

Project Summary

Project Background

Sri Lanka had been successful in establishing subcontracting/export industries mainly in the garments and footwear sectors, both facing increasing pressure from other Asian nations. The country, however, still exported a substantial part of her resources as raw or semi-processed material (e.g. rubber, coir). Quality and productivity needed to be improved to enter the export market with higher value-added production.

Project Objectives

The project started in 1994 with a concept of combined export and investment promotion for small and medium enterprises (SME) and in 1996 PSP redefined its mission towards "competitiveness of selected sectors of the Sri Lankan economy". It moved upstream from mere export promotion to a comprehensive programme of sector support comprising support to trade associations, professional bodies and service institutions, coupled with training programmes and consultancy to enterprises.

Project Activities

In selected sectors the project followed an integrated promotion concept combining support to chambers, associations and government institutions with company-level consultancy

- Product/design improvement and assistance in trade fair participation;
- Institutional support to private sector associations and government institutes, mainly in sectors: footwear, rubber, toys essential oils, coir, Institutional support to two national level private sector chambers;
- Individual consultancy to SMEs and 14 larger companies;
- Management seminars and vocational training schemes in the a.m. sectors;
- Feed-back of experiences to national level (Ministry of Industrial Development) channelled through sectoral associations and national chambers;
- Twinning of Sri Lankan training and support institutions with regional (India and Malaysia) and European partners;
- Connecting SME to large export companies and their associations via subcontracts and joint trade fair activities.

Implementation Feature

The project co-operated in Sri Lanka with four sector trade associations, two sector training and service centres and the leading Chambers of Commerce. The initial objective of export and investment promotion was successfully backed with a competitiveness strategy, whereby the close co-operation established with the industry has enabled the project to address macro-economic issues. PSP formulated and channelled to Government proposals on crucial macro-economic issues such as tariff structure, sub-contracting or graining and R & D requirements.

Services Provided

- Export marketing consultancy to SMEs
- Organisation of over 60 trade fair participations
- 82 technical and marketing seminars in 6 sectors
- 37 productivity awareness seminars
- creation of a footwear training and common facility centre
- 21 "white papers" submitted to Government

Sri Lanka

Integrated Approach to Investment and Export Promotion

Client

Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)

Duration

1994 - 2001

Personnel

- 1 long-term SME advisor (84 PM)
- 2 long-term local technical experts (168 PM)
- 30 PM international short-term experts
- 50 PM local short-term experts/trainers

