



நசீர் அஹமட் (Eng)

නසීර් අහමඩ් (Eng)

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முதலமைச்சர் - கிழக்கு மாகாணம்

ප්‍රධාන අමාත්‍ය - නැගෙනහිර පළාත

Chief Minister - Eastern Province



நதி, திட்டமிடல், சட்டமும் ஒழுங்கும், உள்நாடாட்சி, பிராந்திய நிர்வாகம், கிராமிய அபிவிருத்தி, சுற்றுலா, சுற்றுலா, சுட்டலங்கள் மற்றும் நிர்மாணம், போக்குவரத்து, கிராமிய கைத்தொழில் மற்றும் வீடமைப்பு அமைச்சு
මුදල් හා ක්‍රමසම්පාදන, නීතිය හා සාමය, පළාත් පාලන හා ප්‍රාදේශීය පරිපාලනය, ග්‍රාම සංවර්ධන, සංචාරක හා පරිසර, ගොඩනැගිලි හා ඉදිකිරීම්, ප්‍රවාහන, ග්‍රාමීය කර්මාන්ත හා නිවාස අමාත්‍යාංශය
Ministry of Finance and Planning, Law and Order, Local Government & Regional Administration, Rural Development, Tourism & Environment, Building & Construction, Transport, Rural Industries and Housing

Rising East - Dawning Opportunities

www.investineast.lk

INVEST-IN-EAST - 2016

SECOND INTERNATIONAL INVESTOR FORUM FOR EASTERN SRI LANKA

EASTERN SRI LANKA - PROFILE OF OPPORTUNITIES

Sri Lanka - The Wonder of Asia

The Eastern Provincial Council of Sri Lanka is hosting for the second time, the "Invest-In-East - 2016" International Investment Promotion Forum particularly focusing on the Eastern Sri Lanka, with the objective of harnessing the untapped resources and opportunities abundantly available in the Eastern Region.

The "Invest-In-East -2016" is held in the backdrop of a new business-friendly regime being elected by the people of Sri Lanka, which in turn, is putting in place, far-reaching economic and political reforms creating lasting peace, stability and growth. This is quite evident from the 1st Budget presented by the coalition government for good governance headed by His Excellency the President, Maithripala Sirisena and Hon. Prime Minister, Ranil Wickremasinghe. The Budget 2016 has offered unprecedented incentives and opportunities for foreign investors, de-regulated sectors which have been 'closed' for many years and simplified investment approval procedures in order to secure greater interest and attention of foreign investors and the Diaspora community. These new developments in the policy and regulatory environment makes the entire country an investment 'hot spot' for global investors.

Eastern Sri Lanka - The Land of Opportunities

East is destination to a number of Multinational companies such as Prima, Tokyo Cement, Indian Oil Company (IOC) and few leading Tourism industry investors.

IIE-2016 organisers are making all arrangements necessary to ensure the full benefit for the participating investors. In the mean time, we wish to share certain important information with you at this juncture, which will be helpful in your effort to muster the commitments by the interested investors in your country.

Conference Information:

Please visit the dedicated web portal for investment promotion in the Eastern Sri Lanka, www.investineast.lk which is constantly being updated. The website contains all necessary information pertaining to the opportunities and potential of the Eastern Province in addition

to conference details etc. We wish to highlight few areas in order to help you readily accessing relevant information;

Investment Information:

- For General Business & Investment Climate of Sri Lanka - www.investsrilanka.com
- Eastern Development Plans of the Government of Sri Lanka - <http://investineast.lk/eastern-development-plan-2012-2016/>
- Investment Project Proposals - <http://investineast.lk/pre-developed-investment-proposals/>
- Sector specific Investment Opportunities in the Eastern Province - <http://investineast.lk/investment-opportunities/>
- Investment Potential and Resource availability - <http://investineast.lk/invest-potentials/>
- Cost of Doing Business (CODB) in the East - <http://investineast.lk/codb-in-the-east/>
- Department of Agriculture - Information Center <http://www.agrimin.gov.lk/>
- Ministry of livestock & rural community <http://www.livestock.gov.lk/>
- The Official website of Sri lanka Tourism <http://www.srilanka.travel/>

Economic Features

- Favorable climate and soil typography for commercial agriculture. Mean temperatures between 28° - 34° C from April to October and 26 - 28° C from November to March. Rainfall is highest from October to March with a monthly average ranging from 500 to 1800mm.
- Natural sheltered harbor - one of the largest in the world with an anchorage depth of over 23.2m, cargo pier depth of 4.9m - 6.1m and oil terminal depth of 9.4m -10m.
- A large part of Sri Lanka's exclusive economic zone (EEZ) lies off the East coast of Sri Lanka and extends to 200 nautical miles.
- Labor force participation comparable to the rest of the country.
- Highest percentage of Sri Lanka's cattle and other livestock attractive for dairy development.
- Unique mineral resources - ilmenite, rutile, zircon for titanium alloy industries.
- Population density is only 164 persons compared with the Western Province 1,618 and Colombo 3,729. Large tracts of land available for mega development projects.
- Tourist seasons in the East, from April to September, compliment the West and provide an alternative tourism destination during the off-season in competing destinations.
- Significant public investment in infrastructure and economic rehabilitation
- Attractive tax and investment incentives for both current and new investors.

Major Investment Sectors:

- **Public Infrastructure** - Due to the fact that the Eastern Province is a former war affected area, investments in public infrastructure and utility services is encouraged by the Government of Sri Lanka. Investments in areas such as, Railways, Aviation, Water Supply, Sewerage & Drainage systems, Highways, Waste Disposal projects etc. are feasible and are encouraged by both the central and provincial governments. Please visit following sites for further details;
<http://www.waterboard.lk/>,
<http://www.uda.lk/>,
<http://www.rda.gov.lk/>

- **Tourism Industry** - Large stretches of beach land is available in tourism areas such as Passikudah, Nilaweli and Arugambay. Plenty of opportunities awaits in this sector where only 10% of the potential has been used so far. With high Tourism diversity such as Agro-tourism, eco-tourism, adventure-tourism, medical tourism, religious-tourism etc. makes the Eastern Province a safe haven for both the traveler and the investor. The Eastern Province of Sri Lanka has vast potential for tourism development, much greater than other provinces in Sri Lanka. The province has access to 420 km of coast line with a coastal density of 8.47 hectares per km; 635 sq. km of inland waters; 3,030 sq. km of forests; and 47,000 ha of national parks with elephants, deer, leopard and abundant bird life. The East is also home to many historical and religious sites that attract tourists. Investment opportunities exist in areas such as,

Upgrade existing hotels

Negotiate equity-sharing arrangements to upgrade existing small scale hotels and guest-houses currently operating in the East.

Establish new hotels

Private land: is available for new hospitality ventures.

Public land: SLTDA has earmarked for development a new “travelers’ oasis” in Kuchchaveli or Passikudah.

Develop new tourism products and services

Create exciting new holiday packages and services for tourists, such as water-based sports and activities; guided tours and excursions; and transportation services including airport shuttles, “water” and “air” taxis.

Provide hospitality training

Produce high-qualified hospitality professionals by creating an extensive training program or education facility.

For more information on tourism potential in Sri Lanka in general, please visit <http://www.sltda.lk>

- **Industrial Zone** -With the availability of large extents of land, easy access and improved infrastructure, the Eastern Province is ideally placed to set up Industrial Zones, particularly in sectors such as Pharmaceuticals, Automobile, Steel, Light weight machinery etc. Please visit <http://www.industry.gov.lk/>for more details.
- **Sugar Industry** - Eastern Province has two large sugar factories and sugar cane is cultivated in a large extent of land. The government has identified new land suitable for sugar plantations in the Eastern Province. Please visit <http://www.lankasugar.lk/> for further details.

- **Paper Industry** - A large paper factory is available in Valachchenai and investment is required to improve the production capacity of paper by upgrading the existing factory or setting up of a new factory. For more details, please visit <http://www.npc.lk/>
- **Manufacturing** - While Sri Lanka offers a market of 20.4 million people, bilateral trade agreements with India and Pakistan offer investors access to an Asian population of over 1.2 billion. Sri Lanka is an accessible channel to international markets by serving as a base for producing added-value products. Sri Lanka's small size and good communication facilities permit quick response times. The local manufacturing sector has experience in operating world class manufacturing plants with stringent quality standards. Familiarity with sophisticated export markets has earned Sri Lanka a reputation as a manufacturing destination which is fast, flexible and easy to manage. Significant factors for establishing manufacturing investments in the East is the potential to develop dedicated port facilities for very large scale investments providing significant employment opportunities and the availability of larger tracts of land for scale based industries, like steel.

Potential manufacturing projects identified by BOI for the Eastern Province

Agro Processing, Fertilizer, Cement, Boats and fishing gear, Food and beverages, Non-metallic mineral products, Oil refinery, petroleum based products, Wood and wood products, Tools and machinery - heavy industries, Paper and paper products, Rubber and plastics products.

Investment Opportunities available in the following areas;

Build new ships and other maritime vessels

With sheltered harbor areas in the harbors in the East, build new ships, yachts, pleasure craft and boats, and floating structures used in oil rigs.

Establish ship breaking and steel recovery operations

Profit from recycling and recovering of steel by establishing a ship breaking operation near the new Trincomalee port.

Supply timber to several industries

Valuable hardwoods are available in forestry areas in the East. Manufactured hardwood timber can be sold to furniture and flooring providers. Sri Lanka has experience in managing certified sustainable forestry programs targeting value added export markets.

Gain access to port facilities

Relocate into the planned Trincomalee Special Economic Zone which will provide land and facilities geared towards large-scale manufacturing operations.

- **Rice Processing Zone**- The Eastern Province is called the Granary of Sri Lanka due to its large scale production capacity of rice. This creates the demand for processing of large stocks of rice and the processing facilities are a need. This creates the potential for investments in a Rice Processing Zone. With the by-products of rice processing creating potential for the production of energy, oil, fertilizer etc., investing in a Rice Processing Zone in the Eastern Province could be a profitable investment. Please visit www.pmb.gov.lk for more details.
- **Agricultural Zone** - With the availability of large amounts of fertile, virgin lands and cheap labour, the Eastern Province is also having the potential for investments in Agriculture sector. With the dry zone climatic conditions prevailing in the Eastern Province, all kinds of grains and cereals and fruits and vegetables are easily and naturally grown in the Eastern Province, making any investments in this sector profitable.

Crops with Potential

The following can be grown in the East and would benefit from processing and value addition facilities

Current Crops

Red Onion, Papaya, Banana, Lime, Cashew, Sesame, Cow Pea, Green Gram, Black Gram, Early Season Watermelon

Emerging Crops

Bombay Onion (B'Onion), Chilli (dried), Pomegranate, Pineapple

Please visit <http://www.agrimin.gov.lk> for more details.

- **Dairy Zone** - Eastern Province produces 25% of Sri Lanka's annual milk production, thus creating a huge potential in investments in the dairy sector. Milk processing facilities, chilling facilities and other dairy products manufacturing units are lucrative investments. Investment Opportunities available in following areas;

Open horticulture and dairy processing centers

Establish large scale horticulture processing centers in strategic locations, closer to commercial farms.

Demand for collection, processing, and packaging centers for dairy.

Provide warehouses and transportation services

Take advantage of new opportunities for investing in warehousing facilities and transportation with growing investments in fruit, vegetable and other field crop cultivation in the East.

Supply agro-based inputs to several industries

Explore new bio-technology options in order to extract essential oils and essences from plants and herbs, such as turmeric and aloe vera, grown in the East. These herbal extracts can be used as inputs for cosmetic, food and beverage, and pharmaceutical industries.

Collaborate with large exporters (SMEs)

Establish new business relationships with large scale processors and exporters by providing primary processing services within the supply chain.

More information on the dairy sector can be obtained from, www.nldb.gov.lk and <http://www.livestock.gov.lk/>

- **Renewable Energy** - Eastern Province falling in the Dry Zone with a large stretch of beach, has high potential for production of solar power and with the government of Sri Lanka offering incentives for investments in renewable energy, this sector also is having the highest investment potential. Waste-to-Energy is also another alternative energy source having high potential in the East. Agribusiness waste and the availability of larger tracts of land in the east provide opportunities for investors to consider bio-mass fuel options. Solar and wind power generation options also offer scope for investment. Please visit www.energy.gov.lk for more details.
- **Fisheries Zone** - With the centuries old fisheries industry in the Eastern Province, both in terms of inland and marine, Fish processing zone with all necessary support facilities are a grave need in the Eastern Province and therefore bears a higher investment potential. Sri Lanka exports deep sea tuna and other marine products to international markets. According to the Seafood Exporters Association of Sri Lanka all marine fishery processors and exporters in Sri Lanka are HACCP certified. The fisheries investment potential for the Eastern Province has the following attributes:
 - The Eastern Province accounts for less than 8% of Sri Lanka's total population, but it is home to 42% of the country's marine fishers.
 - Around the island there are 16 fishery harbors in operation, two of which are located in the Eastern Province (Trincomalee and Batticaloa).
 - The ocean area within Sri Lanka's jurisdiction has a very high concentration of marine resources with an estimated yield of over 250,00MT of fish annually, close to 20% of which comes from the waters off the Eastern part of the island.
 - The government is continuing to promote the development of larger, multi-day boats that can fish further offshore and take advantage of Sri Lanka's marine resources within the country's Exclusive Economic Zone (EEZ).
 - Currently, the EEZ waters have been underutilized and have large potential for high yields of tuna.

Investment Opportunities available in the following areas;

Establish cold storage facilities

Provide much needed cold storage facilities to fish and seafood exporters in the East.

Provide refrigerated transport

Develop modern refrigerated transportation to/from exporter processing facilities and to/from markets in Colombo and other areas on the island.

Open new fish processing and canning facilities

Assist in meeting local demand for canned fish by establishing new fish processing and canning facilities. Local demand is currently being met by imports.

Manufacture fishing boats and fishing gear

Help fisherman further explore deep sea fishing by manufacturing multi-day boats and employing technologies to help maximize catches.

For more information on tourism potential in Sri Lanka in general, please visit <http://www.fisheries.gov.lk/>

- **Aquaculture Park** - Sri Lanka enjoys a location and transport advantage exporting perishable products to the Persian Gulf countries. Several buyers from the Gulf countries have explored Sri Lanka as a source of farm-raised fish for Asian construction workers living in the Gulf countries. There is a significant opportunity for investors to profit from the revitalization of the Inland and the Aquaculture sub-sector in the Eastern Province. “Brackish” or saline water is more readily available in the Eastern Province which is conducive to the cultivation of aquaculture products such as pond raised fish and shrimp, which are selling successfully in the local market in Sri Lanka. Please visit www.naqda.gov.lk
- **Ports & Harbours** - The Eastern province is currently having a number of ports and harbours such as Oluwil Harbour, Trincomalee Port, Valachchanai Harbour, Kalmunai Harbour etc. All these ports have the potential for expansion and increasing the capacity. In addition, huge potentials available for development of Marinas in the Eastern Province. The Trincomalee Harbor is one of the largest natural harbors in the world, flanked by high cliffs on seaside and offering sheltered harbor areas. It will be developed for bulk break, bulk, cargo and industrial activities including heavy industries. Please visit www.slpa.lk for more details.
- **Airports** - The Eastern Province is accessible by air from China Bay airport in Trincomalee and Mattala airport in Hambantota. Regular flights operate to these destinations several times a week. Existing airports in Batticaloa and Ampara will soon be developed to accommodate commercial traffic. Air taxis have recently begun operation to the Eastern Province tourist destinations of Passikudah, Arugambay and Trincomalee. Commercial flights to Trincomalee and Mattala airports have made the East more easily accessible to business travelers. Please visit www.airport.lk.

- **Mineral based Industries** - The East is also endowed with unique mineral deposits. In Pulmudai, Trincomalee District, minerals found along the coast line include; Ilmenite, Rutile, Zircon, Quartz silica, Vein quartz etc. There are opportunities for the establishment of mineral processing facilities, which would upgrade ilmenite into titanium-a widely used product in the manufacturing of high performance air crafts, jet engine componenets and submarines. Vein quartz is another product which can be processed and used in the manufacturing of TV tubes and windscreens. Investment Opportunities

Mineral Processing

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Please visit <http://www.lankamineralsands.com/> for more details.

- **Construction** - Fast tracking infrastructure development in a priority in the East. There is a need for both large and small-scale developers to invest in establishing operations to meet the business opportunities provided by the demand for developing economic and commercial zones. Additional business opportunities in the Eastern Province are resulting from immediate needs for improved road networks, water supply, electricity and telecommunications. While the government is currently engaged in developing this infrastructure the constraint has been the lack of finance. There are opportunities for private sector participation in organizing funding and developing projects on Build Operate Own (BOO) or Build Operate Transfer (BOT) for the following:
 - Telecommunications infrastructure.
 - Construction and repairs of Roads and Bridges. □ Necessary ancillary services for the recently commenced Oluvil harbor.
 - Improving the capacity of water supply coverage. The current rate for the Eastern Province is very low at only 27 percent with water supply curtailed in many areas.
 - Investment in improving the national transportation network to better connect the Eastern Province with other parts of the country.
 - Electrification Projects including the Sampur Power station and transmission lines.

