



கைத்தொழில் மற்றும் தொழில் முயற்சியாண்மை அபிவிருத்தி அமைச்சு
Ministry of Industry and Entrepreneurship Development



சூடுதல் வர்த்தக
முன்னேற்ற அறிக்கை
Progress Report

2024



Progress Report - 2024

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



Leadership and Direction



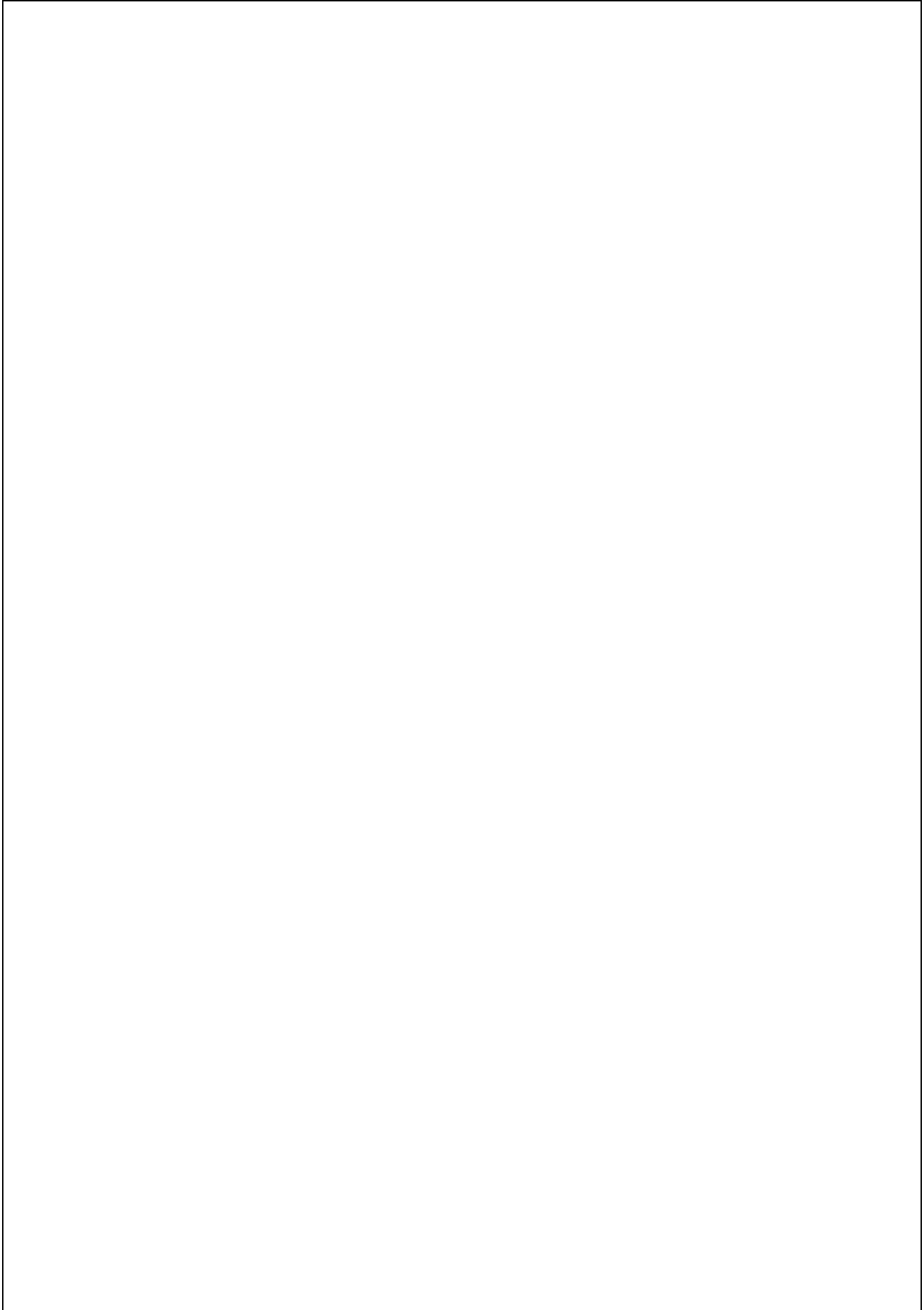
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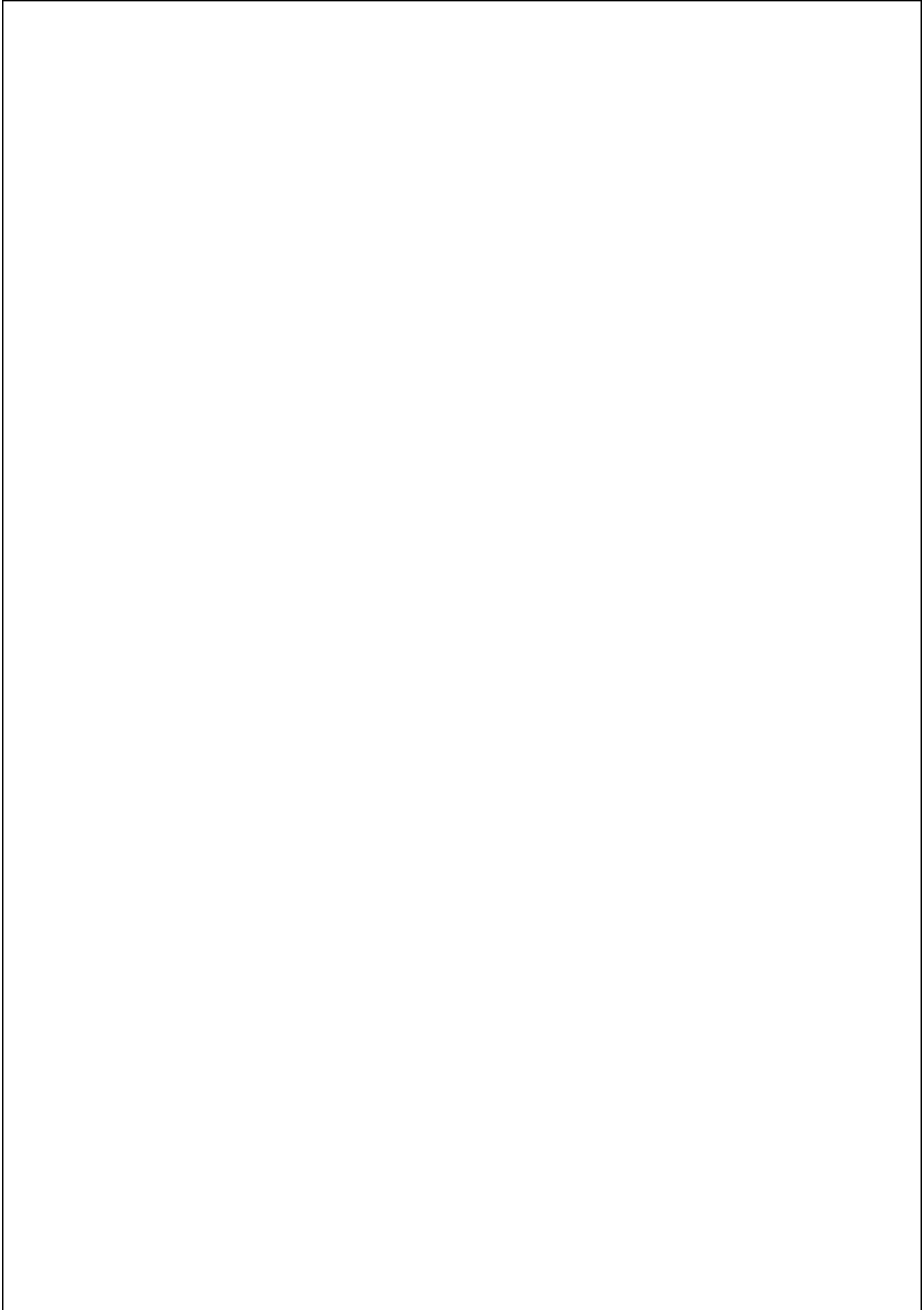


Vision

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

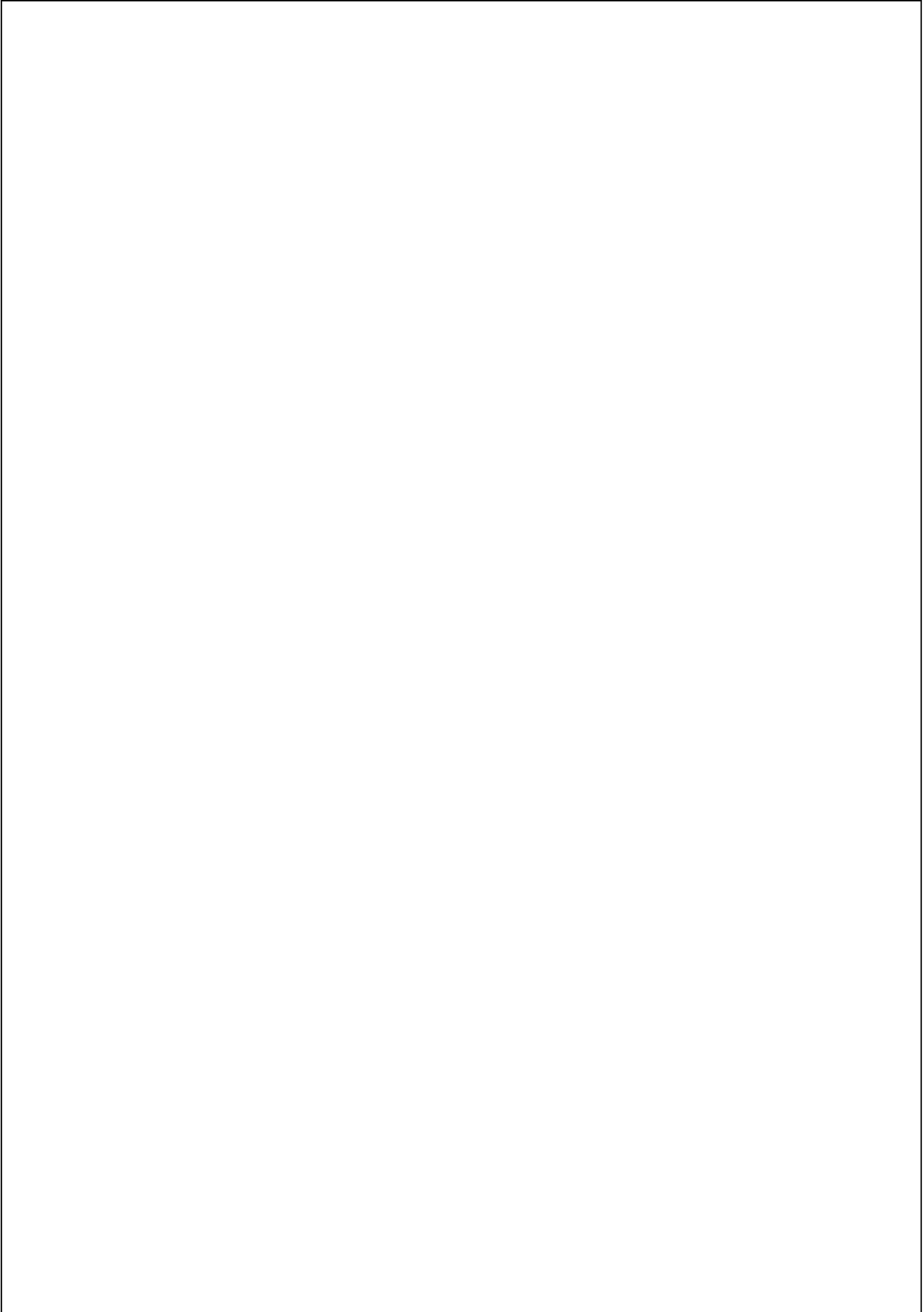
Mission

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.



Goals

- To increase the Manufacturing Industry sector's contribution to the GDP from 16.2% of 2023 up to 20% by 2030.
- To increase entrepreneurship contribution to the national economy from 3.2% of 2023 up to 10% by 2030.
- To increase the industrial (Merchandize) export share of GDP from 20.5% up to 25% by 2030 (17.5 billion USD out of total GDP of 84 billion USD in 2023) (28 billion USD by 2030)
- To increase the land extent for Industrial purposes from 0.01% of 2023 up to 1% by 2030 (International Norm is 3%).



Divisions of the Ministry

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

Statutory Institutions and Public Corporations under the Purview of the Ministry

1. Department of Textile Industry (DTI)
2. Industrial Development Board of Ceylon (IDB)
3. National Enterprise Development Authority (NEDA)
4. Kahatagaha Graphite Lanka Limited (KGLL)
5. Ceylon Ceramics Corporation (CCC)
6. Lanka Mineral Sands Limited (LMSL)
7. National Paper Company (NPCL)
8. Lanka Leyland Limited (LLL)
9. Lanka Phosphate Limited (LPL)
10. National Salt Limited (NSL)
11. Sri Lanka Cement Corporation (SLCC)
12. Paranthan Chemicals Company Limited (PCCL)
13. BCC Lanka Limited (BCC)
14. National Design Centre (NDC)
15. Sri Lanka Institute of Textile & Apparel (SLITA)
16. Sri Lanka Handicrafts Board (SLHB)
17. National Crafts Council (NCC)
18. Lanka Salusala Ltd (LSL)
19. National Gem and Jewellery Authority (NGJA)
20. Gem and Jewellery Research and Training Institute (GJRTI)
21. The Small Enterprises Development Division (SEDD)
22. Sugarcane Research Institute (SCRI)
23. National Productivity Secretariat (NPS)
24. Sri Lanka Export Development Board (SLEDB)
25. Kantale Sugar Industries Limited (KSCL)
26. Lanka Sugar Company (Pvt) Limited
27. Galoya Plantations (Pvt) Limited

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Preface

The Ministry of Industry and Entrepreneurship Development has been entrusted primarily to plan out, implement and facilitate industrial development programs to maintain an economy which support entrepreneurs to create conducive industrial environment by strengthening local manufacturing and encouraging export production in Sri Lanka.

This year, numerous measures have been taken in collaboration with financial institutions (banks) and the Ministry of Finance to implement programs to provide economic relief to revive collapsed local manufacturing industries and provide the necessary facilities for investment in new industrial sectors.

The Ministry has prepared a national policy and a five-year strategic action plan (2023 - 2027) to facilitate sustainable industrial development. The amendment of the Industrial Development Act to facilitate rapid industrial development has also been completed.

The Ministry has implemented several programs to provide infrastructure facilities to encourage investments to distribute centralized industries only in development areas to regional areas.

Many programs have been implemented by the institutions under the purview of the ministry, including training programs for micro, small and medium-scale industrialists and entrepreneurs, provision of financial facilities, and introduction of graduate entrepreneurs to the sector.

In order to promote and show up the products of industrialists and to share international experiences from different nations, an international industrial exhibition has been organized during this year.

The Ministry has also introduced several measures to ensure optimal utilization of mineral resources, value addition, and strengthening loss-making state enterprises into profitable and commercially viable enterprises.



Direction of the Ministry (From January to December 2024)

01. Building a conducive environment for manufacturing industries

1.1 National Industry Policy

- The National Policy for Industrial Development (NaPID), which will help build a manufacturing economy and develop the industries of Sri Lanka, has been formulated and is being prepared in line with the Government's "Prosperous Country – Beautiful Life" policy framework.
- A five-year strategic plan for the period 2023 - 2027 has also been prepared in relation to industrial policy, and the Ministry is successfully implementing it in phases.

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 New Cabinet for the draft and to implement it immediately.

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

- **Formulation of National Policy for the Automobile Assembling Industry.**

The final draft of the National Policy for the Automobile Assembling Industry has been completed. Now the preparation of a detailed Strategic Action Plan is being done. This plan will serve as the blueprint for the implementation of the said policy.

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

The evaluation of prices of locally manufactured components used in vehicle assembly and the formulation of the national policy on automobile manufacturing and assembly is currently about 75% completed. Meanwhile, measures are being taken to launch the second edition of the Standard Operating Procedure (SOP).

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

As of December 31, 2024, a total of thirty-six (36) automobile assembling institutions have been approved to assemble eighty-one (81) new vehicle models within the country. Notably, three (03) of these institutions, and ten (10) new vehicle models, received approval in 2024 alone reflecting the continued expansion and diversification of the industry.

Since the implementation of the SOP, the total number of automobiles assembled has reached 94,138 units. Of this total, 63,331 units were assembled in 2024, which includes 2,010 four-wheelers, 30 electric three-wheelers and 61,291 two-wheelers.

- **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 first draft of the E-Vehicle Guideline have submitted reports including proposals. Currently, about 90% of the report has been completed and is scheduled to be released by the end of the first quarter of 2025.

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 1073.8 acres of the industrial estates which can be completed quickly under this, 34 existing industrial estates and 6 new industrial estates (Aluthapola, Dambulla, Sandamalgama, Suriyawewa, Nochchiyagama and Wellawayaya) are being developed. In addition, development activities are also taking place in existing and new industrial estates under the Industrial Development Board (IDB).
- Development of Sooriyawewa IE will be completed with road development at a cost of Rs.253.81 Mn. and the land is ready to be allocated among investors.

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. 2700 Mn have been allocated and Rs. 2684 Mn has been given for 360 projects through 10 lending institutions (banks) for the year 2024.
- Under Environment-Friendly Revolving Fund Loan Scheme II (E-E-Friend) for the year 2024 Rs. 800 Mn has been allocated and Rs. 668 Mn has been given as loans for 44 projects through 11 participating lending institutions (banks)

3.2 Temporary Import Scheme for Export Processing (TIEP)

- 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 December 2024, 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 have been given for 683 letters.

3.3 Skills Development Programs

- Under Skills Development Programmes, the training program for the upgradation of packaging technology was planned to be conducted as a 14 day- weekend diploma course in packaging technology.
This program is implemented in collaboration with the Ministry and the Sri Lanka Packaging Institute. Provide the opportunity for 28 technicians who are engaged in the packaging industry.

3.4 “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 2024, entrepreneurship training is already being conveyed to 367 students at the University of Jaffna, Moratuwa, Uva wellassa, Colombo, Ruhuna, Peradeniya, Jayawardhanapura, Wayamba, Sabaragamuwa, Rajarata, University of Visual and Performing Arts and Kelaniya and developed 31 graduate entrepreneurs.

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

- 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).
- Under this programme, 71 industries representing processed food packaging, value-added tea, value-added spices and coir industry sectors were given the opportunity for the year 2024. Financial facilities have been provided for the 38 industries that will successfully complete ISO certification in the year 2024.
- 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 for obtaining GMP certificates for selected industries from Sri Lanka Standards Institute and INDExpo. 35 industries were selected for this program in the year 2024. Financial facilities have been provided for the 12 industries that successfully complete ISO certification this year.
- The project to develop the skills and technical knowledge of technicians engaged in the field of gems and jewelry is jointly implemented with the Ministry and Gems and Jewelry Research and Training Institute and the main objective of this is to develop the skills and technical knowledge of technicians engaged in the field of gems and jewellery. The project envisages to train technicians under 15 centers. 12 courses in gem cutting and polishing and jewelry manufacturing have been successfully completed by December 2024.

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, tariff concessions have been granted for a number of products in coordination with the Department of Trade and Investment Policy regarding the provision of concessions on tariffs levied on imported manufacturing raw materials. These committees are currently operating very successfully to foster growth in the industrial sector.
- The Footwear and Leather Goods Exhibition, held annually since 2007, was successfully held at the Bandaranaike Memorial International Conference Hall on 8, 9, 10 and 11 February 2024. There were approximately 215 stalls of local footwear and footwear-related manufacturers.
- The Ministry, in collaboration with the Sri Lanka Food Processors Association, successfully concluded the Profoods/Propack exhibition on 23, 24, and 25 August 2024 at the Bandaranaike Conference Hall (BMICH) with the participation of a large number of local and foreign exhibitors.

4.2 Industry Promotion and Marketing

Industry Exhibitions

- “Industry EXPO 2024” International Industry Exhibition was successfully held from 19th to 23rd June 2024 at Bandaranaike Conference Hall (BMICH) with the coordination of the Ministry and the Industrial Development Board (IDB) with the aim of taking local industries to international markets.
- The National Vehicle Parade of the year 2024 was successfully held on June 18. This was organized with the participation of 29 people from local enterprises in the automotive industry and more than 150 types of vehicles were displayed.
- The “Lanka Pack-2024” Exhibition was successfully held at Bandaranaike Conference Hall on 25, 26 and 27 October 2024 to increase foreign market opportunities for local industries for packaging.
- In the year 2024, the National Gems and Jewellery Authority successfully organized an International Gems and Jewellery Exhibition, in which 83 local and foreign booths were organized. More than 7000 local and foreign people were participated to the exhibition.

- The Export Development Board has implemented several key initiatives targeting the Information and Communication Technology/Business Process Management Services (ICT/BPM), Spices and Concentrates, Boat Building, Food and Beverages, Electrical and Electronic Components and Logistics sectors, which have been identified as priority areas under the existing National Export Strategic Plan for Export Development and Promotion.

4.3 Strategic Transformation for Industry 4.0

- 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.
- **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 Economic contribution of mineral sands industry

- The revenue generated from the sale of mineral sands from January to December 2024 is US\$ 2,283,256.57 (excluding government share)

5.2 Increasing Gem Export Revenue

- By the 31st of December 2024, through the export of gems, jewelery and diamond products, It was able to provide an income of about USD 355 Mn to the national economy.

5.3 Exploration and evaluation of new gem deposits in Sri Lanka

It is estimated that more than two-thirds of Sri Lanka's land area, or about 70%, contains gem deposits . Only 20% of these resources have been explored to date .

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

Under this project in 2024 Basic gem potential mapping is underway in the Ingiriya, Dehi Ovita , Ayagama and Pelmadulla Divisional Secretariat Division.

6. Industrial Revival

6.1 Galoya Plantations (Private) Limited (Hingurana Sugar Industries Limited)

- Galoya Plantations Limited is a joint venture established between the Government of Sri Lanka and the private sector to revive the Hingurana sugar industry, with 51% ownership by the Government of Sri Lanka and 49% owned by Brown & Company and LOLC Holdings Limited. The management of Galoya Plantations Limited has been given to the private sector under an agreement.
- The Galoya Plantation Company, which is currently operating successfully, has provided over 1300 direct employment opportunities. 11,376 farmers are engaged in sugarcane cultivation on 10,853 hectares of agricultural land, and over 60,000 people have gained indirect employment opportunities from this project.

6.2 Lanka Sugar Company (Pvt) Ltd

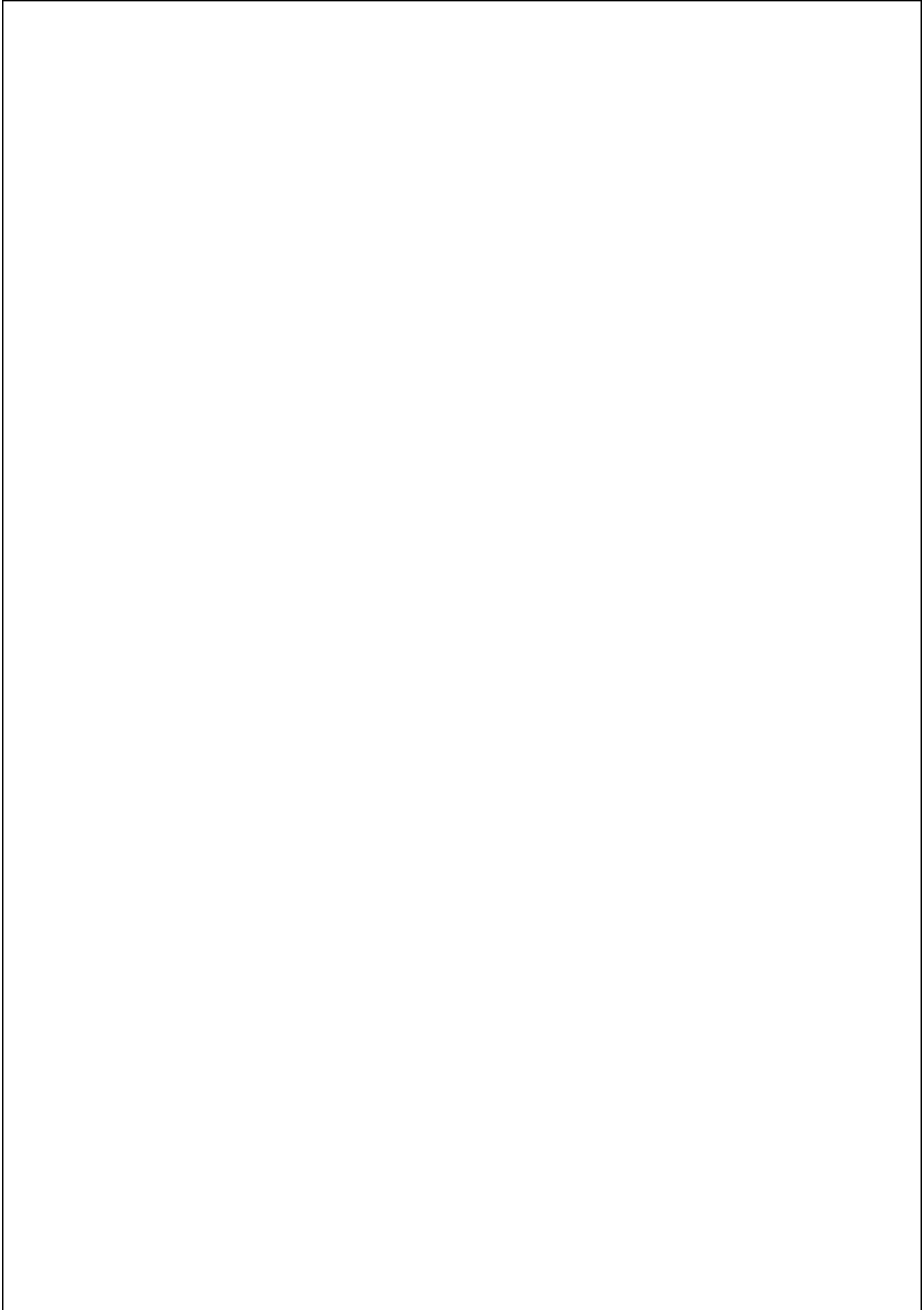
- Under the Revival of Underperforming Enterprises or Underutilized Assets Act, No. 43 of 2011, previously private sector-owned Pelwatta and Sewanagala Sugar Factories were taken over by the government and are successfully operating under Lanka Sugar Company (Pvt) Ltd
- The company sources sugarcane from outside growers and its plantations. The company currently has 10,000 farmers and 5,367 employees.

- In 2024, it produced 39,720 MT of sugar, 5,145,299 liters of ethanol and 31,265 MT of molasses.

6.3 Embilipitiya Paper Factory

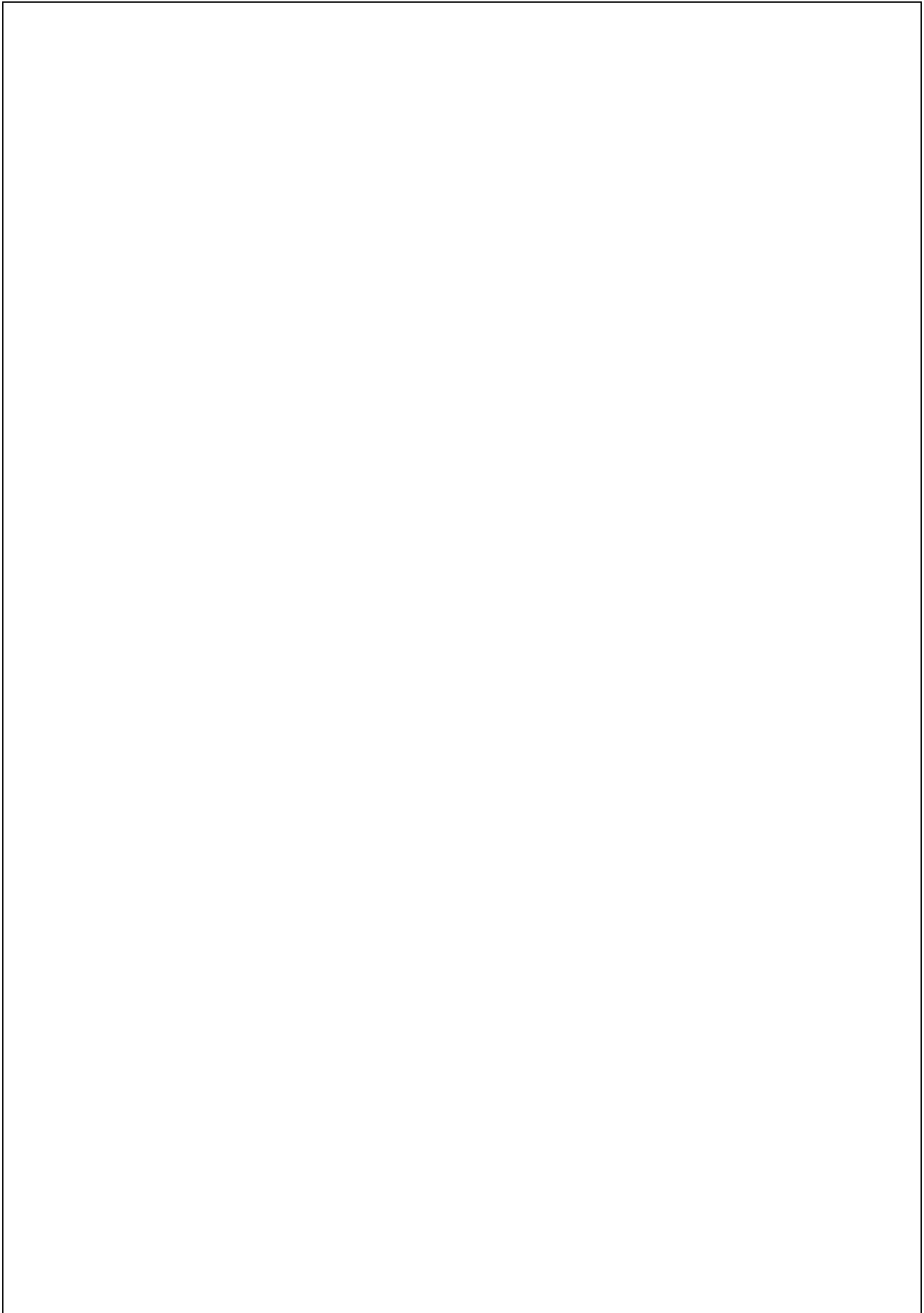
- The Cabinet approval No.: Amap/22/0254/320/010 dated 28.02.2022. was granted to resume production activities at Embilipitiya Paper Factory under the Public-Private Partnership Scheme and on 2024.04.08, Korean Spa Packaging (Pvt) Ltd. commenced production activities of the Embilipitiya Paper Factory owned by the National Paper Company Limited. The expected annual paper production of this factory is 74250 MT.

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Main Divisions

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01

Policy Development Division

1.1 Introduction

The need for a strong industrial base has arisen to achieve industry-oriented goals, with the primary objective of building a manufacturing economy in Sri Lanka while utilizing the country's resources to the maximum. The industrial sector contributes significantly to the GDP, particularly through manufacturing, construction, and mining industries. It supports fostering innovation and technological advancement, and enhancing the country's global competitiveness. Additionally, the industrial sector promotes exports, generating foreign exchange and improving the balance of trade. Strengthening this

sector is key to Sri Lanka's long-term economic sustainability and development.

A well-defined and effective policy for the industrial sector is essential for Sri Lanka's economic development. Such policies provide a clear roadmap for growth, attract both domestic and foreign investments, and foster a favourable environment for innovation and technological advancement in the industrial sector. Strategic industrial policies can help to address the challenges like infrastructure gaps, skill shortages, and access to finance and can stimulate export-oriented industries. Furthermore, by aligning industrial policy with national development goals, Sri Lanka can create a more resilient and diversified economy.

The Policy Development Division in the Ministry of Industries engages in shaping Sri Lanka's industrial landscape by formulating, implementing, and monitoring policies that guide the industrial sector's growth and development. This division ensures that industrial policies are aligned with the country's national economic goals, and addresses sector-specific challenges. Policy Development Division has the responsibility for creating a regulatory framework by coordinating with other government bodies, for the implementation of the National Policy for Industrial Development.

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.

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

One of the key responsibilities of the Policy Development Division is to recommend Excise Duty concessions for the automobile sector, which can significantly contribute to the growth and development of the automobile industry. In this regard, the Ministry of Industries prepared a comprehensive Standard Operating Procedure (SOP) that outlines clear guidelines, regulations, and procedures for local vehicle assembly. The SOP is a detailed, self-explanatory document designed to support the efficient and transparent implementation of local vehicle manufacturing initiatives.

The Ministry is actively working to encourage the local assembly of motor vehicles using domestically manufactured components. This initiative aims not only to foster the growth of the automobile assembly industry but also to encourage the domestic component manufacturing industry. By providing a structured framework for local assembly, the policy encourages the development of a strong supply chain and supports the creation of new job opportunities across the country. In addition, the policy's focus on local value addition will contribute to skill development in the workforce, enhance technological capabilities, and ultimately strengthen the domestic automobile sector.

Formulation of National Policy for the Automobile Assembling Industry

The National Policy for the Automobile Assembling Industry is designed to accelerate the growth of the sector by creating a supportive environment. The policy's primary goals include attracting both domestic and foreign investment, encouraging innovation, promoting sustainability, and enhancing safety standards within the industry. It also emphasizes the importance of maintaining high safety standards across the industry and encourages the adoption of digital technologies to improve efficiency and competitiveness.

A key focus of the policy is to encourage a globally competitive automobile sector that aligns with the principles of green mobility. This includes prioritizing environmentally friendly technologies, such as electric vehicles, and supporting sustainable practices throughout the production. Additionally, the policy places a strong importance on skill development, aiming to equip the workforce with the expertise needed to meet the demands of an evolving industry.

Local Assembling / Manufacturing of Electrical and Electronic Items

Local Assembling / Manufacturing of Electrical and Electronic Items with Domestic Value Addition, is also implemented by the Policy Development Division. Throughout the year, recommendations are consistently made to grant duty exemptions for locally assembled or manufactured electrical and electronic equipment, particularly those falling under HS Codes 84 and 85 under the Extraordinary Gazette No 1992/30 dated 10.11.2016. These exemptions are aimed at promoting domestic production and making

locally made electrical appliances more competitive in the market.

This increase in local value addition is a direct result of the growing capabilities within the domestic manufacturing industry sector. The rise in locally produced Electrical and Electronic models not only reduces dependency on imported goods but also demonstrates the progress of local industries in terms of both quality and innovation. Moreover, this growth has attracted substantial investments into the sector, helping to expand manufacturing facilities, improve production technologies, and create a large number of job opportunities.

The Implementation of National Determined Contributions (NDC) in Industry Sector

Sri Lanka, as a Party to the Paris Agreement, presented its updated Nationally Determined Contributions (NDCs) to the United Nations Framework Convention on Climate Change (UNFCCC) reflecting progressive and the highest possible ambition for climate action. Sri Lanka is ranked among the countries that are most vulnerable to climate change-induced hazards.

Being a tropical island in the Indian Ocean, Sri Lanka has consistently been placed among the top ten countries at risk of extreme weather events by the Global Climate Risk Index.

Despite the low carbon footprint and high considering vulnerability to climate change, Sri Lanka commits to reducing its GHG emissions. In these NDCs, the country presents an enhanced ambition which is organized sector-wise detailing Sri Lanka's climate change mitigation commitments and adaptation needs, loss and damage, and means of implementation.

Sri Lanka has targeted to reduction of emission of industry sector 3% unconditionally and 7% conditionally. There are 7 NDCs related to the Industry sector with the implementation period from the year 2021 to 2030.

The Ministry of Industries is implementing industry sector NDCs through the design and implementation of policy, as well as regulatory, technical and financial mechanisms and tools to accelerate the deployment of renewable energy, energy and resource- efficient technologies and best practices. These will enhance mitigation ambitions while embracing and incorporating resource efficiency, circular economy and other internationally acclaimed concepts. It is noted that these NDCs are directly or indirectly addressing energy-consumption-based emissions as there are limited avenues and reliable data sources to account for industrial process and product use (IPPU) related actions.

1.2 Progress - At the end of December 2024

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.

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.

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

Since the introduction of the Standard Operating Procedure (SOP) for the Automobile Manufacturing and Assembling Industry, as well as the Automobile Components Manufacturing Industry, in 2021, the sector has seen remarkable growth and progress over the past three years.

As of December 31, 2024, a total of thirty-six (36) automobile assembling institutions have been approved to assemble eighty-one (81) new vehicle models within the country. Notably, three (03) of these institutions, and ten (10) new vehicle models, received approval in 2024 alone reflecting the continued expansion and diversification of the industry.

Since the implementation of the SOP, the total number of automobiles assembled has reached 94,138 units. Of this total, 63,331 units were assembled in 2024, which includes 2,010 four-wheelers, 30 electric three-wheelers and 61,291 two-wheelers.

Additionally, the automobile assembling industry has generated a significant number of both direct and indirect employment opportunities. The sector currently provides 2,632 direct jobs in automobile assembly, while the automobile component manufacturing sector contributes an additional 2,978 direct jobs. Beyond these direct employment opportunities, numerous indirect employment opportunities have also emerged, further expanding the industry's impact on the social and economic improvement. These include jobs in logistics, distribution, maintenance services, research and development, as well as in retail and customer service sectors.

Formulation of National Policy for the Automobile Assembling Industry

The final draft of the National Policy for the Automobile Assembling Industry has been completed. Now the preparation of a detailed Strategic Action Plan is being done. This plan will serve as the blueprint for the implementation of the

said policy. The Strategic Action Plan is outlining clear measurable objectives, actionable steps, and timelines to transform the automobile assembling industry. After finalizing the Strategic Action Plan, a series of consultations will be held to discuss with a wide range of key stakeholders, including automobile assemblers, component manufacturers, government officials, and environmental officials to ensure broad alignment and gather valuable insights.

Local Assembling/ Manufacturing of Electrical and Electronic Items

In 2024, the local assembling / manufacturing of electrical and electronic appliances including refrigerators and washing machines, also has experienced a remarkable growth in the country. A total of 69 electrical and electronic appliances, comprising 35 refrigerator models, 26 washing machine models, and 8 freezer models have been recommended for local assembly. This year alone, the sector has introduced 18 new models of electrical appliances.

All of these appliances, have a significant local value addition exceeding 30%. Most of these models of electrical appliances feature local value additions as high as 60% to 70%. Local producers now hold 75% of the domestic market for electrical and electronic appliances, reflecting the significant shift toward local manufacturing. This growth in local production has notably reduced the country's reliance on imports, with fewer foreign-made appliances entering the market. The expansion of this industry contributes to the overall development of this industry by strengthening local supply chains, skill development, and creating new employment opportunities.

The Implementation of National Determined Contributions (NDC) in Industry Sector

Certain amount of sub activities of the industry related to the seven NDCs had been implemented throughout the year 2023 and 2024. The important sub activities implemented in 2024 are as follows:

1. Conduct Resource Efficient Cleaner Production (RECP) and energy audits
2. Adopt low carbon technologies and processes for improved resource efficiency
3. Awareness programmes on green concepts at several BOI zones and improve water use efficiency in selected industrial subsectors
4. Build industry capacity to adopt circular economy concept
5. Facilitate industries in selected sub sectors to adopt relevant ISO systems
6. Facilitating transformational investment, favourable loans through financing institutions linking with green financing

1.3 Future Plans - 2025

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.

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

The review of Standard Operating Procedure (SOP) Version 01 is currently ongoing, with a detailed examination of the challenges and practical experiences encountered in the domestic automobile assembling industry over the past three years. This review process aims to assess the effectiveness of the existing SOP and identify any areas where it may fall short or where there may be ambiguities that hinder its clarity and applicability and recommend improvements to ensure the SOP provides clear, comprehensive, and actionable guidance. The review is scheduled for completion in early 2025, and launching the updated Standard Operating Procedure (SOP) Version 02 in 2025.

Formulation of National Policy for the Automobile Assembling Industry

Once the Strategic Action Plan is finalized, the National Policy for the Automobile Assembling Industry will be formally submitted for Cabinet approval in 2025. Upon receiving Cabinet approval, the policy will be set for implementation, with a clear focus on driving positive and sustainable transformations within the automobile industry. Through a strategic execution process, the policy is expected to expose the full potential of the domestic automobile assembling industry, contributing to both economic growth and national development goals.

Local Assembling / Manufacturing of Electrical and Electronic Items

The future activities of the local assembling / manufacturing of electrical and electronic appliances are focused on expanding production capacity, improving technological capabilities, and enhancing the overall competitiveness of the sector. Ministry will encourage the introduction of more advanced and energy-efficient models, with an emphasis on innovation and sustainability and further increasing of local value addition and reducing dependency on imports.

The Implementation of National Determined Contributions (NDC) in Industry Sector

Most of the sub-activities outlined under the Nationally Determined Contributions (NDCs) will continue through to 2030, with a focus on achieving long-term sustainability goals. Key initiatives, such as the establishment of Eco-Industrial Parks, will remain a central part of the strategy. Additionally, sub-activities which were not initiated in the past two years will be prioritized and initiated in 2025, with the support and collaboration of relevant agencies.

02

Industrial Development Division

2.1. Introduction

Main Purpose/ Objectives

Mandate of the Industrial Development Division of the Ministry of Industry and Entrepreneurship Development 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

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employment, value addition of exports and promote import substitutions. A sum of Rupees 1000 million has been allocated for the period from January 2024 to December 2024 for the development and improvement of infrastructure activities.

14 infrastructure development/improvement activities/works have been received during the year 2024. 4 development activities/works are completed and 7 are actively in progress and these are expected to be completed by the end of first quarter of 2025. Establishment of 7 new ongoing Industrial estates have been started and 3 industrial estates are expected to be completed by the end of 2025. The remaining 4 will be completed by end of 2026.

2.2 Progress - At the end of December 2024

The Ministry has developed infrastructure facilities such as electricity, water and access road in 34 Industrial Estates that consist of 1073.8 acres. The Government has invested nearly Rs.4,947.19 million for these development activities in 34 Industrial Estates. In addition, private sector further invested approximately Rs.76,724.45 million for the establishment of their industrial units in Industrial Estates.

Overall summary - Industrial Estates

A. Existing Industrial Estates

Cumulative Progress as at 31 st December 2024	
No. of Industrial Estates	34
Developed Land Area (acres) (i.e. electricity, water and road system)	1,073.8
Total Investment (approximately) (Rs. Mn.)	81,671.94
Government Investment (approximately) (Rs. Mn.)	4,947.49
Private Investment (approximately) (Rs. Mn.)	76,724.45
No. of Industries in Commercial Manufacturing	382
Number of factories that are in construction stage	19
Employment Opportunities	23,537
Number of mobile services conducted in Industrial Estates	2

Source: Industrial Development Division

B. Ongoing New Industrial Estates

Cumulative Progress as at 31 st December 2024	
No. of Industrial Estates	7
Land Area developing (acres)	267.15
Government Investment (approximately) (Rs. Mn.)	387.19

Source: Industrial Development Division

Industrial Development Programme

(1) Land Allocation for New Industries

No. of new project proposals approved by the RISCs	30
Project proposals that have been recommended by the Ministerial Project Evaluation Committee	24
Number of Industries that have undergone name changes	7
Number of Industries that have changed product.	3

Source: Industrial Development Division

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(2) Finance released for New Projects/ Infrastructure activities for the year 2024

The Industrial Development Division successfully carries out the infrastructure development activities in following IEs enhancing investment opportunities to the industrialists. A sum of Rs. 628.63 million has been allocated in January to December 2024 for this endeavour.

(A) Existing Industrial Estates

Industrial Estate	Development	Estimated amount (Rs. Mn.)
Dankotuwa	Construction of rain water disposal drain system -	20.30
Dankotuwa	Repairing of Admin building Roof	7.76
Nawagampura	Renovation of fence	2.65
Karadeniya	Construction of Entrance Gate, Security Hut and Name board	12.82
Karadeniya	Geological Investigation for the construction of Tube well	0.70
Unawatuna, Galle	Renovation of Plaza and Museum building	65.00
Ulapane	Development of 7 by- roads	1.33
Mathugama	Renovation of Security Fence	0.27
Karadeniya	Replacement of Main power cable	0.72
Karadeniya	Renovation of Access road - Karadeniya IE	65.988
Bata-Atha IE	Fixing of Transformer	7.56

Source: Industrial Development Division

Mathugama Industrial Estate

Renovation of Security Fence was completed 99 % at a cost of Rs.0.27 Mn.

Renovation of Security Fence - Mathugama Industrial Estate



Karadeniya Industrial Estate

Construction of Entrance Gate, Security Hut and Name board work is in progress at a cost of Rs.12.82 Mn.



(B) Ongoing New Industrial Estates

Sooriyawewa Industrial Estate

Development of Sooriyawewa IE will be completed with road development at a cost of Rs.253.81 Mn. and the land is ready to be allocated among investors.

Road Development - Sooriyawewa Industrial Estate



Raigama - Millaniya Industrial Estate

Development of Internal road, Basic work, Misc., entrance to IE, Toilets, fence, gate and landscaping work is in progress.

Development of Internal Road Raigama - Millaniya Industrial Estate



2.3 Future Plans - 2025

Development of New Industrial Estates

The new ongoing industrial estates (Aluthapola, Dambulla, Sandamalgama, Katunayaka, Raigama and Wellaway) are expected to complete by the end of year 2025. New sector based dedicated industrial estates with a land extent of 470 acres in Ingiriya, Raigama Millaniya (stage II), Valaichchanai, Paranthan, Puliyankulam, Arachchikattuwa, Thihagoda, Mawathagama, Alaiyapathuwa and Bingiriya are expected to be developed in the year 2025.

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.

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**Development information of existing industrial estates up to 31st December 2024
(Cumulative)**

Name of Industrial Estate	Land size	Number of enterprises as at 31 st December 2024	Total number of employees	Total Turnover (Rs. Mn.)	Government Investment Cumulative (Rs. Mn.)	Private Investment Cumulative (Rs. Mn.)
Kaluthara	55	33	1040	4951.08	126.04	4459.8
Kolonnawa	7	14	405	2532.48	36.17	630.3
Mahara	3	7	172	2107.2	14.05	324.2
Matugama	50	11	557	17142.48	174.698	6351.88
Millewa	11	13	383	8009.76	97.054	604.38
Minuwangoda	15	13	600	4369.824	44.12	3474.866
Rathmalana	17	19	1,188	8442.072	89.78	4543.14
Templburg	48	39	1,715	9140.28	180.58	5148
Millaniya	24	0	-	0	876.701	0
Buttala	18.35	8	785	2580	118.76	2521
Uva paranagama	3.3	1	12	44.4	0.81	2
Bata atha	105	9	264	947.28	327.636	4186.682
Karandeniya	40	15	418	958.044	154.399	1021.72
Udukawa	21.138	3	1,291	7608	50.93	861.8
Embilipitiya	22.86	4	195	963.12	98.98	238
Galigamuwa	23.57	8	342	1972.8	184.69	812
Nalanda ellawala -1	36.38	22	353	635.76	80.345	1593.65
Nalanda ellawala -2	45	27	483	1065	126.017	1197.85
Dankotuwa	52.07	33	1,835	18927.96	137.798	4879.6
Dhambadeniya	10.15	3	809	4648.8	38.36	3250
Makadura east	27.19	2	692	12795	35.79	9899
Makadura west	84.23	16	1,073	21180.96	143.58	4224.9
Nikaweratiya	2.56	1	987	1152.24	6.12	1044.28
Nurani	15.84	5	509	2389.2	12.579	757.72
Puttalama	40	9	179	546	246.4	823.9
Laksha uyana	70.94	17	1,152	10689	176.04	3612.5
Nalanda (matale)	25	15	1,299	6250.44	81.26	2252.29
Ulapane	25	17	845	25001.712	139.882	4399.5
Trincomalee	50	7	1,795	1691.64	511.07	1892.3
Ampara (Nawagampura)	20	7	40	109.8	48.48	216.5
Batalo	24.03	0	-	0	8.35	0
Mannar	24	1	1,234	19991.64	351.775	1052.38
Welioya	40	3	885	3267.6	206.41	448.31
Mahawa (Ridibendiella)	17.21	0	0	0	21.54	0
Total	1,073.82	382	23,537.00	202,111.57	4,947.19	76,724.45

Source: Industrial Development Division

Information on new industrial estates up to 31st December 2024 (cumulative)

District	Industrial Estate	Land Area (Acres)	Government Investment Cumulative (Rs. Mn.)
Gampaha	Aluthepola	7.90	50.28
	Katunayaka	100.00	4.71
Matale	Dambulla (Stage i)	24.00	31.01
	Dambulla (Stage ii)	40.00	14.96
Anuradhapura	Sandamalgama	16.00	15.86
Hambanthota	Sooriyawewa	20.00	261.50
Monaragala	Wellawaya	9.25	8.38
Polonnaruwa	Nochchiyagama	50.00	0.48
	Total	267.15	387.19

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. Identify the local market needs and develop industrial sectors accordingly.

Activities

- Implementation of development programmes planned to develop relevant sectors under the Socio-Economic Development Programme for following years.
- Preparation and implementation of development plans and strategies 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.
- Arrangements to provide necessary facilities for modern technology training and research activities required for industries through local and international industrial institutions.
- Facilitate product diversification and transfer of new technical knowledge through the coordination of industrialists, universities and research institutions.
- To introduce new technology required for local industries through organizing local and international exhibitions and 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 to improve the products to meet international standards.

3.2 Progress - At the end of December 2024

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 December 2024, 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 have been given for 683 letters.
- 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, 71 industries representing processed food packaging, value-added tea, value-added spices and coir industry sectors were given the opportunity for the year 2024.

Financial facilities have been provided for the 38 industries that will successfully complete ISO certification in the year 2024.

- 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 for obtaining GMP certificates for selected industries from Sri Lanka Standards Institute and INDExpo. 35 industries were selected for this program in the year 2024. Financial facilities have been provided for the 12 industries that successfully complete ISO certification this year.
- The project to develop the skills and technical knowledge of technicians engaged in the field of gems and jewelry is jointly implemented with the Ministry and Gems and Jewelry Research and Training Institute and the main objective of this is to develop the skills and technical knowledge of technicians engaged in the field of gems and jewellery. The project envisages to train technicians under 15 centers. 12 courses in gem cutting and polishing and jewelry manufacturing have been successfully completed by December 2024.

Skills Development Programmes

- The Measures have been taken to conduct as a 14 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. It is expected to provide opportunities for 28 technicians engaged in the packaging industry.

Training Program on upgrading Packaging Technology



Marketing Promotion Programmes

- The Ministry, in collaboration with the Sri Lanka Food Processors Association, successfully concluded the Profoods/Propack exhibition on 23, 24, and 25 August 2024 at the Bandaranaike Conference Hall (BMICH) with the participation of a large number of local and foreign exhibitors.

Profoods/Propack exhibition



- Through this exhibition, it had been arranged to provide exhibition stalls on special concessions in the special pavilion reserved for the 15 selected small and medium-scale industries by the Ministry.
- 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 2024” exhibition was held on the 25th, 26th and 27th of October 2024 at the BMICH to increase foreign market opportunities for local packing industries. A large number of Small and Medium-scale packaging manufacturing industries are participating in this exhibition. Through this, they will be able to create the initial background required to establish new business relationships for their creative products and increase product orders.
- This exhibition is held with the aim of creating opportunities for local industrialists to gain new technical knowledge and experience in packaging and to improve the packaging industry in Sri Lanka.
- The Ministry organizes the exhibition in collaboration with the Sri Lanka Institute of Packaging (SLIP). Along with this, measures have been taken to hold the packaging convention.

3.3 Future Plans - 2025

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 the facilities providing project to upgrade packaging technology of small and medium-scale industrialists engaged in food production.
7. Implementing training programs to bring local products in line with international market conditions through developing the technical knowledge of artisans engaged in the field of gems and jewellery.
8. Implementation of programs needed by industrialists to increase efficiency, continuous supply, clean production assessment, and productivity.

04

Development Division – 2

4.1. Introduction

Main Objective

The main objective of this sector is to provide the necessary facilities to strengthen local industrial sub-sectors and thereby create a situation where they can conquer the international market by producing high-quality and productive goods.

Sectors under the purview of the Division

- Rubber and plastic related manufacturing industries
- Ceramic, tile, granite, and roofing tile manufacturing industries
- Boat and accessory manufacturing industries
- Vehicle assemble and vehicle accessory manufacturing industries
- Wood and wood-related manufacturing industries
- Electrical and electronic goods manufacturing industries
- Paint, printing materials and chemical manufacturing industries
- Mineral-related manufacturing industries

Main Functions

- Collaboration with the public sector, educationists and industrialists in preparing plans for developing industrial sub-sectors.
- Providing necessary advice and facilities to understand technical, management and production-related issues.
- Coordinate with local and foreign chambers of commerce, state owned corporations, companies and other institutions which fund for industrial development.
- Implementing programs to provide local and foreign training to improve the capabilities and efficiency of employed workers to increase productivity in the manufacturing industry sector.
- Facilitate to encourage export-oriented industries.
- Providing facilities to industrialists to maintain their industries through activities such as providing visa recommendations for foreign workers, providing recommendations for Temporary Import for Export Processing (TIEP), providing recommendations for the import of raw materials required by industries whose import is temporarily restricted, and providing recommendations for tax concessions and tax exemptions for the import of raw materials required to industries.

Under this, 166 TIEP recommendations, 59 visa recommendations, and 138 recommendations for tax concessions and tax exemptions have been given during the period from January to December 2024.

4.2 Progress - At the end of December 2024

Electrical and Electronic Products Manufacturing Industry Sector

- **Project to provide government subsidies to industrialists engaged in the electrical and electronic industries to obtain international quality certificates**

Since it has become essential for industries engaged in the electrical and electronic industries to obtain internationally recognized quality certificates/laboratory reports to successfully face market competition and to present products to foreign markets, this program is being implemented for industries currently exporting goods and those wishing to export goods, which are expecting to obtain such quality certificates/laboratory reports. Benefits were provided under the above program to 05 local industrial establishments engaged in the electrical and electronic manufacturing industries. The expenditure incurred by the Ministry for this was Rs. 4.6 million.

Automotive Spare Parts Manufacturing Industry Sector

- **Project to provide government subsidies to industrialists engaged in the automotive parts manufacturing sector to obtain the internationally recognized IATF 16949:2016 quality certification**

It has become essential for industries engaged in the automotive accessories manufacturing sector to obtain internationally recognized quality certificates to successfully face market competition and to present products to export markets. Accordingly, the Ministry of Industries has planned to implement this program for industries currently exporting goods and those wishing to export goods, which are seeking to obtain the internationally recognized quality certificate IATF 16949:2016.

Here, benefits were provided under the above program to 02 local industrial institutions engaged in the automotive accessories manufacturing sector. The expenditure incurred by the Ministry for this was Rs. 2.1 million.

Boat and Boat Accessories Manufacturing Industry Division

- **Project to establish a boat launch (Boat ramp/slipway) in Beruwala for the boat manufacturing industry**

The preliminary procurement process, for the project to establish a boat launch at the Beruwala Fishery Harbour with facilities for launching newly manufactured boats, has commenced and the construction work is expected to be completed in 2025. The expected cost of this is Rs. 50 million and the Ministry has planned to bear the cost.

Increasing export revenue in the boat manufacturing sector, increasing employment opportunities, and growth in the tourism industry are expected benefits of this project.

The Biennial International Trade Fair and Regional Conference for the Boat Manufacturing Sector was held at the Colombo Port City premises in October 2023. The Ministry incurred an expenditure of Rs. 05 million.

The following benefits were achieved through this project:

1. Increase in the number of new industries accessing the international market
2. Provide opportunities for buyers and sellers to meet and collaborate
3. Increase in the number of industries adopting new technologies
4. Increase in foreign exchange earnings from exports and maritime tourism

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

The project, which was carried out in 2023 for 20 selected industries in collaboration with the National Cleaner Production Center (NCPC), with the aim of providing the necessary support to minimize material waste, energy waste and water waste in industries and to utilize resources for business activities with maximum efficiency, will be implemented in 2024 for 15 selected industries representing various industry sectors. The expected expenditure to be borne by the Ministry for this is Rs. 9.75 million, and so far the Ministry has spent Rs. 8.108 million.

Awareness program for industrialists on the RECP project



Signing the agreement with NCPC to implement the project



The following benefits are expected from this project:

1. Reduction of production costs through increasing resource efficiency, and thereby increasing competitiveness
2. Creation of new markets and investment opportunities
3. Reduction of environmental pollution caused by industries
4. Improvement the employee health through the creation of a good environment in factories

Two-day capacity-building training program held in relation to the RECP project



Program to provide consultancy services necessary for introducing and maintaining an efficient supply chain management system for manufacturing industries

The failure of industrial establishments to maintain an efficient supply chain management system results in wastage of raw materials, expiry of finished products, and inability to provide other supply services on time is a major problem facing industrial establishments today. In response to this, the Ministry, in collaboration with the Supply Chain and Materials Management Institute, implemented this project in 2024 for 30 selected industries representing various industry sectors, and the cost incurred by the Ministry for this was Rs. 3.2 million.

Training programs conducted under the project to introduce an efficient supply chain management system



4.3 Future Plans - 2025

- Implementing programs to introduce disaster management and modern management methods for small and medium-scale industries.
- Implementing programs to direct technicians to local training courses to improve the skills of technicians in small-scale industries engaged in the wood products manufacturing industry.
- Implementing programs to provide the necessary financial support to encourage local industrialists to obtain internationally recognized quality certificates and ISO certificates.
- Implementing a comprehensive waste management strategy and a Resource Efficient Clean Production (RECP) assessment program for 5 selected industrial zones in collaboration with the National Cleaner Production Center (NCPC).
- Carrying out further work on the proposed boat launch to be established at the Beruwala Fisheries Harbour with the necessary facilities to launch newly manufactured boats and conducting a feasibility study for marine development along the coastline.
- Providing financial support for holding an international trade fair for the boat manufacturing industry sector with the aim of increasing the number of new industries accessing the international market, increasing the number of industries adopting new technology, and improving foreign exchange earnings from exports and maritime tourism.
- Implementing relevant programs to identify the potential of automotive electronics and chip manufacturing for export in Sri Lanka, for policy decisions and infrastructure development.

05

Development Division 3

5.1 Introduction

Main objective

To promote and facilitate the following industries and sub-sectors for the production of high-quality goods that can compete in international market competition.

- Footwear, leather and leather products related industries
- Pharmaceutical industry
- Cosmetic industry
- Metal-related industries
- Garment-related industries

Main Activities

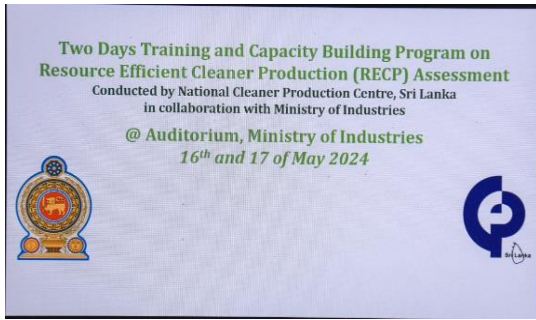
- Convene of the Ministerial Advisory Council meetings, discuss development strategies, provide necessary advice and implement them
- Formulate and implement development plans and projects for industrial sub-sectors.
- Coordinate with line ministries, trade associations, federations and universities to promote industrial sectors.

- Facilitate skill development in selected industrial sectors.
- Educate and facilitate industrialists to increase their market share through free trade agreements.
- Providing facilities for investment promotion and marketing activities.
- Facilitation through the temporary Import for Export Processing (TIEP) to encourage exports and recommend visas for foreign professionals required by industries.
- Provide visa recommendations for foreign workers required for the above industrial sub-sectors
- Submitting necessary recommendations for providing tax concessions on the import of raw materials required for local industries.
- Providing necessary facilities for local manufacturing industries to obtain international standard certificates to face global market competition.
- Providing recommendations for the export of scrap metals that have been legally permitted.
- Providing policy support for metal-related industries to obtain the necessary raw materials.

5.2 Progress - At the end of December 2024

- The Footwear and Leather Goods Exhibition, held annually since 2007, was successfully held at the Bandaranaike Memorial International Conference Hall on 8, 9, 10 and 11 February 2024. There were approximately 215 stalls of local footwear and footwear-related manufacturers.
- Approval was received for 2024 to implement 3 awareness programs for industrialists on Lean Management. The first program was held at SLIDA on 20.03.2024 with the participation of about 100 industrialists. The second program was held on 05.07.2024 at the Galle District Secretariat involving small and medium-scale entrepreneurs in the Galle District. The third program was held on 05.09.2024 in collaboration with the Ceylon National Chamber of Industries at the Post Graduate Institute of Management, Colombo.
- The Resource Efficient Cleaner Production (RECP) Assessment project was implemented with 15 selected industries. On 09.05.2024, Memorandum of Understandings (MOUs) were signed between the selected industries, the National Cleaner Production Centre and the Ministry of Industries. A two-day training program was implemented for the selected industries. So far, industry assessments have been conducted in 11 of the 15 selected industries.

Training and Capacity Building Program on Resource Efficient Cleaner Production (RECP) Assessment



Approval was granted for three awareness programs on supply chain management aimed at industrialists for 2024. The first program was held on 03.06.2024 for manufacturing industrialists in the Gampaha District. The second program was held on 28.06.2024 for manufacturing industrialists in the Galle District. The third in this series of programs was held on 27.11.2024 for the manufacturing industries of Colombo district.

Awareness programs on supply chain management



- An awareness program on the preparation of a risk management plan for manufacturing industries was held at the Postgraduate Institute of Management on 04.08.2024 with the participation of about 60 industrialists.

An awareness program on the preparation of a risk management plan for manufacturing industries



- An awareness forum on Exploring opportunities and implications of the Sri Lanka-Thailand Free Trade Agreement was held on 29.02.2024 at the Postgraduate Institute of Management in collaboration with the Ministry of Industry, Ministry of Commerce and the Sri Lanka Export Development Board with the participation of about 200 industrialists.

An awareness forum on Exploring opportunities and implications of the Sri Lanka-Thailand Free Trade Agreement



5.3 Future Plans - 2025

- The CNCI Achievers Award -2024, organized by the National Chamber of Commerce of Sri Lanka in collaboration with the Ministry of Industries, was held on 15.10.2024.
- A commercialization program is to establish a relationship between industrialists and relevant research institutions to identify the need for research and innovation required for industrialists to improve their products and to improve the research conducted by research institutions and universities in accordance with those needs was supposed to be implemented, but it could not be held due to the elections held in the latter half of 2024.
- In addition, the recommendations given to industrialists by the development sector 3 to continue their production activities and quantitative data on the committees held are presented in the table below.

Description	Sub-sector	Quantity
1. Raw Hide Recommendations	Footwear Sector	7
2. Recommendations for tax concessions	Footwear Sector	170
3. Price Committees	Metal Sector	3
4. Advisory Committees	All Sectors	14
5. VISA Committees	All Sectors	98
6. Apparel Export Recommendations	Apparel Sector	1303

Source: Development Division 3

- The Ministry of Industries expects to sponsor the Footwear and Leather Goods Exhibition in 2025 as well, which has been held annually since 2007.
- Providing financial facilities to establish a laboratory facility to conduct human repeat patch testing for cosmetic products of the University of Colombo.
- Renewal of the Memorandum of Understanding for the Sri Lanka Pharmaceutical Laboratory of the Department of Chemistry of the University of Colombo and provision of financial facilities for the establishment of machinery.
- Sponsorship for the annual INCO exhibition by the Ministry of Industry.
- Sponsorship for the annual CNCI Achievers Award in the year 2025.
- An awareness program on Business Continuity Management (Disaster Management Program) is scheduled for industrialists.
- The Resource Efficient Cleaner Production Assessment project is also scheduled to be held in 2025.
- Awareness programs on supply chain management are scheduled to be held for the industries.
- Plans have been prepared to sponsor the Industry Exhibition -2025.

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.

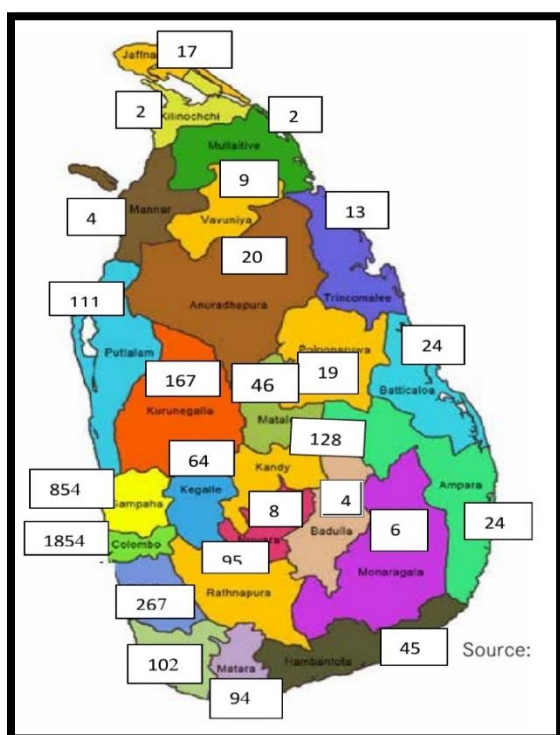
Currently, registered industries are classified under 09 major categories which are mentioned below.

- 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

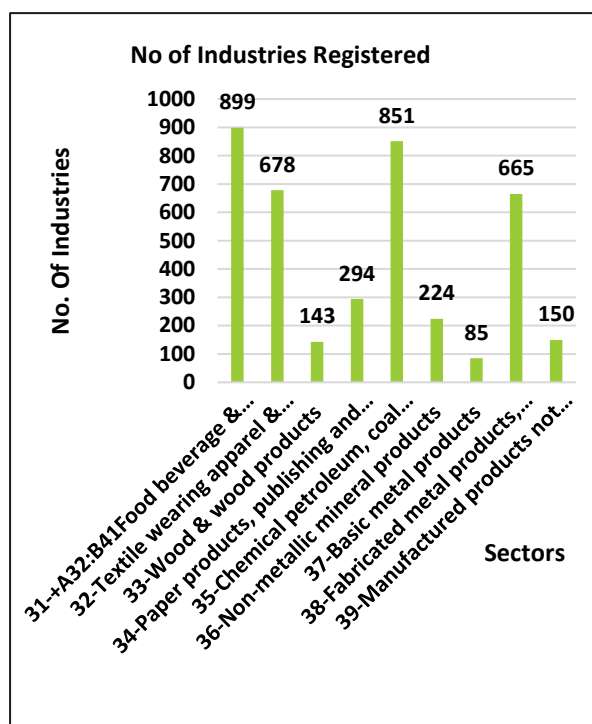
Registering under the Ministry also makes opportunities to develop a good frame to existing industries which information furnishing us to build up a comprehensive database on industry statistics to make aware of the current policy decisions to implement proper strategies in future.

6.2 Progress - At the end of December 2024

- Almost **3989** manufacturing industries have been registered up to **31st December 2024** under the Ministry of Industry and Entrepreneurship Development.



The Industries Registered up to 31st December 2024 under the Ministry of Industry and Entrepreneurship Development



Source: Industrial Registration Division

- The Ministry has transformed the manual industry registration system into online registration system. The process was launched in May 2024.
- Due to the problems that arose during the later implementation, further development work is being carried out.
- 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 - 2024

From 01st January 2024 to 31st December 2024, this Ministry has received **231 applications** and among them, **203 industrial undertakings have been registered** in the Ministry under aforesaid **09 sectors**.

Month	No. of received applications	No. of issued certificates
Jan	23	23
Feb	25	30
Mar	49	28
April	25	19
May	23	27
June	11	16
July	10	15
Aug	11	20
Sep	11	07
October	13	11
November	10	5
December	20	0
Total	231	203

Source: Industrial Registration Division

Sector	Number
31-Food beverage & tobacco products	84
32-Textile wearing apparel & leather products	36
33-Wood & wood products	4
34-Paper products, publishing and printing	10
35-Chemical petroleum, coal rubber and plastic products	26
36-Non-metallic mineral products	8
37-Basic metal products	2
38-Fabricated metal products, machinery and transport equipment	21
39-Manufactured products not elsewhere specified	12
Total	203

Source: Industrial Registration Division

The number of registered industries have been increased. However, it shows dropped in industry registrations until 31st December 2024 compared to the year 2023.



Source: Industrial Registration Division

6.3 Future Plans - 2025

- Increase effectiveness of manual registration process through online registration system.

07

Project Management Unit (PMU)

7.1 Introduction

The Project Management Unit (PMU) which comes under the Ministry of Industry and Entrepreneurship Development, 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.

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.

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 low interest rate in order to assist industrial enterprises to implement the projects for waste minimization, resource recovery, energy savings, and pollution control. The project has also assisted industries to comply with the regulations and a standard stipulated by the National Environmental Act.

The project is granting sub loans to the entrepreneurs through 11 Participating Credit Institutions (PCIs), Bank of Ceylon, People's Bank, Regional Development Bank, Commercial

Bank, Hatton National Bank, Seylan Bank, National Development Bank, Sampath Bank, DFCC, LOLC and People's Leasing Company. This loan scheme was implemented in 2018, in consultation with Ministry of Finance and Planning.

7.2 Progress - At the end of December 2024

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

Allocation for the year is Rs. 2700 Mn. During the review period, the PMU has released sum of Rs. 2,684 million for the sub projects of 360 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 800 Mn. During the review period, the PMU has released sum of Rs. 668 million for the sub projects of 44 through the 11 PCIs and expects to disburse fully amount during the year.

7.3. Future Plans - 2025

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

The Project Management Unit has requested Rs. 3500 Mn. for the year 2025 and expected to disburse approximately for the sub projects of 375 creating nearly 2300 new employment opportunities.

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

The Project Management Unit has requested Rs. 1500 Mn. for the year 2025 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

Public Enterprises Division of the Ministry endeavors to support all corporations and Statutory Boards coming under the purview of the Ministry 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. BCC Lanka Limited (BCC)
5. Lanka Sugar Company (Pvt) Limited
6. Kantale Sugar Industries Limited (KSCL)
7. Galoya Plantations (Pvt) Limited
8. Sugarcane Research Institute (SCRI)

Aiming to direct young and female entrepreneurs to the export market, the "Programme to develop 1000 young entrepreneurs" was started, and its pilot project has been implemented in Gampaha district and is scheduled to be started in Galle and Cagalle districts in the coming year. Currently the number of industries selected for this program is 100 and the program is being successfully implemented.

Stimulus Package to Re-Empower the Micro, Small and Medium Enterprises Sector in Sri Lanka - Under the Government Funded Loan Scheme, two loan schemes in the investment category and the working capital category will be implemented through 16 banks jointly selected by the Ministry of Finance and the Ministry of Industry.

Restructuring Division

The Restructuring Division carries out relevant tasks to transform the following public enterprises into sustainable and more profitable institutions and to provide the necessary support to further enhance the efficiency and productivity of those institutions.

- Lanka Mineral Sands Limited
- National Paper Company Limited
- Kahatagaha Graphite Lanka Limited
- Sri Lanka Cement Corporation
- National Salt Limited
- Paranthan Chemical Company Limited
- Lanka Leyland Limited
- Lanka Cement Company Limited

Objectives

- To revive currently inactive state enterprises that have the potential to become profitable.
- Taking necessary steps to liquidate public enterprises that are currently making losses and have no potential to become profitable.
- Maximize profits by introducing new technology to the production activities of public enterprises, improving the production process and increasing the quantity and quality of products through value addition.
- Obtaining the contribution of local and foreign private investors for the development activities of state enterprises under the Public-Private Partnership (PPP) methodology.
- Directing public enterprises to maximize contribution to Gross Domestic Product.
- Provide guidelines for the effective management of physical and human resources in public enterprises.

Main Functions

- Supervising and directing the administrative and development activities related to the enterprises under the division.
- implementing development projects executed under the public-private partnership method.
- Implementing activities related to development projects implemented under the provisions provided by the General Treasury.

8.2 Progress - At the end of December 2024

Reopening of the Embilipitiya Paper Factory under the Public-Private Partnership Method



The approval of the cabinet of ministers No. අමප/22/0254/320/010 dated 28.02.2022 has been received to resume the production of Embilipitiya Paper Factory under the Public Private Partnership method and Korean Spa Packaging (Pvt) Limited commenced production on 08.04.2024 of the Embilipitiya Paper Factory owned by the National Paper Company Limited. The expected annual paper production of this factory is 74250 MT.

Economic Contribution of the Mineral Sands Industry

As of December 2024, the revenue generated from the production and sale of mineral sands was USD 2,283,256.57. (Without Government Share)

8.3 Future Plans - 2025

- It is expected to implement the value addition project for graphite through the public-private partnership method, along with the survey to find the existing graphite reserves in the Kahatagaha mine.
- It is expected to implement the value addition project for mineral sands mined by Lanka Mineral Sands Limited.

09

Small and Medium Enterprise Development Division

9.1 Introduction

The small and medium enterprise development division is functioning with the objective of promotion of batik, handloom textiles and local apparel and rural industries such as rattan, brass, pottery and furniture.

This division implement the following development programs in 2024.

- Traditional and Rural Industrial Promotion Program (Rs. 100 Mn)
- Handloom and Textile Industry Promotion (Rs. 80 Mn)
- Economic empowerment of women and youth engaged in handloom industry (Rs. 300 Mn)

9.2 Progress - At the end of December 2024

I. Traditional and Rural Industrial Promotion Program (Rs. 100 Mn)

❖ Cultivation of raw material programme for rural industries

This program is aim to cultivate raw materials used in traditional handicrafts industries and it is implemented by the National Crafts Council.

Steps have been taken to cultivate 517,500 reed plants on 17 acres and 90 perches in 2024 through this programme

Expenditure – Rs. 6.36 Mn,

**Providing plants for Kalapugama handicraft society,
Kalutara 2024.09.27**



❖ Establishing a Timber design and innovation center

The above project is planned to be implemented with the aim of producing professional craftsmen related to the field of timber-related industries and improving the modern technology, new designs, research and innovation to the field. Through this program, the building and machinery belonging to the Katubedda Mechanical Carpentry Industry Center have been repaired and had been started to use in the year 2024.

Advanced training courses for artisans selected from primary carpentry training schools operating at the provincial level were started from September 2, 2024 as its first phase.

Expenditure – Rs. 6.9 Mn.

Starting new courses in Katubedda Timber Design Center



❖ Local and foreign market promotion programme on rural industries

- * A sales stall has been set up in conjunction with the 37th session of the FAO Regional Conference.
- * 30 craftsmen have participated for food & craft festival held on March 28 to 30 in Badulla
- * A sales stall has been set up for the "ARCHITECH 2024" Exhibition held on February 23 to 25 at BMICH premises.
- * A sales stall has been set up for "Women Plus Bazaar" Exhibition held on March 23rd and 24th in Colombo One Galle Face premises.
- * A sales stall has been set up for the "IORA DAY 2024" (Indian Ocean Rim Association) Exhibition held on March 10 in Galle Face Green premises.

Small and Medium Enterprise Development Division has provided financial contribution for all these programme and registered artisans of National Crafts Council have been participated.

Expenditure – Rs. 0.8 Mn

❖ "Shilpa Abhimani Presidential Award" on Handicrafts

Financial contribution has been granted for the "Shilpa Abhimani - 2024" Presidential Award, Handicrafts Competition and Exhibition conducted by national craft council for encouraging and appreciating artisans in 31 basic handicraft sectors.

Expenditure - Rs. 15.5 Mn

II. Handloom and Textile Industry Promotion (Rs. 80 Mn)

❖ Implementation of infrastructure development and capacity building programs for handloom, batik and textile industries.

Two development projects have been completed directed by Uva Provincial Industry Department.

- * Construction of a color matching laboratory
- * Construction of a raw material warehouse

Expenditure - Rs. 1.8 Mn

Successfully completed the Batik and Related Products Training Course implemented by Kurunegala Ehetuwewa Divisional Secretariat
Number of beneficiaries participated - 26.

Expenditure - Rs. 0.33 Mn

❖ Empowering batik, handloom and textile industrialists through new designs, processes and product development.

12 training programs have been conducted in collaboration with the National Design Center in 2024.

Expenditure - Rs. 2.88 Mn

❖ "Shilpa Abhimani Presidential Award" on Handicrafts

The accrued expenses were provided for the "Shilpa Abhimani - 2023" Handicraft Competition, Exhibition and Presidential Award organized by the National Crafts Council.

Expenditure - Rs. 7.0 Mn

❖ Entrepreneurship Promotion Program through Product Development and Diversification in Batik, Handloom and Textile Industries

20 capacity development programmes have been conducted to promote 400 industrialists engaged in batik, handloom and textile manufacturing industries to producing innovative and diversified products in collaboration with Sri Lanka Textiles and apparel Institute,

Expenditure - Rs. 10.62 Mn

III. Economic empowerment of women and youth engaged in handloom industry (Rs. 300 million)

Through the allocated budget to this project under 2024 budget speech following development programs has been implemented.

❖ Economic empowerment of women and youth engaged in the handloom industry through entrepreneurship development

Implemented a National Vocational Certificates programme based on prior learning to 496 industrialists currently engaged in handloom textile manufacturing industry in collaboration with the Department of Textiles and Sri Lanka Textile and Apparel Institute and National Vocational Qualification Level III / IV certificates were provided to relevant beneficiaries based on their capacity

Expenditure - Rs. 5.0 Mn

❖ **Implementing programs to promote product diversification, new designs, new technologies and entrepreneurial skills**

The “Brain into Business” program was implemented by providing financial assistance for 10 graduates engaged in the handloom and apparel sector to improve their entrepreneurial skills and integrate them into the national economic flow as job creators rather than job seekers in the job market. This programme was conducted Under the supervision of National Enterprise Development Authority (NEDA)

Expenditure - Rs. 3.55 Mn

“Brain into Business” program



❖ **Conducting research and development programmes for handloom textile manufacturing industry**

This program was introduced to identify natural dyes for batik and handloom textile manufacturing industry by using local raw materials and it was conducted by this division in collaboration with Sri Lanka Institute of Nanotechnology (SLINTEC).

The optimization processes of the natural dyes identified are in progress.

Expenditure – Rs 1.66 Mn

❖ **Promotion of local handloom textiles and batik products**

Media promotion activities were carried out for the “National Handloom and Textile Exhibition, Trade Fair and Awards Ceremony” organized by the Department of Textiles under this program.

Expenditure - Rs. 7.54 million

9.3 Future Plans - 2025

I. Establishing a Timber design and innovation center

The project, which was started in 2021, is planned to be continued in 2025 with the aim of improving the areas of modern technology, new designs, research and innovation for the advancement of the timber related industries.

It is expected to meet the advanced professional training needs of professionals and apprentices (Approximately 40 per year) engaged in the timber related industries at the provincial level from this project.

II. Local and foreign market promotion programme on rural industries

Lack of adequate market facilities is the major challenge faced by small and medium scale industrialists in Sri Lanka. Therefore, this division is planned to continue the local and foreign market promotion programme in 2025 with the aim of creating domestic and foreign market opportunities.

It is expected to increase the level of income and uplift their living standard through this project by increasing awareness among consumers on local products, creating opportunities for exchanging knowledge related to new products, new designs and technology and creating market opportunities.

III. Cultivation of raw material programme for rural industries

Minerals and plants such as rattan, rush & reed, bamboo are the main raw materials used by traditional and rural industries.

The above-mentioned raw material plants cannot be easily supplied from all parts of the island throughout the year is a problem face by the traditional & rural industrialists. Therefore, cultivation of raw material programme is planned to continue in the year 2025.

IV. Implementation of research and development programs for Batik, Handloom and Textile industries

This project plans to identify natural dyes and eco-friendly raw materials to be used in the batik, handloom and textile industry in collaboration with local universities and research institutes.

V. Implementation of Batik, Handloom and Apparel Product Promotion / Market Promotion Programs

Competitions on fashion designing, fashion shows, exhibitions and training programs are planned to be conducted under this programme for the promotion of batik, handloom, textiles and local apparel production.

VI. Infrastructure development for Batik, Handloom and Textile industries.

It is expected to develop infrastructure facilities of training centers and production centers owned by selected Provincial Textile Departments.

VII. Implementation of capacity development programs to encourage export oriented products

This program evaluates the skills of tailors engaged in local apparel industry and provides them professional certificates and introduces them to the global market.

10

Primary Industries Division

10.1 Introduction

Our country is leading the sustainable development of the gem and jewelry industry by safely extracting gem resources, protecting the environment, incorporating modern technology, engaging the private sector, adopting value-adding methods, and promoting the jewelry industry.

Efforts are being made to provide all necessary facilities, including tax concessions and technical assistance, to industrialists engaged in the gem and jewelry sector. This industry contributes nearly 3%

of Sri Lanka's total export value, aiming to earn significant foreign exchange through these initiatives.

We are determined to position Sri Lanka as the world's number one destination for gem buyers by collaborating with the tourism industry. Additionally, we aim to establish an industry that produces modern, high-quality, finely finished jewelry to meet both local and international demand.

10.2 Progress - At the end of December 2024

Economic contribution of the gems and jewellery industry

31 December 2024, the export value earned through the export of gems, jewellery and diamond products is US\$ 355 million, which is a decline compared to the export value earned as of 31 December 2023 of US\$ 477 million. This is mainly due to the increase in tax rates, and discussions are underway with the relevant sectors to obtain tax relief with the aim of minimizing this deviation.

Export Value - on 31 st Dec. 2024		
Export Product	Export Value (USD million)	%
Gem,	148.52	42
Jewellery	11.08	3
Diamond	194.95	55
Total Value	354.55	100

Source: Primary Industries Division

• Exploration and evaluation of new gem deposits in Sri Lanka

It is estimated that more than two-thirds of Sri Lanka's land area, or about 70%, contains gem deposits . Only 20% of these resources have been explored to date .

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

Under this project in 2024 Basic gem potential mapping is underway in the Ingiriya, Dehi Ovita , Ayagama and Pelmadulla Divisional Secretariat Divisions.

- Since there is a high potential for efficient use of Sri Lanka's gem resources to find solutions to the economic crisis facing Sri Lanka, the attention of the Parliamentary Sectoral Oversight Committee on the Impact of the Economic Crisis was drawn to the future measures that can be taken to beneficially market the untapped gem resources spread across the island, and the gem resources located in the tanks that have dried up due to the current dry weather conditions in the country. Attention has been drawn to the possibility of harvesting under scientific methods, following environmentally friendly and safe methods. Under the first phase, district level committees have been appointed to prepare a methodology for harvesting gem resources in the area around the Samanala Wewa reservoir in the Imbulpe Divisional Secretariat Division of the Ratnapura District and in the area around the Maussa Kele and Castlereagh reservoirs in the Ambagamuwa Divisional Secretariat Division of the Nuwara Eliya District and further work is being carried out.

• Enhancing professional skills in the gem and jewellery sector

The target number of students for the year 2024 is 1,276 . Meanwhile, 1335 students have been enrolled as of December 31, 2024. The number of students who completed the courses this year is 507 and 746 students are still studying the course.

Around 20 different training courses in the gem and jewellery sector are being conducted at 15 training centres across the island, working to provide the skilled labour needed by the industry.

With the aim of popularizing the above small-scale gem cutting technology in Sri Lanka, a provision of Rs. 50.0 million has been allocated for the establishment of a training unit for the same. Necessary steps are being taken to establish this training unit at the Ratnapura Training Center of the Gem and Jewellery Research and Training Institute.

- **Discuss the problems faced by gem and jewelry manufacturers and take steps to provide solutions.**

Steps have been taken to regularly discuss with gem and jewelry manufacturers to provide solutions to the problems they are facing and their suggestions.

- **Carrying out the necessary work to amend the National Gem and Jewellery Authority Act.**

Revised draft bills have been prepared incorporating the views and suggestions of relevant stakeholders, and work is underway to further study them and obtain Cabinet approval.

- **Investigating public complaints related to the gem and jewelry industry.**

Out of the 60 complaints received in the year 2024 related to the gem and jewellery industry sector, 24 have been responded to and investigations are underway regarding the remaining complaints. A new methodology is being developed to make the investigation of public complaints more efficient.

So far in 2024, 23 appeals have been received regarding gem mining, Six of them have been examined and completed. Necessary steps are being taken regarding the remaining appeals.

A mechanism has been developed to control the unauthorized trade in gems by foreigners, and it is planned to implement the said mechanism from February 2025.

Arrangements were made to coordinate and facilitate the holding of an International Gem and Jewelry Trade Fair in Sri Lanka in January 2024, and steps have been taken to direct Sri Lankan businessmen to trade fairs and conference pavilions held in foreign countries.

A Memorandum of Understanding (MoU) has been signed between the Gem and Jewellery Association of Thailand and the Gem and Jewellery Research and Training Institute of Sri Lanka to provide skilled labor and new technological knowledge to the Sri Lankan gem and jewellery industry, and its activities are underway.

10.3 Future Plans - 2025

- Taking necessary steps to double gem and jewelry export revenues by 2024.
- Making the necessary coordination to hold an international level gem and jewelry exhibition in Sri Lanka.
- Creating the necessary background for the implementation of the joint project for the exploration and evaluation of new gem deposits in Sri Lanka.
- Coordinating the necessary activities to increase the gem reserves including gems not found in Sri Lanka to make Sri Lanka a Regional Gem Center.
- Preparation of background for conducting research related to thermalization of gems, value addition and laboratory facilities.
- Creating the necessary environment to create entrepreneurs in the gem and jewelry sector.
- Developing vocational training courses in line with the trends in the gem and jewellery sector and taking steps to increase the number of trainees recruited and establishing new training centres as required.
- Establish a formal coordination mechanism with private and public institutions engaged in the gem and jewelry sector.
- Amending the ordinances and gazettes of the institutions operating under the Ministry as per the current needs.
- Identifying new markets for gem exports 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 December 2024

- Annual Action Plan was prepared for the year 2024.
- Prepared Progress Review/Monitoring Plan 2024.
- Preparation of the capital budget of the Ministry 2025 (including of project appraisal below Rs.10 Mn).
- Making necessary arrangements for the Strategic Implementation Road Map 2023-2027 (preparation of guidelines, formats, etc.).

Progress Report - 2024

- 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.
- 2023 Annual Performance Report was submitted to Parliament on 10.06.2024.
- All activities to submit the progress report for the year 2024 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 - 2025

- 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.
- Preparing a Strategic Plan for the period 2025-2030 for companies, departments and public enterprises under the purview of the Ministry.

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) To assist in increasing the overall efficiency of the Ministry by maintaining the process of maintenance sector and transport sector.

- 3) Organize programs for the staff to improve their emotional and spiritual wellbeing.
- 4) Effectiveness of duties through proper management of daily mail delivery.
- 5) Workplace education programs on recycling and develop modern, energy saving physical infrastructure.
- 6) Reducing the ministry's recurrent expenditure
- 7) Increase overall efficiency through process analysis and human capital enhancement.

12.2 Progress - At the end of December 2024

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 - 2025

According to the Extraordinary Gazette No. 2412/08 dated 25.11.2024, a number of new institutions have been included in the scope of this Ministry. Accordingly, with the expansion of the ministry's scope and duties, it has been planned in the year 2025 to perform the duties to be performed more efficiently by the administration division in order to perform the overall duties more effectively.

To achieve the main goals and objectives of the Ministry, the primary objective of the administration division is to effectively utilize the physical and human capital, quantitatively and qualitatively.

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

Main functions

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.

Progress Report - 2024

3. Preparation of annual delegation of financial control powers according to F.R.135.
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.
5. Preparation of annual budget related to all recurrent expenditure and rehabilitation and improvement of capital assets and purchase of assets of the Ministry.
6. To carry out all financial control activities of Regional Industrial Service Centres.
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.
8. Updating and maintaining fixed asset register through the CIGAS computer system.
9. Preparation of annual financial statements of the Ministry.
10. Conducting annual board of survey and sending related reports to the Auditor General.
11. To perform the following functions related to procurement
 - 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

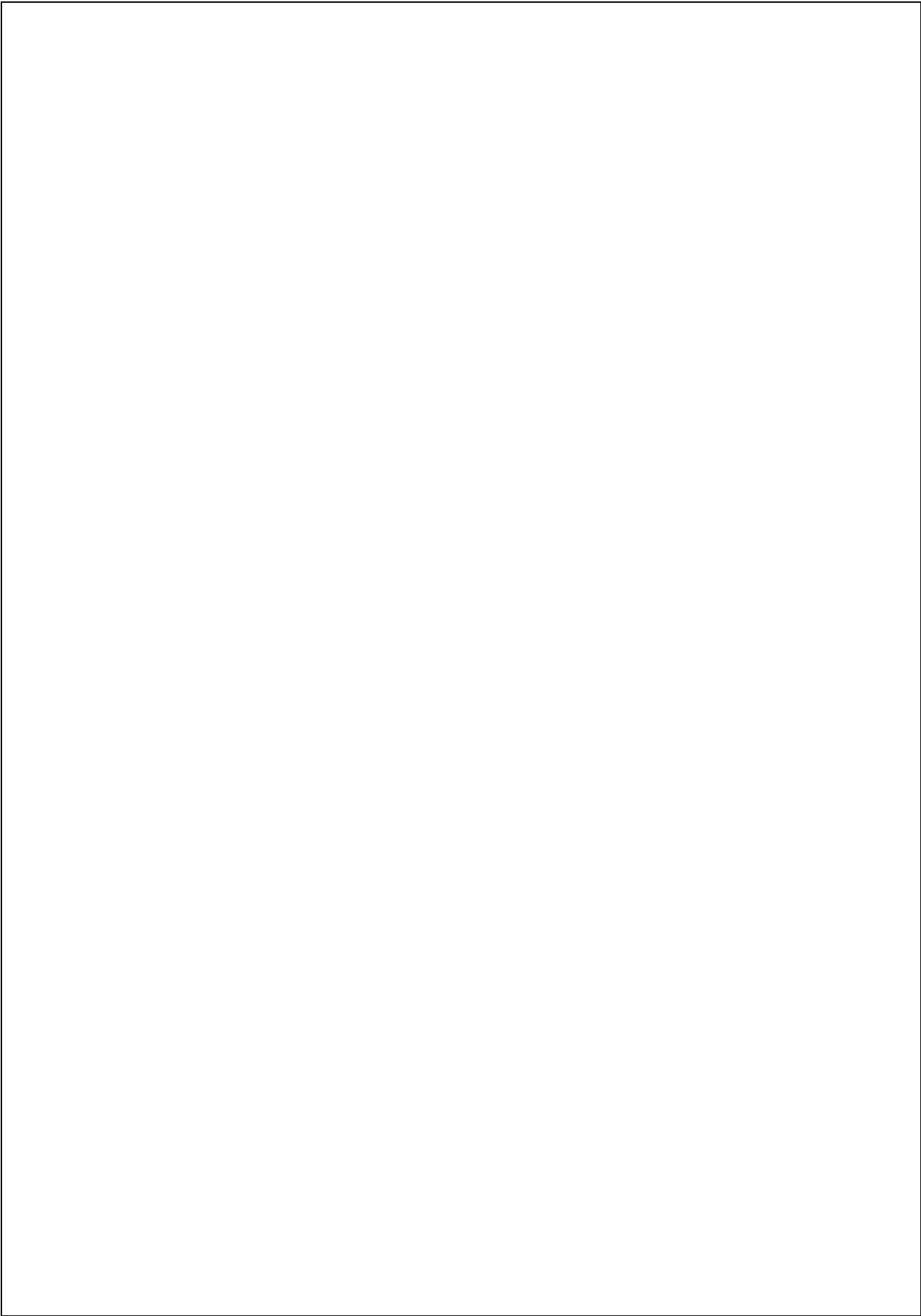
13.2 Progress - At the end of December 2024

In the year 2024, Rupess 15 million was given by the Ministry to the Oddusudan factory of Ceylon Ceramics Corporation for re-engineered and operational.

Through that, the company expected to increase its operational profits by producing bricks and tiles and providing a supply that meets the local demand. It will cover the company's operating expenses and generate profit opportunities.

In order to continue the production activities of the National Paper Company, Rs. 30 million and Rs. 04 million were provided to the Ministry from the allocation allocated by the national budget. Through this, the production activities of the plant can be maintained continuously and through this the opportunity will arise to cover the employee salaries and allowances and other operations.

Department, Statutory Institutions and Public Corporations



14

Department of Textile Industry (DTI)

14.1 Introduction

Department of Textile Industry is entrusted with generating the human resource equipped with knowledge and skills necessary for the handloom textile sector of Sri Lanka and regulating, supervising and coordinating the affairs of the sector.

The Department of Textile Industry is tasked with performing the following activities in order to achieve the objectives through textile industry training institutes and designing schools established under the Department

01. Providing and organizing information to support the formulation of policies for the growth of the handloom textile sector.
02. Developing the human capital required for the handloom textile industry's growth:
 - The Public sector (Provincial Councils)
 - The Cooperative sector
 - The Private sector
03. Formulating programmes aimed at product development:
 - Value-added products
 - Product diversification

04. Conducting the initiatives required to promote the handloom industry and increase its market penetration

05. Organising projects, self-employment programmes and support services aimed at expansion and promotion of handloom textile industry,:

- Entrepreneurship development programmes
- Design development programmes
- Programmes for training of trainers
- Training programmes associated with the subject of textile weaving
- Entrepreneurship development programmes targeting the trainees of textile industry training institutes
- NVQ certification programmes

06. Holding exhibitions to promote handloom textiles by highlighting unique trends and high-quality items in the sector

07. Evaluation of the crafts persons in the field by conducting the National Handloom Textile Competition

08. Carrying out the research and development tasks to advance the handloom textile industry and

09. Conducting conservation activities relevant to the sector.

To accomplish the objectives outlined above, the Department manages the following institutions and projects:

- Research, Training, Design and Service Institute, Katubedda

- Textile Industry Museum, Katubedda
- Textile Industry Training Institutes
- Design Training Institutes and
- Handloom textile projects.

The Head Office manages all administrative matters of the Department of Textile Industry, which includes the Administration Division, Accounts Division, and Development Division.

14.2 Progress - At the end of December 2024

Physical Progress

The physical progress in the overall development programmes undertaken by the Department is 75% as a percentage.

- Eighty trainees have been enrolled for academic year 2024/2025 of the one-year full-time course for the National Handloom Textile Industry Certificate and its academic activities have commenced. Around 85 trainees who followed this course in the academic year 2023/2024 are engaged in the field at present.
- Under the In-Service Training Courses Programme, 17 Handloom Textile Industry Design Training Workshops have been conducted. The Course concerned has trained 280 crafts-persons and instructors employed in the field.
- Two training programs for value added products in the handloom sector have been conducted, training 14 participants.

Progress Report - 2024

- 22 training courses have been conducted targeting those involved in the handloom industry in rural areas and 395 trainees have been trained.
- Under 6 Rural Handloom Textile Self-Employment Projects, 65 beneficiaries have been receiving training. This programme, which involves a 6-month full-time course, is implemented centring on Galgamuwa, Mahawa, Mallawapitiya, Hatharaliyadda, Aththangalla and Mahara areas.
- A project is in progress at the Research, Design, Training and Service Institute in Katubedda to develop 20 trainees as new entrepreneurs in the handloom textile sector.
- Four programmes were conducted for textile instructors and weavers engaged in handloom textile sector in the Southern Province, Central Province and the Uva Province to award national vocational level proficiency (NVQ) certification to those engaged in the handloom textile industry. Pre-assessment tests have been held for 496 beneficiaries. National vocational qualifications in handloom craftsmanship will be awarded to 500 artisans within this year.
- The National Handloom Textile Exhibition and the Provincial Handloom Textile Competition are already concluded. The judging of the national competition has also been completed. The National Handloom Textile Industry Exhibition, Award Ceremony and Sales Fair was held on 6th, 7th and 8th December 2024.

- Under new research, production samples have been prepared using various raw materials.
- Renovation work of roof of Boyagane Textile Training Institute was completed. A part of the roof and ceiling of Katubeda Textile Training Institute was repaired.

Financial Progress

The Budgetary Provisions allocated for recurrent expenditure in the year 2024 had been Rs. 329.57 million and the overall recurrent expenditure as at 31st December 2024 was Rs. 267.9 million, which was 81% of the allocation. The provision for capital expenditure had been Rs. 78.9 million and the overall capital expenditure as at 31st December 2024 was Rs. 44.5 million, which was 56.5% of the allocation.

14.3 Future Plans - 2025

Handloom Textile Development Programmes and Projects

01. Starting up 15 handloom textile self-employment projects at rural level
02. Producing 150 craftspeople actively engaged in the textile industry through the projects referred to above
03. Conducting programmes to direct craftspeople to get national vocational qualifications in the field of handloom textiles

Training and Skills Development Programme for the Handloom Textile Sector

01. Training of 100 craftspeople actively engaged in the textile industry by the Textile Industry Training Institutes
02. Introducing new courses
03. Developing the curricula of Textile Industry Training Institutes to align with the National Vocational Qualification standards.
04. Conducting programmes for training of trainers
05. Training 400 textile industrialists by conducting in-service training programmes and design courses
06. Introducing product diversification programmes
07. Introducing training courses in value addition to handloom products
08. Developing 20 people as new entrepreneurs to the handloom textile sector
09. Conducting attitude development programmes for students at Textile Industry Training Institutes and Design Training Institutes and
10. Provision of NVQ 3/4 to 100 beneficiaries under RPL/CBT.
11. Compilation of design book based on handloom designs.

12. Conducting design workshops for those engaged in handloom industry in rural areas.

13. Conducting short-term training programmes, seminars and workshops needed by instructors and producers engaged in the textile industry in the Provincial government, cooperatives and private sector.

Research and Development Programmes

01. Improving handloom textile machines, implements and accessories and
02. Expanding the programmes to introduce handloom textile products made using natural colouring materials.
03. Launching of textile manufacturing courses using various raw materials.

Promotion Programme for Handloom Textile Industry

01. Conducting National Handloom Textile Exhibitions and Awards and
02. Conducting two trade fairs within the year for the promotion of handloom textile products.

Development of Textile Industry Buildings

Commissioning identified repairs at the training centres belonging to the Department of Textile Industry

01. Commissioning repair works at the training institutes at Kirama, Boyagane, Bandarawela and Katubedda.

15

Industrial Development Board of Ceylon (IDB)

16.1 Introduction

Industrial Development Board (IDB) is committed to provide the most efficient and effective services to small and medium scale industrialists across Sri Lanka. The Industrial Development Board (IDB) was established under the Industrial Development Act No. 36 of 1969. According to this Act, the Industrial Development Board has been entrusted with the responsibility of developing the industrial sector in Sri Lanka.

Main Objectives

The objectives of the Industrial Development Board (IDB) according to the Industrial Development Act No. 36 of 1969 are as follows.

- 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.
- 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.

15.2 Progress - At the end of December 2024

Annual Footwear & Leather Fair

The Fourteenth 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 and other stakeholders, joined together to organize the Footwear and Leather Fair.

“Industry EXPO 2024” International Industry Exhibition

“Industry EXPO 2024” International Industry Exhibition organized by the Ministry, Industrial Development Board of Ceylon in collaboration with other institutions operating under the Ministry, other government institutions and the private sector in order to strengthen local industrialists with the aim of empowering the manufacturing economy was held at BMICH from 19th to 23rd June 2024.

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.

“Industry EXPO 2024” National Industry Exhibition



Connect Sri Lanka TV Programme

It is a collaborative Programme with the Ministry of Foreign Affairs, IDB and the Sri Lanka Rupavahini Corporation. The purpose of this is to introducing the foreign market opportunities with the potential products.

“School Industry Entrepreneurship Circles”- National Medal Awarding Ceremony

Ministry of Industries and Ministry of Education, along with the Industrial Development Board of Ceylon, collaboratively organized the “School Industry Entrepreneurship Circles” and “School Industry Entrepreneurship Circles”- National Medal Awarding Ceremony held at the Nelum Pokuna Theater on 22nd March, 2024.

The Sri Lanka Institute of Industry Professionals (SLIIP)

The Sri Lanka Institute of Industry Professionals (SLIIP), initiated by the Industrial Development Board (IDB) under the Ministry of Industry, with the aim of developing the industrial sector in Sri Lanka. SLIIP is a professional institute established for industry professionals with the goal of increasing professionalism in Sri Lanka by

enhancing the knowledge, experience, and skills needed to uplift the industry.

The Sri Lanka Institute of Industry Professionals (SLIIP)



Industry Ceylon Magazine

Industry Ceylon Magazine is a Quarterly published magazine. Purpose of this magazine is to provide valuable insights, industry updates to our stakeholders. It will serve as a platform to showcase the achievements, innovations and capabilities of the industrial sector in Sri Lanka.

SEDA Scale UP - Sustainable Entrepreneurship Development Initiative

"A practical approach to the planning process that an entrepreneur must follow to start a new business in Sri Lanka, along with a strategic approach to Scale-up existing small and medium-scale industries. Under this initiative, 200 industrialists were trained in 2024, and 100 internal and external trainers were also trained through this program."

Physical Progress

Activity	Progress as at 31 st Dec. 2024
Encouraged technology advancement and new technology adoptions	3,182
Developed Management Skills	1,665
Ensured credit worthiness of industries in accessing finance (As working capital and investment)	397
Expanded local and Global market accesses for local products	Local 674
	Global 65
The legal and regulatory environment which is conducive for the formation and growth of Industries	423
Effectively operated businesses with strengthened infrastructure facilities	41
Promoted responsible entrepreneurship	106

Source: IDB Progress Report – 2024

Training Programmes

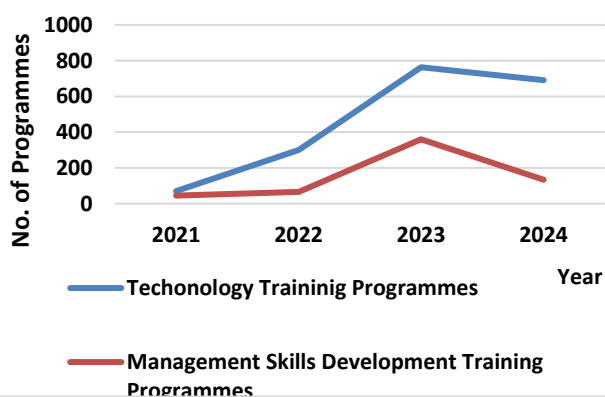
Description	Progress as at 31 st Dec. 2024	
	No. of Programmes	Beneficiaries
Technology Training Programmes	690	11,509
Management skills Development Training Programs (Marketing, Financial, HR Management, Capacity Building & Other relevant to Non - Technological trainings)	133	3,284
Total	823	14,793

Source: IDB Progress Report – 2024

Financial Progress

- The total allocation of recurrent and other recurrent expenditures for the year 2024 is Rs. Mn. 450 and Rs. Mn. 50, respectively. Out of the total figures, 100% of recurrent and 100% of other recurrent expenditures have been incurred as of December 31, 2024.
- The year allocation for the development activities is Rs. Mn. 11.3, and nearly 100% has been spent by now.
- An amount of Rs. Mn. 88.7 has been allocated for the purchase of capital assets for the year, and 100% of it has been spent through the capital budget.
- The total allocation for ongoing projects was Rs. Mn. 100, and 100% has been spent on the projects as of December 31, 2024. The amount to be paid for that is about Rs. Mn. 41.

Progress of the Training Programmes



Source: IDB Progress Report – 2024

15.3 Future Plans - 2025

1) New Projects

- Establishment of a shopping center called Ceylon Plaza in Unawatuna and Establish of an online platform called Ceylon Plaza.
- Implementation of an Automobile Research and Development Centre

2) Continuous Projects

- Research, development and training facility center for development of pressure vessel and boilers manufactured in Sri Lanka
- Upgrading and mobilization of main & mini-Industrial Estates
- Establishment of Accredited Food Laboratory
- Building an Industrial Park for leather-based industries in Valachchenai
- Conduct International Industry Exhibition

Progress Report - 2024

Summary Status Report of IDB Industrial Estates as at 31st December 2024

	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	118.7	60	36669.5	25779	2305
2	Pallekelle	Kandy	111	108.33	55	14520.53	16500	1224
3	Panaluwa	Colombo	38	69.91	23	1091.65	1965.4	377
4	Horana	Kalutara	66	17.71	14	998.51	4295.8	1469
5	Wavulugala	Kalutara	14	19.9	13	261.1	459	195
6	Pussella	Ratnapura	29	15.21	8	198	179	59
7	Galigamuwa	Kegalle	12	15.33	8	214	250	84
8	Buttala	Monaragala	22	20.1	10	295	1325	450
9	Kotagala	Nuwara Eliya	60	9.79	8	287.66	593.69	152
10	Kaludewala	Matale	43	53.8	13	583	542	215
11	Mihintale	Anuradhapura	42	5.04	7	33	43.54	20
12	Nagampaha	Anuradhapura	44	24	1	10	4	3
13	Pannala - 1st Stage	Kurunegala	34	84.75	17	801	1314	212
	Pannala - 2nd stage		11		1			
14	Lunuwila	Puttlam	17	4.9	12	83.9	175	220
15	Punthoddam	Vavuniya	64	30.57	12	127.5	142.66	114
16	Atchchuvelly - 1st stage	Jaffna	23	192	6	417.4	275	238
	Atchchuveli - 2nd Stage		25		41.57			
Total			747	831.61	270	57044.75	53959.09	7391
17	Elpitiya (New Industrial Estate – Phase B)	Galle	15	39.53	11(Allocated)	0	0	0
	Elpitiya (New Industrial Estate – Phase A & C)	Galle	43	19.53	09(Allocated)	0	0	0
Total			58	59.06	20	0	0	0

Source: Industrial Development Board

16

National Enterprise Development Authority (NEDA)

16.1 Introduction

National Enterprise Development Authority (NEDA) promotes supports, encourages and facilitates enterprise development within Sri Lanka with special emphasis to the 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 training to entrepreneurs; in entrepreneurship, marketing,

business planning, accounting, record keeping and productivity improvement, etc.

Objectives as per the NEDA Act.

- Stimulate the growth, expansion and development of Sri Lanka's economy by encouraging, promoting and facilitating small and medium enterprise development within Sri Lanka.
- Stimulate and encourage the establishment and operation outside Sri Lanka of enterprises designed with the view to Internationalize domestic enterprises capable of penetrating foreign markets for the fulfillment of the objectives of the act of NEDA.

- Formulate policies, plans, and promotional incentives appropriately designed and effectively support and promote trade and development in industry and agriculture.
- Empowerment of people of human capital development with technical skills as an integral component of enterprise development.
- Develop infrastructure facilities required to meet the development needs.
- Facilitate the access of entrepreneurs to finances required for enterprise development and operation.
- Establish a Technology Development Fund to promote research and development in connection with product development, technological enhancement and commercialization of patents.
- Facilitate regional economic development.

16.2 Progress - At the end of December 2024

1. “Upadhidhari Vyawasayaka Udanaya” Program (“Brain in to Business”)

NEDA launch an entrepreneurship Development Program with Universities for graduates to engage them for the business field. And it is named “Upadhidari Vyavasayake Udanaya” to promote business for graduates. Program Objective is to encourage graduates to enter business area and promote them as successful entrepreneurs. In 2024, entrepreneurship training is already being conveyed to 367 students at the University of Jaffna, Moratuwa, Uva wellassa, Colombo, Ruhuna, Peradeniya, Jayawardhanapura, Wayamba,

Sabaragamuwa, Rajarata, University of Visual and Performing Arts and Kelaniya. NEDA developed 31 graduate entrepreneurs (financial assistance for 14 graduates).

2. Entrepreneur Award Ceremonies

NEDA conducts provincial Entrepreneur Award Ceremonies to recognize, rewarding, and motivate these enterprises, who have profoundly contributed to the economic development of Sri Lanka. NEDA has planned to conduct four award ceremonies in 2024. NEDA conduct award ceremonies in Western, North Central, Sabaragamuwa and North Western. (145 awards given).

3. Business cluster 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. To overcome this issue, a cluster/sector-based approach to MSME development should be explored. 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 2024, NEDA developed 67 business clusters and developed 555 entrepreneurs through business clusters.

4. “Made in Sri Lanka” Trade Fairs

NEDA has launched the Made in Sri Lanka logo to promote and develop genuine Sri Lankan MSME products with high-value additions. In parallel with this NEDA has planned trade fairs to uplift these Sri Lankan products to the international marketplace. In 2024, NEDA completed 7 trade fairs in Badulla, Kegalla, Hambantota, Batticaloa, Colombo Kaluthara and Kalaniya, Trincomalee. NEDA helped with 410 entrepreneurs (274 stalls). In addition to that regional staff conducted 571 regional mini trade fairs (3378 stalls and 5196 entrepreneurs).

5. “Made in Sri Lanka” Logo

Though there are plenty of businesses carrying out locally by using local resources, there was no proper recognition for the local products when compared with the imported products. Hence customers had been given priority for the products which were imported.

As a result, demand for the local products diminished and customers used to think that the imported products were of higher quality than the local products. Hence, NEDA has taken a step to promote locally made products by introducing a logo to depict the degree of localness of the product. The aim is to award the badge to at least 50 entrepreneurs annually and in 2024, NEDA offer Logo for 31 entrepreneurs (for 105 products).

6. 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 the District Enterprise Forum is chaired by the district secretary.

The regional enterprise forum is chaired by the Divisional secretary and represents 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.

7. 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 the regional level and they are identifying these entrepreneurs and providing the required solutions for the above issues. In 2024, NEDA has trained 48677 entrepreneurs and provided other required assistance as well (Established 1304 new business and expanded 1737 business in regional areas).

8. Youth entrepreneurship skill Development program with Vocational training institutes

The Youth Entrepreneurship Skill Development Programme, in collaboration with Vocational Training Institutes (Univotec, VTA, German TEC, Korean TEC, NAITA, etc), serves as a dual-purpose initiative by not only driving economic growth but also acting as a catalyst for societal change. The objective of the programme is to develop vocational trainees as entrepreneurs instead of being job seekers.

In 2024, NEDA trained 144 Vocational students on entrepreneurship (UNIVOTEC Rathmalana, University collage – Matara (Technical collage-Rathnapura) and developed 4 vocational trainees as entrepreneurs. In addition to that 1693 vocational students trained through regional staff (without NEDA fund).

Financial Progress – 2024

Total Allocation for NEDA: Rs. 40.0 Mn

Received budget from Treasury up to December: Rs. 34.91Mn.

Financial progress in 2024: Rs. 33.42 Mn.

16.3 Future Plans - 2025

New Programs:

1. Promoting sustainable modern Agribusiness among Sri Lankan farmers
2. Online marketing for rural entrepreneurs.
3. Facilitating the establishment of international market relations and promoting the exchange of best practices for MSMEs.
4. Employee Capacity Development Program
5. Advancing Skills and Empowering Youth: The Beauty Culture program
6. Develop and promote brands of 500 entrepreneurs in order to create local and foreign market opportunities.

Ongoing Programs:

1. Upadhidari Vyavasayaka Udanaya” Program (Brain into Business)
2. Youth entrepreneurship skill Development program with Vocational training institutes
3. Business Cluster Development Program
4. “Made in Sri Lanka” Trade Fair for MSMEs
5. Regional Entrepreneur Award Ceremony
6. Regional Entrepreneurship Development Program
7. Offering “Made in Sri Lanka” Logo
8. District/ Regional Enterprise Forum
9. Renovation and Revitalization of Incubation Center

17

Kahatagaha Graphite Lanka Limited (KGLL)

17.1 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 and Entrepreneurship Development**.

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

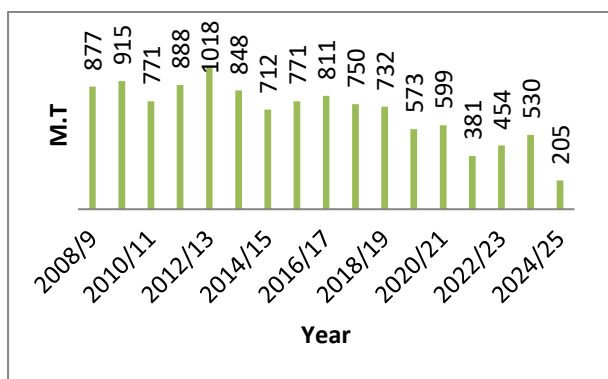
KGLL is an export-oriented Company, and in 2024/25, its major export country was JAPAN.

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”

17.2 Progress - At the end of December 2024

Production 2008-2024



Source: Kahatagaha Graphite Lanka Ltd

Total graphite production (Run of mine) from 1 April to 31 December 2024, FY 2024/25 is 205.2 M/T. In addition, in 2024/25, from January 1 to December 31, 2024, the total graphite production is 339.51 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, the efficiency of the machinery used in the mine, and other development works of the mine.

At present, we are unable to achieve our targets due to the inability to replace the latest technical strategies and tools used in the world's mining sector, the need to use a lot of labour to transport the extracted graphite to the ground, and the need to use a lot of labor to transport the crushed granite to

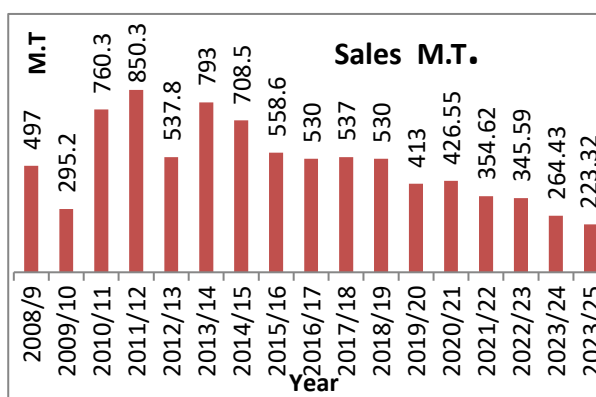
the ground as a byproduct, inefficiencies of outdated machinery, development activities to explore underground veins and significant absenteeism of daily labourers as well as retirements of workers, and inconsistent cash flow due to reduced graphite demand.

Sales

KGLL exported 223.32 M/T in FY 2024/25 from 1 April to 31 December 2024. Also, 286.35 M/T were exported from January 1 to December 31, 2024.

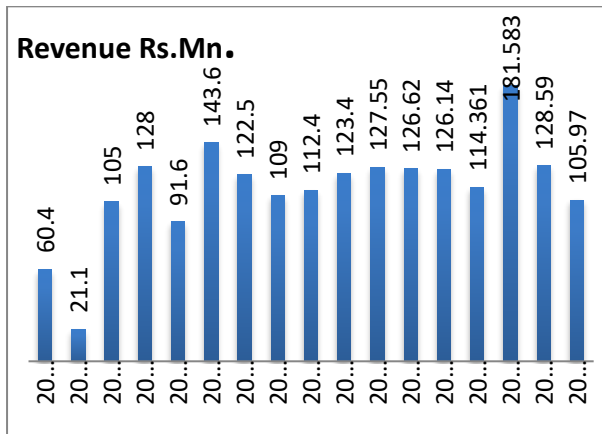
Due to the nature of the international graphite market, sales fluctuate frequently. Also, the entry of artificial graphite substitutes into the market, entry of graphite from some countries into the world market with low production cost and low selling price, lack of high production of graphite to meet the needs of the world market, the sale of natural graphite in Sri Lanka has started to decline greatly.

Sales 2008-2024



Source: Kahatagaha Graphite Lanka Ltd

Income Revenue

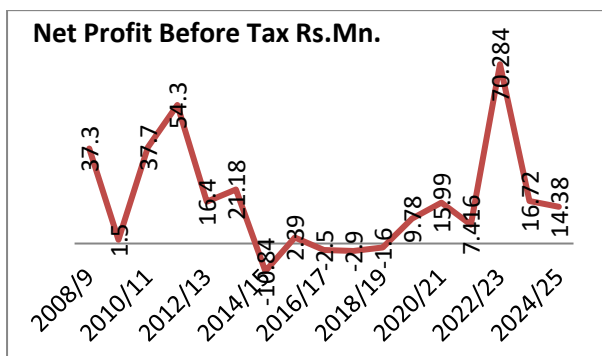


Source: Kahatagaha Graphite Lanka Ltd

KGLL will cover the financial year 2024/25 from April 1 to December 31, 2024 by selling graphite at Rs. An income of 105.97 million has been obtained. Also, from January 1 to December 31, 2024, an income of Rs. 138.51 million has been earned from the sale of graphite. Income revenue has decreased relatively due to lower sales and depreciation of the dollar against the rupee.

Profit

During the current financial year 2024/25, from April 1 to December 31, 2024, the net profit before tax was Rs. 14.38 million. The net profit before tax has decreased relatively due to lower income revenue and the dollar's depreciation against the rupee.



Source: Kahatagaha Graphite Lanka Ltd

Stocks

Apart from the bank, and cash balance, the value of stocks in hand is Rs.608.01 Mn, related to 1153.26 MT of current stock availability as at 31 December 2024.

Work Force

The total workforce is 105 including 52 trained miners and other related technical staff.

Measures taken to increase production

- With the aim of increasing production, Graphite has been extracted without conforming to any mining or technical norms with view to increase production, That particular placed was selected to re-fix & stabilize the area so that risk situation could be managed & graphite extraction can be done with a suitable mining method.
- To stabilize mining activities in a more technical norms and orderly manner by recruiting a qualified Mining Engineer for the vacant post of Mining Engineer.
- Due to a lack of proper organizational hierarchy in the underground and mechanical sector in the beginning, it was difficult to manage the operations and achieve the monthly production target. By conducting internal interviews to select gang leaders and mine supervisors based on their past performances and other qualifications, all underground mining gangs were re-organized with underground and mechanical supervisory teams.

- To reduce cost by starting automatic operation of one pump for pumping ground water. Phase by phase to automate all underground pumps. Today, as a result, it was possible to save many labor costs for pumping underground water in the mine
- Increase monthly productivity by arranging for monthly calculation of underground mining productivity.
- Work to reduce electricity charges and overtime costs by taking measures to control water seepage into Kolengaha mine. One project that controlled this water seepage was by placing concrete half-cylinders along the drainage lines into Kolengaha mine and sealing a drainage line in one of the main seepage areas.

The project completed in the year 2024 with the decentralized fund of the Ministry of Industry and Entrepreneurship Development

Development of Kahatagaha mine entrance road and internal road system from the decentralized fund of the Ministry of Industry and Entrepreneurship Development.

Stage 1- 7,334,377.65
Stage 2- 530,200.98
Stage 3 - 10,079,867.04
Total - 17,944,445.67

Current and Future Development Activities

Mining and Underground Development Exploration

Exploration is an essential element in the mining industry to confirm the presence of Ilam resources and their economic effectiveness, and accordingly, Ilam exploration activities are continuously implemented to find new Ilam and a new exploration project is being carried out at the 2080 feet level.

Vertical exploration activities are carried out in the same plane to determine the size of the graphite demand reserves. This helps in planning the future development of the mine and making investment decisions.

2nd Shaft sinking or Established Alternative Hoisting Systems

Excavation of the 2nd shaft sinking proposed to enter from the level of 1132 feet to the level of 2000 feet has been stopped at about 240 feet from the level of 1132 feet, so the estimated total cost to resume the development work of the 2nd shaft is about 219 million rupees.

However, since an Ore Reserve Estimation has not been done in the Kahatagaha mine since 1998, it is more appropriate to estimate the existing graphite reserves before resuming the excavation of the 2nd shaft to make an income analysis whether such a large investment will bring the expected benefits in the future.

Also, to enter the ground and to transport graphite, stones, and other things, 2 elevators installed along

the main shaft of the mine are available only up to the level of 1132 feet and from the level of 1132 feet to 2080 feet, people, graphite, stones and other things are transported to other levels. There is a means of transport that moves up and down with the help of a wooden box known as a winch box connected to a lifting machine operated by compressed air (Winch Hoisting System). Proposals have been made to update these outdated hoisting systems to alternative ways of hoisting systems using existing winches and to establish a more efficient means of transport. This will improve the safety of mine workers and increase graphite production capacity at lower labor costs. In addition, the cost of 2nd shaft sinking, labour contribution, and time taken to complete the project were matched with the criteria. Compared to that, the project can be completed with very low cost, less labour and less time and the desired benefits can be obtained.

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

Between 1,132 feet level and 2,080 feet level, 11 graphite-clearing plants are currently operating. In addition, the development of the Horizontal Drive has started at the level of 2080 feet.

17.3 Future Plans - 2025

- Current average monthly production varies between 50-55 metric tons. It is further planned to bring it up to 75-80 tons per month.
- Currently, the demand for natural graphite in the global market has decreased. As a result, sales of graphite have decreased drastically. It is expected to find new buyers and work to increase the expected income.

18

National Paper Company (NPC)

18.1 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

18.2 Progress - At the end of December 2024

Paper production and revenue earned at Valaichchenai Paper Mill

Month	Production (M.T)	Income (Rs.Mn)
January	154.54	36.62
February	87.81	22.43
March	140.95	26.58
April	135.92	20.44
May	144.14	27.25
June	154.57	22.97
July	128.50	22.73
August	115.4	18.08
September	98.19	16.11
October	145.90	22.71
November	49.67	11.10
Total	1355.59	247.02

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.

18.3 Future Plans - 2025

- 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 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 make arrangements to clear the debtors and liabilities

19

Lanka Mineral Sands Limited (LMSL)

19.1 Introduction

Ceylon Mineral Sands Corporation was established under the State Industrial Corporations Act No. 49 of 1957 and became a fully government owned company in 1992. According to the new Companies Act No. 07 of 2007, re-registered as a fully government owned company on 16.09.2008 under PB 587. The head office of Lanka Mineral Sands Limited is located in Rajagiriya area, and the manufacturing plant is established in Pulmoddai area of Trincomalee district.

Main role of the institution

- Processing of raw sand mining and separation of heavy mineral sands like Ilmenite, Rutile, Zircon, Garnet, Monazite, HI TI Ilmenite etc. according to physical properties.
- Export of heavy mineral sand through international tenders
- Identification and exploration of new heavy mineral sand deposits

- Conducting preliminary environmental studies or an environmental impact study to remove the heavy mineral sands present in those deposits.
- To study the economic feasibility of heavy mineral sand identified deposits
- To expand the amount of heavy mineral sand deposits owned by the institution.

Mining and Back filling work is carried out in the company

Mining



Back filling

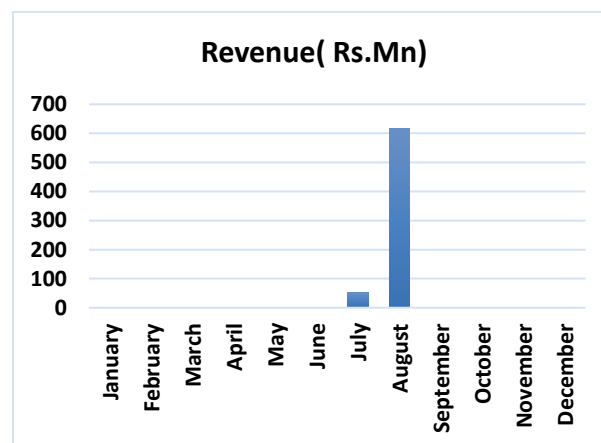


19.2 Progress - At the end of December 2024

Sales – January to December 2024

Month	Sales Revenue (Rs. Mn)
January	0
February	0
March	0
April	0
May	2
June	0
July	53
August	617
September	0
October	0
November	0
December	0
Total	672

Source: Lanka Mineral Sands Limited

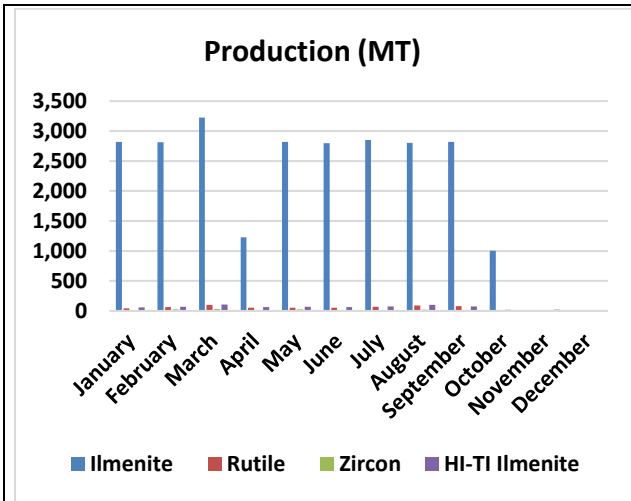


Source: Lanka Mineral Sands Limited

Production

Month	Production (MT)			
	Ilmenite	Rutile	Zircon	HI-TI Ilmenite
January	2,817	45	15.04	56
February	2,814	65	25.28	70
March	3,226	102.5	31.04	107.5
April	1,227	55.5	16.9	66
May	2,818	52.25	26.32	71
June	2,800	51.5	15.5	65
July	2,853.5	67	11.76	75.5
August	2,803	93	19.28	99
September	2,818	80.5	13.48	76
October	1004	15	19.2	14
November	0	15	0	20
December	0	0	0	0
Total	25,180.5	642.25	193.8	720

Source: Lanka Mineral Sands Limited



Source: Lanka Mineral Sands Limited

- Improvement of quality of the Products.
- Attraction of new buyers to sell mineral sand stock.
- Obtain EMS certificate.
- Development of existing softwares for digitalization.
- Development of laboratory to international level.

19.3 Future Plan - 2025

- Commencement of construction of Kokilai plant .
- Establishment of mobile plant in Poduwakattu area.
- Obtaining EIA report for Poduwakattu mining licence to expan the mining areas.
- Establishment of mineral sand value addition manufacturing industry (expected to be done in 2 phases)
 1. Focusing on value addition production for some of the products identified by the organization.
 2. Referral for ilmenite related value-added manufacturing industry with suitable investor as per value addition program proposed by Ministry of Industries.

20

Ceylon Ceramics Corporation (CCC)

20.1 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**”.

The Eragama factory is running on profitability, while the Mahiyangana factory was commissioned in 2023. At present, the Oddusudan factory is also being maintained by following the necessary measures for production. Here mainly flat tiles, top tiles, shade special, mm bricks, 3x9x16 bricks are produced.

Progress Report - 2024

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 2025.
Yatiyana	Matara	06	Planned to re-commission in second quarter of year 2025. 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

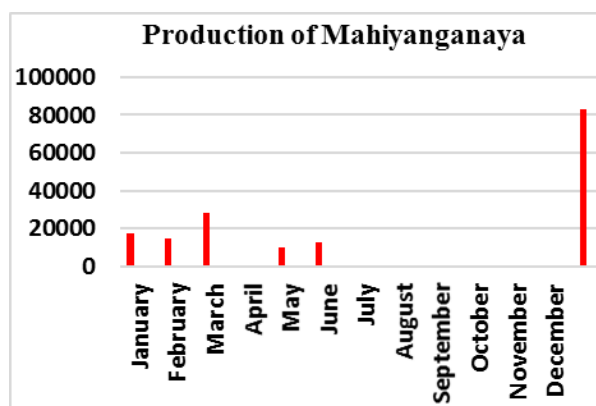
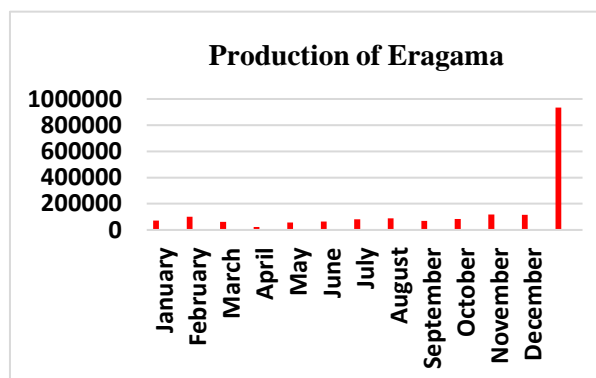
20.2 Progress - At the end of December 2024

Production

From January 2023 onwards only Mahiyanganaya and Eragama factories are operations.

Month	Eragama Production (Units) 2024	Mahiyanganaya Production (Units) 2024
January	70734	17098
February	99787	14953
March	62968	28523
April	22162	-
May	57403	9677
June	64475	12833
July	81415	-
August	89550	-
September	68029	-
October	82766	-
November	118205	-
December	116608	-
Total	934102	83084

Source: Ceylon Ceramics Corporation



Bricks and Tiles Production

Source: Ceylon Ceramics Corporation

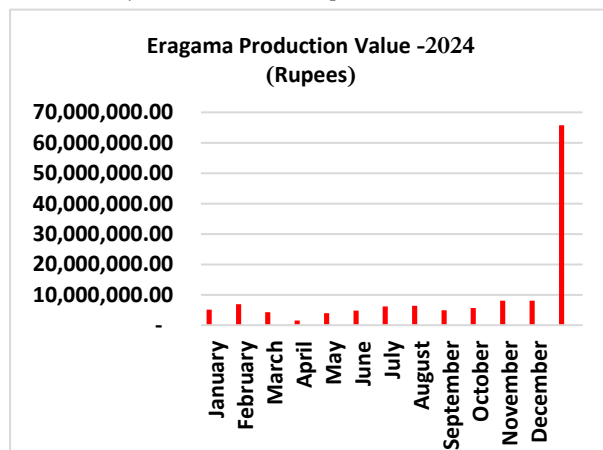
Progress Report - 2024

The total number of units produced in Eragama factory is 699289. There was a high production in the months of January and February, compared to which the production decreased from April to June. From July to December, there is a gradual increase in the production.

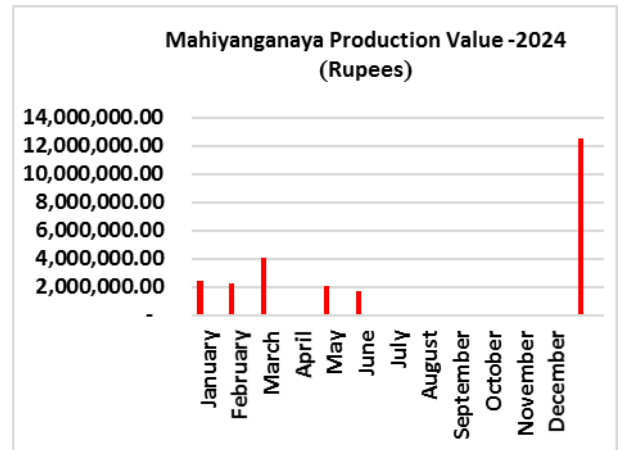
The total number of units produced in Mahiyanganaya factory is 83084. Compared to the month of January, there is a decrease in the production in February, while there was an increase in the production in March. There was no production in April. Although the production was done again in May and June, there was no production from July to December.

Eragama and Mahiyanganaya - Production Value (Rupees)		
Month	Eragama	Mahiyanganaya
January	5,092,844.65	2,398,601.74
February	6,941,578.03	2,250,773.76
March	4,301,032.52	4,038,493.13
April	1,514,100.51	-
May	3,957,031.44	2,078,455.43
June	4,763,792.68	1,730,793.32
July	6,108,347.70	-
August	6,384,461.52	-
September	4,870,463.84	-
October	5,645,498.36	-
November	8,106,370.84	-
December	8,044,391.89	-
Total	65,729,913.98	12,497,117.38

Source: Ceylon Ceramics Corporation



Source: Ceylon Ceramics Corporation



Source: Ceylon Ceramics Corporation

Cost of Production of Eragama and Mahiyanganaya Factories

Month	Cost of Production 2024	Cost of Production 2024
	Eragama	Mahiyanganaya
January	5,211,118.00	2,368,365.00
February	4,503,681.00	2,615,371.63
March	3,787,961.00	2,235,533.45
April	1,655,155.00	-
May	2,515,012.00	621,893.89
June	4,074,785.00	624,720.21
July	4,782,444.00	-
August	3,363,658.00	-
September	3,359,921.00	-
October	4,312,032.00	-
November	5,403,793.00	-
December	5,034,202.00	-
Total	48,003,762.00	8,465,884.18

Source: Ceylon Ceramics Corporation

Eragama factory shows high production cost in the first 03 months, and a decrease in production cost is seen in the month of April. Although there is an increase in the cost of production from May to July, there is a slight decrease in the cost of production in the months of August and September. There has been an increase in the cost of production from October to December.

Progress Report - 2024

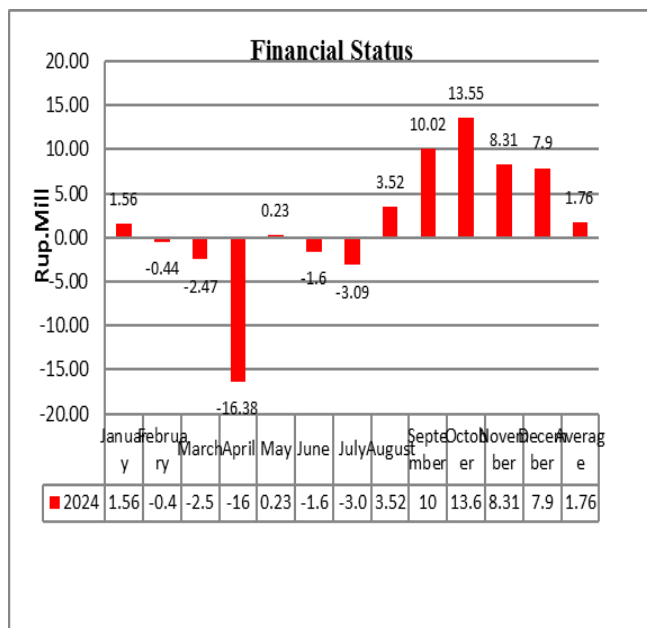
Mahiyangana plant has high cost of production from January to March but no cost of production in April. The production cost in May and June shows a decrease compared to the previous months. Since there was no production from July to December, there is no production cost in those months.

Sales value of Eragama, Mahiyanganaya, Uswawa and Yatiyana Factories (Rupees)

Month	Eragama	Mahiyanga.	Uswawa	Yatiyana
January	4,506,831.10	1,300,391.62	124,593.16	34,674.00
February	5,084,021.39	1,071,536.66	2,124,010.08	43,283.50
March	4,851,030.10	459,188.68	789,726.72	41,525.00
April	3,697,637.35	513,004.00	161,832.63	71,880.00
May	4,327,613.69	507,807.30	594,283.20	29,547.50
June	6,137,133.12	1,901,802.08	66,924.74	20,837.50
July	5,761,513.69	1,008,381.70	26,348.94	43,500.00
August	8,304,935.06	432,601.57	107,325.09	45,950.00
September	6,272,177.20	145,622.45	70,368.48	34,151.00
October	7,602,344.06	569,698.69	55,606.54	11,725.00
November	6,734,146.63	2,016,753.64	127,080.80	37,089.49
December	5,610,915.51	1,244,297.16	75,497.50	10,670.00
Total	68,890,298.90	11,171,085.55	4,323,597.88	424,832.99

Source: Ceylon Ceramics Corporation

Financial Status



Source: Ceylon Ceramics Corporation

Performance of the corporation

Performance Index: The Ampara Eragama factories which is owned by the corporation is running in a profitable condition, and in this factory, flat tiles, top tiles, 3x9x16 bricks, shade special bricks and millimeter bricks are produced daily. All the finished products produced are sold and the income is used to pay salaries and other expenses in other factories.

Provisions and instructions have been given by the Ministry for the renovation of Oddusudan plant, with the support of the Sri Lanka Army.

20.3 Future Plans - 2025

- ❖ Introducing new products to the market. (Interlock Brics)
- ❖ Introducing solar energy projects for Ampara, Mahiyangana factories.
- ❖ Initiation of marketing activities.
- ❖ Streamlining administrative activities through human resource development programmes.
- ❖ Improving the quality of products.
- ❖ Renovation of Oddusudan plant and resumption of production.

21

Lanka Phosphate Ltd (LPL)

21.1 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

21.2 Progress - At the end of December 2024

	Actual	Budget	Variance	Achiev. %
Sales (Mt.)	43,067	49,500	(6,433)	87.0%
Production (Mt.)	41,023	46,800	(5,777)	87.6%
Revenue (Rs. 'Mn)	983.52	1,081.64	(98.12)	90.9%
Operating Profit as at 30.11.24 (Rs. Mn)	298.34	244.76	53.58	121.9%
PBT as at 30.11.24 (Rs. Mn)	368.47	291.10	77.37	126.58%
As at 30.11.24				
Current Assets	1,268.71			
Total Assets	1,510.23			
Liabilities	271.02			
Net Assets (Shareholder fund)	1,239.21			
		296 (288 Permanent)		

Source: Lanka Phosphate Ltd

Despite many limitations, Board of Management was able to sell 16,859mt of Rock Phosphate for 03 local companies who deal with foreign markets to earn foreign exchange to the country during the period. Total income earned Rs. 417.0 million.



As a responsible state organization, Rs. 75.0 million paid to consolidated fund, as an interim dividend for year 2023/2024 based on the draft financial statements. Further, it is planned to pay further 25.0 million in due course. Other payments to State Organizations such as Rs. 67.0 Mn. to GSMB, as Royalty payment and Rs. 136.22 Mn as CIT/VAT to Inland Revenue Department, and Rs. 49.2 million to Department of Forest Conservation and Mahaweli Authority as land utilization fee.

Action had been taken to upgrade the quality of the Products and process, by introducing Standardized Laboratory facility etc.

Upgrade the quality of the Products and process



Roof top of Eppawala Site buildings had been rented out for a Solar Project and expected monthly income is around 1.0 million.

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



21.3 Future Plans - 2025

Infrastructure development at Eppawala Site and payment commitments

Action / Area	Estimated cost (Rs. Mn)	Remarks
1. Expansion of Storage facility Finished Goods Stores	150,000,000.00	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 as soon as possible. This will help for continuous and smooth operation.
2. Re-assembly of Crusher Plant	7,000,000.00	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 re-assemble the existing Crusher unit to meet the future demand for value added products or Export orders
3. Purchase of Production vehicle for mining operations at the site	66,000,000.00	Lanka Phosphate Ltd had used to hire the required production vehicle for mining operations on annual basis. However, considering the committee report on benefits of having LPL own vehicles for such operations, Board of Directors decided to purchase those vehicles, outright (01 Excavator Machine and 02 Tippers)
4.0. Development in sample testing and quality assurance process - Lab Accreditation	6,500,000.00	Introduce accredited Laboratory Facility and quality Recognition process to issue Nationally and Internationally recognized Quality Certificate
5.0 Fix a New Weighing Scale at Eppawala Site (80Kg)	11,000,000.00	It is expected to install a new Weighing Scale at Eppawala Site with the intention of expediting the rock phosphate dispatch process.
6.0 Upgration of Existing Accounting Package	7,200,000.00	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.
	247,700,000.00	

22

BCC Lanka Limited **(BCC)**

22.1 Introduction

Bcc Lanka limited was incorporated as a limited liability public company in 1988 and was transformed in to a public corporation and state owned enterprise under public Act. No- 23 of 1987 with a share capital of 10,000,000 shares held by the General treasury.

BCC Lanka is a state-controlled consumer product supplier. The company's core business is the production, sale and distribution of locally produced edible coconut oil and soap, detergents, disinfectants and other soap - based product.

Main Activities of the Company

- Refining of coconut oil
- Manufacturing of laundry & toilet soap
- Manufacturing of disinfectants & detergents
- Distributing products under the name of “BCC” to the local market through agents who were appointed by the company.
- Direct sales to Modern Trade businesses through agreements and competitive bidding procedures
- Rent out office and storage spaces which are owned by BCC Lanka Ltd.

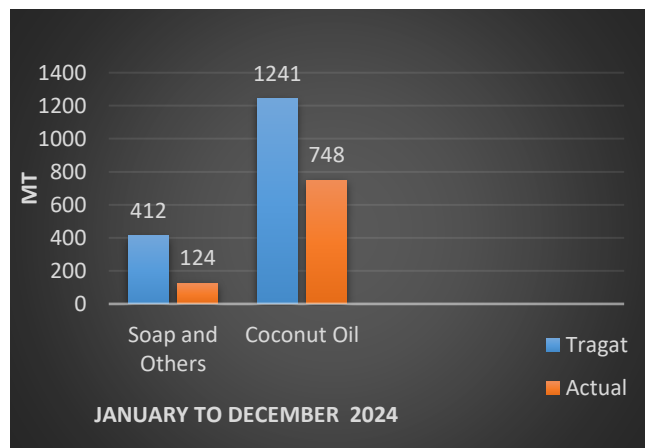
22.2 Progress - At the end of December 2024

Achevement of Financial and Physical Targets

DESCRIPTION	PHYSICAL PROGRESS (MT)			FINANCIAL PROGRESS (MN)			REMARKS
	Target	Actual	Achievement	Target	Actual	Achievement	
Soap and Others	292	98	34%	179	58	32%	Achievement of the soap comparably low due to the scarcity of soap noodles and the high prices
Coco nut Oil	872	533	61%	809	516	63%	

Source: Bcc Lanka limited

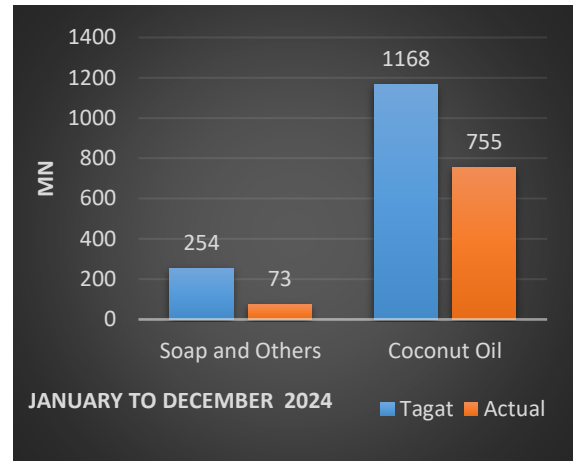
Physical Achievement



Source: Bcc Lanka limited

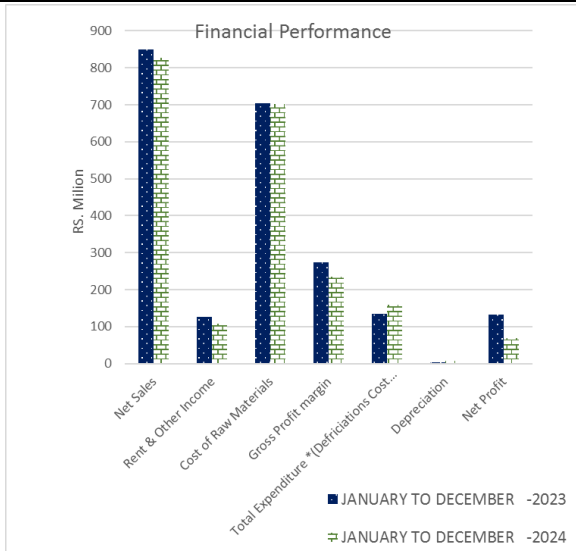
Financial Achievement

2024 – January to December Financial Performance Comparison



	2023 Jan – Dec (Rs. Mn.)	2024 Jan – Dec (Rs.Mn.)	Progress of Jan -Dec 2024 Compared to 2023 in Percentage
Net Sales	850.17	827.99	-2.60%
Rent & Other Income	127.36	108.54	-14.77%
Cost of Raw Materials	704.55	701.57	-0.42%
Gross Profit margin	272.98	234.96	-13.92%
Total Expenditure *(Dericiations Cost Excluded)	134.95	159.06	17.86%
Depreciation	4.44	6.90	55.40%
Net Profit	133.59	69.00	-48.34%

Source: Bcc Lanka limited



Source: Bcc Lanka limited

Sales & Production Details

	Sales Value (Rs. Mn)		Production Qty (Mt.)	
	Refinery	Soap	Refinery	Soap
January	39.71	3.75	54.90	19.78
February	54.52	8.93	51.89	14.46
March	88.72	8.92	87.01	20.29
April	51.63	5.89	53.94	5.05
May	49.13	7.25	60.18	5.33
June	53.92	6.16	51.23	11.06
July	57.74	7.66	60.61	13.40
August	60.47	6.18	47.13	10.17
September	60.70	2.92	65.72	5.21
October	69.14	6.83	58.38	12.7
November	75.74	2.91	74.63	2.56
December	93.80	5.37	69.73	8.20
Total	755.23	72.76	735.35	128.21

Source: Bcc Lanka limited

22.3 Future Plans - 2025

- Production of Coconut Oil Products & Soap Products

It is targeted to produce 1278 Mt. of high quality Coconut oil & 569 Mt of soap and soap related products in the financial year of 2024/25

- Construction of a new state-of-the-art Soap factory

The company planning to introduce an attractive products to the market by replacing the existing soap and detergent production machinery with state-of-the-art automation machinery.

- Renovate the existing warehouses and adding value to the renting space

A modern storage complex with cool rooms is planned to be built at the company premises, to expand the company's steady revenue streams as a joint venture

23

Paranthan Chemicals Company Limited (PCCL)

23.1 Introduction

Paranthan Chemicals Company Limited is a State-owned profit-making Company functioning under the Ministry of Industry and Entrepreneurship Development. As a professionally managed enterprise involved in chemical production, imports and distribution, the Company plays an important role in ensuring availability of chemicals needed for the water purification and local manufacturing industries. The main goals of the Company include fostering a safe and healthy

nation and ensuring an active presence of the government in primary chemical sector and identifying the best practices in chemical handling in the chemical industry.

At present Paranthan Chemicals Company Limited is the main supplier of liquid chlorine market and has acquired 95% of market share in liquid chlorine and substantial portion of other chemicals as well. As a Company with a history of producing Caustic Soda flakes, Liquid Chlorine and other related chemicals which add to the value to domestic Salt production, Paranthan Chemicals Company expects to re-establish the factory at Paranthan in Kilinochchi District within three years.

It is a pleasure to mention that the Company is running with a profit and all expenditures including salaries and other allowances are being paid from its own funds. Annual dividends is also paid to the General Treasury.

Activities/Duties and Functions

PCCLs main production factory was at Paranthan in Kilinochchi District, that was operated successfully since 1956 to 1985. Our production facility was destroyed on year 1985 due to the war and we are currently at the process of re-establishment of it at Paranthan itself. The company was completed the comprehensive feasibility study into re-establishment of Caustic Soda & Liquid Chlorine factory and PCCL was forecasted to install Poly Aluminum Chloride (PAC) and Hydrochloric Acid (HCl) manufacturing facilities as Product Market development to comply the local market demand in Sri Lanka.



23.2 Progress - At the end of December 2024

Financial Performance

Description	2024 Rs.'000	2023 Rs.'000	%
Revenue	758,436	770,360	98
Cost of Sales	(320,000)	(310,025)	97
Gross Profit	438,436	460,335	95
Other Operating Income	63,500	164,220	39
Total Revenue	501,936	624,555	80
Total Expenditure	(148,692)	(145,295)	102
Profit from Operational Activities	291,726	316,745	92
Less: Finance Cost	-	-	
Net Profit Before Taxation (approximately)	163,129	265,024	62

Source: Paranthan Chemicals Company Limited (PCCL)

Progress Report - 2024

Other performance

Subject	Action taken	Progress	Progress %
Setup Caustic Soda/ Chlorine Project	Completed feasibility study report, Contour survey, Hydrology surveys and waiting fund arrangement and directive from the General Treasury and the line ministry to further action.	Submitted to treasury and discussed with the banks for raise required funds for the project. However this process temporarily stopped due to previous government has categorized this Company under the re-structuring process. Due to this project completely stopped and awaiting directives and instructions from the line ministry to initiate the project.	25
Introducing new products to the Consumer Market	Paranthan Chemicals Company has completed the new products development process targeting of domestic consumers .	Introduced following products 1.Drain Cleaner 2.Stain Remover 3.Laundry Bleach 4.Pest Wipe Out	75%
Improve brand image and the awareness of the Company	Planning to process advertising campaign through competitive media	Implemented Brand activation and promotional campaign with Digital Media Production of labels for new products, Design of product logos Creation of product descriptions, Preparation of advertisements for products for TV, Facebook, YouTube etc.	75%
Expansion of existing liquid chlorine storage facility and refilling operation activity at Wagawatta site with international standard safety measures..	1 Tendered and awarded for construction project stage II 2.Expansion of cylinder maintenance activities 3.Infrastructure Development work at the site	Started Stage II of Wagawatta construction works to improve storage facility and training facility	70

23.3 Future Plans - 2025

Objective	KPI	Target in 2025
Manufacture Chemical Products to cater higher demand and production capacity and the quality	Re-establishment of the Chemical Manufacturing Factory at Paranthan	40%
Improving brand image	Brand awareness campaign using mix of modern media trends	60%
Obtaining an exclusive chlorine regulation powers and handling authority in sri lanka	Cabinet approval to appoint PCCL as the chlorine regulation body in sri lanka .	40%
Increase the trading activities in order to capture the market share (95%)	1. Markt size(Quantity of the total addressable market)	30%
	2. Market share (Company's share of the total market)	80%
Improving the international relationship between global and local agencies to Import high quality products	Build up a strong Supply Chain	75%
Introduce to sustainable energy practices, promoting environmental conservation and reducing the carbon footprint.	Installation of Solar energy system on Roof at Wagawatta Unit (4500sqft)	100%
Establishing an Analytical Laboratory with Public Private Partnership	Started initial discussion with the relevant authority to initiate the project and awaiting for a business proposal	25%

24

National Salt Limited (NSL)

24.1. Introduction

National Salt Ltd. has long history in salt production in Sri Lanka. The company manufactures common salt, iodine mixed salt, crush salt and industrial salt. The major production areas are located in Mannar and Elephantpass (Kilinochchi) District and its administrative office located in Colombo.

The salt department was started in 1938 and went through different administrative control and finally

it was named as Mantai Salt Ltd from 2001 and in June 2021 it is renamed as National Salt Limited and now functioning under the purview of Ministry of Industries. The salt is being recognized as best in quality (96% is NaCl) in compare to the harvested salt in other part of the country. Currently Mannar Saltern has capacity to produce 6,000MT of raw salt and the Elephantpass Saltern has capacity to produce minimum 22,000MT per annum in full operation.

The National Salt Ltd. not only functions as a natural resource extracting center also giving employment opportunities to the vulnerable people in the Mannar and Kilinochchi Districts. As at today there are 63 permanent staff, 7 contract/casual and roughly 160 seasonal staff are employed by the institution.

National Salt Ltd is governing by the board which comprised by the members represent from Treasury and other government /private institutions and it comes under the purview of Ministry of Industry and Entrepreneurship Development. The Restructuring Division of the Ministry is monitoring and facilitating the development, legal and accountable matters of the company. As it is a government enterprise and registered under the company Act. No. 7 of 2007 as a Limited Company to abide for the company rules. Meanwhile the institution is certified by the Sri Lanka Standard Institution to ensure the quality of the product and also, the company is being audited by the National Audit Office.

24.2 Progress - At the end of December 2024

Production

	<i>Saltern Location</i>	<i>Quantity Produced in MT</i>
01	Mannar Saltern	2,231
02	Elephantpass Saltern	12,850
	Total	15,081

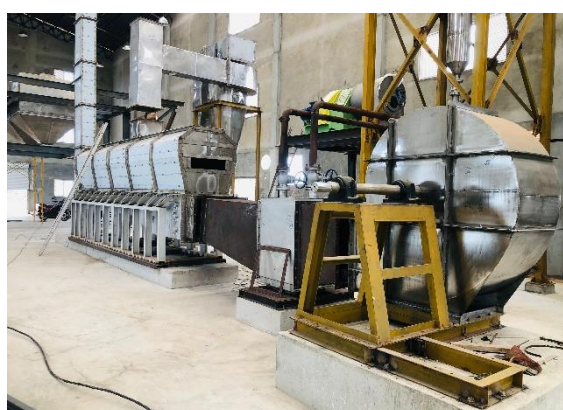
Source: National Salt Ltd

***The Table Salt Plant project at Elephantpass Saltern has been completed by 85%**

Table Salt Plant building



Erection of Table Salt Plant



***Saltern Field development has been Completed by 90%**

Financial Progress

#	<i>Category</i>	<i>Amount in Rs. MN</i>
01	Sales Revenue	387.96
02	Gross Profit	252.32
03	Net Profit- before tax	207.06

Source: National Salt Ltd

Expenditure details

#	Category	Expenditure Rs. MN	Percentage
01	Recurrent	182.80	81.22%
02	Capital	199.20	43.16%

Source: National Salt Ltd

24.3 Future Plans - 2025

- Renovation of abandon area to increase the salt production at Elephants Saltern (50 acres will be renovated).
- Preliminary action will be taken to reoperate Kurinchattivu saltern in order to produce 25,000MT salt per annum from year 2027.
- Opening of Table Salt Plant at Elephantpass Saltern and Expand the Sales and distribution Island wide with table salt production.
- Enhance the process efficiency to improve the return of investment.

25

Sri Lanka Cement Corporation (SLCC)

25.1 Introduction

The Kankesanthurai Cement Factory, which began operations under the Department of Industries in 1950, was transformed into a state corporation in 1956 under the provisions of the State Corporations Act No. 19 of 1955, and was re-established as the Kankesanthurai Cement Works.

Subsequently, on January 1, 1959, it was re-established as the Cement Corporation of Lanka under the Industrial Corporations Act No. 49 of 1957.

In 1980, a special gazette notification officially changed its name to Sri Lanka Cement Corporation.

This corporation, which has functioned under various ministries, currently operates under the Ministry of Industry and Entrepreneurship Development.

At one point, the Sri Lanka Cement Corporation managed three cement factories. However, in 1993, due to privatization, the ownership of the Puttalam and Ruhunu Cement Factories was lost.

Currently, only the Kankesanthurai Cement Factory remains under the corporation's purview. This factory has been inactive since June 1990 due to security concerns and the destruction of machinery and equipment.

Functions

The gazette notifications dated 1956.11.02 and 1964.05.11 assign the following functions to the corporation:

- Production and sale of cement.
- Manufacture and sale of telephone and electrical communication poles, telephone booths, water transportation equipment, hume pipes, and tiles made from cement or concrete.
- Wholesale supply of electricity to any person.
- Production, import, and sale of cement.

Guidelines on future operations after the Voluntary Retirement Scheme implemented on 2016.07.31 are mentioned in the letter from the Ministry of Industry and Entrepreneurship Development dated 2016.10.27 (Ref: MIN/R/07/06/07). It includes instructions for finding suitable investors, collecting lease revenue, conducting operations, and transferring the surplus to the treasury due to the stewardship of the country's clinker reserves.

Since April 2017, no cement has been imported. It is hoped that rental income from the corporation's properties will help stabilize the organization. Following the Voluntary Retirement Scheme of 2016.07.31, 14 permanent employees remained, of which nine are currently employed.

25.2 Progress - At the end of December 2024

Main Activities	Financial Progress - 2024.01.01 to 2024.12.31	
	Income (Rs.Mn.)	Expenses (Rs.Mn.)
Income from land leasing and rentals	115.77	56.57

Source: Sri Lanka Cement Corporation

25.3 Future Plans - 2025

Kankesanthurai Cement Production Facility

A project is currently underway to clean the land where the old Kankesanthurai Cement Factory is located. Following this, evaluations and approvals will be obtained to establish a cement production facility and a packaging unit. The selection of a suitable investor will be conducted as per the procurement process.

Low-Cost Lightweight Brick Production Using Limestone.

A project proposal was presented in 2016 for producing lightweight, environmentally friendly bricks suitable for affordable housing by using limestone residue left after cement production at the Aruwakkalu limestone deposit. Discussions on this project are ongoing. The ministry has been requested to provide guidelines on the approval process for implementing the project proposed by the organizations with relevant technical expertise.

Kollupitiya Land

It is proposed to implement a suitable project on this valuable land, which spans 87.7 perches.

Aruwakkalu Limestone and Mineral Deposit

This limestone deposit, identified in 1993, was found to contain surface minerals. Although an agreement was signed in 2023 for a project to extract ilmenite and enhance its value, a problematic situation has since developed.

Renovation of the Holiday Lodge

The proposal includes renovating an old security lodge owned by the Cement Corporation, with the assistance of labor from the Navy, to be used as a holiday lodge.

26

Lanka Leyland Limited (LLL)

26.1. Introduction

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

Lanka Leyland owns 41.77% of the share capital of Lanka Ashok Leyland, 30.38% is held by the Lankan public and the remaining 27.85% is held by Indian Ashok Leyland, the main industrial partner of the joint venture.

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

The main activities of Lanka Leyland (Private) Limited

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

27

Sri Lanka Institute of Textile and Apparel (SLITA)

27.1 Introduction

In 2024, the Sri Lanka Institute of Textile & Apparel (SLITA) continued its commitment to uplifting the local textile, apparel, leather, and footwear industries. The focus was on skill development, enhancing research and innovation, and aligning educational programs with the emerging needs of Industry. SLITA has been instrumental in providing technical support, education, and certification, contributing to the competitiveness of Sri Lankan industries in the global market. The ongoing initiatives have significantly advanced the capability of the local workforce, fostering a knowledge-based and creative industry.

27.2 Progress - At the end of December 2024

1. Creating an Enabling Environment for Industry Growth

In a concerted effort to foster industry growth, a comprehensive review of the diploma course curriculum has been undertaken to better align with industry needs, resulting in the completion of two programs and the submission of accreditation for four additional ones. To bolster the Textile & Apparel Sector, five sessions were organized to increase awareness among school leavers and improve employee retention. In the realm of children's wear, a new unit dedicated to health and safety certification

has been established, achieving 70% of its initial target. SLITA conduct two consultancy programmes to develop the industry to achieve 100% of the year target. The Sri Lanka Institute of Textile & Apparel (SLITA) has made significant strides in capacity development with an 60% completion in staff recruitment. With 90% completion of staff recruitment and dedicated efforts to maintain staff development programs with the help of a financial investment of 1.72 million rupees, the SLITA has achieved remarkable progress in capacity development. Furthermore, the SLITA Act is undergoing revisions, with preliminary data collection underway and 10% of the process completed, aiming to update the act to meet contemporary industrial and academic standards.

2. Knowledge-Based and Creative Industry

The Knowledge-Based and Creative Industry is on the brink of a significant evolution, with strides being made in the commercialization of new products. The progress is evident as the completion of Bachelor of Science and Bachelor of Technology degrees in Textile and Apparel approaches the 80% mark, signaling a robust educational framework that supports innovation and practical application. Concurrently, there's a concerted effort to establish a strong research culture. This initiative will take shape over the next six months through strategic collaborations with academia and research institutions, aiming to bolster research that aligns closely with the nuanced requirements of the industry. This dual approach not only fosters academic excellence but also ensures that the industry remains at the forefront of innovation, ready to meet the challenges of the modern market.

3. Bridging Skills Gaps in the National Industry Base

In an effort to bridge the skills gap in the national industry base, the Sri Lanka Institute of Textile & Apparel (SLITA) has been proactive in launching a series of educational programs. These include a BSc in Fashion Design in collaboration with Lovely Professional University, alongside a variety of diploma programs aimed at fostering industry-relevant skills. The development and implementation of these curriculums are ongoing, reflecting SLITA's commitment to educational advancement. Additionally, the institute has surpassed its goals in professional development, offering over 39 certificate courses and 51 short courses, SLITA conduct 2 workshops, 2 industry worker evaluation to evaluate the skills of 72 employee skills. SLITA conduct 132 programmes and students 2741, culminating in the successful completion of 27,036 tests, well above the initial target of 29,900. Moreover, the National Vocational Qualification (NVQ) certification through Recognition of Prior Learning (RPL) has been a significant milestone, with 520 certificates already awarded to deserving candidates. This multifaceted approach underscores the institute's dedication to equipping individuals with the necessary competencies to thrive in the evolving textile and apparel industry.

4. Industry Linkage with TVET Sector

In Sri Lanka, the Textile and Vocational Education and Training (TVET) sector is making significant strides in strengthening industry linkages, particularly through the Sri Lanka Institute of Textile & Apparel (SLITA). SLITA has been proactive in its engagement with the Apparel and Footwear Advisory

Committees, facilitating sector consultations that are vital for synchronizing educational outcomes with industry needs. This collaboration is crucial in addressing the demand for skilled manpower in the Textile, Apparel, Leather, and Footwear sectors. By continuously aligning its curriculum and training programs with the evolving requirements of these industries, SLITA is ensuring that the workforce is equipped with the necessary skills and knowledge to thrive in these fields. The ongoing efforts reflect a commitment to fostering a robust connection between education and industry, ultimately contributing to the economic growth and technological advancement of the nation.

5. Promoting SMEs

Promotion of Small and Medium-sized Enterprises (SMEs) is crucial for economic growth, especially through skill development programs tailored for youth and women. These initiatives are instrumental in fostering entrepreneurship and innovation within key sectors such as textiles and footwear. By providing targeted training and resources, these programs empower individuals with the necessary skills to thrive in the SME landscape. This not only enhances their personal development but also contributes to the broader economic fabric by nurturing a skilled workforce capable of driving industry advancements and competitiveness. The progress in these areas signifies a positive trend towards inclusive and sustainable economic development upto date 200 youth and women in the field of Batik and Handloom sector under the project of Batik / Handloom diversification and product development.

6. Simplification of Work Processes

The simplification of work processes has been significantly advanced with the recent completion of upgrades to the student registration system and lab testing services. These enhancements have led to a substantial reduction in paperwork, allowing for more efficient and streamlined services. The modernized registration system now enables students to enroll in courses and access academic resources with greater ease, while the updated lab testing services have improved the speed and accuracy of test results. Overall, these improvements have contributed to a more agile and responsive administrative environment, benefiting both students and staff alike.

7. Reduction of Recurrent Expenditure

The implementation of greener systems, notably the integration of solar power, has been a transformative step in reducing recurrent expenditure. This strategic shift not only aligns with sustainable practices but has also resulted in a substantial 50% decrease in electricity costs. Complementing this, the adoption of water conservation measures has further augmented cost savings, underscoring the effectiveness of environmentally conscious initiatives in achieving financial efficiency. Collectively, these efforts reflect a proactive approach to operational cost management, demonstrating that investment in green technology can yield significant economic benefits alongside positive environmental impact.

27.3 Future Plans - 2025

- Curriculum Expansion: Prioritize the accreditation of new diploma programs and update curriculums to meet the evolving demands of the industry.
- Research and Development: Strengthen partnerships with universities and research institutions to foster industry-relevant innovations.
- Enhanced SME Support: Launch new programs to bolster skill development and market access for young entrepreneurs and women in the SME sector.
- Sustainability Initiatives: Advance the use of solar energy and water conservation techniques to promote eco-friendly practices.
- Act Revision: Focus on revising the SLITA Act to reinforce the institute's legal structure, thereby improving operational efficiency and industry service.
- Laboratory Facilities Expansion: Expand and modernize laboratory facilities to support cutting-edge research and development.
- Establishment of RPL Section: Create a Recognition of Prior Learning (RPL) section to acknowledge and certify skills and knowledge acquired outside formal education.
- Health & Safety Certification: Obtain a Health & Safety certificate for children's garments to ensure product safety and consumer trust.
- Infrastructure Development: Renovate the new building complex to house a modern library, and auditorium, and a state-of-the-art Fashion Design studio.
- Renovate new building complex to accommodate library, Auditorium & Fashion Design studio

28

National Design Center (NDC)

28.1 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

Services provided to fulfill the objectives of the institution as per the Act

- 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

Progress Report - 2024

- 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.
- 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
- 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 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.
- 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.
- It was planned to implement various development programs for the development of the local handicrafts sector under the action plan using the capital allocation of 30 million rupees approved for the year 2024. 18,377 million rupees has been spent for the implementation of the planned development programs by December 31, 2024, which is 61% of the approved amount.

Progress Report - 2024

28.2 Progress - At the end of December 2024

	Main Activities	KPIs	Annual Target	Physical Progress
Programme/Project		1.Design Development, Upgrade Knowledge & Skill development		
1.1	New Design Creation	No.of New Design Creation	330	349
1.2	Preparation of prototype samples of new designs	No.of Prototype samples	300	270
1.3	Conducting New Design & New Technology Training programmes	No.of training programmes	14	13
		No.of Beneficiaries	290	300
		No.of New Design Introduced	110	108
1.4	Providing services to those who come to the institution based on their needs	No.of beneficiaries	500	600
Allocation – Rs.Mn. 8.885			Physical Progress -90%	
Programme/Project		2.Create, publishing and launch a handbook for Bamboo		
2.1	Preparing the book	% of competition	100%	100%*
2.2	Printing the book and launch	No.of printing books	200	200
Allocation – Rs.Mn. 1.000			Physical Progress -100%	
Programme/Project		3.Promotion of handicraft New & innovations designs		
3.1	Conducting .Market Research Programmes	No.of Market Research	02	02
	*02 marketing research programs were implemented based on the 2024-Industry Exhibition and the trends and behavior of foreign tourists in purchasing handicraft products in the southern region. Final reports are being processed			
3.2	Product Development Programme	No.of New design	40	43
		No.of craftsmen	20	15
3.3	Advertising & Promotional Programmes	No.of events	03	03*
	Two programs have been planned to promote and popularize new creations. One of these programs focuses on promoting a collection of creations related to the Sinhala and Hindu New Year, while the second program includes a promotional event organized in the exhibition area of the National Design Center during the 2024 Industrial Exhibition			
3.4	Conducting awareness programs to increase craftsmen knowledge about the market	No.of Awareness programmes	03	03
3.5	Promotion through Exhibitions organized by other institutions, events, shops and buyers	No.of events	03	02
3.6	Web site updating	Completion of updating	100%	100%
3.7	Conducting New Design exhibition/ Batik related new design fashion show	Main Events	02	--
Allocation – Rs.Mn. 7.550			Physical Progress -77.5%	

Progress Report - 2024

	Main Activities	KPIs	Annual Target	Physical Progress
Programme/Project		4. Conducting Research & Development Programmes		
4.1	Conducting research programmes for the development of materials/process and machine/process development	Awareness programmes	01	02 *
		No. of development of Material /Machinery /process	02	01
*Worked to run the batik waste water treatment plant which built at Walawwatta Batik Training Center under National Craft Council and prepared a leaflet to raise awareness about it. A basic awareness program about Good Manufacturing Practices (GMP) for batik industry was conducted for batik workers and officers in relevant institutions. Worked to develop an anti-fungal agent to control fungal growth on palmyrah crafts. The technology was transferred to palmyrah craftsmen in Weeravila area as a field research project. According to the request received from Kataragama Provincial Council, a field visit was done to inspect the handicraft production using debara plant seeds and the data was collected through a questionnaire to identify the research needs of them				
4.2	Collaborative research programmes with other institutions	Awareness programmes	01	*
		No. of development of Material /Machinery /process	02	
* Literature study and preparation of concept notes and discussion with relevant parties. A short-term collaborative research project was started with the University of Moratuwa to find the safe treatment method for bamboo water bottle. Discussed and conducted research works with other research institutions to find the materials or processes to make value addition of handicrafts.				
Allocation – Rs.Mn. 1.700			Physical Progress -88%	
Programme/Project		5. Develop staff capacity and upgrade facilities to improve providing services		
5.1	Conducting Staff Training programmes	No. of Programmes	11	11
5.2	Improvements to existing buildings (Head office & branch office)	% of completion	100%	42%*
	* Activities related to the tender procedure are being carried out			
5.3	Providing required machinery, equipment and tools to the division	% of purchasing	100%	60%*
Allocation – Rs.Mn. 7.265			Physical Progress - 68.25%	
Programme/Project		6. Activities of Designers' Hub (Designers platform)		
6.1	Hub policy and strategy implementation	No. of Sub scholar meeting	03	30%*
6.2	Sub scholar meeting implementation			
*The committee has prepared a draft proposal for the legislative workshop. The meeting is scheduled.				
6.3	Member Registration	No. of Members registration	200	30

Progress Report - 2024

	Main Activities	KPIs	Annual Target	Physical Progress
Allocation – Rs.Mn. 2.000			Physical Progress -27%	
Programme/Project		7.Reuse of water treatment sludge for clay craft		
7.1	Research on finding possibility to reuse sludge for Eco-crafts & Testing of clay	No. of test reports	01	01
7.2	Aware the clay village craftsmen	No.of awareness programmes	02	01**
		No.of new design prototypes	02	02
** A training program was conducted for 25 craftsmen in Mahayala clay village on clay jewelries and decorative flower pot making using NWS&DB clay as an alternative raw material.				
7.3	Provide the facility to get NWS&DB clay with free of charge & Collect the feedback	No. of clay village engage with project	01	01
		No.of facility provision to get clay	10	04
		No.of craftsmen	10	10
Allocation – Rs.Mn. 0.100+ External Funds			Physical Progress -92%	
Programme/Project		8.Natural dye production by plant waste extract(Under the Ministry Fund)		
8.1	Industrial visit	No.of reports on Industrial visit	01	01
	*A field visit was conducted with SLINTEC research team to observe the batik processing. The required information was collected by Cinnamon Department. A field visit was conducted to observe the plant waste extract in cinnamon essential oil production and provided samples of cinnamon waste extracts for research team. Negotiations to collect other plant waste extract as raw materials for the research works			
8.2	Communicate with SLINTEC and coordinate the project for research works & monitor the progress of research and provide the monthly progress report	No.of Progress reports	06	05
	** Communications and preparation of Research Agreement in collaboration with SLINTEC Institute. Discussed with SMED to get their comments and obtain approval from Attorney General's Department. Arranged to sign the Research Agreement to initiate the research project on the development of natural dye from by-products of plant extract industry. Started the research project and monitored the works with conducting two monthly progress meetings and forwarded the progress reports to SMED.			
8.3	Testing the field application, product evaluation and reporting	No. of Field workshop - Field application for testing	01	02
Projects based on earnings and on requirement				
Programme/Project		9. Conducting standardized courses for the design sector		
9.1	Conducting existing courses	No.of students completed the courses	106	102
9.2	Starting new courses	No.of students intake the courses	115	64
9.3	Conducting award ceremony	No. of diploma holders	77	80
9.4	Charges for courses	Value	Rs.Mn.	Rs.Mn.

Progress Report - 2024

	Main Activities	KPIs	Annual Target	Physical Progress
			8.000	5.950
Allocation – Rs.Mn. 5.000 (Earn Fund)			Physical Progress-75%	
Programme/Project		10. Conducting short term training session and consultancy services on requirement		
10.1	Conducting short term training session	No.of Beneficiries	100	70
10.2	Providing consultancy services	No.of services	02	02
10.3	Creating graphic/Interior/3D/BOQ	No.of graphic/Interior/3D/BOQ	10	06
10.4	Institutional charges	Rs.Mn.	0.800	0.102
Allocation – External Fund			Physical Progress - 67%	

28.3 Future Plans - 2025

	Programme/Project	Required Capital Allocation-2025 (Rs. Mn)
New Projects		
1	Designer facilitation	6.250
2	New design/technology awareness for designer and craftsmen	6.698
3	Research & Development	2.800
4	Promote Handicraft Industry through Building Market Awareness	7.000
5	Conducting New Design Exhibition and Award Ceremony through Promote New Design	9.500
6	Sustainable design Promotion with Institutional collaboration	8.000
7	Public awareness to highlighting impact of design on daily life	2.000
8	Improve internal capacity	7.352
On going Projects		
1	Establishing and maintaining designers platform	1.000
2	Conducting standardized courses for the design sector	Earn Fund
Total		50.600

29

Sri Lanka Handicrafts Board (LAKSALA)(SLHB)

29.1 Introduction

Sri Lanka Handicraft Board, popularly known as Laksala is a “self-finance” organization has been promoting the sale of local handicrafts through their eleven (11) 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 the only state owned organization marketing handicrafts that are produced through cottage industries across Sri Lanka

Main Goals/Objectives

- 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.

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



29.2 Progress - At the end of December 2024

Comparative Progress

Component	2024
Sales Turnover (Rs. Mn)	905
Showroom Product Purchases (Rs. Mn.)	464
Supplier Payments (Rs. Mn)	315
No. of New Craft Suppliers Registered	296

Source: Sri Lanka Handicrafts Board (Laksala)

29.3 Future Plans - 2025

- The entire operations of the institution, adapt to the vision of the new government and achieving of LKR **01Bn** (1,000Mn) sales turnover to empower the rural economy of the Sri Lanka.
- Increase of LAKSALA handicrafts supplier base by introducing of 400 No's of new craftsmen and uplift them as entrepreneurs to cater into international gift & souvenir market.
- Open-up of 02 No's of new LAKSALA outlets in potential tourist destinations. **i.e.** Negambo, Hiriketiya/Weligama.
- Promote of North & East area specialize products with the brand name of LAKSALA under the category of household items, life style & food range and achieve of a LKR 50Mn of new market share with the intention to strengthen the small & medium entrepreneurs sector. **i.e.** Palmyra, Jugrey, hony

30

National Crafts Council (NCC)

30.1 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 50% 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 50% 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

30.2 Progress - At the end of December 2024

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

It is expected to get the current information of handicraftsmen in detail, update the data system, register them with the National Craft Council, and make necessary arrangements to issue them with new identity cards. (Cost Rs.0.09 Mn.)

- In this year 1248 handicraftsmen have been registered and 840 new ID cards issued.
- Total number of artisans - 20065

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 2024, 19 new craft clubs have been established, bringing the total number of clubs to 203, with a total membership of 401. (Cost Rs.0.15 Mn.)

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

Seventy Eight (78) technical training centers across 19 districts have implemented technical training programs, including annual full-time training programs that cover both theoretical and practical aspects. These centers also provide necessary facilities for apprentices to carry out their production activities. Currently, 777 apprentices are enrolled in full-time training programs, and 450 artisans are receiving production facilities. (Cost of Rs. 4.20 Mn.).

4. Development of crafts training and production centers.

The National Crafts Council is currently undertaking a development project to upgrade its training and production centers, many of which are over thirty years old. The project includes essential renovations and improvements to facilities such as sanitation, water, and electricity. This year, development work is underway at 5 training centers (Tiruperumthurai - Batticaloa, Kanniya - Trincomalee, Kaduruwela - Polonnaruwa, Agulmaduwa - Hambantota, Udewela - Kandy) and 4 production centers (Gampaha - Hunumulla, Kurunegala - Maviella, Galle - Dalawella, Kalutara - Panthota). (Expenditure: Rs. 8.18 million)

Development of crafts training and production centers.



5. "Shilpa Abhimani" Presidential Handicrafts Award Ceremony

In the "Shilpa Abhimani - 2023" Presidential Awards Handicraft Competition and Exhibition, a total of 1021 creations were showcased. The National Handicraft Exhibition featured 66 handicraft sectors categorized under 31 basic sectors. Financial rewards and certificates were presented to both traditional and innovative sectors, emphasizing the preservation of traditional crafts. On January 3, 2024, the awards ceremony was held under the auspices of the President. A total of 508 creations were honored with the prestigious President's Award

In the "Shilpa Abhimani - 2024" Presidential Awards Handicraft Competition, a total of 1027 creations were showcased. On 28th December 2024, the awards ceremony was held under the auspices of the Hon. Minister of Industry and Entrepreneurship Development. A total of 407 Creations were honored with the prestigious President's Award.

Total Expenditure: Rs. 27.6 million (NCC – 12.1Million + Ministry 15.5 Million)

"Shilpa Abhimani - 2024" Award Ceremony



6. Implementation of welfare programs for artisans

The Craft Welfare Program, implemented by the National Crafts Council, is one of its main functions and is a great service to 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 53 artisans under this program, with subsistence artisans receiving Rs. 5000 per month and other artisans receiving Rs. 3000 per month (19 and 34 artisans, respectively). (Cost. Rs. 1.46.)

7. Local and foreign sales promotion program

This program aims to raise awareness among local and foreign consumers about the demand for products related to traditional and rural industries, as well as Sri Lankan products. By placing the highest quality local products in the hands of customers that surpass foreign competitive products, exchanging knowledge related to new product designs and technology, and supporting rural industrialists, this program is expected to achieve the goals of increasing incomes and raising the standard of living of rural industrialists.

- 37th session of the FAO Regional Conference held in Hilton hotel.
- 30 Sri Lankan participated for Badulla food & craft festival.
- 02 craftsmen for exhibition and Trade fair in Piliyandala organized by People's Bank.

- 10 craftsmen participated for Bharat Sri Lanka Maitri Week at Independent Square

Sales Promotion programs



- 08 Sri Lankan craftsmen participated for Suraj Kund craft mala.

Suraj Kund craft mala.



- 04 Sri Lankan craftsman participated for II International Festival of Gold Embroidery and Jewellery
Total Expenditure: Rs. 27.6 million (NCC – 12.1Million + Ministry 15.5 Million)

8. Establishment of Timber Design and Innovation Centre

Katubedda Mechanical Carpentry Center was selected to be revitalized after being underutilized for about 10 years in order to meet the needs of modern technology, new designs, research, and innovation in the wood-related industries. The basic repair and work plan was implemented to use its buildings and machinery, and this project aims to complete the rest of the work to achieve the main objectives of producing standardized craftsmen essential to the wood industry sector in Sri Lanka and providing essential services to the sector. The project also aims to produce trained workers with national vocational qualifications and obtain effective service from state resources that are lying idle and decaying. From 2nd September 2024

training programmes is being started. At a cost of Rs.6.9 Mn. (Ministry fund)

9. Establishment of “SAARC” Handicraft Development Center in Sri Lanka.

To address the challenges faced by handicraft artisans in SAARC countries, particularly in Sri Lanka, related to new creations, designs, technology, quality, raw material processing, product processing, and marketing, a proposal has been made to establish the "SAARC Handicraft Development Center." This center aims to provide a comprehensive solution to these issues by bringing together various aspects of handicraft production and marketing under one roof. The establishment of this center is proposed to be funded from the SAARC Development Fund.

10. Cultivation of Raw Material Programme

This program is implemented by using unutilized and underutilized State lands to make the rare raw materials used in handicrafts products freely available. In the year under review, 17.90 acres have been cultivated (pan plant -517500) with the primary objectives of saving foreign exchange by reducing imports, providing opportunities for local industrialists to get raw materials at reasonable prices, and reducing the cost of production of products related to rural industries in order to mitigate the shortage of raw materials needed for traditional and rural industries and to provide artisans with the necessary raw materials to continue the production process.

At a cost of Rs.6.36 Mn. (Ministry fund)

30.3 Future Plans - 2025

1. Export Promotion On Handicrafts Related Products

This program is intended to be implemented with the aim of achieving fundamental objectives, which include enhancing the export value of handicraft products and generating foreign exchange. The plan involves developing a structured program to promote Sri Lankan handicraft products in foreign markets, with the participation of all embassy officials.

2. Encouraging Substitution Products for Imported Handicrafts

Under this program, it is expected to encourage the artisans to identify all the imported handicrafts and identify the replacement products, by way of providing them with the necessary raw materials, designs, training, and methods, and with all other facilities.

3. Streamlining of training and production centers

Under this, it is expected to transform selected training centers into production centers and network with sales centers. The goal is to streamline accounts and bookkeeping, develop necessary infrastructure, encourage artisans and increase production to contribute to the gross domestic product.

31

Lanka Salusala Limited (LSL)

31.1 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 expand these business activities further. According to the Gazette Notice published on 21.12.1991 by 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

- By developing market opportunities for local handloom, batik, and apparel, we will create an opportunity for local manufacturers to increase production, thereby contributing to the development of rural economies and the SME sector.

31.2 Progress - At the end of December 2024

- 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.
- To be the sole supplier of all the public sector organizations' fabric, textile, and related needs (B2G).
- To be the most trusted partner for the artisans, SME sector manufacturers, and other suppliers and manufacturers in the industry.
- To be the most trusted brand for consumers in the local and overseas markets by providing quality material at an affordable price
- Take the lead in regulating the industries of textile, apparel, and batik handloom to uphold and uplift the markets both locally and overseas.
- Bring about change in the industry by getting into JVs and PPPs by eliminating the capital spending of the government sector.
- Promote Sri Lankan-made handloom batik and apparel in the region and overseas markets to enhance export revenues and increase the country's dollar reserves.
- Providing Ampara building belonging to the institute on a rental basis for the promotion of the Salusala name
- To implement a special program for the economic empowerment of women and youth engaged in the handloom industry proposed by the President in the 2024 budget speech, an amount of Rs. 300 to establish a revolving fund of Rs.100 million to import raw materials needed by small and medium enterprises.
- The High Commissioner General Office of Sri Lanka in India has been informed to introduce the suppliers to import the raw materials needed by small and medium enterprises.
- Survey circulating prices of handloom yarn and batik fabric prices in domestic and foreign markets and approximate import prices.
- Opening a current account under the number 93230677 at the Bank of Ceylon High-Grade Branch located at Timbirigasaya Colombo 05 to establish a revolving fund.
- Import and delivery of recycled yarn on 26.07.2024 for the raw material program implemented jointly by C/S Lanka Salusala and the National Enterprise Development Authority.
- 20 machines have been repaired in the production department under the reorganization of the company.

Progress Report - 2024

- Systematically maintain the organization's stock control with accounting software.
- Sold long-standing textiles and iron materials by inviting tenders.
- Conducting several mobile sales in March, April, and July.
- Working for the collection of Rental on land and buildings belonging to Salusala Institute.
- In the first quarter, Lanka Salusala Limited and the National Enterprise Development Authority jointly implemented a project to provide raw materials to small and medium enterprises at low prices.
- Participated in the exhibition held on June 22, 23, 24, and 25 at the Bandaranaike Conference Hall under the Ministry.
- Sales in sales centers are expected to be done more efficiently.
- The amount of 100 million rupees which was allocated in 2024 which was not utilized to be reallocated for 2025 with the help of the ministry.
- Reactivate Salusala by following the required government procedures by February.
- Sort out all financial issues within the company and establish a strong financial background to run Salusala by setting up the required financing the company needs.
- Provide the required raw material the handloom industry needs and execute a robust marketing strategy to sell the products provided by the cottage industry and ensure fair prices are paid to them for the products.

31.3 Future Plans - 2025

- Renovating the existing warehouses at the Salusala head office and creating a showroom center where the products of micro, small, and medium-scale enterprises across the island can be purchased from one place at competitive prices for local and foreign tourists.
- It is proposed to further promote the sale of salusala products in association with public and private institutions.
- Selling Salusala products online
- Establish land ownership of Salusala that has been neglected over the years.
- Reopen Salusala branches in strategic locations which will help the increase retail sales and at the same time reactivate the online shop which has not been functioning for many years.
- Bring in industry professionals and the required knowledge to run Salusala as a profitable business.

32

National Gem and Jewellery Authority (NGJA)

32.1 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 have been done to fulfill above mentioned requirements.

In addition to that stakeholders who are engaging the gem and jewelley 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.
- 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

32.2 Progress - At the end of December 2024

Financial Progress

Earnings

Description (Rs. Mn)	Progress
Income	992.2
cost	765.8
Net profit before taxes	226.4

Source: National Gem and Jewellery Authority

Various income sources of of the Authority

Description	Income (Rs.Mn)	Progress (%)
Export Service Fee Income	190.75	71%
Gem Mining Licenses	97.6	155%
Dealer licenses	144.2	140%
Lapidary Licenses	0.6	192%
Gem Auction Licenses	5.6	124%
Raids	37.03	103%
Land auctions	17.3	7%
Gold assaying	19.6	59%
Gem Lab	15.9	67%
Other operating income	43.3	158%
Provision of consultancy services - local	35.5	96%
Approval of mechanical gem mining	218.7	142%
Other income	165.9	379%
Net financial income	108.7	135%
Total income	1100	93%

Source: National Gem and Jewellery Authority

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

Total Exports (U.S.D.Mn)	Target	Progress
Gem	384	148.5
Jewellery	30	11
Diamond re-export	237	194.9
Rough Import-re-Export (Gem)	9	3.3
Rough Import Re-Export (Jewellery)	3	1.1
Diamond studded jewellery	8	1.3
Geuda	0.06	-
Total exports	670	360.3

Source: National Gem and Jewellery Authority

Provision of various laboratory facilities

	Target	Progress
Gem Laboratory (Certificate Quantity)	14,088	8,499
Assaying Gold (Amount of Items Checked)	34,100	18,954

Source: National Gem and Jewellery Authority

Various license issuances

License type (Number of licenses issued)	Target	Progress
Gem Mining Licenses	7,255	7,897
Dealer licenses (Gem)	6,898	7,391
Lapidary licenses	228	229
Auction Licenses	1,540	1,837
Raids (Number of Raids Conducted)	2,783	2,098

Source: National Gem and Jewellery Authority

Development Projects

Ratnapura Demuwawatha International Gem Trading center

- At a cost of 435 million rupees, the Rathnapura Demuwawata International Gem and Jewellery Trading Center was opened by His Excellency the president on 04th April 2024 and features 27 stalls for the purchase and sale of gems for both domestic and international gem and jewellery businessmen.
- The facility has an export center as well as all of the amenities required for exporters to export gems and jewellery.

Construction of Ratnapura Demuwawata International Gem Tower



32.3 Future Plans - 2025

- 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.
- Preparing a program for the upliftment of jewelry and silver manufacturing industries and providing facilities for jewelry villages.
- Provide opportunities for jewelers to visit international exhibitions.
- 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.
- Acting as the main organizer for Facets Sri Lanka, Gem Sri Lanka, and Jewels exhibitions to develop the industry internationally, as well as the Ratnapura International Gems and Jewellery Exhibition which was successfully held in 2024 and is planned to continue to be held annually.
- Constantly taking action to address issues facing the gem and jewellery sector and offer solutions.
- Amend the National Gem and Jewellery Authority Act No 50 of 1993 to strengthen regulatory enforcement, streamline processes, and to ensure sustainable practices in the gem and jewellery industry.
- Upgrade the present Gem Testing Lab to international standards.

33

Gem and Jewellery Research and Training Institute (GJRTI)

33.1. Introduction

Gem and Jewellery Research and Training Institute has been established in terms of Section 25(I) of the National Gem and Jewellery Authority Act No. 50 of 1950, with the objective of providing training and research facilities for the control, advancement 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.

33.2 Progress - At the end of December 2024

2.1. Project for Gemstone Exploration and Valuation in Sri Lanka

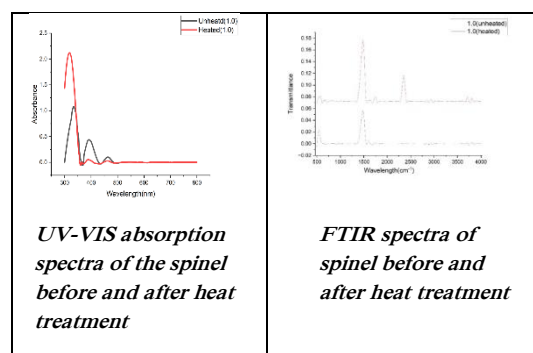
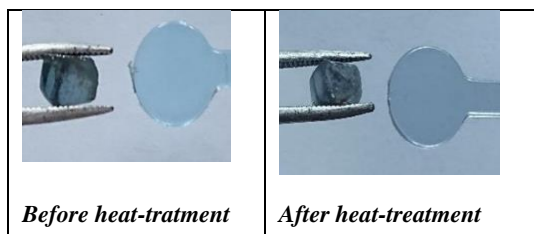
Undiscovered gem deposits of Sri Lanka have been explored at the divisional secretariat level and 19 gem potential maps and detailed reports have been prepared so far and the following activities have been carried out this year.

- Palmadulla, Ingiriya, Ayagama and Dehiowita gem potential maps were prepared and report preparation relating to them is in the final stage. Field exploration activities are being carried out in Kolonna area.
- Samples collected from Ratnapura Kaluganga and Mahaweli river basin for the study of rare earth elements, and other rare metals remaining in the sand after sifting of gem, and samples collected from Ratnapura, Kolonna, Buttala, Elahera and Bakamuna for a study on the origin of Corundum are under laboratory analysis.

2.2. Identify methods for enhancing value using new techniques for gem minerals with low gem qualities.

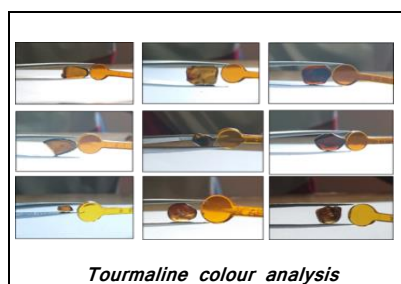
➤ Preparation, analysis and processing of spinels

Heating the spinels at low temperatures increased the clarity of dark purple colored spinels.



➤ Tourmaline preparation analysis and treatment

- Through heat-treatment of tourmaline at low temperatures, color changes were observed, but clarity did not develop. Samples have been prepared to begin radiation treatment tests.



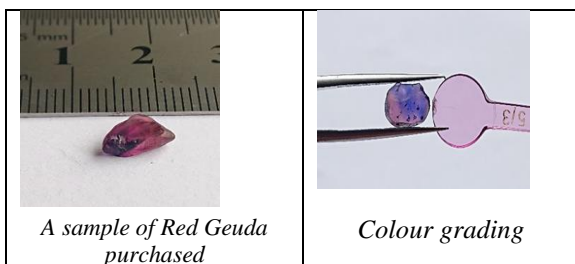
➤ Preparation analysis and processing of African sapphire

Samples have been prepared to begin tests on analysis and processing of African sapphire preparation

➤ **Preparation analysis and processing of Geuda**

Geuda samples were prepared and heat treatment was carried out using Lakmini oven.

➤ **Preparation and primary analysis of red geuda**



A sample of Red Geuda purchased

Colour grading

2.3. Identify the effect of a third gas (H₂, N₂, Ar, CO₂) to enhance the color of gems

Modernization of Lakmini oven to supply third gas has been completed and a third gas supply unit is being set up.

2.4. Development of a colored gold alloy using nanotechnology.

A new method to produce gold nanoparticles was identified and related chemicals are being procured.

2.5. Establishment of an ISO 17025 Laboratory Quality Management System

The preparation of documents for the accreditation has been completed and the applications are to be submitted.

2.6. Survey to identify technical and skill gaps in Sri Lanka's gems and jewellery industry.

Preliminary work is being carried out with the Department of Census and Statistics and the preparation of the related questionnaire is in the final stage.

2.7. A study on the establishment of a gem-based tourism business in Sri Lanka.

About 200 questionnaires were filled by interviewing the people related to the gem industry and the data is being analyzed.

2.8. Conducting an international research conference.

The second international research conference was successfully conducted with the technical support and participation of GIT officials in Thailand on 02.08.2024 at the Bandaranaike Memorial International Conference Hall with the presentation of 12 research abstracts.

2.9. Publication of books.

The work related to the publication of the book on Geuda heat treatment is in progress.

2.10. Conducting workshops and special technical training programs.

From 2024.11.18 to 2024.11.22	A workshop on new methods of heat treatment of Geuda in Beruwala area
2024.11.30 and 2024.12.01	Gem analysis using high-tech equipment
2024.12.07 and 08	A workshop on new methods of Geuda heat treatment

2.11. Implementation of training courses.

Identifying the subjects that has created a professionalism in the international market and is achieving a high demand day by day in relation to the gem and jewellery industry, nearly 21 suitable training courses have been developed in accordance with the Tertiary and Vocational Education Commission (TVEC) standards and implemented. Also, it has been arranged to implement short-term courses related to the above subjects that can be customized according to individual needs. Under this, 1335 trainees have been recruited for the gem and jewelry industry.

Gem sector	-	1048
Jewellery Sector	-	287
Total enrollment	-	1335

2.12. Development of training centers

15 other regional centers including the main office of the institute have been implemented covering the entire island.

507 of the trainees who were recruited for the gem industry and jewelry industry in the year 2024 have successfully completed their courses and other students are continuing their course studies.

2.13. Development of training course syllabus

2.13.1. Development of the course on gemology to NVQ 5 accreditation level

Work has been carried out to complete the development of the syllabus to obtain the National Vocational Qualification 5 / 6 level (NVQ 5 / 6) for the subject of gemmology

2.13.2. Awarding degree qualification for the subject of Gems and Jewellery

The development of courses relating to the awarding of graduate qualifications in the gem and jewelry industry through Uva Wellassa University for students who obtain Basic Certificate and Diploma qualifications related to the gem and Jewellery industry is in progress.

2.13.3. Making arrangements to award Fellowship of the British Gemological Society FGA – GEM – A)

Action has been taken to provide the opportunity to follow the FGA (Gemological Institute of Great Britain), which is an international qualification to confirm the formal professionalism of the gem industry, and it is possible to start new courses from the year 2025.

This will improve the corporate quality and also build prestige for our country in the international market related to the industry.

2.13.4. Confirmation of professional qualification related to gems and jewellery industry (starting issuing certificates under RPL system)

Recognition of prior learning (RPL) certification was started in 2024 to obtain a recognized professional certificate for artisans engaged in the industry who are unable to prove formal education and skills.

2.14. Technological development

2.14.1. Implementation of special technical training programs

In the year 2024, action was taken to conduct many technical workshops related to Sri Lanka's gold pawn shop and banking industry to provide knowledge on jewelry valuation as a series of special technical workshops,

This objective of this initiative is to bring the theoretical and technical knowledge related to the industry to the community, to create technical development in the industry, and to popularize the technical skills related to the industry.

2.4.2 Conducting the 2024 Certificate awarding Ceremony

A program of awarding certificates for the students of the 2023/2024 academic year who studied the courses of the institute was also successfully implemented this year. It was expected through this to create professionalism in the industry and to create an assessment related to the industry and to expand the field of education by improving training in the gem industry.

33.3 Future Plans - 2025

- **Implementation of training courses**
In the year 2025, it has been planned to train 1500 trainees relating to the gems and jewelry industry.
- **Developing training centers and starting new training centers.**
According to the demand of the industry, it is planned to start new training centers in Beruwala and Akuressa areas and in an identified area.
- **Development of Courses**
It is planned to start awarding of degree qualification and FGA qualification courses related to gems and jewelry industry.
- **Implementation of technical workshops related to gems and jewelry industry**
- **Implementation of a certificate awarding ceremony for the academic year 2024-2025.**

34

Lanka Sugar Company (Pvt) Ltd

34.1 Introduction

Lanka Sugar Company is a fully government-owned company which operates under the purview of the Ministry of Industries and Entrepreneurship Development and it is one of the largest agriculture-based manufacturing company in the country producing golden brown sugar, ethanol and other by-products.

Then privately owned Pelwatte and Sewanagala sugar factories were acquired by the Government under the Revival of Underperforming Enterprises or Underutilized Assets Act, No. 43 of 2011. Since 2012

both Pelwatte and Sevanagala factories have been operating under Lanka Sugar Company Ltd.

The company obtains sugarcane from the out growers and own estates. Presently there are about 10,000 farmers and 5,367 employees in the company.

34.2 Progress - At the end of December 2024

Performance (Up to 31st December 2024)

Description	Unit	Budget	Actual	Variance	Progress %	Previous Year
Cane Supply	Mt.	706,612	617,067	(89,545)	87	634,882
Sugar Production	Mt.	48,177	39,720	(8,457)	82	41,861
Molasses Production	Mt.	34,810	31,265	(3,545)	90	29,177
Ethanol Production	Ltrs.	12,051,000	5,145,299	(6,905,701)	43	7,060,007
Profit Before Tax	Rs.Mn.	3,055.3	(752)	(3,807.3)	(124.6)	2,835

Source: Lanka Sugar Company (Pvt) Ltd

*Profit Before Tax is given up to November 2024.

Financial progress of the development activities carried out during 01st of January to 31st of December 2024

Implementation of ERP Project

- Total cost –Rs. 129.6 Mn
- Amount Spent –Rs. 71.3 Mn
- Physical and Financial Progress – 55%

Factory Expansion/ Capacity Improvement (from 1,250 TCD to 1,500 TCD) –Sewanagala

- Total cost –Rs. 322Mn
- Amount Spent –Rs. 305 Mn
- Physical and Financial Progress – 95%

34.3 Future Plans - 2025

- Increase Ethanol quality with carbon columns and other improvements in distillery
- Commence Geo services to map sugar cane effective land area and crop management
- Carry out organic sugar production feasibility and certification
- Introduce sale, marketing and distribution model for sugar
- Improve factory efficiency by better planning and build on synergies – cane volume management
- Spent wash management with WSDB to manage regulatory requirement
- Any brown sugar imported with white sugar to be re-export with heavy fine and legal actions to the imported company and directors
- Effective monitoring of white sugar at customs due to brown sugar been brought inside the island in the white sugar containers
- Investigate methanol importation to Sri Lanka and account for the sales so that total volume is accounted

Way Forward

- Removal of Value Added Tax from brown sugar and impose Value Added Tax on white sugar
- Stop ethanol production from maize & rice
- White sugar importation to be managed with a monthly quota and only reputed business are allowed import with business registrations

35

Kantale Sugar Industries Ltd.

35.1 Introduction

A sugar factory was established in Kantale Seenipura Division in 1957 under the State Industrial Corporations Act No. 49 of 1957, under the name of Kantale Sugar Corporation.

This company, which was conducting business under the name of Sri Lanka Sugar Corporation, was converted into a state company in 1989 by the Public Companies Act No. 23 of 1987, as per a decision taken by the then government. Since then, it has been conducting business under the name of Sri Lanka Sugar Company.

As per a decision taken by the Cabinet in 1990, the three factories owned by the Sri Lanka Sugar Company were converted into three independent institutions, three boards of directors were appointed for those three independent institutions, and all the assets of the Sri Lanka Sugar Company were transferred to the three institutions respectively to carry on business under the names of Kantale Sugar Factory Ltd, Hingurana Sugar Factory Ltd, and Sevanagala Sugar Factory, respectively, and the Sri Lanka Sugar Company was liquidated.

Progress Report - 2024

In 1994, due to the closure of the Kantale Sugar Factory and the reduction in the number of employees to 231, personnel were deployed in four zones to protect the houses and resources and a police checkpoint was established in tract (Yaya) 24. Later, this institution was completely taken over by the government through a gazette notification on 28th January 1997.

The institution owns a total land area of 8,696 hectares, of which 4,887 hectares have been developed for sugarcane cultivation. Additionally, 2650 hectares are covered by forest and the remaining 1159 hectares are consisted with houses, canals, roads, and drainage systems.

This factory has a daily crushing capacity of 1200 metric tons of sugarcane and can produce 16320 metric tons of sugar annually by crushing 192000 metric tons of sugarcane in 160 days of the crushing season. Furthermore, the distillery can produce 30 metric tons of molasses daily and 9000 metric tons of sugar annually.

Currently, a problematic situation has arisen due to several factors: the number of workers has decreased further, there is a lack of transport facilities, and wild elephants have destroyed parapet walls. Additionally, lands that were allocated to 647 individuals for sugarcane cultivation are now being used for paddy farming and gem mining, with the necessary permits.

Currently, the lands belonging to this factory have been handed over to the Commissioner General of Lands and distributed to the people for farming purposes under the administration of the District Secretary of Trincomalee, under the supervision of the Assistant Commissioner of Lands, Kantale.

During the progress review meeting held with the sugar companies, it was suggested that it would be appropriate to find a method that could be implemented with private investment in collaboration with the Lanka Sugar Industry Institute and the Hingurana Sugar Company under a PPPP (People, Public, Private, Partnership) to promote sugar production in this factory.

36

Galoya Plantations (Pvt) Ltd

36.1 Introduction

Galoya Plantations is the company formed as a joint venture between the Government of Sri Lanka and the consortium, where 51% of the ownership retains with the Government of Sri Lanka and 49% of the ownership to the consortium consists with Brown and Company PLC (BCL) and LOLC Holdings PLC (LOLC) to revitalize the former Hingurana Sugar Industries. The management of Galoya Plantations was given to the private sector under an agreement.

Today, the thriving Galoya Plantations employs above 1,300 direct employees across 10,853 ha of

Agri lands. About 11,376 farmers are engaged in sugarcane cultivation and over 60,000 people gain indirect employment from this project. Galoya Plantations not only revived the plantation and generated employment for thousands but it also made it a profitable entity. Productivity has skyrocketed as a result of improved machinery and agricultural practices.

In addition to sugar production, ENA and organic fertilizer is produced using its byproducts. Galoya Plantations is having the largest organic fertilizer

yard in Sri Lanka. It foreshadows the further strengthening of the Digamadulla economy and Digamadulla will be able to increase its prosperity through the Galoya Plantations projects such as the Sugar factory expansion, 3.75 MW Solar Power Project, Carbon Dioxide Production Project etc which the company already started to carry out.



Management of the Galoya Plantations is having a broad vision to utilize all the resources available in to value added product by increasing efficiency in all the areas starting from land utilization, cultivation and its services, production operations, employments, finance as well as general administration functions. Not limiting concentrate the factors, management have already initiated the development of several by products to become the Galoya in to 360° diversified, environmental friendly industry as a role model for Sri Lankan Industry.

36.2 Progress - At the end of December 2024

Galoya Plantations (Pvt) Ltd has shown considerable progress from 2023 to 2024 in several key areas. The data highlights significant increases in cane area, sugar production, ENA production, compost production, and solar power generation, indicating growth and efficiency in operations. However, there is also a slight decrease in the number of direct employees, which indicate improvements in operational efficiency.

Cane Area

2023: 7,397 Ha and 2024: 10,853 Ha

Growth: 47.6% increase in the cane area in 2024.

The expansion in the cane area indicates an aggressive approach to increasing sugarcane production, enhancing the sugarcane supply for sugar production.

Number of Farmers

2023: 11,217 farmers and 2024: 11,376 farmers

Growth: 1.4% increase in the number of farmers.

The slight increase in farmers suggests an expansion of the agricultural base and community involvement in cane farming.

Cane Supply

2023: 231,350 MT and 2024: 408,081 MT

Growth: 76.4% increase in cane supply.

The significant increase in cane supply reflects the higher cane area and better harvesting practices, contributing to a greater volume of cane supply for sugar production.

Progress Report - 2024

Sugar Production

2023: 14,581 MT and 2024: 26,382 MT

Growth: 80.8% increase in sugar production.

The growth in sugar production is directly linked to the increased cane supply and enhanced processing capabilities, ensuring better output per hectare.

Renderment (Sugar Yield)

2023: 6.43% and 2024: 6.46%

Growth: 0.5% increase in renderment.

The marginal increase in renderment shows slight improvements in the efficiency of cane to sugar conversion, reflecting better processing techniques and better-quality cane.

ENA Production

2023: 3,930,000 L and 2024: 5,597,104 L

Growth: 42.3% increase in ENA production.

The notable increase in ENA production signals a focus on expanding value-added products, increasing the overall profitability of the plant.

Compost Production

2023: 2,400 MT and 2024: 4,095 MT

Growth: 70.6% increase in compost production.

The increase in compost production highlights a focus on sustainability, utilizing by-products from the sugarcane industry to create eco-friendly solutions.

Power Generation

2023: 1,840 MWh and 2024: 4,590 MWh

Growth: 149% increase in power generation.

A substantial increase in power generation indicates a significant contribution to reduce the burden to the national grid, from biomass.

Solar Power Generation

2023: 1,855 MWh and 2024: 4,258 MWh

Growth: 129% increase in solar power generation.

A substantial increase in solar power generation indicates a strong commitment to renewable energy, with significant investments made in solar infrastructure.

Bio Gas Production

2023: 795,487 kg and 2024: 1,554,944 kg

Growth: 95% increase in bio gas production.

A substantial increase in bio gas production reflecting a remarkable growth, highlighting improved efficiency and expansion in production capabilities on utilization of waste in to valuable product. This saves furnace oil saving of 1,123,277 Ltr in boiler.

Summary and Insights

Expansion and Growth: The company has shown substantial growth in key metrics, including cane area, sugar production, ENA production, and compost production. These figures indicate that Galoya Plantations is effectively scaling its operations and enhancing its product offerings.

Renewable Energy Focus: The massive increase in solar power generation from 1,855 MWh in 2023 to 4,258 MWh in 2024 signals a strong commitment to sustainability and reducing reliance on non-renewable energy sources.

Sustainability: With increased compost production, the company is further reinforcing its commitment to sustainable farming and production practices, aligning with broader environmental goals.

36.3 Future Plans - 2025

Project	Benefit / Details
Completion Factory Expansion Project	Increase of: sugarcane cultivation extent, Sugarcane supply, sugar rendement, Sugar production, ENA production Power generation and supply to the national grid, bio-compost production, Extraction of carbon dioxide gas, Production of biogas to replace furnace oil.
Liquor Bottling Plant	Save import substitution value and earn foreign exchange through the introduction of new products and exports.
CO2 Bottling Plant	Expected to Trap 10,000 Kg of CO2 per day on BOO basis. Reducing the cost of importing CO2 and meeting the needs of the area.
CNG Production	Power Generation and CNG manufacturing using Bio Gas 300KvA Power can generation.
Compost Pelletizing	The advantage of pelletizing compost is the reduction of dust formation, mitigation of pollution for environment, better control of fertilizer release, easier transportation, application and longer shelf life, as well as the ability to add chemical additives to improve the pellet quality.
Manufacture of Perfumes, Thinner, Nail polish remover	Manufacture of perfumes, Production of thinners, nail polish remover using spirits produced in the distillery.
Manufacture of hand sanitizer	200,000 liters of hand sanitizer have already been produced and the production will be increased in the future.

37

Sugarcane Research Institute (SCRI)

37.1 Introduction

The research program of SRI was conducted under the following six main areas aiming at increasing the productivity, profitability, and sustainability of the sugarcane industry of Sri Lanka to enhance its competitiveness:

- i. Crop improvement
- ii. Crop and resource management
- iii. Crop nutrition
- iv. Crop protection
- v. Processing and product development
- vi. Mechanization

Two new sugarcane varieties and one tissue culture sub-clone from the 2004 series were released for commercial cultivation in 2024. At the Lanka Sugar Company (Pvt) Ltd, Pelwatte, large mill tests were conducted on three varieties from the 2006 series and two varieties from the 2007 series.

37.2 Progress - At the end of December 2024

Crop Improvement

- i) SRI produced new hybrid sugarcane varieties of SL 04 124, SL 04 224 and tissue culture sub-clone SLT 04 5222 were released for commercial cultivation.
- ii) Large mill tests of SL0610, SL06540, SL06971, SL073498, and SL073505 were done at the Lanka Sugar Company (Pvt) Ltd, Pelwatta. Sucrose content (Pol% cane) in newly released and large mill-tested varieties ranged from 11.38 to 12.90%.
- iii) Promising varieties selected from the SL2006 and SL2007 series and foreign varieties selected at the evaluation programs in different sugarcane-growing areas were multiplied for commercial release in the next years.
- iv) Twenty-nine varieties imported from PR China were released to germplasm collection after the quarantine process was completed.
- v) Thirty-six (36) sugarcane accessions were collected through local expeditions in the Colombo area during the Taipongal festival season and incorporated into the sugarcane germplasm for breeding purposes.
- vi) Sixty sugarcane accessions were genetically characterized from sugarcane germplasm maintained at Enselwatta and used for breeding activities.

Crop and Resource Management

- i) A summary of each month of weather data collected at the SRI weather station was sent to the Department of Meteorology in Colombo.
- ii) The efficacy evaluation of the new herbicide, Saflufenacil 68 g/l + Dimethanamide-P 600 g/l EC (Brand Name: Integrity), was completed, and the recommendation was submitted to the Registrar of Pesticides for approval.
- iii) Under the guidance of SRI's CRM division, Anavillunthan jaggery processing unit was upgraded to a public-private export-oriented venture.

Crop Nutrition

- i) Nitrogen-enriched carbon fertilizer was developed using sugarcane boiler ash, and the initial quality assessment testing was completed.
- ii) Field-level soil surveys at Ethimale and Galoya plantations were completed.
- iii) Analytical services were provided for research works in SRI, the sugar industry, and the private sector requirements.

Crop Protection

- i) Finalizing the recommendation for Chlorantraniliprole as a granular pesticide for sugarcane borers. Chlorantraniliprole 0.4% (w/w) G 14Kg/ha from 55-day intervals up to 6 months is recommended to manage both sugarcane borers.

ii) Identifying the potential of Fermented Neem-based extracts for sustainable management of Sugarcane Woolly Aphids at the farmer level. 100% control is achieved from 48 hours after application.

iii) Concept developed to formulate semio-chemical based trapping device to manage Inter Node Borer adults using newly identified attractant volatile; Beta-ocemen.

iv) Identification of two entamopathogenic fungi that can manage White Leaf Disease vector i.e. *Buvaria basiana*, *Metaridium anisopliae*

Processing Technology

i) Identified a natural eco-friendly method to reduce chemical oxygen demand (COD) and biological oxygen demand (BOD) levels in sugarcane vinasse by incorporating the biological agent *Chlorella vulgaris*.

ii) 1793 kg of sugarcane jaggery was produced using the sugarcane received from the field trial.

iii) Under the project of the development of a sugarcane-based value-added product, two types of flavored sugar were developed on a laboratory scale: namely cardamom flavored sugar and cinnamon flavored sugar,

iv) Designing a pan barrel for the jaggery processing unit to reduce the labor cost and increase the efficiency of the jaggery processing unit. The consistency and controlled environment within the barrel ensure a high-quality jaggery product with improved texture and quality.

Mechanization Technology

i) The field evaluation of the four-wheel tractor-mounted inter-cultivator and the pellet fertilizer applicator at Gal-Oya Plantation (Pvt) Ltd was successful, and they have requested that SRI extend the service provided.

ii) Inspected the seed cane hot-water treatment plant at Ethimale plantation and instructed further advancements.

iii) Day-to-day operation and maintenance of seedcane hot-water treatment plant at SRI Udawalawe.

iv) Maintaining optimum voltage level of electric fences erected to control wild animal attacks at the farm and other substations at SRI.

Economics, Biometry, and IT

i) Conducted an economic analysis on the application of compound fertilizers in sugarcane cultivation. Findings indicated that a 75:25 ratio of non-compound to compound fertilizer is economically viable in the irrigated areas of Udawalawa.

ii) Assessed the commercial value of sugarcane across various processing units in 2023, estimating it at Rs. 45,000 to Rs. 50,000 per tonne.

iii.) Developed a questionnaire for a farmer survey aimed at analyzing the supply chain of the sugarcane industry.

iv) Finalized the Strategic Corporate Plan for the Sugarcane Research Institute (SRI) covering the years 2024 to 2026.

Technology Transfer and Development

i. The Technology Transfer and Development division with the assistance of other research divisions, conducted/coordinated 31 training/awareness programs on sugarcane cultivation and related subject areas for the farmers and the sugar industry personnel.

A total of 1031 persons (823 farmers and 108 Officers) have participated in these programs. In addition, at the request of various stakeholders of SRI, the division conducted 08 trainings and awareness programs. A total of 363 personnel (students, entrepreneurs, etc.) have participated.

ii) Continuing SRI TTD eSMS service for transferring extension messages between researchers, extension officers, and farmers in the sugarcane sector. Continuing the sharing of sugar industry information through the SRI FB page, and YouTube channel and updating the SRI website. In addition, published volume 13 of the SRI Newsletter (Puwath Hasuna of SRI).

Development Activities

The financial progress of the development activities carried out from the 01st of January to the 31st of December 2024 is as follows:

Human resource development: Out of the Rs. 1,355,000 allocated for human resource development in 2024, only Rs. 499,969 was spent for staff training and professional development.

Rehabilitation and improvement of capital assets: Rupees 8.2 million was allocated for the year and 7.722 million was spent for improving the research and development activities by facilitating the infrastructure.

Acquisition of capital assets: Rupees 20.445 million was allocated for the year and 13.517 million was spent for purchasing laboratory and machinery equipment.

A total of 30 million was allocated for capital items for the year, and only 21.738 million was spent as of December 31, 2024.

37.3 Future Plans - 2025

- Releasing two sugarcane varieties for commercial cultivation in 2025.
- Importation of sugarcane varieties from Pakistan and local collection from the Northern part of Sri Lanka.
- Characterization of sugarcane germplasm.
- Revising fertilizer recommendations for the Ethimale and Hingurana sugarcane growing areas.
- Developing detailed soil characteristic maps for Ethimale, Hingurana, and Kanthale.
- Providing recommendations on micronutrient fertilizer applications to enhance cane quality.
- Evaluating and testing advanced fertilizers for sugarcane cultivation.
- Introducing novel fertilizer products to enhance soil carbon enrichment and promote sustainability.

38

Sri Lanka Export Development Board (SLEDB)

38.1 Introduction

The Sri Lanka Export Development Board [EDB] is Sri Lanka's premier organization for the development and promotion of exports and was established in 1979 under the Sri Lanka Export Development Act No. 40. The EDB adopted a new strategic approach in developing and promoting exports of Sri Lanka with the objective of achieving foreign exchange earnings of US\$ 16.4 Bn from merchandize and services exports by 2024 and thereby contributing to the development objectives set out by the Government. The EDB plays its roles

as Policy Advisor, Monitor, Promoter, Facilitator and Knowledge Provider in carrying out its responsibilities on implementing the new strategy for achieving for National Export Targets.

During the period of January to November 2024, the total export value, encompassing both merchandise and services, reached US\$ 14,785.96 million, reflecting a 6.64% growth over the same period in 2023. Notably, 90% of the annual export target of US\$16.4 billion was achieved during the first eleven months of 2024, underscoring the effectiveness of the EDB's strategic efforts and the resilience of Sri Lanka's export sector.

38.2 Progress - At the end of December 2024

Expenditure incurred under the key activities of the EDB during the period of January to December 2024 is Rs. 132.24 Mn from the allocated Rs. 300 Mn EDB Development Budget 2024. In addition, Rs. 614.34 Mn were collected as exporter contribution for market development activities.

Export Development & Promotion

The EDB implemented several key initiatives targeting the ICT/BPM, Spices & Concentrates, Boat Building, Food & Beverages, Electrical & Electronic Components, and Logistics sectors, identified as thrust areas under the existing National Export Strategy (NES) for export development and promotion. Additionally, strategic interventions were made to enhance exports in the Coconut-based Products, Auto Components, and Marine & Offshore sectors, recognized as emerging thrust areas, while the Apparel and Rubber sectors were prioritized as significant contributors to the country's export growth.

The first Marine Summit, titled "Voyage Sri Lanka 2024," was successfully held on 26th November 2024, with over 200 participants. 20 potential foreign investors from countries such as India, Saudi Arabia, the Maldives, France, Japan, Thailand, the United States, and Cambodia visited the Trincomalee and Hambantota ports. These visits underscored Sri Lanka's growing potential as a hub for maritime investments and its emerging blue economy.

Programs were organized to target the North American and Japanese markets through business linkages, awareness sessions, and participation in GITEX for the ICT/BPM sector. A total of 55 companies received certification under the Ceylon Cinnamon PGI scheme. Promotional activities were conducted in China and the EU, including new product launches at Biofach 2024.

The participation of Sri Lankan Boat-Building companies was facilitated at the Dubai International Boat Show, while the food and beverage sector achieved confirmed orders totaling US\$ 11 million at Gulfood 2024, particularly attracting interest in vegan and natural products. A survey on the qualification framework to address skill gaps in the Logistics sector has been completed.

B2B programs were organized to promote Coconut kernel products in Europe, China, and the Middle East. The EDB organized B2B sessions in China and facilitated the participation of Sri Lankan apparel exporters in international exhibitions in the USA and UK. Additionally, the "Your Vital Island" brand was launched. Virtual workshops were conducted to enhance the knowledge of Rubber sector exporters regarding EU regulations and to promote product innovation.

Moreover, several development activities were conducted to promote various sectors, including Gem & Jewellery, Pharmaceuticals, Ornamental fish, Footwear & Leather products, Ayurveda, Herbal & Cosmetics, Construction services Education Services, Mineral based products and Giftware & Lifestyle sectors.

During the year 2024, several initiatives were implemented to maximize concessions under Free Trade Agreements (FTAs), Preferential Trade Agreements (PTAs), and Trade and Investment Framework Agreements (TIFAs), significantly contributing to Sri Lanka's export growth. The participation of eight companies was organized at the Natural Product Expo West in the USA, where they secured confirmed orders worth US\$ 695,000, including substantial shipments of coconut products.

At the International Food & Drink Event in the UK, the organized participation garnered US\$ 288,320 confirmed orders and introduced three new companies to the market. A trade delegation to Melbourne, Australia, featured 17 Sri Lankan companies and opened up expanded trade opportunities, particularly in the food sector. The National Export Brand initiative was launched to enhance Sri Lanka's export identity, with its debut at a UK roadshow in June 2024. The South Asian Trade Fair in Colombo showcased 22 Sri Lankan companies, with international participation from several South Asian countries. And Sri Lanka's participation in Foodex Saudi 2024 resulted in over 100 inquiries and US\$ 1.025 million in potential orders, highlighting opportunities for joint ventures, particularly in coconut products and biscuits.

SME Development

The EDB launched several initiatives aimed at supporting the development of SMEs in Sri Lanka's export sector. A series of 16 YouTube videos was produced to guide SMEs on how to enter the export trade, with 10 episodes already completed. Through the New Exporter Development Programme

(NEDP), 30 SMEs participated in international trade exhibitions and market linkage programs, while 18 companies took part in the IPD inward delegation from Germany.

The Women Exporter Development Programme selected five women entrepreneurs for a Technical Exposure and Capacity Building Programme at BIOFACH 2025, and eight training programs were conducted for 34 women entrepreneurs. Additionally, SMEs participated in the Thaifex-Anuga Asia 2024 in Thailand and the Hotel Asia Exhibition & International Culinary Challenge 2024 in the Maldives, resulting in significant B2B meetings and ongoing negotiations for orders.

An UK inward buyer mission to promote the "ITC SheTrades Hub in Sri Lanka" was organized with 13 UK buyers participating, resulting in 104 B2B meetings and 59 factory visits. The EDB also organized 21 awareness programs nationwide, covering a wide range of topics from export procedures to specialized training for farmers and SMEs, reaching over 600 participants.

Exporter Facilitation

The EDB focused on enhancing export development through various initiatives. The 25th Exporters' Forum, chaired by the Hon. State Minister of Investment Promotion, addressed 13 issues, of which two were resolved and directions were given for the others. An MOU was signed with People's Bank to assist SME exporters in accessing trade finance, and awareness sessions were held for over 100 attendees. Import and Export Procedures Certificate Courses were completed, generating significant income, and field visits to key facilities such as the SLPA and Sri Lanka Customs were organized.

National Packaging Center (NPC)

The NPC has permanently been established in the EDB to support the growth of the local manufacturing industry in Sri Lanka. It serves as the national focal point for packaging development projects. Approximately 104 SMEs and potential exporters were provided advisory services on packaging. The NPC unit of the EDB was conduct one webinar, two awareness and two training programmes on packaging for exporters, potential exporters, SMEs and Women entrepreneurs during the period under review.

National Organic Control Unit (NOCU)

The NOCU established under the SLEDB, launched its initiative to promote Organic Agriculture island wide during the period under review. As part of this effort, the first awareness program was conducted in Kegalle District on 25th July for 80 participants. The programme also highlighted the contribution of NOCU to organic farming in terms of its role to promote a credible organic agriculture value chain. The participants, representing various sectors of the agriculture industry, gained valuable insights into organic farming techniques, certification processes, organic standards, and market opportunities.

38.3 Future Plans - 2025

The export target set by the EDB for 2025 is US\$ 18.2 Bn for both merchandise and services export sectors. Of this total, we anticipate US\$14.0 Bn from merchandise exports and US\$ 4.2 Bn from services exports.

To achieve this target, the EDB's actions are aligned with the strategic objectives outlined in its Corporate Plan. This plan was developed internally,

taking into account current global trends, and it aligns with government objectives as well as the national export target of US\$ 36 billion by 2030.

- Create an outstanding image for Sri Lankan export products & services.
- Increase export value of products and services with a greater value addition & branding.
- Increase exports to prospective niche markets while consolidating existing premium markets.
- Integrate with regional value chain networks with better market access.
- Enhance the contribution of value chain actors for the export sector.
- Broad-base export basket and exporter community of the country.
- Trade facilitation to ensure efficient, transparent and cost-effective cross border trade.
- Encourage exporters to comply with International regulations & standards and achieve collective benefits of the Environmental, Social & Governance principles (ESG).
- Build a team of excellence at the EDB, based on core values, with particular emphasis on employee productivity and commitment. Build a team of excellence at the EDB, based on core values, with particular emphasis on employee productivity and commitment

In addition to these objectives, the EDB is dedicated to creating an enabling environment that supports exporters, strengthens Sri Lanka's global market presence, and fosters long-term economic growth. Through these strategic initiatives, the EDB aims to position Sri Lanka's export sector as a dynamic and resilient force in the international arena.

39

National Productivity Secretariat

39.1 Introduction

The National Productivity Organization (NPO) was established in Sri Lanka after the country became a member of the Asian Productivity Organization (APO). In 1994, the National Productivity Secretariat (NPS) was established to expand and strengthen the productivity movement in the country. At present, NPS comes under the purview of Ministry of Industry and Entrepreneurship Development. With the establishment of this institution, the decade from 1997-2006 was declared as the “Productivity Decade”. During this

period, through the dedicated efforts and contributions of NPS, a culture of productivity was fostered across various institutions and communities. The activities such as trainings, promotions, consultancy services, collaboration programs with APO, media programs, competitions and awards etc. were transferred by NPS, to develop productivity concepts, tools and technology in particular institutions and community. Mainly, at present, various projects, programs, activities etc. are implemented annually for the organizations in public, education, service and manufacturing, SME and community sectors.

In year 2024, two major programs were implemented covering all divisional secretariats as follows.

1. Empowerment of SMEs with productivity concepts
2. Process improvement for public sector organizations

Due to constant cooperation with Asian Productivity Organization, Sri Lanka benefits from various opportunities such as training programs, conferences, technical expert services, projects, research initiatives, and best practices sharing programs. These valuable opportunities have created a favorable environment for the development of a “knowledge - centric society” by now

Main Functions

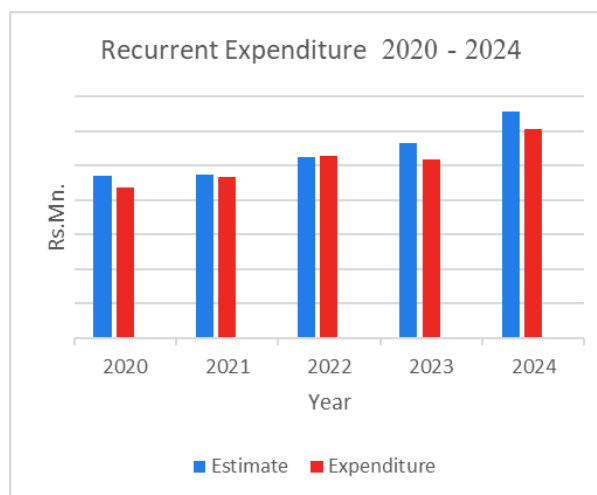
- Develop human capital and organizational excellence through training and consultancy.
- Enhancement of capacity building in collaboration with Asian Productivity Organization.
- Enhancing productivity promotion in the country.
- Accreditation and certification on productivity
- Conducting sector specific programs

39.2 Progress - At the end of December 2024

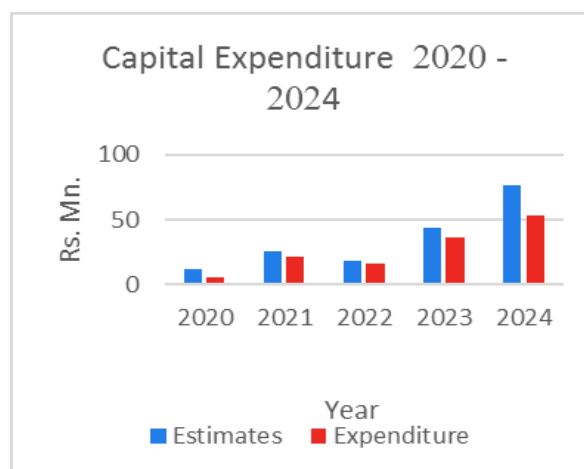
Recurrent and Capital Expenditure as at 2024. 12. 31

Description	Estimated Amount Rs. Mn.	Actual Expenditure Rs. Mn.	%	Income as at 2024. 12. 31 Rs. Mn.
Recurrent	658.02	605.1	92.1%	1.527
Capital	76.0	52.7	46.5%	

Source: National Productivity Secretariat



Source: National Productivity Secretariat



Source: National Productivity Secretariat

Progress Report - 2024

Physical Progress

Main Function	Activity	KPI	Target	Progress	%
Develop human capital and organizational excellence through training and consultancy	Advanced Certificate Course on Public Sector Productivity	No of Modules conducted	13	14	108%
	Conducting trainings for 5S Auditors	No. of participants	80	80	100%
	Conducting activity based programs for development of Productivity Practitioners		30	18	60%
	Conducting online certificate course on Productivity and Business Process re-engineering	% of Modules conducted	100%	94%	94%
	Conducting online certificate course on Community Productivity		100%	100%	100%
	Conducting Capacity Development on Productivity	No. of participants	150	217	145%
	Basic Certificate Course on Productivity and Innovation	No. of courses conducted	30	31	103%
	Professional Certificate Course on Productivity and Process improvement		06	06	100%
Enhancement of capacity building in collaboration with Asian Productivity Organization	Conducting Training programs and conferences hosted by Sri Lanka	No. of participants received training	150	123	82%
	Conducting training programs with APO via online and face to face		125	83	66
	Conducting Research on productivity	No. of researches	03	04	133%
	Conducting Technical Expert Services Programs	No. of programs conducted	02	01	50%
	Conducting DMP Project (Development of Demonstration Companies) in collaboration with APO	No. of model companies developed	03	03	100%
	Preparation of Master Plan on Productivity	No. prepared	01	01	100%
	Conducting Best Practices Prgram (BCN Program)	No. of programs conducted	01	01	100%
	Conducting VSN Program		06	06	100%
Enhancing productivity promotion in the country	Conducting Symposium on Productivity	No. of papers presented	13	11	85%
	Implementing Process improvement for the public sector organizations	No. of public institutions selected	250	534	214%

Progress Report - 2024

Main Function	Activity	KPI	Target	Progress	%
	Empower SMEs through productivity concepts	No. of SMEs selected	1140	1140	100%
	Conducting programs for Community Productivity	No. of programs conducted	12	12	100%
	Conducting Webinar Series on Productivity		10	12	120%
Accreditation and certification on productivity	5S Certification Program	No. of audits completed	30	50	167%
	Conducting Certification Body Program	No. of programs conducted	04	03	75%
Conducting sector specific programs	Conducting Health Care Quality Improvement program in RDHS Colombo	No. of participating organizations for accreditations	10	06	60%
	Pilot project to identify regional level administrative (Divisional Sec level) Productivity Quality Index (Western Province)	No. of DS Office inspected	13	13	100%
	Implementing productivity concepts and tools as per the institutional requests	No. of institutions selected for on request program	150	80	83%

Program on Organic Agriculture for Biodiversity and Sustainable Development implemented in collaboration with APO and hosted by Sri Lanka



Advanced Certificate Course on Public Sector Productivity

Conducting trainings on 5S auditors



39.3 Future Plans - 2025

1. Declaration of the National Productivity Competition and Award :

An inauguration ceremony is scheduled to be held in March 2025 and institutions from the public sector, school sector as well as the service and manufacturing sectors are eligible to apply for the competition . Applications will be called for the competition in November 2025 and winning organizations will be honored at the awarding ceremony which is planned to be held in Year 2026.

2. Conducting a symposium on productivity :

This program was commenced in year 2024 and has been scheduled to be continued for year 2025. Research papers submitted as per the given instructions will be evaluated by the panel of expertise. Conference proceedings will be compiled and published.

3. Empowering SMEs through productivity concepts

SMEs will be identified by divisional level and actions will be taken to empower them through productivity concepts and tools. This helps to identify their potentials and suitable environment will be created to provide maximum benefits to the economy of the country.

4. APO Certification Body

This program aims to accredit professionals in productivity according to the standards of the

Asian Productivity Organization. It will provide valuable opportunities for Sri Lankan productivity professionals to integrate into the international value chain.

5. Regional level Quality index for Divisional Secretariats

This program will be implemented to evaluate the institutions based on the effectiveness of the Divisional Secretariats, which are the leading public service delivery institution in Sri Lanka. The preliminary activities of this program were commenced in year 2024 and implementation process will be carried out in year 2025. The first program will be held in Colombo District.

6. Community Productivity Program :

This program will be implemented in year 2025 to raise awareness among families across the island about community productivity. This aims to disseminate concepts, tools and techniques etc. to the community of rural and grass root level in the country.

7. Conducting Programs in collaboration with Asian Productivity Organization :

Asian Productivity Organization conducts various training programs, workshops, conferences, technical expert services, capacity building programs etc, annually. National Productivity Secretariat aims to expand its support to maximize the benefits these programs bring to the country.

40

Small Enterprises Development Division

40.1 Introduction

The Small Enterprises Development Division, operating under the Ministry of Industry and Entrepreneurship Development, functions with the aim of fostering a generation of youth enriched with entrepreneurial skills, thereby making a dynamic contribution to Sri Lanka's economic development. It serves as a leading government institution engaged in creating an entrepreneurial culture in Sri Lanka.

This division, established in 1982 under the Ministry of Youth Affairs and Employment, currently operates with nearly four decades of experience in the field of small business and entrepreneurship development. The Small Enterprises Development Division, which operates

across all districts and divisional secretariat divisions in Sri Lanka, has its district offices located within District Secretariat premises. Furthermore, development officers are assigned to divisional secretariat offices, ensuring the expansion of entrepreneurship development services to the grassroots level.

The operations of the district offices are supervised by the main office of the Small Enterprises Development Division, located at No. 420, Bauddhaloka Mawatha, Colombo 7. Additionally, in all districts, supervising officers oversee the entrepreneurship development services carried out through the divisional secretariat offices within their respective districts.

Main Functions

- Motivating people to start businesses and assisting in starting businesses
- Development of existing businesses by intervening to address problems faced by entrepreneurs in managing their businesses

To carry out this responsibility more effectively, the institution's functions are structured across the following areas, in alignment with the national policy framework recommended for small and medium-sized enterprises.

- Entrepreneurship and Skill Development
- Market Facilitation
- Technology and Innovations
- Access to Finance & Coordination of Supporting Services
- Business Consultancy
- Research and Development

Highlights of the Division in 2024

Targets has been set to develop 14,000 new businesses and 14,000 existing businesses , covering every Grama Niladhari division, in 2024.

A range of entrepreneurship development activities have been implemented across the country to achieve this target, and below provides details about few of the main activities.

- SED successfully organized 19 'Entrepreneurship Development' (Residential) programs, covering all districts. This key program, aimed at developing entrepreneurial skills among youth, benefited 564 entrepreneurs.

Entrepreneurship Development (Residential) program



- Opportunities were provided to 35,941 entrepreneurs to participate in trade fare and exhibitions organized at district and divisional levels aim of promoting products and sales of small scale entrepreneurs.

Trade Fare and Exhibitions



- In response to the challenging conditions prevailing in the country, an online program named 'Z Panthiya' was launched in 2024 to provide entrepreneurs with the current knowledge needed to overcome these challenges. The program was conducted as a workshop of five days per week, from 10:00 a.m. to 12:00 p.m. A total of 219 sessions were held, benefiting over 8,400 entrepreneurs.

40.2 Progress - At the end of December 2024

Utilization of Allocated Provisions

Serial Number	Description	Allocated Provisions (Rs. Million)	Financial progress as at 31.12.2024	
			(Rs. Million)	%
01	Capital expenditure	320.000	188.75	59%
02	Recurrent expenditure	856.825	755.934	88%
	Total	1,176.82	944.68	80%

Source : SED Database, 2024

Progress of Development Programs

Serial Number	Program Name	Allocated Provisions (Rs. million)	Financial Progress as at 31.12.2024	
			(Rs. million)	%
01	Youth Empowerment Program	190.000	136.966	72%

Source : SED Database, 2024

- ❖ The **progress** of key performance indicators achieved through the Youth Empowerment Program can be summarized as follows.

Serial Number	Key Performance Indicator	Target	Achievement	%
01	Starting New Businesses	14,000	12,272	88%
02	Existing Business Development	14,000	10,095	72%

Source : SED Database, 2024

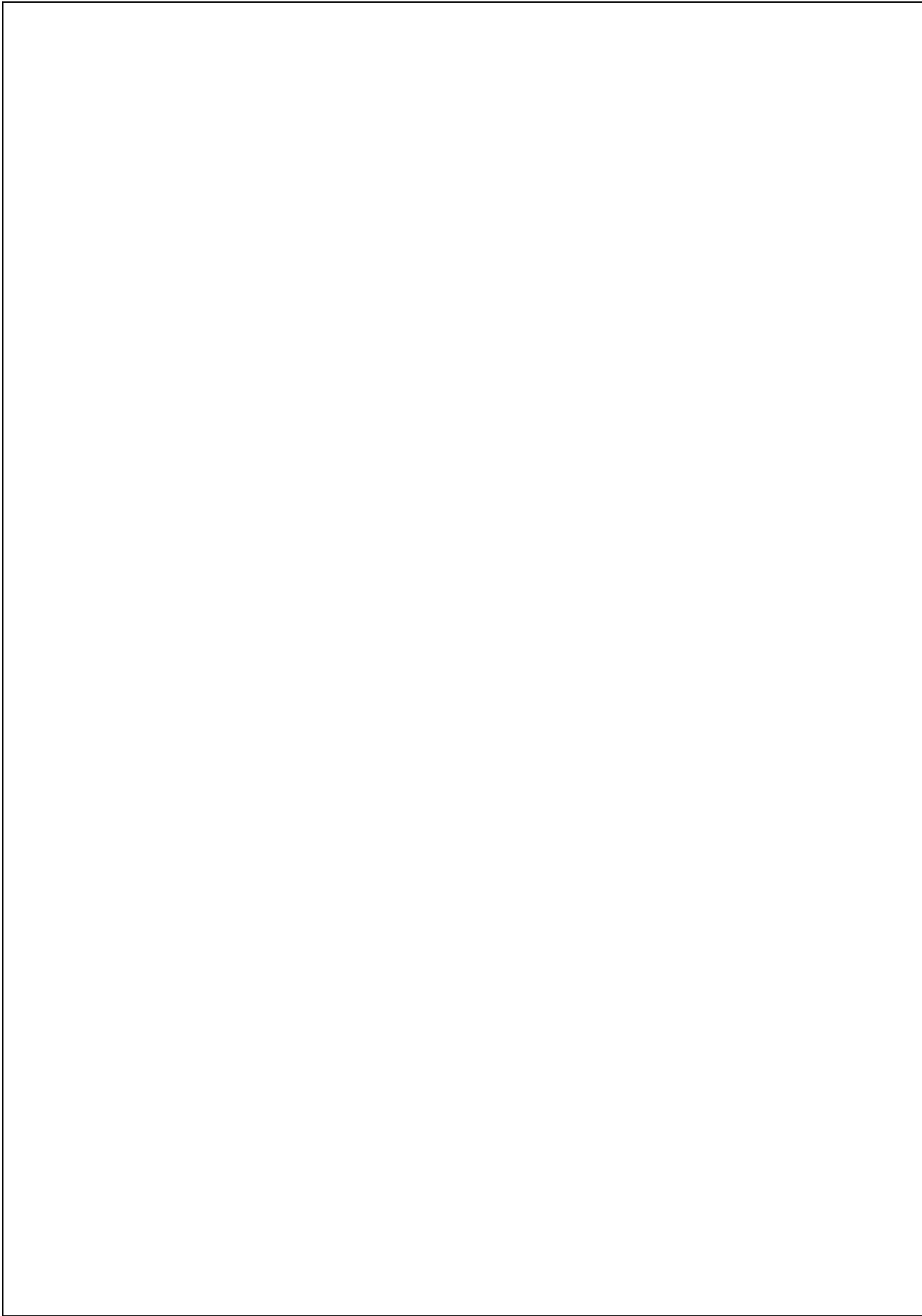
- ❖ Progress of other Key Performance Indicators that were attained through the Youth Empowerment Program are outlined as follows

Serial Number	Key Performance Indicator	Target	Achievement	%
01	Providing Individual Technology	3,000	2,751	92%
02	Packaging	2,000	2,726	100%
03	Quality Certificates (GMP/NVQ) /SLS/GAP/Patent)	500	205	41%
04	Market Linkages	20,000	13,235	66%
05	Logo Designing	2,000	2,091	100%
06	Business Registration	5,000	4,662	93%
07	Business Plan Preparation	5,000	4,258	85%
08	Costing	20,000	12,089	60%

Source : SED Database, 2024

40.3 Future Plans - 2025

- The main role of the Small Enterprises Development Division is to develop existing businesses while supporting the government's 2025 initiative to establish a streamlined, single-window services to small and medium-sized enterprises (SMEs) at both the national and regional levels.
- While providing the necessary guidance and support to enhance small and medium-sized enterprises across the country, plans are also made to select a group of high-performing entrepreneurs among these entrepreneurs and develop them into significant stakeholders in the country's economic development process.
- A plan has been developed to analyze the status of existing businesses thereby identify the challenges affecting their development, and to provide the necessary marketing, financial, technical support and consultancy services to help them overcome these challenges.
- In carrying out these activities, special attention will be given to promoting agro-based value-added products, strengthening local production to guide entrepreneurs towards export-oriented products, enhancing digital literacy, promote region-specific products based on resource availability, market opportunities and growth potential and promoting products and services related to the tourism industry.



Financial Progress

Progress Report – 2024



Progress Report – 2024

1. Head 149: Ministry of Industry and Entrepreneurship Development

Budget Estimate & Expenditure for 2024 (31st December 2024)

Programme : 01 Operational Activities

Project : 01 Minister's Office

Sub project	Object	Category / Object Title	Estimate 2024 LKR.	Expenditure Up to 31.12.2024 LKR.	Balance LKR.	Expenditure %
		Personal Emoluments	42,385,000.00	30,491,856.75	11,893,143.25	72%
0	1001	Salaries and Wages	24,000,000.00	17,165,809.89	6,834,190.11	72%
0	1002	Overtime and Holiday Payments	3,500,000.00	2,570,556.74	929,443.26	73%
0	1003	Other Allowances	14,885,000.00	10,755,490.12	4,129,509.88	72%
		Travelling Expenses	7,000,000.00	2,357,148.00	4,642,852.00	34%
0	1101	Domestic	4,000,000.00	2,357,148.00	1,642,852.00	59%
0	1102	Foreign	3,000,000.00	-	3,000,000.00	0%
		Supplies	28,050,000.00	22,130,354.85	5,919,645.15	79%
0	1201	Stationery and Office Requisites	3,950,000.00	2,918,302.49	1,031,697.51	74%
0	1202-002	Fuel Allowance	23,000,000.00	19,164,997.36	3,835,002.64	83%
	1202-010	Fuel for other purposes	1,000,000.00	47,055.00	952,945.00	5%
0	1203	Uniforms	100,000.00	-	100,000.00	0%
		Maintenance Expenditure	14,400,000.00	10,643,219.19	3,756,780.81	74%
0	1301	Vehicles	12,300,000.00	10,076,092.83	2,223,907.17	82%
0	1302	Plant, Machinery and Equipment	1,500,000.00	530,026.36	969,973.64	35%
0	1303	Buildings and Structures	300,000.00	18,600.00	281,400.00	6%
0	1304	Software Maintenance	300,000.00	18,500.00	281,500.00	6%
		Contractual Services	13,853,044.00	3,222,382.49	10,630,661.51	23%
0	1401	Transport	3,653,044.00	302,951.51	3,350,092.49	8%
0	1402	Postal and Telecommunication	4,000,000.00	1,346,198.07	2,653,801.93	34%
0	1403	Electricity and Water	2,500,000.00	852,637.28	1,647,362.72	34%
0	1405	Cleaning & Janitorial Services	700,000.00	189,485.80	510,514.20	27%
0	1409-138	Machinery & Office Equipment Service Agreement	1,000,000.00	21,486.62	978,513.38	2%
0	1409-139	Vehicle Insurance	1,000,000.00	45,530.40	954,469.60	5%
0	1409-140	Miscellaneous Services Expenditure	1,000,000.00	464,092.81	535,907.19	46%
		Transfers	2,220,000.00	1,375,691.32	844,308.68	62%
0	1502	Retirement Beneficts	2,220,000.00	1,375,691.32	844,308.68	62%
		Other Recurrent Expenditure	520,000.00	-	520,000.00	0%
0	1701	Losses & Write Off	520,000.00	-	520,000.00	0%
		Total - Recurrent	108,428,044.00	70,220,652.60	38,207,391.40	65%
		Capital Expenditure				
		Rehabilitation & Improvements of Capital Assets	11,000,000.00	7,998,462.24	3,001,537.76	73%
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	8,000,000.00	7,998,462.24	1,537.76	100%
		Acquisition of Fixed Assets	2,650,000.00	-	2,650,000.00	0%
0	2102	Furniture & Office Equipment	300,000.00	-	300,000.00	0%
0	2103	Plant, Machinery & Equipment	2,350,000.00	-	2,350,000.00	0%
		Total - Capital	13,650,000.00	7,998,462.24	5,651,537.76	59%
		Grand - Total	122,078,044.00	78,219,114.84	43,858,929.16	64%

Progress Report – 2024

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

Sub project	Objec.	Category / Object Title	Estimate 2024 LKR.	Expenditure Up to 31.12.2024 LKR.	Balance LKR.	Expenditure %
		Personal Emoluments	201,758,484.00	176,250,336.00	25,508,148.00	87%
0	1001	Salaries and Wages	118,000,000.00	99,706,624.95	18,293,375.05	84%
0	1002	Overtime and Holiday Payments	9,998,000.00	5,579,203.55	4,418,796.45	56%
0	1003	Other Allowances	73,760,484.00	70,964,507.50	2,795,976.50	96%
		Travelling Expenses	8,000,000.00	6,483,644.70	1,516,355.30	81%
0	1101	Domestic	2,000,000.00	1,818,682.00	181,318.00	91%
0	1102	Foreign	6,000,000.00	4,664,962.70	1,335,037.30	78%
		Supplies	69,900,000.00	37,366,576.88	32,533,423.12	53%
0	1201	Stationary and Office Requisites	18,000,000.00	12,946,100.56	5,053,899.44	72%
0	1202-002	Fuel Allowance	17,000,000.00	12,582,553.16	4,417,446.84	74%
	1202-009	Fuel for Pool Vehicles	30,500,000.00	11,044,492.16	19,455,507.84	36%
	1202-010	Fuel for other purposes	3,500,000.00	554,405.00	2,945,595.00	16%
0	1203	Uniforms	400,000.00	132,000.00	268,000.00	33%
0	1205	Other	500,000.00	107,026.00	392,974.00	21%
		Maintenance Expenditure	37,100,000.00	25,965,289.95	11,134,710.05	70%
0	1301	Vehicles	25,000,000.00	22,886,687.80	2,113,312.20	92%
0	1302	Plant, Machinery and Equipment	3,900,000.00	2,762,486.36	1,137,513.64	71%
0	1303	Buildings and Structures	7,000,000.00	298,179.79	6,701,820.21	4%
0	1304	Software Maintenance	1,200,000.00	17,936.00	1,182,064.00	1%
		Contractual Services	121,430,000.00	74,363,501.62	47,066,498.38	61%
0	1401	Transport	11,230,000.00	7,673,326.25	3,556,673.75	68%
0	1402	Postal and Telecommunication	12,000,000.00	5,715,006.10	6,284,993.90	48%
0	1403	Electricity and Water	35,000,000.00	20,199,985.36	14,800,014.64	58%
0	1404	Rent and Local Taxes	20,000,000.00	14,737,797.05	5,262,202.95	74%
0	1405	Cleaning & Janitorial Services	10,000,000.00	8,229,347.47	1,770,652.53	82%
0	1407	Security Services	10,000,000.00	7,743,920.00	2,256,080.00	77%
0	1408	Lease Rental for Vehicles Procured Under Operational Leasing	7,200,000.00	-	7,200,000.00	0%
0	1409-138	Machinery & Office Equipment Service Agreement	5,000,000.00	2,262,084.47	2,737,915.53	45%
	1409-139	Vehicle Insurance	5,000,000.00	3,150,912.68	1,849,087.32	63%
	1409-140	Miscellaneous Services Expenditure	6,000,000.00	4,651,122.24	1,348,877.76	78%
		Transfers	22,000,000.00	20,471,959.40	1,528,040.60	93%
0	1502	Retirements Benefits	300,000.00	84,753.91	215,246.09	28%
0	1505	Subscriptions and Contribution Fees	20,000,000.00	19,559,635.74	440,364.26	98%
0	1506	Property Loan Interest to public servant	1,700,000.00	827,569.75	872,430.25	49%
		Other Recurrent Expenditure	328,956.00	28,955.99	300,000.01	9%
0	1701	Losses & Write Off	28,956.00	28,955.99	0.01	100%
0	1703	Implementation of the Official Languages Policy	300,000.00	-	300,000.00	0%
		Total - Recurrent	460,517,440.00	340,930,264.54	119,587,175.46	74%
		Capital Expenditure				
		Rehabilitation & Improvements of Capital Assets	53,700,000.00	17,874,762.31	35,825,237.69	33%
0	2001	Buildings and Structures	36,000,000.00	8,350,814.52	27,649,185.48	23%
0	2002	Plant, Machinery & Equipment	1,700,000.00	177,534.38	1,522,465.62	10%
0	2003	Vehicles	16,000,000.00	9,346,413.41	6,653,586.59	58%
		Acquisition of Fixed Assets	4,500,000.00	3,093,745.50	1,406,254.50	69%
0	2102	Furniture & Office Equipment	2,500,000.00	1,985,453.50	514,546.50	79%
0	2103	Plant, Machinery & Equipment	2,000,000.00	1,108,292.00	891,708.00	55%
		Capacity Building	2,000,000.00	720,044.00	1,279,956.00	36%
0	2401	Knowledge Enhancement & Inst.	2,000,000.00	720,044.00	1,279,956.00	36%
		Total - Capital	60,200,000.00	21,688,551.81	38,511,448.19	36%
		Grand - Total	520,717,440.00	362,618,816.35	158,098,623.65	70%

Progress Report – 2024

Programme : 02 Development Activities
 Project : 03 Industrial Development

Sub project	Objec.	Category / Object Title	Estimate 2024 LKR.	Expenditure Up to 31.12.2024 LKR.	Balance LKR.	Expenditure %
		Personal Emoluments	369,260,000.00	347,656,495.44	21,603,504.56	94%
1	1001	Salaries and Wages	221,585,000.00	206,475,287.88	15,109,712.12	93%
1	1002	Overtime and Holiday Payments	3,300,000.00	954,045.62	2,345,954.38	29%
1	1003	Other Allowances	144,375,000.00	140,227,161.94	4,147,838.06	97%
		Travelling Expenses	3,450,000.00	3,207,443.00	242,557.00	93%
1	1101	Domestic	2,450,000.00	2,263,131.00	186,869.00	92%
1	1102	Foreign	1,000,000.00	944,312.00	55,688.00	94%
		Supplies	12,270,000.00	10,856,754.51	1,413,245.49	88%
1	1201	Stationary and Office Requisites	4,170,000.00	3,357,550.29	812,449.71	81%
1	1202-002	Fuel Allowance	4,000,000.00	3,462,451.92	537,548.08	87%
1	1202-009	Fuel for Pool Vehicles	4,000,000.00	3,944,752.30	55,247.70	99%
1	1203	Uniforms	100,000.00	92,000.00	8,000.00	92%
		Maintenance Expenditure	7,750,000.00	4,092,369.33	3,657,630.67	53%
1	1301	Vehicles	5,750,000.00	3,333,234.58	2,416,765.42	58%
1	1302	Plant, Machinery and Equipment	1,000,000.00	477,326.75	522,673.25	48%
1	1303	Buildings and Structures	1,000,000.00	281,808.00	718,192.00	28%
		Contractual Services	22,980,000.00	19,473,800.47	3,506,199.53	85%
1	1401	Transport	3,480,000.00	3,124,979.01	355,020.99	90%
1	1402	Postal and Telecommunication	2,500,000.00	1,636,695.16	863,304.84	65%
1	1403	Electricity and Water	1,000,000.00	554,213.90	445,786.10	55%
1	1404	Rent and Local Taxes	4,500,000.00	4,400,743.44	99,256.56	98%
1	1405	Cleaning & Janitorial Services	500,000.00	313,495.00	186,505.00	63%
1	1407	Security Services	7,000,000.00	6,444,975.00	555,025.00	92%
1	1409-138	Machinery & Office Equipment Service Agreement	1,200,000.00	734,877.46	465,122.54	61%
1	1409-140	Miscellaneous Services Expenditure	2,800,000.00	2,263,821.50	536,178.50	81%
		Transfers	1,800,000.00	1,519,547.77	280,452.23	84%
1	1502	Retirements Benefits	100,000.00	-	100,000.00	0%
1	1506	Property Loan Interest to public servant	1,700,000.00	1,519,547.77	180,452.23	89%
		Total - Recurrent	417,510,000.00	386,806,410.52	30,703,589.48	93%
		Capital Expenditure				
		Rehabilitation & Improvements of Capital Assets	1,500,000.00	335,000.00	1,165,000.00	22%
1	2002	Plant, Machinery & Equipment	500,000.00	-	500,000.00	0%
1	2003	Vehicles	1,000,000.00	335,000.00	665,000.00	34%
		Acquisition of Fixed Assets	2,000,000.00	990,450.00	1,009,550.00	50%
1	2102	Furniture & Office Equipment	1,000,000.00	990,450.00	9,550.00	99%
1	2103	Plant, Machinery & Equipment	1,000,000.00	-	1,000,000.00	0%
		Capacity Building	100,000.00	32,725.00	67,275.00	33%
1	2401	Knowledge Enhancement & Inst.	100,000.00	32,725.00	67,275.00	33%
		Total - Capital	3,600,000.00	1,358,175.00	2,241,825.00	38%
		Grand - Total	421,110,000.00	388,164,585.52	32,945,414.48	92%

Progress Report – 2024

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

Sub project	Object	Category / Object Title	Estimate 2024 LKR	Expenditure Up to 31.12.2024 LKR.	Balance LKR.	Expenditure %
		Capital Expenditure	3,500,000,000.00	3,362,154,631.91	137,845,368.09	96%
16	2302	Environmentally Friendly Solutions Revolving Fund (GOSL/JBIC) on Lending	796,000,000.00	668,992,000.00	127,008,000.00	84%
16	2509	Environmentally Friendly Solutions Revolving Fund (GOSL/JBIC) other	4,000,000.00	3,775,893.00	224,107.00	94%
17	2302	Small & Micro Industries Leader & Enterprenure Promotion Project (GOSL/JBIC) on Lending	2,694,000,000.00	2,684,918,761.92	9,081,238.08	100%
17	2509	Small & Micro Industries Leader & Enterprenure Promotion Project (GOSL/JBIC) other	6,000,000.00	4,467,976.99	1,532,023.01	74%

Programme : 02 Development Activities
Project : 05 Public Institutions

Sub project	Object	Category / Object Title	Estimate 2024 LKR .	Expenditure Up to 31.12.2024 LKR.	Balance LKR.	Expenditure %
		Recurrent	1,412,840,000.00	1,292,033,131.00	120,806,869.00	91%
2	1503	National Enterprise Development Authority (Personal Emoluments)	32,415,000.00	32,102,840.00	312,160.00	99%
4	1503	Industrial Development Board (Personal Emoluments)	450,000,000.00	450,000,000.00	-	100%
4	1509	Industrial Development Board (Other Operational Expenditure)	50,000,000.00	50,000,000.00	-	100%
9	1503	Sri Lanka National Design Centre (Personal Emoluments)	67,370,000.00	66,543,000.00	827,000.00	99%
9	1509	Sri Lanka National Design Centre (Other Operational Expenditure)	30,000,000.00	18,274,000.00	11,726,000.00	61%
10	1503	National Craft Council (Personal Emoluments)	148,055,000.00	145,083,291.00	2,971,709.00	98%
10	1509	National Craft Council (Other Operational Expenses)	40,000,000.00	37,838,000.00	2,162,000.00	95%
18	1503	Gem & Jewellery Research and Training Institute (Personal Emoluments)	60,000,000.00	60,000,000.00	-	100%
18	1509	Gem & Jewellery Research and Training Institute (Other Operational Activities)	35,000,000.00	34,992,000.00	8,000.00	100%
19	1503	Industrial Technology Institute	500,000,000.00	397,200,000.00	102,800,000.00	79%
		Capital Expenditure	530,000,000.00	477,631,160.00	52,368,840.00	90%
1	2201	Sri Lanka Institute of Textile and Apperal (SLITA)	100,000,000.00	100,000,000.00	-	100%
2	2201	National Enterprise Development Authority	40,000,000.00	34,910,000.00	5,090,000.00	87%
4	2201	Industrial Development Board	200,000,000.00	200,000,000.00	-	100%
9	2201	Sri Lanka National Design Centre	30,000,000.00	18,376,160.00	11,623,840.00	61%
10	2201	National Craft Council	40,000,000.00	30,345,000.00	9,655,000.00	76%
18	2201	Gem & Jewellery Research & Training Institute	20,000,000.00	-	20,000,000.00	0%
19	2201	Industrial Technology Institute	100,000,000.00	94,000,000.00	6,000,000.00	94%
		Grand Total	1,942,840,000.00	1,769,664,291.00	173,175,709.00	91%

Progress Report – 2024

Programme : 02 Development Activities
Project : 03 Industrial Development

Sub project	Object	Category / Object Title	Estimate 2024 LKR .	Expenditure Up to 31.12.2024 LKR.	Balance LKR.	Expenditure %
3	2506	Industrial Estates Development Programme	1,000,000,000.00	602,343,041.28	397,656,958.72	60%
3	2202	Thrust Area Development Programme	200,000,000.00	146,741,632.22	53,258,367.78	73%
4	2509	Handloom & Textile Industries	80,000,000.00	26,640,802.48	53,359,197.52	33%
42	2509	Traditional and Rural Industrial Promotion	100,000,000.00	37,289,812.57	62,710,187.43	37%
43	2509	Establishment of Gem Precision Cutting training workshop	20,000,000.00	19,894,861.00	105,139.00	99%
44	2509	Handloom Sector Development	300,000,000.00	14,339,483.65	285,660,516.35	5%
		Grand Total	1,700,000,000.00	847,249,633.20	852,750,366.80	50%

Progress Report – 2024

