introduction

The major target of the Industrial Registration Division is to register of all manufacturing industries under the Industrial Promotion Act No. 46 of 1990. Accordingly, every person who carries a manufacturing industrial undertaking should register their factories under Ministry of Industries and a Certificate will be issued by the Ministry for satisfied industries which helps the industrialists to reap benefits from a vast range of areas.

Currently, registered industries are classified under 09 major categories which are mentioned below.

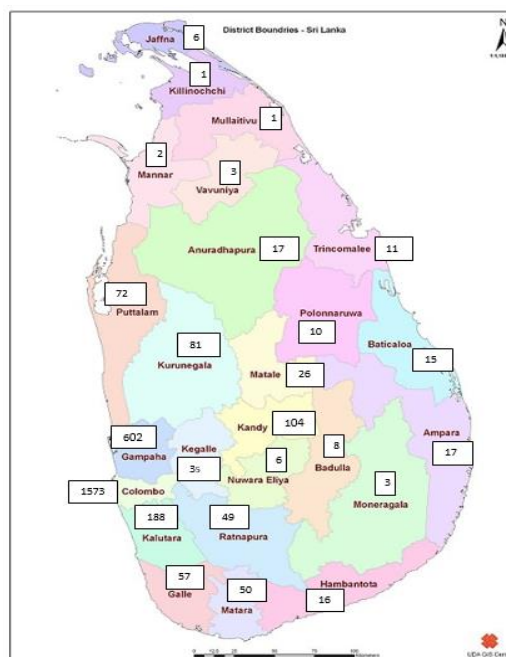
- 31-Food beverage & tobacco products
- 32-Textile wearing apparel & leather products
- 33-Wood & wood products
- 34-Paper products, publishing and printing
- 35-Chemical, petroleum, coal rubber and plastic products
- 36-Non-metallic mineral products
- 37-Basic metal products
- 38-Fabricated metal products, machinery and transport equipment
- 39-Manufactured products not elsewhere specified

Registering under the Ministry also makes opportunities to develop a good frame to existing industries which information furnishing us to build up a comprehensive database on industry statistics to make aware of the current status of the sectors and to make correct policy decisions to implement proper strategies in future.

All details of registered industrial undertakings are maintained in a dBase III (Data Base Management System) which included 3380 entries from the beginning and the registration process is going on manually.

3380 manufacturing industries have been registered up to 30<sup>th</sup> September 2022 under the Ministry of Industries.

### No. of Registered Industrial Undertakings throughout the Country

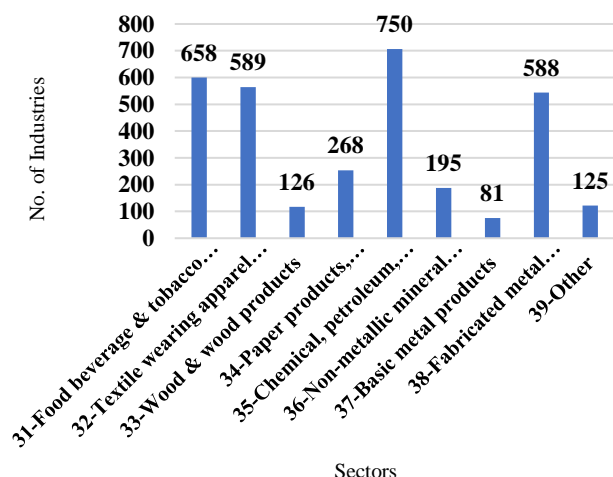


Source: Industrial Registration Division

## 6.2 Progress (As at 30<sup>th</sup> September 2022)

From 01<sup>st</sup> January 2022 to 30<sup>th</sup> September 2022, this Ministry has received 157 applications and among them, 121 industrial undertakings have been registered under this Ministry under aforesaid 09 sectors.

The Industries Registered up to 30th Sep 2022 under the Ministry of Industries



Source: Industrial Registration Division

## Registered Industries in Ministry of Industries for the period of 01.01.2022 to 3

### Details of recommendations given for industrial registration -2022

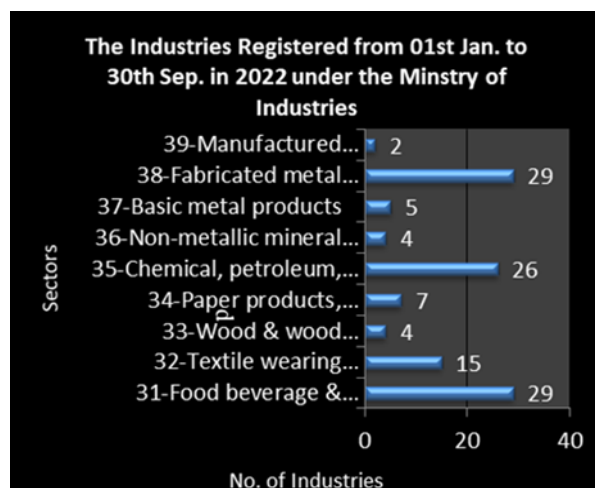
Sector	Number
31-Food beverage & tobacco products	29
32-Textile wearing apparel & leather products	15
33-Wood & wood products	4
34-Paper products, publishing and printing	7
35-Chemical, petroleum, coal rubber and plastic products	26
36-Non-metallic mineral products	4
37-Basic metal products	5
38-Fabricated metal products, machinery and transport equipment	29
39-Manufactured products not elsewhere specified	2
<b>Total</b>	<b>121</b>

Source: Industrial Registration Division

The number of registered industries depicts a downward trend in 2022 and this amount is deteriorated in 2022 compared to the year of 2021 due to the prevailing economic crisis in Sri Lanka.

The Ministry has initiated the steps to transform the manual system into an online system by this year. The procurement process is going on. Strong legal provision has been added to ensure the efficient

industry registration process in the amendment of Industry Promotion Act No 46 1990.



Source: Industrial Registration Division

## 6.3 Future Plans - 2023

There are process going on to establish an Online Business Registration System in the near future. Apart from that it is identified where there is an absolute necessity to create a comprehensive National Data Base for the entire country as a whole. This is where people can collect relevant information without any time gap, delay, or wastage.

This will enhance the overall efficiency and effectiveness of the process. The meeting was held at NEDA with the participation of the Secretary of the Ministry of Industries. During the discussion, it is planned to go ahead with the definite accord in the future.

# 07

## Project Management Unit (PMU)

### 7.1 Introduction

The Project Management Unit (PMU) which comes under the Ministry of Industries, implements two loan schemes.

1. Small and Micro Industries Leader and Entrepreneur Promotion Project III- Revolving Fund (SMILE III Revolving Fund)
2. Environmentally Friendly Solution Fund Project II (E-Friends II) Revolving Fund Loan Scheme

for the SME's throughout Sri Lanka.

#### 1. Small and Micro Industries Leader and Entrepreneur Promotion Project III - Revolving Fund (SMILE III Revolving Fund)

The SMILE III Revolving Fund is granting low interest rate loans to establish new enterprises or to enhance either productivity or their level of operation and improve quality of their products.

The loan scheme will also provide for the improvement of organizational capacity and product development of SME's. This loan scheme was implemented with effect from 1st of May 2012, in consultation with The Ministry of Finance and Planning with the following objectives.

- To assist Small and Micro scale Enterprises (SME's) financially either to start or to expand economically or financially viable projects.
- To provide capital to Small and Micro scale Enterprises (SME's) in developing managerial, accounting and technical skills of SME's.
- To strengthen the institutional capabilities of intermediary financial institutions.
- The project is granting sub loans to the entrepreneurs through 10 Participating Credit Institutions (PCIs); Bank of Ceylon, People's Bank, Regional Development Bank, Commercial Bank, Hatton National

Bank, Seylan Bank, National Development Bank, Sampath Bank, Sanasa Development Bank and DFCC Bank.

## 2. Environmentally Friendly Solution Fund Project II (E-Friends II) Revolving Fund Loan Scheme

The Environmentally Friendly Solution Fund Project II (E-Friend II) is providing loans at a low interest rate in order to assist industrial enterprises to implement the projects for waste minimization, resource recovery, energy savings, and pollution control. The project has also assisted industries to comply with the regulations and a standard stipulated by the National Environmental Act.

The project is granting sub loans to the entrepreneurs through 11 Participating Credit Institutions (PCIs), Bank of Ceylon, People's Bank, Regional Development Bank, Commercial Bank, Hatton National Bank, Seylan Bank, National Development Bank, Sampath Bank, DFCC, LOLC and People's Leasing Company. This loan scheme was implemented in 2018, in consultation with the Ministry of Finance and Planning.

### 7.2 Progress (As at 30<sup>th</sup> September 2022)

#### (1) Small and Micro Industries Leader and Entrepreneur Promotion Project III - Revolving Fund (SMILE III Revolving Fund

Allocation for the year is Rs. 600 Mn and during the review period, the PMU has released a sum of Rs. 293.4 Mn for the sub projects of 33 through the 10 PCIs.

#### (2) Environmentally Friendly Solution Fund Project II (E-Friends II) Revolving Fund Loan Scheme

Allocation for the year 2022 is 400 Mn and during the review period, the PMU has released a sum of Rs. 92.0 Mn for the sub projects of 06 through the 11 PCIs

### 7.3. Future Plans - 2023

#### 1. Small and Micro Industries Leader and Entrepreneur Promotion Project III - Revolving Fund (SMILE III Revolving Fund)

The Project Management Unit has requested Rs. 2000 Mn for the year 2023 and expected to disburse approximately for 200 sub projects which are capable of creating nearly 700 new employment opportunities.

#### 2. Environmentally Friendly Solution Fund Project II (E-Friends II) Revolving Fund Loan Scheme

The Project Management Unit has requested Rs. 1000 Mn for the year 2022 and expected to disburse approximately for 60 sub projects. The loan scheme is expected to create an eco-friendly industrial environment by providing financial assistance for resource savings, resource recovery, recycling of waste for other industries, wastewater treatment, recycling and energy savings etc.

# 08

## Public Enterprises and Restructuring Division

### 8.1 Introduction

#### Vision

Ensuring the sustainability of public enterprises in 2035.

#### Mission

Streamlining the administrative structure of public enterprises, providing necessary guidance, coordination and follow-up to improve the quantity and quality of production and operations to suit the competitive commercial environment

#### Objectives

- Revival of the currently non-performing State enterprises with the potential to become profit-making entities

- To liquidate state enterprises that are currently loss-making and have no potential to profit-making
- To maximize profits through the introduction of new technology in production activities of state enterprises, improvement of the production process, and increase the quantity and quality of products through value addition.
- Obtaining the contribution of local and foreign private investors for the activities of state enterprises under the public and private partnership system.
- Directing state enterprises to maximize its contribution to Gross Domestic Product.

- To provide guidelines for effective management of physical and human resources in state enterprises.

#### Main functions

- Supervision, coordination, and guidance of administrative activities related to public enterprises.
- Supervision, coordination, and guidance of development activities related to public enterprises.

#### Administrative affairs related to public enterprises

- Appointment of members for the chairman and board of directors of state enterprises.
- Appointment of monitoring officers representing the Ministry for the Board of Directors of State Enterprises.
- Submit the annual reports of the state enterprises to the Council of Ministers for approval and then forward to the Parliament for tabling.
- Making recommendations to the Department of Management Services regarding the approval of public enterprises staff.
- Coordinating with those institutions to prepare recruitment and promotion procedures related to the positions approved of the public enterprises.
- Making recommendations to the Management Services Department regarding the preparation and approval of recruitment and

promotion procedures for approved staff.

- Making recommendations to the Department of Management Services for making amendments in recruitment procedures related to approved positions.
- Granting approval for recruitment of officers/employees to fill vacancies in approved posts.
- Carrying out activities related to the liquidation of the state enterprises that have been approved for liquidation
- Granting approval for the repair of Vehicles belonging to public enterprises above Rs. 200,000/-.
- Making recommendations to the Ministry of Finance regarding the payment of new allowances proposed to be paid to the staff of public enterprises.
- Approval for employment of executive grade officers on weekends and commercial holidays.
- Issuance of residence visas to foreign nationals working in government enterprises and giving recommendations regarding the extension of the residence visas issued.
- Conducting activities related to the recruitment of staff in public enterprises where voluntary retirement compensation schemes have been implemented.
- Sanction of foreign leave in case of application by officers employed in

public enterprises for undertaking private foreign trips.

- Making recommendations to the Department of Public Enterprises regarding the purchase of new vehicles to the State Enterprises and requests for procurement of vehicles on contract basis.

- Investigate and make recommendations to the Board of Directors when necessary, regarding reported irregularities in the public enterprises.

- Providing necessary guidance and advice regarding the audit queries presented in relation to the affairs of the public enterprises.

- To study the board decisions presented by the public enterprises and make recommendations to Secretary of the Ministry about the important decisions and questionable decisions included therein.

- Coordinating with those institutions to prepare the action plan, procurement plan, financial authorization documents, training plan, budget document and annual cash flow statement to be prepared annually by the public enterprise.

- Preparing and submitting information reports to all institutions that inquire about public enterprises including the President's Office, the Committee on Public Enterprises, the Advisory Committee of Ministries, the Public Petitions Committee, the

Department of Public Enterprises, the Attorney General's Department.

- Prepare and submit information related to applications referred to the Freedom of Information Act to the Additional Secretary (Administration).

- Development activities related to public enterprises

**Activities related to development projects implemented under the allocations provided by the Treasury**

- Coordination with the planning division of the Ministry and the relevant public enterprises to prepare the project proposal.

- After the relevant public enterprise prepares and submits the project proposal, it is directed to the Planning Division, with the necessary recommendation to forward the Department of National Planning

- After receiving the approval/agreement from the Department of National Planning, the project proposal will be forwarded to the Planning Division to include the annual budget proposals of the Ministry.

- After receiving the approval for the project proposal under the National



Budget Program, Ministry makes aware the public enterprise to start its activities.

- Coordinating the related Public Enterprises and Procurement Division of the Ministry to appoint Technical Evaluation Committees, Project Committees, Feasibility Study Committees, and Advisory Committees related to the project.
- Providing the necessary guidance and advice to the state enterprise to prepare the action plan related to the project.
- Reviewing the progress, in monthly progress review meetings, held with the Department of Planning till the completion of the project as per the action plan.

#### Development projects implemented under the public and private partnership Method

- Making decisions in consultation with the line ministry, the relevant public enterprise, and all other relevant parties regarding the project to be carried out.
- If it is necessary to conduct the feasibility study, to carry out related activities with the public enterprise.
- Preparation of Cabinet Memorandums to get the approval of the Cabinet of Ministers for the implementation of the

project and submit them to the administration Division to forward to the Cabinet.

- Submission of nominations to the Department of Public Finance for the appointment of project committees related to the project after the approval of the Cabinet.
- Informing the Department of Public Finance to make arrangements to appoint the Cabinet Approved Negotiation Committee about the project.
- After the appointment of the Cabinet Approved Project Committee and the Negotiation Committee, coordinate all activities related to holding the Project Committee and the Negotiation Committee meetings
- Preparation of the action plan related to the project.
- Preparation of newspaper advertisements related to calls for Expression Of Interest and Detailed Project Proposals as per the recommendations of the Project Committee.
- Carrying out activities regarding the calling for documents relevant to the expression of interest and detailed project proposal.

## Progress Report - 2022

- Conducting the necessary coordination for the technical and financial evaluation of the detailed Project Proposal documents and the evaluation of Expression Of Interest documents
- Coordinating to conduct of the pre-bid meetings.
- Preparation of the agreement to be signed by the most appropriate investor

company and the state enterprise selected by the evaluation activities and obtaining the approval for the same together with the legal division and the attorney general's department.

- Organizing and coordinating the signing of the agreement between the state enterprise and the investor company after selecting the investor company.

# 09

## Textile and Local Apparel Products Promotion Division

### 9.1 Introduction

The Division of Textile and Local Apparel Products Promotion and the relevant tasks are being carried out together with the following departments and institutions.

- Department of Textile Industry
- Sri Lanka Institute of Textile and Apparel
- National Design Centre
- Sri Lanka Handicraft Board (Laksala)
- Lanka Salusala Limited

### Objectives

1. Increase domestic apparel exports by 2025 and earn additional revenue of USD 1.5 billion.
2. Establishment of 500 small scale garment industries at the rural level by 2025 and re-employed of 9,000 garment workers who have left the garment industry.
3. Expand the Batik industry through increasing market opportunities with alternative designs from national heritage to attract tourists by 50% in 2025.
4. Expand the Handloom industry through easy wear, easy care concept combined with new patterns, designs and colors to attract consumers by 40% in 2025.
5. Ensure quality skilled work force through increased training by 60% of technical,

vocational and tertiary education including Universities in 2025.

6. Create an e-friendly environment for the batik handloom and apparel industry by establishing a digital platform (E-Platform) by the year 2023.
7. To enhance the technology by 50% in the production process of Batik, Handloom and Apparel Industry in 2025
8. Create new 50,000 job opportunities in local apparel sector for youths and adults having relevant technical and vocational skills.
9. Create 5000 new entrepreneurs in local apparel sector by 2025 by creating a satisfying and comfortable business environment.

## 9.2 Progress (As at 30<sup>th</sup> September 2022)

According to the budget estimate of the year 2022, Rs.50 million, and according to the budget proposal, Rs.1000 million has been allocated for the development of the textile and local garment products by the promotion sector. According to the instructions and guidelines of the treasury, Rs. 900 million was reduced from the allocated total provisions and only Rs. 150 million was allocated. Consequently, the action plan was revised and the following programs were implemented.

### 1. Batik Production Promotion Program

Currently, 25 batik training programmes have been commenced in 15 districts. Rs. 20 million has been allocated for this programme.

### 2. Handloom village Programme

It was planned to provide modern technical tools to the 15 handloom villages and the common facilities improvement centers in 8 provinces. Under this, 10 handloom textile producers have been selected from selected 15 villages and will be provided with the necessary equipment, and other devices including electric warp machines will be provided to common handloom production centers located in the vicinity of the production villages. The allocated amount for these activities is Rs. 27 million.

### 3. Program for establishment of small-scale garment factories

40 small-scale garment factories are planned to be established with the aim of boosting local garment production, increasing export income and limiting the import of textiles. Considering the limitation of government expenditure and the country's current economic crisis, and also due to the inability of importation of essential machines due to the deficiency of foreign exchange its implementation was suspended. Rs. 98 million is allocated for that.

### 4. Marketing Promotion Program

To encourage sales of batik handlooms and local apparel manufacturers, 02 sales promotion fairs and one apparel exhibition were planned and the sales promotion activities and fairs were completed and the

amount spent for the 02 sales promotion fairs is Rs.3.8 million

**Sales Promotion Fair held on 12.01.2022 and 13 with the Department of Industries of Northern Province**



### 9.3 Future Plans - 2023

1. Removal of the import restrictions imposed on the textiles and accessories which are used as raw materials for the domestic branded garment industry and also providing tax concessions.
2. Establishment of small-scale garment manufacturing factories to earn additional foreign exchange by 2025.
3. It is planned to establish 40 small-scale garment factories in the year 2023 in the vicinity of large-scale garment factories to improve the livelihood of unemployed women in rural areas. When considering the prevailing economic crisis, this will boost the local garment production, increase export earnings and limit textile importation.

#### 4. Batik Products Promotion Programme

In order to increase the production of batik products with modern designs which are in demand both domestically and abroad, advanced modern design training will be given to 300 batik producers who are currently

engaged in the industry and promote batik products with modern styles.

5. Conduct research and explore the production possibilities to encourage the production of natural dyes that made from plants and other natural products to replace the usage of artificial dyes.
6. Provision of modern equipment for those engaged in handloom industry and also provision modern equipment for the common production centers.
7. Provision of necessary infrastructure facilities to promote the sales of local apparels in popular places and cities where local and foreign tourists hang out and to create a textile and apparel market city, so that local and foreign tourists can get batik, handlooms and local garment production at the same place.
8. Diversification of textile and apparel products and introduction of new fashion designs into the market to promote batik and handloom products in domestic as well as foreign markets by creating new styles and fashion trends specially among the youth community.
9. Creating a Digital Platform to facilitate communication between all stakeholders, consumers and producers in the supply chain management of batik, handlooms and textiles in a favorable e-environment.

It is expected to promote the textile and apparel industry to earn additional foreign exchange as well as to control the importation of textiles and apparels to ease the prevailing economic crisis by the implementation of these programs in the year 2023.

# 10

## Gem and Jewellery Industry Division

### 10.1 Introduction

Gem industry has a proud history in our country and has been known as one of the richest and most precious gems bearing country in the world. Similarly, the jewellery industry in Sri Lanka is an industry that is developing gradually while preserving the traditional heritage of the past. Accordingly, we are dedicated to making Sri Lanka a competitive international hub in the gem and jewellery industry.

We have taken the forefront of sustainable development in the gem and jewellery industry by maximizing the value addition using the modern value addition methods with the protection of the environment, safe extraction with modern technology, and involved with the private sector to promote the jewellery industry.

Measures have been taken to provide all necessary facilities, including tax relief and technical

assistance, to the industrialists engaged in the gem and jewellery industry, who contribute nearly 3% of the total export value of Sri Lanka. The aim is to earn a high amount of foreign exchange.

Our determination is to make our country the number-one gem buyer destination in the world as well as to create an industry that produces high-tech, quality, and good finishing jewellery to meet local and foreign demand, joining hands with the tourism industry,

Following Institutions are functioning under the purview of this division.

- National Gem and Jewellery Authority
- Gem and Jewellery Research and Training Institute are functioning under the purview of this Division.

### Objectives

1. Explore by adoption of modern high-technology, mineral resources that are

expected to be found underground and, in the sea, and exploiting such resources to strengthen the countries' production process.

2. Promotion and regulation of the gem and jewellery industry and trade.
1. Modernizing gem and mineral resources-based industries through a competitive creative approach with the private sector.
2. Taking steps to simplify the licensing process required for the gem industry

## 10.2 Performance – 2022 (as at 30<sup>th</sup> September 2022)

### ▪ Economic contribution of the gem and jewellery industry

In 2021, that value was around USD 264.71 million, and by September 2022, export value was USD 294.92 million.

Export Volume – 2022 (as at Sept 30 <sup>th</sup> 2022)		
Export Item	Export Value (USD Mn)	%
Gem	136.79	46%
Jewellery	10.18	3%
Diamond	147.95	51%
Total	294.92	100%

Source: Gem and Jewellery Industry Division

### • Exploration and Valuation of New Gem Deposits in Sri Lanka

It has been found through the investigations that more than two thirds of the land area of Sri Lanka, or about 70%, is enriched with gem deposits. Only 20% of these resources have been explored so far.

Under this context, the exploration of new gemstone deposits has been identified as a priority and measures are being taken to explore new gem deposits using new technology by the Gem and Jewellery Research and Training Institute. Under this project, gem potential maps for Kiriella and Niyagama Divisional Secretariats are being prepared in the year 2022.

It is planned to launch a joint project on gem exploration in collaboration with the University of Sabaragamuwa to expedite this gem exploration project. It is expected to get involved the relevant professional lecturers, undergraduate and postgraduate students of the University of Sabaragamuwa for the project, and relevant professional divisions of the University of Moratuwa, University of Jaywardenepura, and the University of Peradeniya in cases where competence in mining is required

### Exploration and Valuation of New Gem Deposits



### ▪ Improving proficiency in the field of gems and jewellery

The target number of students for the year 2022 is 555, and 570 students have been enrolled by



September 2022. As at September 30, 2022, the number of students who have completed the courses was 250.

- Restricting the export of gem resources that are exported without value addition and converting them into value-added products with high export

**i. Providing facilities for Heat Treatment and Color Enhancing of gems.**

Programs are being planned and implemented jointly with the Sabaragamuwa University to carry out research on gem heating and coloring and to provide services to related businessmen.

**ii. Development of training courses to produce required artisans/professionals in the field of gems and jewellery.**

For obtaining National Vocational Qualification (NVQ) for training courses conducted by Gems and Jewellery Research and Training Institute, Work is in progress with the Tertiary and Vocational Education Commission

**iii. Exemption from duty on import of modern hi-tech equipment required for manufacturing finished jewellery in lieu of export of cut and polished gems**

- Exploration of gem resources which are currently believed to be underground using

**modern hi-tech and used to strengthen the production process of the country.**

**I. Initiation of One Stop Shop system to simplify the process of obtaining various licenses and approvals and expedite services.**

By issuing the circular related to granting new licenses under one roof, the process of obtaining various licenses and approvals has been expedited and has currently been successfully implemented, and issue licenses within 3 weeks.

**II. Working to relax the restrictions on the mining of paddy lands.**

- Increasing the mining permit which was limited to 20 perches at a time to 40 perches.
- Reducing the additional service charge from Rs.1,000 per perch to Rs.250 per perch when more than 20 perches.
- Removal of the bail amount charged by the Department of Agricultural Services in addition to the amount charged by the authority for closing the mine pits.

- Providing necessary support to upgrade the existing laboratory facilities for the modernization of gem and jewellery courses at Sabaragamuwa University.

For this, coordination has been made to provide laboratory equipment and other



## Progress Report - 2022

materials worth about 10 million rupees under the financial contributions of gem and jewellery associations.

- **Coordinating to amend the National Gems and Jewellery Authority Act**

- **Investigating public complaints related to gems and jewellery industry**

28 complaint have been received in the year 2022, of which 18 have been answered so far.

### 10.3 Future Plans - 2023

- Increasing the Gems and jewelry export volume to USD 1 billion in 2023.
- Holding an International Gems and Jewellery Exhibition in Sri Lanka.
- Conducting auctions of rough, cut and polished gems
- Opening of Ratnapura International Gems and Jewellery Trading Centre
- Implementation of the joint project to explore and evaluate new gem deposits in Sri Lanka.
- Make Sri Lanka a regional gem center to increase gem reserves including gems not found in Sri Lanka.
- Preparation of background for conducting research related to gem thermalization, value addition and laboratory facilities.
- Creating the necessary environment for the creation of entrepreneurs in the field of gems and jewellery.

- Establishing a formal coordination mechanism with private and public institutions engaged in the field of gems and jewellery.
- Conducting a survey on gem and jewellery industry.
- Amending the ordinances and gazettes of the institutions operating under the Ministry as per the need of the time.

# 11

## Small and Medium Entrepreneur Development Division

### 11.1 Introduction

This division established to incentivize prioritizing development of rural industries including rattan, brass, clay, and furniture as value-added industries, implemented a number of development programmes for the advancement of such industries.

### 11.2 Progress as at 30<sup>th</sup> September 2022

#### Programme for Cultivation of Raw Material for Rural and Traditional Industries

This year it is planned to cultivate these raw materials in 150 acres of land with the main objective of ensuring the supply of raw materials for the continuous production process, saving foreign exchange through the reduction of importation of raw materials, providing opportunities to craftsmen to obtain raw materials at a reasonable cost, and minimizing the production cost of rural handicrafts and 46 acres of land have been already cultivated.

(Cost Rs. 41.01Mn) .

- 36,000 jute plants were cultivated in 36 acres of land in the Mahaweli "B" zone, while 7000 plants were cultivated in 7.5 acres of land in Kandeketiya, Badulla and rattan was cultivated on 2.5 acres of land in Opanayake
- The security fence was completed for 7 km at Mahaweli "B" zone
- Rattan cultivation at Matara, Kamburupiya and jute cultivation at Anuradhapura is being maintained by the Department of Conservation of Forests and Galeha reed cultivation in 1 acre of land in Bentota, Galle has been maintained.

#### Jute Cultivation in Mahaweli "B" zone





### Establishment of National Raw Material Management Unit

Under this project, the National Crafts Council has provided facilities to provide the raw materials required to craftsmen at a fair price by the establishment of raw material banks at provincial levels. (Cost Rs.3.37 Mn)

- Raw material bank at Bulathsinhala is being developed
- Actions are being taken to obtain three-phase electricity for raw material banks at Nannapurawa and Waragoda
- Equipment required for Waragoda training Centre and Raw material management unit was purchased from the State Trading Corporation (STC)

### Integrated Development on Rural and Traditional Industrial Village

This project is implemented with the objective of developing industrial villages that produce quality traditional and rural industrial products to meet the requirements of local and international markets; enhance social and economic development; expand

direct and indirect employment opportunities; build up employment opportunities for women; and promote entrepreneurship development. (Cost Rs.3.75Mn)

- Training programs on new products and designs were conducted for 21 villages developed in the year 2021 (640 beneficiaries)

### Local and Foreign Market Promotion Programme

A number of sales promotion programmes were conducted through the National Crafts Council under this programme. These programmes include the implementation of sales promotion programmes on national and internationally important days, conducting sales promotion programmes monthly and every three months, and providing sales facilities at sales centers established at selected supermarkets.

(Cost Rs. 24.26 Mn)

- Four Shilpa Thursday crafts fairs were held at Diyatha Uyana in Battaramulla (on January 6, 13 and March 24, 31)

In this 85 craftsmen were given market opportunities .

### Creating market opportunities in Dayat Uyana premises (Shilpa Thursday)





- Ten sales promotion programmes were conducted (on March 25, 26, 27 and April 1, 2, 8, 9, 10, 29, 30) at the “rajawasa” premises, Narahenpita

In this 20 craftsmen provided the market opportunities.

#### **Creating local market opportunities in Narahenpita Rajawasala Premises**



- Plans are ahead to open the “Lakshilpa” sales centers at Waragoda, Pallekele and Sigiriya.
- Seven craftsmen have participated in the Suraj Kund international handicrafts fair held in Haryana, India.
- Three craftsmen have participated in the 09<sup>th</sup> “Edition of EximBazaar-2022” held in India.
- The handicrafts by local craftsmen were presented under the brand name of “lakshipa” at the “Expo 2022” exhibition held in Dubai
- The handicrafts by local craftsmen were presented under the brand name of “lakshipa” at the 55<sup>th</sup> Diplomatic Red Cross sales exhibition held in Bangkok, Thailand
- Handicrafts samples were provided for the 67<sup>th</sup> “Diplomatic Charity Bazaar, Thailand
- Handicrafts samples were provided for the “Bed Ford River Side Festival” held in UK (on July 23,24)
- A sales promotion project was initiated in collaboration with the Department of Marketing, University of Sri Jayewardenepura.  
Market analysis and programme for training of entrepreneurs has been completed and further project activities are being conducted.
- Discussions were conducted in collaboration with the Commerce Departments in 26 countries to promote Sri Lankan products in these countries and to obtain information on designs and



creations required in local production to suit these countries

- Project proposals were submitted to obtain assistance from the Korean Intellectual Property Office and Korean Invention Promotion Association through the National Innovation Agency to uplift the handicrafts industry in Sri Lanka.
- The Information and Communication Technology Agency of Sri Lanka (ICTA) has introduced a project, SME GO Digital to make small and medium entrepreneurs aware of digital technology. A programme on marketing and freelancing was conducted for 50 students from the National Crafts Council and 02 entrepreneurship programmes were conducted with the participation of 110 officers. It has been decided to conduct awareness programmes on this project for 11 selected villages

### **Establishment of Timber Related Design and Innovation Centre**

This programme is implemented with the objective of introducing new technologies to craftsmen engaged in the timber related designs to encourage them and carry out research and development for design innovations. Accordingly,

- The small and medium entrepreneur development division has assigned the mechanical training premises at Katubedda, Moratuwa, which belonged to the Sri Lanka Handicrafts Board (Laksala) on 09.09.2022 and actions are being taken to develop it as a training center for timber related craftsmen.

- Further actions have been initiated with the University of Moratuwa to resolve the issues identified during the field visit to coir related product villages at Waskaduwa and Ehaliyagoda with expertise in the subject matters to identify the issues faced by craftsmen engaged in coir related products.

### **National programme for the development of blacksmith industry**

Under this programme for development identified technologies and machinery in the Weboda and Ehaliyagoda that are not in use have been repaired with the assistance of CINEC University.

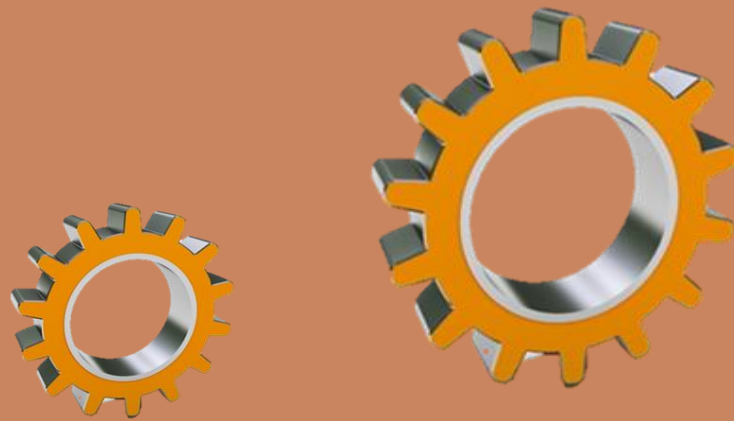
### **11.3 Future Plans – 2023**

This division has planned to continue the development programmes identified for improvement of industries included under its functions and duties until the year 2025. Accordingly, the anticipated plan for the year 2023 is as follows:

- I. Programme for cultivation of Raw-materials for rural industries. (Estimated cost Rs.20Mn)
- II. Establishment of National Raw-material Bank. (Estimated cost Rs.10Mn)
- III. Establishment of Timber Design and Process Innovation Centre.(Estimated cost Rs.15Mn)
- IV. Local and international market promotion programme for rural industries. (Estimated cost Rs.38Mn)
- V. Programme for the integrated development of rural and traditional industrial villages. (Estimated cost Rs. 12Mn)
- VI. National programme for the development of blacksmith industry. (Estimated cost Rs.05Mn)



# Department, Statutory Institutions and Public Corporations







# 12

## Industrial Development Board of Ceylon (IDB)

### 12.1 Introduction

The Industrial Development Board (IDB) was established under the Industrial Development Act No. 36 of 1969

### Vision

Development of all industries all over Sri Lanka

### Mission

Provide the strategic, technological & commercial foundation needed to encourage, promote & develop all industries all over Sri Lanka.

### Main Objectives

- To assist in the encouragement, promotion and development of industries in Sri Lanka.
- To assist in the proper coordination and in the interrelated growth of all industrial undertakings in the private and public sectors of the economy of the country.
- To foster industrial research with the object of utilizing the natural resources of Sri Lanka, improving the technical processes and methods used in industries and developing appropriate technologies and equipment for local industries, and

discovering processes and methods for the better utilization of waste products.

- To foster the export of local industrial products to overseas markets.
- To assist in such measures in the field of international trade and regional co-operation as are necessary or conducive to industrial development.
- To provide for services and facilities of every description required by or in connection with any industrial undertaking or industrial establishment in Sri Lanka, including the provision of capital, credit, marketing, managerial, technical facilities and legal advice.

### Key Activities and Functions of IDB

IDB provides services to entrepreneurs, industries start-up and existing industries encompassing following areas.

- Training and consultancy services on management and technological and engineering perspectives.
- Provide Engineering services, workshops and foundry facilities for local industries.
- Dissemination of industrial information to industrialists, clients and IDB staff...etc.
- Providing recommendations for export of metal waste from local production.
- Provide facilitation in marketing and sales for industries.
- Facilitate developing local foundry industry and provide recommendation and coordination for export of value-added metal products.

### Facilities and services

1. Industrial Estates
2. Rubber Product Development Centre
3. Electroplating Centre
4. Engineering Workshops
5. Technical Laboratory Services
6. Food Testing Laboratory
7. Leather Product Development Centre
8. Engineering Foundry Unit
9. Material testing Laboratory
10. Lakkam Sales Centre
11. Scrap Metal distribution as raw materials
12. High-Tech products and tools development Centre.

### 12.2 Progress (up to 30<sup>th</sup> September 2022)

In the year 2022, the IDB has provided various assistance and supporting services to promote the business community in the country. Further the board is obliged to design and implement strategies with regard to the entrepreneurship development, promote and encourage the Micro, Small and Medium scale Enterprises (MSMEs). In order to achieve these objectives and to expand the market to potential businesses locally and internationally, IDB has involved to initiate and execute various programmes and projects with the amalgamation of the Ministry.

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### Physical Progress as at 30<sup>th</sup> September 2022

Activity	Progress
Assistance to create new industries (No. of Industries)	103
Assistance to develop existing industries (No. of Industries)	302
Technology Training Programmes conducted	262
Entrepreneurship Development Programmes conducted	51
Provision of Metal Scraps for metal-based industries as raw materials (MT)	956
Provision of rubber compounds for Rubber Products Manufacturing industries (200 Industrialists) Kg	21,173
Issuing food testing reports by the Food Laboratory (No of industrialists)	233
Providing marketing facilities through Lakkam Sales Centre Entrepreneurs (No of industrialists)	325
Providing Engineering Services	260
No. of developed plots allocated at IDB Industrial Estates for investors	13

Source: Industrial Development Board

### Progress of Services

N o.	Description	Beneficiaries/ value
1	Disseminate information, advices and consultancy	347
2	Engineering assistance	489
3	Marketing facilitation	1347
4	Coordination for Financial Assistance with banks.	187
5	Technological assistance	457
6	<b>Total</b>	<b>2827</b>

Source: Industrial Development Board

### Generating Industries in Industrial Estates

Industrial Estates – Industrial Development Board	
No. of Industrial Estates	16
No. of Industries engaged in commercial production	277
No. of Industrial Sectors	20
Employment Opportunities generated	8595
Expected Annual Turnover (Rs. Mn)	52,818

Source: Industrial Development Board

### Training Programmes

N o.	Description	No. of Programmes	Beneficiaries
1	Technology Training Programmes	262	4272
2	Entrepreneurship & Management Improvement Programmes	51	795
	<b>Total</b>	<b>313</b>	<b>5067</b>

Source: Industrial Development Board

### Special Programmes / Projects

#### (1) National Industrial Exhibition



Exhibition of Products & Services - to showcase the best capabilities and capacities of local industries in producing products, services and technologies for both local and international markets. The "Industry-2022" National Industrial Exhibition was inaugurated at the Bandaranaike Memorial International Conference Hall (BMICH). Former Prime Minister Mahinda Rajapaksa and former Minister of Industries Wimal Weerawansa Inaugurated the event.

#### **(2) National Industry Excellence Awards 2022**



In anticipation of the declaration of the 'Vision of Prosperity', the 'National Industry Excellence Awards 2022' organized by the Ceylon Industrial Development Board under the guidance of the Ministry of Industries as another forward step to pave the way for an 'industrial renaissance that will revive the country' launched with the concepts and guidance of the former Minister of Industries, Wimal Weerawansa. The ceremony was held at the Battaramulla Waters Edge Hotel under the leadership of the former President Gotabaya Rajapaksa.

#### **(3) A pilot project to increase energy efficiency of industries in Ekala Industrial Estate**



The United States Agency for International Development (USAID) has expressed interest in becoming a technical partner in a pilot program to increase the energy efficiency of industries in the Ekala industrial zone.

#### **(4) Domestic prototype production of an electric car using post-engineering technology**



The Industrial Development Board has signed an agreement for the domestic prototype production of a cost-effective electric car using post-engineered technology. The agreement was signed with Dilantha Malagamuwa, the co-founder of Dilango Cars Private Company. This production would carry out under the sponsorship of a Japanese automobile manufacturing company



with the association of Dilango Cars Private Company.

### **(5) Pilot project for improving Energy Efficiency in manufacturing industries at IDB Industrial Estate – Ekala, Ja-Ela 2022/2023**

United States Agency for International Development (USAID) – Sri Lanka Energy Programme (May 2021 – May 2026) is being implemented to improve the cost-reflectivity of electricity tariffs; Increase the deployment of renewable energy; improve demand-side management; and deploy advanced technologies. Chemonics International is the implementing partner of this programme and IDB has initiated the Pilot project for improving Energy Efficiency in 15 industries at IDB Industrial Estate – Ekala, Ja-Ela with the Collaboration of the USAID – S/L Energy Programme. ‘

### **(6) IDB and Mahindra Ideal Lanka Pvt. Ltd. signs a memorandum of understanding**



A Memorandum of Understanding has signed with Mahindra Ideal Lanka Private Company for the initiation of a successful journey in the industry. Through the programme it is expected to

manufacture Mahindra vehicle components locally, the necessary technology testing to maintain quality control standards and to provide third party quality assurance.

### **(7) A training workshop on how to make soap**



The Minister of Industries, Hon. Dr. Ramesh Pathirana, had an observational tour at IDB.

## **12.3 Future Plans – 2023**

### **Pilot project for improving Energy Efficiency in manufacturing industries at IDB Industrial Estate – Ekala, Ja-Ela 2022/2023**

This project will offer following facilities for industries

- a. free consultation services to improve their energy efficiency (Electricity) through comprehensive energy audits (For selected high energy intensive industries)
- b. free Energy Manager Trainings to relevant officers/staff members of all selected industries
- c. free technical consultation and support for implementing energy efficient options with the contribution of Industries

- d. Support to obtain financial assistance through Ministry of Industries for necessary developments recommended in Energy Audits
- e. regular follow-up services

**(2) ‘Accelerating Industries’ Climate Response in Sri Lanka**

The specific Project objective is to scale-up the climate change response of Sri Lanka’s industrial sector through the design and implementation of technical, policy, regulatory and financial tools and mechanisms to accelerate the deployment of renewable energy, energy and resource efficiency technologies and best practices.

**(3) A project has been proposed to implement effective post-harvesting practices in Sri Lanka.**

**Summary of Status Report of IDB Industrial Estates as at 30<sup>th</sup> of September 2022**

No	Industrial Estates	District	Total Plots	Investment for infrastructure development (Rs. Mn)	In Operation Industries	Private Investment (Rs. Mn)	Annual Turnover (Rs. Mn)	Employment (Nos)
1	Ekala	Gampaha	92	89.97	56	36669.5	25779	2759
2	Pallekelle	Kandy	111	97.82	65	13181.6	18750.6	2010
3	Panaluwa	Colombo	29	63.9	22	1154.9	1304.2	499
4	Horana	Kalutara	66	14.35	14	998.51	4295.8	1469
5	Wavulugala	Kalutara	14	19.9	13	261.1	459	195
6	Pussella	Ratnapura	29	15.21	11	214	126.17	135
7	Galigamuwa	Kegalle	12	13.8	10	132	145.5	129
8	Buttala	Monaragala	22	20	6	22.5	85	78
9	Kotagala	Nuwara Eliya	58	4.16	8	254.7	149.6	110
10	Kaludewala	Matale	45	45.3	14	164.8	420	260
11	Mihintale	Anuradhapura	38	5.04	3	3.7	20	20
12	Nagampaha	Anuradhapura	44	24	0	5	4.5	3
13	Pannala - 1st Stage	Kurunegala	34	61.29	17	365.5	579.39	285
0	Pannala - 2nd stage		9		0*	25	0*	0*
14	Lunuwila	Puttlam	18	4.9	12	83.9	175	203
15	Punthoddam	Vavuniya	64	30.57	18	53.5	153.5	165
16	Atchchuvelly - 1 st stage	Jaffna	23	192	7	417.4	275	235
	Atchchuveli - 2nd Stage		25	41.57	1	120	96	40
	Total		733	743.78	277	54127.61	52818.26	8595

Source: Industrial Development Board

\* Under Construction

# 13

## National Enterprise Development Authority (NEDA)

### 13.1 Introduction

National Enterprise Development Authority (NEDA) promotes supports, encourages and facilitate enterprise development within Sri Lanka with special emphasis to Micro, Small and Medium Enterprise (MSME) sector of the country. It is providing services such as entrepreneurship development, financial facilitation, marketing linkages, research & development and infrastructure development to entrepreneurs and Business Development Service providers. NEDA provides capacity development trainings to entrepreneurs; entrepreneurship, marketing, business planning, accounting, record keeping and productivity improvement etc.

### Vision

To be the Lead Agency who Develop, Promote, Protect and Enhance MSMEs

### Mission

To Develop, Promote, Protect & Enhance Micro, Small & Medium enterprises in Sri Lanka, to ensure their growth and sustainability in coordination and partnership with other role players in effective, efficient and productive manner.



## Objectives as per the NEDA Act

- Stimulate the growth, expansion and development of Sri Lanka's economy by encouraging, promoting and facilitating small and medium enterprise development within Sri Lanka.
- Stimulate and encourage the establishment and operation outside Sri Lanka of enterprises designed with view to Internationalize domestic enterprises capable of penetrating foreign markets for the fulfillment of the objectives of the act of NEDA.
- Formulate policies, plans, promotional incentives appropriately designed and effectively support and promote trade and development in industry and agriculture.
- Empowerment of people of human capital development with technical skills as an integral component of enterprise development.
- Develop infrastructure facilities required to meet the development needs
- Facilitate the access of entrepreneurs to finances required for enterprise development and operation.
- Establish a Technology Development Fund to promote research and development in connection with product development, technological enhancement and commercialization of patents.
- Facilitate regional economic development.

## Key programs - 2022

1. 'Made in Sri Lanka' Trade portal
2. MSME Data Base
3. Promotion & offering of "Made in Sri Lanka" Logo
4. 'Made in Sri Lanka' Trade Fairs
5. Promotion of franchised shops under Made in Sri Lanka logo
6. Entrepreneur Award Ceremonies
7. 'Upadhidhari Wyawasayaka Udanaya' Program
8. Business Cluster / Sector development Program
9. Relational entrepreneurship Development program
10. Enterprise Forum

## 13.2 Progress (up to 30<sup>th</sup> September 2022)

### 1. 'Made in Sri Lanka' Trade portal

This program is to establish an efficient and effective trade portal to create market opportunities for Sri Lankan products and increase the market opportunities by registering MSME's products in the trade portal. Main objective is to provide a digital platform for businesses to businesses (B2B) and Businesses to customers (B2C) of Micro, Small, Medium and Large-scale Enterprises (MSMEs) and their counterparts for facilitating all business activities to have a higher efficiency under NEDA's guidance. The portal is launched in December 2021 and registered 743 sellers up to 30<sup>th</sup> September 2022.

Programme	KPI	Expected Annual Output - 2022	Achievement
'Made in Sri Lanka' Trade Portal	No. of suppliers registered to the Trade Portal	Minimum 1,000 supplier registration to the portal	743 suppliers have been registered. Marketing campaign is in progress (social media, Newspapers, Leaflets, NEDA DO's, etc.).

### 2. MSME Data Base

In Sri Lanka, there is no proper database developed by any institute to get the data in single database. Lack of dedicated MSME database is a significant issue in preparation of strategic decisions in the industry sector. This will allow the development officers of NEDA to have the data on Entrepreneurs in soft format and update the details periodically. NEDA established MSME Data Base and enter 260,000 data on entrepreneurs.

Programme	KPI	Expected Annual Output - 2022	Achievement
MSME Data Base (DB)	No. of entrepreneurs registered to the database	Minimum 500,000 entrepreneur registrations to the database	Already fed about 260,000 details of MSMEs to the system.

### 3. Promotion & offering of 'Made in Sri Lanka' Logo

Though there are plenty of businesses carrying out locally by using the local resources, there was not proper recognition for the local products when comparing with the imported products. Hence customers had been given priority for the products which were imported. As a result of that demand for the local products become diminished while customers used to think that the imported products are more quality than the local products. Hence, NEDA has taken a step to promote the locally made products by introducing a logo to depict the degree of localness for the product. The minimum output is to offer the logo for 50 entrepreneurs annually and NEDA has scheduled to offer the logo for 50 entrepreneurs in 2022.

Programme	KPI	Expected Annual Output - 2022	Achievement
Promotion & offering of "Made in Sri Lanka" Logo	No. of entrepreneurs obtain Logo.	Award logo to minimum 50 entrepreneurs	<ul style="list-style-type: none"> <li>Logo receivers' and Logo requestees database is complete.</li> <li>Received 44 applications.</li> <li>Finalized the Logo awarding procedure manual.</li> </ul> <p>Planned to offer logo for entrepreneurs during December.</p>

### 4. 'Made in Sri Lanka' Trade Fairs

NEDA has launched Made in Sri Lanka logo with the aim of promoting and developing genuine Sri Lankan MSME products with high value addition. In parallel with this NEDA has planned trade fairs to uplift these Sri Lankan products to the international marketplace. In 2022, NEDA expected to conduct three fairs but it is delayed due to the unstable situation. In addition to that regional staff conducted 65 Regional microlevel trade fairs and trade stalls are given to micro level entrepreneurs.

Programme	KPI	Expected Annual Output - 2022	Achievement
'Made in Sri Lanka' Trade Fairs	No. of trade fair conducted No. of trade stalls provided	Will be held minimum 03 trade fairs island wide under the 'Made in Sri Lanka' theme (180 stalls)	Planned to conduct 3 trade fairs. But, delayed due to financial shortage.  65 Regional Micro level trade fairs conducted by NEDA Development officers.

## 5. Promotion of franchised shops under 'Made in Sri Lanka' logo

'Made In Sri Lanka' franchise shops will be established in leading customer attract places. These Trade stalls are operated by the Private Sector. This mechanism will assist MSMEs to improve marketing linkages throughout the

country. Further, the suppliers with Made in Sri Lanka logo will have the opportunity to showcase their products in franchise shops giving an opportunity to improve in generating revenue. In 2022, NEDA is planning to establish 1 franchise shop in Matale district.

Programme	KPI	Expected Annual Output - 2022	Achievement
Promotion of franchise shops	No. of franchise shops established No. of suppliers registered	To be Establish at least 01 franchise shop	Identified a potential franchise shop at the Naula Divisional Secretariat in Matale District.

## 6. 'Upadhidhari Wyawasayaka Udanaya' Program ('Brain in to Business')

NEDA launch entrepreneurship Development Program with Universities for graduates to engage them for business field. And it is named as "Upadhidari Vyavasayake Udanaya" to promote business for graduates. Program Objective is to encourage graduates to enter business arena and promote them as successful entrepreneurs. NEDA has developed around 200 graduate entrepreneurs up to 2021. In 2022, entrepreneurship training is already being conveyed to 79 students at the University of Colombo, Kelaniya, South Eastern, & Rajarata and received 18 Business plans to be granted.

Programme	KPI	Expected Annual Output – 2022	Achievement
‘Upadhidari Vyavasayake Udanaya’ Programme	No. of graduates trained. No. of graduates financial assisted. No. of business established.	Train 100 graduates & provide financial assistance for selected 20 graduates.	Entrepreneurship training is already being conveyed to 79 students at the University of Colombo, Kelaniya, South Eastern, & Rajarata. Received 18 Business plans for grant.

## 7. Entrepreneur Award Ceremonies

NEDA conduct provincial Entrepreneur Award Ceremonies with the objective of recognizing, rewarding and motivating these enterprises, who have profoundly contributed to the economic development of Sri Lanka. NEDA has planned to conduct five award ceremonies in 2022, But it was decided to postpone the Award Ceremonies to the next year due to financial shortage.

## 8. Business cluster/ sector development program.

Micro, Small and Medium-sized Enterprises (MSMEs) are recognized as a driver for economic growth and diversification in Sri Lanka. However, MSMEs in Sri Lanka are isolated and had to work independently along the value chain. MSMEs individually cannot develop its capacity to continuously respond to competitive pressure. To overcome this issue, cluster/sector-based approach to MSME development should be explored. The cluster/sector-based approach has various advantages. MSME clusters can achieve training and technological innovation, easier access to

finance and greater institutional support. It also becomes more cost- effective for the government and other supporting agencies to provide business development services (BDS) to a whole cluster of enterprises rather than to individual enterprises in several locations.

In 2022, NEDA received 17 cluster Proposals from Reagional NEDA staff and 6 proposals are selected to proceed. (Bee honey Proposal from Wellawaya, Ekal & Broom Cluster from Deraniyagala, Wood apple and other seasonal products from Nachchaduwa, Rush/reed, and palmyra from Nawagathhegama, dehydration product cluster in Matale, Source, Ketchup production in Nuwara Eliya).

## 9. Regional entrepreneurship Development program

NEDA has identified that regional entrepreneurs have business issues such as lack of knowledge on entrepreneurship, marketing, technical and financial management. NEDA Development officers are working at regional level and they are

identifying these entrepreneurs and providing required solutions for above issues. In 2022, NEDA has trained 14937 entrepreneur's and provided other required assistance as well.

## 10. Enterprise Forum

Regional & District Enterprise Forums, which bring together representatives of Government authorities, private sector, NGOs and Government service providers are established in the region and District Enterprise Forum is chaired by the district secretary. Regional enterprise forum is chaired by the Divisional secretary and represent the key entrepreneurs in business sectors and all divisional level government & privet sector business development service providers same as district forum. Further, steps will be taken to establish SME Advisory Council for strategizing the promotion and development of SMEs at national level. And, proposed to form a SME facilitation forum comprising representation from relevant Ministries and representatives of government organizations including some representations of private sector as well.

### Financial progress

- Total Allocation for NEDA - Rs. 40 Mn
- Received budget from Treasury up to September – Rs. 8.6 Mn
- Up to September committed Rs. 5.353 Mn

## 13.3 Future Plans - 2023

1. Establishment of small regional level business cluster associations.

2. Promotion of value-added products with the assistance of state universities, other government institutes such as IDB, ITI, VIDATHA and NIE etc., and national and international chambers and doner agencies.
3. Establishment of Production Studios for showcasing of Sri Lankan MSME products.
4. Promotion of jackfruit related value-added products and establishment of at least 3 jackfruit markets in Colombo and regionally.

### Promotion of Jackfruit related value-added products



5. Maintaining efficient & effective 'Made in Sri Lanka' Trade Portal.

### 'Made in Sri Lanka' Trade Portal



6. Implementation of action plan of Capacity building/ mentoring platform provided by ADB under the preview of NEDA.
7. Promote and develop new entrepreneurs through regional entrepreneurship development program (5-20 new enterprises per DS Division).
8. Networking with state universities and government entities for the formation and promotion of graduate entrepreneurs.
9. Establishment of a database of Business Development Service (BDS) Providers.

# 14

## Paranthan Chemicals Company Limited (PCCL)

### 14.1 Introduction

Paranthan Chemicals Company Limited is a 100% State-owned, profit-making Company performing its activities under the purview of Ministry of Industries. The Company operates under the provisions of the Companies Act No 7 of 2007.

#### Vision

“To be the leader of Chemical manufacturing and trading industry in Sri Lanka”

#### Mission

“Manufacturing and trading quality, trustworthy and standard chemicals to the market to ensure customer satisfaction”

### Activities/Duties and Functions

PCCLs main production factory was at Paranthan in Kilinochchi District, that was operated successfully during that period. Our production facility was destroyed on year 1985 due to the war and we are currently at the process of re-establishment of it at Paranthan itself. The company was completed the comprehensive feasibility study into re-establishment of Caustic



Soda & Chlorine factory and PCCL was forecasted to install Poly Aluminum Chloride (PAC) and Hydrochloric Acid (HCl) manufacturing facilities as Product – Market development to comply the local market demand in Sri Lanka.

PCCL is self-driven, profit oriented state entity with remarkable Profit & Service growth rate. The company was recorded Rs.200 Million Net Profit (Profit Before Tax) at the date of 30th September 2022. It is 285% growth rate comparing to year 2021.

The Company operates with manufacturing mindset and focus strategically to develop potential chemical manufacturing industries. The company manufactures caustic liquid and bleaching liquid in business units established in Horana Wagawatta BOI Zone and Fullerton Industrial Zone in Kalutara. PCCL was strategically aligned with Chemical and Process Engineering Department (UoM) by excavating Engineering project reports to support local Chemical manufacturing industries.

PCCL is developing Chemical Industrial Zone enabling to establish 30 Chemical industries at Paranthan Zone.

Engineering division of the company-initiated Chlorine Cylinder maintenance & Pressure testing at Wagawatta facility for avoid exchange of Dollars. Further we manufacture safety equipment tool kit for prevent chemical accidents. Further, we conduct practical training programs to the nation against chemical disaster management.

## Factory Operations



## Manufacture safty equipment tool kit for prevent chemical accidents





the market as competitive trading company, that will transform to manufacturing sector in year 2024.

## 14.2 Progress (up to 30<sup>th</sup> September 2022)

### Financial Performance

Description	2022 Rs.'000	2021 Rs.'000	%
<b>Revenue</b>	<b>496,494</b>	<b>250,517</b>	<b>198</b>
Cost of Sales	(248,247)	(135,279)	183
<b>Gross Profit</b>	<b>248,247</b>	<b>115,238</b>	<b>215</b>
Other Operating Income	59,000	22,500	262
<b>Total Revenue</b>	<b>307,247</b>	<b>137,738</b>	<b>-</b>
Total Expenditure	(106,750)	(68,715)	156
Profit from Operational Activities	200,497	69,023	290
Less: Finance Cost	(100)	(33)	(67)
<b>Net Profit Before Taxation (approximately)</b>	<b>200,397</b>	<b>68,990</b>	<b>290</b>
GP Ratio (%)	50	46	-
Profit Ratio (%)	40.36	27.54	-

Source: Paranthan Chemicals Company Limited

- The company-initiated Enterprise Resource Plan (ERP) system to streamline all processes of the company for increase an existing efficiency for maximize the company profit level. Parallely, company has taken many steps to improve the Human Resources capacity aligning the Triple Bottom Line.
- PCCL trusts transparency in all forms of operation and we engaged E-Procurement procedures and we have awarded “Compliant Economic Operator (CEO)” standards by Sri Lanka Customs, enabling us to utilize green channel facility for our cargo operation. PCCL audited accounts were submitted up to date.
- The company was initiated to be implemented the Key Performance Indicators (KPIs) based evaluation system for all human capacities of the company for “perform & Reward” remuneration system to create competitive Work environment with Private sector. We anticipated to execute KPI from January 2023.
- PCCL believes own competencies by displaying results in bottom line (200 million Net Profit) & continuously improving its product portfolio by adding new products to

## Progress Report - 2022

### Other performance

SUBJECT	PROGRESS
<b>Setup Caustic Soda/ Chlorine Project</b>	<p>Completed feasibility study report</p> <p>Obtained an approval from the National Planning department.</p> <p>Actions are being taken to raise the fund arrangement</p> <p>Request was forwarded to obtain allocations under Budget 2023 for infrastructure developments of the project.</p>
<b>Setup Paranthan Eco-friendly chemical Industrial Park</b>	<p>Obtained an approval from the Cabinet of Ministers to transfer the Paranthan Land on Long Term Lease Basis to the PCCL.</p> <p>Forwarded necessary details and approvals to Land Commissioner General in order to prepare the Long Term Lease agreement.</p> <p>Working with CECB for finalise the site design for indicated land slots.</p> <p>Working with Faculty of Chemical Engineering and material science at UoM to prepare Pre-Feasibility study reports (Approx 30 industries) by using final year project reports of Engineering students.</p> <p>Initial steps has taken to call EOI to identify potential investors and industries (Under Discussion)</p>

### Penetrate to non-chlorine Industrial chemical market

Identify Non-chlorine products.  
ex: Caustic Soda, HCl – Hydrochloric Acid PAC – Poly Aluminum Chloride

Conducting a Market Survey, in consultation with the University of Kelaniya

Approx 100M/Tons of Caustic Soda was traded to the date.

Annual targets fixed to 1000M/Tons and 300M/Tons of Caustic Soda importation in pipeline.

50M/Tons of HCl importation in pipeline.

50M/Tons of PAC importation in pipeline

### 14.3 Future Plans -2023

1. Setting up Caustic Soda/ Chlorine Manufacturing Plant at Paranthan.
2. Setting up eco-friendly industrial zone with chemical manufacturing industries in Paranthan.
  - Conduct pre-feasibility study for potential chemical industries to be established in industrial zones.

- Calling investor forum for potential chemical industries in Sri Lanka by using of pre –feasibility study report.
- 3. Starting Cylinder Maintenance Unit and Pressure testing unit for all cylinders
- 4. Attend on Un-utilized resources
- 5. Mindset of to be a Carbon Neutral environment
  - Establish Solar energy on Roof at Wagawatta Unit (4500sqft)
  - Establish Solar energy on Roof at Kalutara Unit (3000sqft)
- 6. Setting up a Non-Chlorine Development Unit.
- 7. Upgrade the Company from category C to B based on performance
- 8. Establishing a performance trusting KPIs
  - Training Started
  - Model is developing
- 9. Operational net profit exceeding Rs.300 million for end of this year

## 15

# Kahatagaha Graphite Lanka Limited (KGLL)

## 15.1 Introduction

### Kahatagaha Graphite Mines

Kahatagaha Mines are located in North Western Province of Sri Lanka at Maduragoda, **Rideegama** Divisional Secretariat Division, **Dodangaslanda** in Kurunegala District, and managed by **Kahatagaha Graphite Lanka Limited (KGLL)**. It is a fully state owned company, established under the Companies Act No. 07 of 2007, purviewed by the **Ministry of Industries**.

extent of the land Of the Kahatagaha Mine is approximately 102 acres.

### Uniqueness of Kahatagaha product

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 a unique product.

### Graphite Exports

KGLL is an export-oriented Company, and in 2022/23, its major export countries were JAPAN and Australia and company exports are depending mainly on two buyers.

### Vision

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

### Mission

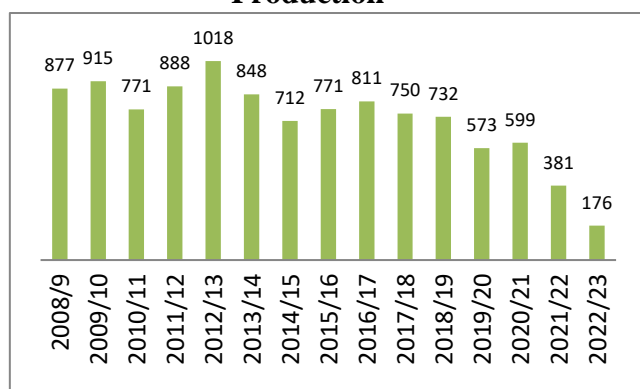
“To be a dynamic partner who is effective and efficient in the economic and social development of Sri Lanka by earning foreign exchange with optimum utilization of graphite mineral resource in the country”

## 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”

## 15.2. Progress (up to 30<sup>th</sup> September 2022)

### Production



Source: Kahatagaha Graphite Lanka Ltd

In 2022/23, up to 30<sup>th</sup> September 2022, the total Graphite (Run of Mine) Production is 176M/T.. After revival of mine, from 2006 to date, total production extracted is 11,002 M/T.

The average production target was 65 – 77.5 M/T per month for the financial year. The target is depending on the richness of the veins, which are open at the time and the levels (deepness), number of underground laborers and other development works of the mine.

considerably due to retirement and deployment of labour for dewatering and development works. However, we were unable to fulfil our set targets due to too many employees strikes and COVID – 19 outbreak related issues as mines were closed from time to times.

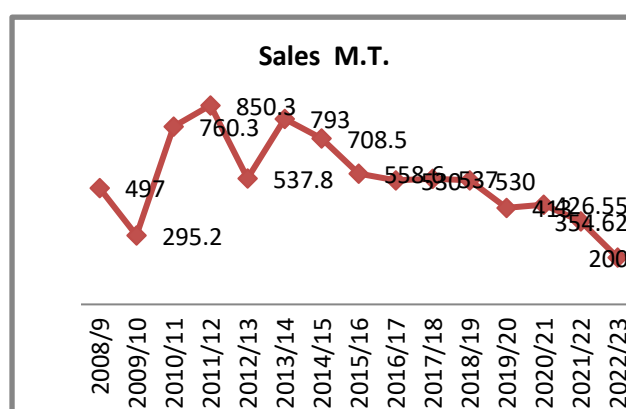
## Sales

KGLL exported 200 M/T from 1st of April to 30th September 2022. In comparison to the same period of the previous year, there is no material quantity difference. Correspondingly the sales income was Rs.97.26 Mn., in comparison to the same period of the last year (2021/22) income of Rs.59.24 Mn., recording a revenue increase of Rs.38.02Mn. It has been noted that high moving of low-grade graphite due to the high orders received from S. Kato & Co., Japan

Moreover, the nature of international graphite market is that, sales are fluctuating frequently. As annual supply of Sri Lankan vein graphite to the world market does not exceed 7000 MT (Kahatagaha and Bogala) and it is not significant as against the world production of over 900,000 MT, influence of Sri Lankan graphite producers for the behavior of the world market has to be deeply analyzed.

From 2006, the year, which the mine was revived, the company has exported a total export tonnage of 8,563 M/T up to the end of September 2022.

### Sales 2008-2022

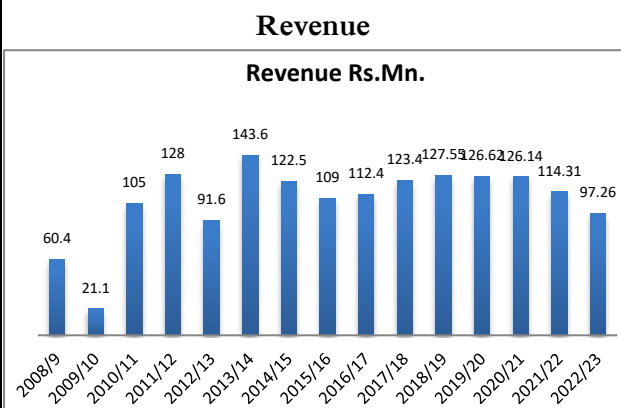


Source: Kahatagaha Graphite Lanka Ltd



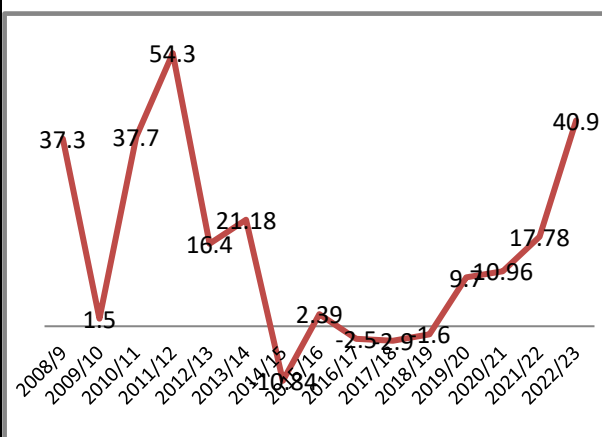
## Income

From the date that mine was revived in 2006, up to 30<sup>th</sup> September 2022, KGLL earned total revenue of Rs. 1,703 Mn, as foreign exchange.



Source: Kahatagaha Graphite Lanka Ltd

## Profit



Source: Kahatagaha Graphite Lanka Ltd

Within the current financial year of 2022/23, from 1<sup>st</sup> April to 30<sup>th</sup> September 2022, recorded a net profit of Rs.40.9 Mn before tax and corresponding figure in the same period of previous year was Rs.8.93 Mn. of profit before tax. However above data were based on draft accounts.

After the re-opening of Mines in 2006, Kahatagaha Graphite Lanka Limited has earned Rs.252.12 Mn. of profit before tax up to 30<sup>th</sup> September 2022.

All operational expenses of the Mine are incurred by KGLL from its earnings, from the date of its revival, without being a burden to the General Treasury.

Despite all the turbulences in the graphite market, the crisis due to recorded level of flooding of the mines with labour unrest in the history of the mine with COVID -19 issues the company has been able to maintain its affairs reasonably well and has been able to maintain a bank & cash balance of Rs.16.39Mn. as at 30<sup>th</sup> September 2022.

## Stocks

Apart from the bank & cash balance, value of stocks in hand is Rs.355 Mn, related to 976.11MT of current stock availability as at 30<sup>th</sup> September 2022.

## Work Force

Total work force is 125 including skilled miners and other relevant technical staff.

## 15.3. Future Plans -2023

- Production target - 930 M/T (77.5 M/T per Month - Average)
- Budgeted sales - 844 M/T
- Budgeted Sales Income - Rs.311 Mn
- Budgeted Profit Before Tax - Rs. 14.7 Mn.

## Current And Future Development Activities

### Mining and Underground Development Exploration

As exploration is an integral part of the mine operation to ensure availability of ore resources and economic extraction, Diamond Drilling Program is continued to identify new veins and new exploration project is conducting at 1132ft level also has been able to recognize 01 economical veins for extraction. New locations for diamond drilling are proposed. Further the exploration will be carried out in the same vertical plain to quantify the reserves, which were found in these veins. Detailed survey of the mine has to be commenced, for mapping of the mine, including ore resources mapping. This would be helpful to plan future development work of the mine and to take investment decisions.

#### 2<sup>nd</sup> shaft sinking

Rail tracks have been newly laid and conducting studies to recommence the 2nd shaft developments.

The total cost of the project is estimated around Rs.200Mn.

### Mining Equipment

Necessary steps have been taken to provide mining equipment such as Cap Lamps, drill bits, drill rods, Wire ropes, Jack hammers and spares etc. also looking for a 750 CFM New air compressor to supply high compressed air

demand for the. Installing new blower fans is to be done after the commence of ventilation survey, replacing of old Corroded Air lines, damage wires rope and decayed timber / steel supporting has to be done.

### Work Station

New graphite extracting workstations have been started at 1132ft level and 2000ft level. Two incline shafts have been started to develop at 2000ft level.

### Value Addition

Planning to install a flotation plant by obtaining a grant from the national budget. supply order which requests for various particle sizes. Also, we are already planned to install high-tech customizable micron mill.

## 6. Other Developments Activities

### • Land Utilization

Other than the underground mine, surface land of 102 acres is a valuable asset to the Company. There are two ongoing court cases related to 26 acres and as such development work related to this particular extent of land is in dispute and has become stand still.

The balance 76 acres are managed by the company and out of 76 acres, 52 acres are re-planted. Cinnamon, banana and some other seasonal crops were cultivated during the year.



# 16

## National Salt Limited (NSL)

### 16.1 Introduction

National 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 salterns areas are located in Mannar and Elephant pass and its administrative office located in Colombo.

The salt corporation was started in 1938 and went through different administrative control and finally it was named as Mantai Salt Ltd from 2001 thereafter in 2021 name has been changed as National Salt Ltd. The National Salt not only functions as a natural resource utilization centre also giving employment opportunities to the vulnerable people in Northern province. As at today there are 52 permanent staff and nearly 200 seasonal staff are employed by the institution.

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 Sri Lanka Standard Institution to ensure the quality.

### Vision

“Development of salt - based enterprises in the North by exploration of natural resources connected with chemical and other processes and thereby upgrades the living of the people”

### Mission

“Operation of Salterns, manufacture, processing and marketing of salt and by-products in the Northern Province”

### Main Goals / Objectives

Utilizing National Resource, Creating Income for Nation, Providing Employment Opportunities and Ensures Social Corporate Responsibilities.

## Functions

Production of Crude salt and adding value for consumption through crystalize and iodizing process.

## 16.2 Progress (up to 30<sup>th</sup> September 2022)

### Production and Sale

Description		Actual
1. Common Salt Production (MT)		
Mannar		1647
Elephantpass		3027
<b>Total</b>		<b>4674</b>
2. Sales of Salt (MT)		853
Sales of Salt (Rs.)		38,534,370
3.1	Sales of Salt	38,534,370
3.2	Total Income	43,540,697
3.3	Cost of Goods Sold (CoGS)	20,738,003
3.4	Gross Profit	17,796,368
3.5	Net Profit/(Loss) - After Tax	10,264,764
3.6	Net Profit/(Loss) - Before Tax	11,935,773
3.7	Earnings per Share (Rs.)	34.22

Funded by treasury

**Note:** Due to the adverse weather in the country the production of salt is hardly affected.

## 16.3 Future plans 2023

	Plan	Achieving year
01	Increase the production of E. Pass Saltern Up to 25000 MT	2023 - 2024
02	Establishment of Table Salt Plant at Elephantpass Saltern	2023 - 2024
03	Commissioning a table salt plant annexure at Mannar saltern.	2024
04	Commence Operation at Kurnchattivu Saltern	2023 - 2024

# 17

## National Paper Company (NPC)

### 17.1 Introduction

The previous National Paper Corporation was, subsequently, incorporated as a National Paper Company Limited under the provisions of the Companies Act No: 17 of 1982, and is currently operating as a fully state-owned company under the provisions of the Companies Act No: 07 of 2007. Valaichchenai Paper Mill and Embilipitiya Paper Mills are coming under the National Paper Company Limited.

### Vision

" To be the market leader in Sri Lanka in the manufacturing of newsprint paper, printing paper, and computer printing paper"

### Mission

“Manufacturing and selling papers based on customer requirements in adopting environmentally friendly and cost-effective methods”

### Performance

- As per the approved cabinet decision No. අමස/20/0561/224/015 dated 18.03.2020, production of the Valaichchenai paper mill, which was stopped in December 2014, has been resumed from July 2020 by National Paper Company Limited.
- Cabinet decision No. අමස /21/1015/320/032 dated 12.07.2021 has given the approval to lease out the land owned by Sri Lanka Mahaweli Authority where Embilipitiya Paper Mill is located (111 acres in 02 Road 33 Perches) to National Paper Company Limited for a period of 30 years on a long-term lease basis. Accordingly,

the plot of land where Embilipitiya Paper Factory is located has been given to the National Paper Company for a period of 30 years from 13.10.2021 preparing long-term lease deeds.

- Cabinet decision No අමප /22/0254/320/010 dated 28.02.2022 has approved to restart of manufacturing activities of the Embilipitiya paper mill, which had been stopped since 2012, under the public-private partnership system. Accordingly, the agreement between National Paper Company Limited and the investor company KSPA Embilipitiya Paper Mills (Pvt) Ltd for the above project for 30 years was signed on 09.03.2022. It is expected to start production within 18 months after the power supply is restored.

## 17.2 Progress (up to 30<sup>th</sup> September 2022)

### Paper production and revenue earned at Valaichchenai Paper Mill

Month	Production (MT)	Revenue
January	108.62	15,370,620.00
February	175.78	23,632,137.00
March	188.77	26,976,825.31
April	95.5	19,342,380.88
May	138.46	36,192,150.00
June	89.70	32,457,050.00
July	49.71	21,564,202.00
August	81.61	37,103,989.00
September	126.76	50,510,036.60
Total	1054.21	263,149,390.79

Source: National Paper Company

Benefits from starting production at Embilipitiya Paper Mill

- Expected investment for the project: Rs. 3.5 billion.
- Expected daily paper production (pulp-based paper): 250 MT.
- The Annual Turnover, received by National Paper Company Ltd is calculated as follows.

The selling price of annual production X 3% (Turnover Price X 3%)

Infrastructure development of National Paper Company Head Office and Valaichchenai Paper Mill.

## 17.3 Future Plans - 2023

- Repairing Paper Machine & Board Machine at Valaichchenai Paper Mill and increasing monthly paper production
- Installation of solar panel systems on the roof of Valaichchenai paper mill.
- Implementation of a drinking water supply project for Eraur Industrial Estate in association with the National Water Supply and Drainage Board.
- Implementation of diversification projects in Valachchena paper mill premises under public and private partnership methods.

# 18

## Lanka Mineral Sands Limited (LMSL)

### 18.1 Introduction

Ceylon Mineral Sands Corporation was established under the State Industrial Corporations Act No. 49 of 1957 and became a fully government owned company in 1992. According to the new Companies Act No. 07 of 2007, re-registered as a fully government owned company on 16.09.2008 under PB587. The head office of Lanka Mineral Sands Limited is located in Rajagiriya area, and the manufacturing plant is established in Pulmude area of Trincomalee district.

### Vision

“To be prime contributor to the national economy in the state manufacturing sector in Sri Lanka”

### Mission

“Add value to the mineral sands to meet the requirements of local and global customers using latest technology under green concept so as to optimally contribute to the development of Sri Lanka”

## Main role of the institution

- Processing of Raw sand mining and separation of heavy mineral sands like ilmenite, rutile, zircon garnet, monazet, crude zircon, Hi Ti ilmenite etc. according to physical properties.
- Export of heavy mineral sand through international tenders
- Identification and exploration of new heavy mineral sand deposits
- Conducting preliminary environmental studies or an environmental impact study to remove the heavy mineral sands present in those deposits.
- To study the economic feasibility of heavy mineral sand identified deposits
- To expand the amount of heavy mineral sand deposits owned by the institution.
- By completing the modernization work of the Pulmude plant, the production will reach the level of 75,000 MT of ilmenite per year (by 31 December 2022).

## Mining and Back filling work is carried out in the company

### Mining



### Back filling



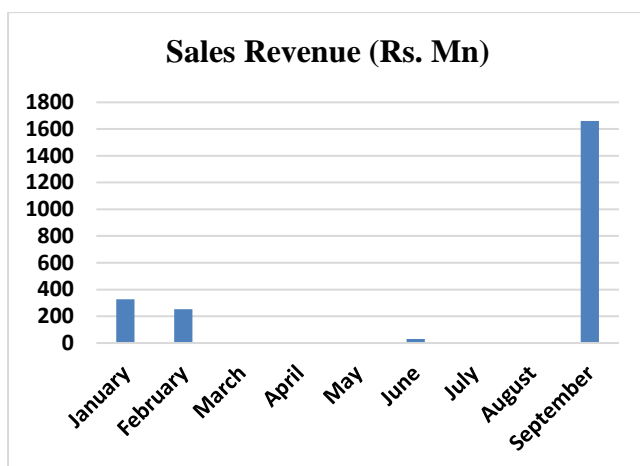
## 18.2 Progress (up to 30<sup>th</sup> September 2022)

### Sales Revenue

Month	Sales Revenue (Rs. Mn)
January	326
February	254
March	1
April	0
May	2
June	31
July	0
August	0
September	1,660
Total	2274

## Progress Report - 2022

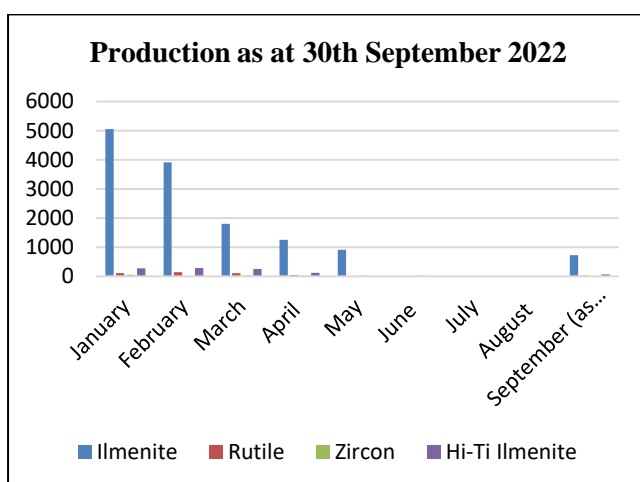
Source: Lanka Mineral Sands Limited



Month	Production (MT)			
	Ilmenite	Rutile	Zircon	Hi-Ti Ilmenite
January	5052	114	56	278
February	3912	140	13.2	282
March	1798	113	33.8	251
April	1256	39	20.88	116
May	912	0	22.16	0
June	0	0	24.88	0
July	0	0	9.16	0
August	0	0	7.48	0
September	730	26	-	66
<b>Total</b>	<b>13660</b>	<b>432</b>	<b>187.56</b>	<b>993</b>

Source: Lanka Mineral Sands Limited

Source: Lanka Mineral Sands Limited



Source: Lanka Mineral Sands Limited

### 18.3 Future plans – 2023

- Commencement of construction of Kokilai plant and production of Kokilai refinery in end-2023.
- Continuation of Kokilai mining activities.
- Establishment of mobile plant in Poduwakattu area.
- continue to obtain mining permits by obtaining relevant environmental recommendations according to EIA and IEE reports.
- Initiation of sea exploration
- Establishment of mineral sand value addition manufacturing industry (expected to be done in 2 phases)
  1. Focusing on value addition production for some of the products identified by the organization.
  2. Referral for ilmenite related value-added manufacturing industry with suitable investor as per value addition program proposed by Ministry of Industries.
- Establishment of head office in new building.

# 19

## Ceylon Ceramics Corporation (CCC)

### 19.1. Introduction

Bricks & Tile Unit of the National small Industries Corporation was established under the Act No: 49 of 1957, State Industrial Corporation Act.

The Bricks & Tile Unit of the State Industrial Corporation was incorporated in to the Ceylon Ceramics Corporation in 1972.

In January 1990 Ceramics section of the Corporation was privatized and the Brick & Tile Unit of the Corporation continued in the name of “**Ceylon Ceramics Corporation**”.

### Vision

“To be the leader in the fields of manufacturing & marketing of Roofing tiles, bricks and high-quality clay products”

### Mission

“To ensure total customer satisfaction by providing high quality innovative products at competitive prices while achieving maximum contribution to all stakeholders through and island wide network in socially responsible manner”



## Bricks and Tiles Factories and their locations and capacities

Factory	Location	Area (Acres)	Status
Eragama	Ampara	232	Operation with maximum capacity
Mahiyanganaya	Mahiyanganaya	94	Operation / SL Airforce producing Neelagiriya & Deegawapiya Bricks. EOI to be called.
Uswewa	Embilipitiya	19	Re- started operations from September 2021. Temporary stopped operation again due to fire wood, electricity & diesel issue. EOI to be called.
Yatiyana	Matara	06	Currently stopped, planning to start an Industrial state.
Bingiriya	Bingiriya	03	Produced Sandhahiruseya bricks till mid-2021. Currently stopped operations.
Weuda	Kurunegala	09	Cabinet approval obtained, EOI in progress.
Elayapattuwa	Anuradhapura	33	SL Army producing Neelagiriya & Deegawapiya bricks. Planning to start an Industrial state.
Oddusudan	Mulativu	13	Repairs are in progress; over 80% completed. EOI to be called.
Bangadeniya	Bangadeniya	07	Only Land.
<b>Total</b>		<b>383</b>	

Source: Ceylon Ceramics Corporation

### 19.2 Progress (up to 30<sup>th</sup> September 2022)

1. Increased all products selling prices by 10% increased casual wages by 10% in January 2022.
2. Increased selling price of bricks & tile by 10% from 1st May 2022
3. Qualifying points: LKR 8.0 million monthly sales & final products 87% grade one monthly efficiency.
4. Increased casual wages by LKR 100 per day & Introduced performance based monthly incentive system from 1st June 2022.

## Progress Report - 2022

### Key Process Indicators – CCC

Process	2021 Actual	2022 Target
1. Production (Pieces per month)	147,841	162,625
2. Sales (Rs. million/month)	6.93	7.62
3. Profit (Rs. million/year)	5.05	25
4. Introduction of New Products	Processed Clay	Hollow Bricks Terra – Cotta floor Tiles Kid -Clay

Source: Ceylon Ceramics Corporation

### Price Increase 2021/2022

ITEM	UNIT OF MESUREMENT	2021 September Actual Rs.	2022 September Actual Rs.	INCREASE PERCENTAGE (%)
Fuel	Liters	110.85	431.78	390%
Clay	Cost/Cub	500.00	1269.09	254%
Fire Wood	Cost/ Yard	1636.56	2393.71	146%
Electricity	Production unit	1.54	2.11	137%
Labour Cost	Cost/Man Day	958.77	1076.42	112%
Production Cost	Cost/Tile	22.54	33.07	147%

Source: Ceylon Ceramics Corporation

### Products of CCC



- ❖ Re – start operations of Uswewa, Mahiyanganaya & Oddusudan Factories with Public – Private Partnership.
- ❖ Interested Parties – Samsom Rajarata Tile, Vision Care Group, Sweenda Tile – Dankotuwa.

### 19.3 Future plans - 2023

Plan	Description
<b>A</b>	Call EOI for all three factories (Already board approval obtained).
<b>B</b>	Repair existing machines & start Calicut tile production with 50,000 Pcs Monthly capacity.
<b>C</b>	Introduce Hollow bricks, Terra –Cotta floor Tile & Wire cut bricks production, enhance capacity up to 150,000 Pcs monthly.
<b>D</b>	Introduce value-added new products such as Euro Tile/ Roman Tile by purchasing new molds from Italy/ Spain/ Malayasia.
<b>E</b>	Introduce a new production line with new machines (New Factory in the Same location) to produce glaze tile & extrusion (Terra –Cotta) Floor tiles.
<b>F</b>	Clay Research Development Center Training Center for foreign student jointly with International Universities.

Source: Ceylon Ceramics Corporation

- Introduction of Hollow bricks (Re- placing cement bricks) & extruded floor tiles to Sri Lanka Market.
- Supplying processed clay to the pottery villages through National Art Council (25MT order in hand).
- Surface hardening & quality enhancement of terra – cotta Floor tiles.

- Improving ‘S’ type tile quality and introducing it to the local market.
- Introduction of new extruded Terra –Cotta floor tiles.
- Developing Website, ‘e’ marketing, newspaper advertising.
- Discussions are in progress to find suitable investors for Oddusudan, Weuda, Mahiyanaganya, & Uswewa factories.
- Eragama clay samples submitted to large scale Red Clay manufacturers in Sri Lanka for Exports Products.
- R & D in progress to replace high-cost Bentonite clay with Eragama processed clay ATG gloves factory BOI Katunayaka.
- Construction of low-cost house using red clay Roof tiles, Hollow bricks & Terra –Cotta Tile for HABITAT project.
- Production of flower pots & vegetable pots (R&D in progress).
- Introduction of low-cost glazes for roof tiles (R&D in progress).
- Developing KID – CLAY for schools; sample productions & testing completed.
- Developing Red Clay/Dolomite Cement; testing is completed with CEMENTO.
- Introduction of solar Energy projects for Ampara, Yatiyana & Uswewa factories.

# 20

## B C C Lanka Limited (BCC)

### 20.1 Introduction

Currently, B C C Lanka Limited is functioning under the Ministry of Industries and producing & marketing high quality consumer products such as pure white coconut oil, refined coconut oil, bath soap, laundry soap, washing powder, dish wash disinfectants, air fresheners and hand washers as an only state-controlled consumer product supplier.

Apart from the company main production BCC Lanka Limited is generating noticeable income by delivering office & storage space facilities to both government & private entities.

### Vision

“To Be the Premium Brand Name in a Sustainably Developed & Prosperous Sri Lanka While Maintaining the Century Old Traditions”

### Mission

“Satisfying the Consumer While Maintaining a Sustainable Environment, Core Values and Employee Satisfaction”

### Main Goal

“To remain in the business as a pioneer and self-sufficient public company, while maintaining local values”

### Main Activities of the Company

- Manufacturing of Coconut Oil
- Manufacturing of Laundry & Toilet Soap
- Manufacturing of Disinfectants & Detergents

- Distributing Products under the Name of “BCC” to local market through agents who were appointed by the company.
- Direct sales to Modern Trade businesses through agreements and competitive bidding procedures
- Rental out Office & Storage Spaces which are owned by BCC Lanka Ltd.

## Product Portfolio

Product portfolio of BCC Lanka Limited comprises with following product lines.

- Edible Oils: BCC White Coconut Oil and

*Product portfolio of BCC*



Cooks Joy

- Beauty Soap: Sandal wood, Suvendra Herbal, Suvendra Floral
- Laundry Soap: Sovereign bar, Sno-Wite
- Disinfectants: Pynol, Toilet Bowl Cleaner
- Washing Powder: Sno-Wite (1Kg, 500g, 200g)
- Dish Wash: Dishwash Liquid, Dishwash Powder
- Hand Wash
- Air Freshener

## Current Market Share and Production Capacity

### Coconut Oil Products

BCC market share of the Coconut Oil market is about 2.5% of the total coconut oil market. However with the massive concern of the composition of nutrition's and chemical content of Coconut Oil, demand for BCC Products are increased noticeably in the past few months. As a result, BCC market share in the branded segment has been increased up to 15% - 20 %.

Along with that, BCC coconut oil brand has become the most trusted coconut oil brand in the market.

### Soap Products

Company is proposed to build a new State of art Soap Factory with new machinery to capture the market with BCC Soap products in a more attractive way. BCC representation in the current market is as follows.

### Market Share in Soap Industry

Type of Soap (MT)	Avg. Estimated Demand	BCC market share
Beauty Soap	34000 Mt.	1%
Laundry Soap	30000 Mt.	1.2 %

Source: B C C Lanka Limited

### Production Capacity

The majority of machineries owned by BCC Lanka Limited is very old and the capacity of the machines is as follows. Accordingly, company is planning to replace those machineries with fully automated machineries with the high intention n reducing the production cost

### Production Capacity

Item	Production Capacity (MT)	Avg. Production (MT)
Oil Production	1500	1200
Soap & Personal Care Production	600	150-200

Source: B C C Lanka Limited

## 20.2 Progress (Up to 30<sup>th</sup> September 2022)

### 1. Industry Exhibition 2022

National Industry Exhibition of 2022 was organized by the Ceylon Industrial Development Board under the guidance of the Ministry of Industry from 02<sup>nd</sup> to 06<sup>th</sup> February of 2022.

#### Industry Exhibition - Booth of BCC Lanka Limited



This year, the exhibition was organized under the title "Industrial Innovation for Small and Medium Scale Industries" and for this exhibition, 400 booths were presented by leading industrialists including BCC, representing 20 leading industries in the country.

With the aim of promoting the BCC brand, BCC participated as one of the financial sponsors in this in National Industry Exhibition of 2022, and a large publicity regarding BCC products was done through this exhibition.

Simultaneously, the 2022 National Industry Excellence Awards Ceremony was held on the evening of 15.02.2022 at Water's Edge Hotel, Battaramulla. Thereby, a commemorative gift was presented to BCC Lanka Limited in recognition of the financial sponsorship provided to make the National Industrial Exhibition a success.

### 2.National Industry Excellence Awards 2022

Simultaneously, the 2022 National Industry Excellence Awards Ceremony was held on the evening of 15.02.2022 at Water's Edge Hotel, Battaramulla. Thereby, a commemorative gift was presented to BCC Lanka Limited in recognition of the financial sponsorship provided to make the National Industrial Exhibition a success.

#### Commemorative gift presented to BCC in Appreciation of Financial Sponsorship



### 3 Agro Fresh Super Market Network

In order to provide relief to the community in the face of the economic crisis, the National Food Promotion Board, which is under the Ministry of Agriculture, is running a program to start the stores



owned by the board in a new face called Agro Fresh Super. Under this program, BCC products were also tied up with the same network from July 2022 to sell the products to consumers at an affordable price.

Agro Fresh Super Store at Dehiwala



In the first phase, BCC products were supplied to the Agro Fresh Superstore which was started in Dehiwala area and it is expected to supply BCC products to all the stores that will be started under this network in the future.

#### 4. New Product Development & Redesigning of Packing and Labels

##### Soap

Recently, BCC Lanka Company launched a laundry soap liquid product named Snowite Care at a convenient and affordable price and customers can buy this new product from any supermarket

##### Cocunet Oil

Further, packing and labels of coconut oil products are redesigned in order to match with other

competitive products as well as to get the more customer attraction.

#### Newly Designed White Coconut Oil Label & Snow-Wite Care Detergent Liquid



#### 5. Payments of Long-Term Outstanding Amounts

Necessary arrangements were made to pay an amount of 18 million rupees from long-term loans from previous years' accounts.

#### Loan Recovery 2022

Creditor	Payment Date	Paid Amount
Paranthan Chemicals	01 <sup>st</sup> March 2022	<u>Rs.</u> 3,612,661.00
Ajantha Oil Mills	25 <sup>th</sup> March 2022	<u>Rs.</u> 4,486,786.00
Kalubovitiyana Tea Factory (Capital Amount)	21 <sup>st</sup> June 2022	<u>Rs.</u> 10,000,000.00
<b>Total Credit Payments</b>		<u>Rs.</u> 18,099,447.00

Source: B C C Lanka Limited

#### 6. Surveying of the BCC Lanka Land

On 11 April 2019, the ownership of a 6-acre portion of the 12-acre land owned by the BCC Institute

## Progress Report - 2022

premises at Meeraniya Street, Colombo 12, was transferred to the Ministry of Justice for the expansion of the court complex.

In order to implement BCC building project and other future plans of BCC, the remaining 6 acres land portion of BCC was re-measured and surveying the land has been completed in July 2022.

### 01. Financial & Physical Performance

#### Financial performance

	2021 Jan – Sep (Rs. Mn)	2022 Jan – Sep (Rs. Mn)	Growth Rate
Net Sales	373.53	534.33	43%
Rent & Other Income	52.46	74.23	42%
Cost of Sales	317.38	441.02	39%
Gross profit Margin	108.61	167.55	54%
Total Expenditure	51.33	63.45	24%
Depreciation	2.2	1.84	-16%
Net Profit	55.08	102.26	86%

Source: B C C Lanka Limited

Increasing the sales income by 43% compared to the last year, while maintaining administrative and other expenses at a constant level.

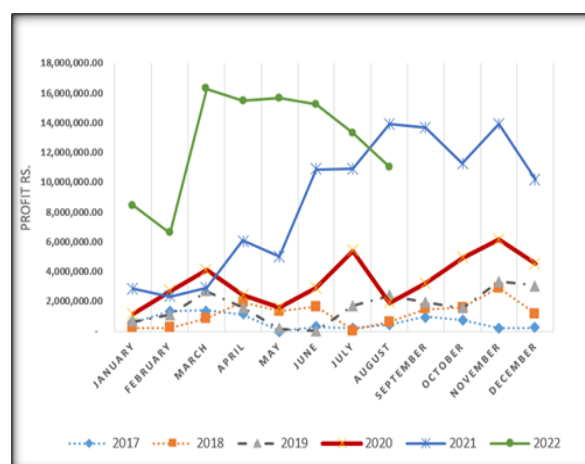
Monthly sales value during the period under review was higher than any other periods. Considering the total Sales value achieved in 2021, 86% of last year total sales have been already achieved by Sep this year.

Further, Company was able to achieve the highest sales value in the month of March 2022, by achieving Rs.106.99 Mn of Sales Value.

Simultaneously, company attained the highest monthly profit in the same month by getting Rs. 16.28 million monthly profit

Growth of the sales & profit is shown below graphically. Accordingly it can be clearly identify the growth of the current year compared to the previous years

#### Growth of Profit over the Years



Source: B C C Lanka Limited

### Physical Progress

Here, Financial & Physical performance of the period was compared with the targets that establish by the 2021/2022 & 2022/2023 Action Plans.

#### Achievement of Progress

Description	Physical Progress (Mt)			Financial Progress (Mn)		
	Target	Actual	Achievement	Target	Actual	Achievement
<b>Main Activities</b>						
I Soap and Others	316.35	43.51	14%	85.37	22.12	26%
II Coconut Oil	622.66	556.49	89%	426.84	512.21	120%
<b>Total</b>	<b>939.01</b>	<b>600.00</b>	<b>63.9%</b>	<b>512.21</b>	<b>534.33</b>	<b>104 %</b>

Source: B C C Lanka Limited

Accordingly, the company was able to perform beyond the targeted sales value of Coconut Oil

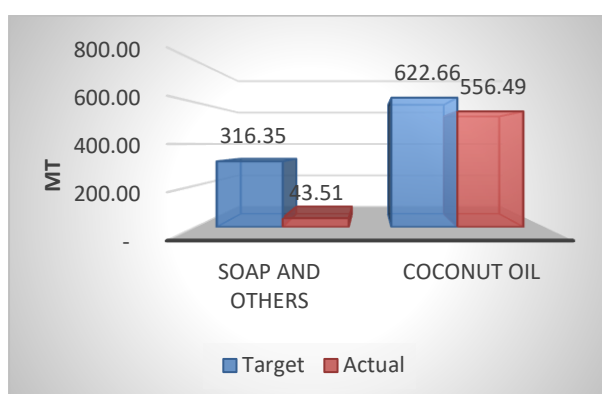


while achieving 120 % of target achievement. Comparing to coconut oil sale production of the company, at some extend soap and other products showing a lower achievement of targets. It was mainly resulted by the shortage of raw materials at the market due to import restrictions and COVID 19 pandemic situation.

However, in terms of Soap production, 26% is achieved by its targeted production which can be considered as a good achievement compared to previous years.

When it takes both Coconut oil and Soap sales target as a one production unit, the company was able attain its financial target by 104 percent.

**Target Production**



Source: B C C Lanka Limited

**Target Sales**



Source: B C C Lanka Limited

## 20.3 Future plans - 2023

### 1. Receipt of compensation

Speed up the process of getting compensation on behalf of the transfer of a portion of the land owned by BCC to the court premises in order to implement the long-term future plans of the BCC Lanka limited

### 2. Improving the quality of BCC products through the restructuring and reorganization of the company's production operations

it proposed to restructure the production lines with state of art fully automated machineries. Consequently, it is plan to establish fully automated production line which may have capacity of producing 25 tons of Soaps & soap related products per month.

#### A State of Art Soap Finishing Line



### 3. Renovate the Existing Warehouses and Adding a Value to the Renting Space

The company is currently renting out more of its existing stores and earning higher rents. To further increase that revenue, plans are afoot to redesign the 85,000-square-foot warehouse and build a state-of-the-art warehouse complex. Furthermore, the

warehouse complex is planned to be a fully equipped warehouse complex which would be enriched cold storage rooms and large tanks that can largely store liquid

#### **4. Implementation of a new project on the roofs of BCC buildings, called the BCC Green Energy Project**

Under this, it is planned to install a solar panel system utilizing the large space available in the premises, thereby it is generating electricity to the national grid while contributing to the achievement of sustainable development objectives and to achieve new revenue streams to the institution.

#### **5. Renovation and modernization of the Bungalow**

BCC Lanka Limited Premises is a location of full of heritage buildings and consists with machineries. Recently, approvals and recommendations have been obtained from Archeology Department to renovate century old BCC buildings while maintaining historical value of it.

##### **BCC Mill Bungalo**



#### **6. Restore the Drum Factory**

Currently, the Board approved the placing of an advertisement in the newspapers, calling for Expressions of Interest from interested parties to submit proposals for re-commissioning of the existing Drum Plant, with Joint Venture collaboration.

#### **7. Construction of Multifunction Commercial Building Project**

BCC Lanka Limited will be contribute by the land & Construction cost of the building will be facilitated by the contribution of private partner and we are expecting to find a better private partner by following methods,

- Calling Invitation for Expression of Interest for Local & International Developers through international tenders
- Investor Forums
- Foreign Embassies
- Board of Investment (BOI)

As the initial step of this project, the company was able to get the approval of Urban Development Authority (UDA) to construct the 20-story building project since our Multifunction Commercial Building Project is comply with the City Development project of the Urban Development Authority (UDA). Further, surveying of the BCC land has been done in order to allocate a 1.7 Acres land potion to the project.

# 21

## Sri Lanka Cement Corporation (SLCC)

### 21.1 Introduction

The Cement Factory at Kankesanthurai which was established in 1950 under the Department of Industries was converted to a Public Corporation in 1956 under the provisions of the Government Sponsored Corporations Act No.19 of 1955 and named Kankesan Cement Works.

On 1st January 1959 the Corporation was reconstituted as Ceylon Cement Corporation under the Industrial Corporations Act No. 49 of 1957.

The Corporation owned three factories as Kankesan Cement Works, Puttalam Cement Works and Ruhunu Cement Works. With the peoplization of Puttalam Cement Works and Ruhunu Cement Works transfer of ownership of those factories in 1993.

The Sri Lanka Cement Corporation is only left with the Kankesanthur Cement Works which is also not in operation since June 1990 due to security situation

in the Northand damage to the plants, machinery and equipment in the factories.

### Vision

“To provide Guidance and Leadership to Facilitate the Development of the Cement Industry in Sri Lanka”

### Mission

“Ensure and adequate supply of Quality Cement and other cement-based products to meet the country needs”

### Presesnt Position

In 2016, according to the approval of the Cabinet, a voluntary retirement compensation scheme has been implemented for the employees who were working in the corporation and currently only 13 employees are

working in there. According to the instructions given by the Treasury settlement of employees wages and maintains of the corporation from the income earned by providing the land with clinker deposits in the corporation on lease basis. Accordingly, the corporation is running the activities of the corporation from the income received by leasing limestone deposit land at Aravakkalu in Puttalam district.

## 21.2 Progress (up to 30<sup>th</sup> September 2022)

Year	Rs. Mn
Revenue from Asset Management (Lease and Rent)	51.44
Gross Profit / Loss	51.44
Other income	14.23
<b>Expenses</b>	21.65
Net Profit Before Tax / (Loss)	44.03
Income Tax Expenses	12.30
Net Profit After Tax / (Loss)	31.73

Source: Sri Lanka Cement Corporation

The total earnings of the period were Rs. 65.68 Mn with other income generated from the lands and other assets. During the year, express the accounting profit before income tax of Rs. 44.03 Mn and we able to excide the budgeted profit before income tax by Rs. 12.10 Mn.

## Operational Performance

Regarding the Sri Lanka Cement Corporations Kankasanthura cement plant, the Cabinet Memorandum was submitted on 19.01.2021 and the Cabinet Decision No. 21/0175/320/004 dated 02.08.2021 has been obtained. It has been approved to remove unfit buildings, machinery, scrap iron and other scrap metals in the factory premises through a tender method.

Accordingly, the Department of State Finance has appointed a Tender Committee consisting of three Ministry Secretaries and a Technical Evaluation Committee consisting of seven members to assist the Tender Committee to implement the above tender methodology.

## 21.3 Future Plans - 2023

- According to Cabinet Decision No. 21/0175/320/004 dated 02.08.2021, removal of unusable materials in Kankasanthura cement factory premises by tender method.
- Confirmation of the Sri Lanka Cement Corporation's right to the land where the Kankasanthura cement plant is located.
- Calling for proposals to start cement production in Kankasanthura cement factory under Public and Private Partnership (PPP).

# 22

## Lanka Ashok Leyland (LAL)

### 22.1 Introduction

Lanka Ashok Leyland PLC was incorporated as a joint venture between Lanka Leyland Ltd (fully owned company of the Government of Sri Lanka) and Ashok Leyland Ltd India. The company was incorporated in 1982 with 41.77% of share capital held by Lanka Leyland Ltd and 27.85% held by Ashok Leyland Ltd India and the balance by the general public. The company was incorporated to progressively assemble Ashok Leyland buses and trucks in Sri Lanka by using local work force and local value addition, thereby creating job opportunities and developing the ancillary industry in Sri Lanka. The company was listed in Colombo Stock Exchange in 1983.

### The main activities of Lanka Ashok Leyland PLC

- Import and marketing of Ashok Leyland Commercial Vehicles, Spare Parts and Power Generators.
- Assembly of Ashok Leyland commercial vehicles.
- Fabrication of bowsters, containers, and other steel and aluminium bodies for trucks.
- Providing customized transport solutions for special requirements like elephant carrier, open deck double decker tourist bus, caravan coach, rail bus, etc.
- Rehabilitation of old and accidental vehicles.
- Provide day to day running repairs and services.
- Let vehicles on hire.

The company has its marketing office in Colombo, state of the art factory and main workshop in Panagoda, 3S facilities (Sales, Service & Spares) at

Anuradhapura, Dambulla, Embilipitiya, Jaffna, Kandy and Spare Parts Outlets island-wide. The company also has over 20 authorized service stations spread across the island to cater to the needs of its customers.

## 22.2 Progress (up to 30<sup>th</sup> September 2022)

Rs. Mn

Description	2021/22	2020/21
Revenue	6,860.96	2273.11
Gross Profit & Other Income	1,181.74	676.92
Overhead & Finance cost	(733.09)	(657.83)
Profit before tax	448.65	19.09
Income tax	(105.67)	(14.57)
Profit after tax	342.98	4.52

Source: Lanka Ashok Leyland

- The revenue of the company has grown over 200% compared to last year with the restart of the economic activities after the pandemic. However, the company had to absorb Rs. 738.94 mill exchange loss during the year as a result of the rupee devaluation.
- As a result of the strict working capital management and overhead controls the company was able to drastically reduce the interest cost and control the increase of overall overhead only within 12% compared to last year while the revenue increased by 200%.
- During the year the company recorded a profit of Rs. 342.98 Mn

## 22.3 Future Plans - 2023

### 1: To recommence local assembly of buses

#### Strategies

1.1	Bus chassis to be imported in Semi Knocked Down (SKD) condition for local assembly.
1.2	Develop ancillary production facilities at LAL.
1.3	Explore the export opportunities for vehicles assembled in Sri Lanka.
1.4	Provide continuity of employment to large existing work force.

### 2: To gradually increase the local value addition in a phased manner.

#### Strategies

2.1	Saving in valuable foreign exchange for the country by using local value additions and local work force.
2.2	Support & further develop local ancillary industry thereby creating more job opportunities.

### 3: To increase the truck body building capacity and product portfolio.

#### Strategies

3.1	Increase the truck body production capacity from 50 nos per month to 100 nos per month, thereby further increasing revenue.
3.2	Add special products like stainless steel bowser, insulated containers, gully bowser, trailers, etc. to the product portfolio.
3.3	Local Technology development to design truck bodies to best suit the local operating conditions.

### 4: To further increase the island-wide network in Sri Lanka

#### Strategies

4.1	Further expand the network of LAL, especially in the Eastern Province, UVA Province, Southern Province and North Central Province.
4.2	Provide employment opportunities for local educated youth at our various new branches that will be opened in future.

# 23

## Lanka Leyland Limited (LLL)

### 23.1. Introduction

The Lanka Leyland (Private) Limited (the Company) is a fully Government owned Limited Liability Company incorporated under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 7 of 2007.

Lanka Leyland (Private) Limited (Company), a joint venture with Ashok Leyland Ltd of India, holds 47% of the shares of Lanka Leyland and Ashok Leyland of India holds 41.77%. The

remaining 27.5% shares are owned by the Sri Lankan people as per the Joint Business Agreement.

The main objective of Lanka Leyland (Private) Company is to manufacture the necessary accessories. Also, Lanka Leyland Private Company should encourage technology transfer within Sri Lanka.



### The main activities of Lanka Leyland (Private) Limited

- To monitor and motivate the production of local components for the assembly of vehicles at Lanka Ashok Leyland PLC.
- Investment in treasury bills and fixed deposits.

### Assembling Vehicals at Lanka Leyland





# 24

## Department of Textile Industry (DTI)

### 24.1 Introduction

In terms of the 13<sup>th</sup> amendment enacted to the constitution of the Democratic Socialist Republic of Sri Lanka, handloom textile industry is a subject devolved to the provincial councils. Accordingly, 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.

### Vision

Gearing up producers to manufacture creative and competitive textiles in the sphere of handloom textile industry in a manner befitting the indigenous identity and the culture as well as in a manner that can upsurge the behavior of the local and international market.

### Mission

Formulation of policies in relation to the development of the handloom textile industry within the policy framework of the Government and creation of quantitative and qualitative improvement in the handloom textile industry sector through the required guidance, provision of necessary services and facilities, and monitoring and coordination with a view to setting such policies in motion.

The vision and mission of the Department of Textile Industries seeking to achieve the below objectives are composite

### Objectives

1. Formulation of policies in relation to the development of the handloom textile industry.
2. Provision of product development-oriented programs.
  - Entrepreneurial development programs.
  - Design creation programs
  - Training of Trainers programs
  - Training programs associated with the subject of textile industry
  - Creating successful entrepreneurs in future through personality development and leadership training workshops for students of textile schools.
3. Training of instructors and personnel required for the development of the handloom textile industry sector
4. Training of employees required for the sector.
5. Sales promotion. (Organization of national and international trading activities)
6. 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.

7. Conduct of exhibitions and competitions with the objective of developing designs and qualitative improvement in the handloom textile industry
8. Conduct of the National Handloom Textile Industry Exhibition.
9. Experimental research and conservation work that are required to uplift the handloom textile industry
10. Introduction of new technology and related development activities.

The following institutions function under the purview of the Department at present for the realization of the above objectives.

1. Research, Training, Design and Services institute, Katubedda - 01
2. Textile industry Museum and Designs Banks, Katubedda - 01
3. Textile Industry Training School - 14
4. Design Training Schools -02
5. Handloom Textile Industry Project Institutions -03

Administrative functions of the Department of Textile Industries are handled by the head office which comprises administrative division, accounts branch and training and development.

## Progress Report - 2022

### 2. Progress (As at 30<sup>th</sup> September 2022)

No	Programme/ Project	Allocation (Rs.)	Target (%)		Progress (%)		KPI	Output	Outcome	Achievement
			Physical	Financial	Physical	Financial				
1	Textile Training Institutes Administration	5.50	60%	100%	50%	100%	125 no of staffs 16 no of textile training Schools 200 no of Textile Training students	No of 200 trained students	New entries for the industry	50%
2	In-service Training	3.00	60%	60%	60%	65%	No of 11 training programmes per year	Successfully completed 20 No of training programmes	popularized handloom industry in Sri Lanka Encourage industrialists to provide new products and designs.	60%
3	Trade fair and Competition	23.50	50%	20%	25%	1%	No of entrepreneurs per year	Provide market opportunity for 80 industrialists	popularized handloom industry in Sri Lanka Encourage industrialists to provide new products and designs.	25%
4	Handloom Development activities	31.50	60%	30%	60%	21%	10 No. of handloom villages established 150 no of handloom trainees	Uplift the handloom industry at rural level	Strengthen the rural economy while improving handloom industry in Sri Lanka.	60%
5	Conducting Examination	0.50	100%	100%	100%	100%	02 No. of exams Conducted within the period January to - December	Uplift the knowledge of weavers regarding proper handloom Technology	Creating skilled labour in this industry	100%
6	Innovation	1.00	50%	25%	20%	-	no of 03 iteme innavation	Efficient handloom machines and equipment's	Smooth functioning of the handloom sector	20%
7	Building and Structures	5.00	60%	25%	20%	-	no of 3 building renavation	Well facility training institute	Increasing the number of enrolments per do year for the course of the training institutes	20%

Source: Department of Textile Industry

### 24.3 Future Plans – 2023

Renovations and upgrades planned to be carried out the buildings of regional textile schools belonging to the Department of Textile Industries.

#### Training and Skills Development for handloom sector

1. Plans have been drawn up to enroll 200 and 30 students respectively at 14 Textile Industry Training Schools and 02 Design Training Schools.
2. Arrangements have been done to conduct the national exhibition and awards ceremony in the year 2022 too with a view to harnessing the talents of those involved in the textile industry according them the due appreciation of their skills with requisite motivation in order that they could contribute in creating locally manufactured textile aimed at both national and international markets underpinning improvement of the qualitative aspect of the handloom textile

#### In service Training

Conducting short term training programmes, seminars, workshops for staff of the department, officers of textile schools, officers and weavers invoved in textile industry sector at the provincial public, cooperative and privet sector.

#### Textile industry development activities

1. Started 10 No of Handloom textile industry projects
2. Conduct the textile innovation progremmes

#### Textile Industry promotional activities

1. Conducting the textile industry exhibition, trade fair and awards ceremony for the year 2023 Conducting handloom textile industry trade fair.
2. Counducting handloom textile trade fair

# 25

## Sri Lanka Institute of Textile and Apparel (SLITA)

### 25.1 Introduction

Lanka Institute of Textile and Apparel (SLITA), SLITA was established in 2009 under the Act No. 12 of 2009 and started operation from 15th June 2009. 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.

### Vision

“To be a Globally Recognized Centre for Developing Proficiency of Personnel and Providing Consultancy Services, testing, R & D and Innovation for the Industrial Sectors of Textile, Apparel and Leather products”

### Mission

“To Provide Proficient, Well-trained Human Capital, Reliable Expertise, and Innovative Solutions to enhance the productivity Product and services quality and corporate value of the Textile, Leather products, Apparel and Allied Industries seeking Sustainable Development”

## Progress Report - 2022

### Objectives

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 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 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.

### 25.2 Progress (As at 30<sup>th</sup> September 2022)

#### Financial Performance (Rs. Mn)

Description	(Up to end of Sep 2022) (Rs.mn.)
Testing	39.61
Training	56.89
Consultancy	3.33

Source: Sri Lanka Institute of Textile and Apparel

#### Physical Progress

Description	2022 (as at 15 <sup>th</sup> Sep)
No. of testing	23584
No. of Trainees	1800
No. of Training Courses	110

Source: Sri Lanka Institute of Textile and Apparel

#### Total Operating Income

Description	2022 (Up to end Aug)
Others	37.68
Total Operating Income	137.52
Total Operating Expenses	125.71
Total Surplus/ Deficit from Operating Activities	11.81
Deferred Income	14.22
Total Surplus/ Deficit for the Period	26.03

Source: Sri Lanka Institute of Textile and Apparel

**Projects Implementation****1<sup>st</sup> January to 30<sup>th</sup> September 2022****25.3 Future Plans 2023**

Project Name	Project Value (Rs. Mn)
Development & Establishment for New technology transfer & Improvement of exiting classroom facilities for training purposes. -2021 (Continuation Project)	48.82
Development of productive multi skilled task force for Sri Lanka apparel industry through rural youth empowerment – 2021 (Continuation Project)	8
Productivity Improvement Programme -2021 (Continuation Project)	7
Establishment of 160 Batik Centers - 1 <sup>st</sup> Phase – 2021 (Continuation Project)	69.01
Establishment of 160 Batik Centers - 2 <sup>nd</sup> Phase- 2021 (Continuation Project)	25.9
Improvement of Class room Capacities and infrastructure facilities to develop textile & apparel sector - 2022	33
Development of HR Facilities - 2022	1
Capacity Development of Leather and Footwear Sector -2022	1

- Source: Sri Lanka Institute of Textile and Apparel

- To be create Fully Accomplished Degree Awarding Body- Bachelors and Masters
- Establish Centres in Bangladesh, Vietnam and Ethiopia
- Decentralize SLITA into FTZs for Quick Response and as Training centres
- Close links with leading institutions in India, Bangladesh, Vietnam and Western countries
- Expand testing lab operations for international accreditations
- Obtain financial and technical corporations from
  - JICA - KOICA
  - ADB - Any other funding source
- Implementation of E- Learning facilities.

# 26

## National Design Center (NDC)

### 26.1 Introduction

The National Design Centre (NDC) is a statutory body which was established under the National Crafts Council and Allied Institutions Act No: 35 of 1982 and commenced its operations in 1983, and currently functions under the purview of the Ministry of industries with the primary objective of improvement of craftsmen through the uplifting of the local handicrafts sector.

### Vision

Making the handicraft sector, a more dynamic and economically viable area.

### Mission

Introducing market based creative designs in line with global and local market trends through promotion, development, capability building, popularization and adaption to the mainstreaming

### Thrust Area

Nurturing, Preserving and Developing Handicrafts

### Main Objectives

- Developing handicrafts currently manufactured by craftsmen and introducing innovations and new design concepts in line with current and future market trends in the local and export markets.
- Conducting research programmes with scientific and technical institutions to introduce appropriate technology and improve quality standards and introduce proper technical and raw material preparation methods to increase qualitative production capacity.
- Providing advance technical and product development training assistance to craftsmen with the aim of increasing



income for the better development of the handicrafts sector.

- Facilitating the database, use of new technology, common facilities to craftsmen/small-scale entrepreneurs and the public.
- Introducing substitute raw materials and more efficient, innovative production methods for handicraft designs.
- Improving market for newly designed handicraft products both local and international.
- Providing design consultancy services as requested by the public, private and non-governmental sectors.
- Improving the ability to design creativity through conducting vocational education programmes and training.

## 26.2 Performance (up to 30<sup>th</sup> Sep 2022)

NDC has been capital allocated Rs. 40 million and Rs. 8.10 million has been released by 30<sup>th</sup> of September 2022. Out of Rs. 8.10 million, Rs. 6.326 million development works has been completed. We are planning to organize new design exhibition and a trade fair in a novel concept by end of the year.

In addition to the activity plan, we have completed Adding value to Traditional Craft Project for Master Trainers (TOT) in collaboration with South Asia Partnership Sri Lanka and TOT programme on

Fabric Surface Transformation in Collaboration with Vocational Training Authority (VTA).

### Training programme on Fabric Surface Transformation held at National Design Center



Source: National Design Center

A series of television programmes were conducted with the support of Jathika Rupavahini (Nuga Sevana) to cater training needs of craftsmen an over the country. This was a golden opportunity due to fuel crisis and the existing bad economic situation of the country.

We facilitated award ceremony targeting Children's Day with the aim of introducing Craft and Art in to the school sector

## Progress Report - 2022

### Physical Progress

Activities	Allocation (Rs. Mn.)	Expenditure	Physical Progress
Providing Knowledge on New Design & New Technology	8.65	1.246	26%
Design Development, Upgrade Knowledge & Skill development	1.920	0.322	35%
Research & Development	0.55	0.073	60%
Introducing New Technology, New Process & Material Innovation	2.065	0.055	65%
Conducting local market promotions programs and New Design Exhibitions	1.00	0.257	50%
Design Consultancy service	Other source of fund		45%
Capacity Development programmes for Internal staff	0.472	0.146	55%
Conducting standardized courses for the design sector	0.55	-	-

Source- National Design Center

## 26.3 Future Plans - 2023

### 1. Production

Upgrading and introducing relevant software/hardware which are used by designers.

Providing modern quality tools, equipment and materials for the design unit.

### 2 – Marketing

Conducting new design exhibitions to promote new design handicraft products developed by National Design Centre.

Establishing and maintaining an e-commerce platform to introduce new design handicraft products both local and international market.

Conducting market linkage programmes with the leading handicrafts shops and buying agencies.

### 3 - Training and Skill Development

Conducting product improvement programmes based on category with the assistance of expert resource personnel.

Spreading quality trainings all over the country to cater needy craftsmen's requirements.

### 4 - Research and Development

Conducting research programmes in collaboration with local universities and other relevant reputed institutions.

Introducing new innovation, new technologies, new machineries, equipment and tools to upgrade and modernize the handicraft sector.

Conducting research studies to find out and improve alternative raw materials to address the scarcity/preservation of craft materials.

### 5 - Design and Innovation

Innovating packaging and souvenirs.

Publishing and introducing design motif into the industry and design education

### 6 - Business Plans

Conducting diplomas, certificate, tertiary and post tertiary level higher educational programmes and award academic and professional distinctions

Conducting short courses in the field of craft and design to cater for the requirement.

# 27

## Sri Lanka Handicrafts Board (LAKSALA)(SLHB)

### 27.1 Introduction

Sri Lanka Handicrafts Board has been promoting the sale of local handicrafts through their twelve (12) showrooms which are located island-wide. This network of showrooms provides essential market linkages to traditional craftsmen to market their produce since the inception in 1964. LAKSALA has remained a profitable institution under the closed economy due to virtual monopolistic position enjoyed during that era. In 1983, it came under the National Crafts Council and Allied Institutions Act No: 35 of 1982.

LAKSALA is a self-finance entity and the only state-owned organization marketing handicrafts that are produced through cottage industries across Sri Lanka.

Currently the entire operations of the Sri Lanka Handicrafts Board (LAKSALA) align with the national policy framework and to sustain the rural traditional craftsmen.

The organization always compliance with the special priorities stated under subjects & functions of Ministry of Industries and keen on global new norm “Sustainable Development Goals” (SDG’s) which intend to be achieved by the year 2030.

The revenue generated so far by the Sri Lanka Handicrafts Board (LAKSALA) through the sale of gifts & souvenirs targeting foreign tourists has “dropped by about 90%” due to non-arrival of foreign tourists during the COVID19 epidemic.

Due to the fuel crisis, power outages in the island, local customers are unable to visit LAKSALA showrooms and day-to-day showroom operations.

### Vision

“To be the leader in the gift and souvenir market in Sri Lanka”

### Mission

“Be a commercially viable, socially responsible marketing organization which creates opportunities

for rural products to enter mega markets, thereby enhancing the growth potential of the gift and souvenir category and adding value to the tourism sector”

### Main Objectives

- To promote the expansion of the production of Handicrafts in Sri Lanka and the improvement of their quality.
- To promote the sale and marketing of the handicrafts of Sri Lanka both in Sri Lanka and abroad.

### Goals

- Value creation and shared values among the rural community
- Multi-faceted opportunities for the best customer choices
- Quality, reliability and value for money
- Delighting our customers through Service Excellence

## 27.2 Progress (As at 30<sup>th</sup> September 2022)

### Physical and Financial Progress

Component	Achievement (Rs. Mn.)
Sales Turnover	204.0
Showroom Product Purchases	33.3
Supplier Payments	41.2

Source- Sri Lanka Handicrafts Board (LAKSALA)

## 27.3 Future Plans -2023

- Participation for well-known foreign trade fairs and generate of additional sales income.  
**i.e., GLOBAL VILLAGE, DUBAI EXPO**
- Convert redundant resources & excess space by initiating JV's (Joint Ventures) as business partnerships to gain extra revenue.
- Implement an e-commerce platform with an Omni-channel experience.
- Join hands with other leading on-line platforms and promote of LAKSALA product range.  
**i.e., Daraz, ikman**
- Strengthen the merchandising/supply chain and introduce innovative products to the market.

## 28

# National Crafts Council (NCC)

## 28.1 Introduction

The National Crafts Council was established under the National Crafts Council and Allied Institutional Act No. 35 of 1982 with the prime objective of conservation and development of handicrafts and uplifting socio-economic status of the handicraftsmen. During the past few decades, National Crafts Council has implemented various projects and programmes for the conservation and development of the handicrafts and welfare of craftsmen.

### Vision

“Nurturing and Preserving Traditional Handicrafts for their sustainable existence”

### Mission

“Preservation, development, encouragement and promotion of local handicrafts with a traditional and cultural value and enhancement of economic and social status of craftsmen”

### Main Goal

Give maximum contribution to build up people centric economy by uplifting living standard of the craftsmen and increasing handicrafts sector contribution to the GDP.

### Objectives/ Targets

1. Increasing the share of handicrafts sector in GDP by 50%.
2. Create export oriented 1000 entrepreneurs in the handicrafts related sector.
3. Increase foreign exchange earnings of handicrafts by Rs.2000 Mn and minimize foreign exchange outflow by Rs.5000 Mn through introduction of import substitutes.
4. Generation of 5000 self-employments through training 7500 handicraftsmen and apprentice.
5. “Strengthening the local entrepreneur” by providing financial, market, training, infrastructure and other facilities to handicraftsmen.

6.Appraising, encouraging, protecting and promoting expertise and traditional handicraftsmen.

## 28.2 Progress (as at 30<sup>th</sup> September 2022)

### Craftsmen Training Project

90 crafts training centers are established under the NCC covering 19 districts of the island. This year, 623 full time apprentices are being trained in those centers and 280 craftsmen are receiving production facilities. (Cost Rs. 2.9 Mn)

### Craftsmen Welfare Programme

Under this programme that provides financial assistance to elderly or disabled craftsmen on their requests (for surgeries, heart deceases, eye deceases and special surgeries) in compliance with crafts welfare constitution.

During the year, 54 craftsmen were facilitated under this programme. (Cost Rs. 1.25 Mn)

### Updating information of handicraftsmen and establishing computer database

This is expected to provide the necessary arrangements for the National Crafts Councils registration and issuance of a certificate to the handicraftsmen (Cost Rs. 0.52 Mn)

- 1734 craftsmen have been registered (Google form -1260+474)
- 5221 new identity cards were issued.
- Total number of craftsmen – 20666

### “Lak Shilpa Ceylon Handicrafts”, Export oriented handicrafts competition and facilitation programme.

This project was implemented with the main objective of developing rural craftsmen/enterprises that produce creations focusing on the export market by encouraging handicraftsmen engaged in the industry to emerge as entrepreneurs, thereby increasing the share of foreign exchange earnings of the rural industrial sector and increasing export composition as an industrial sector. (Rs. 0.6 Mn)

## 28.3 Future Plans 2023

- Implementation of export oriented rural industrial production promotion programmes.
- Introduction of E-Commerce for sale of products and implementation of national and international marketing promotion programmes
- Encouraging substitute products for imported goods related to handicrafts.

# 29

## Lanka Salusala Limited (LSL)

### 29.1 Introduction

Established on 1st of October 1967 as a Government of Sri Lanka Commercial (Textiles) Corporation, Salusala's main objective was to promote local production and to be a pioneer in the supply of local textiles and related products and to support the small and medium enterprises engaged in the textile industry in Sri Lanka.

Lanka Salusala Limited was established on 28.11.1991 to further expand these business activities. According to the Gazette Notice published on 21.12.1991 in accordance with the Act for the Conversion of State Corporations or Government-Owned Business Enterprises into State Companies No. 23 of 1987, the assets, liabilities and business operations of Sri Lanka State Commerce (Textile Corporation) were assigned to this company.

### Vision

“To be the apex body for the supply of fabrics and textile needs of the public sector, and for the private (SME) sector and also to be the most trusted brand in the consumer market”

### Mission

“To provide satisfaction to the local and foreign consumer community by efficiently and effectively selling high quality and modern style handloom textiles, batik products at competitive prices through the network of domestic and foreign fashion showrooms and to meet the corporate textile and other needs of the public and private sectors. Setting up a mechanism”



## Objectives

1. By developing market opportunities for local handloom, batik, and apparel which will create an opportunity for local manufacturers to increase production thereby contributing to the development of rural economies and the SME sector.
2. By promoting establishing large-scale local manufacturing by opening factories in collaboration with the private sector thereby saving government money spent on imports of uniforms and other material requirements.
3. To be the sole supplier of all the fabric, textile, and related needs of the public sector organizations (B2G).
4. To be the most trusted partner for the artisans, SME sector manufactures and other suppliers and manufactures in the industry.
5. To be the most trusted brand for consumers in the local and overseas markets by providing quality material at an affordable price.
6. Take the lead in regulating the industries of textile, apparel, and batik handloom to provide uphold and uplift the markets both locally and overseas.
7. Bring about the change in the industry by getting into JVs and PPPs by eliminating the capital spending of the government sector.
8. Promote Sri Lankan-made batik handloom and apparel in the region and in the overseas markets to enhance export

revenues thereby increasing the dollar reserves of the country.

## 29.2 Progress (as at 30<sup>th</sup> September 2022)

### Financial Progress

Rs.			
1	Turnover		47,106,270.41
	Less		
2	Cost of Sale		(32,974,389.29)
	Gross Profit		14,131,881.12
3	Other Income	1,077,200.00	
	Rent Income	2,000,000.00	3,077,200.00
			17,209,081.12
	Less: Expenses		
4	Selling & Distribution Expenses	(676,646.81)	
5	Administration Expenses	(8,125,300.00)	
	Finance Cost	(10,375.00)	(8,812,321.81)
	Net Profit		8,396,759.31

Sources: Lanka Salusala Limited

Lanka Salusala Ltd has been depending on the treasury up to last year in making payments for salaries however, since June 2021, under the guidance of the present chairman, the institute has been able to be self-funded and self-sufficient.

However, the entity now requires a capital influx which can give a boost to all the pending actions that need to be put into action in taking SALUSALA to next level.

Also, it's noteworthy that this achievement was made possible due to the commitment of the board and the chairman and also due to the hardworking employees of SALUSALA.

Lanka SALUSALA now needs to be taken off of the list of government entities that are loss-making and depending on treasury to be able to expand its operations.

### 29.3 Future Plans -2023

1. Re-opening of shutdown operations in partnership with the Department of Textile– Galagedara Salusala production center.
2. Re-acquiring of Salusala properties – Mulleriyawa | Thalangama | Rathnapura | Ampara | Beruwala.
3. Launching of an e-commerce-enabled website for the convenience of the customers both locally and overseas.
4. Re-launch of Jawaththa Showroom and streamlining of Nugeogda showroom.
5. 100 sari projects with the National Design Center to promote new designs and promote SALUSALA among the top end of the market.
6. High-end sari exhibitions and sales stalls – Kandy, BMICH, LAKSALA, Colombo City Center.
7. Launch of well-prepared Ata Pirikara by SALUSALA.
8. Supply of material for government institutions – e.g., Armed forces, Ministry

of Buddhist Affairs, Hospitals, Universities, etc.

9. Launch of social media platforms – Facebook, Instagram.
10. Overseas franchise – India – done, Rome, Paris, Moscow – 2022. USA, Canada, Japan - 2023
11. Development plan for SALUSALA overall revamp plan is currently underway.
12. 20,000-acre cotton plantation project in collaboration with the private sector to support the up-and-coming Textile zone in Erawur.
13. Development of an interior supply section under Lanka Salusala targeting the hotels.
14. Launching of SALUSALA social media channels with endorsements from prominent female personnel

# 30

## National Gem and Jewellery Authority (NGJA)

### 30.1 Introduction

The National Gem and Jewellery Authority Act No. 50 of 1993 established the National Gem and Jewellery Authority to develop, regulate and promote the gems and Jewellery industry in Sri Lanka.

Accordingly, identifying gem deposits and gem mines, jewelry trade, value development, value addition of gems, and providing assessment facilities are carried out.

Further, research for Gems and Jewellery, Laboratory Services, Quality Sealing, Sealing of Jewellery, Export and Marketing Promotion towards domestic and international markets are also carried out. Apart from this, they are also engaged in the business promotion activities of encouraging, providing facilities and developing relevant knowledge to all parties involved in the gem and Jewellery industry and who are interested in it. The

business model of the National Gem and Jewellery Authority is based on the concept of self-sustaining, self-sustainable authority within the government.

### Vision

“Sri Lanka–To Be the Sapphire Capital”

### Mission

“Achieve Industry Excellence Through the Development, Promotion & Regulation of The Gem & Jewellery Sector to Generate National Wealth and Stakeholder Delight”

### Main objectives

- Increasing the export value of gems and Jewellery to 1.6 billion US dollars.
- Development of fair gemstone mining and trading methodology

- Preparation of a methodology to determine the amount of gold according to international standards.
- Introducing a robust system for gem testing and certification.
- Bringing gems and Jewellery industry to the benchmark.
- Ensuring establishment of a star class institution.

### 30.2 Progress (Up to September 30<sup>th</sup> 2022

#### Financial Progress

Description (Rs. Mn)	Progress
Income	546.9
Expenses	331.9
Net profit before taxes	215.0

Source: National Gem and Jewellery Authority

#### Income

Description (Rs. Mn)	Income (Rs.Mn)
Export Income	194.16
Gem Mining Licenses	30.10
Dealer Licenses	50.62
Lapidary Licenses	0.21
Gem Auction Licenses	1.02
Raid	6.63
Land Auction	38.27
Assay Office	15.12
Gem Lab	6.34

Source: National Gem and Jewellery Authority

#### Export Income

Exports (Usd.Mn)	Target	Progress
Gem	132	350
Jewellery	9	28
Diamond	144	170
RIE (Gem)	3.40	5.67
Diamond Jewellery	1.21	5.67
Geuda	0.05	0.01
Total Exports	290	560

Source: National Gem and Jewellery Authority

#### Licence Released

License	Target	Progress
Gem Mining Licenses	3648	4,295
Dealer Licenses	4912	4,550
Lapidary Licenses	125	215
Lapidary Licenses	467	485
Raid	524	585

Source: National Gem and Jewellery Authority

#### Other Income

	Target	Progress
Gem Lab (No. of Certificate)	5,897	10,450
Assay Office (No. Of items)	19,367	69,750

Source: National Gem and Jewellery Authority

## Development projects

### Construction of Rathnapura Demuawata International Gem Tower

- This construction consists of two phases and the foundation stone laying for the construction work of the building consisting of 5 subordinate floors in phase 1 took place on 15.01.2021.
- Although the first phase of the project is scheduled to be completed by June 2022, due to the current situation in the country, the first phase of the project is about 80% completed.
- The first phase of the project is scheduled to be completed by June 2023.

### Constructions of International Gem Tower in Rathnapura



## 30.3 Future Plans - 2023

- Elevating the assessment and testing of gems and Jewellery carried out by the National Gem and Jewellery Authority to the level of international recognition.
- Implement the act for registration of all private laboratories and register the

laboratories and issue an annual license.

- Empowering the entire staff with modern technologies and soft skills.
- Construction of the main office building in Colombo.
- Implementation of programs to attract youth to the gems and Jewellery industry.
- Organization of Sri Lanka Pavilion at International Exhibitions.
- Holding an International Gems Auction (International Gems Auctions) in Sri Lanka
- Expand existing markets and enter new markets to achieve higher export targets.
- Preparing a program for the upliftment of industrialists who produce Jewellery and silver and creating Jewellery villages. (Galle, Kandy, Webada, Siyabalapitiya, Hikkaduwa)
- Working to remove the 15% tax on gold import.
- Completion of the construction work of Demuawata International Gems Center to attract buyers for medium scale businesses to provide all the services needed by the gems and Jewellery industry under one roof in an efficient manner.
- Permitting the use of small backhoes for removing surface soil layer in general mines and preparing a fair fee system.
- Conducting a famous gem auction related to Mahaweli lands.

# 31

## Gem and Jewellery Research and Training Institute (GJRTI)

### 31.1. Introduction

The Gem and Jewellery Research and Training Institute has been established in accordance with Section 25 (1) of the National Gem and Jewellery Authority Act No. 50 of 1993, with the objective of facilitating training and research for regulation, promotion and development of the Gem and Jewellery industry.

#### Vision

“To be the Regional Centre of Excellence in Research and Training in the Gem and Jewellery Industry while facilitating the Growth and Development of the Industry in Sri Lanka”

#### Mission

“Our mission is to enhance the Competitive capability of Sri Lanka Gem & Jewellery Industry

by providing high quality Research & Training services, conducting workshops, Seminars, and by publication of books and papers on related subjects leading to Exploration of Gem Deposits, Technological Innovation, Skill and Competency Development and Quality Improvement for the satisfaction of our Stakeholders”

### 31.2 Progress 2022 (as at 30.09.2022)

#### 1.Exploration and Assessment of Gem Deposits in Sri Lanka

In addition, suitable lands for a pilot mining project associated with the Thawalama Divisional Secretary Division have been referred to the National Gems and Jewellery Authority, and a similar programme has been launched for the

Eheliyagoda and Pelmadulla Divisional Secretariats.

Furthermore, arrangements are being made in collaboration with the Survey Department of Sri Lanka to prepare these gem potential maps in accordance with a standard layout.

## **2.Introduction of new value addition techniques for low quality gemstones**

The optimal conditions of electric heat treatment for adding value to African tanzanite and young geuda have been introduced through chemical analysis and treatment studies under various conditions. In addition, significant progress has been made in heat treatment research to improve the clarity of dark-coloured spinals.

## **3.Assessing Goldsmith Exposure to Mercury in Jewellery Manufacturing and Introducing Non-Mercury Alternative Gold Recovery Techniques for the Small-Scale Jewellery Manufacturing Sector.**

To protect goldsmiths from mercury exposure, a low-cost, non-mercury, and environmentally friendly method for extracting gold from waste has been developed using sodium hypochlorite and sodium metabisulfate.

In addition, a study on the mercury ingestion of selected Western Province goldsmiths has been launched.

## **4.Project on Development of Technical Guidelines for Land Rehabilitation after Gem Mining**

Considering the damage caused to various aspects of the environment due to the abandonment of large pits left after mining in Sri Lanka's gem mining industry without proper filling, guidelines for appropriate land rehabilitation methods and final land use for the gem industry are to be provided at the end of this year.

## **5.Provision of technical services**

- Geuda heat treatment services have been provided to 05 external individuals
- 45 high tech laboratory analysis services were provided.
- Gem probability Survey services have been provided to a private land

## **6.Product diversification and imparting of new technology**

This project opens an opportunity to empower the national economy through the foreign exchange earned through export of the small gems that are currently not used in the country and not subjected to the value addition process

## **7.Implementation of on-the-job vocational training courses in the Gem and Jewellery sector.**

A progress of 97% has been achieved by successfully recruiting 540 trainees by September 15, 2022 out of the 555 trainees planned for training through the courses in the operational year 2022 for the purpose of production of skilled workers in the industry. This progress has been achieved through courses in Kaduwela head office and eight other regional centers.



Recruiting Trainees as at 2022.09.30

Course	No. of students enrolled up to 2022.09.30	No. of students who completed the course up to 2022.09.30
Basic Gemmology	57	49
Gemmology	78	66
Geuda heat treatment	83	24
Gem Colour Grading & Marketing	24	3
Gem cutting and polishing	172	38
Gem Carving	7	0
Jewellery design	39	29
Computer aided jewellery designing	17	8
Costume Jewellery Manufacturing	15	0
Jewellery Stone Setting	29	3
Jewelry manufacturing	19	30
<b>Total</b>	<b>540</b>	<b>250</b>

\* Students enrolled in 2019,2020,2021 & 2022 and completed the course in 2022

Source: Gem and Jewellery Research and Training Institute

31.3 Future plans - 2023

- Implementation of Exploration and Assessment of Gem Deposits in Sri Lanka project in Nagoda, Ayagama and Dehiowita Divisional Secretary Divisions.
- Introducing new value addition methods
- Introducing suitable oils for filling the cracks in Sri Lankan gems.
- Introduction of low-cost gold colored alloy for jewellery manufacturing.
- Preparation and printing of gem prospect maps as per a recognized standard.



Home heat treatment Book



Gemology



The Book on Gem Cutting & Polishing

8. Extension of training courses

9. Carrying out academic activities in affiliation with universities and vocational educational institutes.

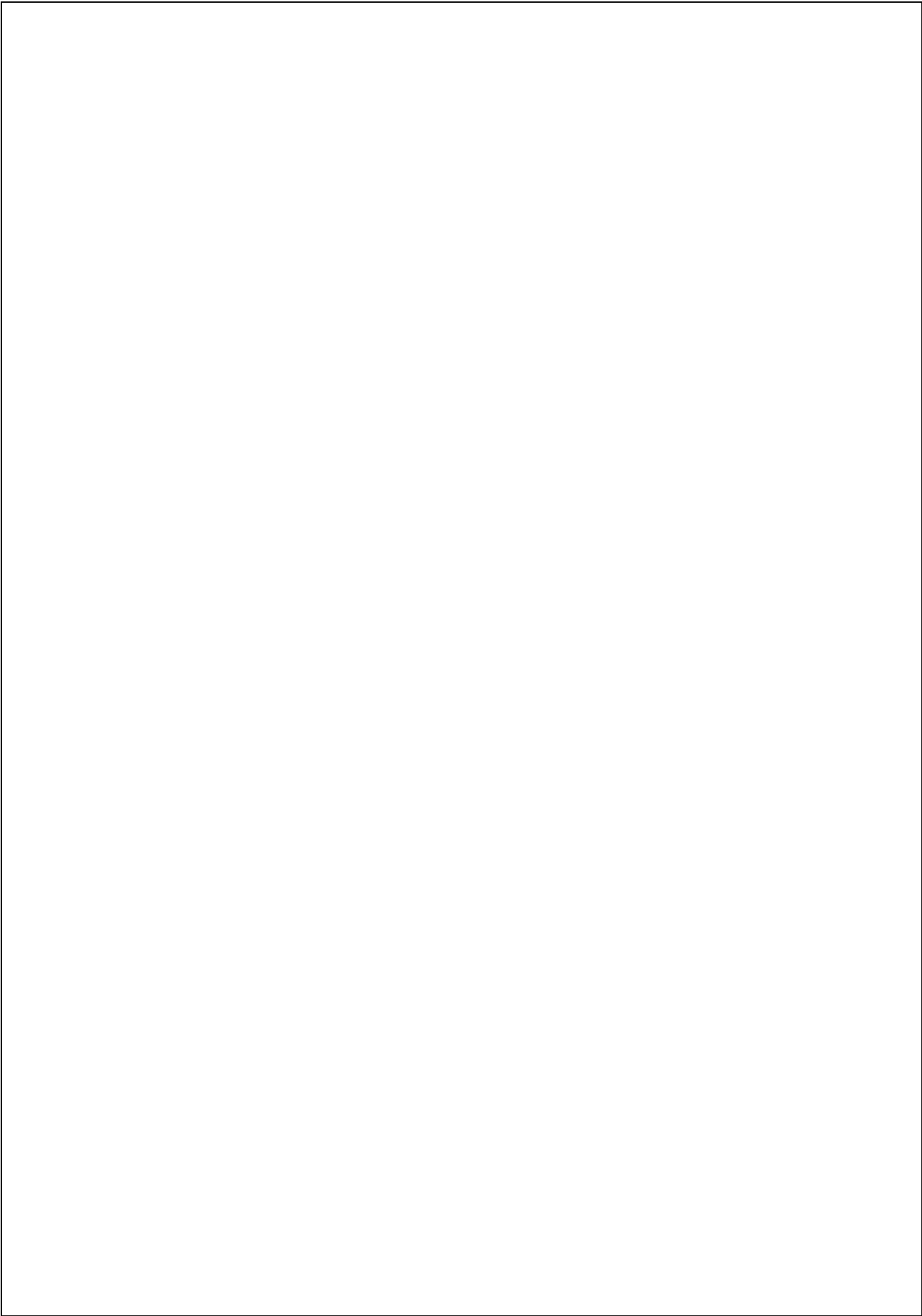
10. Conducting technical workshops based on manufacturing villages.

11. Implementation of entrepreneurship development and student employment programs

12. Introduction of Learning Aids/ Dissemination of Technical Knowledge

13. Laboratory Accreditation

14. Establishment of a quality management system



# Financial Progress

## 1. Head 149: Ministry of Industries

## Budget Estimate &amp; Expenditure for 2022 (September 30th 2022)

Programme : 01 Operational Activities

Project : 01 Minister's Office

Sub project	Object	Category / Object Title	Estimate 2022 LKR .	Expenditure Up to 30.09.2022 LKR.	Balance LKR.	Expenditure %
		<b>Personal Emoluments</b>	<b>16,600,000.00</b>	<b>7,729,272.25</b>	<b>8,870,727.75</b>	<b>47%</b>
0	1001	Salaries and Wages	8,800,000.00	4,678,626.85	4,121,373.15	53%
0	1002	Overtime and Holiday	4,000,000.00	1,964,500.58	2,035,499.42	49%
0	1003	Other Allowances	3,800,000.00	1,086,144.82	2,713,855.18	29%
		<b>Travelling Expenses</b>	<b>1,700,000.00</b>	<b>618,476.50</b>	<b>1,081,523.50</b>	<b>36%</b>
0	1101	Domestic	1,200,000.00	577,876.50	622,123.50	48%
0	1102	Foreign	500,000.00	40,600.00	459,400.00	8%
		<b>Supplies</b>	<b>11,600,000.00</b>	<b>3,716,716.06</b>	<b>7,883,283.94</b>	<b>32%</b>
0	1201	Stationary and Office Requisites	1,500,000.00	492,434.60	1,007,565.40	33%
0	1202	Fuel and Lubricants	10,000,000.00	3,224,281.46	6,775,718.54	32%
0	1203	Uniforms	100,000.00	-	100,000.00	0%
		<b>Maintenance Expenditure</b>	<b>2,200,000.00</b>	<b>1,605,016.86</b>	<b>594,983.14</b>	<b>73%</b>
0	1301	Vehicles	1,850,000.00	1,497,516.86	352,483.14	81%
0	1302	Plant, Machinery and Equipment	250,000.00	107,500.00	142,500.00	43%
0	1303	Buildings and Structures	100,000.00	-	100,000.00	0%
		<b>Contractual Services</b>	<b>4,100,000.00</b>	<b>1,746,193.18</b>	<b>2,353,806.82</b>	<b>43%</b>
0	1401	Transport	400,000.00	109,346.76	290,653.24	27%
0	1402	Postal and Telecommunication	1,200,000.00	350,151.58	849,848.42	29%
0	1403	Electricity and Water	1,200,000.00	627,568.53	572,431.47	52%
0	1409	Other	1,300,000.00	659,126.31	640,873.69	51%
		<b>Transfers</b>	<b>800,000.00</b>	<b>350,839.46</b>	<b>449,160.54</b>	<b>44%</b>
0	1502	Retirement Beneficts	800,000.00	350,839.46	449,160.54	44%
		<b>Total - Recurrent</b>	<b>37,000,000.00</b>	<b>15,766,514.31</b>	<b>21,233,485.69</b>	<b>43%</b>
		<b>Capital Expenditure</b>				
		<b>Rehabilitation &amp; Improvements of Capital Assets</b>	<b>1,600,000.00</b>	<b>-</b>	<b>1,867,082.84</b>	<b>0%</b>
0	2001	Buildings and Structures	100,000.00	-	800,000.00	0%
0	2002	Plant, Machinery & Equipment	250,000.00	-	800,000.00	0%
0	2003	Vehicles	1,250,000.00	-	267,082.84	0%
		<b>Acquisition of Fixed Assets</b>	<b>250,000.00</b>	<b>-</b>	<b>913,600.00</b>	<b>0%</b>
0	2102	Furniture & Office Equipment	150,000.00	-	413,600.00	0%
0	2103	Plant, Machinery & Equipment	100,000.00	-	500,000.00	0%
		<b>Total - Capital</b>	<b>1,850,000.00</b>	<b>-</b>	<b>2,780,682.84</b>	<b>0%</b>
		<b>Grand - Total</b>	<b>38,850,000.00</b>	<b>15,766,514.31</b>	<b>24,014,168.53</b>	<b>41%</b>

# Progress Report - 2022

Programme : 01 Operational Activity  
Project : 02 Administration & Establishment Services

Sub project	Objec.	Category / Object Title	Estimate 2022 LKR.	Expenditure Up to 30.09.2022 LKR.	Balance LKR.	Expenditure %
		<b>Personal Emoluments</b>	<b>135,000,000.00</b>	<b>70,548,496.96</b>	<b>82,216,211.32</b>	<b>52%</b>
0	1001	Salaries and Wages	90,000,000.00	46,591,502.56	56,197,885.53	52%
0	1002	Overtime and Holiday Payments	5,000,000.00	2,095,952.79	3,130,697.87	42%
0	1003	Other Allowances	40,000,000.00	21,861,041.61	22,887,627.92	55%
		<b>Travelling Expenses</b>	<b>2,200,000.00</b>	<b>861,965.00</b>	<b>2,092,999.90</b>	<b>39%</b>
0	1101	Domestic	1,200,000.00	669,115.00	1,152,405.00	56%
0	1102	Foreign	1,000,000.00	192,850.00	940,594.90	19%
		<b>Supplies</b>	<b>19,200,000.00</b>	<b>10,513,038.82</b>	<b>3,253,598.30</b>	<b>55%</b>
0	1201	Stationary and Office Requisites	5,000,000.00	3,305,384.63	2,283,454.18	66%
0	1202	Fuel and Lubricants	14,000,000.00	7,095,654.19	902,144.12	51%
0	1203	Uniforms	200,000.00	112,000.00	68,000.00	56%
		<b>Maintenance Expenditure</b>	<b>10,500,000.00</b>	<b>6,213,773.93</b>	<b>4,844,358.99</b>	<b>59%</b>
0	1301	Vehicles	8,000,000.00	4,888,113.91	2,953,472.03	61%
0	1302	Plant, Machinery and Equipment	1,500,000.00	816,515.02	959,676.01	54%
0	1303	Buildings and Structures	1,000,000.00	509,145.00	931,210.95	51%
		<b>Contractual Services</b>	<b>47,000,000.00</b>	<b>24,345,194.67</b>	<b>27,416,149.63</b>	<b>52%</b>
0	1401	Transport	4,000,000.00	3,077,730.63	2,266,200.00	77%
0	1402	Postal and Telecommunication	3,000,000.00	2,175,392.82	751,518.85	73%
0	1403	Electricity and Water	14,000,000.00	5,217,736.15	7,471,314.81	37%
0	1404	Rent and Local Taxes	3,000,000.00	1,742,220.00	1,603,121.00	58%
0	1408	Lease Rental for Vehicles Procured Under Operational Leasing	5,000,000.00	1,551,850.00	5,776,923.33	31%
0	1409	Other	18,000,000.00	10,580,265.07	9,547,071.64	59%
		<b>Transfers</b>	<b>16,200,000.00</b>	<b>627,237.82</b>	<b>6,348,971.10</b>	<b>4%</b>
0	1502	Retirements Benefits	200,000.00	75,463.20	44,305.40	38%
0	1505	Subscriptions and Contribution Fees	13,000,000.00	-	3,888,311.70	0%
0	1506	Property Loan Interest to public servant	3,000,000.00	551,774.62	2,416,354.00	18%
		<b>Total - Recurrent</b>	<b>230,100,000.00</b>	<b>113,109,707.20</b>	<b>126,172,289.24</b>	<b>49%</b>
		<b>Capital Expenditure</b>				
		<b>Rehabilitation &amp; Improvements of Capital Assets</b>	<b>9,000,000.00</b>	<b>1,324,750.00</b>	<b>13,642,546.95</b>	<b>15%</b>
0	2001	Buildings and Structures	1,000,000.00	67,850.00	4,240,000.00	7%
0	2002	Plant, Machinery & Equipment	2,000,000.00	-	5,662,200.00	0%
0	2003	Vehicles	6,000,000.00	1,256,900.00	3,740,346.95	21%
		<b>Acquisition of Fixed Assets</b>	<b>4,100,000.00</b>	<b>100,000.00</b>	<b>1,615,470.00</b>	<b>2%</b>
0	2102	Furniture & Office Equipment	3,100,000.00	100,000.00	115,470.00	3%
0	2103	Plant, Machinery & Equipment	1,000,000.00	-	1,500,000.00	0%
		<b>Capacity Building</b>	<b>400,000.00</b>	<b>333,358.24</b>	<b>979,500.00</b>	<b>83%</b>
0	2401	Knowledge Enhancement & Inst.	400,000.00	333,358.24	979,500.00	83%
		<b>Total - Capital</b>	<b>13,500,000.00</b>	<b>1,758,108.24</b>	<b>16,237,516.95</b>	<b>13%</b>
		<b>Grand - Total</b>	<b>243,600,000.00</b>	<b>114,867,815.44</b>	<b>142,409,806.19</b>	<b>47%</b>

Progress Report - 2022

Programme : 02 Development Activities  
Project : 03 Industrial Development

Sub project	Object	Category / Object Title	Estimate 2022 LKR .	Expenditure Up to 30.09.2022 LKR.	Balance LKR.	Expenditure %
		<b>Personal Emoluments</b>	<b>317,500,000.00</b>	<b>223,310,168.66</b>	<b>94,189,831.34</b>	<b>70%</b>
1	1001	Salaries and Wages	205,000,000.00	155,557,672.05	49,442,327.95	76%
1	1002	Overtime and Holiday Payments	7,500,000.00	732,844.04	6,767,155.96	10%
1	1003	Other Allowances	105,000,000.00	67,019,652.57	37,980,347.43	64%
		<b>Travelling Expenses</b>	<b>3,500,000.00</b>	<b>1,375,052.48</b>	<b>2,124,947.52</b>	<b>39%</b>
1	1101	Domestic	2,500,000.00	1,311,083.48	1,188,916.52	52%
1	1102	Foreign	1,000,000.00	63,969.00	936,031.00	6%
		<b>Supplies</b>	<b>8,200,000.00</b>	<b>2,946,468.39</b>	<b>5,253,531.61</b>	<b>36%</b>
1	1201	Stationary and Office Requisites	3,000,000.00	1,151,076.39	1,848,923.61	38%
1	1202	Fuel and Lubricants	5,000,000.00	1,695,392.00	3,304,608.00	34%
1	1203	Uniforms	200,000.00	100,000.00	100,000.00	50%
		<b>Maintenance Expenditure</b>	<b>4,600,000.00</b>	<b>2,336,448.30</b>	<b>2,263,551.70</b>	<b>51%</b>
1	1301	Vehicles	3,600,000.00	1,861,877.65	1,738,122.35	52%
1	1302	Plant, Machinery and Equipment	800,000.00	459,050.65	340,949.35	57%
1	1303	Buildings and Structures	200,000.00	15,520.00	184,480.00	8%
		<b>Contractual Services</b>	<b>18,300,000.00</b>	<b>9,044,442.36</b>	<b>9,255,557.64</b>	<b>49%</b>
1	1401	Transport	2,000,000.00	1,305,200.00	694,800.00	65%
1	1402	Postal and Telecommunication	3,500,000.00	1,615,592.82	1,884,407.18	46%
1	1403	Electricity and Water	500,000.00	204,964.56	295,035.44	41%
1	1404	Rent and Local Taxes	4,800,000.00	2,699,371.70	2,100,628.30	56%
1	1409	Other	7,500,000.00	3,219,313.28	4,280,686.72	43%
		<b>Transfers</b>	<b>1,700,000.00</b>	<b>906,421.55</b>	<b>793,578.45</b>	<b>53%</b>
1	1502	Retirement Benefits	100,000.00	-	100,000.00	0%
1	1506	Property Loan interest to Public Servant	1,600,000.00	906,421.55	693,578.45	57%
		<b>Total - Recurrent</b>	<b>353,800,000.00</b>	<b>239,919,001.74</b>	<b>113,880,998.26</b>	<b>68%</b>
		<b>Capital Expenditure</b>				
		<b>Rehabilitation &amp; Improvements</b>	<b>4,000,000.00</b>	<b>-</b>	<b>4,000,000.00</b>	<b>0%</b>
1	2001	Buildings and Structures	1,000,000.00	-	1,000,000.00	0%
1	2002	Plant, Machinery & Equipment	1,000,000.00	-	1,000,000.00	0%
1	2003	Vehicles	2,000,000.00	-	2,000,000.00	0%
		<b>Acquisition of Fixed Assets</b>	<b>2,000,000.00</b>	<b>25,876.00</b>	<b>1,974,124.00</b>	<b>1%</b>
1	2102	Furniture & Office Equipment	1,000,000.00	25,876.00	974,124.00	3%
1	2103	Plant, Machinery & Equipment	1,000,000.00	-	1,000,000.00	0%
		<b>Capacity Building</b>	<b>400,000.00</b>	<b>332,285.00</b>	<b>67,715.00</b>	<b>83%</b>
1	2401	Knowledge Enhancement & Inst.	400,000.00	332,285.00	67,715.00	83%
		<b>Total - Capital</b>	<b>6,400,000.00</b>	<b>358,161.00</b>	<b>6,041,839.00</b>	<b>6%</b>
		<b>Grand - Total</b>	<b>360,200,000.00</b>	<b>240,277,162.74</b>	<b>119,922,837.26</b>	<b>67%</b>

Progress Report - 2022

Programme : 02 Development Activities  
Project : 04 Lending on SME's and Micro Credit

Sub project	Object	Category / Object Title	Estimate 2022 LKR .	Expenditure Up to 30.09.2022 LKR.	Balance LKR.	Expenditure %
		<b>Capital Expenditure</b>	<b>850,000,000.00</b>	<b>536,451,067.76</b>	<b>55,829,295.20</b>	<b>63%</b>
16	2302	Environmentally Friendly Solutions Revolving Fund (GOSL/JBIC) on Lending	196,000,000.00	146,000,000.00	50,000,000.00	74%
16	2509	Environmentally Friendly Solutions Revolving Fund (GOSL/JBIC) other	4,000,000.00	2,056,901.60	1,943,098.40	51%
17	2302	Small & Micro Industries Leader & Enterprenure Promotion Project (GOSL/JBIC) on Lending	644,000,000.00	385,029,500.00	1,943,098.40	60%
17	2509	Small & Micro Industries Leader & Enterprenure Promotion Project (GOSL/JBIC) other	6,000,000.00	3,364,666.16	1,943,098.40	56%
<b>Total</b>			<b>850,000,000.00</b>	<b>536,451,067.76</b>	<b>55,829,295.20</b>	<b>63%</b>

Programme : 02 Development Activities  
Project : 05 Public Institutions

Sub project	Object	Category / Object Title	Estimate 2022 LKR .	Expenditure Up to 30.09.2022 LKR.	Balance LKR.	Expenditure %
		<b>Recurrent</b>	<b>572,000,000.00</b>	<b>387,876,831.00</b>	<b>184,123,169.00</b>	<b>68%</b>
2	1503	National Enterprises Development Authority	55,000,000.00	23,076,831.00	31,923,169.00	42%
4	1503	Industrial Development Board- Personal Emoluments	462,000,000.00	346,500,000.00	115,500,000.00	75%
4	1509	Industrial Development Board – Other Operational Expenditure	55,000,000.00	18,300,000.00	36,700,000.00	33%
		<b>Capital Expenditure</b>	<b>75,000,000.00</b>	<b>12,600,000.00</b>	<b>62,400,000.00</b>	<b>17%</b>
2	2201	National Enterprises Development Authority	40,000,000.00	8,600,000.00	31,400,000.00	22%
4	2201	Industrial Development Board	35,000,000.00	4,000,000.00	31,000,000.00	11%
<b>Total</b>			<b>647,000,000.00</b>	<b>400,476,831.00</b>	<b>246,523,169.00</b>	<b>62%</b>



# Progress Report - 2022

**Programme : 02 Development Activities**  
**Project : 03 Industrial Development**

Sub project	Object	Category / Object Title	Estimate 2022 LKR .	Expenditure Up to 30.09.2022 LKR.	Balance LKR.	Expenditure %
2	2506	Industrial Estates Development Programme	200,000,000.00	60,318,502.49	139,681,497.51	30%
3	2202	Thrust Area Development Programme	50,000,000.00	16,750,971.00	33,249,029.00	34%
9	2202	Industrial Production Village Promotion	2,000,000.00	-	2,000,000.00	0%
10	2506	Upgrading & Modernization of Main & Mini Industrial Estates	25,000,000.00	1,411,644.02	23,588,355.98	18%
19	2506	Establishment of Table salt plant 05 TPH-Manthai ( Improvement in Elephantpass Saltern	90,000,000.00	-	90,000,000.00	0%
25	2202	Establishment of the Centre of Excellence in Robotics Applications	20,000,000.00	-	20,000,000.00	0%
40	2506	Create Dedicated Zone for Textile Manufacturing and Related Industries Eravur	160,000,000.00	160,000,000.00	-	50%
41	2506	Small & Micro Industries Leader & Entrepreneur Promotion Project	5,000,000,000.00	10,190,723.64	4,989,809,276.36	0%
<b>Total</b>			<b>5,547,000,000.00</b>	<b>248,671,841.15</b>	<b>5,298,328,158.85</b>	<b>4%</b>

## 2. Textile and Local Apparel Product Promotion Division

### Budget Estimate & Expenditure for 2022 (September 30th 2022)

Programme : 01 Operational Activities

Project : 08 State Minister's Office (up to 30.06.2022)

Sub Project	Object	Items	Revised Provision (Rs.)	Expenditure up to 30/06/2022 (LKR. )	Available Balance (Rs.)	Progress %
<b>Recurrent Expenditure</b>						
<b>Personal Emoluments</b>						
0	1001	Salaries and Wages	2,500,000.00	2,524,713.98	(24,713.98)	101%
0	1002	Overtime and Holiday Payments	1,000,000.00	957,201.79	42,798.21	96%
0	1003	Other Allowances	1,000,000.00	983,123.53	16,876.47	98%
<b>Travelling Expense</b>						
0	1101	Domestic	500,000.00	309,750.00	190,250.00	62%
0	1102	Foreign	-	-	-	
<b>Supplies</b>						
0	1201	Stationery and Office Requisites	500,000.00	443,355.39	56,644.61	89%
0	1202	Fuel	1,200,000.00	1,421,816.35	(221,816.35)	118%
0	1203	Diets and Uniforms	25,000.00	23,502.00	1,498.00	94%
<b>Maintenance Expenditure</b>						
0	1301	Vehicles	500,000.00	449,575.89	50,424.11	90%
0	1302	Plant and Machinery	-	-	-	
0	1303	Buildings and Structures	-	21,131.80	(21,131.80)	
<b>Services</b>						
0	1401	Transport	25,000.00	24,857.72	142.28	99%
0	1402	Postal and Communication	200,000.00	149,324.48	50,675.52	75%
0	1403	Electricity and Water	400,000.00	389,078.69	10,921.31	97%
0	1409	Other	300,000.00	218,140.00	81,860.00	73%
<b>Transfers</b>						
0	1502	Retirement Benefits	300,000.00	239,274.12	60,725.88	80%
<b>Total - Recurrent</b>			<b>8,450,000.00</b>	<b>8,154,845.74</b>	<b>295,154.26</b>	<b>97%</b>
<b>Capital Expenditure</b>						
<b>Rehabilitation and Improvement of Capital Assets</b>						
0	2001	Buildings and Structures	-	-	-	
0	2002	Plant, Machinery and Equipment	-	-	-	
0	2003	Vehicles	1,250,000.00	918,840.24	331,159.76	74%
<b>Acquisition of Capital Assets</b>						
0	2102	Furniture and Office Equipment	-	-	-	
	2103	Plant, Machinery and Equipment	-	-	-	
<b>Total - Capital</b>			<b>1,250,000.00</b>	<b>918,840.24</b>	<b>331,159.76</b>	<b>74%</b>
<b>Grand Total</b>			<b>97,00,000.00</b>	<b>90,73,685.98</b>	<b>6,26,314.02</b>	<b>94%</b>

Progress Report - 2022

Programme : 01 Operational activities		Project : 09 Administration and Establishment Services				
Sub Project	Object	Items	Revised Provision (LKR.)	Expenditure up to 30/06/2022 (LKR.)	Available Balance (LKR. )	Expenditure %
<b>Recurrent Expenditure</b>						
<b>Personal Emoluments</b>						
0	1001	Salaries and Wages	24,000,000.00	12,467,497.02	11,532,502.98	52%
0	1002	Overtime and Holiday Payments	2,000,000.00	750,378.75	1,249,621.25	38%
0	1003	Other Allowances	13,000,000.00	6,306,113.52	6,693,886.48	49%
<b>Travelling Expense</b>						
0	1101	Domestic	500,000.00	277,229.40	222,770.60	55%
0	1102	Foreign	1,000,000.00	-	1,000,000.00	0%
<b>Supplies</b>						
0	1201	Stationery and Office Requisites	3,000,000.00	754,722.18	2,245,277.82	25%
0	1202	Fuel	7,000,000.00	2,270,830.87	4,729,169.13	32%
0	1203	Diets and Uniforms	200,000.00	28,000.00	172,000.00	14%
0	1205	Other	1,500,000.00	65,000.00	1,435,000.00	4%
<b>Maintenance Expenditure</b>						
0	1301	Vehicles	6,000,000.00	1,014,549.65	4,985,450.35	17%
0	1302	Plant and Machinery	200,000.00	49,260.00	150,740.00	25%
0	1303	Buildings and Structures	200,000.00	1,112.20	198,887.80	1%
<b>Services</b>						
0	1401	Transport	500,000.00	26,605.78	473,394.22	5%
0	1402	Postal and Communication	1,500,000.00	367,889.38	1,132,110.62	25%
0	1403	Electricity and Water	3,000,000.00	500,000.00	2,500,000.00	17%
0	1404	Rents and Local Taxes	36,000,000.00	5,056,128.00	30,943,872.00	14%
0	1408	Lease Rental for Vehicles Procured under Operational Leasing	2,500,000.00	1,755,574.00	744,426.00	70%
0	1409	Other	6,000,000.00	1,219,986.58	4,780,013.42	20%
<b>Transfers</b>						
0	1502	Retirement Benefits	500,000.00	48,265.14	451,734.86	10%
0	1506	Property Loan Interest to public Servants	1,000,000.00	99,964.27	900,035.73	10%
<b>Total - Recurrent</b>			<b>109,600,000.00</b>	<b>33,059,106.74</b>	<b>76,540,893.26</b>	<b>30%</b>
<b>Capital Expenditure</b>						
<b>Rehabilitation and Improvement of Capital Assets</b>						
0	2001	Buildings and Structures	500,000.00	-	500,000.00	0%
0	2002	Plant, Machinery and Equipment	1,000,000.00	6,500.00	993,500.00	1%
0	2003	Vehicles	1,500,000.00	114,250.00	1,385,750.00	8%
<b>Acquisition of Capital Assets</b>						
0	2102	Furniture and Office Equipment	2,000,000.00	1,514,926.00	485,074.00	76%
0	2103	Plant, Machinery and Equipment	2,000,000.00	1,427,822.00	572,178.00	71%
0	2104	Buildings and Structures	1,000,000.00	-	1,000,000.00	0%
<b>Capacity Building</b>						
0	2401	Staff Training	200,000.00	81,130.00	118,870.00	41%
<b>Total – Capital</b>			<b>8,200,000.00</b>	<b>3,144,628.00</b>	<b>5,055,372.00</b>	<b>38%</b>
<b>Grand Total</b>			<b>11,78,00,000.00</b>	<b>3,62,03,734.74</b>	<b>8,15,96,265.26</b>	<b>31%</b>

# Progress Report - 2022

Programme : 02 Development Activities  
Project : 03 Industrial Development Programme

Sub Project	Object	Items	Revised Provision (LKR.)	Expenditure up to 31/08/2022 (LKR.)	Available Balance (LKR.)	Expenditure %
<b>Recurrent Expenditure</b>						
<b>Sri Lanka National Design Centre</b>						
009	439-2-3-1-1503	Public Institutions (Personal Emoluments)	75,000,000.00	38,982,000.00	36,018,000.00	52%
	439-2-3-1-1509	Public Institutions (Other Operational Expenditure)	20,000,000.00	5,123,000.00	14,877,000.00	26%
<b>Total - Recurrent</b>			<b>95,000,000.00</b>	<b>44,105,000.00</b>	<b>50,895,000.00</b>	<b>46%</b>
<b>Capital Expenditure</b>						
009	<b>Sri Lanka National Design Centre</b>					
	439-2-3-1-2201	Public Institutions	40,000,000.00	8,100,000.00	31,900,000.00	20%
<b>Sri Lanka Handicraft Board (Laksala)</b>						
		Public Institutions	-	-	-	
001	<b>Sri Lanka Institute of Textile and Apparel (SLITA)</b>					
	439-2-3-3-2201	Public Institutions	35,000,000.00	5,000,000.00	30,000,000.00	14%
004	<b>Handloom and Textile Industries</b>					
	439-2-3-4-2509	Development Assistance	150,000,000.00	2,351,050.00	147,648,950.00	2%
001	<b>Sri Lanka Institute of Textile and Apparel (SLITA)</b>					
	439-2-3-2-1503	Public Institutions	-	-		
	439-2-3-2-1509	Public Institutions		-		
	439-2-3-2-2201	Development Assistance		-		
<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>Total - Capital</b>			<b>225,000,000.00</b>	<b>15,451,050.00</b>	<b>209,548,950.00</b>	<b>7%</b>
<b>Grand - Total</b>			<b>32,00,00,000.00</b>	<b>59,608,710.00</b>	<b>260,391,290.00</b>	<b>19%</b>

### 3. Head 149 : Jem and Jewellery Industry Division

#### Budget Estimate & Expenditure for 2022 (September 30th 2022)

Programme : 01 Operational Activities

Project : 01 Minister's Office

Sub Project	Object	Category / Object Title	Estimation 2022 ( LKR.)	Expenditure Up to 30.09.2022 (LKR.)	Balance ( LKR.)	Expenditure (%)
<b>Personel Emoluments</b>			<b>5,200,000.00</b>	<b>4,531,183.90</b>	<b>668,816.10</b>	<b>87%</b>
0	1001	Salaries and Wages	3,500,000.00	3,111,349.23	388,650.77	89%
0	1002	Overtime and Holiday Payments	500,000.00	396,569.72	103,430.28	79%
0	1003	Other Allowances	1,200,000.00	1,023,264.95	176,735.05	85%
<b>Travelling Expenses</b>			<b>400,000.00</b>	<b>330,698.50</b>	<b>69,301.50</b>	<b>83%</b>
0	1101	Traveling Expenses - Domestic	400,000.00	330,698.50	69,301.50	83%
0	1102	Traveling Expenses - Foreign	-	-	-	-
<b>Supplies</b>			<b>1,900,000.00</b>	<b>1,701,204.47</b>	<b>198,795.53</b>	<b>90%</b>
0	1201	Stationery,Office Requisites	100,000.00	51,731.50	48,268.50	52%
0	1202	Fuel	1,800,000.00	1,649,472.97	150,527.03	92%
0	1203	Diets and Uniforms	-	-	-	-
<b>Maintenance Expenditure</b>			<b>1,050,000.00</b>	<b>817,332.28</b>	<b>232,667.72</b>	<b>78%</b>
0	1301	Vehicles	1,000,000.00	811,382.28	188,617.72	81%
0	1302	MachineryEquipment	-	-	-	-
0	1303	Buildings & Structures	50,000.00	5,950.00	44,050.00	12%
<b>Contractual Services</b>			<b>900,000.00</b>	<b>643,448.27</b>	<b>256,551.73</b>	<b>71%</b>
0	1401	Transport Services	500,000.00	394,516.13	105,483.87	79%
0	1402	Postal and Communication Services	100,000.00	51,169.36	48,830.64	51%
0	1403	Electricity and Water	100,000.00	86,308.04	13,691.96	86%
0	1409	Other	200,000.00	111,454.74	88,545.26	56%
<b>Transfers</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
0	1502	Retirement Benefit	-	-	-	-
<b>Total - Recurrent</b>			<b>9,450,000.00</b>	<b>8,023,867.42</b>	<b>1,426,132.58</b>	<b>85%</b>
<b>Capital Expenditure</b>						
<b>Rehabilitation and Improvement of Capital Assets</b>			<b>1,400,000.00</b>	<b>1,284,430.60</b>	<b>115,569.40</b>	<b>92%</b>
0	2001	Building & Structures	-	-	-	-
0	2002	Plant,machinery,equip-Rehab&Improve	200,000.00	123,500.00	76,500.00	62%
0	2003	Vehicles Rehabilitation&Improvement	1,200,000.00	1,160,930.60	39,069.40	97%
<b>Acquisition of Capital Assets</b>			<b>100,000.00</b>	<b>74,200.00</b>	<b>25,800.00</b>	<b>74%</b>
0	2102	Furniture&Office Equipmt-Aquisition	50,000.00	46,000.00	4,000.00	92%
0	2103	Plant & Machinery - Aquisition	50,000.00	28,200.00	21,800.00	56%
<b>Total - Capital</b>			<b>1,500,000.00</b>	<b>1,358,630.60</b>	<b>141,369.40</b>	<b>91%</b>
<b>Grand Total</b>			<b>10,950,000.00</b>	<b>9,382,498.02</b>	<b>1,567,501.98</b>	<b>86%</b>

Progress Report - 2022

Programme		: 01 Operational Activities				
Project		: 02 Administration & Establishment Service				
Sub Project	Object	Category/Object Title	Estimation 2022 ( LKR.)	Expenditure Up to 30.09.2022 (LKR.)	Balance ( LKR.)	Expenditure (%)
<b>Personel Emoluments</b>			<b>13,800,000.00</b>	<b>7,951,183.16</b>	<b>5,848,816.84</b>	<b>58%</b>
0	1001	Salaries and Wages	9,000,000.00	5,350,650.77	3,649,349.23	59%
0	1002	Overtime and Holiday Payments	600,000.00	156,390.31	443,609.69	26%
0	1003	Other Allowances	4,200,000.00	2,444,142.08	1,755,857.92	58%
<b>Travelling Expenses</b>			<b>1,100,000.00</b>	<b>33,622.00</b>	<b>1,066,378.00</b>	<b>3%</b>
0	1101	Traveling Expenses - Domestic	100,000.00	33,622.00	66,378.00	34%
0	1102	Traveling Expenses - Foreign	1,000,000.00	-	1,000,000.00	0%
<b>Supplies</b>			<b>3,050,000.00</b>	<b>2,200,017.48</b>	<b>849,982.52</b>	<b>72%</b>
0	1201	Stationery,Office Requisites	1,000,000.00	396,722.79	603,277.21	40%
0	1202	Fuel	2,000,000.00	1,795,294.69	204,705.31	90%
0	1203	Diets and Uniforms	50,000.00	8,000.00	42,000.00	
<b>Maintenance Expenditure</b>			<b>3,000,000.00</b>	<b>650,106.54</b>	<b>2,349,893.46</b>	<b>22%</b>
0	1301	Vehicles	2,000,000.00	446,006.16	1,553,993.84	22%
0	1302	MachineryEquipment	500,000.00	108,474.00	391,526.00	
0	1303	Buildings & Structures	500,000.00	95,626.38	404,373.62	19%
<b>Contractual Services</b>			<b>17,850,000.00</b>	<b>6,641,836.65</b>	<b>11,208,163.35</b>	<b>37%</b>
0	1401	Transport Services	2,000,000.00	1,355,100.95	644,899.05	68%
0	1402	Postal and Communication Services	1,250,000.00	440,685.93	809,314.07	35%
0	1403	Electricity and Water	1,600,000.00	665,200.71	934,799.29	42%
0	1404	Rent and Local Taxes	1,000,000.00	554,400.00	445,600.00	55%
0	1409	Other	12,000,000.00	3,626,449.06	8,373,550.94	30%
<b>Transfers</b>			<b>200,000.00</b>	<b>124,318.89</b>	<b>75,681.11</b>	<b>62%</b>
0	1506	Property Loan Interest to Public Service	200,000.00	124,318.89	75,681.11	62%
<b>Total - Recurrent</b>			<b>39,000,000.00</b>	<b>17,601,084.72</b>	<b>21,398,915.28</b>	<b>45%</b>
<b>Capital Expenditure</b>						
<b>Rehabilitation and Improvement of Capital Assets</b>			<b>8,200,000.00</b>	<b>1,765,538.22</b>	<b>6,434,461.78</b>	<b>22%</b>
0	2001	Building & Structures	5,000,000.00	740,558.87	4,259,441.13	15%
0	2002	Plant,machinery,equip-Rehab&Improve	200,000.00	-	200,000.00	0%
0	2003	Vehicles Rehabilitation&Improvement	3,000,000.00	1,024,979.35	1,975,020.65	34%
<b>Acquisition of Capital Assets</b>			<b>800,000.00</b>	<b>6,805.00</b>	<b>793,195.00</b>	<b>1%</b>
0	2102	Furniture&Office Equipmt-Aquisition	300,000.00	-	300,000.00	0%
0	2103	Plant & Machinery - Aquisition	500,000.00	6,805.00	493,195.00	1%
<b>Capacity Building</b>			<b>100,000.00</b>	<b>75,500.00</b>	<b>24,500.00</b>	<b>76%</b>
0	2401	Staff Training	100,000.00	75,500.00	24,500.00	76%
<b>Total - Capital</b>			<b>9,100,000.00</b>	<b>1,847,843.22</b>	<b>7,252,156.78</b>	<b>20%</b>
<b>Grand Total</b>			<b>48,100,000.00</b>	<b>19,448,927.94</b>	<b>28,651,072.06</b>	<b>40%</b>

#### 4. Head 149 - Small and Medium Enterprises Development Division

##### Budget Estimate & Expenditure for 2022 (September 30th 2022)

Programme : 01 Operational activities  
Project ; 10 Ministers Office

Sub Project	Object Code	Category / Object Title	Estimate 2022 (LKR.)	Revised Budget 2022 (LKR.)	Expenditure Up to 2022.09.30 (LKR)	Balance (LKR.)	Expenditure %
		<b>Recurrent Expenditure</b>					
		<b>Personal Emoluments</b>	<b>13,500,000.00</b>	<b>14,500,000.00</b>	<b>5,091,109.25</b>	<b>9,408,890.75</b>	<b>35.11</b>
0	1001	Salaries and Wages	8,000,000.00	8,000,000.00	2,953,283.09	5,046,716.91	36.92
0	1002	Overtime and Holiday Payments	3,000,000.00	3,000,000.00	910,994.55	2,089,005.45	30.37
0	1003	Other Allowances	2,500,000.00	3,500,000.00	1,226,831.61	2,273,168.39	35.05
		<b>Travelling Expenses</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>	<b>307,816.00</b>	<b>1,192,184.00</b>	<b>20.52</b>
0	1101	Domestic	1,000,000.00	1,000,000.00	307,816.00	692,184.00	30.78
0	1102	Foreign	500,000.00	500,000.00	-	500,000.00	-
		<b>Supplies</b>	<b>6,700,000.00</b>	<b>9,500,000.00</b>	<b>2,552,523.94</b>	<b>6,947,476.06</b>	<b>26.87</b>
0	1201	Stationery & Offi. Requisites	1,500,000.00	1,500,000.00	716,515.00	783,485.00	47.77
0	1202	Fuel	5,100,000.00	8,000,000.00	1,836,008.94	6,163,991.06	22.95
0	1203	Diets & Uniforms	100,000.00	-	-	-	-
		<b>Maintenance Expenditure</b>	<b>1,500,000.00</b>	<b>1,250,000.00</b>	<b>694,790.56</b>	<b>555,209.44</b>	<b>55.58</b>
0	1301	Vehicles	1,000,000.00	1,000,000.00	625,540.56	374,459.44	62.55
0	1302	Plant, Machinery and Equipment	400,000.00	250,000.00	69,250.00	180,750.00	27.70
0	1303	Building and Structures	100,000.00	-	-	-	-
		<b>Services</b>	<b>6,000,000.00</b>	<b>4,200,000.00</b>	<b>1,697,925.30</b>	<b>2,502,074.70</b>	<b>40.43</b>
0	1401	Transport	1,000,000.00	200,000.00	5,254.00	194,746.00	2.63
0	1402	Postal & Communications	1,500,000.00	1,000,000.00	612,464.46	387,535.54	61.25
0	1403	Electricity and Water	1,000,000.00	1,000,000.00	376,559.34	623,440.66	37.66
0	1404	Rent and Local Taxes	500,000.00	-	-	-	-
0	1409	Other	2,000,000.00	2,000,000.00	703,647.50	1,296,352.50	35.18
		<b>Transfers</b>	<b>800,000.00</b>	<b>500,000.00</b>	<b>134,804.25</b>	<b>365,195.75</b>	<b>26.96</b>
0	1502	Retirement Benefits	800,000.00	500,000.00	134,804.25	365,195.75	26.96
		<b>Total - Recurrent</b>	<b>30,000,000.00</b>	<b>31,450,000.00</b>	<b>10,478,969.30</b>	<b>20,971,030.70</b>	<b>33.32</b>
		<b>Capital Expenditure</b>					
		<b>Rehabilitation &amp; Improvements</b>	<b>1,750,000.00</b>	<b>1,200,000.00</b>	<b>196,421.00</b>	<b>1,003,579.00</b>	<b>16.37</b>
0	2001	Buildings and Structures	250,000.00	-	-	-	-
0	2002	Plant, Machinery & Equipment	250,000.00	200,000.00	50,000.00	150,000.00	25.00
0	2003	Vehicles	1,250,000.00	1,000,000.00	146,421.00	853,579.00	14.64
		<b>Acquisition of Capital Assets</b>	<b>250,000.00</b>	<b>250,000.00</b>	<b>25,000.00</b>	<b>225,000.00</b>	<b>10.00</b>
0	2101	Vehicles	-	-	-	-	-
0	2102	Furniture & Office Equipments	150,000.00	150,000.00	15,000.00	135,000.00	10.00
0	2103	Plant, Machinery & Equipment	100,000.00	100,000.00	10,000.00	90,000.00	10.00
		<b>Total - Capital</b>	<b>2,000,000.00</b>	<b>1,450,000.00</b>	<b>221,421.00</b>	<b>1,228,579.00</b>	<b>15.27</b>
		<b>Grand - Total</b>	<b>32,000,000.00</b>	<b>32,900,000.00</b>	<b>10,700,390.30</b>	<b>22,199,609.70</b>	<b>32.52</b>

Progress Report - 2022

Programme : 01 Operational activities							
Project : 13 Administration & Establishment Services							
Sub Project	Object Code	Category / Object Title	Estimate 2022 (LKR.)	Revised Budget 2022 (LKR.)	Expenditure Up to 2022.09.30 (LKR.)	Balance (LKR.)	Expenditure %
		<b>Personal Emoluments</b>	<b>44,000,000.00</b>	<b>54,000,000.00</b>	<b>34,297,323.23</b>	<b>19,702,676.77</b>	<b>63.51</b>
0	1001	Salaries and Wages	32,000,000.00	37,000,000.00	22,892,016.26	14,107,983.74	61.87
0	1002	Overtime and Holiday Payments	2,000,000.00	2,000,000.00	1,305,501.00	694,499.00	65.28
0	1003	Other Allowances	10,000,000.00	15,000,000.00	10,099,805.97	4,900,194.03	67.33
		<b>Travelling Expenses</b>	<b>3,000,000.00</b>	<b>1,500,000.00</b>	<b>785,735.00</b>	<b>714,265.00</b>	<b>52.38</b>
0	1101	Domestic	2,000,000.00	500,000.00	785,735.00	(285,735.00)	157.15
0	1102	Foreign	1,000,000.00	1,000,000.00	-	1,000,000.00	-
		<b>Supplies</b>	<b>12,400,000.00</b>	<b>19,400,000.00</b>	<b>6,366,653.50</b>	<b>13,033,346.50</b>	<b>32.82</b>
0	1201	Stationery & Offi. Requisites	3,200,000.00	3,200,000.00	1,269,324.00	1,930,676.00	39.67
0	1202	Fuel	8,500,000.00	15,500,000.00	4,834,575.50	10,665,424.50	31.19
0	1203	Diets & Uniforms	200,000.00	200,000.00	48,000.00	152,000.00	24.00
0	1205	Others	500,000.00	500,000.00	214,754.00	285,246.00	42.95
		<b>Maintenance Expenditure</b>	<b>9,000,000.00</b>	<b>7,500,000.00</b>	<b>4,240,493.88</b>	<b>3,259,506.12</b>	<b>56.54</b>
0	1301	Vehicles	6,500,000.00	6,500,000.00	3,997,453.69	2,502,546.31	61.50
0	1302	Plant, Machinery and Equipment	500,000.00	500,000.00	208,940.19	291,059.81	41.79
0	1303	Building and Structures	2,000,000.00	500,000.00	34,100.00	465,900.00	6.82
		<b>Services</b>	<b>100,800,000.00</b>	<b>94,000,000.00</b>	<b>34,726,107.71</b>	<b>59,273,892.29</b>	<b>36.94</b>
0	1401	Transport	4,300,000.00	3,500,000.00	2,846,300.00	653,700.00	81.32
0	1402	Postal & Communications	2,500,000.00	2,500,000.00	1,440,602.60	1,059,397.40	57.62
0	1403	Electricity and Water	2,000,000.00	2,000,000.00	667,767.92	1,332,232.08	33.39
0	1404	Rent and Local Taxes	80,000,000.00	80,000,000.00	25,790,010.40	54,209,989.60	32.24
0	1408	Vehicle Rent	9,000,000.00	3,000,000.00	2,441,304.00	558,696.00	81.38
0	1409	Other	3,000,000.00	3,000,000.00	1,540,122.79	1,459,877.21	51.34
		<b>Transfers</b>	<b>700,000.00</b>	<b>700,000.00</b>	<b>218,901.50</b>	<b>481,098.50</b>	<b>31.27</b>
0	1502	Retirement Benefits	100,000.00	100,000.00	-	100,000.00	0.00
0	1506	Property Loan Interests to Public Servants	600,000.00	600,000.00	218,901.50	381,098.50	36.48
		<b>Others</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>-</b>	<b>100,000.00</b>	<b>-</b>
	1703	Implementation of Official Language	100,000.00	100,000.00	-	100,000.00	-
<b>Total</b>		<b>- Recurrent</b>	<b>170,000,000.0</b>	<b>177,200,000.0</b>	<b>80,635,214.82</b>	<b>70,035,873.34</b>	<b>45.51</b>



Progress Report - 2022

Sub Project	Object Code	Category / Object Title	Estimate 2022 (LKR.)	Revised Budget 2022 (LKR.)	Expenditure Up to 2022.09.30 (LKR.)	Balance LKR.	Expenditure %
		<b>Capital Expenditure</b>					
		<b>Rehabilitation &amp; Improvements</b>	2,250,000.00	2,250,000.00	250,236.00	1,999,764.00	11.12
0	2001	Buildings and Structures	1,250,000.00	1,250,000.00	168,000.00	1,082,000.00	13.44
0	2002	Plant, Machinery & Equipment	200,000.00	200,000.00	82,236.00	117,764.00	41.12
	2003	Vehicles	800,000.00	800,000.00	-	800,000.00	0.00
		<b>Acquisition of Capital Assets</b>	9,750,000.00	2,700,000.00	3,172,278.60	(472,278.60)	117.49
0	2101	Vehicles	-	-	-	-	
0	2102	Furniture & Office Equipments	2,000,000.00	500,000.00	1,831,426.00	(1,331,426.00)	366.29
0	2103	Plant, Machinery & Equipment	5,000,000.00	1,000,000.00	445,760.00	554,240.00	44.58
0	2401	Staff Staining	2,750,000.00	1,200,000.00	895,092.60	304,907.40	74.59
<b>Total - Capital</b>			<b>12,000,000.0</b>	<b>4,950,000.0</b>	<b>3,422,514.60</b>	<b>1,527,485.40</b>	<b>69.14</b>
		<b>Grand Total</b>	<b>182,000,000.0</b>	<b>182,150,000.0</b>	<b>84,057,729.42</b>	<b>71,563,358.74</b>	<b>69.14</b>

Progress Report - 2022

Programme : 02 Development Activity  
Project : 14 Industrial Development

Sub Project	Object Code	Category / Object Title	Estimate 2022 (LKR.)	Revised Budget 2022 (LKR.)	Expenditure Up to 2022.09.30 (LKR.)	Balance LKR.	Expenditure %
		Capital Expenditure	1,050,000,000.00	456,000,000.00	253,975,049.73	202,024,950.27	55.70
008	2509	Traditional and Rural Industrial Promotion	1,050,000,000.00	456,000,000.00	253,975,049.73	202,024,950.27	55.70
		<b>Total</b>	<b>1,050,000,000.00</b>	<b>456,000,000.00</b>	<b>253,975,049.73</b>	<b>202,024,950.27</b>	<b>55.70</b>

Programme : 02 Development Activity  
Project : 05 Public Institutions

Sub Project	Object Code	Category / Object Title	Estimate 2022 (LKR.)	Revised Budget 2022 (LKR.)	Expenditure Up to 2022.09.30 (LKR.)	Balance (LKR.)	Expenditure %
		National Crafts Council	201,000,000.00	208,000,000.00	133,870,000.00	74,130,000.00	64.36
10	1503	Personal Emoluments	140,000,000.00	152,000,000.00	108,190,000.00	43,810,000.00	71.18
10	1509	Other Operational Expenses	29,000,000.00	29,000,000.00	18,630,000.00	10,370,000.00	64.24
10	2201	Capital Expenses	32,000,000.00	27,000,000.00	7,050,000.00	19,950,000.00	26.11
		<b>Total</b>	<b>201,000,000.0</b>	<b>208,000,000.0</b>	<b>133,870,000.0</b>	<b>74,130,000.0</b>	<b>64.36</b>

