



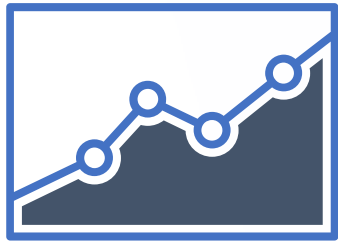
# Investment in Sri Lanka

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Your gateway to Asia, Africa & Europe

# Long Term Economic Ambitions

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**2X GDP**



**6 growth sectors**



**Investor friendly  
environment**

# Why Invest in Sri Lanka?



## Location

Well connected to trade & business centers

- 2 Containers ports
- 3 International airports
- Trans-shipment hub in S. Asia



## Workforce

3x more graduates, focus on vocational training to further enhance human capital

Well spoken & adaptive



## Market Access

Access to 2.1Bn+ consumers across South Asia and East Africa

**Investment protection** agreements with **28 countries**

**Double Taxation Avoidance** Agreement with 44 countries



## Investment policy

No restrictions on Foreign Ownership

Safety of Foreign Investments **Guaranteed by Constitution**

Signatory to the **Multilateral Investment Guarantee Agency (MIGA)** of the World Bank

# Tax Incentives

## Corporate Income Tax (CIT)

- + Standard CIT Rate - 24%
- + Reduced CIT Rate - 14%

## Dividend Tax Exemptions

- + A member who is a non-resident person
- + A Company Engaged in Commercial Hub Activities

## PAL Exemptions

- + Capital Goods - Investment over US\$ 50 Mn
- + Raw Materials for Export Oriented
- + Pharmaceutical Machinery and Equipment

## CESS Exemptions

- + Capital Goods - Investment over US\$ 50 Mn
- + Raw Materials for Export Oriented
- + Tourism Projects
- + Health Protection Equipment

## Customs Duty & VAT Exemptions

- + Exempted/Deferred for Capital Goods
- + Exempted/Deferred for Raw Materials

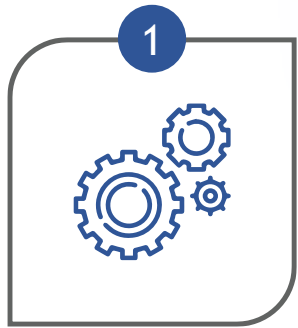
## Enhanced Capital Allowance (ECA)

- + For investments over US\$ 3 Mn on depreciable assets permitting to deduct losses for a period of 10-25 years (25 years: >\$1 Bn)

## Tax Exemptions for Select Sectors

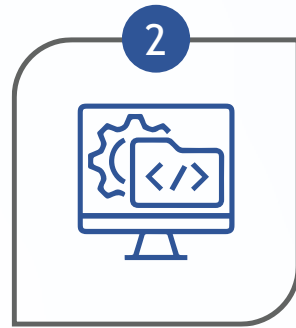
- + Agro Farming
- + IT and IT Enabled Services
- + Services offered outside Sri Lanka
- + Vocational Education Programs
- + Export of Gold, Gems or Jewelry
- + Laboratory & Standard Certification Services
- + Sale of Recycled Construction Material - 10 years
- + Manufacturing and Supply of Boats/Ships - 7 Years
- + Renewable Energy of 100MW Solar/Wind - 7 Years
- + Construction and Installation Of Communication Towers - 7 Years
- + Bonded & offshore business warehouses

# Growth Sectors



## Manufacturing

- Pharmaceutical
- High value add Apparel
- Electronics and Electricals



## ICT

- Knowledge Services
- Software Development
- IT training Institutes
- Emerging Technology



## Hospitality and Tourism

- Agro/Eco Tourism
- Adventure/ Thrill tourism
- Luxury Hotels
- MICE tourism



## Agriculture and Food processing

- Rubber
- Agri/processed food
- Fisheries



## Construction and Infrastructure

- Railway systems (Monorails/LRTs/Sky Trains)
- Port/Airport development

# Pharmaceutical Zone

## Overview

- Current annual domestic market - USD 664 Mn (appr Rs 130 billion) - projected to grow at CAGR of 8-10%
- Sri Lanka's pharma supply is 85% import-dependent
- Cost of medicines: >35% of the annual health budget (compared to 18% in OECD countries)
- Sri Lanka is one of the largest buyers of medicine in Asia

## Incentives



### Corporate Income Tax

5-10 year tax holiday on income generated through exports and import substitution



### Zero Import Taxes

For importation of capital & construction related items, raw materials and production/process related consumables



### Foreign Employment

Foreign employment permitted for specialized skill categories



### Tax Exempted for Expats

Income Tax on employment exempted for a period of 5 years for a maximum number of 20 expats

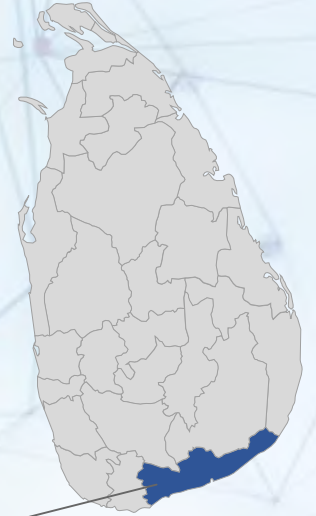


### 100% Foreign Ownership

100% foreign ownership, repatriation for earnings, dividend, fees, capital & forex permitted

## Location

- Province : Southern
- District : Hambantota
- Land Extent : Phase I - 200 Acres  
Phase II - 200 Acres



Hambantota

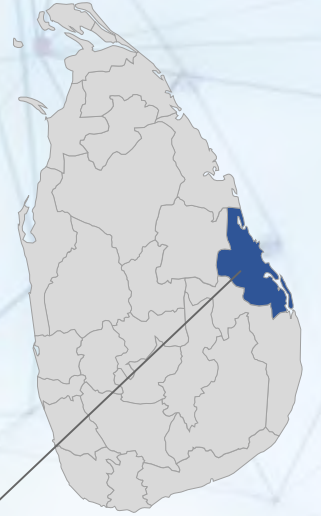
# Textile Zone

## Overview

- \$90 million project pipeline
- \$1B+ Import substitution potential (Woven & Knitted)
- Global reputation as a quality sourcing destination
- #1 in fair trade practices and safe working conditions
- Skilled, cost competitive and productive workforce
- 1300+ tertiary & vocational training institutes

## Location

- Province : Eastern
- District : Batticaloa
- Land Extent : Phase I - 200 Acres  
Phase II - 62 Acres



Eravur

## Incentives



### Corporate Income Tax

5-10 year tax holiday on income generated through exports and import substitution



### Zero Import Taxes

For importation of capital & construction related items, raw materials and production/process related consumables



### Foreign Employment

Foreign employment permitted for specialized skill categories



### Tax Exempted for Expats

Income Tax on employment exempted for a period of 5 years for a maximum number of 20 expats



### 100% Foreign Ownership

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# Techno Parks

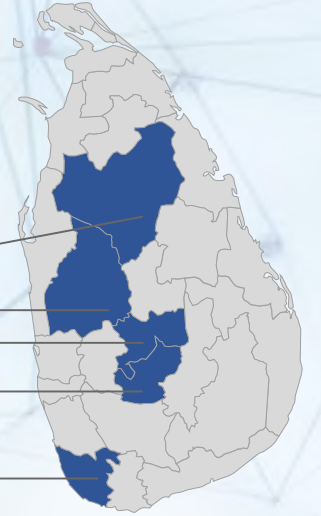
## Overview

- \$1.2bn in IT/ KPO exports today, expected \$2-3bn in 2025
- Extremely cost competitive talent pool
- 1st Country in South Asia to launch 5G mobile network
- 2nd In South Asia on International Property Rights Index

## Location

- Proposed new IT parks in Galle, Kurunegala, Kandy, Nuwara Eliya and Habarana.

Habarana  
Kurunegala  
Kandy  
Nuwara Eliya  
Galle



## Incentives



### Corporate Income Tax

0% corporate income tax on IT and enabling services



### Zero Import Taxes

For importation of capital & construction related items



### Foreign Employment

Foreign employment permitted for specialized skill categories



### VAT Exemptions

Exemptions from VAT for IT and enabled services commencing on or after January 1, 2020.



### 100% Foreign Ownership

100% foreign ownership, repatriation for earnings, dividend, fees, capital & forex permitted



# Thank You!

