



April 2021 | Issue 02

NEWSLETTER



Shiluka Goonewardene
Principal – Head of Deal Advisory at KPMG
and Vice President - SLSBC

KPMG has been a member of the Sri Lanka – Singapore Business Council almost since its inception, and I represent KPMG at the forum. KPMG is an audit, tax and advisory firm, and generally is one of the first port of calls for a foreign investor to Sri Lanka. Being part of SLSBC has enabled us to reach out to businesses and investors in Singapore, who are looking to invest in Sri Lanka. Particularly useful has been the annual trade delegation to Singapore, which provides a wealth of opportunities to meet and interact with the members of the various trade chambers in Singapore. We have had many fruitful discussions that have led to investment opportunities in Sri Lanka. In my experience, compared to many other investors we deal with, Singaporean investors have a good understanding and appreciation of Sri Lankan culture and business practices, which enables smoother cooperation. I would recommend any business that is looking at investment or trade opportunities in Singapore to join the Council.



Mrs. Nalika Kodikara
Counsellor (Commercial)
High Commission of Sri Lanka, Singapore

Since the establishment of Diplomatic Relations between the two countries 50 years ago, the relationship evolved into a robust, dynamic one encompassing numerous areas of cooperation. The two countries enjoy a warm and abiding friendship, underpinned by mutual respect and understanding, shared cultural values and strong bilateral commercial linkages.

Market Updates

Market Prospects in Singapore for Sri Lankan Exports and Potential Investment Opportunities

Trade and Economic Relations

Bilateral trade in goods between Singapore and Sri Lanka was valued at USD 881 Mn and USD 657 Mn in 2019 and 2020 respectively, with a trade deficit weighted in Singapore's favour. Sri Lankan imports from Singapore were valued at USD 766 Mn in 2019 and USD 566 Mn in 2020 accounting more than 50% of imports were mineral fuels and petroleum-related commodities, which energy-dependent Sri Lanka would have to import, nonetheless. Singapore is Sri Lanka's sixth largest source of imports with around 4% of Sri Lanka's total imports. Sri Lankan exports to Singapore were valued at USD 115 Mn in 2019. Sri Lanka's main exports to Singapore are mineral fuel and oils, Alcoholic beverages, textiles, precious and semi-precious stones, and Ceylon Tea and Sea food. Despite the global pandemic situation, Sri Lanka has performed considerably well in exporting nearly USD 91Mn in 2020. New normal opportunities have emerged in the E commerce, innovations and Agri -business sectors. Foreign direct investment into Sri Lanka from Singapore was valued at USD 97 Mn in 2019, ranking at 5th largest FDI investor in Sri Lanka and USD 43Mn valued up to September 2020. Over 100 Singaporean businesses operate in Sri Lanka. They are involved in several sectors across the economy, including manufacturing and infrastructure development.

Bilateral Trade between Sri Lanka and Singapore

Year	Sri Lanka's total exports to Singapore (US\$ Mn)	Total Trade with Singapore (US\$ Mn)	FDI from Singapore (US\$ Mn)	Tourist Arrivals from Singapore
2020	91.35	657.40	43.36 (up to Sep)	2,545
2019	115.30	881.81	97.18	13,871
2018	145.35	1,489.82	24.59	19,861
2017	191.57	1,484.20	80.52	19,183
2016	108.46	1,139.46	33.68	18,712
2015	77.93	1,001.78	30.46	16,647

Sri Lankan Export Profile to Singapore

Year	Exports (US\$Mn)	Composition of Exports -Main Products
2015	78.05	22%Fuel oils,3.97% Gems stones, 4.74% Tea, 4.74% Perfumes & toilet water,
2016	108.17	23% -Cruise ships, excursion boats, ferry-boats, and similar vessels, 13.5%-fuel oil, 3.1% quartz, 2.5% wheat flour, 2.2% Gems stones, 2.1% Crabs
2017	191.37	37%-Cruise ships, excursion boats, ferry-boats, and similar vessels 13.9% Fuel oil, 8.08% light oil, 2.98% perfumes & toilet water, 2.92% wheat, 2.87% Gems, 2.4% other food preparation, 2.09%quarts, 2.04% Tea
2018	145.34	33.5% fuel oil, 15.69%-Cruise ships, excursion boats, ferry-boats, and similar vessels, 2.48% Perfumes & toilet water 3.2%other Food Pre. (Milk aided drinks) 1.67% Wheat or meslin flour, 2.6% quartz 1.36% Gems
2019	115.30	41.7% fuel oil, 12% Alcoholic beverages 6.2% Apparel, 4.2%other cereal products 4.2% other electrical products,3.7%Tea, 3.7% Seafood, 2.63% Rubber tyres & Tubes
2020	91.35	43%Petroleum oil, 7.4% Wheat, 6.1% alcoholic products, 3.0% Apparel, 3.0% Quarts, 2.2% Activated Carbon, 1.8% Tea

Emerging Opportunities

New opportunities emerged for PPE products, E-commerce and Agri-business sectors particularly for ethnic products due to the pandemic situation. Sectors such as organic products, alcoholic beverages, recreational boating industry, printing, logistics, marine and offshore engineering are being considered to promote under the export diversification based on the niche opportunities. Service exports such as IT and IT enable services will also have more growth potential in the Singapore market. Promotional activities were organised aimed at Food & Digitalization, E-Commerce opportunities with various platforms such as Q0010, Webinars and Virtual Trade Fairs focussing on the sectors such as Renewable energy, Fresh fruits, Super foods, and Organic products, and own marketing efforts of Sri Lankan expats in order to promote ethnic products in Singapore market.

Market Entry Strategies

Singapore has the most developed retail market in Southeast Asia. Supermarkets and hypermarkets have more than 75% of sales of grocery products and is growing across all categories. To qualify products listing in supermarkets, a local distributor presence is an important requirement. Singapore is reputed for food safety and hygiene, and it has strict regulatory regimes to ensure the safety of food and food supplies that are being imported into the country. Sri Lankan companies with strong distributor presence would be helped to capture the market entry.

Cross border startups will also facilitate market access. Singapore has a vibrant and growing start-up culture and considered amongst the top in the world for start-up talent, has one of the fastest growing start-up communities in the world. The number of start-ups has doubled over the last decade to an estimated 55,000.

Activities are focused on cross border start up opportunities to expand the businesses across borders. Opportunities could be explored for Sri Lankan tech driven start-ups in the sectors such as Agri-Tech, Fintech and Edu- tech areas.

Investment Relations

Singapore is at present the 5th largest investment partner for Sri Lanka. In 2019 the total value of the investments from Singapore was US\$ 97.175 million.

Singapore has invested a total of US\$ 786 million during the period of 2005- 2019. Around 100 Singaporean businesses operate in Sri Lanka involved in various sectors such as manufacturing, real estate, and infrastructure development.

Singapore Investment in Sri Lanka

Year	FDI (US\$ Mn.)	Change %
2016	30.46	-70.29
2017	33.68	10.57
2018	80.52	139.07
2019	24.59	-69.46
2020	97.18	295.20
2020 (up to Sept)	43.36	-97,457

The main areas with investment potential include, among others, Export oriented manufacturing, Logistics, Tourism and Leisure infrastructure, and Food Processing. Special incentives for investors envisaged include introducing a tax free package to promote investment in identified areas; reducing income tax on productive enterprises from 28% to 18%; removing Economic Service Charge (ESC) and removing taxes on IT Services (Zero Tax). Value Added Tax (VAT) has already been reduced from 15% to 8% and taxes have been reduced for IT, agricultural and construction sectors. These measures are expected to result in higher levels of economic activity and boost domestic consumption with a positive impact on the country's capital markets as well.

Events

Webinar on “Ask Us Anything” 26th January, 2021



The Sri Lanka – Singapore Business Council (SLSBC) of the Ceylon Chamber of Commerce organized a webinar on “Ask Us Anything” on 26th January, 2021. The objective of session was to engage with the members, highlight the work carried out by each Sub-Committee and to discuss on the programs for the first half of 2021. The audience was given an opportunity to ask questions and share their feedback. Resource Person: H.E Sashikala Premawardena, Sri Lankan High Commissioner in Singapore, Ms. Nalika Kodikara, Commercial Counsellor, Sri Lankan High Commissioner in Singapore, Enterprise Singapore, Singapore Business Federation and the 07 Sub-Committee Chairs of SLSBC.

Webinar on Nano Injection Molding & Its Application 22nd February, 2021.



The Plastic and Rubber Institute of Sri Lanka in association with the Plastic and Rubber Association of Singapore and the Sri Lankan – Singapore Business Council organized a webinar on Nano Injection Molding & Its Application on 22nd February, 2021.

Topics covered during the webinar are Nano Injection Molding, Material and Equipment consideration, application and examples.

Resource Person: Mr. Ong Kian Soo, President, The Plastic and Rubber Institute of Sri Lanka.

Webinar on Pharma Manufacturing Opportunities in Sri Lanka 25th February, 2021



Sri Lanka Singapore Business Council of the Ceylon Chamber of Commerce organized a Webinar on Pharma Manufacturing Opportunities in Sri Lanka on 25th February, 2021. The objective of the session was to evaluate the emerging Foreign Direct Investments and Joint Venture opportunities in Pharma Manufacturing sector.

The Panel comprised of Mr. Sanjaya Mohottala, Chairman, Board of Investment of Sri Lanka Ms. Stella Ng (Manager, Global Business – Africa, Middle East, Central & South Asia) of the Singapore Business, Ms. Lakshanthi Fernando (President – Singapore Sri Lanka Business Association and Partner/Managing Director of CMS Holborn Asia and Dr. Hiran Ratwatte (Ex-Co Member – National Chamber of Pharmaceutical Manufacturers Sri Lanka & Managing Director – Seregen (Pvt) Ltd.

Sub-Committee Updates



01 | Gem & Jewellery Sub-Committee

CHAIR - MR. ARMIL SAMMON

TARGET:

Gem & Jewellery Committee of the Sri Lanka – Singapore Business Council will advance and promote trade relationships. As Sri Lanka been a source country and Singapore a consuming gateway to Asia and Rest of the World. Currently Singapore companies source many of their Gemstones through regional gem markets & exhibitions due to relationships. Our goal is to Work with the Singapore Gem & Jewellery companies, Trade associations and its members to assist them to work with more Sri Lankan companies for loose color gemstones & manufacturing to fulfill their requirements directly from the source for gemstones & Jewellery by bringing them together and also working with related government agencies to enable more transactions using technology

ACTION:

Sub-Committee has reached out few local and international gem dealers to organize a webinar with the objective of improving the transactions in the industry towards mid May 2021. The Sub-Committee also had a discussion on setting up and academy to improve the trade in the sector with Mr. Ho, President, Singapore Jewellers Association and the Sri Lanka High Commission in Singapore.



02 | Real Estate Sub-Committee

CHAIR - MR. SHILUKA GOONAWARDENA

TARGET:

To promote Sri Lanka as a destination for both FDI into the real estate sector as well as promoting real estate in Sri Lanka as an individual investment opportunity in Singapore.

ACTION:

The Sub-Committee is organizing a webinar towards May 2021. The structure of the webinar carries two presentations followed by a panel discussion. One on trending developments of Real estate sector in Sri Lanka conducted by KPMG and other one on REIT'S structure in Sri Lanka.



03 | Healthcare/Pharma Sub-Committee

CHAIR - MR. DUSHYANTHA PERERA

TARGET:

Reach out to additional healthcare/pharma sector entities in Sri Lanka for membership in the council. Promote Singaporean participation (both via investments and commercial arrangements) in the healthcare/pharma sector in Sri Lanka, particularly through joint ventures with local businesses. Explore opportunities for greater access to the Singapore market for Sri Lankan businesses operating within the sector (particularly for the provision of e-services).

ACTION:

The Sub-Committee successfully concluded the webinar on Webinar on Pharma Manufacturing Opportunities in Sri Lanka.

View the article

<https://www.themorning.lk/can-sls-pharma-sector-go-global/>

The Sub-Committee is presently in the process of preparing a sectoral FDI note covering the pharmaceutical and healthcare industry landscape in Sri Lanka and intend to publish the same by Q3 or Q4 of 2021.



04 | Agriculture/ Food Processing/ Security Ag-Tech Sub-Committee

CHAIR - MR. PRASHANTH PREMKUMAR

TARGET:

Work with ESG/SBF to promote Agri Tech and Agriculture based companies in Sri Lanka to Singapore based investors. Connect to regional opportunities in Agri Tech.

Create a platform for Sri Lankan Agri Exporters and aspiring exporters to connect to Singapore based buyers and trading companies.

ACTION:

The Sub-Committee collated 5 profiles of Agri Tech startups from Sri Lanka and have shared the details with Asian Development bank through Sri Lankan High Commission in Singapore for potential grant support.

Currently working with the Sri Lankan High Commission in Singapore to identify potential Venture capitalist and private investors to promote the selected Agri tech startups for potential investment and market opportunities.

A Food/Agri Tech webinar was organized in July 2020 to celebrate the 50-year Diplomatic relationship between the two countries. Most of the stakeholders from the industry participated. It also carried out virtual meetings with a few Singapore companies in order to invite them for potential



05 | Education Sub-Committee

CHAIR - MR. YUKTHI GUNASEKERA

TARGET:

Increase bilateral trade in Education between Sri Lanka and Singapore across the entire education spectrum: preschool, primary, secondary, tertiary, vocational, educational technology, corporate training, and executive coaching. In addition, the Sub-Committee seeks to enhance education access, standards, and achievement for Sri Lankans through collaboration, knowledge-sharing (best practices), and joint ventures between Sri Lankan and Singaporean entities.

ACTION:

01. Certificate and Graduate Courses in Plastics & Rubber

PRISL is in talks with Nanyang Polytechnic (NP) to offer certificate and graduate level courses for the benefit of NP and PRISL.

A tie-up with ITE Education Services, a subsidiary of Institute of Technical Education, Singapore, was not feasible since the courses offered by the two entities are not compatible.

02. Ed Tech

Headstart had a fruitful discussion with a Singapore business incubator which is willing to host a salesman for Headstart in Singapore in return for an equity-stake in Headstart. Due to current business imperatives, Headstart will make a decision on this offer in December 2021.

03. Gems & Jewellery field study for students and professionals

The Education Sub-Committee and the Gems & Jewellery Sub-Committee had a fruitful zoom meeting with Mr. Ho Nai Chuen, President, Singapore Jewellers Association, and his team. It was decided that Education Sub-Committee member Arnil Sammoon will conduct a webinar on his field-study courses and Sri Lankan jewellery in May 2021 for Singapore SME jewelers.

04. Primary, Secondary, Tertiary, and Vocational Education

- a) With the help of Education Sub-Committee member Dr. Harsha Alles, training on “digital education during COVID-19” was provided for two Sri Lankan secondary school principals: Mr. Kasun Gunarathna of Bandaranayake College, Gampaha, and Mr. UDIC Silva of Mahinda Rajapaksha College, Homagama. Both principals gave positive reviews of the training webinar. The training was provided by the Ministry of Education Singapore, offered through the Singapore Foreign Ministry to the Sri Lankan High Commission in Singapore.
- b) Wei Shan Boey of Enterprise Singapore initiated a zoom between her and Dr. Alles. Two separate matters were discussed in the meeting.
 - To connect Sri Lankan MOE policy makers with Singapore MOE policy makers to enhance primary and secondary education in Sri Lanka. Dr. Alles agreed to help us with this.
 - To connect Dr. Alles with private entities in Singapore to add value to Gateway schools, in keeping with goals.

05. Executive Coaching and Training in CEO Communication

Education Sub-Committee Chairman Mr. Yukthi Gunasekera and his firm YKG were connected with a corporate trainer and consultant associated with SSA Academy, Singapore. YKG will offer CEO Communication training to Singapore CEOs through this person. The Education Sub-Committee wishes to thank Mrs. Nalika Kodikara, Commercial Counselor of the Sri Lankan High Commission in Singapore, for making all of the above possible.



06 | Boat Manufacturing Sub-Committee

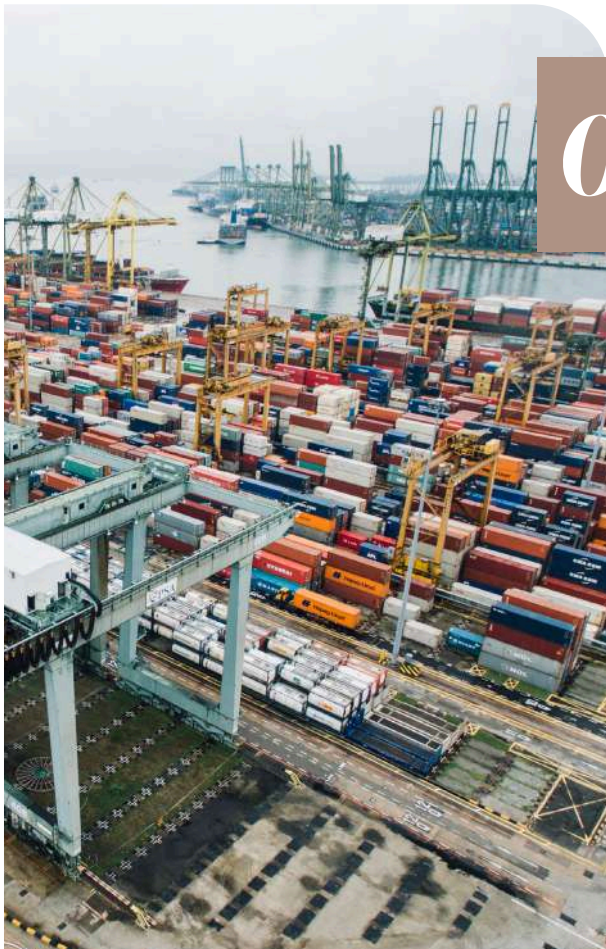
CHAIR - MR. INDRA KAUSHAL

TARGET:

To be showcasing the Sri Lanka boat manufacturers at the Singapore boat show and to highlight and give exposure to the boat show held in Sri Lanka.

ACTION:

Boat manufacturing Sub-Committee is working on an online Workshop on Recreational Boating Development in Sri Lanka in order to discuss on the strategic development of the recreational boating industry in Sri Lanka in May 2021. This is organized in association with the Sri Lankan High Commission of Singapore, Boat Building Technology Improvement Institute, Export Development Board and Singapore Boating Industry Association, Singapore.



07 | Logistics, Supply Chain and last mile Sub-Committee

CHAIR - MR. JEROME BROHIER

TARGET:

The focus of this Sub-Committee will be initially confined to Last Mile Delivery which is an area of interest by Singapore Investors and also poised for growth. Other objectives are as follow:

- Explore opportunities for attracting investment from Singapore to this industry
- Bring in new technology to further improve the industry
- Identify and resolve any regulatory issues that hinder growth to the industry
- Explore avenues to create growth and enhance volumes

ACTION:

The Sub-Committee is working on identifying the market size and improving other areas such as digital payment options, reverse logistics and oversized delivery capability which will fuel growth and satisfy industry needs.

08

Rubber, (Tyre, Auto parts) & Plastic, Boat Manufacturing Sub-Committee



CHAIR - MR. INDRA KAUSHAL

TARGET:

To increase the exports of Rubber and associated products. To help create joint ventures and promote investments into local production.

ACTION:

The Sub-Committee successfully concluded a webinar on Nano Injection Moulding & Its Application on 22nd February 2021. Also the Plastics and Rubber Institute of Sri Lanka (PRISL) together with Smart Expos and Fairs (India) Ltd. (SMART Expos) in collaboration with Export Development Board (EDB) launched the first Virtual Expo of Plastics and Rubber Industry. The exhibition was inaugurated by EDB Chairman Suresh De Mel via an online platform with more than 100 exhibitors from Sri Lanka, India, China and Taiwan.

09

Fintech Sub-Committee



CHAIR - MR. SHARHAN MUSHEEN

TARGET:

- **Conducive Regulatory Framework**
Leverage MAS expertise and learnings to educate Central Bank of Sri Lanka
- **Training and Knowledge Enhancement**
Increase awareness and develop Sri Lankan talent. Knowledge transfer.
- **Capital Raising**
Access available pools of capital within the Singapore Fintech Ecosystem to support start ups

ACTION:

The Sub-Committee has completed a landscape mapping of the Fintech space in Sri Lanka to provide a snapshot of the players and stakeholders in Eco system development. The landscape materials have been shared with Enterprise Singapore to help in mapping out collaboration areas.

A group of the sub-committee members met with Mr. Kumaratunga Director of the Central Bank of Sri Lanka (CBSL) to discuss strategic development plan for the Fintech space and how the sub-committee and how the Sri Lanka – Singapore Business Council (SLSBC) can support and facilitate the strategy. Mr. Kumaratunga agreed with the initiative to create regular forum for interaction and create an active dialogue with Monetary Authority of Singapore (MAS).

The sub-committee has developed an evaluation framework to identify high potential Fintech players to set in place a process identifies Sri Lankan Fintech national champions.

Ongoing Current Activities

- Setting up for framework of partnership with the Singapore Fintech Association (SFA) to foster cross border partnerships. Conference call with SFA happening 3rd week of April.
- Setting up of a monthly discussion forum for Fintech players and stakeholders under the patronage of the CBSL. A common forum will help address common industry issues in a more efficient manner
- Leverage support from Enterprise Singapore (ES) team to facilitate a discussion with MAS and other stakeholders in Singapore

New Members



Agrithmics (Pvt) Ltd

We are Agrithmics, an IOT enabled Agri-Tech solution offered to the small-hold farmers, factories and regional plantation companies primarily operating in Sri Lanka's tea industry, our solution digitally integrates their procurement and payment disbursement operation whilst improving efficiency and transparency of its process. The platform also enables a quick and simple payment system as well as ease-of-use and access by farmers and workers. Currently, a small-hold tea farmer who is connected via the Agrithmics platform has quick access to payments instead of the extensive waiting period that was the norm previously.

Additionally, the Agrithmics platform also adds significant value to B2B agricultural industries such as tea factories and regional plantation companies, who benefit from its end-to-end process automation integration and produce procurement transparency. As of now, Agrithmics has been adopted by some of the biggest players in the tea industry, including 03 elite principal Tea Factory groups & many regional plantation companies in Sri Lanka, with a base of over 50,000 active farmers and workers presently benefiting the features of this novel platform.

Our vision for Agrithmics is to positively contribute towards digitally enabling Agriculture based industries and its ecosystem. Agrithmics is not just a tech solution, but an entity that can understand and improve the lifestyle of the farmer community and its business environment using digital technology. Although our primary focus will be the tea industry, our mission is to enable our services to all Agricultural industries across the Asian region.



Gateway College



Gateway College (Pvt) Ltd

Gateway College offers holistic education from Play Group to Advanced Level, to over 5,500 students, with a teaching faculty of 550 teachers, in five campuses in Colombo, Negombo and Kandy.

During its nearly twenty five year history, Gateway College has consistently been a trend setter in academics, sports and technology. In academics, Gateway College consistently achieves unparalleled success with many students securing High Achiever Awards and World prizes every year, at the Edexcel Awards ceremonies. Gateway has also excelled in sports, drama, co-curricular activities and community service winning many accolades for outstanding achievements. Gateway College is the only Microsoft Showcase School in Sri Lanka and has been named a Centre for Excellence by Microsoft.

Sri Lanka - Singapore Business Council of the Ceylon Chamber of Commerce

Contact Details : Dinithi Dias

 0115588861/0115588800  dinithi@chamber.lk



Headstart (Pvt) Ltd

Headstart (Pvt) Ltd is one of the leading digital learning solution providers in Sri Lanka. The company provides comprehensive EdTech solutions encompassing both high-quality interactive digital content and robust software platforms. Headstart is also one of the leading digital transformation consultancy service providers which offers stakeholder training, consultation and transformation monitoring along with cutting edge software.

The company is one of the most sought after EdTech companies offering eLearning content and platform solutions to corporates including banks, insurance, retail & manufacturing organizations and to the government sector.

Headstart is a Co sell ready ISV Microsoft partner where it has integrated some of the key Microsoft education software tools to its offering.

Headstart owns and manages Sri Lanka's largest digital learning marketplace – Guru.lk with over 700,000+ registered users. Headstart also owns an education TV channel Guru TV.

The company has contributed to 200+ government schools and several key private schools where it has provided software, content, teacher capacity building.

Insureme Insurance Brokers (Pvt) Ltd

InsureMe is an innovative digital Insurance platform offering insurance solutions to both B2C and B2B segments. Armed with a team of professionals, InsureMe is the changing the Insurance landscape in Sri Lanka.

InsureMe was started from the thought of wanting to make it easy to be insured affordably, be able to make a claim easily, and being readily available to all consumers.

Having identified the potential of this endeavor, Dialog Axiata Digital Innovation Fund (Digital Investment arm of Dialog Axiata, Malaysia) invested into InsureMe in 2018 with a stake in the Company equity.

In addition, InsureMe has been selected by many Start-up programs such as Stanford Seed, Microsoft for Start-up, SL@100, etc as potential Company to develop.



GREEN FARMS (PVT) LTD

Green Farms (Pvt) Ltd

Green Farms (Pvt) Ltd, is a BOI company incorporated on 19 April 1970 located at Marawila. The Company was initially engaged in the production and export of ornamental foliage plants, and later, cut foliage. In 2015, the company ventured into aquatic plants, and was taken over by a new management team in 2018. Headquartered in Singapore, the management team had a combined experience of over 50 years of operating farms in Singapore, China, Malaysia and Netherlands. Green Farms, together with its sister companies are heavily focused in the production of ornamental plants, especially in aquatic plants and marginals.

With a worldwide customer reach, and catering both to large chain stores and interpedently operated, family-owned businesses, the group of companies had a wide product range ranging from ornamental aquatic plants and also offer full turn-key solutions including production insourcing.