

SRI LANKA

*A Country With Blooming
Entrepreneurs*

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MSMEs in SRI LANKA

- Sri Lanka needs to encourage Micro, Small and Medium-sized Enterprises (MSMEs), which form the backbone of our economy, to play a greater role in the development of the economy.
- In the Sri Lankan context, according to the SME policy framework defines MSMEs based on the number of employees and annual turnover.
- Around 80% of businesses in Sri Lanka that falls under the MSMEs contribute over 50% to the Gross Domestic Production (GDP) of the country.
- Out of the total employment in the country, MSME covers a share of 35%.
- There are over one million Micro, Small and Medium Scale Enterprises with the engage of 2.25 million employees.

Policy Perspectives

- “The National Policy Framework for Micro, Small and Medium-sized Enterprises Development (MSME)” launched in year 2015

Government introduced policy perspectives through six core areas, including the Enabling environment, Modern appropriate technology, Entrepreneurial culture and skills development, Access to finance, Market facilitation and Research and development.

- “Enterprise Sri Lanka” programme, one of the main proposals made in the budget to create entrepreneurs launched in 2018.

Under this programme, 15 different loan schemes have been proposed for young entrepreneurs in the fields of Agriculture, fishery industries and for Small and Medium enterprises.

Good Practices

- Concessionary bank loan schemes for women, graduates and young entrepreneurs; Swashakthi, Thurunu Diriya loan schemes
- Vocational and technical trainings based on entrepreneurs
- Offering certifications for products and services
 - SLS – Sri Lanka Standards
 - GMP – Good Manufacturing Practices
 - GAP – Good Agricultural Practices
 - NVQ – National Vocational Qualification
- Business Consultancy Services through experts in the field
- Organizing Award Ceremonies to appreciate and motivate entrepreneurs; The ‘Entrepreneur of the Year award, The Sri Lankan Entrepreneur of the year
- Empowering women entrepreneurs
- Follow-up Mechanism for monitoring long term growth

Target Groups

Supporting MSMEs in capacity building would be crucial for their growth and development as the MSME sector enables inclusive growth that affects the lives of the most vulnerable and marginalized sectors of our society, such as;

- Women
- Young and Unemployed persons
- Graduates
- Differently abled persons
- People with uncertain incomes



Institutes Engaged

- Small Enterprises Development Division
- Exports Development Board
- Department of Agriculture
- Ministry of Primary Industries
- Entrepreneurship Development Authority
- Consumer Affairs Authority
- Industrial Development Board
- Department of Census and Statistics
- Department of Registrar of Companies
- Sri Lanka Standards Institute
- National Design Center
- The Central Bank
- Government and Private Banks
- Vidatha Centers
- Universities

Strengths and Possibilities

- Strong and sustain banks and financial Institutes.
- Favorable monetary interventions of the Central Bank of Sri Lanka.
- Motivational financial policy introductions and budgetary allocations.
- Entrepreneurial Education for school and university students.
- Encourage entrepreneurial culture through attitude development.
- Marketing and promotional activities; Exhibitions, Buyer-seller Meetings and Entrepreneurs Directory.
- Establish centers for selling products.
- Infrastructure development; roads, highways, airports, electricity, water, internet
- Friendly co-ordination with technical and innovative institutes

Gaps and Challenges

- Strict labour laws
- Lack of ICT literacy
- Lack of information
- Poor inter linkages and limited networks
- Lack of quality controlling
- Barriers to access of finance
- Attitudinal backwards
- Non-updated educational reforms
- Market failures
- Monopoly of multinational and transnational companies
- High costs and taxes
- Competition between large and well established businesses
- Regional disparities of infrastructure development

THANK YOU

