



கர்தாந்த அலாநா஁ட கைத்தாழில் அமைச்சு Ministry of Industries



தாதி லாநா
முன்னேற்ற அறிக்கை
Progress Report

2023



Progress Report - 2023

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

Leadership and Direction



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Vision

“Establish a Globally Competitive National Industry Base for Sustainable and Inclusive Growth of Sri Lanka”

Mission

Encourage diversified, high value added, innovative industrial products, use of eco-friendly sustainable methods, high market access opportunities and industrial development that benefits through the creation of a conducive environment based on technology, knowledge and innovative thinking

Objectives

- To Increase the industry contribution to the GDP up to 30% by 2030
- To Increase the Manufacturing Sector contribution up to 20% by 2030
- To Increase entrepreneurship contribution to the national economy up to 10% in 2030
- To Increase the industry export share of GDP up to 20% by 2030
- To Increase the amount of land reserved for industry up to 1% by 2030 (International Norm is 3%)

Divisions of the Ministry

- | | |
|-------------------------------------|---|
| 1. Policy Development Division | 6. Public Enterprises and Restructuring Division |
| 2. Industrial Development Division | 7. Small and Medium Enterprise Development Division |
| 3. Thrust Area Development | 8. Primary Industries Division |
| 3.1 Development Division - I | 9. Planning Division |
| 3.2 Development Division – II | 10. Administration Division |
| 3.3 Development Division – III | 11. Finance and Procurement Division |
| 4. Industrial Registration Division | |
| 5. Project Management Unit | |

Statutory Institutions and Public Corporations under the Purview of the Ministry

- Department of Textile Industry (DTI)
- Department of the Registrar of Companies (ROC)
- Industrial Development Board of Ceylon (IDB)
- National Enterprise Development Authority (NEDA)
- Kahatagaha Graphite Lanka Limited (KGLL)
- Ceylon Ceramics Corporation (CCC)
- Lanka Mineral Sands Limited (LMSL)
- National Paper Company (NPCL)
- Lanka Cement PLC
- Lanka Ashok Leyland Limited (LAL)
- Lanka Leyland Limited (LLL)
- Industrial Technology Institute (ITI)
- Lanka Phosphate Limited (LPL)
- National Design Centre (NDC)
- Sri Lanka Institute of Textile & Apparel (SLITA)
- Sri Lanka Handicrafts Board (SLHB)
- National Crafts Council (NCC)
- Lanka Salusala Ltd (LSL)
- Vidatha Centers
- 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 primarily to plan out , implement and facilitate the industrial development programme. The view of creating an environmental conducive, towards maintaining the contribution of Sri Lankan economy and local manufacturing industries at optimum levels.

Despite the current economic recession, the ministry and the institutions under the ministry have played an excellent role this year in the advancement of the manufacturing industry sector through the implementation of specific programs and the necessary intervention for the security of local industries.

The Ministry has prepared a national policy and a five-year strategic action plan (2023-2027) that help for sustainable industrial development and has also completed in principle amendment of the Industrial Development Act to make it relevant for rapid industrial development.

The Ministry has implemented several programs to provide the necessary infrastructure to encourage investment locally 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.

A new program has been introduced to facilitate the commercialization of the innovations and research carried out in the field of local industries with the support of the Ministry of Education, University Research Institutes and Ministerial Advisory Committees.

The Ministry has also introduced many measures to strengthen the utilization of mineral resources, value addition and loss-making state enterprises as profitable and commercially viable enterprises.

Direction of the Ministry (From January to September 2023)

01. Building a conducive environment for manufacturing industries

1.1 National Industry Policy

- The National Industry Policy (NaPID), which was a pressing need for industrial development in Sri Lanka, has been prepared and submitted to the Cabinet of Ministers and the Committee on Economic Stabilization, Revival and Growth Enhancement. They have decided to include it in the Sri Lanka National Policy Framework (2023-2048)
- The five-year strategic plan for the period of 2023-2027 related to the industrial policy has also been prepared and the ministry has already started its implementation.

1.2 Amendment of Industrial Promotion Act

- Amendment of the Industrial Promotion Act No. 46 of 1990 to suit the current and future requirements has been completed and the recommendations of the Department of Legal Draftsman have been given for the draft. The Ministry has completed the review of the recommended draft and it is expected to get the final approval of the Attorney General's Department for the draft and to implement it immediately.

1.3 Formulation of guidelines for manufacturing and assemble of electric vehicles.

- **Formulation of national policy related to automobile manufacturing/assemble and automobile component manufacturing.**

The 2nd draft related to this has been completed. The draft has been submitted to the relevant stakeholders, discussions with them have been completed and the national policy related to vehicle assemble is expected to be finalized soon.

An action Plan for the National Automobile and Component Manufacturing Policy, and is being prepared.

- **Updating of Standard Operating Procedure (SOP)**

The price evaluation of locally produced components used in assembling vehicles and the preparation of the national policy for the manufacture and assemble of automobiles are currently being completed and the Standard Operating Procedure (SOP) is expected to be updated before the end of the year.

- **Approval of new establishments involved in automobile assembling and accessories manufacturing.**

After the implementation of the Standard Operating Procedure (SOP), sixty-four (64) new vehicle models and twenty-nine (29) motor vehicle assembly plants were approved. Of these, ten (10) automobile plants and fourteen (14) new vehicle models have been approved up to September 2023. The total number of automobiles assembled after the standard operating procedure was 20,169 units. Meanwhile, 9,113 units including 457 four-wheelers and 8,656 two-wheelers have been assembled from January to September 2023.

- **Formulation of guidelines for electric vehicles with the Department of Motor Traffic, Ministry of Transport and Highways and Ministry of Environment.**

The committees appointed to study the issues of the first draft of the E-Vehicle Guideline have given reports containing suggestions and taking into consideration those reports, the preparation of revised guidelines has been started and it is expected to be completed soon.

2. Development of infrastructure needed to uplift manufacturing industries

2.1 Development of Industrial Estates

- Under the special national program for the establishment of industrial zones/Industrial Estates at the regional and district level under this Ministry, preliminary development activities are being carried out on 1024 acres of the **industrial estates** which can be completed quickly Under this, 32 existing industrial estates and 6 new industrial estates (Aluthapola, Dambulla, Sandamalgama, Suriyawewa, Ridhibediella and Wellawaya) are being developed. In addition, development activities are also taking place in existing and new industrial estates under the Industrial Development Board (IDB).
- Arrangements have been made to establish an industrial estate with the necessary facilities for the assembly of electric vehicles and the production of accessories on an area of 100 acres in the Katunayake - Katana area. The process of obtaining an Environmental Impact Assessment (EIA) and procurement for the establishment of the industrial zone is in progress.

3. Provision of necessary facilities for micro, small and medium-scale entrepreneurs

3.1 Provision of credit facilities for entrepreneurs in micro and small-scale industries

- Under Project III- (Revolving Fund Credit Scheme) for the Development of Leadership and Entrepreneurship in Small and Small Scale Industries, Rs. 3660 million have been allocated and Rs.1753.Mn has been given for 176 projects through 10 lending institutions (banks).
- Under Environment-Friendly Revolving Fund Loan Scheme II (E –E-Friend) for the year 2023 Rs. 400Mn has been allocated and Rs. 155 Mn has been given as loans for 07 projects through 11 participating lending institutions (banks)

3.2 Temporary Import Scheme for Export Processing (TIEP)

- Exports of industries are encouraged by providing a facility to import raw materials duty-free. By September 2023, 223 direct and indirect export-related industries engaged in value addition of products such as packaging, processed food, spices, coir-related products, tea, gem and jewellery and milk and milk-related products have been provided facilities and recommendations to 398 letters.

3.3 Skills Development Programs

Under Skills Development Programmes, the training program for the upgradation of packaging technology is planned to be conducted as a diploma course for 22 days at the weekend. This program aims to improve the knowledge and skills of technicians which is an urgent need in the packaging industry. This program is implemented in collaboration with the Ministry and the Sri Lanka Packaging Institute. It is expected to provide the opportunity for 29 technicians who are engaged in the packaging industry.

3.4 Get Up - Start Up for a Wealthy Nation - National Programme

The Ministry of Industries, together with the Lanka Industrial Development Board (IDB) with the cooperation of all government and non-government organizations, conducted the national program "Get Up - Start Up for a Wealthy Nation" on 26 October 2022 to create innovation in the industry and entrepreneurship in the country.

Under this, the following special tasks were implemented.

- Introducing IDB Mobile APP for Entrepreneurs and Investors.
- Introducing an emergency number 1995 and a WhatsApp number for industry information.
- Introducing the Business Clinic program for enterprise development.

- iv. Starting the School Entrepreneurial Circle program to provide entrepreneurship knowledge to school students from grade 9.
- v. Initiation of Investor Pool Program aimed at providing opportunity to large scale investors to invest in the industries of small and medium scale industrialists.
- vi. Entering into an MoU with HDFC Bank for providing low interest credit facilities for entrepreneurs.
- vii. Introducing digital banking technology for supply chains in the small and medium-scale industries in association with Sanasa Development Bank (SDB).
- viii. Introducing digital technology to micro, small and medium-scale industries in Sri Lanka with Dialog Institute, publishing Guide for a Wealthy Nation as a guidebook for entrepreneurs.
- ix. Entering into agreements with the German Industry & Commerce Institute for technical and market as well as reaching various agreements with many other organizations for industrial innovation.

3.5 “Graduate Entrepreneurship Udana” Program

National Enterprise Development Authority implements the "Graduate Entrepreneurship Udanaya" program for the development of entrepreneurship in collaboration with universities to get graduates joined in the field of business. In 2023, 245 students from the universities of

Jayawardanepura, Kelaniya, Colombo, Moratuwa, Ruhunu, Sabaragamuwa and Peradeniya have been given entrepreneurship training to provide provisions, and 43 business plans have been received to provide provisions. It is significant progress achieved in 2023 compared to the 18 business plans that were presented by 18 students last year. Last year 79 students were trained.

3.6 Providing testing facilities to improve the condition and quality of manufacturing industries.

Under the guidance and operation of the Vidatha Institute, a quality inspection report program is being implemented in collaboration with the Industrial Technology Institute (ITI) to improve the quality and standard of the products of the entrepreneurs. Under this, 200 quality inspection reports have been issued and technical training workshops have been conducted for 300 businessmen.

Together with the Sri Lanka Standards Institute, the necessary background has been prepared to issue system certificates, good manufacturing practices (GMP) certificates and ISO certificates for small and medium enterprises. Under this, 59 applicants who have submitted applications for GMP quality certification and 77 applicants for ISO quality certification have qualified and the necessary measures are in progress to carry out the certification process for them. GMP certificates have already been granted to 25 applicants. Arrangements are being made to provide certificates to the rest of the entrepreneurs as soon as possible.

4. Promotion of manufacturing industries

4.1 Establishment of Advisory Committees.

- 20 new advisory committees for industries have been set up with the participation of the private sector and the public sector to meet the need to strengthen and promote local industries. Through the functioning of the new Advisory Committees, there has been a significant revival in manufacturing sectors such as automobile components and bathroom accessories, where imports were restricted, and these committees are now functioning successfully in a very cooperative manner.

4.2 Industry Promotion and Marketing

Under this, industrial exhibitions and symposiums have been held.

Research and Innovation Commercialization Program

During the year research and symposiums were held to increase the export market value and domestic market value as well as the domestic market opportunities by commercializing the research and inventions done by various universities and research institutes in collaboration with suitable industrialists.

- 1st Symposium on for Food Manufacturing Sector was held on 30th and 31st March 2023 at Waters Edge. There, 23 research findings and innovations were presented for commercialization and commercialization activities have started for 6 selected products.

- The 2nd Symposium on Textile and Apparel Sector was held on 22 June and a special conference of the National Industry Exhibition started on 23 June 2023, where 3 new products have been selected and commercialization is in progress.
- The 3rd Symposium on Rubber, Plastics and Fiber-Related Industries was held on 26 July 2023 at Water's Edge with the participation of over 125 industrialists. Among the 28 research findings and innovations presented here, 6 new products have been selected, 2 of which have already been contracted for commercialization and commercialization activities have started for the remaining 4.
- The 4th Symposium is scheduled to be held on 12 October 2023 at Water's Edge on Textiles and Apparel, Footwear and Related Fashion Accessories, Pharmaceuticals-related industries.

Industry Exhibitions

National Industry Exhibition was successfully held from 22nd to 25th June 2023 at Bandaranaike Conference Hall (BMICH) with the coordination of the Industrial Development Board (IDB) with the aim of taking local industries to international markets. 750 stalls involved representing 20 industry sectors.

(Virtual Exhibition <http://vindustryexpo.idb.lk/>)

The following programs have been implemented simultaneously with the National Industry Exhibition.

i. Declaring June 22 as National Industry Day.

ii. Designating a National Industry Week (June 22 - 28)

It is expected to uplift industries by holding industry exhibitions throughout the country during that week annually. Under this, industry exhibitions were held at the provincial level. Northern Province Exhibition was held at the Jaffna Cultural Centre on the 1st, 2nd, and 3rd of September 2023 and the next exhibition is planned to be held at the old prison, Bogambara, Kandy in the Central Province on the 6th, 7th, and 8th of October.

iii. Creating a local industry culture.

"National Vehicle Parade" was conducted on 21 June 2023 from Galle Face, Colombo to Bandaranayake Conference Hall with the participation of more than 100 industrialists engaged in the locally assembled vehicle manufacturing industry to build synergy among local manufacturers.

iv. Establishment of School Industry Entrepreneurial Circles

Under this, the "School Enterprise Development Circle" national program was held at Nalanda College, Colombo on 27 June 2023 simultaneously with the National Industry Exhibition. A teacher training program was conducted on the 15

and 16 of June 2023 at the National Institute of Education, Maharagama covering more than 300 schools. Students from grades 9 to 12 were involved in entrepreneurship circles and competitions were conducted in various fields like art, essay, song creation, debates quiz competitions etc. to create awareness about entrepreneurship circles in schools. So far, 300 school entrepreneurship circles have been established and the goal is to increase up to 5000 in 2024.

- The Footwear & Leather Trade Fair held annually since 2007 was successfully held on 3, 4 & 5 February 2023 at Bandaranaike Memorial International Conference Hall.
- The National Crafts Council held the Crafting Ceylon exhibition on 23 and 24 March 2023 at the Bandaranaike International Conference Hall and selected 546 designs from among 2214 designers and from them 100 of the best designers were contributed to develop as export-oriented entrepreneurs.
- "Diyatha Uyana Handicraft Product Sales Promotion Program" ("Shilpa Thursday") was successfully held on 19 and 26 of January, the 2, 9 and 16 of February and the 8 and 9 of March 2023 with the participation of 55 artisans.
- The "Lanka Pack-2023" Exhibition was successfully held at Bandaranaike Conference Hall on 26, 27 and 28 October 2023 to increase foreign market opportunities for local industries for packaging.

- The Boat and Marine International Exhibition for Boat Products has been organized to be held on 27th October 2023 at Colombo Port City premises with the aim of increasing the export earnings of the boat manufacturing sector, increasing employment opportunities and growth of the tourism industry. It is scheduled to be held under the guidance of the Ministry of Industry and with the contribution of other institutions.

4.3 Strategic Transformation for Industry 4.0

- The Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) and a team of researchers from the University of Western Sydney jointly conducted the Industry 4.0 Readiness Self-Assessment Program targeting the manufacturing industries in September 2023 by the FCCISL and the Ministry of Industries.

- **Research and Invention Data System**

A database has been started including the inventions presented for the Research and Invention symposium

5. Optimum utilization of mineral resources and local value addition

5.1 Sale of Products under New Methods

- With the introduction of a new sales method for the sale of the mineral sands of Ceylon Mineral Sands Company, bidders will be able to submit bids online and details about the most suitable bidder may be published at the same time when bids are opened. The first sale using the method earned USD 20.33 million for 62,150 metric tons of mineral sand.

The second sale earned USD 14.1 Mn for 30,000MT of zircon. An amount of 1726 was given to the treasury as dividends from the income received.

5.2 Increasing Gem Export Revenue

- Gem and Jewellery Research and Training Institutes and Gem and Jewellery Authority have started a joint program to explore the possibility of setting up a gem emporium to increase the gem reserves.
- By the end of September 2023, through the export of gems, jewelery and diamond products, It was able to provide an income of about USD 420 Mn to the national economy.

Main Divisions

01

Policy Development Division

1.1 Introduction

The industrial sector has a key role in the economic growth of a country, as it empowers the workforce by creating jobs, emerging skills development, and providing a platform for technological advancements and innovation. The domestic industries can be cultivated through thoughtful combination of timely and well-crafted policy measures and the implementation of those practical policies. These policies can guide and steer the industrial sector in the desired direction by aligning with the long-term objectives of the country. Practical policies provide the necessary stability that industries require to succeed and make sustained investments leading to increased productivity and competitiveness. Furthermore,

such policies can also address the challenges like environmental sustainability, and social equity.

The Policy Development Division of the Ministry of Industries has completed the formulation of a National Policy for Industrial Development for shaping the path and growth of industrial development within the country. Besides, the division is actively engaging in the formulation of the National Policy for Automobile Assembling to safeguard the automobile manufacturing / assembling industry. The main objective of the Policy Development Division is to ensure that these policies accurately and effectively reflect the interests and aspirations of the manufacturing industrial sector of the country.

The implementation of the National Policy for Industrial Development

Taking into consideration the absence of a strategic direction for the development of the manufacturing industrial sector of Sri Lanka, the Policy Development Division of the Ministry of Industries formulated the National Policy for Industrial Development (NaPID) in 2022, through a comprehensive consultative process.

The NaPID was prepared in line with the National Policy Framework of Sri Lanka, 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 higher tiers, to graduate to the Industry 4.0 level.

The NaPID, which is a long-term policy document, would be implemented through a series of five-year Strategic Implementation Plans (SIPs), the first of which, for the period of 2023 to 2027 has already been prepared.

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 Department of Fiscal Policy, and forwarding the recommendations of the Ministry of Industries to

the same Departments, Sri Lanka Customs and Ministry of Finance for the required action.

Standard Operating Procedure (SOP) for Automobile Manufacturing / Assembling Industry and Automobile Components Manufacturing Industry of Sri Lanka

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 motor vehicles with locally manufactured components, in order to develop the automobile industry and create new job opportunities in the country.

Formulation of National Policy for the Automobile Assembling Industry

The National Policy for Automobile Assembling Industry aims to drive investment, innovation, sustainability and safety in the automobile industry of the country by creating a favourable environment for the investment, promoting local component manufacturing, ensuring adherence to safety standards and embracing digitization.

The policy seeks to foster a thriving and globally competitive Automobile sector with a focus on green mobility solutions, skill development, and responsible material management. By implementing this policy, it intends to promote the Automobile industry forward while contributing to the economic growth and sustainability.

1.2 Progress – At the end of September 2023

The Implementation of the National Policy for Industrial Development

The first Strategic Implementation Plan was implemented with effect from January 2023, by the different Divisions and Institutions under the Ministry of Industries, which are responsible in carrying out the activities outlined in the SIP.

Industry 4.0 Readiness Assessment for the manufacturing industry sector

“Digitalization and Transformation into Industry 4.0” is one of the ten Policy Principles of the NaPID. The Strategic Plan to implement the NaPID includes a chapter on this policy principle.

Industry 4.0 Readiness Self-assessment programme manufacturing industries



In line with the afore-said Policy Principle, and in collaboration with the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) and a team of researchers from the University of Western Sydney, the Policy Development Division

organized a series of Industry 4.0 Readiness Self-assessment programmes for manufacturing industries representing different sectors. Accordingly, by way of an online tool, the industries were able to assess their readiness to graduate to the Industry 4.0 level, in terms of eight determinants. The results of this assessment would be useful in decision-making regarding investment, in areas such as technological advancement, skills development, enhancement of R&D facilities etc.

Resolution of Tariff Related Issues and Industrial Development

In 2023, the Policy Development Division contributed to creating an environment conducive to industrial development in the country by encouraging local production through reducing non-essential imports and solving tariff issues. This section had several discussions with local industrialists related to the development of local industries. Further, Policy Development Division has focused more attention in the import tariff structure of items which are manufactured locally when removing the Temporary Suspension of imports.

Recommendations are made throughout the year for duty exemption for the locally assembled / manufactured electrical and electronic equipment classified under the HS Codes 84 and 85. Several new models of electrical appliances such as refrigerators and washing machines have emerged this year with more than 30% (around 50% to 65%) local value addition. The improvement of these local industries has led to a considerable amount of investment and the creation of a significant number of local employment opportunities.

Standard Operating Procedure (SOP) for Automobile Manufacturing / Assembling Industry and Automobile Components Manufacturing Industry of Sri Lanka

In 2021, a Standard Operating Procedure (SOP) for the Automobile Manufacturing/Assembling Industry and Automobile Components Manufacturing Industry was formulated with the aim of maximizing benefits for the motor vehicle industry and end customers. Within two years, the vehicle assembling industry experienced considerable growth and improvement.

After implementation of the SOP, twenty-nine (29) motor vehicle assembling institutions were approved for the assembly of sixty-four (64) new vehicle models in the country. Among these, ten (10) motor vehicle assembling institutions and fourteen (14) new vehicle models have been approved up to September 2023. The total number of motor vehicles assembled after the SOP is 20,169 units. Among these, 9,113 units, including 457 four-wheelers and 8,656 two-wheelers, have been assembled from January to September 15, 2023.

Formulation of National Policy for the Automobile Assembling Industry

The National Policy for the Automobile Assembling Industry is nearing completion, with the final draft have been prepared and thoughtfully discussed with the key stakeholders to ensure a comprehensive and well-informed approach. At this juncture, the focus has shifted towards preparing a comprehensive Strategic Action Plan that will bring this policy to life and drive the

automobile assembling industry on the road to a brighter and sustainable future.

Other policy-related activities

The Policy Division is continuously engaged in contributing to policy formulation and related activities of other Ministries and government organizations, in areas such as environment, trade, transport, energy etc.

1.3 Future Plans 2024

The implementation of the National Policy for Industrial Development

It is expected to fully operationalize the NaPID, by ensuring the effective implementation of the SIP by all the responsible external agencies, apart from the different Divisions and Institutions of the Ministry of Industries.

Resolution of Tariff Related Issues and Industrial Development

Considering the challenging economic situation in the country, the Policy Development Division is continuing the efforts taken to establish and maintain a stable tariff structure in 2024 as a means of protecting and promoting domestic industries and generating income for the nation. Furthermore, there is a specific emphasis on promoting local value-added industries and environment-friendly manufacturing.

Standard Operating Procedure (SOP) for Automobile Manufacturing / Assembling Industry and Automobile Components Manufacturing Industry of Sri Lanka

Standard Operating Procedure (SOP) Version 01 is currently undergoing a review process. The review is considering the problems faced and practical experiences in the domestic motor vehicle assembling in the past two years. The primary objective of the review is to identify any shortcomings or ambiguities within the existing SOP and to rectify the gaps. This review could include areas where the SOP may not provide clear guidance or where it may not fully cover certain operational aspects.

It is planned to complete the SOP review before the end of 2023 and launching the revised Standard Operating Procedure (SOP) Version 02 in the early 2024. It is expected to maintaining and enhancing the quality and effectiveness of the SOP.

Formulation of National Policy for the Automobile Assembling Industry

After finalizing the Strategic Action Plan, the National Policy for the Automobile Assembling Industry will be submitted to the cabinet approval in the end of 2023. Following the approval, the policy will be implemented with ensuring the potential of initiating positive changes and fostering growth within the automobile industry.

Formulation of National Policy for Industrial Development



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 900 million has been allocated for the period from January 2023 to December 2023 for the development and improvement of infrastructure activities.

12 infrastructure development/improvement activities/works including development of 2 new industrials estates have been received during the year 2023 and 3 development activities out of which have been completed. Other activities/works are actively in progress and these are expected to be completed by the end of 2023. Establishment of 8 new ongoing Industrial estates have been started and 1 will be completed by end of 2023 where the other 5 industrial estates are expected to be completed by the end of 2024. The remaining 2 will be completed by end of 2025.

2.2 Progress - At the end of September 2023

The Ministry has developed infrastructure facilities such as electricity, water and access road in 33 Industrial Estates that consist of 1024.25 acres. The Government has invested nearly Rs.4,144.85 million for these development activities in 33 Industrial Estates. In addition, private sector further invested approximately Rs. 61,353.49 million for the establishment of their industrial units in Industrial Estates.

Overall summary - Industrial Estates

A. Existing Industrial Estates

Cumulative Progress as at September 2023	
No. of Industrial Estates	33
Developed Land Area (acres) (i.e. electricity, water and road system)	1024.25
Total Investment (Rs. Mn.)	65,498.35
Government Investment (Rs. Mn.)	4,144.86
Private Investment (Rs. Mn.)	61,353.49
No. of Industries in Commercial Manufacturing	353
Number of factories that are in construction stage	37
Employment Opportunities	23,498
Number of mobile services conducted in Industrial Estates	12
Amount of outstanding land lease which can be collected after preparation of lease agreement. (Rs. Mn.)	81.80

Source: Industrial Development Division

B. Ongoing New Industrial Estates

Cumulative Progress as at September 2023	
No. of Industrial Estates	8
Land Area developing (acres)	290.15
Government Investment (approximately) (Rs. Mn.)	142.05

Source: Industrial Development Division

Industrial Development Programme

(1) Land Allocation for New Industries

No. of new project proposals approved by the RISCs	47
Project proposals that have been recommended by the Ministerial Project Evaluation Committee	44
Number of Industries that have undergone name changes	9
Number of Industries that have changed product.	5

Source: Industrial Development Division

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(2) Finance released for New Projects/ Infrastructure activities for the year 2023

A sum of Rs. 181.47 million has been allocated in January to September 2023 for this endeavor.

(A) Existing Industrial Estates

Industrial Estate	Development	Estimated amount (Rs. Mn.)
Galigamuwa	Construction of water supply system	16.20
Ulapane	Construction of by road	3.45
Welioya	Repair of Pump House & equipment	7.94
Puttalam	Flushing and repairing of Tube Well	0.23
Karadeniya	Improvement of internal road network	6.93
Nalanda Ellawala (Phase I & II)	Providing Asphalt paving road	14.57
Kalutara	Construction of Internal Road	7.50
Nalanda Ellawala (Phase I & II)	Survey	0.67
Nalanda Ellawala (Phase I & II)	Excavation of drains for laying pipes	11.96
Millawa	Construction of rain water drain system	30.00

Source: Industrial Development Division

Kalutara Industrial Estate

Construction of internal road was completed 65 % at a cost of Rs.68.02 Mn.

Internal Road Construction - Kalutara Industrial Estate



Karadeniya Industrial Estate

Improvement of internal road network was completed at a cost of Rs.6.93 Mn.

Internal Road Construction - Kalutara Industrial Estate



(B) Ongoing New Industrial Estates

Sooriyawewa Industrial Estate

Development of Sooriyawewa IE has been completed without road development at a cost of Rs.150.9 Mn. and the land is ready to be allocated among investors.

Sooriyawewa Industrial Estate



2.3 Future Plans 2024

Development of New Industrial Estates

The new ongoing industrial estates (Aluthapola, Dambulla, Sandamalgama, Katunayaka, Raigama and Wellawaya are expected to complete by the end of year 2024. A New industrial estate with a land extent of 50 acres (Trincomalee IE - stageIII) in Trincomalee DS division is expected to be developed in the year 2024.

It is expected to be allocated land plots for at least 50 investors in the Industrial Estates in upcoming year, in order to achieve maximum productivity in the Industrial Sector.

Progress Report - 2023

Development information of existing industrial estates up to 30th September 2023 (Cumulative)

District	Industrial Estate	Land Area (Acres)	Government Investment Cumulative (Rs. Mn.)	Private Investment Cumulative (Rs. Mn.)	No of Industries	Direct Employment	Total Turnover (Rs. Mn.)
Colombo	Kolonnawa	7.00	36.17	639.30	14	623	101.04
	Ratmalana (Stage I & II)	17.00	89.78	4085.00	18	1526	604.00
	Templeburg (Stage I & II)	48.00	180.58	4975.20	37	1790	747.75
Kaluthara	Kaluthara	50.00	118.54	1912.16	32	915	200.23
	Matugama	50.00	174.43	5886.00	12	504	1016.33
	Millewa	11.00	106.13	593.38	12	625	50.17
	Raigampura	24.00	390.09	0	0	0	0
Gampaha	Minuwangoda	15.00	44.12	2068.12	13	613	222.00
	Mahara	2.50	14.05	324.20	7	169	175.60
Puttalam	Dankotuwa	53.00	109.74	5192.60	31	1745	1194.28
	Puttalam	40.00	124.42	538.00	7	132	23.64
	Nurani	15.84	12.58	740.90	5	498	138.02
Kurunegala	Makandura (East)	27.19	35.79	8320.00	2	703	792.19
	Makandura (West)	65.56	95.94	2694.19	15	1038	1263.68
	Dambadeniya	10.15	38.36	663.00	3	990	296.21
	Nikaweratiya	2.55	6.12	259.85	1	807	150.27
Polonnaruwa	Lakshauyana (stage I & II)	63.90	176.04	3612.50	16	1152	890.75
Matale	Nalanda	24.70	77.28	2251.40	14	1214	412.44
Kandy	Ulapane	25.00	138.86	4394.50	14	792	2088.726
Matara	Udukawa	21.13	50.93	861.80	3	1372	375.10
Galle	Karandeniya	40.00	71.21	788.56	13	527	91.33
Hambantota	Bata - Atha	105.00	320.08	1982.33	7	402	317.60
Ampara	Nawagampura	20.00	45.83	178.70	5	44	19.30
Trincomalee	Trincomalee (stage I & II)	50.00	511.07	1872.30	5	1485	114.75
Batticaloa	Thiraimadu	24.30	8.35	0	0	0	0
Ratnapura	Nalanda Ellawala (I)	36.38	79.49	1567.65	21	384	43.03
	Nalanda Ellawala (II)	45.00	126.35	853.85	26	313	85.15
	Embilipitiya	22.81	98.98	173.00	3	173	84.56
Kegalle	Galigamuwa	21.59	184.69	789.00	8	309	237.30
Monaragala	Buttala	18.35	118.76	2135.00	4	900	247.00
Badulla	Uva Paranagama	3.30	0.81	2.00	1	20	3.00
Mannar	Mannar	24.00	351.76	250.00	1	1082	1632.65
Mullaithivu	Welioya	40.00	205.95	749.00	3	651	54.00
Other	Advertisement		1.55	0	0	0	0
	Total	1,024.25	4,144.86	61,353.49	353	23,498	13,672.09

Source: Industrial Development Division

Information on new industrial estates up to 30th September 2023 (cumulative)

District	Industrial Estate	Land Area (Acres)	Government Investment Cumulative (Rs. Mn.)
Gampaha	Aluthepola	7.89	17.23
	Katunayaka	100.00	2.39
Matale	Dambulla (Stage i)	24.00	22.07
	Dambulla (Stage ii)	40.00	14.96
Anuradhapura	Sandamalgama	16.00	15.86
Hambanthota	Sooriyawewa	20.00	41.82
Monaragala	Wellawaya	9.25	8.28
Kurunegala	Ridibendiella	23.00	17.75
Trincomalee	Trincomalee (stage iii)	50.00	1.67
	Total	290.14	142.05

Source: Industrial Development Division

03

Thrust Area Development

Development Division – 1

3.1. Introduction

Among the 21 main production sectors that provide service facilities under the Ministry, the agricultural industry development activities are under division

1. Development programs related to processed food, tea, spices, coir-related products, packaging industries, milk and milk-related industries, and gem and jewellery-related industries are implemented under this sector.

Main objectives

1. To promote local industries to produce quality goods that can face competition in the international market.
2. 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 Programme
- 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
- To study the global trends related to production and sales in the relevant sectors and implement development strategies using them.
- 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 taking necessary measures to develop industries.
- Provide necessary training and research facilities for industries on modern technology and research through local and international industrial institutions.
- Facilitate industries for product diversification and transfer of new technical knowledge through the coordination of industry, university and research institutions.
- To introduce new technology required for local industries through organizing local and international exhibitions and to assist in

developing local and foreign markets for those industries.

- Provide Facilities to import input raw materials on a duty-free basis required to produce export goods to encourage export goods.
- Support industries to obtain international quality certifications in order to improve the products to meet international standards.

3.2 Progress - At the end of September 2023

Programs to be implemented

- Industries are encouraged by facilitating to import of raw materials on duty duty-free basis through the Temporary Importation for Export Processing Scheme (TIEP). Up to September 2023, 223 industries which are directly and indirectly engaged in value addition in the packaging, processed food, spices, coir-related products, tea, gem and jewellery and milk and milk-related product sectors, have been facilitated. Recommendations are given for 398 letters.

ISSUED TIEP RECOMMENDATION INDUSTRIES (up to Sep 2023)			
Industry Sector	No. of registered Industries	No. of Industries up to Sep 2023	Issued Letters 2023
Processed Food Industry	246	59	135
Value added Spice Industry			
Packaging Industry	301	55	100
Value added Tea Industry	272	82	108
Value added Coir Industry	64	20	36
Other Industry	52	7	19
Gem & Jewellery Industry	2	2	2
Total	935	223	398

Source: Development Sector – I

Accordingly, the Ministry provides assistance in providing tariff concessions for the import of raw materials used to increase the value addition of the industrial sector. This increases competitiveness in the international market for exported products.

Quality Improvement Programmes

- The Ministry implemented 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, 77 industries representing processed food packaging, value-added tea, value-added spices and coir industry sectors were given the opportunity for the year 2023.
- financial facilities will be provided for industries, which are successfully completed ISO certification
- The Ministry has implemented the Good Manufacturing Practices (GMP) certification program for small and medium-scale industries engaged in food production. Necessary guidance is provided in obtaining GMP certificates from the Sri Lanka Standards Institute for selected industries. The program will be conducted jointly with Vidatha Unit this year. 59 industries were selected for the program in the year 2023.

Skills Development Programmes

- The Measures have been taken to conduct as a 22 day- weekend diploma 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 is implemented by the Ministry and Packaging Development Center for 29 technicians engaged in the packaging industry.

Marketing Promotion Programmes

- Profoods/Propack exhibition successfully conducted by the Ministry in collaboration with the Sri Lanka Food Processors' Association on 4,5 and 6 November 2022 at the BMICH.

Profoods/Propack exhibition



Through this exhibition, it had been arranged to provide exhibition stalls on special concessions in the special pavilion reserved for the 13 selected small and medium-scale industries by the Ministry.

Profoods/Propack exhibition



As well, the Ministry paid special attention on providing an opportunity to create links between universities and industries and showcase their research at this exhibition.

Lanka Pack exhibition - 2023

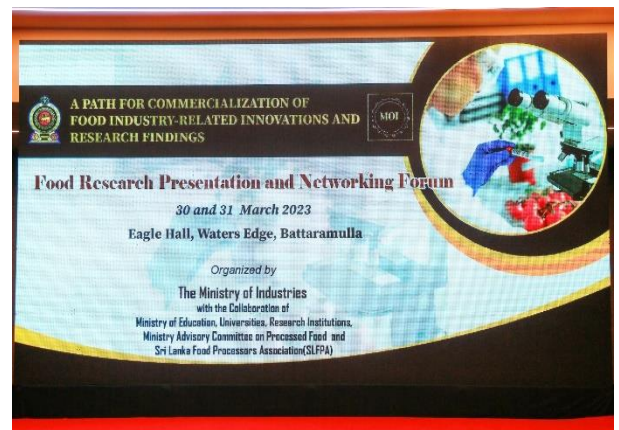


- Measures have been taken to successfully hold the “Lanka Pack 2023” exhibition on the 26th, 27th and 28th of October 2023 at the BMICH to increase foreign market opportunities for local packing industries. Medium-scale packaging industries participate and they are assisted in setting the initial background 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 is organized by the Ministry in collaboration with the Sri Lanka Institute of Packaging (SLIP). Along with this, measures have been taken to hold the packaging convention.

- A forum for the commercialization of processed food-related innovations and research findings in industry sectors was successfully concluded on the 30th, and 31st of March 2023 at Waters Edge, Battaramulla.

A Forum for Commercialization of Processed Food-Related Innovations and Research Findings



163 research findings and innovations were presented for the conference and the conference was successfully held with the participation of industrialists.

**A Forum for Commercialization of Processed Food-
Related Innovations and Research Findings**



Initial discussions have been started for the commercialization of 06 innovations out of the research findings and innovations presented here.

Provision: Rs.3.0 million

3.3 Future Plans 2024

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. To assist the marketing exhibition programs and international trade fairs to promote the products of manufacturers engaged in the processed food industry and the packaging industry.

3. Implementation of Industrial Productivity and Market Competitiveness 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.
4. Implementation of Good Manufacturing Practices (GMP) Certification programme to improve food safety in small-scale industries.
5. Taking necessary steps to improve the facilities needed to increase exports of value-added products.
6. Implementation of programmes to acquire modern technologies and to improve skills of the small and medium scale industries.
7. Project to provide facilities for the upgradation of packaging technology of small and medium-scale industrialists engaged in food production.

04

Development Division – 2

4.1. Introduction

Main Objective

The main objective of this sector is to provide the necessary facilities to strengthen the domestic industry sub-sectors and thereby create a situation to conquer the international market by producing high-quality and good finished products.

Sectors under the purview of the Division

- Rubber and Plastic based Industry
- Tile, Granite & Ceramic Industry
- Boat Building Industry
- Automobile assembly & Automobile Component Industry
- Wood and Wood-based Industry
- Electrical & Electronic Industry
- Paint, printing materials and chemical-related Industry
- Mineral based Industry

Responsibilities

- Collaborate with the public sector, industry experts, academia and manufacturing industries to formulate plans for the development of industrial sub-sectors
- Providing necessary advice and facilities for understanding the problems related to technical management and production.
- Coordination with domestic and foreign chambers of commerce, public sector institutions, companies and other institutions that provide assistance for the development of domestic industrial sectors.
- Implementation of necessary programs to introduce advanced technological strategies to enhance productivity and increase value addition.
- 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.
- Provide visa recommendations for foreign workers, recommendations to import raw materials and re-export with local value addition (TIEP), recommendations to import raw materials for industries whose import is temporarily restricted and recommendations to facilitate the industrialists to run their industries through tasks such as providing necessary recommendations for tax concessions and exemptions in the import of raw materials required for industries.

4.2 Progress - At the end of September 2023

Rubber and Plastic Related Products Industry Sector

- A conference on the commercialization of research findings and innovations in the rubber, plastic and fiber-related industries sector was held at Water's Edge. 28 research findings and innovations were presented for this conference and it was successfully held with the participation of over 125 industrialists. The Ministry has incurred Rs. 1.86 million. Out of the 28 research findings and innovations presented here, preliminary discussions have begun for the commercialization of 05 innovations.

Conference on Commercialization of Research Findings and Innovations in the Rubber, Plastics and Fibers Industry Sector held at Waters Edge Hotel



Boats and Boat Accessories Manufacturing Industry Sector

- **Project to construct slipways in Beruwala for boat manufacturing industries**

The preliminary measures to establish boat slipways with the necessary facilities to launch the newly manufactured boats in the Beruwala fishing harbour area have already started. This is a 02-

years project and is scheduled to be completed in the year 2024. The expected cost is Rs. 80 million is planned to be borne by the Ministry. Expected benefits of this project include an increase in export income of the boat manufacturing sector, an increase in employment opportunities and help in the growth of the tourism industry.

- Arrangements are currently being made to hold an international trade fair and regional conference for the boat manufacturing sector in October this year at the Port City of Colombo.

The following benefits are expected from this project.

1. Increasing the number of new industries entering the international market
2. Facilitate buyer and seller meetings and joint venture opportunities
3. Increasing number of industries adopting new technology
4. Enhancement of foreign exchange earnings from exports and maritime tourism

Clay Roofing Tile Manufacturing Industry Sector

- **SLS certification program for red clay roofing tile manufacturing industries**

To improve the image of the local red clay roofing tile manufacturing industry and expand market opportunities, the ministry assists the relevant industry organizations in obtaining the standard certificate from SLSI. Under this project, the Ministry has planned to provide 50% of the cost of obtaining the SLS standard for 10 industrialists.

Evaluation and Capacity Building Program on Resource Efficient and Cleaner Production (RECP) for Local Industries

It is a project conducted by the Ministry in collaboration with the National Clean Production Center (NCPC) with the aim of providing necessary support to reduce the wastage of materials, energy and water in the industries and use the resources with maximum efficiency for business activities. This project will be implemented for 20 selected industries representing various sectors.

Awareness of industrialists about the project



The following benefits are expected from this project.

1. To reduce production costs and increase competitiveness by increasing resource efficiency
2. Creation of new markets and investment opportunities
3. Minimization of environmental pollution caused by industries
4. Increase employee health by creating a good environment in the factories

Two-day capacity building training program



- Conducting a conference with the participation of industrialists and inventors to commercialize industry-related research findings and innovations.
- Implementation of a program in collaboration with the National Clean Production Center (NCPC) to provide the necessary support to reduce wastage of materials, energy and water in industries to use resources with maximum efficiency for business activities.

4.3 Future Plans 2024

- Implementation of programs to direct local industrialists more on value-added products.
- Implementation of programs to direct technicians to local and foreign training courses to improve the skills, employed in small and medium-scale industries.
- Implementation of programs to provide financial support to obtain internationally recognized standard certificates to encourage local industrialists.
- Establishing the necessary laboratory facilities in the Sri Lanka Rubber Research Institute to provide internationally recognized quality certificates for rubber products and implementing a project to grant that institution the right to provide internationally recognized quality certificates.
- Implementation of a project to create and maintain a suitable supply chain management system for industries
- Implementation of a project to improve the quality of vehicle batteries and provide necessary facilities for new models.
- Carrying out further work on the boat slipway with necessary facilities proposed to be established in the Beruwala fishery harbour to launch the newly manufactured boats.

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
- Footwear, Leather and Leather Products Related Industry
- Pharmaceutical Industry
- Cosmetics Industry
- Metal-based Industry
- Textiles and allied Industries

Main Activities

- Organize ministry consultative meetings, discuss development strategies, give necessary instructions and implement them.
- Preparation and implementation of development plans and projects for the sub-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 sectors.

- Make aware the industrialists to increase the market share through free trade agreements.
- Counselling for investment and trade promotions.
- Providing facilities for investment promotion and marketing activities
- Facilitation through the Temporary Import Export Process (TIEP) to encourage exports and recommend visas for foreign professionals required by industries.
- Making necessary recommendations for providing tax concessions on the import of raw materials for local industries.
- Facilitate domestic manufacturing industries to obtain international standard certificates to face international market competition.
- Make recommendations to export scrap metals
- Providing policy support to metal-related industries to obtain raw materials.
- Providing visa recommendations for foreign workers required for industrialists in the respective industrial sub-sectors
- Providing necessary recommendations to import raw materials for industries under Open Account

5.2 Progress - At the end of September 2023

- The annual Footwear & Leather Trade Fair started in 2007 was successfully held at the Bandaranaike Memorial International Conference Hall on the 3rd, 4th and 5th of February 2023. About 108 stalls of local footwear and footwear-related manufacturers were organized for this purpose.
- A footwear training program was implemented to empower youth and women to create business opportunities for youth and women. This was implemented as three (03) projects in Galle, Elpitiya and Mahara Divisional secretariats.
- Conducted a design and technical training program for bag and footwear manufacturers to enhance product quality by improving design and pattern-making skills. This program was conducted as four (04) projects in the areas of Kalutara, Matara, Kurunegala and Jaffna.
- A project was initiated to expand the existing product market, improve product quality, provide technical assistance to micro, small and medium-scale cosmetic companies, improve technology and develop the Sri Lanka cosmetic industry sector through financial support.

- A project has been implemented to upgrade the skills of existing workers in small and medium-scale leather and footwear enterprises to join the global export chain.
- The research and innovation commercialization project has been started with the aim of improving the manufacturing industries through the research conducted by the research institutes. Accordingly, the commercialization program for cosmetics, textiles apparel, footwear, leather and related products, pharmaceuticals, and fitness equipment-based industry research and innovation is planned to be held by the development divisions 3 on 12.10.2023
- and create energy efficiency.
- The Industry-related Research Findings and Innovations Commercialization Project will also be implemented in 2024 to encourage the use of technological innovations created in local universities and research institutes to increase competitiveness and sustainability
- The Design and Technical Training Program to improve the quality of products by improving the design and pattern-making skills of bag manufacturing entrepreneurs implemented in 2023, will also be held in 2024.
- A shoemaking training program to empower youth and women to create business opportunities for youth and women is to be implemented in the year 2024.

5.3 Future Plans 2024

- The Ministry of Industries expects to sponsor the footwear and leather goods trade fair 2024 which has been held annually since 2007.
- Arrangements have been made to conduct training programs for local apparel manufacturers in the Pamunwa area to improve the quality of apparel and the capacity of local garment manufacturers
- Measures have been taken by the Ministry of Industries to conduct a project in 2024 in collaboration with the National Cleaner Production Center (NCPC) with the aim of providing resource efficiency and clean production assessment to industrial organizations to reduce production costs

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.

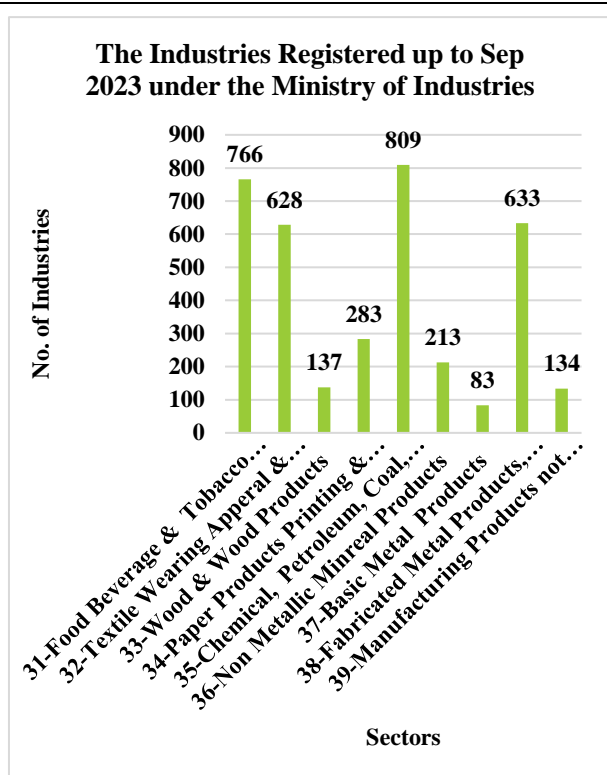
6.2 Progress - At the end of September 2023

- 3,686 manufacturing industries have been registered up to September 2023 under the Ministry of Industries

The Industries Registered up to Sep 2023 under the Ministry of Industries

Sector	No. of Industries
31-Food Beverage & Tobacco Products	766
32-Textile Wearing Apparel & leather Products	628
33-Wood & Wood Products	137
34-Paper Products Printing & Publishing	283
35-Chemical, Petroleum, Coal, Rubber & Plastic products	809
36-Non Metallic Mineral Products	213
37-Basic Metal Products	83
38-Fabricated Metal Products, Machinery & Transport Equipment	633
39-Manufacturing Products not Elsewhere Specified	134
Total	3686

Source: Industrial Registration Division



Source: Industrial Registration Division

- The Ministry has initiated the steps to transform the currently used manual system into an online system. The procurement process is over. The system development is in the final stage. Before end of this year , it will be lounged.
- Strong legal provision has been added to ensure the efficient industry registration process in the amendment of Industry Promotion Act No 46 1990

Progress Report - 2023

Information on Industry Registration – 2023

Month	No. of received applications	No. of issued certificates
Jan	13	17
Feb	15	18
Mar	48	16
April	23	24
May	35	21
June	50	38
July	33	27
Aug	43	17
Sep	24	40
Total	284	218

Source: Industrial Registration Division

- From 01st January 2023 to September 2023, this Ministry has received 284 applications and among them, 218 industrial undertakings have been registered under this Ministry under aforesaid **09 sectors**.

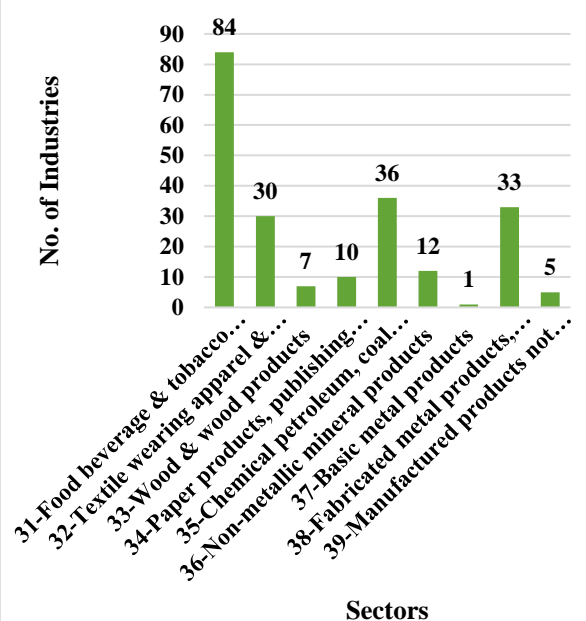
Information on industry registration under various industry sectors - 2023

Sector	No. of Industries
31-Food beverage & tobacco products	84
32-Textile wearing apparel & leather products	30
33-Wood & wood products	07
34-Paper products, publishing and printing	10
35-Chemical petroleum, coal rubber and plastic products	36
36-Non-metallic mineral products	12
37-Basic metal products	01
38-Fabricated metal products, machinery and transport equipment	33
39-Manufactured products not elsewhere specified	05
Total	218

Source: Industrial Registration Division

The number of registered industries **highlights an upward trend** until September 2023. Furthermore, it shows **higher industry registrations in 2023 compared to the year of 2022**.

Industrial Registration by industry sectors from January to September 2023



Source: Industrial Registration Division

6.3 Future Plans 2024

- Establish an Online Registration System in order to enhance the overall performances with in the Ministry.
- Promote industry registration through Divisional Sctratarial and Social Media Platform.

07

Project Management Unit (PMU)

7.1 Introduction

The Project Management Unit (PMU) which comes under the Ministry of Industry and Commerce, implementing two loan schemes namely Small and Micro Industries Leader and Entrepreneur Promotion Project III-Revolving Fund (SMILE III Revolving Fund) and 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 & improve quality of their products. The loan scheme will also provide for 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 Ministry of Finance and Planning with the following objectives.

- To assist Small and Micro scale Enterprises (SMEs) financially either to start or to expand economically or financially viable projects.
- To provide capital to Small and Micro scale Enterprises (SMEs) in developing managerial, accounting and technical skills of SMEs.
- To strengthen the institutional capabilities of intermediary financial institutions.

Progress Report - 2023

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 to law 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 Ministry of Finance and Planning.

7.2 Progress - At the end of September 2023

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

Allocation for the year is Rs. 2600 Mn. During the review period, the PMU has released sum of Rs.

1753 million for the sub projects of 176 through the 10 PCIs and allocated fully amount.

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

Allocation for the year is 400.00 Mn. During the review period, the PMU has released sum of Rs. 155 million for the sub projects of 07 through the 11 PCIs and expects to disburse fully amount during the year.

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. 3700 Mn. for the year 2024 and expected to disburse approximately for the sub projects of 250 creating nearly 1300 new employment opportunities.

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

The Project Management Unit has requested Rs. 1500Mn. for the year 2024 and expected to disburse approximately for the sub projects of 110. 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

Public Enterprises Division

8.1 Introduction

Public Enterprises Division of the Ministry endeavors to support all corporations and Statutory Boards coming under the purview of Ministry of Industries to perform as viable and sustainable public enterprises. To achieve these objectives, the division takes measures to enhance the productivity of all assets and maximize their revenue, expand the business activities by introducing appropriate business strategies and business models. In addition, the division coordinates the regulatory activities of these statutory Institutions.

Institutions functioning under the Division

The state owned enterprises which are coming under the purview of Public Enterprises Division are,

1. National Enterprises Development Authority
2. Industrial Development Board
3. Ceylon Ceramic Corporation
4. Industrial Technology Institute

Functions performed by the Division	Restructuring Division
<p>1. Development activities related to State owned Enterprises</p> <p>2. 1000 Young Entrepreneurs Development Program</p> <p>This program is implementing with the aim of creating young entrepreneurs who will conquer the export market by producing standardized goods through the development of the overall capabilities of the local small and medium scale industries, thereby increasing the export income of the local economy.</p> <p>All kind of necessary support will be provided through this program to the Identified young entrepreneurs who are currently operating in Sri Lanka's Small and Medium scale industries, who have the need to expand/improve their businesses, but lack the experience/knowledge/training for that and fail to identify the problems and appropriate solutions in the business to transform into active shareholders in the export market.</p> <p>This program is to be implemented at the district level to cover the whole island, and the pilot project has been started in the Gampaha district which has a high density of small and medium scale industries.</p> <p>Also, this program is implemented with the support of Gampaha District Secretariat, National Enterprise Development Authority, Vidatha Unit, National Productivity Secretariat and other related government institutions, and it is expected to achieve the targeted objectives of the program within 3 years</p>	<p>The Restructuring Division carries out tasks to make the following public enterprises into more profitable institutions with sustainable existence and to provide the necessary support to further increase the efficiency and effectiveness of those institutions.</p> <p>Public Enterprises operating under the Public Enterprises and Restructuring Division</p> <ul style="list-style-type: none"> • Lanka Mineral Sands Limited • National Paper Company Limited • Kahatagaha Graphite Lanka Limited • Lanka Cement Company Limited • Lanka Ashok Leyland Plc • Lanka Leyland Limited <p>Objectives</p> <ul style="list-style-type: none"> • 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 their contribution to Gross Domestic Product
- To provide guidelines for effective management of physical and human resources in state enterprises.

Main Functions

1. Administrative and development activities related to the enterprises under the division

2. 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, the 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.

3. 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.

Progress Report - 2023

- 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.
- 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

Small and Medium Enterprise Development Division

9.1 Introduction

This division is mainly engaged in providing necessary policy support for the advancement of small and medium enterprises in Sri Lanka. For that, development programmes are implemented with the coordination among the institutions such as National Crafts Council, National Design Center which have the expertise in the relevant fields for the betterment of these industries.

During this year, the division has facilitated for providing training opportunities, facilitation of raw materials, creation of market opportunities and providing other infrastructure facilities for small and medium scale industrialists.

9.2 Progress - At the end of September 2023

Legal facilitation for Bamboo timber transportation

It was essential to obtain licenses for the transportation of Bamboo as a raw material for industrialists engaged in Bamboo related industries. With the mediation of this division, the Minister of Wildlife and Forest Resources Conservation has issued Gazette No. 2346/02 dated 21.08.2023 to exempt the requirement of obtaining permits for transportation of "Galbambu" Bamboo species.

Circular No. 17/96 dated 06.12.1996 issued by the Ministry of Agriculture, Land and Forest resources regarding the "Issuance of Transport Permits for Bamboo Timber" has been amended by ministry

circular no 1/2023 of Ministry of Wildlife and Forest Resources Conservation

By adding sub-paragraph 5.6 after sub-paragraph 5.5 of paragraph 5 of Circular No. 17/96 In case of seeking permits for transportation of stumps/pieces obtained from up to 250 felled stems of bamboo trees (as single trees and not bushes), the Divisional Secretary shall obtain a report from the concerned Grama Niladari, Licenses can be issued. Small and medium enterprise development Division coordinated this function with relevant stakeholders.

Further, this division works to promote the Bamboo as a commercial crop beyond usage of raw material for handicrafts productions and a project proposal has been prepared for the cultivation of 1000 acres of Bamboo.

Promotion of Traditional and Rural industries

Establishment of National Raw Material Bank

Continuous supply of sufficient raw materials at reasonable prices to meet the expanding demand for handicraft products is a challenge faced by industrialists. In order to overcome this challenge, Establishment of National Raw Materials Bank has been implemented since 2021 with the active contribution of National Crafts Council and the program will be implemented this year as well.

Under this programme, this division has facilitated the provision of three-phase electricity to the Nannapura raw material processing center of the National Crafts Council.

Preliminary activities for the development of Bulathsinghala and Manampitiya raw material management centers has been initiated.

Local and foreign market promotion program for rural industries

This program aims to expand local and foreign market opportunities for the products of rural and traditional industries. For that, the following programs has been implemented in the year 2023.

❖ Creating Local market opportunities

- “Diyatha Uyana Handicraft product market promotion programme
No of participants - 55
No of market opportunities conducted – 08
- Made in Sri Lanka" trade exhibition
No of market opportunities conducted – 03
- Sales of "Lak Shilpa" branded Handicraft products at Green Super store
- Opening of "Lak Shilpa" Sales outlet at Rajawasa Premises in Narahenpita
- Conducting market promotion programmes on Fridays, Saturdays and Sundays of every week at Rajawasa Premises in Narahenpita
No of participants – 15
- "Crafting Ceylon" export oriented product promotion programme
Out of the designs submitted by 1553 artisans under the "Crafting Ceylon" Export Oriented Product Promotion Program, 546 winning products were selected and marketed for them on 23rd and 24th March 2023 at the Bandaranaike Memorial International Conference Hall premises. Certificates were awarded to 100 selected winners and workshops were conducted

to impart knowledge to the selected artisans on business ordering, market linkage (B to B meeting), packaging and e-commerce etc.

- Furthermore, 54 winning artisans participated in the "Women Plus Bazaar" market exhibition organized by the Egyptian Embassy.

- Participating to YMCA Handicraft Market held for the Kandy Esala Perahera.

No of participants – 15

- Conducting a Marketing Research and development project and Preparing Digital marketing training videos in collaboration with University of Sri Jayawardenepura

❖ Creating Foreign Market opportunities

- Participation in "Suraj Kund Handicraft Mela" from 2nd to 18th February 2023 in India

Number of participants – 10

- Participation in "Chennai Vizha - 2023" organized by Department of Tourism, Government of Tamil Nadu from 29th April to 14th May 2023.

Number of participants – 08

- Participation in "16th China Woodcarving and Bamboo Weaving Art and Crafts Expo" from 28th June to 03rd July 2023 in China

Number of participants – 02

Timber related Design Center

This programme is proposed to establish a center to carry out modern technology, new designs, and research and innovation process for Timber related products.

For this, the Katubedda Mechanical Carpentry Center and its existing machinery will be utilized effectively, and its basic repairs and work plan are in progress.

Accordingly, this project is being implemented to achieve the main objectives of creating standardized craftsmen for the Local Timber industry sector, providing essential services to the sector, and Creating trained workers with National Vocational Qualifications.

1. Follow-up the progress of Integrated Development Program of Rural and Traditional Industrial Villages

A follow-up program on handicraft villages and industrialists developed under this program implemented from year 2021 was implemented with the support of Sri Jayawardenepura University and the National Craft Council. For that, 1459 beneficiary industrialists participated, and a report is being preparing containing the facts and data obtained from this survey.

A special observation visits with a Korean delegation to start a technical school to introduce modern technology to local handicraftsmen



Promotion of Batik and Handloom textile manufacturing industries

- Under implementation of batik production promotion program, the Conversion of existing and new batik training centers into production centers is conducted. For that, 15 centers have already been selected and project proposals have obtained for development of 6 centers.
- 1046 beneficiaries have identified from 132 Divisional Secretariats for the implementation of new design and product diversification training programs for batik manufacturers.
- Preparation of syllabus for the training has been completed in collaboration with National Design Centre, National Crafts Council, Sri Lanka Institute of Textiles and Apparel, University of Visual and Performing Arts and Gampaha Suraksha Institute.
- Conducting new design and product diversification training programs for Handloom textile manufacturers.

The syllabus for the training program has been obtained from Department of Textiles. Identified beneficiary lists have obtained from 07 provinces and the reviewing process has been completed in 03 provinces.

Inaugurating a batik training course at the Battaramulla National Craft Council head office premises and opening a new building for it



Awarding of NVQ – III certificates to the trainees who completed the batik training course



- Provision of Weaving machines and other equipment for Common facility centers and beneficiaries in North, South and Central Provinces
 - Southern Province - 60 inches loom machines provided for 17 beneficiaries
 - Central Province - An Electric winding machine has provided for a Common facility center
 - Northern Province - 02 sets of wrapping machines, 02 sets of winding machines and 20 sets of loom machines have been provided for 02 common facility centers.
- Implementation of Research and development programs
 - Research activities have initiated in collaboration with National Design Center (NDC), University of Moratuwa, SLINTEC Institute and private sector to identify natural dyes and natural dye production processes for batik and handloom textile products and the concept paper is being prepared by SLINTEC Institute.
 - Preliminary work has been started to conduct research on the production of natural yarn and to cultivate Cotton and Remy plants as pilot projects.

9.3 Future Plans 2024

It will be planned to continuously implemented in 2024 the development program which was implemented by this division as the cabinet had approved when this division was acted as the State Ministry of Rattan, Brass, Pottery, furniture and Rural Industrial Promotion.

Traditional and Rural Industrial Promotion Programme

- Program for cultivation of raw materials for rural industries
It is planned to cultivate 352.5 acres of raw material plants for traditional handicrafts.
- Establishment of National Raw Material Bank
Modernization of 02 Raw Material Management Centers for facilitation of continuous supply of raw materials to industrialists at reasonable prices
- Integrated Development of Rural and Traditional Industrial Villages
- Local and foreign market promotion program for rural industries

Market promotion opportunities were created for the increase of sales of small and medium entrepreneur's and traditional Handicrafts productions at regional level, provincial level and national level as well as internationally.

By this It was expected to create market opportunities, facilitate for the supply chain management and expand the market linkages.

Further, a National level trade exhibition and an award ceremony will be planned to encourage industrialists under an integrated approach.

- Establishment of Timber design and process innovation center

Promotion of bathik, handloom and textile industries

Priority has been given to improving the batik and handloom textile industry in the year 2024.

Following actions will be taken for the industrialist who engaged in batik and handicraft industry;

- Provision of waste water management systems
- Providing new fashion design and product diversification training programs.
- Conversion of training centers into production centers for the facilitation of production activities of majority of producers
- Research and development programs are being planned to implement jointly with universities and research institutes for the promotion of batik and handloom products.

10

Primary Industries Division

10.1 Introduction

Our country owns We are taking the lead for the sustainable development of the gem and jewelry industry by following methods to increase the value by incorporating the private sector and also by promoting the jewelry industry as well as by combining the gem resource and the environment with maximum protection and modern technology.

It has been arranged to provide all the necessary facilities including tax concessions and technical assistance for the industrialists engaged in the gem

and jewelry industry, which contributes to nearly 3% of Sri Lanka's total export value, and through this the aim is to earn a high amount of foreign exchange.

It is our ultimate determination to make our country the world's number one gem buyer's destination by joining hands with the tourism industry, as well as creating an industry that produces jewelry with modern technology, quality and fine finish that meets local and foreign demand

10.2 Progress - At the end of September 2023

• Gems and Jewellery Economic contribution of the industry

As of September, 2023, the value of exports of gems, jewelry and diamond products was US\$ 361.28 million, compared to US\$ 294.92 million as of September, 2022 . A growth of about 22%.

Export Value – as at September 2023		
Export production	Export value (USD million)	%
gems	149.26	41%
jewellery	9.55	3%
Diamonds	202.47	56%
total amount	361.28	100%

Source: Primary Industries Division

The opening of a gem export office in Beruwala area



• Exploration and evaluation of new gem deposits in Sri Lanka

It is estimated that more than two-thirds of Sri Lanka's land area, i.e. 70%, has gem deposits . Only 20% of these resources have been explored so far .

Under this situation, exploration of new gem deposits has been identified as a priority task, and Gems and Jewellery Research and Practice Institute is working to explore new gem deposits using new technology.

In the year 2023 under this projectIngiriya, Dehimbvita, Ayagama and Pelmadulla Divisional Secretariat Divisions, preliminary gem potential mapping activities are being carried out.

As there is a high potential of efficient use of Sri Lanka's gem resource to find solutions under the economic crisis that Sri Lanka is facing, to note the impact of the economic crisis on the future measures that can be taken to usefully bring the gem resource spread over the island that has not yet been utilized to the market. The attention of the Parliamentary Sectoral Oversight Committee has been focused on the possibility of harvesting the gem resources in the lakes that have dried up due to the current dry weather conditions in the country, following environmentally friendly and safe methods, under scientific methods. Under its first phase, district level committees have been appointed to prepare a system for harvesting gem resources in the area around Samanala Lake Reservoir located in Imbulpe Divisional Secretariat Division of Ratnapura District and Maussa Forest and Castlerees Reservoir in Ambagamuwa Divisional Secretariat Division of Nuwara Eliya District exists.

• Enhancing professional competence in the field of gems and jewellery

- The target number of students for the year 2023 is 1130 Meanwhile, 1126 students have been enrolled by September, 2023. The number of students who completed the course so far is 313 and the remaining students are still studying the course.
- About 15 different training courses in the field of gems and jewellery are being held at 14 training centers across the island and efforts are

being made to provide the skilled labor needed by the industry.

- A provision of 50.0 million rupees has been allocated for the establishment of a training unit for the purpose of popularizing the above small size gem cutting technology in Sri Lanka. Necessary work is being done to install this training unit at Ratnapura Training Center of Gems and Jewellery Research and Training Institute.

- **To discuss the problems faced by gem and jewellery industries and take steps to provide solutions.**

Steps have been taken to regularly discuss with the gems and jewellery industries to find solutions to the problems they are facing and their suggestions.

The discussion held to resolve some of the problems that have affected gem businessmen in Laggala area



- **To carry out necessary activities to amend the National Gems and Jewellery Authority Act.**

Amended bills have been prepared by incorporating the opinions and suggestions of the relevant stakeholders and it has been forwarded to the Cabinet for approval, and further work is being done.

- **Investigation of public complaints related to gems and jewellery industry.**

- Answers have been provided for 16 of the 35 complaints received in the year 2023 related to the gem and jewellery industry and the remaining complaints are being investigated.
- So far in the year 2023, 14 appeals have been received regarding gem mining, and they are being examined and the necessary work is being done.
- With the aim of uplifting the gems and jewellery industry, the program of merging the National Gems and Jewellery Authority and the Gems and Jewellery Research and Training Institute is underway, and the joint report and the sectoral strategy paper are being prepared for the same. In October 2023, it will be sent to the Cabinet for approval.
- A mechanism has been prepared for the purpose of controlling the unauthorized trading of gems by foreigners, and it has been directed to obtain the agreement of the Immigration Department and the Central Bank in this regard.
- Arrangements were made for the necessary coordination and facilities to hold an international gem and jewellery trade fair in Sri Lanka in January 2023, and steps have been taken to direct Sri Lankan businessmen to trade fairs and conference halls held in foreign countries .
- Discussions are underway to seek the support of the Thai Gems and Jewellery Trade Organization to uplift the gems and jewellery industry in Sri Lanka.

10.3 Future Plans 2024

- Gems and jewelry export revenue in the year 2024 will be USD. Setting the stage for scaling up to a billion.
- Making the necessary coordination for holding an international gem and jewelry exhibition in Sri Lanka.
- Implementation of the Joint Project for the Exploration and Appraisal of New Gem Deposits in Sri Lanka.
- Shri Sri Lanka Regional gems A center into Paper doing For in Sri Lanka found not gems Types? with gems the reserve high to raise Affairs doing_
- gems Thermalization , value higher Doing and Laboratories facilities associated with research Setting up the background for doing
- Creating the necessary environment for the creation of entrepreneurs in the field of gems and jewellery.
- Developing professional training courses in line with the trends in the gems and jewelry industry and working to increase the number of trainees recruited and working to establish new training centers as needed.
- Establishing a formal coordination mechanism with private and public institutions engaged in the field of gems and jewellery.
- Amending the ordinances and gazettes of the institutions operating under the Ministry as per the need of the time.
- Identifying new markets for gem export and entering into agreements with those markets.
- Making appropriate amendments to regulate and develop the industry.

11

Planning Division

11.1 Introduction

- The key role of the planning division is to assist in the identification of effective projects by providing guidance for planning, progress review and monitoring of development projects that are conducive to the advancement of the industry.
- Prepare the action plan as per annual approved budget allocations and review the progress of the development programs implemented accordingly, prepare relevant progress reports and conduct progress review meetings and carry out all coordination activities related to the progress of the government departments, corporations and government enterprises under the ministry

11.2 Progress - At the end of September 2023

- Annual Action Plan was prepared for the year 2023.
- Prepared Progress Review/Monitoring Plan 2023.
- Preparation of the capital budget of the Ministry 2024 (including of project appraisal below Rs.10 Mn).
- Making necessary arrangements for the Strategic Implementation Road Map 2023-2027 (preparation of guidelines, formats, etc.).

- Under the guidance of the Presidential Secretariat, Preparation of Performance Indicators (KPI) for all departments and institutions under the Ministry and a quarterly follow-up process is also implemented by signing performance agreements with the chairmen of the institutions.
- The Steering Committee for Sustainable Development Goal (SDG) No. 9 has been implemented with the participation of more than 21 institutions and the strategic plan and action plan for SDG – 9 are being prepared under the guidance of the Ministry of Industries and is planned to be completed soon.
- Conducting Progress Review Meetings - progress review meetings scheduled for Development Divisions, Corporations, Departments and State Enterprises have been conducted as planned.
- As a solution to the problem of lack of data needed to make decisions in the industry sector, the Ministry took steps in 2022, to prepare and publish the Statistical Data Manual annually. Accordingly, the 2022 data manual was published in early 2023. The data collection for the manual is based on the 20 sub-sectors as per the industry classification of the Ministry. The data identified by the Department of Census and Statistics, Sri Lanka Customs and Central Bank are compared with the data of several years. The data manual for 2023 is currently being prepared and expected to be published soon.
- Performance review analysis reports of public enterprises are published on the website of the Ministry of Industries.
- 2022 Annual Performance Report was submitted to Parliament on 06.06.2023.
- All activities to submit the progress report for the year 2023 to the Parliament have been completed. (For Budget Committee Stage Debate)
- Conducted knowledge-sharing programs.
- Arrangements have been made to submit progress reports and other reports on the development activities of the Ministry to various institutions on a monthly, quarterly and special occasions basis.

11.3 Future Plans 2024

- Preparation of the Ministry's annual action plan in line with the Strategic Implementation Road Map 2023-2027.
- Implementation of progress review/monitoring plan regularly and efficiently.

12

Administration Division

12.1 Introduction

The Administration Division, which operates as one of the main divisions of the Ministry, prepares the year's action plan for the Administration Division at the beginning of each year according to the goals and objectives prepared in accordance with the overall goals and objectives of the Ministry.

Accordingly, during this year, the Administration department identified some specific areas that should be given priority. Accordingly, the tasks performed are as follows.

1) Empowering staff by trainings and conducting legal proceedings and providing legal advice to ministry and institutions.

2) Enhance the efficiency of transport management and providing physical infrastructure facilities and by well maintenance of the building and machineries.

3) Organize programs for the staff to improve their emotional and spiritual wellbeing.

4) Establish a mechanism for daily mail delivering.

5) Workplace education programs on recycling and develop modern, energy saving physical infrastructure.

- 6) Reducing the ministry's recurrent expenditure
- 7) Improving the efficiency of the process and human capital.

12.2 Progress - At the end of September 2023

As the Administration division one of our key tasks is to identifying training needs of the employees and make opportunities to get training and development. . In this year we could be able to organize several local training programmes covering all the staff of the ministry.

Apart from that after the Covid pandemic and crisis situation, there are lots of foreign training opportunities are receiving. We facilitated the officers those who are nominated for the foreign trainings.

We targeted to enhance the efficiency of transport management and maintenance of the building and machineries. As a division these two areas are very much interrelated with the other divisions of the ministry. We identified the questionable points of transport and maintenance and introduced a transport and maintenance management system.

12.3 Future Plans 2024

To enhance the overall performance of the Ministry by the tasks and plans carried out as a division of the Ministry.

13

Finance and Procurement Division

13.1 Introduction

Provide the necessary financial support related to the achievement of the ministry's mission of “Encourage diversified, high value-added, innovative industrial products, use of eco-friendly sustainable methods, high market access opportunities and industrial development that benefit through the creation of a conducive environment based on technology, knowledge and innovative thinking” with the Ministry of Finance and other institutions. The organizational structure and main functions of the finance division are as follows

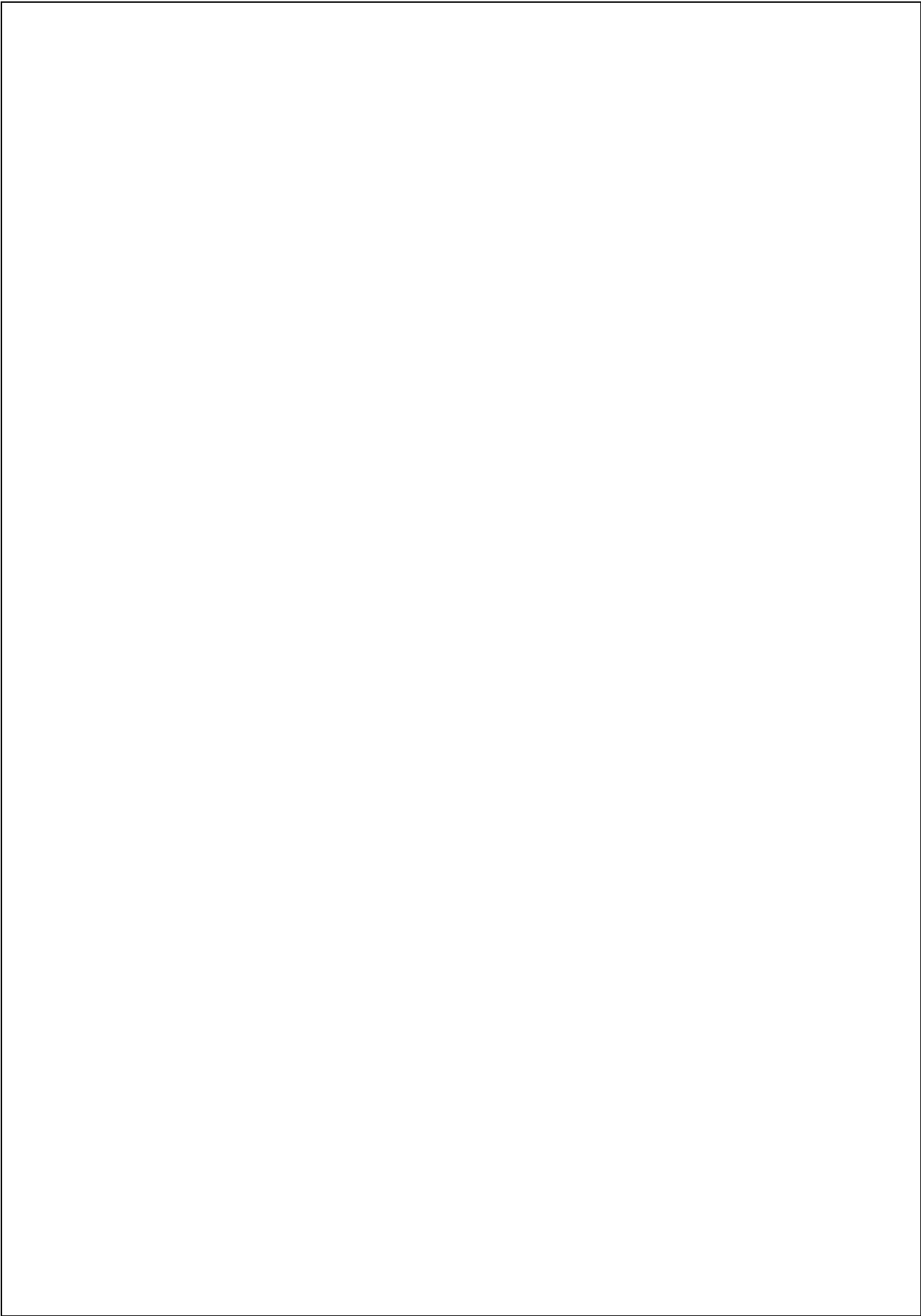
13.2 Progress - At the end of September 2023

1. Entering all recurring and capital vouchers received by the Ministry into the ITMIS computer system and making arrangements to receive funds from the Department of Treasury Operations and making payments for those vouchers according to the Financial Regulations, Establishment Code and circulars.
2. Payment of salaries and allowances of the officials of the Ministry through the GPS computer system and provide disaster loans, special advances and festival advances to the officials under the advance B account of the government officials.

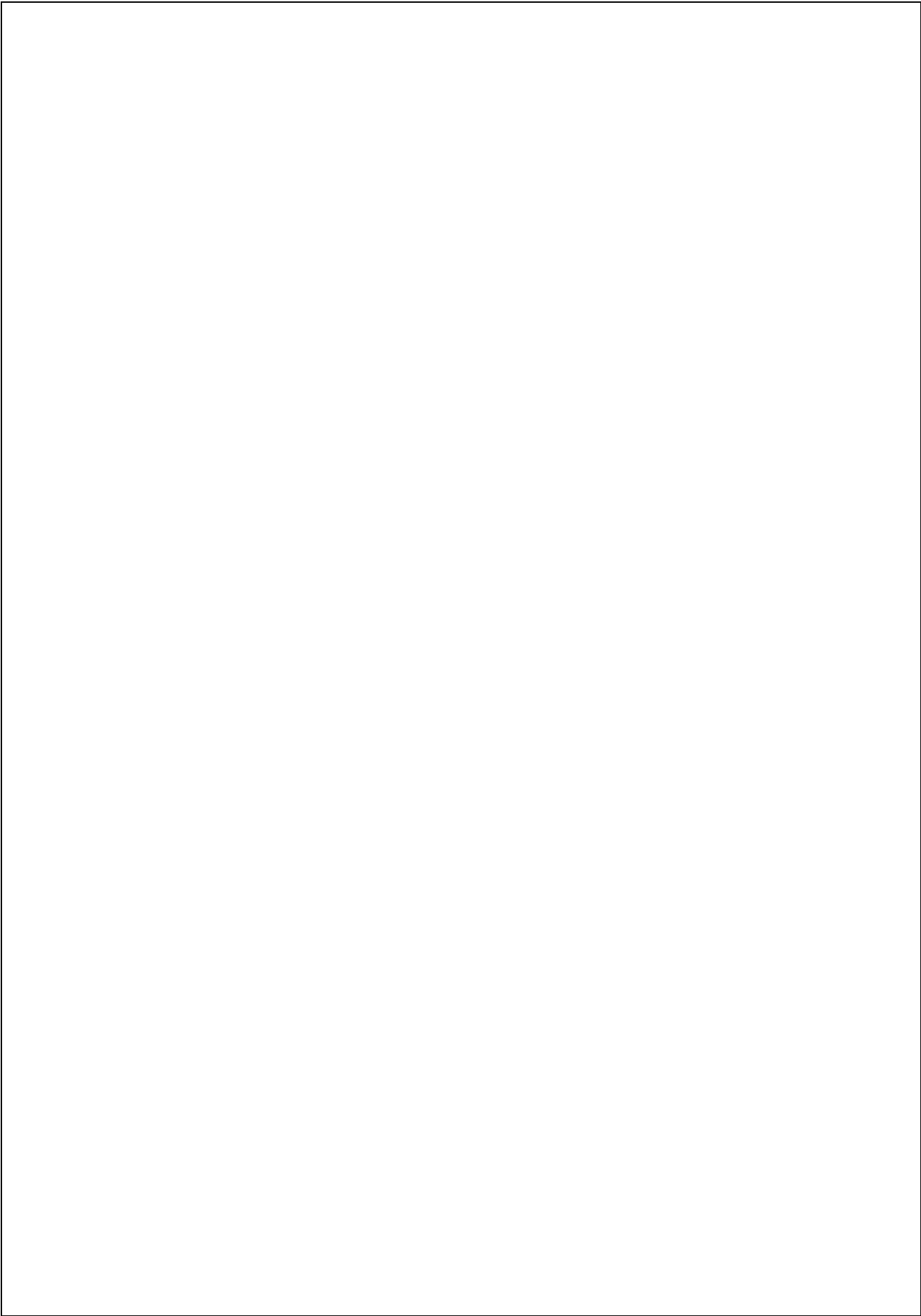
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| <p>3. Preparation of annual delegation of financial control powers according to F.R.135.</p> <p>4. Enter all audit inquiries and reports received by the Ministry in the Audit Inquiry Register and report the relevant information to the Auditor General and Parliament.</p> <p>5. Preparation of annual budget related to all recurrent expenditure and rehabilitation and improvement of capital assets and purchase of assets of the Ministry.</p> <p>6. To carry out all financial control activities of Regional Industrial Service Centres.</p> <p>7. Update daily receipts and payments in the CIGAS computer system and submit all annual financial statements including monthly account summary to the Treasury and Auditor General.</p> <p>8. Updating and maintaining fixed asset register through the CIGAS computer system.</p> <p>9. Preparation of annual financial statements of the Ministry.</p> <p>10. Conducting annual board of survey and sending related reports to the Auditor General.</p> <p>11. To perform the following functions related to procurement</p> | <ul style="list-style-type: none"> • Conducting procurement under the market price comparison method through the E-Promise system. • Carrying out activities related to the purchase of all office stationery and office equipment required by the Ministry. • Monitoring of departmental procurement activities. • Properly prepare and send the necessary reports to the National Procurement Commission • Preparation of procurement plan and action plan for the Ministry • Supervision of procurement activities of Regional Industrial Service Centers |
|--|--|

13.3 Future Plans 2024

- Saving 6% of the allocations set aside for recurrent expenditure in the budget in relation to government expenditure control as per Budget Circular 01/2023.
- Crediting Rs.26 million to government revenue by taking action to dispose of vehicles that cannot be used again after repair in 2022
- Providing necessary support to prepare a new tender procedure for Lanka Mineral Sand Limited.



Department, Statutory Institutions and Public Corporations



14

Department of Textile Industry (DTI)

14.1 Introduction

The Department of Textile Industry has been assigned to formulate policy decisions and implement necessary actions and the coordination towards the Development of the Handloom Textile Industry sector in Sri Lanka inclusive of generating human resources with required knowledge and skill in the sector.

The Department of Textile Industry strives to accomplish the aforementioned objectives by implementing the following activities through Textile Industry Training Institutions and Design Schools operating under the Department.

01. Formulating policies in relation to the Development of the Handloom Textile Industry.
02. Training of required human resources towards the Development of the Handloom Textile Industry sector.
 - Instructors and Staff
 - Labours
03. Organizing programs aimed at Product Development.
 - Value added
 - Product Diversification
04. Sales Promotion (Organizing Domestic and International Sales Activities).

05. Organizing Programs and providing appropriate Projects, opportunities for Self-Employments and Support Services with the intention of expanding the Handloom Textile Industry.

- Entrepreneurial Development Programs
- Designing Programs
- Trainers Training Programs
- Training Programs related to subjects in Textile Industry
- Entrepreneurial Development Programs for students in Textile Schools

06. Conducting Exhibitions aimed at quality enhancement and new trends in Handloom Textile Industry Sector.

07. Conducting National Handloom Textile Industry Competition.

08. Necessary Researches and Enhancements towards the Development of Handloom Textile Industry.

09. Conservations related to the Sector.

The following institutions are being operated under this Department to accomplish the aforementioned objectives.

1. Institute of Researches, Training, Designs and Services, Katubedda
2. Textile Industry Museum, Katubedda
3. Textile Industry Training Schools - 14
4. Design Training Schools -02
5. Handloom Textile Industry Project Institutes -03

All the administrative functions are functioned in the main office of the Department of Textile Industry and it is consisted of three divisions as Administrative Division, Accounts Division and Trainings and Development Division.

14.2 Progress - At the end of September 2023

1. 112 students are currently following the full time courses in Textile Industry Training Institutions for the academic year 2023/2024.
2. Out of 150 students who followed the courses in academic year 2022/2023, 98 students have already been engaging in this sector.
3. 15 Handloom Textile Industry Design Workshops have been conducted under In Service Training Courses and 283 Trainees have received the Training.
4. 77 beneficiaries are being trained through 10 Handloom Textile Industry Self- Employment Projects and these Projects are implemented in Divisional Secretariat Divisions of Alawwa, Mahawa, Mahara, Polpithigama, Pathahewaheta, Minipe, Kiriella.
5. One project is implemented for 11 Entrepreneurs in Institute of Researches, Designs, Trainings and Services in Katubedda. A Training Workshop was conducted with the resource contribution of the Chairman including the Staff of the National Enterprise Development Authority on 18-09-2023 with the view of enhancing the entrepreneurial knowledge of said Entrepreneurs.

6. Judgements of the Provincial Handloom Textile Competitions concurrent with National Handloom Textile Industry Exhibition have been started and judgements of Eastern Province Competition were made on 13-09-2023. The judgements of other Provincial Competitions and Final Judgement of National Level Handloom Textile Competition are to be made before 27th of October 2023. Accordingly, National Handloom Textile Industry Exhibition, Trade Fair and National Level Awards Ceremony are scheduled to be held on 01st, 02nd and 03rd days of December 2023.

7. 2 programs of awarding certifications through RPL (Recognition of Prior Learning) for the National Vocational Qualification (NVQ) levels have been conducted for Textile Industry Instructors in Sabaragamuwa Province and Uva Province. 40 beneficiaries have been received the RPL qualification.

8. A Winding Machine has been modified. As a solution for the current shortage of cotton yarns, 08 innovations have been made using the yarns mixed with cotton and polyester. This is to be introduced to industrialists in the future.

9. Repairs at Textile Industry Training Institute in Watapuluwa have been completed whilst the repairs at Textile Industry Training Institute in Gatambe have been commenced.

Financial Progress

Out of the amount of Rs. 441,000,000 allocations made through the budget to incur the Recurrent Expenditure for the year 2023,

Rs. 153,530,000 has been utilized as at September 2023 of which highlights 37.35% as a percentage of the expenditure. In addition, out of the amount of Rs. 59,000,000 allocated for Capital Expenditure, Rs. 4,070,000 has been utilized as at September 2023 of which highlights 6.9% as a percentage of the expenditure.

14.3 Future Plans 2024

(01) Activities towards the Enhancement of Textile Industry

1. Initiating 05 Handloom Textile Industry Self-Employment Projects.
2. Generating 100 weavers engaging actively in Textile Industry through above projects.
3. Uplifting 25 industrialists who are currently engaging in the sector.
4. Generating 15 entrepreneurs for the handloom textile sector.

(02) Activities for Training and Capacity Building in Handloom Sector

1. Generating 150 weavers engaging actively in Textile Industry through department's Training institutes.
2. Introducing new courses in 14 Textile Industry Training Institutions.
3. Introducing Weekend Speed Courses.
4. Upgrading Textile Industry Training Institutions to NVQ level 4.
5. Conducting Trainers Training Programs.
6. Providing NVQ qualification through RPL.

(03) In Service Trainings

1. Training of 500 Weavers through conducting 25 Special Handloom Design Courses.
2. Conducting Attitude Development and Personality Development Programs for students in Textile Schools and Design Institutions.
3. Introducing Product Diversification Courses.
4. Conducting necessary Short Term Training Courses, Seminars, and Workshops for Manufacturers and Officials engaging in Textile Industry in Provincial, State, Corporative and Private sectors.

(04) Textile Industry Promotional Activities

1. Conducting the National Exhibition and Awards Ceremony in year 2024 with a view to encourage, to appreciate and to harness the skills of those who engaging in handloom textile industry sector in order that their contribution to the sector could help manufacturing quality textiles aimed at the domestic and international markets underpinning the improvement of the qualitative aspect of the Handloom Textile Industry.
2. Conducting 2 Handloom Textile Industry Trade Fairs.
3. Introducing 20 new Designs to the Sector.
4. Facilitating the sales through organizing Trade Fairs for 80 Industrialists in Handloom Textile Industry.

(05) Research & development Program

1. Improving the Handloom Industrial Equipment and Tools.
2. Implementing Programs to introduce Handloom Textile products using natural dyes aiming at the International Market.

(06) Development of Textile Industry

Buildings

The identified repairs in Regional Schools buildings affiliated to Department of Textile Industry are as follows.

1. Repairs at Textile Industry Training Institutions in Kirama, Samanthure and Boyagane.
2. Repairs at Institute of Researches, Training, Designs and Services in Katubedda.

15

Department of Registrar of Companies (ROC)

15.1 Introduction

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

Objectives

Implementation, regulation and operation of main functions assigned by the following acts, and ordinances.

- The Companies Act No. 7 of 2007
- The Societies Ordinance - Chapter 123
- The Cheetu Ordinance No. 61 of 1935
- The Public Contracts Act No. 3 of 1987

Main functions

- Incorporation of private companies, public companies, companies limited by guarantee, unlimited companies, and listed companies.
- Registration of foreign companies and offshore companies, societies, public contracts, mortgages, negative papers, auditors and company secretaries.
- Registration of relevant documents to update information of companies and societies as per Companies Act and Societies Ordinance.
- Liquidation and dissolution of companies
- Updating all information related to companies/associations

Progress Report - 2023

- Issuing copies of certificates, providing information to the public.
- Document verification.
- Collection and comparison of fees.
- Providing necessary information, certified copies and providing necessary support to government and non-government organizations.

area under the Colombo Port City Economic Commission Act.

- being able to conduct training sessions to train staff within the stipulated timeframes in terms of the Performance Agreement entered into between Ministry of Industries and the Department Registrar of Companies.

Special Achievements

- Won the both "Winner of the Best Managed Government Project" and "Overall Best Managed Government Project with National Significance" awards at the 6th National Project Management Excellence Award Ceremony organized by the Project Management Institute in the year 2023.
- Being able to gazette the Company (relating to Secretaries) Regulations No. 01 of 2023 by introducing set of new Regulations pertaining to the Company Secretaries.
- Implementation of a new Module pertaining to the registration of Company Secretaries in the E-Roc System by changing the previous Module in order to facilitate the new Company Secretaries to register under the New Companies Act, in parallel with aforesaid development of the law.
- Launching a special Module through the E-Roc System to encourage offshore company investors who initiate business in the Port City

15.2 Progress - At the end of September 2023

Financial Progress

Fund Account

	From 01.01.2023 to 30.09.2023
Total Revenue(Rs.)	736,848,257.43
Total Cost (Rs.)	125,725,785.03
Surplus (Rs.)	611,122,472.40

Source: Department of the Registrar of Companies

Consolidated Fund

	From 01.01.2023 to 30.09.2023
Total Revenue(Rs.)	163,651,112.05
Total Cost(Rs.)	57,675,326.97
Surplus (Rs.)	105,975,785.08

Source: Department of the Registrar of Companies

Incorporation of New Companies

	From 01.01.2023 to September 2023
Number of application submitted for approval of names	21,267
Approved number	20,814
Number of Rejected applications	60

Source: Department of the Registrar of Companies

Number of dissolved and cancelled companies

Description	From 01.01.2023 to September 2023
Volunteer liquidation by members	19
Volunteer liquidation by members	4
liquidation by court orders	3
Striking off name under the 394 of the Act	288
Striking off name due to amalgamation	1
Striking off names of foreign companies	15
Total	330

Source: Department of the Registrar of Companies

20 Number of Societies registered from 01.01.2023 to September 2023

Public Contract Registration

	Quantity	Revenue (Rs.)
From 01.01.2023 to September 2023	15,713	34,830,000

Source: Department of the Registrar of Companies

15.3 Future Plans 2024

- Introducing Electronic Signature
- Simplification of the process of incorporation of a company
- Name Approval Simplification
- Registration of offshore companies with investors coming to the Port City Development Commission
- Introduction of the process of verifying the National Identity Card
- Increasing the approved Cadre of the department and filling the existing vacancies
- Providing an attractive service to end investors and generate high trade volume thereby strengthening the economy of the country.

16

Industrial Development Board of Ceylon (IDB)

16.1 Introduction

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

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.
- Services on entrepreneurship development and supporting to build strategies for potential and promising business ventures.
- Dissemination of industrial information to industrialists, clients and IDB staff...etc.
- Providing recommendations for export of metal waste from local production.
- Providing raw materials and compounds with the knowledge required for product development for local industries.
- 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.

16.2 Progress - At the end of September 2023

Annual Footwear & Leather Fair

The Thirteenth Edition of the Footwear & Leather Fair was held with the objective of bringing recognition to the leather industry locally and internationally. The Industrial Development Board and Export Development Board, in association with the Ministry of Industries and other stakeholders, joined together to organize the Footwear and Leather Fair annually, which has

now become an annual event in the Sri Lankan Trade Fair calendar.

Leather related Industries



“Industry 2023” National Industry Exhibition

This event was organized in collaboration with the Ministry of Industries, the Industrial Development Board, the rest of the government institutions operating under the ministry, and private sector organizations. The main objective of "Industry 2023" was to strengthen local industries to create an export-centered economy. This massive exhibition included 750 exhibition booths, representing 20 production sectors and connecting micro, small, medium, and large-scale industries located all over the country.

National Industry Exhibition



“School Industry Entrepreneurship Circle” program

The program was initiated with the coordination of the Ministry of Education and the Ministry of Industries, together with IDB, to promote entrepreneurship at the school level. The primary objective of this implementation is to construct an entrepreneurial culture in order to build a self-reliant individual who can face challenges.

“School Industry Entrepreneurship Circle”



National Food and Beverage Conference –2023

The Ministry of Industries, together with IDB and UNIDO, organized the National Food and Beverage Conference (2023) with the aim of providing the guidance needed for industries to successfully enter the food and beverage-related world market. This was held under the patronage of Dr. Ramesh Pathirana, Minister of Industries and Plantation Industries. During the discussion, it was further illustrated regarding the export potential of Sri Lanka’s vegetables and fruits and the improvement of exports in this sector by identifying the needs of the world.

National Food and Beverage Conference –2023



Regional Industry Exhibition

Considering the importance of industrial growth in Sri Lanka, the Ministry of Industries and Industrial Development Board conducted the first regional edition exhibition on 1,2 & 3 of September at Jaffna. This had the participation of various industry sectors while covering a wider product and service portfolio during the three days of its exposition. The event was graced by Hon. (Dr.) Ramesh Pathirana, Minister of Plantation Industries and Minister of Industries.

Industry 2023 – Jaffna Edition



Progress Report - 2023

Physical Progress

Activity	Progress as at 30 th Sep. 2023
Assistance to create new industries (No. of Industries)	73
Assistance to develop existing industries (No. of Industries)	205
Technology Training Programmes conducted	646
Entrepreneurship Development Programmes conducted	312
Provision of Metal Scraps for metal-based industries as raw materials (MT)	547
Provision of rubber compounds for Rubber Products Manufacturing industries (Kg)	24,323
Issuing food testing reports by the Food Laboratory	524
Providing marketing facilities through Lakkam Sales Centre	336
Providing Engineering Services (Internal and External)	697
No. of developed plots allocated at IDB Industrial Estates for investors	583

Source: IDB Progress Report – 2023

Activities of Industrial Estates	Progress as at 30 th Sep. 2023
No. of Industrial Estates	16
No. of Industries engaged in commercial production	279
No. of Industrial Sectors	20
Employment Opportunities generated	8595

Source: IDB Progress Report – 2023

Services

Description	Progress as at 30 th Sep. 2023
Disseminate information, advices and consultancy	270
Engineering assistance (External)	545
Marketing facilitation	724
Coordination for Financial Assistance	182
Technological assistance	1,613
Total	3,334

Source: IDB Progress Report – 2023

Training Programmes

Description	Progress as at 30 th Sep. 2023	
	No. of Programmes	Beneficiaries
Technology Training Programmes	646	12,820
Entrepreneurship & Management Improvement Programmes	312	13,667
Total	958	26,487

Source: IDB Progress Report – 2023



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Financial Progress

- The total allocation of recurrent and other recurrent expenditures for the year 2023 is Rs. Mn. 517 and Rs. Mn. 94, respectively. Out of the total figures, 60% of recurrent and 80% of other recurrent expenditures have been incurred as of September, 2023.
- The year allocation for the development activities is Rs. Mn. 40, and nearly 90% has been spent by now.

- An amount of Rs. Mn. 60 has been allocated for the purchase of capital assets for the year, and 65% of it has been spent through the capital budget.
- The total allocation for ongoing projects was Rs. Mn. 100, and 30% has been spent on the projects as of September, 2023.

16.3 Future Plans 2024

1) New Projects

- Construction of a National Tooling Centre
- Implementation of an Automobile Research and Development Centre
- Introduce School Industrial Entrepreneurship Circles
- Conduct International Industry Exhibition
- Building an Industrial Park for leather-based industries in Valachchenai

2) Ongoing / Continuation

- Research, development and training facility centre for development of pressure vessel and boilers manufactured in Sri Lanka
- Upgrading and mobilization of main & mini-Industrial Estates
- Establishment of Accredited Food Laboratory

Summary Status Report of IDB Industrial Estates as at 30th September 2023

	Industrial Estates	District	Total Units/ Plots	Investment for infrastructure development (Rs. Mn.)	In Operation Industries	Private Investment (Rs. Mn.)	Annual Turnover (Rs. Mn.)	Emp.
1	Ekala	Gampaha	92	105.37	56	36669.50	25779.00	2759
2	Pallekelle	Kandy	111	99.62	65	13181.60	18750.60	2010
3	Panaluwa	Colombo	29	63.90	22	1154.90	1304.20	499
4	Horana	Kalutara	66	15.65	14	998.51	4295.80	1469
5	Wavulugala	Kalutara	14	19.90	13	261.10	459.00	195
6	Pussella	Ratnapura	29	15.21	11	214.00	126.17	135
7	Galigamuwa	Kegalle	12	13.90	10	132.00	145.50	129
8	Buttala	Monaragala	22	20.00	6	22.50	85.00	78
9	Kotagala	Nuwara Eliya	58	6.90	9	274.70	173.60	120
10	Kaludewala	Matale	45	49.60	14	164.80	420.00	260
11	Mihintale	Anuradhapura	38	5.04	3	3.70	20.00	20
12	Nagampaha	Anuradhapura	44	24.00	0	5.00	4.50	3
13	Pannala - 1st Stage	Kurunegala	34	69.89	18	398.50	609.39	297
	Pannala - 2nd stage		9		1	30.00	28.00	10
14	Lunuwila	Puttlam	18	4.90	12	83.90	175.00	203
15	Punthoddam	Vavuniya	64	30.57	18	53.50	153.50	165
16	Atchchuvelly - 1 st stage	Jaffna	23	192.00	7	417.4	275.00	235
	Atchchuveli - 2nd Stage		25	41.57	1	120	96.00	40
Total			733	778.02	280	54185.61	52900.26	8627

Source: Industrial Development Board

17

National Enterprise Development Authority (NEDA)

17.1 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.

17.2 Progress - At the end of September 2023

1. “Upadhidhari Vyawasayaka 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 2022.

In 2023, entrepreneurship training is already being conveyed to 245 students at the University of Colombo, Kelaniya, Jayawardhanapura, Moratuwa, Ruhuna, Sabaragamuwa & Peradeniya and received 43 Business plans for grant.

Entrepreneurship Training

University	Trained Graduates
University of Colombo	44
University of Kelaniya	31
University of Sri Jayawardenapura	56
University of Peradeniya	32
University of Moratuwa	18
University of Ruhuna	48
University of Sabaragamuwa	16
University of Uva Wellassa	15
University of Rajarata	37
Total	332

Source: National Enterprise Development Authority

Upadhidhari Vyawasayaka Udanaya



2. 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 and 100 Awards for entrepreneurs in 2023. NEDA signed agreement with supportive organizations and scheduled to conduct in Western, Southern, North Central, Sabaragamuwa and Uva provinces.

3. 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 2023, NEDA received 16 cluster Proposals from Regional NEDA staff and 6 proposals are selected to proceed (Fund released for 2 clusters).

Establishing 4 business clusters in Gampaha District (Mini garment & Batik based) under ILO project.

4. '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 1074 sellers and 157 suppliers have been registered up to September 2023.

5. "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 2023, NEDA conducted two fairs Kurunegala & Galle. Arranging Trade fair in Jaffna & Gampaha. In addition to that regional staff conducted 702 regional microlevel trade fairs and stalls are given to micro level entrepreneurs.

6. Promotion of franchised shops under Made in Sri Lanka logo

Made in Sri Lanka franchise shops will be established in leading customer attract places. Those 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 2023, NEDA is planning to establish 1 franchise shop. A suitable partner is being identified for the same.

7. 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 2023.

8. 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.

9. 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 & private 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.

331 Regional Enterprise Forums held.

Solved 603 business issues.

10. 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 2023, NEDA has trained 21313 entrepreneur's and 696 new business created. 735 business expansion and provided other required assistance as well.

11. SME Connect online platform

"SMEconnect.lk" platform is funded through the Asian Development Bank (ADB) 'Small and Medium-Sized Enterprise Line of Credit' project. The National Enterprise Development Authority has to take the responsibility of primary ownership of the platform and the management under the close supervision of the Ministry of Industries.

Objective of the platform is to provide access relevant and up-to-date information and resources in support of entrepreneurs and entrepreneurship development, with a special focus on women entrepreneurs across the country. The smeconnect.lk platform primarily address the following requirements of Women entrepreneurs,

1. Knowledge sharing (Learning)
2. 2. Mentoring
3. 3. Networking Opportunities

945 user registration, 90 mentees registered, 27 mentoring sessions and 13 success stories entered.

17.3 Future Plans 2024

- Youth entrepreneurship skill Development training program with Vocational training institutes
- Entrepreneurship for government officers
- Capacity development certificate courses for entrepreneurs
- Establishment of one stop shop service centers.
- Entrepreneurship & technology transfer program for light engineering and construction center (carpenter & masons)
- Improving the livelihood status of the three-wheel owners by making them as entrepreneurs.
- School entrepreneurship education program.

18

Kahatagaha Graphite Lanka Limited (KGLL)

18.1 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**.

The 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

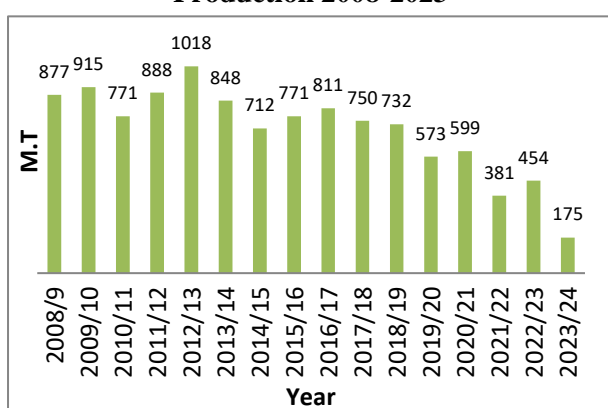
KGLL is an export-oriented Company, and in 2023/24, its major export country was JAPAN.

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”

18.2 Progress - At the end of September 2023

Production 2008-2023



Source: Kahatagaha Graphite Lanka ltd

Within the current financial year of 2023/24, 1st of April 2023 to 30th September 2023, the total Graphite (Run of Mine) Production is 175M/T. From 1st of January 2023 to 30th September 2023, the total Graphite (Run of Mine) Production is 226 M/T.

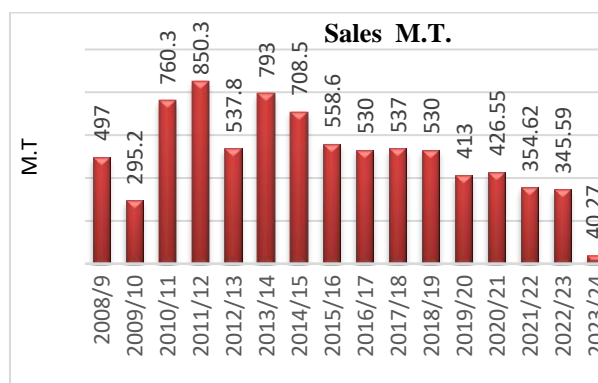
The average production target was 65 – 70 M/T per month for the financial year. The target is depending on the richness of the veins, which are open at the time, and the levels (deepness), number of underground laborers, and other development works of the mine.

Sales

Within the current financial year of 2023/24, KGLL exported 40 M/T from the 1st of April 2023 to the 30th of September 2023. Also, exported 144 M/T from 1st of January 2023 to 30th September 2023.

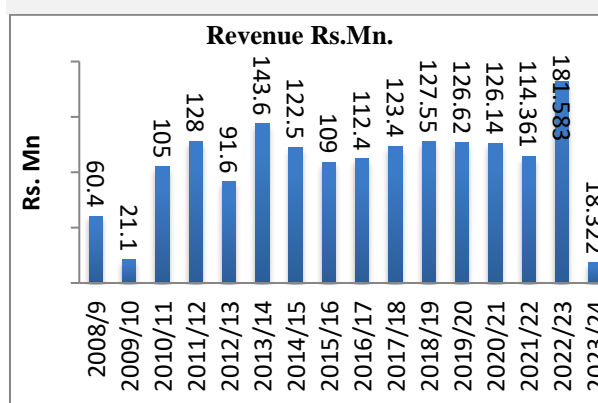
Due to the nature of the international graphite market, sales fluctuate frequently. Also, with the entry of synthetic graphite substitutes into the market, natural graphite sales have started to decline.

Sales 2008-2023



Source: Kahatagaha Graphite Lanka ltd

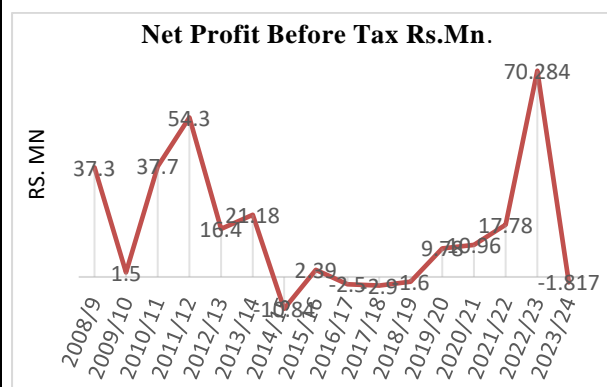
Income Revenue



Source: Kahatagaha Graphite Lanka ltd

Within the current financial year of 2023/24, from 1st April 2023 to 30th September 2023, recorded a revenue of Rs. 18.322 Mn. Also, recorded a revenue of Rs. 81.89 Mn from 1st of January 2023 to 30th September 2023.

Profit



Source: Kahatagaha Graphite Lanka Ltd

Within the current financial year of 2023/24, from 1st April 2023 to 30th September 2023, recorded a loss of Rs.1.8 Mn before tax. Also, Recorded a net profit of Rs. 31.43 Mn before tax from 1st of January 2023 to 30th September 2023.

Stocks

Apart from the bank, and cash balance, the value of stocks in hand is Rs.428.12 Mn, related to 1177.47MT of current stock availability as at 30th September 2023.

Work Force

The total workforce is 108 including 57 skilled miners and other relevant technical staff.

Current progress in the KGLL mine

- Completely alter and reorganize the current Mining methods of the mine. Arrangements have been made to get the services of an experienced senior chartered engineer for that.
- In addition to recruiting a qualified mining engineer for the vacant mining engineer post.

- Employee labor has been managed and directed to the relevant sectors with maximum effectiveness and excavations are done more efficiently and systematically.
- Stop unnecessary costs and improper activities and manage them properly.
- Identify the necessary recruitment to increase production capacity and recruit the workers needed for the Underground activities.
- Taking necessary steps to establish a processing plant (Froth flotation plant) in the mine premises.
- Making necessary arrangements to start the 2nd Shaft sinking
- No strike/protest has been carried out under the new chairman so far, and it is satisfactory that employee discipline is at a maximum. It directly affects product effectiveness.

Current and Future Development Activities

Mining and Underground Development Exploration

The Diamond Drilling program continues to be implemented to find new graphite vein and a new exploration project is underway at 1,132 feet.

2nd shaft sinking

Plans are being made to restart the 2nd Shaft development work, which has been stopped at about 240 feet from the 1132 feet level, expanding the production process and graphite reserves under new methods under the

consulting service, supervision and direction of new qualified engineers.

Mining Equipment

Necessary steps have been taken to provide mining equipment such as Cap Lamps, and drill bits. drill rods, Wire ropes, Jack hammers, spares, etc. also looking for a 1000 CFM New air compressor to supply high compressed air demand for the underground operations.

Work Stations

New graphite extracting workstations have been started at 1132ft level and 2080ft level. Also, a verticle drive has been started to develop at the 2080 feet level.

Value Addition (Froth Flotation Plant)

There is currently a high demand for kahatagaha graphite in the world market for value addition projects, and preparations are underway to set up a processing plant as such value addition program.

18.3 Future Plans 2024

- The average production target for this year is 65-70 MT per month. It is further planned to bring it up to 75-80 MT per month.
- Expected to find new buyers and work to increase expected revenue

19

National Paper Company (NPC)

19.1 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.

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 අමස /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 after the power supply is restored.

- Presently this National Paper Company Limited performing in better way by manufacturing Craft Paper, Manila Papers, Cover Paper and Writing Paper. And also Printing Papers and Wrapping Papers for Packaging Industries (55gsm - 100gsm).

Co – products were newly introduced.

- Exercise books
- CR Books
- Foolscap
- Ruled sheets
- Pirikara

19.2 Progress - At the end of September 2023

Paper production and revenue earned at Valaichchenai Paper Mill

Month	Production (MT)	Revenue (Rs. Mn.)
January	225.00	49.05
February	149.30	40.32
March	203.90	31.85
April	126.68	25.56
May	129.43	30.10
June	104.48	29.82
July	193.48	34.92
August	129.00	40.25
September	185.40	39.90
Total	1446.67	321.77

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.

19.3 Future Plans 2024

- 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.
- Upgrading the infrastructure facilities at Head Office and Valaichchenai Paper Mill.
- To provide facilities for local or foreign investor for the Valachchenai Paper Mill through Government.
- To make arrangements to clear the debtors and liabilities

20

Lanka Mineral Sands Limited (LMSL)

20.1 Introduction

Lanka Mineral Sands Corporation has its origin in 1957 for the purpose of mining and processing heavy beach mineral sands. The Corporation was converted to a limited liability company fully owned by the Government of Sri Lanka and named “Lanka Mineral Sands Limited” in the year 1992.

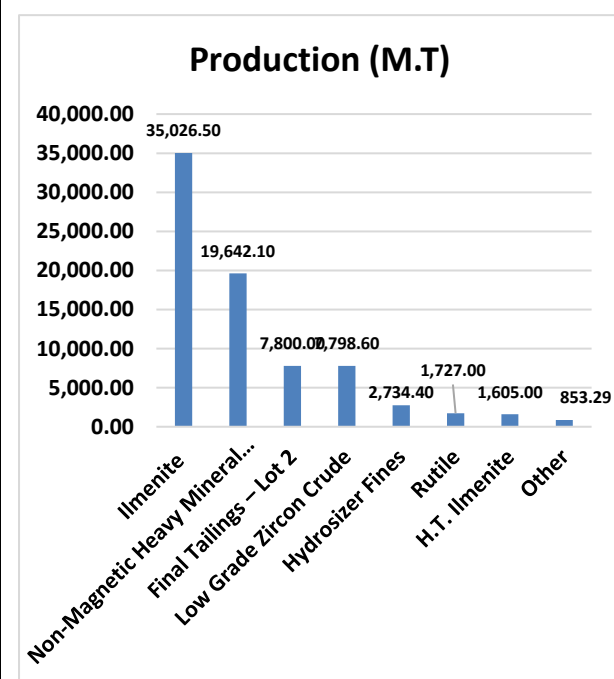
Main role of the institution

- 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.
- 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.

20.2 Progress - At the end of September 2023

Production	
Product	Production (M.T)
Ilmenite	35,026.50
Non-Magnetic Heavy Mineral Concentrate	19,642.10
Final Tailings – Lot 2	7,800.00
Low Grade Zircon Crude	7,798.60
Hydrosizer Fines	2,734.40
Rutile	1,727.00
H.T. Ilmenite	1,605.00
Zircon	355.24
Screen Oversize Concentrate	253.70
Magnetite	230.95
Crude Monazite	13.40
Total	77,186.89

Source: Lanka Mineral Sands Limited



Source: Lanka Mineral Sands Limited

Sales – January to September 2023

Sales (January to 30 th September 2023)	
Product	Sales – M.T
Ilmenite	1.50
Crude Monazite	500.00
Zircon	51.20
Hi Ti Ilmenite	1,520.00
Zircon Concentrate	30,000.00
Total	32,072.70

Source: Lanka Mineral Sands Limited

Finished Goods – January to September 2023

Main Products Stock (January – 30 th September 2023)	
Product	Stock (M.T)
Ilmenite	69,045.77
Rutile	2,552.60
Hi.Ti. Ilmenite	7,590.95
Zircon	746.32
Total	79,935.64

Source: Lanka Mineral Sands Limited

Other Products Stock (January – 30 th September 2023)	
Product	Stock (M.T)
Crude Monazite	715.22
Low Grade Zircon Crude	4,684.80
Final Tailings – Lot – 01	1,518.60
Final Tailings – Lot – 02	28,911.60
Magnetite	3,192.11
Screen Oversize Concentrate	6,745.33
Non Magnetic Heavy Concentrate	-
Hydrosized 'Fines	6,091.53
Total	51,859.19

Source: Lanka Mineral Sands Limited

Progress Report - 2023

Comprehensive Income Statement for the Year ended 30th September, 2023

Description	Rs.'000
Gross Revenue	4,453,400
Less: Value Added Tax (VAT)	(138)
Net Revenue	4,453,262
Less: Cost of Sales	(457,208)
Gross Profit	3,996,054
Other Operating Income	45,894
Less: Administrative Expenses	(218,708)
Distribution Expenses	(4,525)
Other Operating Expenses Plant & Cod-Bay	(433,054)
Operating Profit/(Loss)	3,385,661
Finance Income	1,851,017
Profit (Loss) before Income Tax	5,236,678
Less: Income Tax Expenses	(1,571,003)
Net Profit/(Loss) after Income Tax	3,665,675

Source: Lanka Mineral Sands Limited

01. Identified following mineral sands rich grid units to conduct exploration and handed over relevant documents to G.S.M.B. in order to obtain the exploration licenses.

- * Nilaveli - Grid 15
- * Hambanthota - Grid 09
- * Panama - Grid 08
- * Kirinda – Magama - Grid 07

But the GSMB did not issue the license.

02. Handed over relevant documents to G.S.M.B. to obtain exploration licenses for 63 off shore grid units extending from Nilaveli to Chemmalai. 100% work completed but the GSMB did not issue the license

03. Obtained Terms of Reference to get the environment clearance to mine mineral sands in LMSL exploration area (1250 acres) in Pudavaikattu. Field work of the E.I.A. study is still going on.
04. Commenced revising and upgrading the existing organization structure.
05. Started the process of Selection of consultant to the project of Renovation of Electrical Distribution system and still the pending approval of DPC.
06. Solar Pilot Project was started, still in the DPC approval stage.
07. Wet High Intensity Magnetic Separator - WHIMS machine installation was completed at Block B.
08. Renovation of laboratory Building completed this year, still working for obtaining international accreditation.
09. Another step is taken to re installation of the Dryer and Hydrozider Machine at wet and dry mill.
10. Mobile Plant 01 has been installed at Pulmoddai premises.
11. Zircon powdering plant project under the Bider selection stage
12. Called the bids for purchase of bagging for Rutile, Zircon plant and still in bid awarding stage.
13. HRIS implantation is 50% completion stage.
14. IT training completed for head office and Pulmuddai Staff at SLIDA

15. LMSL done Zircon concentrate 30,000 MT on FOB basis
16. Obtained mining license for 1.3 hectares for one-year period in Kokkilai.

20.3 Future Plan 2024

01. Establishment of Kokilai plant at an investment of Rs.7, 500 million.
02. Establishment of mobile plant at Poduwakattu.
03. Complete the process of R.F.P. regarding the mineral sand value addition project with collaboration of ministry of industries.
04. Implementation of quality improvement projects for mineral products.
05. Introduce of CIF incoterm for selling process.
06. Declare the Yan Oya Bangalow to Commercial Purpose.
07. Introduce “Made to order concept” for selling process.
08. Establishment of NVQ training center at plant.

21

Ceylon Ceramics Corporation (CCC)

21.1 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**”.

Mahiyanganaya factory has been re started since January 2023. The Production has been started

since. With the re-commissioning of Mahiyanganaya factory has been working with the Eragama factory.

The effects of the COVID 19 and the economic crisis faced by Sri Lanka, the construction industry of the country has been affected heavily. With these matters the construction of houses and other buildings has interrupted and demand for the construction materials has been decreased heavily. The main product of the corporation is the roofing tiles. So, this decline of the demand has affected the sales revenue of the corporation heavily. Currently there are large number of finished good stocks without sales.

Bricks and Tiles Factories and their locations and capacities

Factory	Location	Area (Acres)	Status
Eragama	Ampara	232	Production is in progress
Mahiyanganaya	Mahiyanganaya	94	Production is in progress
Uswewa	Embilipitiya	19	Expected to start production in 2024.
Yatiyana	Matara	06	Planned to re-commission in second quarter of year 2024. The main issue regarding this factory is to find required labor force. So, the operations will start with products which need a smaller number of labors.
Bingiriya	Bingiriya	03	Available Machinery suitable for normal Brick manufacturing.
Weuda	Kurunegala	09	The machinery of the factory has been transferred to other factories.
Elayapattuwa	Anuradhapura	33	Factory Can be used for brick production.
Oddusudan	Mulativu	13	Planned to start production in first quarter of the next year. Currently 90% of the machineries are repaired and 60% of the building repair has been completed.
Bangadeniya	Bangadeniya	07	Only the land is remaining.
Total		416	

Source: Ceylon Ceramics Corporation

21.2 Progress - At the end of September 2023

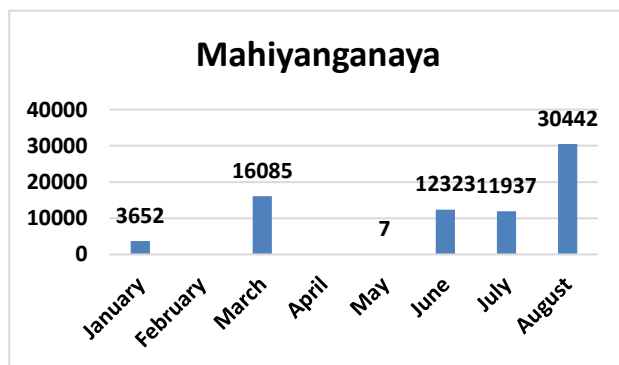
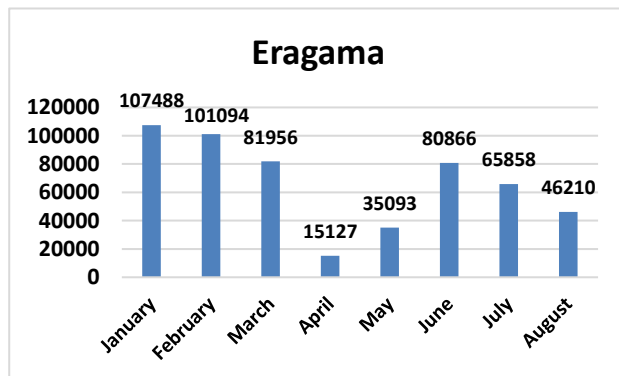
Production

Since January 2023, only Mahiyanganaya and Eragama factories are working in the production process.

Bricks and Tiles Production

Month	Eragama Production (Units) 2023	Mahiyanganaya Production (Units) 2023
January	107488	3652
February	101094	=
March	81956	16085
April	15127	=
May	35093	7
June	80866	12323
July	65858	11937
August	46210	30442
Total	533692	74446

Source: Ceylon Ceramics Corporation



Source: Ceylon Ceramics Corporation

Progress Report - 2023

Sales- Mahiyanganaya		
Month	2022	2023
January	100,096.70	30,313.30
February	12,952.41	125,625.40
March	204,426.00	343,921.00
April	168,868.00	999,137.63
May	455,130.20	278,210.45
June	354,893.50	1,065,086.65
July	0	651,383.24
August	0	835,401.02
Total	1,296,366.81	4,329,078.69

Source: Ceylon Ceramics Corporation

The total number of units produced in Eragama factory is 533692 units. There was a high production from January to March, compared to which the production decreased in the months of April and May. From April to June there is again a gradual increase in the amount of production and from June to August there is a gradual decrease in production units.

Total production of 74446 units has been produced at Mahiyanganaya factory from January to August 2023. There is an increase in the production of Mahiyanganaya factory up to August 2023. In August more than 30000 units have been produced.

Performance of the corporation

Performance Index: Efforts have been made to increase the variety of products by introducing new products. Consequently, the product "Interlock Brick" has been introduced.

With the re-opening of the Mahianganaya plant in January 2023, this new product "Interlock Brick" was introduced.

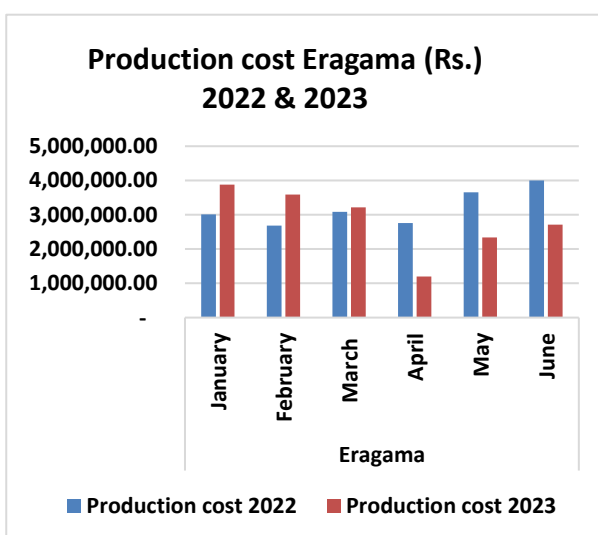
Accordingly, the Mahiyangana plant was started in January 2023 and the main objective of the restart

was to increase the number of production units and thus the sales revenue.

The production cost of Eragama factory is as follows.

Factory	Month	Production cost 2022	Production cost 2023
Eragama	January	3,009,042.00	3,882,816.00
	February	2,680,626.00	3,588,574.00
	March	3,082,630.00	3,219,445.00
	April	2,760,518.00	1,201,837.00
	May	3,657,262.00	2,342,138.00
	June	4,002,898.00	2,714,604.00
Total		19,192,976.00	16,949,414.00

Source: Ceylon Ceramics Corporation



Source: Ceylon Ceramics Corporation

Considering the cost of production in 2022 compared to the first 06 months of the current year, Rs. 2,243,562.00 has decreased. It is 11.69% as a percentage. There is no production in Mahiyanganaya factory last year.

21.3 Future plans 2024

Ceylon Ceramics Corporation is in the process in the current situation. In this concern we cannot have go for new ventures. So, we have decided to continue our current production process according to this scenario.

22

Industrial Technology Institute (ITI)

22.1 Introduction

The Industrial Technology Institute (ITI) is a statutory board established on 01st April 1998 under the Science and Technology Act No. 11 of 1994. ITI is the successor to the Ceylon Institute of Scientific and Industrial Research (CISIR) founded in 1955 by Parliament Act no 15 of 1955 (CISIR Act) to support Industrial Development in the country. The ITI is the foremost government-owned scientific R&D and service organization in Sri Lanka with a complement of a diverse scientific

staff. ITI is the Center of Excellence of the Commission on Science & Technology for Sustainable Development in the South (COMSATS) in Sri Lanka.

The Institute's core business is the promotion of industrial development through Research and development, consultancy, technology transfer, training and the provision of testing and calibration services. The ITI is unreservedly committed to maintaining the Laboratory Quality Management System ISO 17025:2017 and ISO 17043:2010 as a Proficiency Testing (PT) provider for Testing and

Calibration services and ISO 9001:2015 Quality Management System Certification for Research & Development Division and Information Services Center, thus providing clients with services of the highest professional standards.

ITI grouped its Technical Divisions into Research & Development and Technical Services. The Research and Development Division consists of Sections such as Herbal Technology, Food Technology, Biotechnology, Environment Technology, Materials Technology and Techno Entrepreneur Development, Manufacturing and Logistics Management Department. Research and Development Division conducts demand-driven, national-importance multidisciplinary Research and Development fostering innovation, technology transfer and support Micro, Small, and Medium Entrepreneurs (MSME), Startups and industrial development, aiding export growth and domestic value addition.

The Technical Services Division consists of Laboratories such as Chemical and Microbiological, Residue Analysis, Industrial Metrology, Electro Technology, Materials, Pharmaceutical and Petroleum and Lubricant Testing.

22.2 Progress - At the end of September 2023

Physical Progress

Forty-three Research and Development (R&D) projects are in progress with the aim of fostering R&D and innovation. These R&D initiatives are focused on the development of new products, processes and methods. These projects target import substitution, export expansion, domestic value addition, promoting entrepreneurship, and new

industry development. These projects have resulted in the development of over 50 new products, processes and methods.

In 2023, a total of 40 technologies were successfully transferred to various industries, empowering MSMEs to launch new businesses, and enhancing the capabilities and scope expansion of existing businesses. These technologies transferred to a wide range of sectors including food and beverages, herbal-based cosmetics products and supplements and homecare products. Key food technologies transferred to industries include dehydration of fruits including mango, fruit pulp processing, coconut sugar, kithul energy drink and fish ambulthial and provided postharvest export protocols for export industries. Material-based technologies transferred also include conductive graphite and graphene oxide. The technology for making French fries from locally grown potatoes, developed by ITI, was successfully introduced to the market through a potato grower association in Bandarawela. Over 500 programs, including Vidatha and rural support initiatives, were undertaken to provide technical support to SMEs. Furthermore, training programs were conducted attracting a total of 250 participants from different industries strengthening industrial skills and capacity.

Technical Services Division at ITI, primarily utilizing accredited laboratories has successfully issued a total of 13,000 testing and calibration reports to industries including export-oriented sectors and government organizations. In 2023, ITI conducted 700 consultancy services across a wide range of environmental technology disciplines including ambient air quality assessment, stack

emission monitoring, air pollution control and mitigation, wastewater treatment, solid waste management, water quality studies, hazardous waste management and baseline surveys. In addition, the consultancy services were undertaken on noise and vibration assessment studies, mitigation strategies and predictive analyses. These services were made available to a broad spectrum of sectors, including power and energy, highway, industrial operations and the shipping industry within the country. In the year 2023, ITI also successfully conducted a total of 70 Contract Projects in various disciplines.

International funding for R&D was secured through partnerships with organizations such as GIZ and IFC. Additionally, a new foreign collaboration was established with the University of Sydney, Australia to facilitate research services related to the Fruits and Vegetables for Sustainable Health Diets (FRESH) initiative and engage ITI's services in research focused on food security, postharvest management and inclusive market development.

The Institute continued with the ISO 9001:2017 Quality Management System Certification for the R&D Division and Information Services Center. ITI's existing Laboratory Quality Management system, ISO/IEC 17025:2017 and ISO 17043:2010 for Proficiency Testing (PT) Providers were maintained for the Technical Services Division. Approximately 40 new testing parameters were accredited by the Sri Lanka Accreditation Board. Industrial Metrology Laboratory continued ISO/IEC17025:2017 Laboratory Quality Management System for mass, dimensions, volume, electrical, force, pressure and temperature

measurements and measurement traceability to SI units through KRISS, South Korea and PTB, Germany, NIST, USA, Danak Denmark and National Metrology Institute, Thailand.

In 2023, 20 research articles were published in high-impact refereed journals and 30 abstracts were published in local and international symposium proceedings. In addition, three patents were obtained and 03 scientific awards were received during the period. ITI received the Best Performance Award among S&T Institutions by the NASTEC for a period between 2017 and 2021 at the BICOST on 23rd March 2023.

The inauguration of the Packaging Material Testing Laboratory at ITI marked a significant milestone and this facility received support from the UNIDO under the EU Sri Lanka Trade-related Assistant Project. In addition, in a separate event, the Pharmaceutical Testing Laboratory, Petroleum and Lubricant Testing Laboratory and S&T Business Center were formally inaugurated in the year 2023. ITI partnered with UNIDO and the BESPAs project to conduct a series of nationwide workshops aimed at enhancing the packaging and labelling practices of food-related SMEs.

Financial Progress

Table 1 provides an overview of the financial performance of ITI for the period from January to August 2023. During this timeframe, ITI generated a total income of Rs 290.67 Mn, derived from various sources, Standard Services, Consultancy Services, Technology Transfers, Contract Projects, Training and other sources (Figures 1 and 2). The Institute incurred a net deficit of Rs 115.6 Mn during this period. Looking ahead to the full year of 2023, it is projected that the total income will reach Rs 432.5 million. This anticipated increase in income is expected to significantly improve the institute's financial position, resulting in a net surplus of Rs 180 million compared to the previous year, in which the net surplus amounted to only Rs 28 Mn (Table 1)

Table 1: Financial performance from 2017 to August 2023

Income Source	2017	2018	2019	2020	2021	2022	2023(upto Aug,2023)	2023(Ann ualised)
	Rs Mn	Rs Mn	Rs Mn	Rs Mn	Rs Mn	Rs Mn	Rs Mn	Rs Mn
Standard Services(SS)	178.79	196.60	172.05	147.92	171.35	180.02	177.81	266.72
Consultancy Services(CS)	20.71	22.80	28.53	25.40	29.54	39.16	30.01	45.02
Technology Transfer(TT)	2.77	3.20	7.51	11.45	13.09	23.16	1.49	2.24
Contract Projects(CP)	26.08	29.30	56.86	18.60	15.84	24.47	16.67	25.01
Customised Services(CTS)	18.83	17.30	19.71	16.39	25.26	22.93	17.43	26.15
Training Programme(TR)	13.80	19.90	18.10	10.72	4.52	18.25	11.73	17.60
Hand Sanitizer Unit				27.86	61.24	0.07		-
Other Income	43.24	34.70	31.94	25.85	26.58	60.51	35.53	49.53
Operating Income	304.22	323.80	334.70	284.19	347.42	368.57	290.67	432.24
Government Recurrent Grants	240.00	240.00	250.00	270.33	279.80	290.00	260.00	400.00
Total Income	544.22	563.80	584.70	554.52	627.22	658.57	550.67	832.24
Operating Expenses	546.78	551.66	588.70	553.90	579.61	631.06	435.00	652.50
Total Expenses with Depreciation	714.07	744.43	813.23	754.10	824.59	841.40	556.20	834.30
Surplus/(Defecit) without Depreciation	(2.56)	12.14	(4.00)	0.62	47.61	27.51	115.67	179.74
Government Capital Grants	17.00	303.00	121.00	105.00	53.97	61.00	-	-

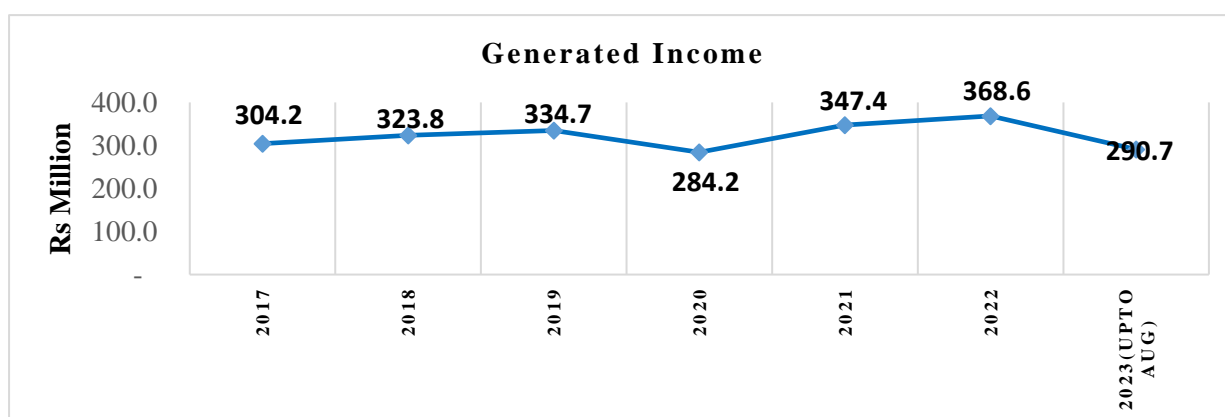


Figure 1:

Source: Industrial Technology Institute

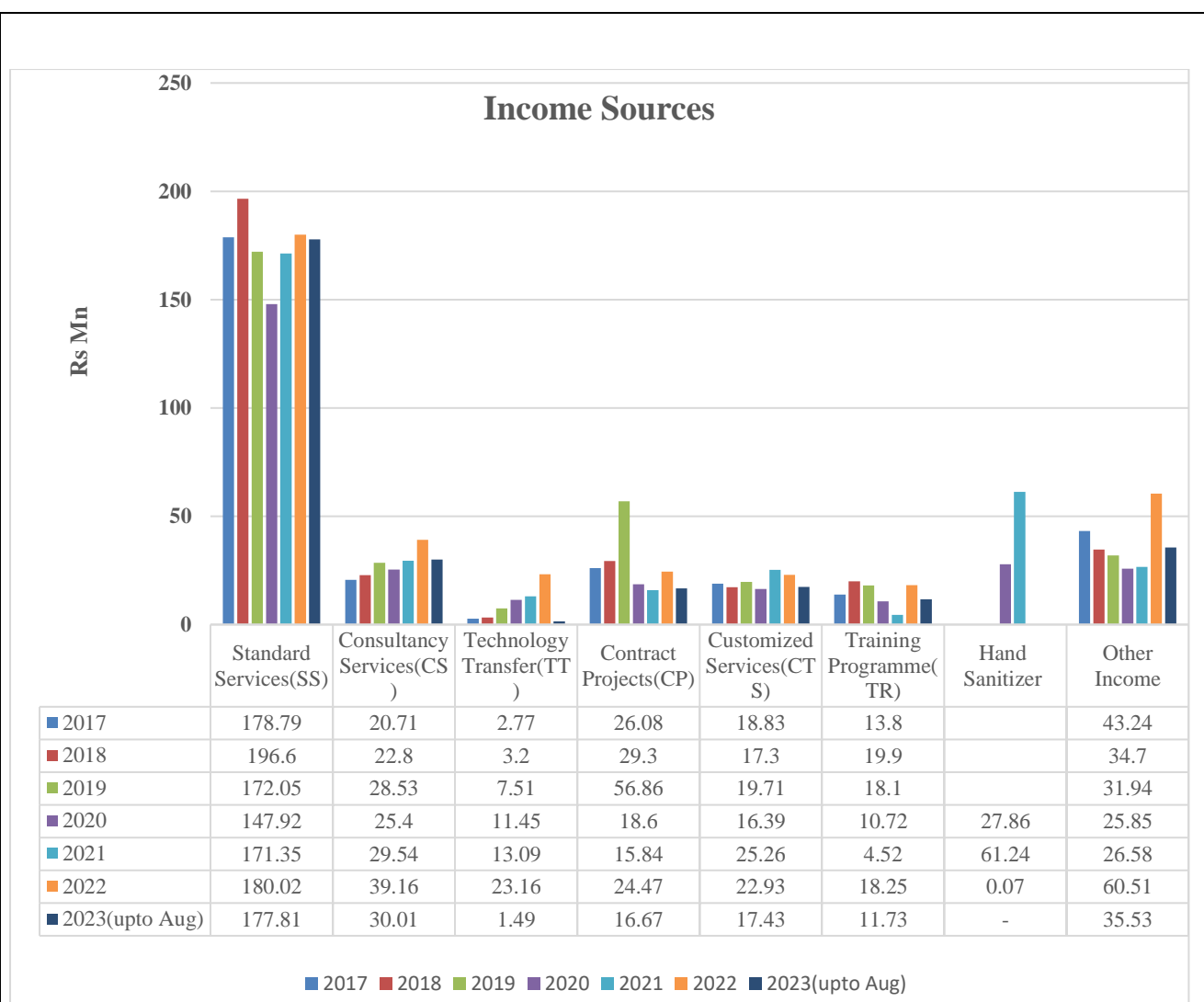


Figure 2

Source: Industrial Technology Institute

22.3 Future Plans 2024

1. Business Diversification: Diversifying the Institute's income sources and new revenue opportunities to increase overall financial stability

- Diversify the Testing Services Division to expand testing and calibration services to the Maldives.

- Expanding the range of testing service parameters including toxic contaminants (Mineral Oil Saturated Hydrocarbons- MOSH, Mineral Oil Aromatic Hydrocarbons – MOAH, dioxin, furans), metal speciation by Isotope Dilution Mass Spectrophotometry (IDMS), Matrix-assisted laser desorption/ionization-time of flight (MALDI-TOF) mass spectrometry (MS) for complex metrics,

microplastic in organic fertilizer, skin sensitization test for cosmetics, Preservative Challenge test, Heat stress and Building Acoustics, underwater Acoustic measurements, Electromagnetic measurements, air velocity, plastic ware calibration, torque and high accuracy multimeter calibrations, digital calibration certificates, shelf life of packaging materials, microstructural analysis, Asphalt testing, compressed natural gas & related engine oil testing, climate change related carbon footprint calculation/Greenhouse Gas (GHG) emission estimations, environmental testing and Compliance to meet the needs of a broader clientele across various industries/specific sectors.

- Establish a chemical reference laboratory
- Product certification –ISO 17065 - product certification for the spice sector
- Scope expansion in ISO17025:2017 Laboratory Quality Management System
- Scope expansion in ISO 17043:2010 accreditation as a Proficiency Testing (PT) provider.

2. Establish product/process incubators and accelerators to support startups, upgrade and strengthen the pilot plant facilities for scaling up of food and herbal technologies and strengthen the activities of the China- Sri Lanka joint Biotechnology Laboratory facility for Contract Manufacturing.
3. Start-up advanced Research Centers as the Next Generation of Scientific and Industrial Research Platforms dedicated to long-term/high-tech research endeavours, acquire international grants and collaborate with International Research Centres.
4. Establish an ITI-affiliated postgraduate degree-awarding entity.
5. The institute is to look for external funding and strategic partnerships through international funding organizations such as UNIDO, FAO, GIZ, and USAID to expand Testing, Calibration and R&D Services.
6. Establish a dynamic technology transfer platform through the S&T Business Center.
7. Increase science popularization activities and advisory services.
8. Take all possible actions to reduce recurrent expenditure and reduce wastage.

23

Lanka Phosphate Ltd (LPL)

23.1 Introduction

Lanka Phosphate Company is operated to earn foreign exchange while meeting the national phosphate requirement by optimally utilizing the Eppawala phosphate deposit.

Principal Activities and Nature of Operations

The principal activities of the company are excavating, processing and selling of Rock Phosphate, which is used as a fertilizer for perennial agricultural crops.

23.2 Progress - At the end of September 2023

Financial Progress

	Actual
Sales	28,320
Production(Mt)	31,196
Revenue(Rs Mill)	629.19
PBT as at 31.07.23(Rs. Mil)	54.60

Source: Lanka Phosphate Ltd

1. Company was able to settle its Bank Overdraft balance of 124 million by May 2023 having complete its all staff payments and statutory payments.
2. Despite many attempts, present Board of Management was able to sell 7007mt of Rock Phosphate for 03 local companies who deal with foreign markets to earn foreign exchange to the country in August 2023. Total income 181.0 million.
3. DM Traders has received a new export order of 650MT(HERP). Production is currently underway. By now, the production was 341.35 MT.
4. Production of 2500 MT (HERP) export order placed by Dusaru International (Tulip Agro) has been completed. Loading is about to happen.
5. Action had been taken to upgrade the quality of the Products and process, which had been lacking from the beginning, resulting stock returns and additional cost to the company.

Upgrade the quality of the Products and process



6. Steps had been taken to purchase/manufacture tools and machine spare parts locally/internally saving money and forex to the country.

Local and internally manufacturing of machinery and spare parts



23.3 Future Plans 2024

- Available storage capacity is adequate only for 5000 Mt. of Finished Goods. Aiming value added products or Export orders, we need to increase this capacity at least for 15000 Mt. of Finished Goods and for 30000mt. of Raw Material as soon as possible. This will help for continuous and smooth operation.
- Crusher Plant is directly relate to Production process where Large size particles are broken in to standard level before enter in to the Mill Machines. The existing Crusher Plant is almost 40 years old and cannot utilized for large operations. Further there is a problem of finding spare parts for these old crusher units. Therefore, company need to renovate or upgrade the existing Crusher unit to meet the future demand for value added products or Export orders.
- Need to check the adequacy of the existing electrical system of the Eppawala Site for future expansion and adding of new Grinding and Crusher units to the system and estimate any modifications/upgrade to meet the future requirement with the consultancy of CECB.
- Introduce accredited Laboratory Facility and quality Recognition process to issue Nationally and Internationally recognized Quality Certificate.
- Loading activities cannot be conducted during rainy days and sunny days due to lack of shelter.

Procurement activities had been initiated to expedite the loading operation.

- With the expansion of mining and grinding operations, company need to replace some of their internal vehicle to continue the production activities such as Wheelloaders and Forklifts etc.
- The most of the quarters at site for production staff, drivers and executives are dilapidated and over 25 years old. Those need to be renovated to retain staff at site specially for Production purposes.
- The existing Accounting Software had been purchased in 2004 almost 20 years old. There are many technical and application limitation in the package for today's operation and need to upgrade or replace as soon as possible.

24

Lanka Ashok Leyland (LAL)

24.1 Introduction

Lanka Ashok Leyland PLC (hereinafter referred to as LAL) was incorporated in 1982 as a joint venture Company between Lanka Leyland (Pvt) Limited, a fully owned Company of the Government of Sri Lanka and Ashok Leyland Limited, 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 and the balance by the general public. The company was listed in Colombo Stock Exchange in 1983.

Currently, the main business of the Company includes import and assembly of Semi-Knocked-Down (SKD) chassis and fabricate bodies, import and marketing of Ashok Leyland range of vehicles, spare parts, power generators and providing vehicles on hire. The Company also carries out repairs and restoration of commercial vehicles.

LAL is managed by a Board comprised of seven non-executive directors with strong corporate acumen, skills, knowledge and experience aided by astute and knowledgeable support from senior management and external specialists. The Company has established a governance structure that adheres to the laws of the country and ensures compliance with numerous regulatory mandates. As a result, the governance structure consists of committees responsible for specific responsibilities as well as determining strategy and future direction for the Company.

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 bowzers, 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.

Furthermore 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.

24.2 Progress - At the end of September 2023

- Despite the current state of affairs in the country, LAL remains upright. LAL factory had continued its local manufacturing of bodies and chassis assembly with limited imports and local supplies.
- Furthermore, LAL imported SKD kits on 180 days DA terms and the total bills payable (including GIT) as at the end of the period were USD 4.13 Mn. During that period the Company has recorded Rs. 2.22 Bn in revenue which is a 52.93% decrease compared to the previous year.
- Commercial vehicle sales accounted for 72% of total revenue, with the remaining 28% represented by generator sales, repair income, spare parts sales, hiring income, and local agency commission.
- Revenue from vehicle sales fell 61.1% to Rs. 1.59 Bn against Rs. 4.71 Bn last year, however, the share of vehicle sales to total revenue declined to 72% from 87.1% last year as the other revenue verticals showed increased contributions to total turnover.

- Other revenue was mostly obtained from lease income, which fell 35% to Rs. 138.92 Mn for the year compared to Rs. 213.75 Mn the previous year as leases reached maturity.

The following table includes information for the nine months from January to September 2023.

	2023 (Rs Mn)
Revenue	2,218.09
Gross Profit	797.51
PBT	407.56
PAT	268.53

Source: Lanka Ashok Leyland

Revenue and Earnings

The company generated nearly Rs. 2.22 Bn in total revenue during the course of nine months, a decrease of 52.93% from the corresponding period the previous year.

Gross Profit Margin

The business's gross profit for those nine months was Rs. 797.51 Mn, up 315.05 % from the year before. All achieved through better margins on local value additions and reversals of inventory provision during the current financial year.

Profitability

The profit generated before taxes was 536.49% higher than it was the previous year. From January to September of 2023, the company had a profit before taxes of Rs. 407.56 Mn. The company made Rs. 268.53 Mn profit after taxes, 544.18 % rise from the previous period.

24.3 Future Plans 2024

- We are optimistic that Sri Lanka will be able to manage the unprecedented and complex challenges in the coming years by developing a shared understanding of the magnitude and scope of the challenge and delivering a clear road map to achieve economic stability with the assistance of domestic and international professional agencies.
- Import restrictions are likely to remain in place until the foreign exchange issue is resolved. Even so, we will rely on our substantial inventory position to fulfill demand over the coming year, while remaining optimistic about the development of other business verticals such as hiring, after-sales services, and spare part sales.
- While we expect great challenges over the next twelve months, we remain confident that Sri Lanka will overcome the acute phase of the crisis. The investments we have made and will continue to make at the factory for local assembly of chassis and bodies will further consolidate our position as the market leader and we will be in the best position to capitalize when the economy improves.
- Our ability to deliver value has relied on the strength of our relationships with our customers, suppliers, employees and communities we serve

25

Sri Lanka Institute of Textile and Apparel (SLITA)

25.1 Introduction

CITI and TT&SC which have served the industry for over twenty-four years have been merged to become Sri Lanka Institute of Textile & Apparel (SLITA) under Act No. 12 of 2009 and have been in operation since 15 June 2009. The new Institute SLITA is expected to undergo a total transformation with a reorganized departmental and management structure to face emerging business challenges and to provide a better customer-focused service. Management Structure of SLITA will create clear lines of

responsibility and authority with defined deliverables for each department and individual. As indicated in the new Act, SLITA will shoulder a greater responsibility in serving the Textile and Apparel Sector of Sri Lanka with a focus on 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 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 garment, handloom, and footwear manufacture.
 - While continuing as a leader in providing vocational training.
 - SLITA is to elevate its services to the tertiary level by conducting vocational Degree programmes to meet NVQ Standards.
 - To strengthen the information and communication technology of SLITA for easy access to services to ensure customer satisfaction.
 - To embark on research and development work.
- With the above objectives in line, 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 - At the end of September 2023

Physical Progress:

In 2023, we achieved a significant milestone by successfully establishing a research center, marking a notable step toward enhancing our research and development capabilities.

Notable Research Training Programs

During the year 2023, we conducted various research training programs with a primary focus on raising awareness and improving research skills. These programs included:

1. Research Symposium on Textile and Apparel Industry

The conference was held on June 23, 2023 at the Bandaranaike Memorial International Conference Hall under the theme "Textile and Real Innovation for Economic Development". Among the 16 Research papers presented there, 13 research papers were selected.

The symposium attracted a diverse audience, including SLITA staff, representatives from universities, industry professionals, and members of relevant government ministries.

Research Symposium on Textile and Apparel Industry



Best Presenter Award:

The Research Symposium featured a Best Presenter Award, recognizing excellence in presentation and contribution to the textile and apparel industry. The award recipients for 2023 were A.P.L.S. Vaas and G.D.M. Yasara, representing Hayleys Fabric PLC.

Outcome and Impact:

The successful execution of the Research Symposium in June 2023 highlighted our commitment to fostering innovation in the textile and apparel industry. It provided a platform for researchers, industry experts, and academics to collaborate, share their research findings, and discuss innovations that can drive economic development.

The establishment of the research center and the execution of the Research Symposium in 2023 reflect our dedication to advancing research, innovation, and collaboration in the textile and apparel industry, fostering a promising future for economic development.

25.3 Future Plans 2024

For the year 2024, we have ambitious plans to further strengthen and expand our research program. Here are our future plans and initiatives:

1. Research Culture Development:

- Promote a research-friendly culture within our organization, encouraging staff and students to engage in research activities.
- Conduct workshops and training programs on research methodologies, scientific writing, and critical thinking.

2. Collaboration with Government and Private Parties:

- Strengthen collaboration with government ministries and agencies to align research initiatives with national development goals.

- Establish partnerships with private-sector companies in the textile and apparel industry to undertake joint research projects and development efforts.

3. Collaboration with Universities:

- Forge research collaborations with universities to tap into their expertise and resources, facilitating knowledge exchange and joint research projects.
- Establish research programs and internships for our SLITA students to gain practical experience in the textile and apparel sector.

4. Collaboration with Textile and Apparel Industries:

- Work closely with textile and apparel industries to understand their challenges, needs, and research priorities.
- Develop industry-specific research projects aimed at solving real-world problems and driving innovation.

5. Collaboration with Research-Related Organizations:

- Collaborate with other research-related organizations, such as research institutes, and industry associations, to exchange knowledge and leverage collective expertise.

6. Research Targets & Indexes:

- Set clear research targets, including the publication of a specific number of research papers, patents, and innovative solutions.

- Establish key performance indicators (KPIs) to measure the impact and success of research activities.

7. Journal Publishing:

- Actively engage in journal publishing by encouraging researchers to publish their findings in reputable journals.
- Promote the dissemination of knowledge and research outcomes to a wider audience.

8. Identify Textile and Apparel-Related Gaps/Problems:

- Conduct comprehensive industry surveys and studies to identify gaps and problems in different segments of the textile and apparel industry.
- Create a centralized database to store and analyze this data for future research projects and policy recommendations.

These future plans for 2024 aim to transform our research program into a dynamic hub for innovation, knowledge creation, and problem-solving within the textile and apparel sector. By fostering collaboration and nurturing a research-focused culture, we will be better positioned to address industry challenges, contribute to economic development, and advance the field of textile and apparel research.

9. Database on research publication by the SLITA Staff

Database on research publication by the SLITA staff

International Journals	International Conferences	Local Conferences	Published Books	Project reports	Published Newsletter
07	02	17	03	12	08

Unpublished Books	Unpublished Project reports
02	10

Source: Sri Lanka Institute of Textile & Apparel

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.

Thrust Area

Nurturing, Preserving and Developing Handicrafts

Objectives

- Designing and prototyping new designs according to current and future market trends in local as well as export markets and introducing them to craftsmen.
- Implementation of new design and new technology training programs for craftsmen and master craftsmen all over the island.
- Conducting a series of formal short-term training sessions to impart new designs and new technical, theoretical and practical knowledge using the workshop staff of the Institute and related resources efficiently and effectively.
- Conducting one-day awareness programs in the workshop premises for school and university students as well as those interested in the field and providing necessary support to prepare new designs for university students' projects.
- Facilitating craftsmen to use new techniques and machines in the workshop for their products through common facility services.

Progress Report - 2023

- | | |
|---|---|
| <ul style="list-style-type: none"> • Providing opportunity to use books and magazines related to handicrafts through library facilities • Introducing proper technical and raw material processing methods to increase the quality production capacity under the chemical and mechanical fields of research and development section. Conducting research to improve the batik sector in particular and introducing more efficient, innovative production methods. • National Crafts Council, Sri Lanka Handicrafts Board and handicraftsmen as well as other relevant institutions and individuals at the request of inspecting raw materials and issuing standard certificates related to the quality of raw materials. • Maintaining a data bank of designs and market trends that are effective for the handicraft industry • Conduct new design exhibitions, market promotion and test marketing programs to improve local and international markets for new design handicrafts. • Under charging for services rendered by the Institute and maintenance of laboratories, workshops and other establishments <ul style="list-style-type: none"> - Providing design consultancy services as requested by Government Institutions, Non-Government Institutions for interior and exterior design, graphic design, theme structures, trophies, medals and plaques and trade and exhibition stalls etc. - Improving design and creative abilities through conducting standardized courses | <p style="text-align: center;">such as Interior Design National Diploma/Higher Diploma and Lifestyle product Design National Diploma for the field of design through the National Design College under the Institute.</p> <ul style="list-style-type: none"> • To enter into agreements with the approval of the Government with Sri Lankan and foreign institutions whose objectives are wholly or partially similar to the objectives of the institution • Rs.Mn.11.3 has been released from the treasury by September 15, 2023 for the planned development programs. As of that date, development programs worth Rs.Mn.1,4 have been completed and development programs worth Rs.Mn 1,24 are being completed. • Also, the institution will spend Rs.Mn. 1.2 from the money earned and till the allocation is released in the month of May, marketing promotion program was also implemented under new design programs and introduction of new concepts and designs related to local handicraft products for Sinhala and Hindu New Year celebrations. • Furthermore, new design market promotion programs related to coir and batik aimed at export have been implemented and attention has been focused on exchanging information with handicraft institutions in foreign countries through information technology programs. • Also, arrangements are being made to hold the new design exhibition "Yugayata Nimavum" with new design concepts in November at Kandy's Candy City Center |
|---|---|

26.2 Progress - At the end of September 2023

Design Development, Upgrade Knowledge & Skill development

- Creating a Designers' Hub (Designers platform) in Sri Lanka- All documentation requirements related to this program have been completed. The initial discussion with a selected group of expert designers was successfully conducted, and future work is processing
- Creating marketable design and converting prototype samples - 100% of the target has been achieved by creating 499 new designs including innovative packaging and souvenirs based on Rush & Reed, wood, textiles, cane & bamboo, red clay, coir, jewellery, leather, lacquer, brass and batik. The number of prototype sample conversions in the workshop is 297. It has a progress of 63%.
- Providing practical training in the workshop and common facility services on request - 71% of the targets have been covered and 53 people have been given practical training in the workshop through short-term training sessions, and 408 people including school and university students have been provided with necessary services. It is 82% as a percentage
- Re-socialization of systematic reproduction of traditional art and sculpture design elements (design patterns -Motif) based on current needs of small and medium scale indigenous handicrafts sector. - All the documentation work has been completed and the necessary work is being done to publish it as a book

Conducting local market promotions programs and New Design Exhibitions

- Necessary activities are being carried out for the exhibition of new designs and the related product development program, through which 200 new designs are expected to be introduced.
- New designs have been exhibited by participating in 2 exhibitions organized by government and non-government organizations.
- Through conducting market linkage programs with leading handicraft stores and buying agencies, 22 out of 40 targeted new designs have been introduced.
- Five advertising and promotion programs have been targeted to popularize the new designs of the institute and 02 of them have been implemented.

Providing Knowledge on New Design & New Technology

- Spreading quality trainings all over the country to cater needy craftsmen's requirements. - Out of the 29 targeted training programs, 6 programs were conducted for 108 beneficiaries giving priority to women, and 82 new designs were introduced to craftsmen. Also, 04 programs have been organized for implementation.

Conducting Research & Development Programmes and Introducing new technologies, new processes and material innovations

- Linking with accredited laboratories/institutes in line with the local/international standards to analyze, certify and aware the quality of handicraft products.

The prepared guideline for GMP standard in Sri Lankan Batik sector was published as a standard in August 2023 by SLSI. We have requested by SLSI to conduct an awareness program for batik industrialists about GMP guideline. The discussions are going on to plan an awareness program for batik sector regarding GMP standard. 20% progress on target.

- Demonstration of semi-automated reed forming machine for rush & reed sector.

The number of beneficiaries involved in this program is 20.

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

The project proposals have been called by reputed institutions to identify a suitable wastewater treatment system for household level batik industrialists. Furthermore, it is testing the ability to treat batik wastewater using chemicals only. 30% progress on target.

- Reuse of water treatment sludge for clay crafts in collaboration with NWS&DB.

A Memorandum Of Understanding (MOU) has been signed with the NWS&DB to continue this research project. This clay source has introduced to Mahayala clay villagers and they have used it for the production of clay crafts. There were five number of beneficiaries have requested to get the clay by water board. The progress of this project is 70%.

- Design & development of basic pattern weaving machine for coir industry and Design & multi-functional clay lamp making machine for pottery industry.

The progress of creating these 02 machines can be stated as 25% and 40% respectively.

- Design & development of Jute based contemporize product (Light shades)

Target covered

- Introducing and developing KNOCK-DOWN Technology for Lacquer industry

The progress is 70%.

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

- The results of field research activities on control the fungus growth on palmyrah leaf in last year is followed up. It is planning to conduct another field workshop for review the results. 20% progress on target

- Conducting research on identification of natural dyes with the collaboration of SLINTEC

This research project is conducted with the collaboration of the Division of Textile and Local Apparel Products Promotion and it is aimed to find out different natural dye colors and commercialize the natural dye production in Sri Lanka.

Progress Report - 2023

- Workshop Health & Safety Workshop for Craft Instructors in NDC workshops

Conducted 02 targeted workshops for 40 beneficiaries.

- Conducting research on natural colors in collaboration with Institute of Nanotechnology.
 - This program is being implemented in conjunction with the Ministry's Small and Medium Enterprise Development Division, and new discoveries including new color varieties discovered through research will be released to the field.
 - Providing the common services for batik industrialists via batik wastewater treatment plant established in NDC premises in Nattarampotha and conduct technology programs

Conducting standardized courses for the design sector

- Purchase of equipment needed to upgrade the education sector - 100% physical progress
- National Diploma in Interior Design Course (2023-2024) has achieved 100% of the target with 60 students enrolled and Interior Design National Foundation Course (03 months) has enrolled 11 students -progress 73%
- Arrangements have been made for the commencement of the National Diploma in Lifestyle Products (2023 – 2024) to be commenced at the Nattharampotha Branch Office, Kandy.

- It is aimed to organize 02 award ceremonies and one of them was held in April.

- At the end of 2022, the revenue earned through the National Design Institute (Education Division) will be Rs. 4.8 million and the expected revenue this year is Rs. 13.75 million.

Providing Design Consultancy Services

- 02 out of 03 targeted consultancy services under undertaking and implementing consultancy services on a profit-oriented basis as per the client's requirements and through that 80% of the targeted Institutional charges have been achieved.

26.3 Future Plans 2024

	Programme/Project/Activity	Required Allocation 2024 (Rs. Mn)
	New	
1	Create, publishing and launch a handbook for Bamboo	1.00
2	TOT with knowledge sharing project (New design concepts and new technology)	2.50
3	Enhancing Craft Industry through collaboration with University of Moratuwa	3.60
4	Overseas design exposure for NDC designers- enhance design, life style products, knowledge and awareness about the world discoveries (Export and import subsidiary)	3.00
5	Batik ,wearable and Products (New Designs) fashion show, collaboration with expertise	3.00
6	Participate exhibitions and events organized by other countries to promote new design handicrafts (Commercialization with export market)	2.00
7	Short Film competition to promote new design handicrafts	1.00
8	Production of sector wise video production	2.40
9	Conducting Research & Development Programmes (Chemical & Mechanical)	5.90
	Ongoing	
1	Activities of Designers' Hub (Designers platform)	5.00
2	Creating and introducing innovative packaging, Gifts and souvenirs for handicraft sector (special design tools and software)	2.10
3	Developing prototype samples , seasonal products, innovative packaging, gifts and souvenirs a line with tourism industry , local & export market -(raw materials)	4.80
4	New Design Training and Monitoring Programmes	10.50
5	New Design exhibition and design competition with Product Development Programme	12.50
6	Market promotion programmes and other events	3.50
7	Conducting Research & Development Programmes (Chemical & Mechanical)	0.60
8	Staff Training	0.60
9	Improvements to existing buildings (Head office & branch office)	5.60
10	Fixed Assets	11.05
Total		80.63

27

Sri Lanka Handicrafts Board (LAKSALA)(SLHB)

27.1 Introduction

Sri Lanka Handicraft Board, popularly known as Laksala has been promoting the sale of local handicrafts through their ten (10) showrooms which are located island-wide. This network of showrooms and provide 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, 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.

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.

Traditional Handicrafts, Handlooms, Batik, Local Apparel, Tea, Leather Products



Main 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.

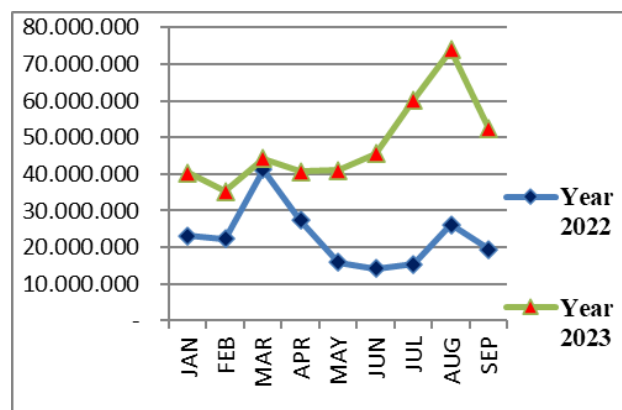
27.2 Progress - At the end of September 2023

Progress

Component	2023
Sales Turnover (Rs. Mn)	410
Profit (Rs. Mn)	25
Showroom Product Purchases (Rs. Mn.)	200
Supplier Payments (Rs. Mn)	138
No. of New Craft Suppliers Registered	360
No. of Regional visits for Crafts Purchases	10

Source: Sri Lanka Handicrafts Board (Laksala)

Sales Comparison 2022 vs 2023



Source: Sri Lanka Handicrafts Board (Laksala)

27.3 Future Plans 2024

- Open-up of LAKSALA showrooms in tourist destinations such as “Ella, Negambo and Hambantota”
- Implementation of PPP business model for LAKSALA Fort building.
- Enhance of registered LAKSALA supplier base up to 2,000.
- Increase of corporate sales orders of government organizations.
- LAKSALA presence for selected well-known foreign trade fairs.
- Identify of underutilized properties for generate of additional revenue via business partners.

28

National Crafts Council (NCC)

28.1 Introduction

The National Crafts Council was established under the National Crafts Council and Allied Institutions Act No. 35 of 1982 with the primary objective of preservation and development of handicrafts as well as uplifting the economic and social status of the artisans in the field of handicrafts. Over the past few decades, the National Crafts Council has implemented a number of projects and programmes for the conservation and development of handicrafts and for the welfare of handicraftsmen.

Goals

1. To Increase the handicrafts sector contribution for the GDP by 10% in 2030
2. To generate 4000 self-employment opportunities on field of handicrafts by 2030
3. To create 400 young and female entrepreneurs on field of handicrafts by 2030
4. To increase the export share of GDP on field of handicrafts by 16% in 2030

Duties/Functions

- Mobilizing artisans through the formation of craft societies at local levels and establishing craft villages
- Identifying and registering artisans at the national level and issuing them with identity cards
- Making arrangements to provide artisans with rare raw-materials
- Conducting workshops to improve the quality of handicrafts and maintain standards
- Implementing fulltime handicraft training courses and providing manufacturing facilities through technical training centers
- Promoting the manufacture of handicrafts for foreign markets and presenting handicrafts of artisans for foreign exhibitions
- Appreciating artisans by way of organizing exhibitions and competitions at provincial and national levels and facilitating the sale of the products of artisans by holding trade fairs and setting up of craft villages.
- Implementing Welfare programmes for artisans
- Implementing programs to uplift the economic and social status of artisans and their families
- Liaising with government agencies at provincial and divisional levels in implementing the above programmes

28.2 Progress - At the end of September 2023

1.Updating information of artisans/craftsmen and establishing computer data system

- 1209 handicraftsmen have been registered and 933 new ID cards issued.
- Total number of artisans-22317

2. Establishment and coordination of Craft Clubs

In an effort to gather and organize handicraftsmen throughout the island, craft clubs have been established at regional and district levels. The goal of these clubs is to provide technical support, marketing facilities, and the necessary skills for handicraft work. Additionally, the clubs aim to develop promotional and entrepreneurial skills among their members. As of 2023, 41 new craft clubs have been established, bringing the total number of clubs to 174, with a total membership of 911.

3.Provision of training facilities by craft training centers. (Training allowances, materials, and equipment)

Seventy (70) technical training centers across 18 districts have implemented technical training programs. Currently, 705 apprentices are enrolled in full-time training programs, and 436 artisans are receiving production facilities.

4. Implementation and facilitation of product promotion programs related to export-oriented handicraft products

To date, 1553 artisans have submitted 2214 designs and 546 winning designs have been selected for the "Crafting Ceylon" Export Oriented Design Competition. The "Crafting Ceylon" Export Oriented Product Promotion Program was held at BMICH on March 23rd and 24th. Certificates were awarded to 100 winners, and a B-to-B meeting, workshop on packaging, presentation by the National Chamber of Commerce, and presentations on E-Marketing were held. A winner was selected for the "Women Plus" Bazaar Market Exhibition organized by the Egyptian Embassy at Shangri-La Hotel Premises on April 30th, with 54 artisans participating. On June 27th, practical training on selling creations through online methods was conducted at Daraz Institute for 10 artisans on the initiative of the Egyptian Embassy.

Product promotion programs



5. Implementation of welfare programs for artisans

This program provides assistance to aged and disabled artisans, as well as responds to requests made by artisans for medical assistance related to surgeries, heart attacks, eye diseases, and other special surgeries in accordance with the Craft Welfare Act.

This year, facilities have been provided for 83 artisans under this program, with subsistence artisans receiving Rs. 5000 per month and other artisans receiving Rs. 3000 per month (19 and 64 artisans, respectively).

6. Local and foreign sales promotion program

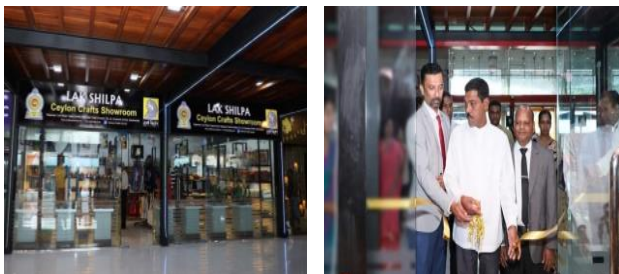
- Battaramulla Diyatha Uyana - "Shilpa Thursday" sales promotion program was held every Thursday. The number of artisans participated was 55.
- Kurunegala "Made in Sri Lanka" trade fair was held from March 31 to April 2.
- A trade stall was held at the premises of People's Bank's Headquarters on 27th and 28th June 2023.
- Craft creations are sold under the brand name "Lak Shilpa" at the Green Super outlet run by the Cooperative Wholesale Establishment.

Local and foreign sales promotion program



- Narahenpita “Rajawasa” local market promotion programs are being conducted every week on Friday, Saturday, and Sunday. 15 artists participated.

Local market promotion programs



- 10 artisans participated in the "Suraj Kund Crafts Mela" held in India from February 2 to 18, 2023

"Suraj Kund Crafts Mela"



- 8 artisans participated in "Chennai Vizha - 2023" organized by the Department of Tourism of the Tamil Nadu Government from 29th April to 14th May 2023.
- 2 artisans participated in the "16th China Woodcarving and Bamboo Weaving Art and Crafts Expo" held in China from June 28 to July 03, 2023.

7. Establishment of Wood Design and Innovation Centre

- The first phase of renovation work for the Katubadda Wood Design and Design Innovation Training Center has been completed, and the second phase of renovation work has started.
- Research and development activities are being carried out for design and process innovation in the wood industry.
- The examination for selecting students from provincial carpentry schools has been completed, and the release of results is pending

Design and process innovation in the wood industry.



8. Establishment of National Raw Materials Management Unit (BANK).

Under the National Craft Council, raw material warehouses will be established at the provincial level, and the necessary facilities will be provided under this project to provide the raw materials needed by the industrialists at a very reasonable price.

- Three-phase electricity has been procured for the Nannapura raw material processing center.
- Bills of Quantities required for the development of Bulathsinghala and Manampitiya Raw Material Management Centers have been obtained.

28.3 Future Plans 2024

1.Encouraging the production of substitutes for imported handicrafts

This project aims to encourage artisans by identifying all imported goods related to handicrafts, identifying substitute products, introducing necessary raw materials, designs, training, and methods, and providing all other necessary facilities. Additionally, selected training centers will be converted into production centers, and production centers will be networked with sales centers to increase efficiency and effectiveness in the handicraft industry.

2.Streamlining of training and production centers

This project aims to increase the contribution made by the handicrafts sector to the GDP by turning selected training centers into production centers, networking production centers with sales centers, streamlining accounts and bookkeeping in production centers, making skilled trainees by way of developing the necessary infrastructure at training and production centers, and by encouraging artisans in the field of handicrafts.

3. Development of Handicraft Villages in and around Sustainable Tourism Destinations

To promote Sri Lanka's tourism industry, the Tourism Promotion Bureau has proposed nine tourist destinations for the nine provinces and has developed suitable tourist itineraries. Developing handicraft villages located near tourist routes so as to provide tourists with the opportunity to purchase craft creations they require, witness how the crafts are being made, and give them first-hand experience in making crafts on their own will pave the way to attract more tourists and to expand market opportunities for local industrialists.

Additionally, Handicraft Streets can be established in places where there are no handicraft villages near tourist routes to provide services related to the handicraft industry.

Development of nine handicraft villages/handicraft streets along the proposed sustainable tourism destinations for the nine provinces.

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.

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 - At the end of September 2023

- Participated in the exhibition held on June 22, 23, 24 and 25 at the Bandaranaike Conference Hall under the Ministry.
- Providing Ampara building belonging to the institute on rental basis for promotion of Salusala name
- Sold long-standing textiles and iron materials by inviting tenders.

- 20 machines have been repaired in the production department under the reorganization of the company.
- Systematically maintaining stock control of the organization with an accounting software.

29.3 Future Plans 2024

- Salusala is expecting to sign an agreement to open overseas branches in Australia and China.
- It is proposed to further promote the sale of salusala products in association with public and private institutions.
- Selling Salusala products online
- Sales in sales centers are expected to be done more efficiently online.

30

Vidatha Unit

30.1 Introduction

Vidatha programme was initiated in 2000 at national level with a view of transferring Scientific knowledge and technology from the research institutions under the purview of the Ministry of Science and Technology, to the grassroot level people of the country. The Vidatha programme facilitates to fill technology gap between urban and rural population and encourage people to utilize the available resources in a productive way through value addition towards the National Economic Development of the country as well as uplifting the living standard of micro, small and medium entrepreneurs.

The Vidatha programme was brought under the scope of the Ministry of Industries by the Gazette no. 2311/42 dated 2022.12.22 as a Unit that

contributes to provide inspiring service and connecting industrialists with the national and international level competitive market environment via transferring technology through its island wide network of Vidatha Resource centers (VRCs). VRCs function at each and every Divisional Secretariat Division and with the strength of **967** employees under the Vidatha Unit.

Objectives

1. Enhance small and medium enterprise (SME) sector contribution to increase the representation of the industrial sector in GDP through technology transfer to the rural entrepreneurs.
2. Increase young and female entrepreneurship contribution in SME Sector via technology transfer.

30.2 Progress - At the end of September 2023

Technology transfer, upgradation, and standardization of products

Vidatha Unit facilitates issuing test reports and quality certificates in collaboration with Industrial Technology Institute (ITI) and Sri Lanka Standards Institution (SLSI) to assure the quality products reaching from village to the market. Standardization of products is the most important activity to fulfill this endeavor to promote entrepreneurship in the country. It is a process that consumes considerable time to complete. 332 quality test reports have been issued in 2022/2023 including 25 Good Manufacturing Practices Certificates (GMP) and 01 Vidatha System Certificate for sectors of foods and beverages, spices etc. Rs. 15 Mn. has been allocated for the program in 2023.

Quality certificate awarding ceremony at Ministry of Industries with participation of State Minister and Secretary.



Sources: Vidatha Unit

Introduce alternate energy sources for small and medium industries

Most entrepreneurs engage in industries face a common challenge of price increase of electricity and L.P. gas in their manufacturing process. Vidatha Unit assists to introduce bio gas installation as an alternative energy source, which provides solution for potential industrialists. Rs. 10 Mn. has been allocated in 2023 and the preliminary activities has been completed and due to commence.

Computer hardware and Mobile phone repairing training programme for entrepreneurs and interested youth

Young generation in the country, is interested in seeking employment opportunities in electronic field because of high demand and opportunities available locally and foreign job market. In order to strengthen their entrepreneurship skills, Vidatha Unit has initiated this programme in collaboration with Arthur C. Clarke Institute for Modern Technology (ACCIMT). It is scheduled to be commenced on 7th October 2023 and 100 youth will be benefited at a cost of Rs. 2 Mn.

Small group income generation projects

Vidatha Unit assists potential entrepreneurs to start their small group income generation projects by enhancing the use of technological applications and provide opportunities for them under this project. Rs. 5 Mn., has been allocated for this project. Rs. 251,000 has been dispatched to 6 Vidatha Resource Centers to undertake training of selected activities. 274 entrepreneurs are being benefited up to 13/09/2023

Capacity building of Vidatha Officers

Vidatha Unit contributes entrepreneurship for economic development of the country. Therefore, capacitation of the Vidatha officers on business plan preparation is important for consultation, facilitation, and training for sustainable business startups. Rs. 3 Mn. has been allocated in 2023. 112 Vidatha officers in Uva, Central and Southern Provinces have been trained in 2023 at a cost of Rs. 939,224. Remaining 02 workshops will be conducted by November.

Business Plan Workshop at Polgolla for Vidatha Officers



Sources: Vidatha Unit

Quality upgradation of textile and apparel entrepreneurs

The Unit provide technology training for entrepreneurs who engage in textile and apparel industry in collaboration with Sri Lanka Institute of Textile and Apparel to ensure the quality of their products. Rs. 2 Mn has been allocated in 2023 and 90 entrepreneurs will be benefited under this project. Preliminary activities have been completed and due to commence.

Development of Vidatha Resource Centers

Vidatha Resource Centers (VRC) provide services for the entrepreneurs at Divisional Secretariat level. A Good Working environment for VRCs is essential to provide effective services. Rs.18 Mn. has been allocated for renovation of VRC buildings, and Rs.11,464,689.38 has been provided for renovation of 19 VRC buildings. The physical progress of the renovation works are 100% completed- 3, 80% completed- 4, 50% completed- 5 and below 50% completed- 7. Rs. 6. Mn. has been allocated for maintenance and acquisition of plant machinery and equipment and allocation of Rs. 583,300.00 has been provided for repairing equipment in 20 VRCs and Rs.144,400.00 has been allocated for purchase of equipment in 6 VRCs. Rs.8. Mn. has been allocated for purchasing office equipment for VRCs and the allocation of Rs. 335,765 has been provided to purchase office equipment and furniture for 07 VRCs. All the activities are in progress of implementation.

Problems and issues

1. Delays in obtaining imprest caused delays in implementation of scheduled projects by the conditions in the circular No: 02/2023 and dated 2023.02.02 issued by the Ministry of Finance.
2. Obtaining collaboration with the stakeholder institutions becomes a challenge in implementation of the activities within the scheduled period.

30.3 Future Plans 2024

- Create a resource pool for technology transfer by capacitating Science and Technology Officers under Vidatha Unit to improve the access to appropriate technologies to rural entrepreneurs.
- Technology transfer and entrepreneurship development with 50% contribution from small and medium entrepreneurs for Spice based products, cleaning products, Mushroom products, Fish value addition and other food value addition products.
- Improving the capacity coconut based small and medium scale entrepreneurs to generate new job opportunities and sustainable rural entrepreneurs with the support of SMILE loan scheme.
- Creating the income generating entrepreneurs via new technology transfer in the fields of glass blowing and natural flower preservation in collaboration with University of Colombo and University of Kelaniya.
- A Project on Preservation, dehydration and value addition of vegetables, leaves, and fruits in Sri Lanka is planned under Australia Sri Lanka Trade and Investment Framework Arrangement as a 2-year programme. The Total project cost is Rs 1,246 Mn and its domestic fund requirement is Rs 50 Mn for 2 years.
- Strengthening the skills of Vidatha Officers in the fields of Business plan preparation and project proposal writing to identify potential entrepreneurs, development, and upgradation of entrepreneurs.

31

National Gem and Jewellery Authority (NGJA)

31.1 Introduction

National gem and Jewellery Authority was established under the act no.50 of 1993; National Gem and Jewellery Authority Act to develop, promote and regulate gem and Jewellery industry in Sri Lanka.

Conducting awareness programs for industrialists and guiding them, conducting gem land auctions for state lands, providing lab facilities as development activities issuing licenses for mining, dealer, lapidary and gem auction, supervision and conducting raids to prevent illicit activities as regulatory measures and representing Sri Lankan pavilion in National and international exhibitions and finding emerging markets for the industry as promotional activities has been done to fulfill above mentioned requirements.

In addition to that stakeholders who are engaging the gem and jewellery sector and all the other parties who are interested were encouraged and facilitate them and help them to enhance their knowledge. The business model of the National Gem and Jewellery Authority is based on the concept of self-sustaining, self-funded authority within the government.

Main Objectives

- Increase the gem and jewellery export value to 2.5 billion US dollars by 2027 and develop sustainable gem mining and marketing methodology.
- Organizing an annual international gem auction is part of the strategy to establish Sri Lanka as a prominent hub for gems and jewellery.

Progress Report - 2023

- Explore new gem deposits in Sri Lanka and increase gem mining by 50%.
- Implement programs to attract youth to the gem and jewellery industry. Through that, increase the youth entering the field by 20% by 2027.
- To have a contribution of US\$ 10 million by 2027 from traditional jewellers.
- Upgrade the gem and jewellery assessment and inspection activities carried out by the National Gem and Jewellery Authority to an international level of recognition.
- Increase the profit of the National Gem and Jewellery Authority to 1 billion rupees by 2027

Main Functions of the Institute

As per Section 14 of the National Gem and Jewellery Authority No. 50 of 1993, the role of the Authority is as follows.

- Development and promotion
- Regulation and enforcement
- Research and innovation
- Social and environmental responsibility
- Training and capacity development

31.2 Progress - At the end of September 2023

Financial Progress

Earnings

Description (Rs. Mn)	Progress
Income	878.96
cost	450
Net profit before taxes	428.96

Source: National Gem and Jewellery Authority

Various income sources of of the Authority

Description	Target	Income (Rs.Mn)	Progress (%)
Export Service Fee Income	204.63	201.95	99%
Gem Mining Licenses	34.39	65.69	191%
Dealer licenses	80.44	74.82	93%
Lapidary Licenses	0.225	0.27	121%
Gem Auction Licenses	1.60	2.43	152%
Raids	11.64	24.95	214%
Land auctions	139.45	232.74	167%
Gold assaying	24.00	21.12	88%
Gem Lab	15.67	11.18	71%
Other operating income	21.31	32.36	152%
Provision of consultancy services - local	27.20	21.99	81%
Approval of mechanical gem mining	38.82	113.39	292%
Other income	47.38	15.16	32%
Net financial income	89.25	60.91	68%
Total income	736.01	878.96	119%

Source: National Gem and Jewellery Authority

Gems, Jewelry and Diamonds Re-export Revenues (USD Mn)

Total Exports (U.S.D.Mn)	Target	Progress
Gem	354	146.33
Jewellery	27	8.95
Diamond re-export	214	201.18
Rough import-re-export (Gem)	5	2.88
Rough Import Re-Export (Jewelry)	1	0.6
Diamond studded jewellery	6	1.29
Geuda	-	0.04
NGR (Non Geuda Rough)	-	0.01
Total exports	607	361.28

Source: National Gem and Jewellery Authority

Progress Report - 2023

Provision of various laboratory facilities

	Target	Progress
Gem Laboratory (Certificate Quantity)	10,288	7,176
Assaying Gold (Amount of Items Checked)	53,175	23,784

Source: National Gem and Jewellery Authority

Various license issuances

License type (Number of licenses issued)	Target	Progress
Gem Mining Licenses	4,310	6,041
Dealer licenses (Gem)	4,944	5,439
Lapidary licenses	195	142
Auction Licenses	535	884
Raids (Number of Raids Conducted)	1,060	2,058

Source: National Gem and Jewellery Authority

Development Projects

Ratnapura Demuawata International Gem Tower

- Ratnapura Demuwawatha International Gems and Jewellery Trade Center is scheduled to be opened in December 2023 by His Excellency the President.
- This building has been constructed at a cost of around 450 million rupees and is expected to promote the gems and jewellery industry.
- An export center, a fully equipped gem laboratory will be set up in this building and facilities will be provided to the exporters with the support of institutions including the Sri Lankan Customs, which are required to carry out exports.

- Here 27 stalls for buying and selling gems are constructed for local as well as foreign gem and jewellery dealers.

Construction of Ratnapura Demuawata International Gem Tower



31.3 Future Plans 2024

- Implement the act for registration of all private laboratories and register the laboratories and issue a license.
- Construct the main office building in Colombo.
- Organize Sri Lanka Pavilion at International Exhibitions.
- Expand existing markets and enter new markets to achieve higher export targets.
- Preparation of a program for the upliftment of jewellery and silver manufacturing industries and establish jewellery villages. (Galle, Kandy, Wabada, Siyambalape, Hikkaduwa)
- Provide opportunities for jewelers to visit international exhibitions.
- Facilitate cut and polished gems for foreigners for trade.
- A mobile fair is planned to be held from the year 2024 with the aim of opening the local market space for jewellers.
- Organizing an overseas training course for jewelers.
- Sponsoring and acting as Chief Organizer for Facets Sri Lanka, Gem Sri Lanka and Jewels Exhibitions to promote the industry internationally.

32

Gem and Jewellery Research and Training Institute (GJRTI)

32.1. 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.

Powers vested in the institute

- Conducting surveys on gem minerals in Sri Lanka
- Location of gems, identification of gems, Methods of enhancing gem stones, Any other related aspects and gemmological research.
- Providing technical and other advice including invention of machinery for the

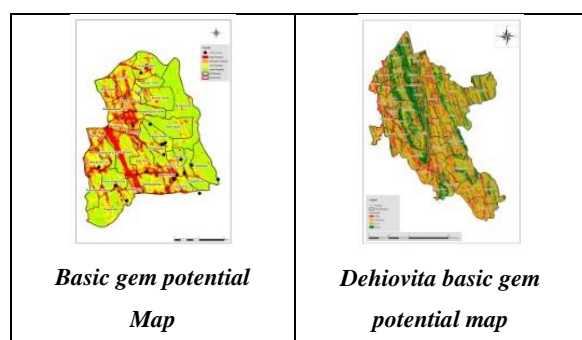
development of the Gem and Jewellery Industry in areas such as mining, gem cutting, jewellery making, devices for the treatment of gem stones and making of jewellery.

- Providing training in gem cutting, jewellery manufacturing, gemmology including diamonds; jewellery designing; enhancement of gem stones; any other related aspects of the gem and jewellery industry.
- Conducting Workshops, Seminars and to publish Papers, Books on related topics, work done etc.
- Carrying out such other things as are necessary to facilitate the proper discharge of the functions of the Institute.

32.2 Progress - At the end of September 2023

Exploration and Valuation Project in Sri Lanka

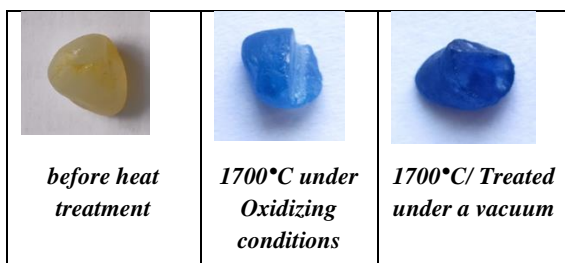
Through this project being implemented at the divisional secretariat level, a detailed database on Sri Lanka's gem potential is prepared and preliminary gem potential maps related to the Pelmadulla Divisional Secretariat have been prepared based on field exploration, sampling, laboratory studies and analysis of results.



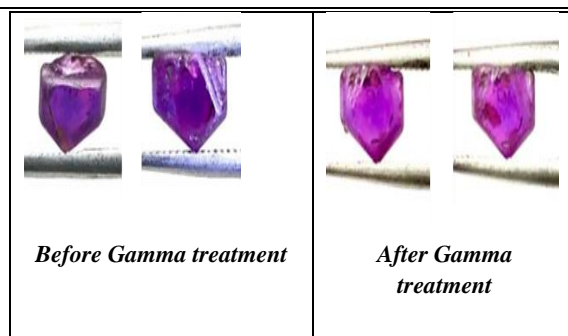
Also, gem deposit exploration activities have been started in Ingiriya, Dehiowita and Ayagama divisional secretariats.

Introduction of new value adding techniques for low quality gems

- The optimum heat treatment conditions for thick geuda were discovered by controlling the conditions in the electrical furnace.



- Studies have been successfully conducted on the removal of the blue color of African rubies by gamma irradiation.



- It was discovered that by applying high pressure to Young Geuda mineral and passing nitrogen atoms under high heating conditions, its blue color can be successfully enhanced.

<i>Samples Name</i>	<i>TG 41/4</i>	<i>TG 43/4</i>	<i>TG 45/4</i>	<i>TG 50/4</i>
<i>Before treatment</i>				
<i>After treating with Nitrogen</i>				

- Studies are being conducted on the heat treatment of Geuda Spinel.

Introduction of suitable oils to fill the gaps in Sri Lankan gemstones

Glycerin was found to be a suitable liquid for filling the cracks in Corundum gems. Thus, it was possible to improve the transparency and beauty of the yellow Corundum gems. This research is further being carried out.



Introducing a low-cost colored gold alloy for jewelry manufacturing

So far, using nano-technology, red colored gold nano particles have been produced. Through this, the research work for producing rainbow colored gold alloys is being continued.

Production of coloured alloy and nanao particles



Compilation of a catalog of Sri Lankan traditional jewelry designs

Arrangements are being made to sign a memorandum of understanding with the Sri Lanka Department of Museums to obtain information for the traditional jewellery designs required for this purpose. As of now, studying and copying of traditional jewellery designs have been started.

Traditional jewellery designs copied



Product diversification and imparting of new technology

- Printing of the the English version of the book “Sri Lankan Gem Mining Industry for a Sustainable Era” is in progress.

The book, "Sri Lankan Gem Mining Industry for a Sustainable Era"



- Arrangements are being made to conduct a Research Symposium on 25.10.2023 to publish new discoveries identified in the field of gems and jewellery researches.

Research Symposium notice



- With the aim of providing high-quality gem analysis reports, actions are underway for laboratory accreditation under ISO17025 standardization for our institute's high-tech analysis laboratory.

Provision of technical services

- 13 Geuda heating services were provided to external parties.
- 71 laboratory analysis services were provided
- 03 survey services for provided for private lands.

Conducting vocational training courses in the Gem and Jewellery sector.

Over 100% progress has been achieved by successfully recruiting 1226 trainees as of September 15, 2023 out of 1130 trainees planned to be engaged in training courses in the current year 2023 for producing skilled workers in the industry. This progress has been achieved through courses in twelve other regional centers and the head office in Kaduwela.

Extension of training courses

In collaboration with the National Gems and Jewellery Authority, efforts have been made to set up regional training centers across the country. Accordingly, establishment of a complete regional center in Badulla with gemmology, jewellery manufacturing and gem cutting training units, establishment of a training center at Gampola with a jewellery manufacturing training unit, were carried out

Also setting up a gem cutting training unit in the Maradana Technical College was carried out and the Nivithigala Training Center was re-opened to conduct gem cutting and Geuda heat treatment courses free of charge.

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

In order to produce advanced professionals needed for the gems and jewellery industry, the necessary actions for the development of courses in the field up to the degree level have been started jointly with Uva Wellassa University. For the development of its syllabus, preliminary discussions have been held and the required industry survey has been conducted and the proposal has been prepared.

Action has been initiated jointly with the Tertiary and Vocational Education Commission, the University of Technology and the Apprenticeship Training Authority for preparation of relevant qualifications relating to the industry under the National Vocational Qualification (NVQ).

Accordingly, the development of National competency Standards and curriculum related to Jewellery Designing (NVQL 4) was completed and work has been started to develop NCS and curriculum related to the Gemology (NVQL 4) / (NVQL 5) and Gem Cutting and Polishing (NVQL 5) fields.

Conducting technical workshops focusing on production villages.

For Nivithigala Cooperative Society employees and bank employees, a jewellery assaying and hole marking technical workshop was conducted at the Ratnapura regional center to identify fake gold jewellery.

5-day gem cutting technology workshops were conducted for students of Uva Wellassa University.

Conducting entrepreneurship development and currier guidance programs.

A technical workshop on entrepreneurship development was conducted for small and medium scale businessmen in collaboration with the Industrial Development Board.

Setting up management information system for the training division.

In order to increase the accuracy of the data management and related reports relating to the students affairs of the training division, necessary action has been taken to obtain the software used by the DTET Institute and the relevant training sessions and the preparation of the memorandum of understanding have been completed by now.

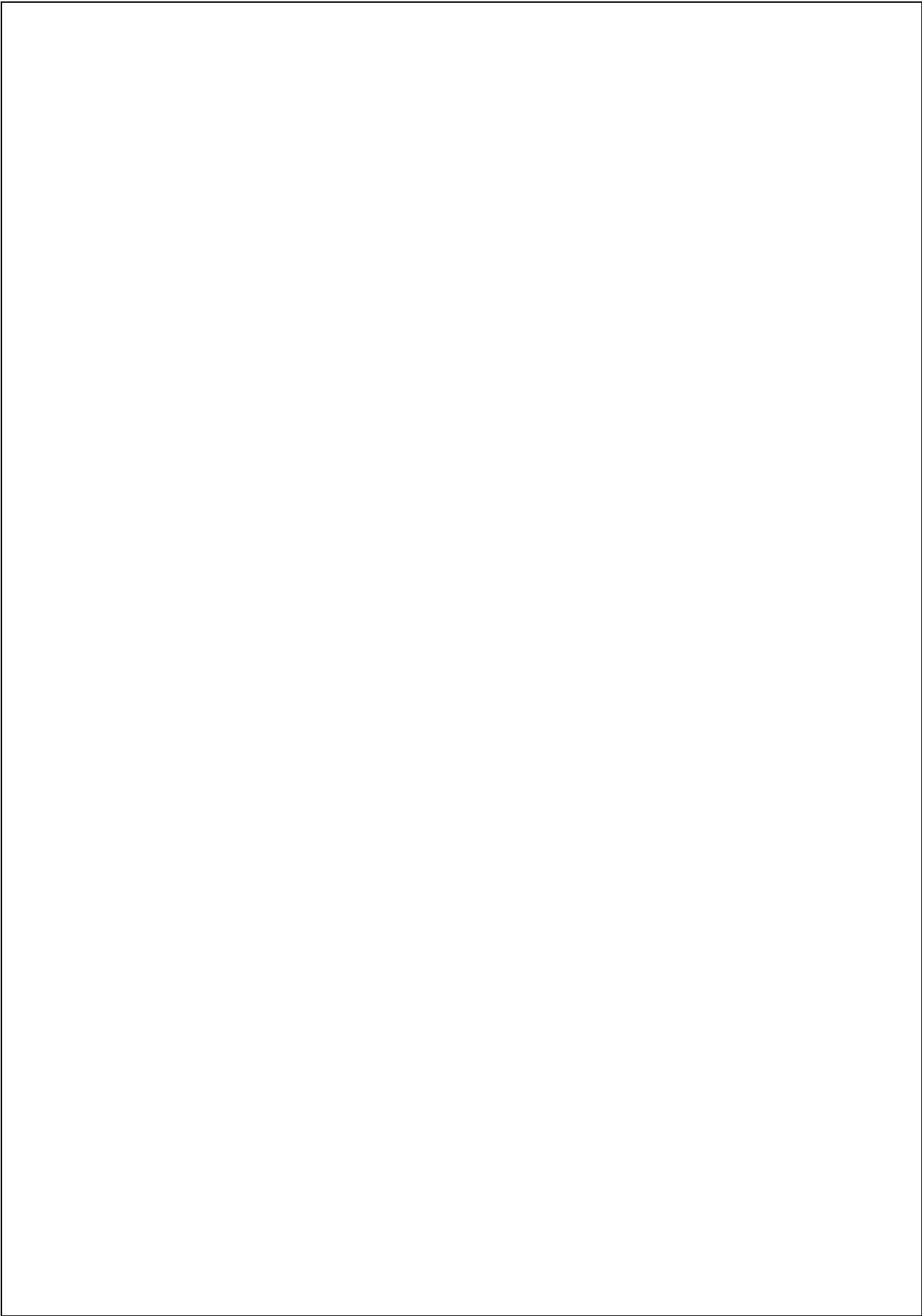
32.3 Future Plans 2024

- Introduction of degree programmes related to Gems and Jewellery sector.
- Conducting the necessary training programme to train 1260 trainees to the industry for the year 2024
- Directing the students who complete the courses for on-the -job training in the industry.
- Conducting market surveys to identify traditional manufacturing villages and conduct technical workshops to upgrade their skills.
- Establishment of new training center at Laggala and Akuressa
- Carrying out extensive publicity about training courses.
- In conjunction with the Export Development Board, the National Gems and Jewellery

Authority and the Foreign Employment Bureau, conducting necessary awareness programs for export of products and directing trainees for foreign employment.

- Introducing an management information system and maintaining it systematically in the future.
- Implementation of Sri Lanka gem deposit exploration and evaluation project in Horana, Nivithigala and Yatianthota Divisional Secretariat Divisions.
- Identifying new methods to increase the value of low quality gems using modern techniques.
- Establishing a method for enhancing the color of sapphires using a third gas
- Introduction of a low cost colored gold alloy for the jewellery manufacturing industry
- Introducing a catalog of Sri Lankan traditional jewellery designs
- Publication of a book on geuda heat treatment
- Conduct a research conference
- Accreditation of the laboratories under ISO 17025
- Conducting a survey to identify the use of technology and labor skill shortage in the Gems and Jewellery industry.

Financial Progress



1. Head 149: Ministry of Industries

Budget Estimate & Expenditure for 2023 (30th September 2023)

Programme : 01 Operational Activities

Project : 01 Minister's Office

Sub project	Object	Category / Object Title	Estimate 2023 LKR.	Expenditure Up to 30.09.2023 LKR.	Balance LKR.	Expenditure %
		Personal Emoluments	34,325,760.00	24,421,410.85	9,904,349.15	71%
0	1001	Salaries and Wages	20,200,000.00	16,220,553.21	3,979,446.79	80%
0	1002	Overtime and Holiday Payments	7,026,880.00	2,601,628.02	4,425,251.98	37%
0	1003	Other Allowances	7,098,880.00	5,599,229.62	1,499,650.38	79%
		Travelling Expenses	9,801,000.00	2,695,375.93	7,105,624.07	28%
0	1101	Domestic	4,161,000.00	2,213,269.00	1,947,731.00	53%
0	1102	Foreign	5,640,000.00	482,106.93	5,157,893.07	9%
		Supplies	46,613,020.00	19,391,162.74	27,221,857.26	42%
0	1201	Stationary and Office Requisites	5,154,000.00	783,640.00	4,370,360.00	15%
0	1202	Fuel and Lubricants	39,959,020.00	18,607,522.74	21,351,497.26	47%
0	1203	Uniforms	1,500,000.00	-	1,500,000.00	0%
		Maintenance Expenditure	10,413,024.00	6,760,237.21	3,652,786.79	65%
0	1301	Vehicles	8,634,864.00	6,379,152.86	2,255,711.14	74%
0	1302	Plant, Machinery and Equipment	1,478,580.00	377,462.35	1,101,117.65	26%
0	1303	Buildings and Structures	299,580.00	3,622.00	295,958.00	1%
		Contractual Services	14,207,780.00	2,016,827.84	12,190,952.16	14%
0	1401	Transport	3,771,980.00	35,900.00	3,736,080.00	1%
0	1402	Postal and Telecommunication	3,760,000.00	1,062,487.71	2,697,512.29	28%
0	1403	Electricity and Water	4,042,500.00	741,196.13	3,301,303.87	18%
0	1409	Other	2,633,300.00	177,244.00	2,456,056.00	7%
		Transfers	1,500,000.00	752,508.23	747,491.77	50%
0	1502	Retirement Beneficts	1,500,000.00	752,508.23	747,491.77	50%
		Total - Recurrent	116,860,584.00	56,037,522.80	60,823,061.20	48%
		Capital Expenditure				
		Rehabilitation & Improvements of Capital Assets	11,100,000.00	7,998,462.24	3,101,537.76	72%
0	2001	Buildings and Structures	1,500,000.00	-	1,500,000.00	0%
0	2002	Plant, Machinery & Equipment	1,500,000.00	-	1,500,000.00	0%
0	2003	Vehicles	8,100,000.00	7,998,462.24	101,537.76	99%
		Acquisition of Fixed Assets	600,000.00	-	600,000.00	0%
0	2102	Furniture & Office Equipment	300,000.00	-	300,000.00	0%
0	2103	Plant, Machinery & Equipment	300,000.00	-	300,000.00	0%
		Total - Capital	11,700,000.00	7,998,462.24	3,701,537.76	68%
		Grand - Total	128,560,584.00	64,035,985.04	64,524,598.96	50%

Progress Report - 2023

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

Sub project	Objec.	Category / Object Title	Estimate 2023 LKR.	Expenditure Up to 30.09.2023 LKR.	Balance LKR.	Expendi ture %
		Personal Emoluments	266,974,000.00	136,585,970.48	130,388,029.52	51%
0	1001	Salaries and Wages	175,100,000.00	88,329,239.33	86,770,760.67	50%
0	1002	Overtime and Holiday Payments	9,144,000.00	4,299,315.79	4,844,684.21	47%
0	1003	Other Allowances	82,730,000.00	43,957,415.36	38,772,584.64	53%
		Travelling Expenses	9,105,860.00	4,136,637.24	4,969,222.76	45%
0	1101	Domestic	3,645,880.00	1,211,546.00	2,434,334.00	33%
0	1102	Foreign	5,459,980.00	2,925,091.24	2,534,888.76	54%
		Supplies	67,837,800.00	28,040,055.25	39,797,744.75	41%
0	1201	Stationary and Office Requisites	17,758,900.00	6,946,717.33	10,812,182.67	39%
0	1202	Fuel and Lubricants	45,979,140.00	20,973,057.92	25,006,082.08	46%
0	1203	Uniforms	599,760.00	116,000.00	483,760.00	19%
0			3,500,000.00	4,280.00	3,495,720.00	0%
		Maintenance Expenditure	47,917,860.00	20,231,582.33	27,686,277.67	42%
0	1301	Vehicles	32,668,580.00	12,982,555.81	19,686,024.19	40%
0	1302	Plant, Machinery and Equipment	5,882,660.00	4,863,890.88	1,018,769.12	83%
0	1303	Buildings and Structures	9,366,620.00	2,385,135.64	6,981,484.36	25%
		Contractual Services	148,046,272.00	56,332,955.48	91,713,316.52	38%
0	1401	Transport	13,070,000.00	5,313,371.93	7,756,628.07	41%
0	1402	Postal and Telecommunication	10,846,292.00	4,666,224.80	6,180,067.20	43%
0	1403	Electricity and Water	34,236,380.00	18,830,447.70	15,405,932.30	55%
0	1404	Rent and Local Taxes	54,000,000.00	9,400,398.00	44,599,602.00	17%
0	1408	Lease Rental for Vehicles Procured Under Operational Leasing	5,200,000.00	4,001,737.78	1,198,262.22	77%
0	1409	Other	30,693,600.00	14,120,775.27	16,572,824.73	46%
		Transfers	24,800,000.00	17,166,840.41	7,633,159.59	69%
0	1502	Retirements Benefits	800,000.00	76,176.00	723,824.00	10%
0	1505	Subscriptions and Contribution Fees	20,000,000.00	16,326,146.08	3,673,853.92	82%
0	1506	Property Loan Interest to public servent	3,900,000.00	764,518.33	3,135,481.67	20%
0			100,000.00	-	100,000.00	0%
		Total - Recurrent	564,681,792.00	262,494,041.19	302,187,750.81	46%
		Capital Expenditure				
		Rehabilitation & Improvements of Capital Assets	54,700,000.00	4,693,112.23	50,006,887.77	9%
0	2001	Buildings and Structures	37,000,000.00	-	37,000,000.00	0%
0	2002	Plant, Machinery & Equipment	1,700,000.00	31,270.00	1,668,730.00	2%
0	2003	Vehicles	16,000,000.00	4,661,842.23	11,338,157.77	29%
		Acquisition of Fixed Assets	4,500,000.00	1,100,644.00	3,399,356.00	24%
0	2102	Furniture & Office Equipment	2,500,000.00	744,694.00	1,755,306.00	30%
0	2103	Plant, Machinery & Equipment	2,000,000.00	355,950.00	1,644,050.00	18%
		Capacity Building	3,700,000.00	561,902.00	3,138,098.00	15%
0	2401	Knowledge Enhancement & Inst.	3,700,000.00	561,902.00	3,138,098.00	83%
		Total - Capital	62,900,000.00	6,355,658.23	56,544,341.77	10%
		Grand - Total	627,581,792.00	268,849,699.42	358,732,092.58	43%

Progress Report - 2023

Programme : 02 Development Activities
Project : 03 Industrial Development

Sub project	Object	Category / Object Title	Estimate 2023 LKR .	Expenditure Up to 30.09.2023 LKR.	Balance LKR.	Exp endi ture %
		Personal Emoluments	338,290,000.00	241,816,104.20	96,473,895.80	71%
1	1001	Salaries and Wages	228,000,000.00	166,510,068.97	61,489,931.03	73%
1	1002	Overtime and Holiday Payments	3,290,000.00	1,189,329.80	2,100,670.20	36%
1	1003	Other Allowances	107,000,000.00	74,116,705.43	32,883,294.57	69%
		Travelling Expenses	3,200,000.00	2,773,492.36	426,507.64	87%
1	1101	Domestic	2,200,000.00	1,864,330.80	335,669.20	85%
1	1102	Foreign	1,000,000.00	909,161.56	90,838.44	91%
		Supplies	10,408,000.00	7,933,947.25	2,474,052.75	76%
1	1201	Stationary and Office Requisites	4,230,000.00	2,133,468.83	2,096,531.17	50%
1	1202	Fuel and Lubricants	6,050,000.00	5,672,478.42	377,521.58	94%
1	1203	Uniforms	128,000.00	128,000.00	-	100%
		Maintenance Expenditure	8,210,000.00	4,315,924.40	3,894,075.60	53%
1	1301	Vehicles	5,600,000.00	2,936,618.49	2,663,381.51	52%
1	1302	Plant, Machinery and Equipment	1,500,000.00	1,029,125.91	470,874.09	69%
1	1303	Buildings and Structures	1,110,000.00	350,180.00	759,820.00	32%
		Contractual Services	23,692,000.00	12,957,539.48	10,734,460.52	55%
1	1401	Transport	2,500,000.00	2,395,383.87	104,616.13	96%
1	1402	Postal and Telecommunication	3,150,000.00	1,400,919.12	1,749,080.88	44%
1	1403	Electricity and Water	2,820,000.00	442,961.89	2,377,038.11	16%
1	1404	Rent and Local Taxes	5,500,000.00	2,513,401.64	2,986,598.36	46%
1	1409	Other	9,722,000.00	6,204,872.96	3,517,127.04	64%
		Transfers	2,500,000.00	1,248,698.52	1,251,301.48	50%
1	1502	Retirement Benefits	100,000.00	-	100,000.00	0%
1	1506	Property Loan interest to Public Servant	2,400,000.00	1,248,698.52	1,151,301.48	52%
		Total - Recurrent	386,300,000.00	271,045,706.21	115,254,293.79	70%
		Capital Expenditure				
		Rehabilitation & Improvements	5,000,000.00	879,525.00	4,120,475.00	18%
1	2001	Buildings and Structures	500,000.00	-	500,000.00	0%
1	2002	Plant, Machinery & Equipment	500,000.00	334,500.00	165,500.00	67%
1	2003	Vehicles	4,000,000.00	545,025.00	3,454,975.00	14%
		Acquisition of Fixed Assets	2,000,000.00	-	2,000,000.00	0%
1	2102	Furniture & Office Equipment	1,000,000.00	-	1,000,000.00	0%
1	2103	Plant, Machinery & Equipment	1,000,000.00	-	1,000,000.00	0%
		Capacity Building	1,000,000.00	18,750.00	981,250.00	2%
1	2401	Knowledge Enhancement & Inst.	1,000,000.00	18,750.00	981,250.00	2%
		Total - Capital	8,000,000.00	898,275.00	7,101,725.00	11%
		Grand - Total	394,300,000.00	271,943,981.21	122,356,018.79	69%

Progress Report - 2023

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

Sub project	Object	Category / Object Title	Estimate 2023 LKR	Expenditure Up to 30.09.2023 LKR.	Balance LKR.	Expenditure %
		Capital Expenditure	3,000,000,000.00	1,875,749,615.14	1,124,250,384.86	63%
16	2302	Environmentally Friendly Solutions Revolving Fund (GOSL/JBIC) on Lending	396,000,000.00	116,918,000.00	279,082,000.00	30%
16	2509	Environmentally Friendly Solutions Revolving Fund (GOSL/JBIC) other	4,000,000.00	2,464,808.00	1,535,192.00	62%
17	2302	Small & Micro Industries Leader & Enterprenure Promotion Project (GOSL/JBIC) on Lending	2,594,000,000.00	1,753,187,865.00	840,812,135.00	68%
17	2509	Small & Micro Industries Leader & Enterprenure Promotion Project (GOSL/JBIC) other	6,000,000.00	3,178,942.14	2,821,057.86	53%

Programme : 02 Development Activities
Project : 05 Public Institutions

Sub project	Object	Category / Object Title	Estimate 2023 LKR .	Expenditure Up to 30.09.2023 LKR.	Balance LKR.	Expenditure %
		Recurrent	1,570,300,000.00	980,821,102.00	589,478,898.00	62%
2	1503	National Enterprise Development Authority (Personal Emoluments)	53,000,000.00	24,948,800.00	28,051,200.00	47%
4	1503	Industrial Development Board (Personal Emoluments)	550,000,000.00	386,195,000.00	163,805,000.00	70%
4	1509	Industrial Development Board (Other Operational Expenditure)	100,000,000.00	44,000,000.00	56,000,000.00	44%
9	1503	Sri Lanka National Design Centre (Personal Emoluments)	63,500,000.00	44,846,000.00	18,654,000.00	71%
9	1509	Sri Lanka National Design Centre (Other Operational Expenditure)	28,800,000.00	6,865,000.00	21,935,000.00	24%
10	1503	National Craft Council (Personal Emoluments)	143,000,000.00	100,393,302.00	42,606,698.00	70%
10	1509	National Craft Council (Other Operational Expenses)	36,000,000.00	16,539,000.00	19,461,000.00	46%
18	1503	Gem & Jewellery Research and Training Institute (Personal Emoluments)	62,000,000.00	45,635,000.00	16,365,000.00	74%
18	1509	Gem & Jewellery Research and Training Institute (Other Operational Activities)	34,000,000.00	18,899,000.00	15,101,000.00	56%
19	1503	Industrial Technology Institute	500,000,000.00	292,500,000.00	207,500,000.00	59%
		Capital Expenditure	761,000,000.00	127,091,000.00	633,909,000.00	17%
1	2201	Sri Lanka Institute of Textile and Apperal (SLITA)	200,000,000.00	21,200,000.00	178,800,000.00	11%
2	2201	National Enterprise Development Authority	60,000,000.00	16,540,000.00	43,460,000.00	28%
4	2201	Industrial Development Board	150,000,000.00	57,000,000.00	93,000,000.00	38%
9	2201	Sri Lanka National Design Centre	40,000,000.00	11,305,000.00	28,695,000.00	28%
10	2201	National Craft Council	40,000,000.00	10,955,000.00	29,045,000.00	27%
18	2201	Gem & Jewellery Research & Training Institute	21,000,000.00	10,091,000.00	10,909,000.00	48%
19	2201	Industrial Technology Institute	250,000,000.00	-	250,000,000.00	0%
		Grand Total	2,331,300,000.00	1,107,912,102.00	1,223,387,898.00	48%

Progress Report - 2023

Programme : 02 Development Activities
Project : 03 Industrial Development

Sub project	Object	Category / Object Title	Estimate 2023 LKR	Expenditure Up to 30.09.2023 LKR.	Balance LKR.	Expenditure %
3	2506	Industrial Estates Development Programme	1,000,000,000.00	96,084,647.58	903,915,352.42	10%
3	2202	Thrust Area Development Programme	300,000,000.00	23,928,508.98	276,071,491.02	8%
4	2509	Handloom & Textile Industries	100,000,000.00	8,448,229.75	91,551,770.25	8%
10	2506	Upgrading and Modernization of Main & Mini Industrial Estates	50,000,000.00	14,347,116.55	35,652,883.45	29%
19	2506	Establishment of Table salt plant 05 TPH - Manthai (Improvement in Elephantpass Saltern)	100,000,000.00	-	100,000,000.00	0%
40	2506	Establishment of Small and Medium Scale Industrial Zones	268,000,000.00	268,000,000.00	-	100%
42	2509	Traditional and Rural Industrial Promotion	100,000,000.00	6,804,728.43	93,195,271.57	7%
43	2509	Establishment of Gem Precision Cutting training workshop	50,000,000.00	487,485.00	49,512,515.00	1%
		Grand Total	1,968,000,000.00	418,100,716.29	1,549,899,283.71	21%



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கைத்தொழில் அமைச்சு
Ministry of Industries

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