

The best destination in Asia to *Grow your business*

# READY TO INVEST OPPORTUNITIES IN SRI LANKA



**Manufacturing**

Submitted by  
**Government Stakeholders**  
Collated by the BOI

This booklet contains information collected by the BOI from various government institutions. There is a possibility that some of the information contained could be different at the time of viewing and may need verification.

# PHARMACEUTICAL ZONE DEVELOPMENT

ARABOKKA - HAMBANTOTA



**Hambantota**

LOCATION



**400 Acres**

LAND EXTENT



**USD 5 Mn.**

MINIMUM INVESTMENT

## Project Overview

The BOI, in order to support developing new industry verticals via import substitution and exports, is establishing a state-of-the-art pharmaceutical zone in Arabokka, Hambantota. This dedicated Pharmaceutical Manufacturing Zone plans to meet 40% of the domestic demand for pharmaceutical products by locally manufactured drugs while creating a pathway to export earnings as import substitution by 2025. The Zone is declared as a "Strategic Development Project" (SDP) and strategic pharmaceutical investments established within the proposed zone is eligible for benefits under the SDP Act. This State-of-Art zone is designed to International standards and accreditations. This specifically tailored zone will make a conducive and liveable business environment to globally renewed pharmaceutical brands to bring the latest technological advances to manufacture pharmaceutical products.

- Pre-approved zone: All environmental clearances to manufacture a full suite of pharmaceutical products and fast tracked NMRA approvals.
- Strategic location: Proximity to both the Hambantota port and Mattala airport, with dedicated facilities at airport to facilitate sea-air logistics.
- Common facilities provided: Wastewater treatment & sea outfall and common logistics facilities.

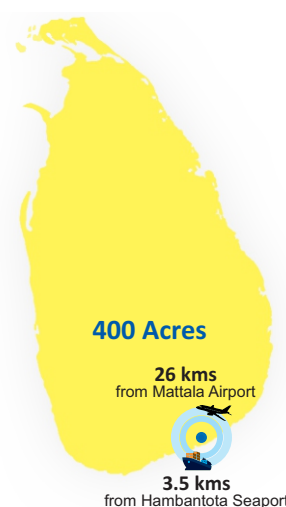
## Project/ownership structure

Foreign Direct Investments (FDI), Domestic Private Investment



### Strategic location

Proximity to both the Hambantota port and Mattala airport, with dedicated facilities at airport to facilitate sea-air logistics.



## Incentives

### Project incentives:



#### 5-10-year tax holiday for exports

(Duration of tax breaks based on size of investment, type of product to be manufactured, market orientation, type of patent rights, domestic value addition, manufacturing quality etc.)



#### 0% duty & taxes on imported capital goods & raw materials



**Exemptions for Import Substitution** under Value Added Tax (VAT), Port & Airport Levy (PAL), Customs Import Duty (CID), Commodity Export Subsidy Scheme (CESS)

### Other incentives:



**Dividends to non-resident entities** are exempt from income and withholding taxes



Sri Lanka enjoys **double-tax treaties** with 46 nations



**100% repatriation** of capital and profits permitted



**Access to talented human capital** with a 92% literacy rate that is 30% lower in cost vs region

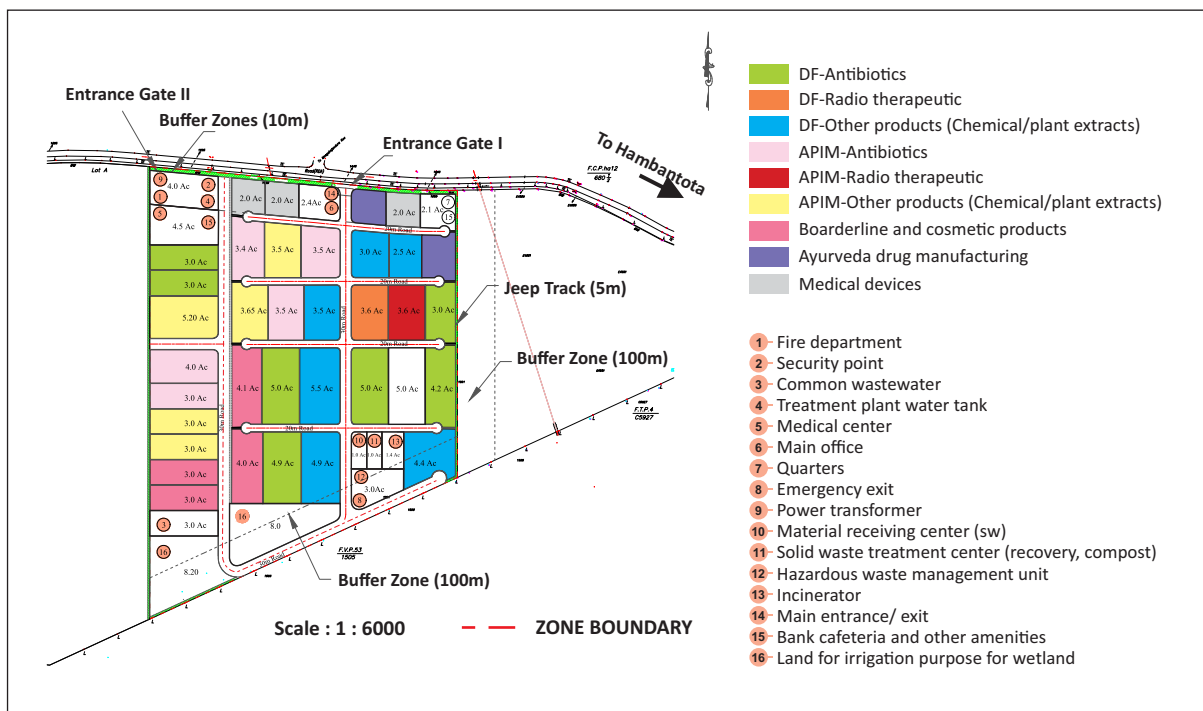
## Approved activities

1. Pharmaceuticals, medicinal chemical, and botanical products manufacturing facilities
  - Production of medicines covering all therapeutic classes
    - Production of APIs
    - Secondary processing including intermediates, formulation, blending and packaging
    - Production of radiopharmaceuticals (I-131, Tc-99m, F-18)
    - Manufacturing of herbal/botanical products and indigenous medicine including Ayurvedic and homeopathic drugs
  - Production of borderline products (products with combined characteristics of medicines along with foods, medical devices)
2. Medical devices manufacturing or assembling facilities
3. Related ancillary facilities R&D including biotechnology research and production and laboratory testing facilities



## State-of-the-art zone

This pharmaceutical zone in Arabokka, Hambantota will provide common facilities including wastewater treatment, a sea outfall and common logistics facilities.



# TEXTILE ZONE DEVELOPMENT

ERAVUR - BATTICALOA



**Batticaloa**

LOCATION



**300 Acres**

LAND EXTENT



**USD 10 Mn.**

MINIMUM INVESTMENT

## Project Overview

The Zone is declared as a “Strategic Development Project” (SDP) and, strategic textile manufacturing investments established within the borders of the zone are eligible for benefits under Sri Lanka’s SDP Act. With over ~300 acres, the zone will provide opportunities for multiple verticals relating to the manufacture of textiles. Manufacturers can establish plants in this dedicated area, complete with a host of amenities and facilities including a sea outfall, central wastewater treatment plant and pre-cleared environmental approvals for all products. This processing park aims to reduce material lead time with the availability of locally sourced fabric to reduce input costs.

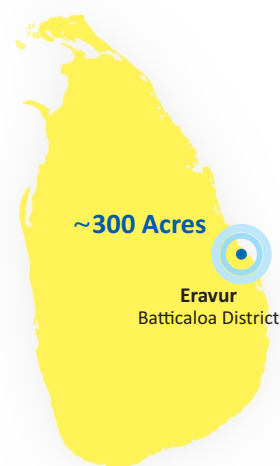
## Project/ownership structure

Foreign Direct Investments (FDI),  
Domestic Private Investment



### Strategic location

Located in the Batticaloa district with a population of 500,000+ representing a largely untapped labor pool.



## Incentives

### Project incentives:



#### 5-10-year tax holiday for exports

(Duration of tax breaks based on size of investment, type of product to be manufactured, market orientation, type of patent rights, domestic value addition, manufacturing quality etc.)



**0% duty** & taxes on imported capital goods & raw materials



**Exemptions for Import Substitution** under Value Added Tax (VAT), Port & Airport Levy (PAL), Customs Import Duty (CID), Commodity Export Subsidy Scheme (CESS)

### Other incentives:



**Dividends to non-resident entities** are exempt from income and withholding taxes



Sri Lanka enjoys **double-tax treaties** with 46 nations



**100% repatriation** of capital and profits permitted

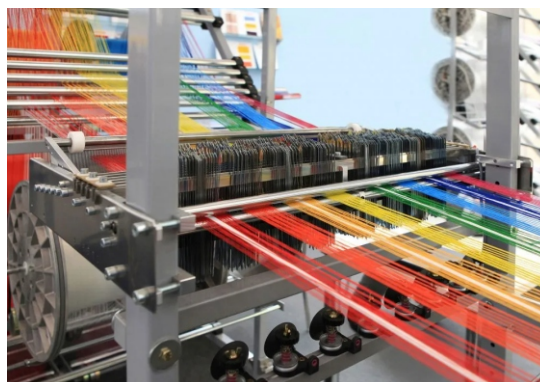


**Access to talented human capital** with a 92% literacy rate that is 30% lower in cost vs region

## Approved activities

### Pre-approved for Multiple Product Opportunities:

- Textile Dying
- Textile Washing
- Textile Knitting
- Textile Weaving
- Other Associated activities



State-of-the-art zone

With over ~300 acres, the zone will provide opportunities for multiple verticals relating to the manufacture of textiles and manufacturers can establish manufacturing plants in this dedicated area, that comes complete with a host of amenities and facilities including a sea outfall, central wastewater treatment plant and pre-cleared environmental approvals for all products.

