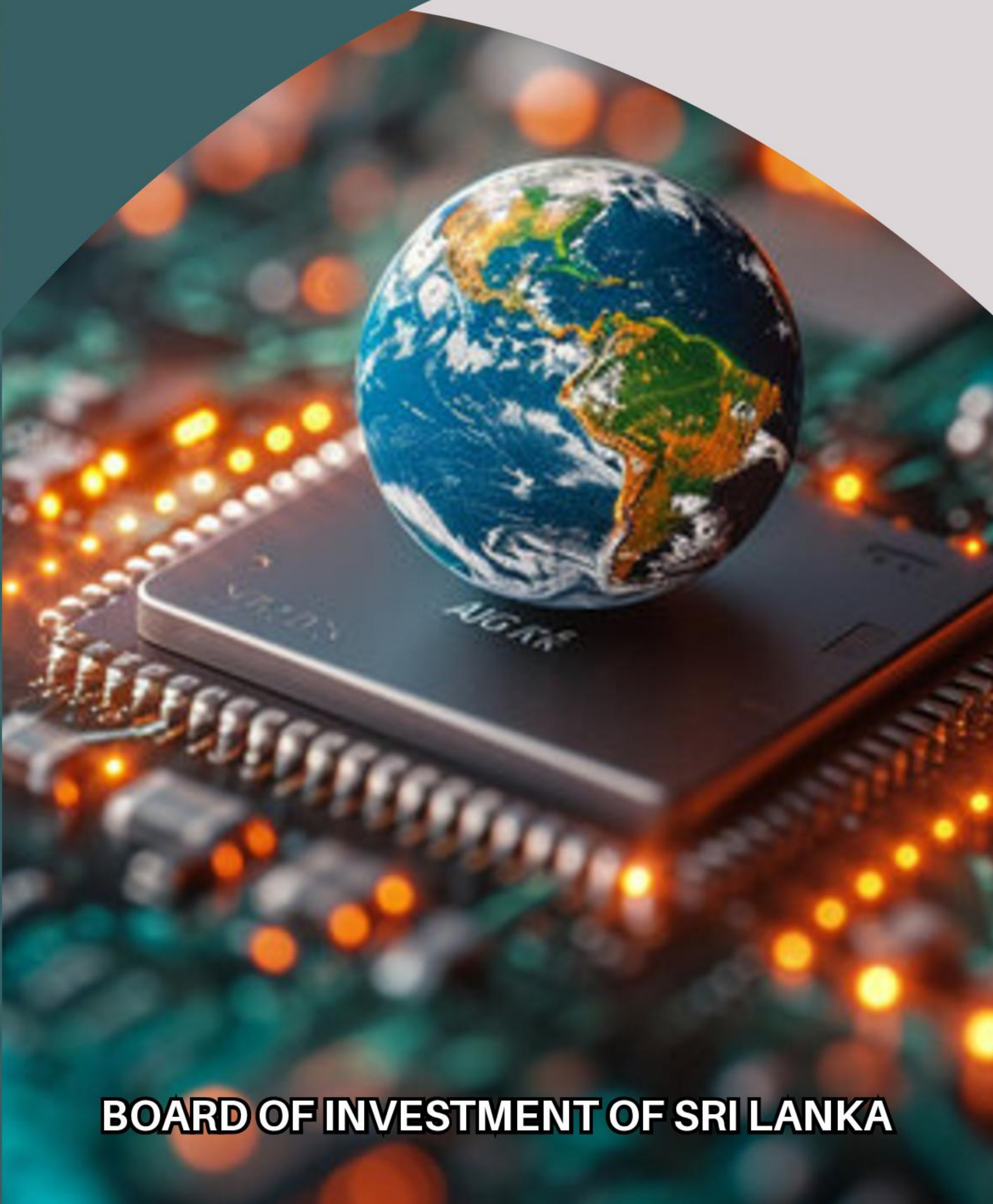


"Where Talent Meets Technology"



INVEST IN SRI LANKA

Electronic and Electrical Sector



BOARD OF INVESTMENT OF SRI LANKA

Overview

The electronic and electrical sector in Sri Lanka has emerged as a significant contributor to the country's economic growth, evolving over the past four decades into a key industrial manufacturing sector. With global market trends favoring South Asian manufacturing hubs, Sri Lanka is positioning itself as an attractive destination for electronics manufacturing, leveraging its strategic location, skilled workforce, and connectivity advantages. The electronic and electrical sector caters to multiple industries including automobile, telecommunication, consumer electronics, industrial automation and numerous other verticals.

Key facts

- Around 40 Companies in operation (Under Section 17 of BOI Law)
- Over 37,000 workforce including high profile research design engineers
- US\$ 421.99 million in export revenue in 2024
- 3.51% of the 2024 national export revenue

Industry Structure

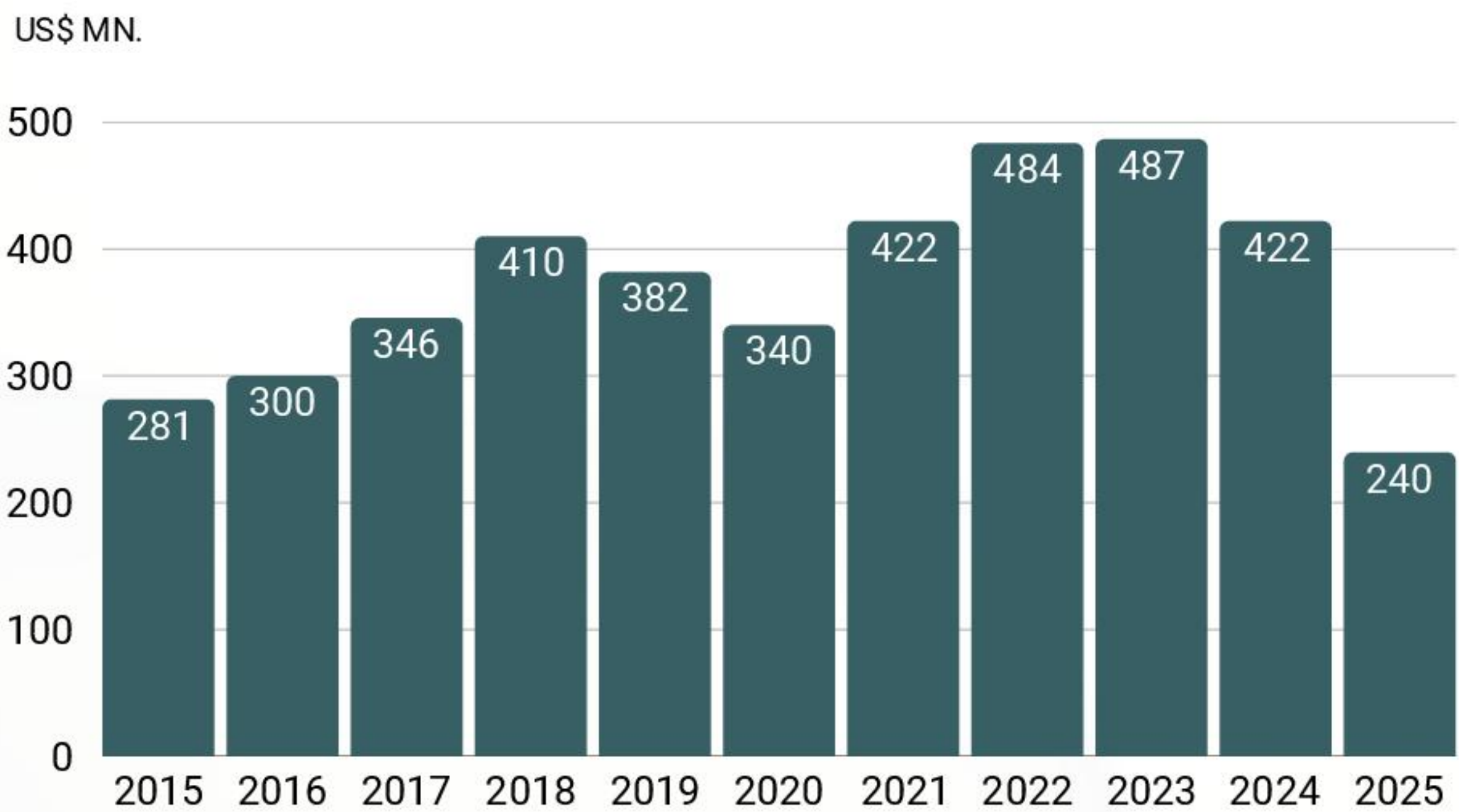
The industry encompasses various subsectors including:

- Printed Circuit Board Manufacturing
- Electronic Components Assembly
- Electrical Equipment Production
- Electronics Services and Support Systems

Potential areas for Investment

- Semiconductors
- Electric Batteries
- Electrical Boards & Panels
- Electric Capacitors
- Safety airbags
- Safety seat belts
- Electrical Switches & Plugs
- Transformers
- Fiber optic related products
- Insulated Wires
- Energy saving lamps

Export Performance - Electrical & Electronics sector 2015 - 2025 / January



SOURCE – EDB

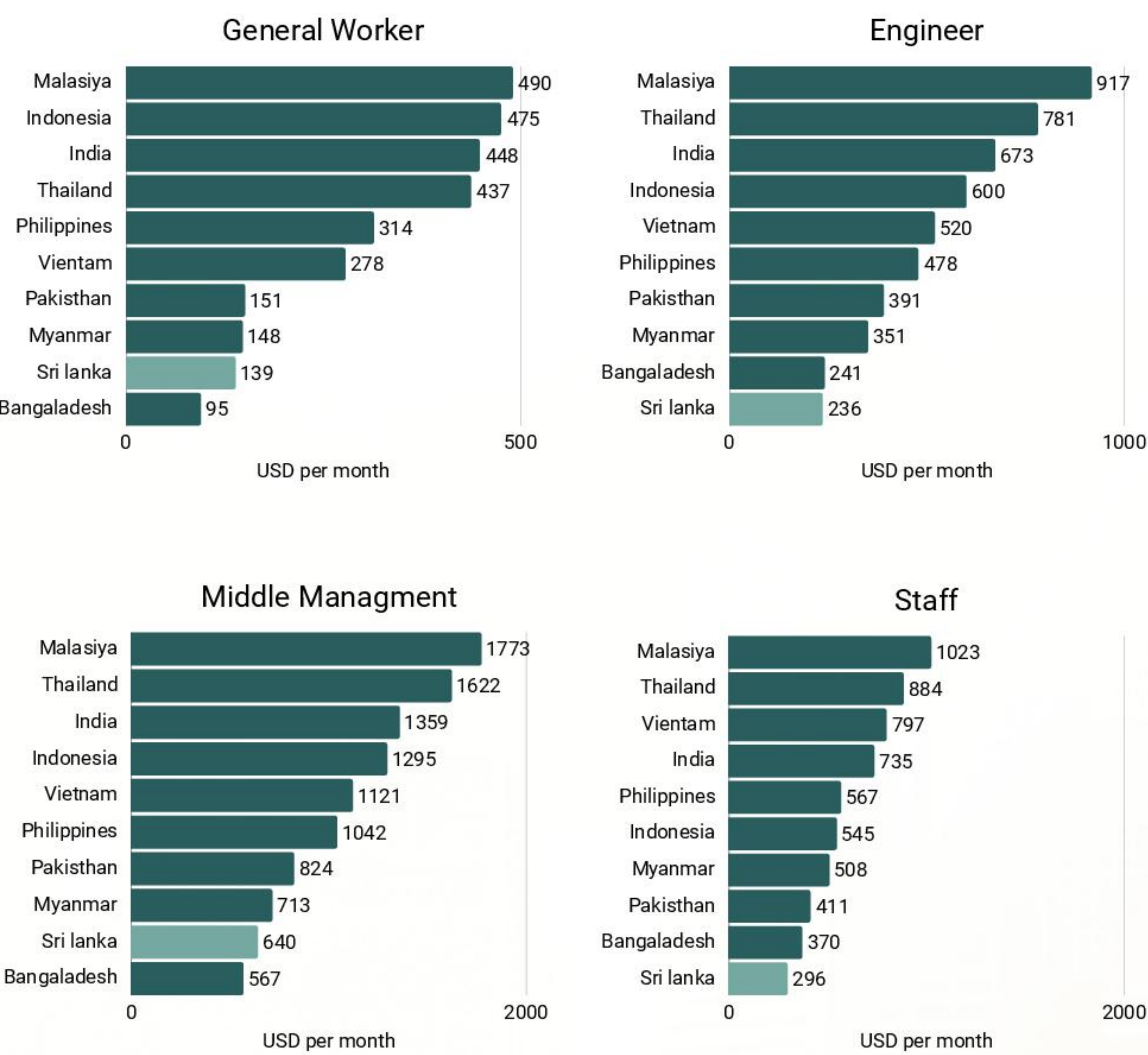
<https://www.srilankabusiness.com/electrical-and-electronics/about/export-performance.html>



Skilled Labours

- high standards of skill-education
- Electronic and Electrical Sector employs more than 37,000-40,000 skilled workers
- Over 1,500 Engineering graduates annually from state universities.
- Vocational Training institutions generate over 10,000 skilled labourers annually.
- University of Vocational Technology (UNIVITEC) records an output of over 800 graduates per annum in the field of Technology.

Competitive Wage Rates (US\$/Month) - Manufacturing Sector



Source: JETRO Survey 2024

Market Access

1. Indo-Lanka Free Trade Agreement (ISLFTA) 100% duty free market access for all E & E products
2. Sri Lanka Free Trade Agreement (PSLFTA) 100% duty free market access for E & E products (except insulated wires, electric motors, generators, monitors, projectors, electric filament or discharge lamps, discs, tapes).
3. Sri Lanka Thailand FTA (TCLFTA) - Immediate Market Access for 438HS Tarif Line.
4. EU GSP scheme 100% duty free market access for all E & E products
5. UK Developing Countries Trading System (UK DCTS) - 100% Duty Free
6. South Asian Free Trade Agreement (SAFTA) Tariffs preferences to a level between 0-5% on some E & E products.
7. Asia Pacific Trade Agreements (APTA) Margin of Preference (MOP) on some E & E products.

Exemption	Export oriented				Non-Export oriented			
	Customs Duty	VAT	PAL	CESS	Customs Duty	VAT	PAL	CESS
Importation of construction related items during project implementation (PI) period	✓	✓	✓	✓	✓	✓	✓	✓
Importation of capital items (plant, machinery, equipment)	✓ Lifetime	✓ Exempted / Deferred for a Lifetime	During PI (for Inv > US\$ 50 Mn)	During PI (for Inv > US\$ 50 Mn)	✓ During PI period	✓ During PI period	During PI (for Inv > US\$ 50 Mn)	During PI (for Inv > US\$ 50 Mn)
Importation of raw materials and production /related consumables	✓ Lifetime	✓ Exempted / Deferred for a Lifetime	✓ Lifetime	✓ Lifetime	X	X	X	X

Global Presence in Sri Lanka



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