

UK FDI in Sri Lanka

Summary:

UK is considered as the oldest Foreign Direct Investor in Sri Lanka and also one of Sri Lanka's major investors, ranking first in terms of direct foreign investment from the European Union. British companies have invested in diverse areas such as power generation, textiles, garments and accessories, electronic products, security printing, tourism, infrastructure development, rubber based products, activated carbon, agriculture, logistics, insurance, food processing, computer software development and business process outsourcing.

UK was the 8th largest Foreign Direct Investor in Sri Lanka in 2011 accounting for US\$ 52 Mn out of the total FDI to Sri Lanka in 2011 which amounted to US\$ 1,067 Mn. As at June 2009, there were more than 110 UK companies, which have employed over 29,000 workforces, with an estimated investment of more than Rs. 46 Bn. (US \$ 418 Mn)

Highlights

Today Sri Lanka functions as the regional logistics hub for Marks & Spencer (M&S), the global apparel giant. M&S in association with Brandix Lanka opened the first ever "Green Apparel Factory" in the world in Sri Lanka in April 2008. It is anticipated that the redesigned factory would reduce its carbon footprint by 75 % through a 45 % saving in energy consumption.

In July 2010, De La Rue, an UK company opened its newly extended banknote factory in Sri Lanka. The factory extension represents an investment of more than £20 million, with a new state-of-the-art line of equipment to expand the company's manufacturing capability, creating over 150 new jobs in Sri Lanka. Over the last five years De La Rue has doubled the number of its employees in Sri Lanka to more than 350 individuals. The De La Rue factory was established in 1984 in collaboration with the Sri Lanka Treasury to print banknotes for the local market and for export to other countries.

The London Stock Exchange Group acquired MillenniumIT of Sri Lanka for £30 Million in 2010. According to the London Stock Exchange this transaction would afford significant benefits as further developing international business of the company with a broad customer base, retaining the innovation and job creation which make it such an attractive asset.

The concept of Public Private Partnerships (PPP) was introduced to Sri Lanka with the investment by P & O Worldwide, UK in the development of Colombo port - South Asia Gateway Terminal (SAGT) with Sri Lanka Ports Authority and the Government of Sri Lanka.

In addition to the above mentioned specific projects, several major UK companies have

established themselves in Sri Lanka and have successfully operated for decades.

Some of the main identified sectors for promotion of FDI from UK

- Tourism and Leisure Industry
- Textile and accessories
- Metal working and light engineering
- Electronics
- IT & IT enabled services (BPO's)
- Infrastructure development, Sea Ports, highways, water supply, waste disposal etc.
- Training institutions
- Agri-business
- Business Process Outsourcing
- Power generation
- Rubber based automotive components
- Petroleum exploration / down stream development

For more information on investment opportunities please visit- www.boi.lk

Leading British Investments in Sri Lanka

Name of Company

Project / Products

description

AmSafe Bridport

Air cargo pallet nets

Aviva / Norwich Union

BPO

Coats Vijella

Thread

Courtaulds Textile Plc

Garments

Cruickshank & Partners Ltd,

Control panels

De La Rue (Lanka) Pvt Ltd

(formerly Bradbury Wilkinson)

Security printing / currency

Deutz UK Ltd,

Power Generation

EMDigital (Pvt) Ltd

Linear Motor Solutions

HSBC Electronic Data Processing Lanka Pvt Ltd

BPO

Marks & Spencer

Garments / logistics

Oxley Threads

Thread

P & O Steam Navigation Company

Port development

Prym Newey Lanka (Pvt) Ltd

Garment Accessories

Quenby Antler Prints (Pvt) Ltd

Fabric printing

Richard Roberts Lanka

Knit ware