



Federation of Chambers of Commerce and Industry of Sri Lanka

ANNUAL REPORT 2008

EMPOWERING BUSINESS

A large, stylized tree in a light orange color dominates the background. The tree's branches and leaves are composed of various human silhouettes in different poses, some standing, some jumping, and some in motion, creating a sense of community and growth. The overall color scheme is a warm, solid orange.

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VISION

“We the apex body of chambers and associations of commerce and industry, champion in promoting business excellence in Sri Lanka”

MISSION

“We make Sri Lankan businesses competitive locally and globally providing comprehensive and innovative business support services in a socially and environmentally responsible manner while adding optimal value to stakeholders”

FCCISL is the rallying point for free enterprises in Sri Lanka. We have empowered Sri Lankan businesses in the changing times, to show up their competitiveness and enhance their National and Global reach.

With a nationwide membership of over 56 chambers of commerce and business associations, FCCISL espouses the shared vision of Sri Lankan businesses and speaks directly and indirectly to over 12,500 business units. We have an expanding membership of enterprises drawn from large, medium, small and micro segments of manufacturing, distributive trade and services.

Set up in 1973, FCCISL pioneered the establishment of regional chambers of commerce in Sri Lanka, established in 21 out of the 30 such chambers functioning today. It is the largest and most representative apex chamber body in the country.

As an umbrella organisation of the private sector, the FCCISL has been playing a key role in promoting business and industry in the country by providing its members with a wide spectrum of services ranging from advisory, lobbying, consultative, promotional and information sharing.

The FCCISL's commitment, drive and mission continue, always pursuing a new agenda in the ever-changing economic landscape of Sri Lanka.



OUR OBJECTIVES

The FCCISL is guided by the following key objectives that have undoubtedly contributed towards the success it has achieved thus far. What's more the organization has made a conscious effort to review these objectives at regular intervals and take appropriate action where necessary, so that the organization is able to sustain the momentum and growth it has been able to bring into the business and industry sectors of this country.

- To promote the interests of its federating units, both Trade & Industrial Associations and Chamber bodies.
- To aid, stimulate and play a catalytic role in the business and industrial development of the country.
- To protect, encourage and safeguard the cause of the private sector through its effective participation in the process of consultation and interaction with the Government, Ministerial Consultative Committees and other inter-related bodies or agencies.
- Provide Advisory services to the Government, lobby and participate in the formulation and execution of business and industry related Policies, Acts and Programmes.
- To assist in the creation of an organized private sector in Sri Lanka through a network of Chambers of Commerce and Industry and Commodity/Sectoral Associations.
- Provide up-to-date information services to business and Government and the community at large.
- Foster co-operation with related national and foreign organizations.

The Federation of Chambers of Commerce and Industry of Sri Lanka over the years has earned a reputation as a responsible organization that plays a genuine and progressive role for the upliftment of the business and industry sectors of the country.

OUR SERVICES

- Small and Medium Enterprise Development
- Regional Chamber Development
- Economic Affairs and Policy Support
- Industrial Relations
- International Affairs
- Human Resources Development
- Training and Consultancy
- Membership Services
- Foreign Trade and Export Promotion
- Networking and Event Management
- Project Management Services

OUR CORE COMPETENCIES

- Wide experience and expertise in diverse fields
- Quality service provider
- Continuous government-industry interface for evolving a shared vision on economic matters
- Rallying point for business diplomacy for promoting regional and international trade and investment
- Highly trained, experienced and accomplished multi-disciplinary, multi-lingual intellectual capital as our Secretariat
- State-of-the-art office infrastructure for conferences, board meetings and business promotions
- Professional approach for evolving quick solutions to economic and industrial issues
- Institutionalized services in quality assurance, energy auditing, sustainable and environmental issues, human resources and industrial relations and small and medium enterprise development
- Widest outreach in the private sector with 30 district and provincial based Chambers of Commerce
- One-stop-shop for promotion of Small and Medium Enterprises
- A longstanding track record of formulating and implementing donor supported business and economic development programmes
- Reliable and competent partner in public-private partnership

MESSAGE FROM THE PRESIDENT

“ As far as enterprise in the North and East of the country is concerned, the Federation remains committed to assisting business people who are looking to establish themselves in these regions. ”



Dear Members,

I write with a renewed sense of optimism given the comprehensive victory of the Sri Lankan armed forces in liberating the North and East of the country. For three decades the country has been ravaged by the scourge of terrorism and this is the time that we must unite to create a lasting solution which will enable all Sri Lankans to live with dignity in a peaceful Sri Lanka. We, for our part, stand ready to play a meaningful role in this regard.

I wish to thank His Excellency the President, Secretary of Defence, Commanding Officers of Armed Forces and the Inspector General of Police over this tremendous victory.

Sri Lanka stands at the cusp of what is possibly the most momentous opportunity the country has seen in the recent past. “Whether it’s in terms of economic growth, infrastructure development, ethnic reconciliation or making a greater international trade impact there has been no time like the present”.

The country’s economic performance coming into this period has indeed been promising. A growth rate of 6% in 2008, while marginally lower than the 6.8% posted in the previous year, is in stark contrast to the many major economies around the world affected by the financial meltdown. In an age where sub prime crises, economic recession and financial bailouts have become commonplace, the continued growth of a country that was also dealing with the constant presence of terrorism is indeed commendable.

It is in the backdrop of these opportune times that the role of an institution such as the Federation of Chambers of Commerce and Industry of Sri Lanka is pivotal. The need for an entity that could facilitate and steer the growth of business in an environment that is pregnant with opportunity is imperative.

This Annual Report will show our stakeholders how the Federation has contributed to business development in the country. It will also highlight the various prospects we have planned for the future.

A look back at the past fiscal year will show that the growth in Gross Domestic Product (GDP) was fuelled mainly by the Trade and Agricultural sectors, each contributing 19.4% and 15.1% respectively. The economic growth was also reflected in the increase in the per capita income, which crossed the US\$ 2000 mark for the first time, ending the year on US\$2,014.

Inflation continued to increase through the last year owing to the lagged effect of adverse monetary conditions as well as unfavourable developments in commodity prices. The commodity prices were also impacted by the low supply of domestically produced agriculture commodities and increased prices of imports. However, the declining trend in year on year indicators that commenced from July 2008 continued to demonstrate a positive trend.

Understandably, the volatility in the external environment due to the financial crisis made a significant impact on the economies of many major trading partners. Export growth was maintained at 6.5% with agricultural exports growing by 23.1% to US\$ 1,855 million in 2008. The apparel sector grew by a lower rate of 3.9% which was a marked reduction from previous years.

Imports saw an increase of 24%, mainly due to the sharp increase in import prices of major commodities fuelled by the spike in crude oil prices. This surge in import expenditure contributed significantly to the substantial expansion in the trade deficit.

The Central Bank continued with its policy of managing the exchange rate effectively, mainly focused on stability amidst unprecedented volatility in the global currency markets while allowing gradual depreciation to maintain external competitiveness, which helped the export sector while also maintaining the exchange market stability.

The interest rates policy remained unchanged during 2008 with quantified control strategies being adopted. The upward adjustments in the market interest rates through tight monetary policy helped to control the excessive expansion of credit in the market. However, the Monetary Policy indicated a direction towards a low interest regime with the improving liquidity conditions.

As one of the leading business facilitators in the country the Federation takes its responsibility of furthering business initiatives very seriously. One of the Federation's major accomplishments during the past year was the furthering of the Chamber movement in the provinces, leading to the establishment of Chambers in nearly all the districts in the country. The Federation is now integrated with 56 Chambers of Commerce, which the Federation facilitates.

As far as enterprise in the North and East of the country is concerned, the Federation remains committed to assisting business people who are looking to establish themselves in these regions. One of the Federation's roles includes acting as a mediator between the business community and the Government of Sri Lanka. In addition to smoothing the progress of business, The Federation also actively participated in the dispatching essential items in the North and East in order to assist communities in need. With the threat of terrorism eradicated, we see ourselves as an institution that can greatly contribute to the massive development that Sri Lanka will see in the future.

We believe that it is our responsibility to showcase Sri Lanka's talents not only in terms of intellectual aptitude but also the various handicrafts and products that are richly available. In keeping with this vision, The Federation hosted two exhibitions last year, with the "Hands Lanka" exhibition particularly popular. "Hands Lanka" was seen as a gateway for local craftsmen to showcase their works to international buyers, boosting the local handicraft industry.

The SME Machinery Exhibition held in May last year, was the other major exhibition organised by the Federation, with small scale machinery manufacturers, showing off their products to a wide array of possible clients.

In the Federation's attempts to further the development of Small and Medium Enterprises, we organise the 'Key Persons' Forum', which is a meeting of various intellectuals, who exchange their views on various business topics. This monthly forum has proved to be extremely popular amongst the business community. We believe that the key to the development of any economy is swift action coupled with extensive dialogue, and we are indeed proud to be facilitators of the 'Key Persons' Forum'.

The Federation also has an extremely active SAARC and International Affairs Division. The division focuses on carrying out seminars and discussions promoting the concepts of SAARC and SAPTA. The Annual SAARC mega trade event held in August last year was managed by the Federation, and the event proved to be a

MESSAGE FROM THE PRESIDENT

major success with the participation of several other SAARC nations. We believe that we have a role to play in furthering Sri Lanka's business ideals not only on a local scale but on a regional and global scale as well.

Another extremely commendable feature of the Federation's involvement in commerce and trade is the influence we have on Government policy on matters that involve private and public enterprise. I am proud to say that several of our proposals on the National Budget have created a considerable impact.

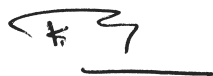
I also wish to highlight the achievements of the Special Projects Division, which handles the Business for Peace Initiative (BPI) and Handwerk Centres. The Business for Peace Initiative did Sri Lanka proud by winning the Asian CSR Award in Poverty Alleviation and the Award for Brand Excellence in Social Marketing at the Asia Brand Congress, both in 2008. The BPI has also been instrumental in the implementation of several important development projects. Initiatives ranging from chartering vessels to the North ensuring availability of essential goods in Jaffna and Vanni regions, organizing discussions with Colombo based buyers to improve market linkage for traders and producers in the North and East, as well as assistance in organizing discussions to seek investment opportunities in the East with the Chief Minister are some of the BPI's accomplishments.

In 2008, we were able to commence operations of the Handwerk Centre in Thirukkovil in the Eastern Province. This was in addition to our first centre in Kalutara in the Western Province. These two construction industry related vocational training institutes will play a major role in supplying skilled personnel to the construction industry which is in high demand at present.

I believe the key to our success is our professionalism. It is this professional approach coupled with innovative ideas and concepts that will serve to further the development possibilities we have at present.

Whilst thanking all such individuals and the rest of the members of the Secretariat for their cooperation, I believe that with their support the Federation will be a cornerstone in the economic advancement in Sri Lanka.

I wish to acknowledge the support extended to me by the Donors, Senior Vice President, Vice President and the Board Directors. My appreciation also goes out to the members of the Executive Council for their untiring efforts which have helped make this institution a truly apex body.



Kosala Wickramanayake
President

20th November 2009



Nimal Perera

Kumar Mallimaratchi

S T S Arulanathan

Tissa Jayaweera

Ajith Wattuhewa

Kosala Wickramanayake

Nawaz Rajabdeen

BOARD OF DIRECTORS

Kosala Wickramanayake

President

Kosala Wickramanayake was elected as the 15th President of the Federation on 15th September 2008 and has served in the Executive Council of the Federation since 1995. Kosala is a graduate of Economics and Business Management from the USA. He was a Past President of the American Alumni Association. He has thirty five years experience in the chamber movement since he joined the Chamber of Small Industries in 1974 and became the President in 1996. He is the Present Chairman of SMED and CEO of Kosala Enterprises (Pvt) Ltd, and a Director of Sterling Jersey Ltd , Airport & Aviation Authority, Lanka Puthra

Development Bank, Sri Lanka Standards Institution and the Sri Lanka Convention Bureau.

Tissa Jayaweera

Senior Vice President

Tissa Jayaweera was elected as the Senior Vice President of the Federation of Chambers of Commerce and Industry of Sri Lanka and appointed to the Board of Directors in October 2008. Tissa has been a member of the Council of the Federation of Chambers of Commerce and Industry of Sri Lanka from 1998. He was the former Chairman / Managing Director, Lanka Ceramic Ltd, Noritake Lanka Porcelain (Pvt) Ltd, Lanka Walltile Ltd, Lanka Tile Ltd, Lanka Refractories Ltd

and ITMIN Ltd. He has over 36 years of business management experience. Tissa is the present Chairman of the International Chamber of Commerce Sri Lanka, the President of Sri Lanka Bangladesh Business Council and a Director of SMED.

Kumar Mallimaratchi MIH

Vice President

Kumar Mallimaratchi was elected as the Vice President of the Federation of Chambers of Commerce and Industry of Sri Lanka and appointed to the Board of Directors in October 2008. He is a graduate in Hotel Management from the International School of Tourism in Italy, a life member of the Cornell Hotel Society,

BOARD OF DIRECTORS

USA and a member of the Institute of Hospitality (United Kingdom). He was the former President of the Tourist Hotels Association of Sri Lanka, and the Chairman of Ceylon Hotels Corporation, Associated Hotels and United Hotels Company. He is the present Chairman of the Tourism Training Centre, Managing Director of the Associated Hotels Company and Leisure Solutions Plus Company. He is also a Director of SMED and member of the Statutory Accounting Standards Committee of the Institute of Chartered Accountants of Sri Lanka.

Nawaz Rajabdeen*Immediate Past President*

Nawaz Rajabdeen is the Immediate Past President of the FCCISL. He served as the President for 03 years from 2005 to 2008. Nawaz is the Chairman / Managing Director of Rajabdeen & Sons Ltd. Nawaz joined the National Chamber of Commerce and Industry in the early 1980s and was the Senior Vice President of the chamber in 1990. He is on several boards of the trade chambers with over 25 years of experience in the industry. He is the Vice President of the SAARC Chamber of Commerce and the Serendib Chamber of Commerce. He was also appointed as the National Director of UNIDO in 2007. He is the Chairman of Hotel Developers PLC, owners of Colombo Hilton and a Director of the Export Development Board.

S T S Arulananthan J.P.*Director*

S T S Arulananthan was appointed to the Board in 2008 and has been a senior member of the Council of the Federation for over 16 years since 1993. He started his professional carrier at the Leela Group of Company in 1961, and is presently the Chairman of Leela Associates (Pvt) Ltd, Ramson Hardware Group of Companies, and Greenlands Hotel (Pvt) Ltd. He has over 48 years of management experience in the hardware, hotels and the social services sectors. Arulananthan is the President of Kataragama Pilgrims Thondar Society, Lanka Buddhist Hindu Friendship Association and Ceylon Hardware Merchants' Association. He is the Deputy Chairman/Trustee of Colombo Hindu College Development Trust and Trustee of Vishva Hindu Parishan of New Delhi & is on the Board of Governors of the Sri Lanka National Arbitration Centre.

Ajith Wattuhewa*Director*

Ajith Wattuhewa was appointed to the Board in 2008. He is the Chairman / Managing Director of Central Pre Cured Retreads (Pvt) Ltd and Asian International Promoters (Pvt) Ltd. Ajith holds a National Diploma in Technology in Polymer Technology with specialization in tyre retreading and fibre glass boat building from the University of Moratuwa. With experience in

chamber activities over 14 years, Ajith initiated the formation of the Kalutara and Gampaha District Chambers and the Provincial Chamber in Uva. He was the Founder Chairman of the Chamber of Commerce and Industry of Uva Province in 1996 and presently is the Immediate Past Chairman of the Chamber.

Nimal Perera*Director*

Nimal Perera, was appointed a Director to the Federation Board in 2008. Nimal, a textile industrialist is the Managing Director of NTS Interlining (Pvt) Ltd and the Chairman/Managing Director of Nids Fabric (Pvt) Ltd. Nimal was the former Director/CEO of Kuruwita Textile Mills PLC, a subsidiary of the Brandix Group. He has held the Past Chairmanship of the Ceylon National Chamber of Industries (CNCI) and Joint Business Forum (JBIZ). He is on the Board of Sri Lanka National Arbitration Centre and IND-EXPO Certification (Pvt) Ltd. He is the Vice President of Japan Sri Lanka Technical and Cultural Association (JASTECA).

GOVERNANCE - FCCISL Board, Council and Secretariat

The governance of the Federation today is based on a three-tiered structure. This was resultant to the constitutional changes introduced with effect from September 2008.

At the pinnacle of this structure is the Board of Directors headed by the President, the Senior Vice President, the Vice President, the immediate Past President and three persons appointed by the Executive Council to represent National Chambers, Regional Chambers, Associations, Institutions, Councils and Foundations.

The second or the representative tier is the Executive Council which constitutionally provides for one (01) representative and one (01) alternate from each Institutional member of the Federation to be represented on it.

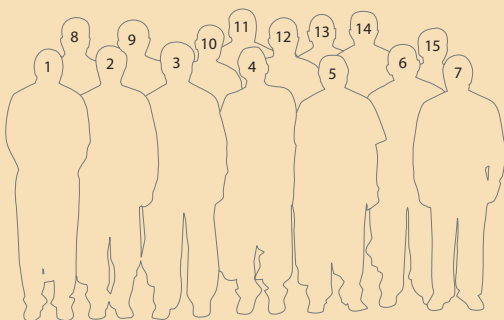
The third tier relates to the administration of the affairs and the Secretariat of the Federation headed by a Secretary General. He is responsible for the conduct of the business of the Federation under the directions of the Board of Directors.

The synthesis of the three principal components of governance of the Federation was intended to bring about more effective controls in the affairs of the body and its widely dispersed functional areas.

It is needless to stress that these structural changes have strengthened and added greater accountability to the Federation.

The Federation of Chambers of Commerce and Industry of Sri Lanka stands clearly above related bodies in this country in terms of its size, strength and diversity of services. Its status rests on its extensive service base, its professionalism and its acknowledged contribution towards the progress of the private enterprise system of this nation. In a crux it is, not only a committed driver of economic ideals enshrined in its Articles of Association but also from a macro perspective a promoter of the concepts of the freedom of enterprise.

OUR COUNCIL

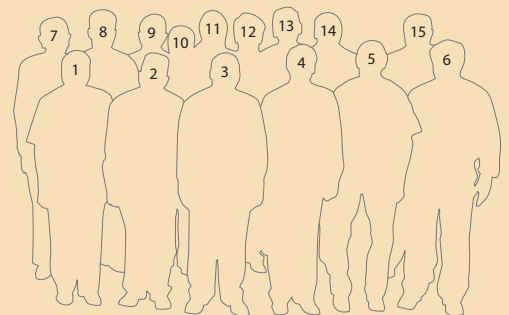


- | | |
|----------------------------|-------------------------------|
| 1. Kumar Mallimaratchi | 9. Nimal Weerasekera |
| 2. Tissa Jayaweera | 10. Darshaka Rupasinghe |
| 3. Shantha de Silva | 11. M Faizer Mackeen |
| 4. Sarath Kahapalaarachchi | 12. Wasantha Mallikarachi |
| 5. Sarath Hapuarachchi | 13. Samatha Kumarasinghe |
| 6. Srilal Mittapala | 14. W K H Wegapitiya |
| 7. Kosala Wickramanayake | 15. Suriyakumara Wijayarathne |
| 8. ST S Arulanathan | |



1. S H M Nizar
2. S M A Careem
3. Thilak Seneviratne
4. Rasika Rajapaksa
5. Rohan de Silva
6. K Chandrasekaran
7. Granville Perera
8. Shiran Karunaratne

9. D N J Chandrakumara
10. Laxman Walpitagamage
11. Vidyani Hettigoda
12. P Wijsekera
13. W M P Aponso
14. N Sunthareasan
15. Ajith Wattuhewa



OUR COUNCIL**American Chamber of Commerce in Sri Lanka**

Mr. Chullante Jayasuriya
Ms. Moji Akingbade

Ampara District Chamber of Commerce and Industry

Mr. Daya Gamage
Mr. Thilak Seneviratne

Anuradhapura District Chamber of Commerce, Industry and Agriculture

Mr. Amal Piyathilake
Mr. P B Dissanayake

Association of Licensed Foreign Employment Agencies

Mr. W M P Aponso
Mr. M Faizer Mackeen

Batticaloa District Chamber of Commerce, Industry and Agriculture

Mr. N Sunthareasan
Mr. M H M Naleem

Business Chamber of Commerce

Mr. Shabir A Gulamhusein
Mr. Asoka G Dharmawardane

Central Province Women's Chamber of Small Industry and Commerce

Ms. Shirley Jayawardana
Ms. Rosita Samarajeewa

Ceylon Hardware Merchants' Association

Mr. S T S Arulananthan
Mr. H M Jayaweera

Chamber of Commerce and Industry of Central Province

Mr. W A Warnakula
Mr. P Wijesekera

Chamber of Commerce and Industries Trincomalee District

Mr. R Rajarammohan
Mr. K Thiruchelvam

Chamber of Commerce and Industry of Uva Province

Mr. Ajith Wattuhewa
Mr. D N J Chandrakumara

Chamber of Commerce and Industry of Yarlpanam

Mr. C Thangarajah
Mr. C Shanmugalingam

Chamber of Young Lankan Entrepreneurs

Mr. W K H Wegapitiya
Mr. Samantha Kumarasinghe

Galle District Chamber of Commerce and Industries

Mr. Suriyakumara Wijayaratne
Mr. Lakshman Walpitagamage

Galle District Women Entrepreneurs' Chamber

Ms. Kamala Uyanage
Ms. M W Irangani

Hambantota District Chamber of Commerce

Mr. M Azmi Thassim
Mr. Priyankara Wickramasekera

Industrial Security Foundation

Capt. Ganesh Mendis
Mr. Nihal de Alwis

Institute of Personnel Management Sri Lanka

Mr. Lalith Wijetunga
Mr. Jayantha Jayaratne

International Business Council

Mr. Kalana Hewamallika

International Chamber of Commerce in Sri Lanka

Mr. Granwille Perera
Mr. Tissa Jayaweera

Jaffna Women's Chamber of Commerce, Industry and Agribusiness

Ms. C Rubendra
Ms. A M Selvarajah

Junior Chamber of Sri Lanka

Mr. Bimal Liyanage
Mr. Chanditha Wickrama

Kalmunai Traders' Federation

Mr. S M A Careem

Kalutara District Chamber of Commerce, Industry and Agriculture

Mr. Sarath Hapuarachchi
Mr. Sarath Kahapalaarachchi

Kegalle District Chamber of Commerce, Industry and Agriculture

Mr. Lalith Rambukwella
Mr. R A Chandrasena

Kilinochchi District Chamber of Commerce, Industry and Agriculture

Mr. M Ignietious
Mr. S Sriranganathan

Kurunegala District Women's Chamber of Commerce, Industry and Agriculture

Ms. Nilmini Tissera
Ms. Yamuna Rajapakse

Lanka Confectionery Manufacturers' Association

Mr. Quintus Perera
Mr. Indika Abeyratne

Mannar District Chamber of Commerce, Industry and Agriculture

Mr. S Rex Culas
Mr. T P Sinnathurai

Matale District Chamber of Commerce, Industry and Agriculture

Mr. G N Weligamage
Mr. Shantha de Silva

Matara District Chamber of Commerce and Industry

Mr. Raja Hewabowala
Mr. H D Wijayananda

Matara District Women's Chamber of Commerce and Industry

Ms. Wimali Ratnayake
Ms. Dhammika Uyangoda

Moneragala District Chamber of Commerce, Industry and Agriculture

Mr. Sanjaya de Silva
Mr. L Jayasinghe

Mullaitivu District Chamber of Commerce, Industry and Agriculture

Late Mr. R Chandramohan

National Chamber of Handicrafts of Sri Lanka

Mr. M K R Thilakaratne
Ms. Manel Madawala

National Construction Association of Sri Lanka

Mr. Patrick Jayawardena
Mr. Saliya Kaluarachchi

Nuwara Eliya District Chamber of Commerce, Industry and Agriculture

Mr. Gopal Rasaiah
Mr. M P Stephen

Polonnaruwa District Chamber of Commerce, Industry and Agriculture

Mr. P H G Dharmasiri
Mr. G D Sanath Priyantha

Private Tea Factory Owners' Association

Mr. Lalith Liyanage
Mr. Leonard Jayasinghe

Protected Agriculture Entrepreneurs Association of Sri Lanka

Mr. R S Wijesekara

Puttalam District Chamber of Commerce, Industry and Agribusiness

Mr. R A Shiran Karunaratne
Mr. Dhammika Hapuarachchige

Ruhunu Chamber of Commerce, Industry and Agriculture

Mr. P A Sirisena
Mr. O M Mangala Prabath

Sabaragamuwa Province Chamber of Commerce and Industry

Mr. Darshaka Rupasinghe
Mr. Rasika Rajapaksa

Serendib Chamber of Commerce and Industry

Mr. Nawaz Rajabdeen
Mr. S H M Nizar

Software Exporters Association

Mr. Mano Sekeram

Sri Lanka Association of Printers

Ms. Darani Karunaratne
Mr. Dinesh Kulatunga

Sri Lanka Chamber of Small Industry

Mr. Kosala Wickramanayake
Mr. Aloy R. Jayawardene
Mr. Rohan de Silva

Sri Lanka Fruit and Vegetable Producers', Processors' and Exporters' Association

Mr. Ismath Mohamed
Mr. Zuraish Hashim

Sri Lanka Gem and Jewellery Association

Deshabandu Macky Hashim
Mr. A Akram Mansoor

Sri Lanka Institute of Marketing

Mr. Nimal Weerasekera
Mr. Wasantha Mallikarachi

The Ceylon National Chamber of Industries

Mr. Nimal Perera
Mr. A K Ratnaraja

Tourist Hotels Association of Sri Lanka

Mr. Kumar Mallimaratchi
Mr. Srilal Mittapala

Vavuniya District Chamber of Commerce, Industry and Agriculture

Mr. V Sothinathan
Mr. A X R Carvalho

Wayamba Chamber of Commerce and Industry

Mr. Gamini Senanayake
Mr. T M Razeek

Women's Chamber of Industry and Commerce

Ms. Ramya Weerakoon
Ms. Chamarie Maelge

OUR PAST PRESIDENTS, VICE PRESIDENTS AND SECRETARIES GENERAL

| Term of Office | President and the Member body represented | Vice Presidents and the Member body represented | Secretaries General |
|----------------|---|--|---|
| 1973/1974 | Mr. Mallory E Wijesinghe (Ceylon Chamber of Commerce) | Mr. P A Silva Mr. H R Fernando (The National Chamber of Commerce of Sri Lanka) Mr. N U Jayawardena Mr. V L Wirasinha (The Ceylon Chamber of Commerce) | Mr. John Rodrigo / Mr. T Seneviratne |
| 1974/1975 | Mr. Mallory E Wijesinghe (Ceylon Chamber of Commerce) | Mr. H E P de Mel (The Ceylon National Chamber of Industries) Mr. H R Fernando (The National Chamber of Commerce of Sri Lanka) | Mr. John Rodrigo / Mr. T Seneviratne |
| 1975/1976 | Mr. Mallory E Wijesinghe (Ceylon Chamber of Commerce) | Mr. H E P de Mel (The Ceylon National Chamber of Industries) Mr. H R Fernando (The National Chamber of Commerce of Sri Lanka) | Mr. John Rodrigo / Mr. T Seneviratne |
| 1976/1977 | Mr. H R Fernando (The National Chamber of Commerce of Sri Lanka) | Mr. H E P de Mel (The Ceylon National Chamber of Industries) Mr. V L Wirasinha (The Ceylon Chamber of Commerce) | Mr. T Seneviratne |
| 1977/1978 | Mr. H R Fernando (The National Chamber of Commerce of Sri Lanka) | Mr. Gilbert Jayasuriya (The Ceylon National Chamber of Industries) Mr. M Kundanmal (The Mercantile Chamber of Commerce of Ceylon) | Mr. T Seneviratne |
| 1979/1980 | Mr. Gilbert Jayasuriya (The Ceylon National Chamber of Industries) | Mr. M Kundanmal (The Mercantile Chamber of Commerce of Ceylon) Mudaliyar N W J Mudalige (The All Ceylon Trade Chamber) | Mr. T Seneviratne |

| Term of Office | President and the Member body represented | Vice Presidents and the Member body represented | Secretaries General |
|----------------|---|--|---------------------|
| 1980/1981 | Mr. Gilbert Jayasuriya (The Ceylon National Chamber of Industries) | Mudaliyar N W J Mudalige (The All Ceylon Trade Chamber) Mr. A D E de S Wijeratne (The National Chamber of Commerce of Sri Lanka) | Mr. T Seneviratne |
| 1981/1982 | Mudaliyar N W J Mudalige (The All Ceylon Trade Chamber) | Mr. A H Rajkotwala (The Mercantile Chamber of Commerce of Ceylon) Mr. W Granwille Perera (The Sri Lanka Chamber of Small Industry) | Mr. T Seneviratne |
| 1982/1983 | Mudaliyar N W J Mudalige (The All Ceylon Trade Chamber) | Mr. A H Rajkotwala (The Mercantile Chamber of Commerce of Ceylon) Mr. W Granwille Perera (The Sri Lanka Chamber of Small Industry) | Mr. T Seneviratne |
| 1983 / 1984 | Mr. A H Rajkotwala (The Mercantile Chamber of Commerce of Ceylon) | Mr. W Granwille Perera (Sri Lanka National Council of International Chamber of Commerce) Mr. D M Perera (The Tourist Hotels Association of Sri Lanka) | Mr. T Seneviratne |
| 1984/1985 | Mr. A H Rajkotwala (The Mercantile Chamber of Commerce of Ceylon) | Mr. W Granwille Perera (Sri Lanka National Council of International Chamber of Commerce) Mr. D M Perera (The Tourist Hotels Association of Sri Lanka) | Mr. T Seneviratne |
| 1985/1986 | Mr. Aloy R Jayawardene (Sri Lanka Chamber of Small Industries) | Mr. Stanley William (Mercantile Chamber of Commerce of Ceylon) Mr. Y P Muthukumarana (All Ceylon Trade Chamber) | Mr. T Seneviratne |
| 1986/1987 | Mr. Aloy R Jayawardene (Sri Lanka Chamber of Small Industries) | Mr. Stanley William (Mercantile Chamber of Commerce of Ceylon) Mr. Y P Muthukumarana (All Ceylon Trade Chamber) | Mr. T Seneviratne |

OUR PAST PRESIDENTS, VICE PRESIDENTS AND SECRETARIES GENERAL

| Term of Office | resident and the Member body represented | Vice Presidents and the Member body represented | Secretaries General |
|----------------|---|--|---|
| 1987/1988 | Mr. A R P Wijesekera (Ceylon National Chamber of Industries) | Mr. Stanley William (Mercantile Chamber of Commerce of Ceylon) Mr. H D de Silva (National Chamber of Commerce of Sri Lanka) Mr. Kumara Semage (Sri Lanka Chamber of Small Industry) | Mr. T Seneviratne / Mr. A F Ludowyke |
| 1988/1989 | Mr. Chandra Karunanayake (Ceylon National Chamber of Industries) | Mr. Stanley William (Mercantile Chamber of Commerce of Ceylon) Mr. W Granwille Perera (Sri Lanka National Council of International Chamber of Commerce) | Mr. A F Ludowyke |
| 1989/1990 | Mr. Chandra Karunanayake (The Ceylon National Chamber of Industries) | Mr. Stanley William (Mercantile Chamber of Commerce of Ceylon) Mr. K Jayasuriya (The National Chamber of Commerce of Sri Lanka) | Mr. A F Ludowyke |
| 1990/1991 | Mr. W Granwille Perera (Sri Lanka National Council of International Chamber of Commerce) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Sugath Kodituwakku (Sri Lanka Chamber of Small Industry) | Mr. A F Ludowyke / Mr. B H Dushyantha Mendis |
| 1991/1992 | Mr. W Granwille Perera (Sri Lanka National Council of International Chamber of Commerce) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Sugath Kodituwakku (Sri Lanka Chamber of Small Industry) | Mr. A F Ludowyke / Mr. B H Dushyantha Mendis |
| 1992/1993 | Mr. Patrick Amarasinghe (National Exporters Association of Sri Lanka) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Lal de Mel (The Ceylon National Chamber of Industries) | Mr. B H Dushyantha Mendis / Ms. Avanti Moonasinghe (Deputy) |
| 1993/1994 | Mr. Patrick Amarasinghe (National Exporters Association of Sri Lanka) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Anil Cooray |

| Term of Office | Vice Presidents and the Member body represented | Vice Presidents and the Member body represented | Secretaries General |
|----------------|--|---|--|
| 1994/1995 | Mr. Patrick Amarasinghe (National Exporters Association of Sri Lanka) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Anil Cooray |
| 1995/1996 | Mr. Patrick Amarasinghe (National Chamber of Exporters of Sri Lanka) | Mr. Macky Hashim (Serendib Chamber of Commerce and Industry) Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Anil Cooray |
| 1996/1997 | Mr. Patrick Amarasinghe (National Chamber of Exporters of Sri Lanka) | Mr. Macky Hashim (Serendib Chamber of Commerce and Industry) Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Anil Cooray / Mr. Samantha Abeywickrama |
| 1997/1998 | Mr. Patrick Amarasinghe (National Chamber of Exporters of Sri Lanka) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Samantha Abeywickrama |
| 1999 | Mr. Lal de Mel (Sri Lanka Institute of Marketing) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Samantha Abeywickrama |
| 2000 | Mr. Lal de Mel (Sri Lanka Institute of Marketing) | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Samantha Abeywickrama |
| 2001 | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) | Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) Mr. Nawaz Rajabdeen (Serendib Chamber of Commerce & Industry) | Mr. Samantha Abeywickrama |

OUR PAST PRESIDENTS, VICE PRESIDENTS AND SECRETARIES GENERAL

| Term of Office | President and the Member body represented | Vice Presidents and the Member-body represented | Secretaries General |
|----------------|---|--|---------------------------|
| 2002 | Mr. Macky Hashim (Sri Lanka Gem Traders' Association) | Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) Mr. Nawaz Rajabdeen (Serendib Chamber of Commerce & Industry) | Mr. Samantha Abeywickrama |
| 2003 | Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Nawaz Rajabdeen (Serendib Chamber of Commerce & Industry) Mr. Kosala Wickramanayake (Sri Lanka Chamber of Small Industry) | Mr. Samantha Abeywickrama |
| 2004/2005 | Mr. Nihal Abeysekera (The Ceylon National Chamber of Industries) | Mr. Nawaz Rajabdeen (Serendib Chamber of Commerce & Industry) Mr. Kosala Wickramanayake (Sri Lanka Chamber of Small Industry) | Mr. Samantha Abeywickrama |
| 2005/2006 | Mr. Nawaz Rajabdeen (Serendib Chamber of Commerce & Industry) | Mr. Kosala Wickramanayake (Sri Lanka Chamber of Small Industry) Mr. Tissa Jayaweera (International Chamber of Commerce Sri Lanka) | Mr. Samantha Abeywickrama |
| 2006/2007 | Mr. Nawaz Rajabdeen (Serendib Chamber of Commerce & Industry) | Mr. Kosala Wickramanayake (Sri Lanka Chamber of Small Industry) Mr. Tissa Jayaweera (International Chamber of Commerce Sri Lanka) | Mr. Samantha Abeywickrama |
| 2007/2008 | Mr. Nawaz Rajabdeen (Serendib Chamber of Commerce & Industry) | Mr. Kosala Wickramanayake (Sri Lanka Chamber of Small Industry) Mr. Tissa Jayaweera (International Chamber of Commerce Sri Lanka) | Mr. Samantha Abeywickrama |
| 2008 | Mr. Kosala Wickramanayake (Sri Lanka Chamber of Small Industry) | Mr. Tissa Jayaweera (International Chamber of Commerce Sri Lanka) Mr. Kumar Mallimaratchi (Tourist Hotels Association of Sri Lanka) | Mr. Samantha Abeywickrama |

OUR MEMBERS

The institutional membership of the Federation comprises a wide spectrum of bodies covering a multiplicity of economic sectors of the country. On the other hand, they are also spread across the length and breadth of Sri Lanka.

56 such bodies are members of the Federation. Out of these, 10 are National Chambers, 06 are Provincial Chambers, 24 are District Chambers which cover the entirety of districts in the country and serve the interests of several active areas

NATIONAL CHAMBERS (10)

American Chamber of Commerce in Sri Lanka

American Chamber of Commerce in Sri Lanka, 1st Floor, Office Building, South Wing, Colombo Hilton, Lotus Road, Colombo 01.
Tel : 011 2336073/4
Fax : 011 2336072
Email : info@amcham.lk
Web : www.amcham.lk

Business Chamber of Commerce

2nd Floor, 18/414, CFT Building
K Cyril C Perera Mawatha, Colombo 13.
Tel : 011 2449321
Fax : 011 2448957
Email : bcchamber@slt.net.lk

International Chamber of Commerce Sri Lanka

53, Vauxhall Lane, Colombo 2.
Tel : 011 5333392, 2307841, 2307825
Fax : 011 2307841
Email : iccsl@slt.net.lk
Web : www.iccsrila.lk

Junior Chamber International Sri Lanka

605, "SUCHANDIMA", Nawagamuwa (WP)
Tel : 033 2256288
Email : chandithaw@yahoo.com

in trade and commerce such as Kurunegala, Ampara, Hambantota, Kalutara and the districts in the North and East of Sri Lanka.

Our membership also has 11 associations representing a diversity of interests such as employment, construction, private tea factories, vegetable producers, processors and exporters, gems and jewellery, hardware and tourism.

National Chamber of Handicrafts of Sri Lanka

46 C, George E de Silva Mawatha, Kandy.
Tel : 081 22 03791
Fax : 081 22 03791
Email : nchslkandy@gmail.com
Web : www.nchsl.com

Serendib Chamber of Commerce & Industry

279, 2nd Floor, Galle Road, Colombo 3.
Tel : 011 2577071 / 2
Fax : 011 2577073
Email: richco@slt.net.lk

Sri Lanka Chamber of Small Industry

YMBA Building, 126/10 B Fort, Colombo 3.
Tel : 011 2424505, 5644379
Fax : 011 2424505
Email: slcsi@slt.net.lk

Ceylon National Chamber of Industries

20, First Floor
Galle Face Court 2,
P.O. Box 1775, Colombo 3.
Tel : 011 2452181/2331444/2423734
Fax : 011 2331443
Email : cnci@slt.lk
Web : www.cnci.biz

02 Foundations also constitute our membership. One relating to industrial security and another a traders' federation in Kalmunai. Our membership also consists of a council and 02 institutions. As a result of this depth and diversity, the Federation of Chambers of Commerce and Industry of Sri Lanka is a truly representative body at the helm of affairs of the private sector in this country.

Women's Chamber of Industry & Commerce

380/7, Sarana Road,
Buddhaloka Mawatha, Colombo 07.
Tel : 011 2671762
Fax : 011 2669074
Email : wcicsl@slt.net.lk

Chamber of Young Lankan Entrepreneurs

24, Beddagana Road, Kotte.
Tel : 011 4319996/2833560
Fax : 011 4319996
Email : coyle@isplanka.lk
Web : www.coyle.lk

INSTITUTIONS (02)

Institute of Personnel Management Sri Lanka

HR House, 43, Vijaya Kumaranatunga Mawatha, Colombo 05.
Tel : 011 4511137/8
011 4511148, 4528866
Fax : 011 4511107
Email : dsks@ipmlk.org
Web : www.ipmlk.org

Sri Lanka Institute of Marketing

SLIM Home
94, Ananda Rajakaruna Mawatha, Colombo 10.
Tel : 011 2675000
Fax : 011 2681660
Web : www.slim.lk

OUR MEMBERS**ASSOCIATIONS (11)****Association of Licensed Foreign Employment Agencies**

69, Maligawatta Road, Colombo 10
 Tel : 011 2336661 / 2 / 64
 Fax : 011 2336665
 E-mail : alfea@slt.net.lk
 Web : www.alfea.org

Lanka Confectionery Manufacturers' Association

68, Wijaya Road, Kolonnawa.
 Tel : 011 5023223/2531515
 Fax : 011 2572764
 Email: scopex@eureka.lk

National Construction Association of Sri Lanka

350 A, Pannipitiya Road, Pelawatta.
 Tel : 011 2786325
 Fax : 011 2784355
 Email : nccasl@slt.net.lk

Private Tea Factory Owners Association

429, 2/1, Nawala Road, Rajagiriya.
 Tel : 011 2888976
 Fax : 011 2888976
 Email : ptfoa@slt.net.lk

Sri Lanka Association of Printers

290, D.R. Wijewardena Mawatha, Colombo 10.
 Tel : 011 2472315
 Fax : 011 2386716
 Email : slap@srilankaprint.com

Sri Lanka Fruit & Vegetable Producers, Processors' & Exporters' Association

No. 80, Reclamation Road, Colombo 11.
 Tel : 011 2327810
 Fax : 011 2332331
 Email : zuraishh@hotmail.com

Sri Lanka Gem & Jewellery Association

2nd Floor, SUBUD House
 38, Frankfurt Place, Colombo 04
 Tel : 011 2597226, 2597470
 Fax : 011 2597250, 2554144
 Email : info@slgja.org
 Web : www.slgja.org

Ceylon Hardware Merchants' Association

443, Old Moor Street, Colombo 12.
 Tel : 011 2431511 / 2434411 / 2431550
 Fax : 011 2432377 / 8
 Email : ramsons@slt.lk, arjunanet@gmail.com

Tourist Hotels Association of Sri Lanka

C/o The Ceylon Chamber of Commerce
 50, Navam Mawatha, Colombo 2
 Tel : 011 2421745/6, 2328880, 4716673
 Fax : 011 2449352
 Email : alikiei@chamber.lk

Protected Agriculture Entrepreneurs' Association

254/1, Shodans Building,
 Muruthalawa Road, Peradeniya.
 Tel : 081 2387121
 Fax : 081 2387121
 Email : paea@slt.net.lk

Software Exporters' Association

C/o Ceylon Chamber of Commerce
 50, Nawam Mawatha, Colombo 02.
 Tel : 011- 2392840, 2421745/6
 Fax : 011- 2449352

COUNCIL (01)**International Business Council**

40/1, Dickman's Road, Colombo 05.
 Tel : 011 4925036
 Fax : 011 2336466
 Email : rajini@slt.net.lk

FOUNDATIONS (02)**Industrial Security Foundation**

40/5/1/1, Gemunu Mawatha,
 Nawala Road, Nugegoda.
 Tel : 011 2827106
 Fax : 011 2813200
 Email : tilaks@mngmmet.com

Kalmunai Traders' Federation

C/o: Steel Furniture & Construction work
 147, Main Street, Kalmunai.
 Tel : 067 2229301
 Fax : 067 2229869

PROVINCIAL CHAMBERS (06)**Central Province Women's Chamber of Small Industries & Commerce**

38, George E De Silva Mawatha, Kandy.
 Tel : 081 2228571
 Fax : 081 2203791
 Email : cpwcic@yahoo.com
 Web : www.centralprovincewomenschamber.lk

Chamber of Commerce & Industry of Central Province

04, Dharmaraja Mawatha, Kandy.
 Tel : 081 5623598/4476685/2205244
 Fax : 081 4476685/4940685
 Email : info@chamberkandy.org
 Web : www.centralprovincechamber.lk

Chamber of Commerce & Industry of Uva Province

30, Udayaraja Mawatha, Badulla.
 Tel : 055 22 24195
 Fax : 055 2224195
 Email : cciup@slt.net.lk
 Web : www.uvaprovencechamber.lk

Ruhunu Chamber of Commerce Industry and Agriculture

418, Rubberewatta, Tissamaharama.
 Tel : 047- 2237156

Sabaragamuwa Province Chamber of Commerce & Industry

567 ½, Main street, Ratnapura.
 Tel : 045 2223662
 Fax : 045 2222056
 Email : sccija@slt.net.lk
 Web : www.sabaragamuwachamber.lk

Wayamba Chamber of Commerce & Industry

18, 01st Floor, LOLC Building
 Mihindu Mawatha, Kurunegala.
 Tel : 037 2224356
 Fax : 037 2224355
 Email : wcci@slt.net.lk
 Web : www.fccisl.lk/wayamba

DISTRICT CHAMBERS (24)

Ampara District Chamber of Commerce & Industry

2nd Floor, T K S Building,
D S Senanayake Street, Ampara.
Tel : 063 22 23790
Fax : 063 22 23315
Email : amparachamber@yahoo.com
Web : www.amparachamber.lk

Anuradhapura District Chamber of Commerce, Industry & Agriculture

334/110 E 1, Main Street,
Anuradhapura.
Tel : 025 4 580770
Fax : 025 4580771
Email : adccia@yahoo.com
Web : www.anuradhapurachamber.lk

Batticaloa District Chamber of Commerce, Industry & Agriculture

56, Thamarikerny Road, Batticaloa
Tel : 065 22 26656
Fax : 065 22 26656
Email : necbp@sltnet.lk
Web : www.batticaloachamber.lk

Chamber of Commerce & Industries Trincomalee District

171, Power House Road, Trincomalee.
Tel : 026 2225270, 4920939
Fax : 026 2225270
Email : chambertrinco@gmail.com
Web : www.trincomaleechamber.lk

Galle District Chamber of Commerce & Industries

Chamber Building,
Sri Gnanobasha Mawatha,
Oroppuwatta, Galle
Tel : 091 7396140-7, 4380715
Fax : 091 7396143
Email : gallechamber@yahoo.com
Web : www.gallechamber.com

Galle District Women Entrepreneurs' Chamber

320, Matara Rd, Magalle, Galle.
Tel : 091 2227245
Fax : 091 2227245
Email : gallewomenchamber@yahoo.com
Web : www.gallewomenschamber.lk

Gampaha District Chamber of Commerce Industry & Agriculture

2nd Floor,
Gampaha Pradesihya Saba Building,
Miriswatte Junction, Mudungoda.
Tel : 033 2234244
Fax : 033 2234244
Email : gampahaccia@fccisl.lk
Web : www.fccisl.lk/gdccc

Chamber of Commerce and Industries of Yarlpanam

175, Point Pedro Road,
Annaipanthi, Jaffna.
Tel : 021 22 26609
Fax : 021 22 26609
Email : jaffnacciy@sltnet.lk
Web : yarlpanamchamber.lk

Hambantota District Chamber of Commerce

Tangalle Road, Hambantota.
Tel : 047 22 20940/1, 2220448
Fax : 047 22 20448
Email : chamber@hdcc.lk
Web : www.hdcc.lk

Jaffna women's Chamber of Commerce, Industry & Agribusiness

Uduvil Road, Manipay.
Tel : 021 3218639
Email : jwccia@ymail.com
Web : www.jaffnawomenschamber.lk

Kalutara District Chamber of Commerce, Industry & Agriculture

Level 2, 350 B, Galle Road, Panadura.
Tel : 038 22 41196
Fax : 038 22 41196
Email : kdchamber@sltnet.lk
Web : www.kalutarachamber.lk

Kegalle District Chamber of Commerce Industry & Agriculture

562/1A, Kandy Road, Meepitiya, Kegalle.
Tel : 035-2221434
Fax : 035 2221434
Email : kdccia@sltnet.lk
Web : www.kegallechamber.lk

Kilinochchi District Chamber of Commerce, Industry & Agriculture

93, A9 Road, Ananthapuram, Kilinochchi.
Tel : 021 2285067
Fax : 021 2285067

Kurunegala District Women's Chamber of Commerce, Industry & Agribusiness

04, Sunitech Building,
2nd Floor, 1st Lane, Bauddhaloka
Mawatha, Kurunegala.
Tel : 037 2232108
Fax : 037 2232108
Email : kdwccia@yahoo.com
Web : www.kurunegalawomenschamber.lk

Mannar District Chamber of Commerce, Industry and Agriculture

1st Floor, MPCs Building,
Field Street, Mannar.
Tel : 023 2223308
Fax : 023 2223308
Email : mdccia@sltnet.lk
Web : www.mannarchamber.lk

Matale District Chamber of Commerce Industry and Agriculture

10, Vihara Road, Matale.
Tel : 066 7390700/3
Fax : 066 7390702
Email : matalechamber@gmail.com
Web : www.matalechamber.lk

Matara District Chamber of Commerce & Industry

2nd Floor, No. 2,
C A Ariyathilleke Mawatha, Matara.
Tel : 041 22 29883
Fax : 041 22 29883
Email : mdcci@sltnet.lk
Web : www.matarachamber.lk

OUR MEMBERS

**Matara District Women's Chamber of
Commerce & Industry**

3/6, Siri Dharmarathna Mawatha,
Pamburana, Matara.

Tel : 041 5670105

Fax : 041 2227494

Email : mdwc@hotmail.com

**Moneragala District Chamber of
Commerce, Industry and Agriculture**

76, Kataragama Road, Buttala.

Tel : 055 2273 416

Fax : 055 2273752

Email : ccimd@sltnet.lk

Web : www.moneragalachamber.lk

**Mullaitivu District Chamber of
Commerce, Industry & Agriculture**

Manatkudiyiruppu, Mullaitivu.

**Nuwara Eliya District Chamber of
Commerce, Industry & Agriculture**

77/1/2, Kandy Road, Nuwara Eliya.

Tel : 052 – 2224078

Fax : 052 – 2224078

Email : nedccia@sltnet.lk,

Web : www.nuwaraeliyachamber.lk

**Polonnaruwa District Chamber of
Commerce, Industry & Agriculture**

1st Floor, Piyasiri Building,
Air Port Road, Hingurakgoda.

Tel : 027 2247826

Fax : 027 2247826

Email : pdccia@gmail.com

Web : www.polonnaruwachamber.lk

**Puttalam District Chamber of
Commerce, Industry and Agribusiness**

2nd Floor, Sky Line Building,
48 2/2, Colombo Road, Chilaw.

Tel : 032 2221487, 032 2221213

Fax : 032 2221213

Email : puttlamchamber@sltnet.lk

Web : www.puttalamchamber.lk

**Vauniya District Chamber of
Commerce, Industry & Agriculture**

1st Floor, Sathiya Building,
57, 1st Cross Street, Vavuniya.

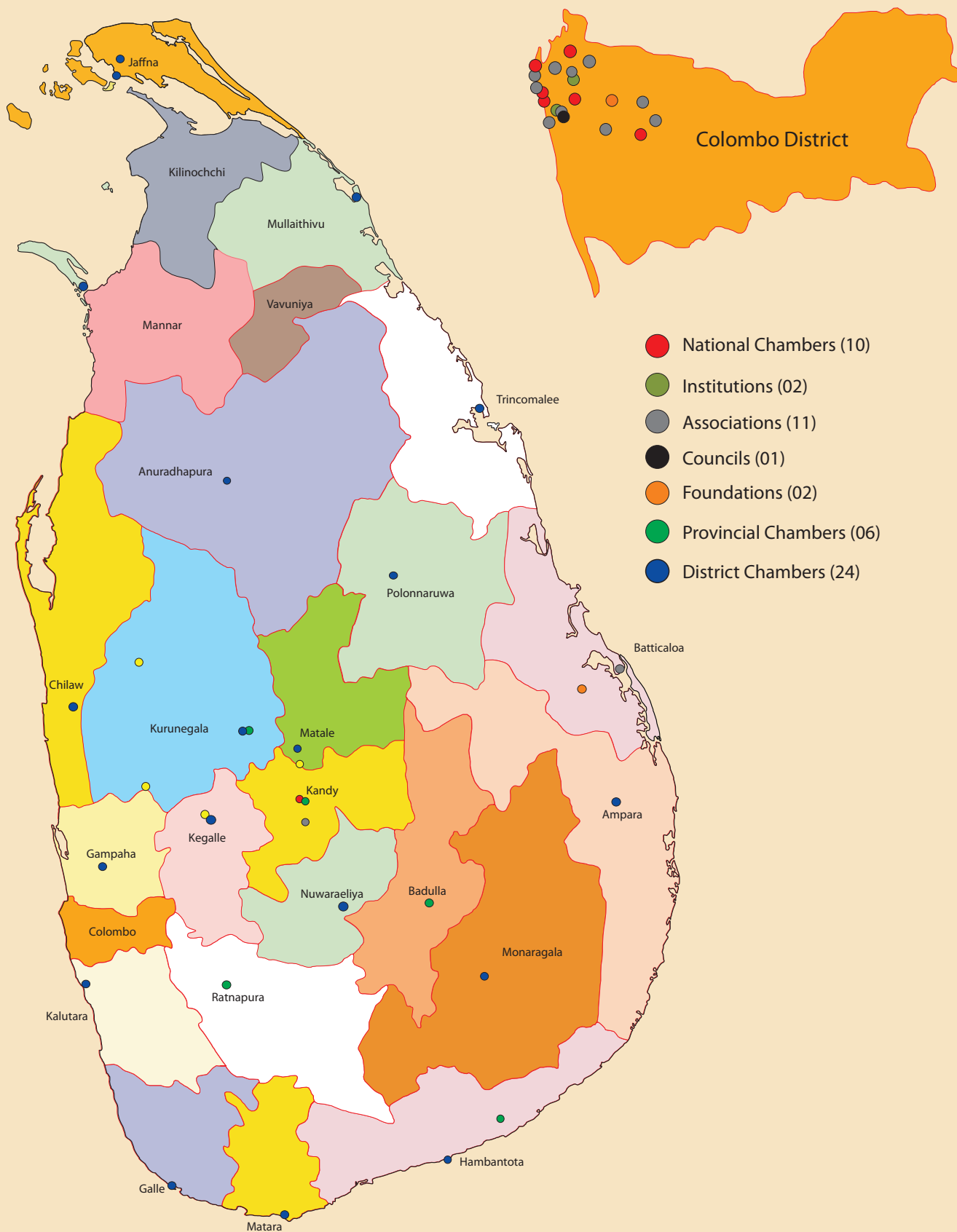
Tel : 024 22 24313,

Fax : 024 2224313

Email : vdccia@yahoo.com

Web : www.vavuniyachamber.lk

OUR MEMBERS NETWORK



CALENDAR OF EVENTS 2008 HIGHLIGHTS

January

- Speech by Hon. Karu Jayasuriya, Minister of Public Administration and Home Affairs at a Key Persons' Forum – 10th in Colombo
- Signing of MOU with the Institute of Personnel Management Sri Lanka – 12th in Colombo
- Meeting with His Excellency Mahinda Rajapaksa, President of Sri Lanka on Agri related issues - 21st in Colombo
- Training programme on Value Chain Development - 22nd to 25th in Pottuvil
- Training programme on Value Chain Development - 29th Jan to 1st Feb in Pottuvil

February

- Training on Business Plan Preparation for Conflict Affected Entrepreneurs - 5th - 8th in Batticaloa
- Training programme on Value Chain Development - 19th - 22nd in Batticaloa
- Speech by Dr. H C Mult. Karl-Jurgen Wilbert, Chief Executive Director - Handwerkskammer Koblenz, Germany at a BPI Forum - 21st in Colombo
- Speech by Prof. A D V de S Indraratne, President - Sri Lanka Economic Association at a Key Persons' Forum – 28th in Colombo

March

- Speech by Hon. Justice Ameer Ismail, Chairman - Bribery Commission at a Key Persons' Forum - 27th in Colombo
- Training programme on "How to cost training courses" - GTZ REVO Project - 07th - 8th Colombo

April

- Speech by H. E. Robert Blake, US Ambassador at a BPI Forum – 24th in Colombo
- Participation at the Re-Sale Fair - 23rd -25th in Kalsruhe, Germany

May

- SME Machinery Exhibition - 15th - 18th in Colombo
- Visit of a delegation from the Kingdom of Saudi Arabia to FCCISL to seek new business opportunities, 15th -17th at FCCISL
- Speech by Mr. Udayasiri Kariyawasam, Chairman - Ceylon Electricity Board at a Key Persons' Forum - 29th in Colombo

June

- Participation at 8th ACMEE International Exhibition - 19th - 23rd June in Chennai
- Participation at Kunming Import & Export Commodities Fair. 6th - 10th in China
- Chamber Competition Awards - 27th in Colombo

July

- Speech by Dr. P B Jayasundara, Chairman - Sri Lankan Airlines at a Key Persons' Forum - 1st in Colombo
- Signing of MOU with the University of Colombo - 11th in Colombo

August

- Handwerk Centre First Certificate Awarding Ceremony - 18th in Kalutara
- Visit of the Representatives from the German Welding Society to Handwerk Centre - 8th in Kalutara
- Speech by H. E. Jurgen Weerth, German Ambassador at a BPI Forum - 21st in Colombo
- Speech by Hon. Prof. G L Pieris, Minister of Export Development and International Trade at Key Persons' Forum - 18th in Colombo
- 08th SAARC Trade Fair - 28th -31st in Colombo

September

- Opening Ceremony of the Handwerk Centre - Eastern Province - 13th in Thirukkivil
- Speech by H. E. Tore Hattrem, Royal Norwegian Ambassador at a BPI Forum - 18th in Colombo
- Receipt of an Award for Brand Excellence for Social Marketing - 25th in Mumbai
- Speech by Hon. Patali Champika Ranawaka, Minister of Environment & Natural Resource at a Key Persons' Forum - 25th in Colombo

October

- Regional Chamber Presidents Conference - 11th in Anuradhapura
- Speech by the South African High Commissioner at a BPI Forum - 30th in Colombo
- Hands Lanka Exhibition - 9th -12th in Colombo
- Participation at the Canton Trade Fair - 14th - 22nd in China.
- International seminar on "Economic Freedom in South Asia. A Springboard for socio-economic Development" - 16th in Colombo

November

- Fisheries EXPO Sri Lanka Exhibition 7th - 9th in Colombo
- Meeting with the Hon. Chief Minister of the Eastern Province - 10th in Trincomalee
- Sri Lankan Entrepreneur of the Year 2007 - Northern & Eastern Provincial Awards - 11th in Ampara
- Sri Lankan Entrepreneur of the Year 2007 - Southern Provincial Awards - 18th in Matara
- Sri Lankan Entrepreneur of the Year 2007 - North Western & North Central Provincial Awards - 22nd in Kurunegala
- Seminar on "Budget 2009 - New features, Taxes and Your Business" - 17th in Colombo
- Speech by Dr. Richard Vokes, Country Director - Asian Development Bank at a BPI Forum - 20th in Colombo
- Sri Lankan Entrepreneur of the Year 2007 - Central, Uva & Sabaragamuwa Provincial Awards - 23rd in Matale
- Workshop on Management of Plastic, Polythene and Rubber - 25th in Colombo
- Signing of MOU with Columbia and a presentation by His Excellency Juan Alfredo Pinto Saavedra, Ambassador for Columbia - 26th at FCCISL

December

- Handwerk Centre Second Certificate Awarding Ceremony - 6th in Kalutara
- Exchanging of MOUs with Orel MFG (Pvt) Ltd, Practical Action and IUCN - 6th in Kalutara
- Visit of the Sri Lankan business delegation accompanying the state visit of H.E. the President of Sri Lanka to Turkey - 2nd -4th in Turkey
- Sri Lankan Entrepreneur of the Year 2007 - National Awards - 11th in Colombo
- Discussion on Clean Development Mechanism with Government Officials - 16th in Colombo
- Open House Discussion on Clean Development Mechanism organized in partnership with FICCI and Sri Lanka Carbon Fund - 17th in Colombo
- Receipt of an Asian CSR Award for Business for Peace Initiative - 21st in Singapore
- Facilitation of Industrial and Educational Exhibition Jaffna - 27th - 29th in Jaffna
- Visit of a Malaysian business delegation to FCCISL for business meetings with Sri Lankan businessmen - 18th at FCCISL.

REGIONAL CHAMBER DEVELOPMENT

INTRODUCTION

The Sri Lankan chamber system has shown a rapid phase of development, especially during last two decades with the expansion of the regional chamber network of the country. When the government declared the private sector as the engine of economic growth, a need was felt by both the government and the private sector to re-organize the unorganized regional level private sector to get into the main stream of partnership for economic growth of the country. In addition, the need was also felt to ensure that the representation of the island wide private sector in the private sector development process was also felt. This situation motivated FCCISL to go further and promote the development of regional chambers island wide. The Regional Affairs Division (RAD) has taken further initiatives in this respect with financial assistance from the Royal Norwegian Government and Swedish International Development Cooperation Agency (SIDA) for three year chamber development programme named as “Regional Chambers Sri Lanka”.

The Private sector development, particularly in the regions, suffered with several constraints existing in the policy and regulatory areas consequent to rapidly changing social economic conditions, especially in the areas of land utilization, regional raw material utilization, cost of power and other infrastructure and more specifically, the regional political structures which keep on changing the rules and regulations governing private sector involvement in the utilization of resources available in the regions. It is therefore very important that the local chambers now existing in

the regions become stronger in lobbying and policy advocacy in order to resolve these issues on behalf of the private sector.

The FCCISL with the focus of development of the regional chamber network and SMEs in rural settings has

come forward to take part in the process of contributing towards economic policy formulation and advocacy and private sector promotion as the main partner in the regions.

DEVELOPMENT OF REGIONAL CHAMBER NETWORK

| Chamber Name | Year of Incorporation |
|---|-----------------------|
| 1 Chamber of Commerce & Industry of Central Province | 1992 |
| 2 Hambantota District Chamber of Commerce | 1993 |
| 3 Central Province Women's Chamber of Small Industries & Commerce | 1994 |
| 4 Matara District Chamber of Commerce & Industry | 1994 |
| 5 Wayamba Chamber of Commerce & Industry | 1994 |
| 6 Chamber of Commerce & Industry of Uva Province | 1996 |
| 7 Sabragamuwa Chamber of Commerce & Industry | 1997 |
| 8 Galle District Chamber of Commerce & Industry | 1998 |
| 9 Chamber of Commerce & Industries of Yarlpanam | 1999 |
| 10 Kegalle District Chamber of Commerce, Industry & Agriculture | 2000 |
| 11 Matale District Chamber of Commerce, Industry & Agriculture | 2000 |
| 12 Monaragala District Chamber of Commerce, Industry & Agriculture | 2000 |
| 13 Vavuniya District Chamber of Commerce, Industry & Agriculture | 2002 |
| 14 Chamber of Commerce & Industries Trincomalee District | 2002 |
| 15 Ampara District Chamber of Commerce & Industry | 2003 |
| 16 Batticaloa District Chamber of Commerce, Industry & Agriculture | 2003 |
| 17 Kalutara District Chamber of Commerce, Industry & Agriculture | 2003 |
| 18 Ruhunu Chamber of Commerce, Industry & Agriculture | 2004 |
| 19 Anuradhapura District Chamber of Commerce, Industry & Agriculture | 2004 |
| 20 Gampaha District Chamber of Commerce, Industry & Agriculture | 2004 |
| 21 Nuwara Eliya District Chamber of Commerce, Industry & Agriculture | 2004 |
| 22 Polonnaruwa District Chamber of Commerce, Industry & Agriculture | 2004 |
| 23 Matara District Women's Chamber of Commerce & Industry | 2004 |
| 24 Jaffna Womens' Chamber of Commerce, Industry & Agribusiness | 2005 |
| 25 Kilinochchi District Chamber of Commerce, Industry & Agriculture | 2005 |
| 26 Mannar District Chamber of Commerce, Industry & Agriculture | 2005 |
| 27 Mullaitivu District Chamber of Commerce, Industry & Agriculture | 2006 |
| 28 Puttalam District Chamber of Commerce, Industry & Agribusiness | 2006 |
| 29 Galle District Women Entrepreneurs' Chamber | 2007 |
| 30 Kurunegala District Women's Chamber of Commerce, Industry and Agribusiness | 2007 |



Regional Chambers meet H.E. President to discuss about Regional Business Issues



Technical Sessions at the Regional Chamber Presidents Conference

REGIONAL CHAMBERS SRI LANKA PROGRAMME (RCSL)

The Regional Chambers Sri Lanka programme is focused on developing the organizational capacities of 28 regional / district chambers and their service portfolios on a competitive, demand driven and sustainable basis. Accordingly, Lobbying and policy advocacy, Service development, Development of organizational capacities and professional competencies, income generation and peace building have been identified as major areas of the programme. These components will be delivered using methodologies and instruments which are more locally owned, locally initiated and taking local needs and priorities into account. However, external (local and international) expertise will be used for the introduction of best practices in organizational development of regional chambers and in other components wherever necessary. Emphasis will be on overall organizational development, rather than developing individual services and management practices in an isolated manner.

The programme has placed a major emphasis on developing the lobbying and policy advocacy capacities of regional chambers to empower them to be the voice of businesses in the regions. A different approach has been taken in service development, rather than trying

to provide services directly from the programme. The capacities of the chambers and demand side of the services will be developed by establishing sector groups of entrepreneurs and business advisory services that will enable chambers to respond to any type of request coming from members as well as to increase the financial sustainability of the chambers. This programme will have a strong focus on organizational development of regional chambers by developing governance, professional management, internal systems and procedures, human resources and strengthening the income generation capacity through business schools and business centers. The peace building role of local chambers has also been emphasized and highlighted on the basis that the business community will be the biggest beneficiary when long lasting peace is achieved. The Programme will also take individual and collective effort in the process of implementing more specific development needs of the chamber through a need based development approach.

This three year programme will run from 01st December 2007 to 30th November 2010 with the involvement of all major stakeholders, FCCISL will remain as overall custodian of the programme and regional chambers are the co-owners of the programme. Local and international

expertise is depending on the requirements. FCCISL strongly believes that the programme will help to create a strong institutional framework for the private sector which is demand driven, proactive and futuristic with good governance and best management practices which will play an important role in creating a strong private sector in the country.

REGIONAL LOBBYING AND POLICY ADVOCACY

Strengthening business organizations could create an effective mechanism to address and convey major business development issues with the relevant public sector stakeholders. The chambers have a greater role in this context. Unfortunately, many chambers operating at local level do not have such capacity and mechanism. As a solution to this, FCCISL has facilitated the establishment of District Enterprise Forums (DEF) in 13 districts where the initial concept was borrowed from Sida supported ILO Entre-Growth Project. During the period under review, main attention was placed on consolidating the DEFs where professional inputs were extended from FCCISL. As a part of consolidation activities, three exposure and experience sharing visits were organized. This was a very good learning experience for the members who participated in these visits.

REGIONAL CHAMBER DEVELOPMENT

GOVERNANCE, SYSTEM AND PROCEDURE DEVELOPMENT

Development/ strengthening of governance framework is a very crucial factor in any institutional building programme. During the project planning process, it was identified that constitutions of regional chambers and FCCISL have some limitations in certain areas which need to be changed to facilitate the present development needs of the chambers. Accordingly the FCCISL constitution has been changed to accommodate those development needs of the regional chambers. As FCCISL had 102 member councils which were taking policy decisions in the new constitution, 07 member board of directors has been established with one seat allocated to a representative of regional chambers. All regional chamber constitutions have also been reviewed and draft Articles of Association developed for chambers by incorporating all specific development needs in to the Articles with the regional chambers. Draft Articles have been presented to the chambers.

It is very important to build up the capacities of regional chamber board of directors and the staff with regard to good governance practices in order to establish strong chambers of commerce. A comprehensive chamber management guide was developed to introduce good governance as well as the management aspect of chambers in consultation with regional chambers. In order to give regional chambers foreign exposure in chambers, a visit was arranged to study the Andra Pradesh Chamber Federation. The presidents and CEOs of 05 regional

chambers participated in this study. This was a good opportunity for regional chambers to develop direct networking with chambers outside Sri Lanka.

REGIONAL CHAMBER PRESIDENTS CONFERENCE

Regional chamber's presidents forum was a very effective platform for developing interrelationship among regional chambers. The conference was held on 11th October 2008 at Anuradhapura Central Bank Auditorium with the participation of presidents and CEOs of regional chambers where common business issues in the regions were identified, discussed and formulated into a declaration. A number of issues were identified under the four main categories of infrastructure and utilities, business development services, peace and security and institutional issues. In order to identify the magnitude of the issues and formulate a strategy to present and discuss possible solutions with the policy makers, four sub-committees were formed.

CHAMBER RECOGNITION AWARDS – RECOGNIZING REGIONAL CHAMBER LEADERS

In order to motivate the personalities who have contributed to the development of the regional chamber movement, FCCISL recognized the chamber leaders and staff members of regional chambers as well as the donors who have supported the regional chambers. Individuals who have played an instrumental and pioneering role in establishing regional chambers were recognized as chamber pioneers. A

person can receive the honour only once in lifetime. 28 awards were presented in recognition of visionary thinking, dedication, commitment and hard work. Another category was meant for the staff members who have rendered valuable services for the chamber movement for over 10 years. 14 personalities obtained special awards to the invaluable services rendered to uplift the chamber movement. FCCISL presented Special Recognition Awards for individuals who rendered invaluable service towards the development of small and medium enterprises in their respective regions and over five years service at FCCISL. This has created a sense of achievement not only among those who received the awards but also among the other members who are presently active in the movement. FCCISL believes this type of non monetary incentive program can bring more and more active volunteers into the chamber system as leaders.

FCCISL CHAMBER COMPETITION

For the first time in Sri Lanka, a competition was launched among regional chambers and sectoral associations in order to identify and recognize the best project and programmes implemented during last two years by the regional chambers. The programme criteria is developed very much in line with the overall chamber development framework where key areas have been taken into the competition. This created an immense sense of achievement for FCCISL and it is planned to initiate a competition among all chambers and associations in



Mr. Azmi Thasim, Director General, Hambantota District Chamber Receiving Regional Chamber Pioneer Award



Ampara District Chamber Receiving the Award for Best Membership Development Programme

WINNERS - FCCISL CHAMBER COMPETITION

| | | |
|--|--|---------------|
| 1. Best Advocacy Initiative | | |
| American Chamber of Commerce in Sri Lanka | | 1st Runner up |
| Matale District Chamber of Commerce, Industry and Agriculture | | 2nd Runner up |
| 2. Best SME Development Project | | |
| Matara District Women's Chamber of Commerce and Industry | | Winner |
| Central Province Women's Chamber of Small Industries & Commerce | | 1st Runner up |
| Wayamba Chamber of Commerce and Industry | | 2nd Runner up |
| 3. Best New Membership Recruitment Programme | | |
| Ampara District Chamber of Commerce and Industry | | Winner |
| Chamber of Commerce & Industries Trincomalee District | | 1st Runner up |
| Puttalam District Chamber of Commerce, Industry and Agribusiness | | 2nd Runner up |
| 4. Best Skills Development Programme | | |
| Institute of Personnel Management Sri Lanka | | Winner |
| Anuradhapura District Chamber of Commerce Industry and Agriculture | | 1st Runner up |
| Gampaha District Chamber of Commerce Industry & Agriculture | | 2nd Runner up |
| 5. Best CSR Project | | |
| Sabaragamuwa Province Chamber of Commerce & Industry | | 1st Runner up |
| 6. Best Unconventional Project for SMEs | | |
| Kilinochchi District Chamber of Commerce, Industry & Agriculture | | Winner |
| 7. Best Public Private Partnership Project | | |
| Sri Lanka Gem & Jewellery Association | | Winner |
| Chamber of Commerce & Industries Trincomalee District | | 1st Runner up |

The winners of each category received Rs 100,000 for the first place, Rs 75,000 for the second place and Rs 50,000 for the third place, in addition to the mementos.

Sri Lanka in order to set the pace for others to follow and recognize and appreciate their hard and dedicated work towards development of various sectors at regional and national level. This national level award programme is to recognize the most innovative projects undertaken by chambers of industry from all regions of Sri Lanka. This competition provides a unique opportunity for chambers to showcase originality and ingenuity, demonstrate determination to service the business community, improve their services to members, its community and ability to foster support and interaction.

The competition is organized under 07 categories namely the Best Advocacy Initiative, the Best Project for SME Development, Membership Recruitment Programme, Skills Development Programme, Corporate Social Responsibility Project, Unconventional Projects for SMEs and Public Private Partnership Project.

PROFESSIONAL CAPACITIES DEVELOPMENT OF REGIONAL CHAMBERS

A Programme has been initiated with the introduction of a regional chamber professional pool where 40 professionals have been selected from the nominations received from the regional chambers. This helped identify a pool of better



Section of award winners of the Sri Lankan Entrepreneur of the Year 2007 Awards



Mr. Samantha Kumarasinghe, Chairman, Multichemi International (Pvt) Ltd with the Sri Lankan Entrepreneur of the Year 2007 Award.

performing personnel with the chambers, with governance and management systems for enhancing their capacities to bring them to the next level of their professional standards. The process started with a self nomination subject to a list of conditions and then the most deserving personnel were short listed.

The first training programme was to equip the identified pool of chamber professionals with Microsoft Project Management skills. The training facilitation was obtained from the National Institute of Business Management (NIBM), the pioneer in the field. Second was on a contemporary subject "Recent Trends in Chamber Land – A European Perspective" conducted jointly with CACCI and Eurochambers. A foreign consultant from Eurochambers facilitated the training programme. In addition to organizing separate training programmes the RAD is also in the process of introducing a structured long term training and development programme with a clear focus to address and improve the chamber management and development perspective. A committee is being organized for developing a suitable curriculum to provide a holistic professional development to the pool.

OVERALL PROGRAMME IMPACT ON DEVELOPING THE REGIONAL CHAMBERS

The main objective of RCSL programme is to develop a sustainable regional

chamber movement in Sri Lanka to cater to the demanding and changing needs of the regional private sector. During the first year of implementation, FCCISL was able to create a basic framework of the project implantations, more importantly prepare regional chambers for the project. A Baseline survey has given all ground level information and specific development requirements of regional chambers. Business planning sessions and business plans have set the direction on which regional chambers will direct their development activities. The constitutional changes of FCCISL and regional chambers will facilitate the regional chambers to expand their membership and service bases by facilitating the governance structure and management. Another important achievement during the first year of programme was the network building that had taken place among regional chambers as well as between key stakeholders at national and regional level.

SRI LANKAN ENTREPRENEUR OF THE YEAR AWARDS

The Sri Lankan Entrepreneur of the Year Awards is the highest national level recognition for local entrepreneurship talent. The long running national award scheme organized by the FCCISL is the first and most comprehensive award scheme, that evaluates local businesses based on a multi-faceted requirements list, which includes their financial

strength, management style, employment generation capacity, technology used, competitiveness and future viability. The awards have also been a pioneer in recognizing latent business talent that was hitherto hidden from the public eye. For example, Nippolac Paints and K.I.K Group of Companies were first identified and felicitated by the FCCISL Sri Lankan Entrepreneur of the Year Awards. These entrepreneurs have transformed themselves into strong global players thereafter. A unique facet of the FCCISL "Sri Lankan Entrepreneur of the Year Awards" is its emphasis on recognizing regional businesses talent.

Programme Launch

Sri Lankan Entrepreneur of the Year Programme was launched on 06th May 2007 at Hotel Galadari, Colombo with the participation of all sponsors, FCCISL board of directors and council members, leading entrepreneurs and other corporate heads and representatives.

Judging Process

A comprehensive, multi-faceted judging process has ensured the integrity and high standards of the Sri Lankan Entrepreneur of the Year Awards. Once the applications have been assimilated by the FCCISL with the assistance of the regional chambers, a preliminary screening process eliminates incomplete or inaccurate entries.

The Screened applications are then grouped according to the region and the business category they represent and are prepared for the perusal of the judging panel. The eminent panel of judges comprises 10 members holding leading positions in the public and private sector and the academia. The applications are first filtered through a Desk Review, where the Panel evaluates the performance, entrepreneurial skills and the growth of the enterprise. Then the Panel conducted a field visit of the businesses that have been short listed for this round. The processes, quality standards, employee welfare schemes and other corporate social responsibility initiatives will be assessed during these visits. As the final step, the selected entrepreneurs are interviewed to gauge their leadership qualities, vision, mission,

growth potential and sustainability of their enterprises. Finally the weighted scores are summed up through a final review process and the judges decide on the winners in unison.

The Sri Lankan Entrepreneur of the Year 2007 - Regional Awards

One of the specific features of Sri Lankan Entrepreneur of the Year is the selection of regional entrepreneurs who are awarded at the regional level. This year too, 05 regional award ceremonies were held covering all nine provinces.

Northern and Eastern Provincial Awards Ceremony

Northern and Eastern Provincial Awards Ceremony was held on 11th November 2008 in Ampara. Deshashakthi Daya Gamage, Chairman of the Daya Group

was the Chief Guest with high ranking government officials and prominent private sector personalities. More than 300 invitees attended the ceremony. Twelve entrepreneurs were awarded covering small, medium, large and extra large categories including the young entrepreneur award.

Southern Provincial Awards Ceremony

The second regional awards ceremony, Southern Provincial was held in Matara on 18th November 2008 where Mr. Ariyaseela Wickramanayake, Chairman, Master Divers group of companies was the chief guest. More than 350 distinguished invitees representing private sector, universities, other government institutions and leading entrepreneurs from Southern Province witnessed the occasion. Total of 18



Sri Lankan Entrepreneur of the Year 2007 meets H.E. Mahinda Rajapaksa, President of Sri Lanka and Mr. Kosala Wickramanayake, President, FCCISL

REGIONAL CHAMBER DEVELOPMENT

entrepreneurs received the awards for their entrepreneurial achievements. Provincial Gold Award was awarded to Mr. Lal Keerthi Gunawardena, Chairman & Managing Director of Lucky Lanka Dairies (Pvt) Limited.

North Western and North Central Provincial Awards

North Western and North Central Provincial Award Ceremony was held in Kurunegala organized by Wayamba Chamber of Commerce. Mr. Kosala Wickramanayake, President, FCCISL was the chief guest and there were leading entrepreneurs and government sector personalities among distinguished invitees. Four leading entrepreneurs were recognized and rewarded from North Central province including one gold award winner from Polonnaruwa whereas 19 entrepreneurs from North Central Province were also recognized for their entrepreneurial achievements.

Central, Uva and Sabaragamuwa Provincial Awards

Regional Award Ceremony of Central, Uva and Sabaragamuwa provinces was held on 23rd November 2008 at Spring View Hotel, Matale. Hon. Rohana Dissanayake, Minister of Urban Development was the chief guest. Total of 23 entrepreneurs were awarded for their entrepreneurial achievements from all three provinces; 03 from Sabaragamuwa, 11 from Central and 09 from Uva Province.

The Sri Lankan Entrepreneur of the Year 2007 - National Awards

National Awards ceremony of Sri Lankan Entrepreneur of the Year was held on 11th December 2008 at BMICH where Mr. Samantha Kumarasinghe, Chairman, Multichemi International Private Limited was crowned as the Sri Lankan Entrepreneur 2007.

Message from Sri Lankan Entrepreneur of the Year 2007

The "Sri Lankan Entrepreneur of the Year 2007" is the most prestigious award I have ever received in recognition of the arduous journey in my entrepreneur career. It has given me the prestige of being outstanding amongst other prestigious entrepreneurs of Sri Lanka and my team to be encouraged and celebrate the success of the business.

With pride, I take this opportunity to convey to all the other entrepreneurs that their entrepreneurships should be geared towards achieving this prestigious award. I have also witnessed many past winners expanding their entrepreneurships towards the global markets upon achieving this prestigious award.

I take this opportunity to applaud the FCCISL's commendable initiative to recognize and celebrate the talent of many of the Sri Lankan entrepreneurs for the 14th consecutive year.

Samantha Kumarasinghe
Chairman

Multichemi International (Pvt) Limited

SPECIAL PROJECTS

INTRODUCTION

The Special Projects Division manages the Business for Peace Initiative, Handwerk Centres and the MetaMart Project. The Business for Peace Initiative (BPI) is the key national endeavour of FCCISL for fostering peace and harmony through entrepreneurial spirit. This initiative was launched in March 2006 to bring an organized and sustained effort by the private sector to play an active role in peace building process of the nation. Handwerk Centers are construction industry related vocational training institutes. It is a collaborative effort of the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL), National Construction Association of Sri Lanka (NCASL) and the Handwerkskammer Koblenz, Germany (HwK).

MetaMart is an interactive e-Market and a convenience store, created and managed by the Special Projects Division. It is another key initiative of FCCISL to provide market linkages to Sri Lanka's Small and Medium Enterprises (SMEs).

Business for Peace Initiative makes Sri Lanka proud by winning two most prestigious Asian Awards

• Winner of the Asian CSR Awards 2008

The BPI, an Unconventional Social Marketing Programme in Marketing of Peace was adjudged the winner in the "Poverty Alleviation category of the Asian CSR Awards 2008". The award was presented at the gala dinner ceremony of Asian Forum on Corporate Social Responsibility held on November 21, 2008 in Singapore.

This international recognition was achieved at Asia's premier CSR Awards Programme presented by the Asian Institute of Management and Intel. The BPI's unconventional

approach and best practices in harnessing support of the business community to facilitate the cause of peace building made it the Best in Poverty Alleviation category in the region among 170 impressive entries from 120 companies in 15 countries vying for the Awards.

• Award for Brand Excellence in Social Marketing at the Asia Brand Congress 2008

BPI was recognized for its attainment of the leadership position by not compromising on social values, business ethics and the sheer determination and belief to be the best from its vision to successful implementation. The FCCISL showcased its professionalism that has shifted the paradigm of marketing and brand building in the industry of chambers through the BPI. The fulfillment of these two key factors was recognized by the distinguished panel of judges of the Asia Brand Excellence Awards. The award ceremony was held on 25th September 2008 at the Taj Lands End in Mumbai.

BPI INITIATIVES

BPI Core Group Meetings

The BPI Core Group Meetings present a platform to discuss issues faced by the regional entrepreneurial community of the Northern and Eastern provinces of Sri Lanka and to seek possible solutions.

Nine such meetings were held during the year 2008. Extracts of some of the important discussions and key decisions taken and implemented are stated below.

- Gathering the cattle that were scattered throughout outskirts in the Eastern province in particular due to the on going war by organizing a meeting with the Sri Lanka Army (SLA) Commanding Officer in

Welikanda with the facilitation of the Secretariat for Coordinating the Peace Process (SCOPP).

- Intervention with the Security Commanding Officer – Vanni to ease out the delays occurring at the Medawachchiya security check point.
- Market Linkage for Agricultural Producers in Jaffna Peninsula for their excess agricultural produce through wholesaler network in Colombo.
- Facilitating to implement a Green Channel for doctors traveling from Vavuniya and Mannar to Colombo and vice versa through the Medawachchiya security check point.
- Intervention for connection of a CTB bus service from Medawachchiya to Vavuniya for passengers arriving by night intercity train from Colombo.
- Organizing a discussion to improve market linkage for North and East producers with representatives from Oxfam GB, Consortium of Humanitarian Agencies (CHA), Rural Enterprise Network (REN), Alliance Development Trust (ADT) and SCOPP. Subsequently, Oxfam GB and BPI organized a Business Relationship Event where more than 50 small producers from the North and East, met with Colombo based buyers on 20th November 2008 at Hotel Global Towers, Colombo.
- Intervention for establishment of a Development Bank in the East which was overdue. BPI decided to lobby in this regard and initially to take action to generate a voice through media propaganda.
- Taking effective measures to minimize delays and expenditure in transporting cargo to Trincomalee by lorries in consultation with the security officials.



Asian CSR Award

- Facilitated to devise a mechanism to control the situation of price increases and shortage of hardware items in Mannar.
- Intervention with relevant authorities to solve issues related to night fishing and Indian trawlers fishing in Mannar waters.
- Intervention with the police officers to control the situation of violation of law and order in the Northern and Eastern Provinces and Bordering Districts.
- BPI facilitated to have participation of more than 18 Colombo based companies for the "Future Minds of Jaffna", Industrial and Educational Exhibition – Jaffna 2008 held on 27-29, December, 2008 in Jaffna.

The above interventions were fully supported by Brigadier Piyal Abeysekera, Director Operations of SCOPP.

Public –Private Interaction for Peace and Economic Rehabilitation

Public – Private Interaction for Peace and Economic Rehabilitation is one of the key interventions of BPI, which resolves the issues of the business community of the North, East and bordering villages in the adjoining districts. Issues submitted by the district chambers are discussed at the monthly Core-Group Meetings. Matters that cannot be resolved by the Government representatives present at the meeting are then taken up with the policy makers. BPI facilitates such

dialogue with policy makers and authorities and has successfully resolved many such issues during the past two years.

Following are some of the noteworthy facilitations:

- **January 21, 2008**
Meeting with His Excellency Mahinda Rajapaksa, President of Sri Lanka - Agri Related Issues in the Northern and Eastern Provinces and the Bordering Districts.

A delegation of eleven chambers headed by FCCISL officials met with His Excellency the President at the Temple Trees.

Common issues such as seed paddy production, irrigation issues, transport hazards faced by the traders of the North, quality of paddy and other crops, wastage of post harvest excess products and specific issues such as marketing difficulties of excess production of cashew seeds and herbal products in Kilinochchi, transportation of non food and medicinal items to Kilinochchi and Mullaitivu districts, issue of cutting down the coconut trees in Puttalam district were discussed with H. E. the President who provided immediate directions to the officials to solve issues.

- **January 22, 2008**
Meeting with the Hon. Douglas Devananda - Business Related Issues in the Northern Province

Business related issues in the Northern Province were discussed with the Hon. Douglas Devananda, Minister of Social Services and Social Welfare and Chairman of the Special Task Force Committee for Northern Development. Issues such as transportation of rice from Vavuniya and Mannar to Colombo, public transport, fishing and construction industry in the Northern Province were taken into consideration. He offered possible solutions to the matters and promised to have a follow up meeting to evaluate the improvement of the situation in the month of October 2008.

- **May 16, 2008**
Meeting with the General Manager, Sri Lanka Government Railways - Issues faced by Railway Commuters of Eastern Rail Line

BPI facilitated the business leaders of Batticaloa and Kalmunai to discuss issues faced by railway commuters of the Eastern rail line with Dr. Lalithasiri Gunaruwan, the General Manager of Sri Lanka Government Railways (SLGR) at the Railway Head Office in Colombo. The General Manager - SLGR welcomed the suggestions made by the BPI delegation and assured to take possible steps to ease advanced ticket booking system, increase facilities in the carriages, increase the number of carriages and

to implement a rail-bus service from Batticaloa to Trincomalee.

- **October 30, 2008**
Meeting with the Hon. Douglas Devananda – Follow up on Business Related Issues in the Northern Province

Meeting with the Hon. Minister to evaluate the progress of the measures taken and the improvement of the current level of issues after the first meeting with him. The delegation explained the improvements and the Minister assured his further assistance.

- **November 10, 2008**
Meeting with the Hon. Sivanethurai Chandrakanthan - Investment Opportunities in the Eastern Province

A BPI delegation met with the Hon. Sivanethurai Chandrakanthan, Chief Minister of the Eastern Province to discuss the investment opportunities in the Eastern Province at the Chief Minister's Secretariat in Trincomalee. The delegation was headed by Mr. Rohantha Athukorala, Director Economic Affairs of SCOPP.

- **Meeting with the Commissioner General of Essential Services - Availability of goods in Jaffna and Vanni regions.**

BPI had regular consultative meetings with the Commissioner General of Essential Services (CGES) on improving the availability of goods in Jaffna and Vanni regions. BPI in consultation with the CGES developed a proposal on improving shipping activities to the North with special references to cost reduction when bunker cost was on increase. This proposal was submitted to the CGES for necessary action.



Brand Excellence Award received at the Asia Brand Congress 2008

SPECIAL PROJECTS**Business for Peace Forum**

The Business for Peace Forum (BPI Forum) is a dialogue platform for Business and Peace building related issues between the business community and important stakeholders in the peace building effort of the country. The Forum provides a platform for business community to voice their concerns, views, comments and suggestions with personalities who portray different dimensions and schools of thought with

regard to creating lasting peace in Sri Lanka.

FCCISL has been selecting speakers who belong to different political ideologies representing different political parties, ethnic groups, and geographical representations in order to reflect views of all-important stakeholders in peace building through a dialogue with the business community. This activity has been a popular activity of the BPI due to

its non-partisan apolitical way of organizing the activity. These fora are being frequently attended by representatives from corporate sector, chamber officials, members of diplomatic missions, donor agencies, senior government officials, representatives of NGOs/INGOs, peace activists and representatives of civil society organizations.

The following dignitaries addressed six fora held during the year 2008.

13th BPI Forum

February 21, 2008

5.00 p.m. - JAIC Hilton, Colombo.

Forum Theme

"Contribution of Business Organizations to Peace and Reconstruction - Experiences of a German Chamber on the Balkans"

**GUEST SPEAKER**

Dr H.C. Mult. Karl-Jürgen Wilbert
Chief Executive Director
Handwerkskammer Koblenz, Germany

PANELISTS

Mrs. Sagarica Delgoda
Country Representative
Friedrich Naumann STIFTUNG
FÜR DIE FREIHEIT

Mr. C. Thangarajah
Vice Chairman,
Chamber of Commerce & Industries of
Yarlpnam, Advocate & Investment /
Management Consultant

14th BPI Forum

April 24, 2008

5.00 p.m. - JAIC Hilton, Colombo.

Forum Theme

"Maintaining the Balance of Peace Building and Economic Growth in Sri Lanka - The U.S Perspective"

**GUEST SPEAKER**

H. E. Robert Blake
Ambassador
Embassy of the United States of America

PANELISTS

Mrs. Marina Tharmaratnam
Chief Executive Officer/Director
Union Assurance PLC

Mrs. Sagarica Delgoda
Country Representative
Friedrich NaumannStiftung Fur Die
Freiheit

15th BPI Forum

August 21, 2008

5.00 p.m. - JAIC Hilton, Colombo.

Forum Theme

"Maintaining the Balance of Peace Building and Economic Growth in Sri Lanka - The German Perspective."

**GUEST SPEAKER**

H.E. Jürgen Weerth
Ambassador
Embassy of Germany

PANELISTS

Mr. N R Gajendran
Partner, Gajma & Co.,
Chairman, International Fiscal
Association, Sri Lanka branch

Mr. Sunil Wimaladharm
Managing Director, PET Containers (Pvt)
Ltd.
Vice President, Sri Lanka Chamber of
Small & Medium Industries

16th BPI Forum

September 18, 2008
5.00 p.m. - JAIC Hilton, Colombo.

Forum Theme

*"Maintaining the Balance of Peace
Building and Economic Growth in Sri
Lanka; The Norwegian Perspective."*



GUEST SPEAKER

H.E. Tore Hattrem
Ambassador
Royal Norwegian Embassy

PANELISTS

Major Douglas Wijesinha
Chairman
Grip Group of Companies

Mr. S S Wijeratne

Chairman
Legal Aid Commission of Sri Lanka

17th BPI Forum

October 30, 2008
5.00 p.m. - Ceylon Continental, Colombo.

Forum Theme

*"Maintaining the Balance of Peace
Building and Economic Growth in
Sri Lanka; The South African Experience."*



GUEST SPEAKER

H.E. Ms. B M Pheto
High Commissioner
South African High Commission
Sri Lanka

PANELISTS

Mr. Moksevi Prelis
Former CEO
DFCC & NTB

Mr. Romesh Moraes

Director
Finlays Colombo PLC

18th BPI Forum

November 20, 2008
5.00 p.m. - JAIC Hilton, Colombo.

Forum Theme

*"Post Conflict Development in Sri Lanka:
Role of the Asian Development Bank."*



GUEST SPEAKER

Dr. Richard Vokes
Country Director
Asian Development Bank

PANELISTS

Mr. Imal Fonseka
Managing Director
Hemas Consumer Brands

Air Vice Marshal Lal Perera

Chief Operation Officer
MTD Walkers PLC

Rehabilitation of Conflict Affected Livelihoods and Micro Enterprises in the North and East and Bordering Villages in the Adjoining Districts

Businesses directly affected by the conflict since August 2004 were considered, with the programme not providing assistance for repairs and

purchase of buildings. The package of assistance includes trauma counseling, business orientation and business management and or similar training to entrepreneurs. Financial assistance was extended for fixed and working capital in the form of commodity grants. No applications were entertained from indirectly affected and or unaffected

enterprises/entrepreneurs/ livelihoods. Entrepreneurs affected by the war who did not want to continue their former business were encouraged to start up a new business under the guidance of the respective Chambers.

SPECIAL PROJECTS

DETAILS OF ASSISTANCE PROVIDED

| DISTRICT CHAMBER | BENEFICIARIES | | | | | | TOTAL GRANT IN LKR |
|------------------|---------------|--------|-------|--------|-----------|--------|--------------------------|
| | LIVELIHOODS | | MICRO | | SUB TOTAL | | |
| | MALE | FEMALE | MALE | FEMALE | MALE | FEMALE | |
| Ampara | 19 | 21 | 1 | 1 | 20 | 22 | 920,000.00 |
| Batticaloa | 157 | 13 | 31 | - | 188 | 13 | 4,167,810.00 |
| Jaffna Women's | - | 6 | - | 5 | - | 11 | 287,000.00 |
| Kilinochchi | 49 | 12 | 41 | 4 | 90 | 16 | 3,920,000.00 |
| Kalmunai Traders | 2 | 8 | 2 | - | 4 | 8 | 319,610.00 |
| Mullaitivu | 41 | 9 | 41 | 4 | 82 | 13 | 3,700,000.00 |
| Mannar | 25 | - | 68 | - | 93 | - | 4,580,000.00 |
| Trincomalee | 76 | 30 | 43 | 10 | 119 | 40 | 4,559,514.00 |
| Vavuniya | 8 | 9 | 10 | 1 | 18 | 10 | 1,000,000.00 |
| Polonnaruwa | 46 | 11 | 25 | 8 | 71 | 19 | 3,080,580.00 |
| Anuradhapura | 3 | 2 | 24 | 5 | 27 | 7 | 1,579,700.00 |
| Moneragala | 7 | 5 | 16 | 7 | 23 | 12 | 1,660,000.00 |
| Total | 433 | 126 | 302 | 45 | 735 | 171 | 29,774,214.00 |

Success Stories

Samithamby Pulendran

This beneficiary was engaged in the textile business prior to fighting in Kokkadicholai, Batticaloa. He lost stocks worth over Rs.500,000/= and was forced to seek safety at a refugees camp. After his resettlement, he informed us that he wished to continue his textile business as he was well acquainted with the trade and had his own customers. We assisted him with working capital under the micro category and now he has expanded his textile business successfully.

During our 1st visit, there were stocks worth Rs.200,000/= with two additional

employees. During our 2nd visit, the stock position had risen to Rs.500,000/= and the number of employees to three. His turnover was around Rs.3,000/= per day, but we were informed that the turnover exceeded Rs.8,000/= during the festive season. It was encouraging to see that he maintains purchases and service records.

Sinnathamby Koneswaran

Koneswaran of Kokkadicholai had been engaged in tyres sales, vehicle washing and vulcanizing of tyres. We noted from the list that his stocks were worth over one million rupees, as he had stocks of 5 – 10 tractor tyres prior to the war. He expressed interest to restore his business

to its former level and requested for help. We assisted him under the micro category with commodities and working capital. Prior to the war he had employed six persons.

At the time we assisted him he had recruited only one person. During our 2nd visit, he had enhanced his stocks to Rs.400,000/= and there were four employees.



Mr. S Pulendran at his textile shop in Kokkadicholai



Mr. S Koneswaran at his tyre shop in Batticaloa

Observation of Regional Price Levels – Jaffna, Mannar, Vavuniya and Colombo as at December 31, 2008

| NO. | ITEMS | QUANTITY | DISTRICT PRICE LEVELS | | | | PRICE VARIATION JAFFNA/ COLOMBO | PRICE VARIATION MANNAR/ COLOMBO | PRICE VARIATION VAVUNIYA/ COLOMBO |
|-----|-----------------------------|----------|-----------------------|-----------------|-------------------|------------------|---------------------------------|---------------------------------|-----------------------------------|
| | | | PRICE IN JAFFNA | PRICE IN MANNAR | PRICE IN VAVUNIYA | PRICE IN COLOMBO | | | |
| 1 | Soap Lux | 1 | 35.00 | 32.00 | 32.00 | 30.00 | 5.00 | 2.00 | 2.00 |
| 2 | Soap - Sunlight | 1 | 33.00 | 28.00 | 28.00 | 28.00 | 5.00 | NC | NC |
| 3 | Margarine (Turkey) | 1 KG | 320.00 | 360.00 | 365.00 | 360.00 | (40.00) | NC | 5.00 |
| 4 | Lentils | 1 KG | 200.00 | 200.00 | 210.00 | 200.00 | NC | NC | 10.00 |
| 5 | Coconut (Medium) | 1 | 35.00 | 30.00 | 40.00 | 28.00 | 7.00 | 2.00 | 12.00 |
| 6 | Sugar | 1 Kg | 110.00 | 67.00 | 70.00 | 64.00 | 46.00 | 3.00 | 6.00 |
| 7 | Milk Powder -Anchor | 1 Box | 295.00 | 275.00 | 280.00 | 260.00 | 35.00 | 15.00 | 20.00 |
| 8 | Wheat Flour (Loose) | 1 Kg | 85.00 | 78.00 | 78.00 | 78.00 | 7.00 | NC | NC |
| 9 | Egg | 1 | 15.00 | 12.00 | 13.00 | 11.00 | 4.00 | 1.00 | 2.00 |
| 10 | Yeast | 1/2 Kg | SNA | 555.00 | 560.00 | 595.00 | Sna | (40.00) | (35.00) |
| 11 | Bread (450 Gr) | 1 | 45.00 | 38.00 | 38.00 | 38.00 | 7.00 | NC | NC |
| 12 | Rice (Red Nadu) | 1 Kg | 125.00 | 72.00 | 70.00 | 76.00 | 49.00 | (4.00) | (6.00) |
| 13 | Potatoes | 1 Kg | 390.00 | 85.00 | 85.00 | 85.00 | 305.00 | NC | NC |
| 14 | Onions | 1 Kg | 130.00 | 105.00 | 80.00 | 80.00 | 50.00 | 25.00 | NC |
| 15 | Brinjals | 1 Kg | 900.00 | 80.00 | 35.00 | 53.00 | 847.00 | 27.00 | (18.00) |
| 16 | Carrots | 1 Kg | 165.00 | 100.00 | 90.00 | 120.00 | 45.00 | (20.00) | (30.00) |
| 17 | Green Gram | 1 Kg | 160.00 | 120.00 | 130.00 | 136.00 | 24.00 | (16.00) | (6.00) |
| 18 | Salt | 1 Kg | 80.00 | 25.00 | 40.00 | 42.00 | 38.00 | (17.00) | (2.00) |
| 19 | Box Of Matches | 1 Doz | 35.00 | 35.00 | 35.00 | 30.00 | 5.00 | 5.00 | 5.00 |
| 20 | Panadol | 1 Card | 25.00 | 24.00 | 24.00 | 24.00 | 1.00 | NC | NC |
| 21 | Corriander | 1 Kg | 320.00 | 275.00 | 270.00 | 254.00 | 66.00 | 21.00 | 16.00 |
| 22 | Kadala Gram | 1 Kg | 150.00 | 155.00 | 180.00 | 148.00 | 2.00 | 7.00 | 32.00 |
| 23 | Canned Fish (Medium-Turkey) | 1 Tin | 210.00 | 185.00 | 180.00 | 175.00 | 35.00 | 10.00 | 5.00 |
| 24 | Candles | 1 | 7.00 | 3.50 | 4.00 | 6.00 | 1.00 | (2.50) | (2.00) |
| 25 | Mosquito Coils (Ninja) | 1 Box | 85.00 | 44.00 | 44.00 | 42.00 | 43.00 | 2.00 | 2.00 |
| 26 | Dried Red Chilies | 1 Kg | 280.00 | 210.00 | 210.00 | 210.00 | 70.00 | NC | NC |
| 27 | Kerosene Oil | 1 Box | 85.00 | 82.00 | 80.00 | 88.00 | (3.00) | (6.00) | (8.00) |
| 28 | Coconut Oil (Loose) | 1 Ltr | 260.00 | 190.00 | 200.00 | 145.00 | 115.00 | 45.00 | 55.00 |
| 29 | Vegetable Oil (Loose) | 1 Ltr | 230.00 | 160.00 | 165.00 | 140.00 | 90.00 | 20.00 | 25.00 |
| 30 | Tea (Dust) | 1 Kg | 480.00 | 460.00 | 460.00 | 450.00 | 30.00 | 10.00 | 10.00 |
| 31 | Black Gram | 1 Kg | 160.00 | 140.00 | 130.00 | 180.00 | (20.00) | (40.00) | (50.00) |
| 32 | Coconut Milk Powder | 350 Gr | 375.00 | 260.00 | 270.00 | 260.00 | 115.00 | NC | 10.00 |
| 33 | Tamarind | 1 Kg | 110.00 | 80.00 | 85.00 | 100.00 | 10.00 | (20.00) | (15.00) |
| 34 | Gingelly (White) | 1 Kg | 290.00 | 260.00 | 290.00 | 304.00 | (14.00) | (44.00) | (14.00) |

Note :- SNA (Stock Not Available) Note :- NC (No Change in Price Level)

Prices from Yalpanam Chamber of Commerce

Prices from Vavuniya Chamber of Commerce

Prices from Mannar Chamber of Commerce

Colombo Market Prices



Air conditioning and Refrigeration trainees at their practical sessions at HWC Kalutara.



President of Handwerkskammer Koblenz, Germany visits HWC - WP

Facilitation of Industrial and Educational Exhibition - Jaffna 2008

The Northern Security Forces Command in Jaffna in collaboration with the Government and Private sector organizations held the Industrial and Educational Exhibition - Jaffna 2008 under the theme of "Future Minds of Jaffna" on 27th, 28th and 29th December. The exhibition was a part of the reawakening of Jaffna and focused on winning the hearts and minds of the people of Jaffna.

Target Group of the Exhibition

While the exhibition was organized for the general public in Jaffna, it specifically targeted the business community, school children and school leavers. The exhibition was meant to enhance their knowledge on the latest technical

developments and to provide job opportunities in order to uplift their living standards. The event also enabled the business community in the South to share their developments and experiences with the business community in the North and its people at large.

Role of FCCISL

Organizers of the event had sought the assistance of the FCCISL to coordinate matters in Colombo and in Jaffna through its Regional Chamber network. In this connection, FCCISL volunteered to assist the organizers of the exhibition and held two briefing sessions, one on 14th November chaired by Brigadier Piyal Abeysekara, and the other on 19th November 2008 chaired by Brigadier Ruwan Kulathunga, at the Auditorium of the FCCISL.

In spite of the uncertainty and tense situation that prevailed at that time in Jaffna, within a short period of time FCCISL was able to facilitate 18 participants, which records, a 72% of the total Colombo based Exhibitors and six others from the exhibitors of the Jaffna based business community.

Main Events and Focused Areas at the Exhibition

The Exhibition had three components / events namely,

- **Educational and Industrial Exhibition**
focused on the areas of Information Technology, Tele Communication, Agriculture, Fishing Industry, Small Industry, Art and Culture, Higher Education & Guidance, Hospitality Trade and Book Exhibition.



HWC WP Certificate Awarding Ceremony with distinguished participation of the Hon. Dr. Rajitha Senaratne, Minister of Construction and Engineering Services





First lady trainee who successfully completed the Carpentry Woodcarving Course presenting a carving to Mr. Peter Rechmann at the first certificate awarding ceremony



First lady trainee during her training period - GM Vocational Education of FCCISL (left) monitoring

- **Trade Fair**
Held with a view to make available all consumables at the lowest possible prices.
- **Musical Program "Jaffna Dream Star" Competition**
to make people happy and to bring social harmony.

HANDWERK CENTRES (HWC) - VOCATIONAL TRAINING CENTRES OF FCCISL

Handwerk Centers are construction industry related vocational training institutes. It is a collaborative effort of the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL), National Construction Association of Sri Lanka (NCASL) and Handwerkskammer Koblenz, Germany (HWK).

Through this project, two vocational training centres have been set up in Payagala in the Kalutara District for the Western Province, in Thirukkovil in the Ampara District for Eastern province, with the objective of training construction industry related skilled persons in masonry, carpentry, building painting, welding, electrical wiring, air-conditioning and associated fields. It also offers opportunities for those who are already employed in the industry to gain post employment skills upgrading. In addition, the center handles company specific training for enhancing capacity and skills development.

Handwerk Centre has trained more than 270 students in different crafts in the year of 2007/2008. All these training sessions are designed based on National Vocational Qualifications of TVEC and

matching the City & Guild requirements. The certificate issued on completion of training is based on the performance and competence. The Certificates are jointly issued by the FCCISL, apex body in Chambers of Commerce & Industry, National Construction Association of Sri Lanka (NCASL), apex body in construction industry and the German Handwerkskammer Koblenz. The trainees are positioned to proceed with City & Guilds Qualifications at the end of the training courses leading to Advanced Diploma.



HWC trainees are being tested by the German Welding Society representatives.



Handwerk Centre - Eastern Province



Opening of the Handwerk Centre - Eastern Province



Chairman of the Thirukkivil Pradeshiya Sabha, carpentry instructor and trainees with FCCISL officials at the opening ceremony of the Handwerk Centre Eastern Province

Further, testing of welders is conducted by the German Welding Society since 2008 at Handwerk Centre (Western Province) located in Kalutara. This is conducted twice a year and gives an opportunity for welders to obtain an International level Trade Certification in accordance with their skills.

Certificate Awarding Ceremonies of HwC Western Province

First Certificate Awarding Ceremony of the Handwerk Centre WP

Handwerk Centre first Certificate Awarding Ceremony was held at the Handwerk Centre Kalutara on 18th August 2008 with the participation of Mr. Peter Rechmann (Project Director CDP, HwK Koblenz) who was a pioneer in this effort, as the Chief Guest.

The ceremony was of special significance as the first lady crafts woman trained by HwC received her certificate on this day.

Second Certificate Awarding Ceremony of the Handwerk Centre WP

This was held on 6th December 2008 at Handwerk Centre – Western Province, Kalutara. The Hon. Dr. Rajitha Senarathne, Minister of Construction and Engineering Services was the Chief Guest at the Certificate Awarding Ceremony.

HwC Trainees go abroad for overseas employment

Mr. Nimal Wickramasinghe, and Mr. Gaya Shantha Maddage were the first two who left for overseas employment. They left for Qatar on 23rd March 2008 through Hamad Group of Companies,

No 07, Devanampiyatissa Mawatha, Colombo 10.

Mr. K.L.P. Perera and Mr. K.H.S. Jayaratne were the first two Welding Trainees to obtain the NVQ level 4 certificate of TVEC after completion of our course and they left for employment in Canada.

German Welding Society and Handwerkskammer Koblenz visited Handwerk Centre WP

Representatives from German Welding Society and Handwerkskammer Koblenz visited Handwerk Centre WP from 4th to 8th August 2008 and conducted Certification / Trade testing of Welders. It is for the first time in Sri Lanka the Handwerk Centre which is now accredited by "German Welding Society" to train and conduct Certification by the German Welding Society.



Training in progress at the HWC - Eastern Province



Trainees with officials of the HWC - Eastern Province



Mr. Kosala Wickramanayake, President FCCISL (left) and Mr. Kushan Kodituwakku, Managing Director OREL MFG (right) exchanging the MOU at a ceremony where Hon. Dr. Rajitha Senarathne participated.



Handwerk Centre Signed MOU with Practical Action (ITDG) to conduct Training Programmes at Handwerk Centre Eastern Province

Handwerk Centre Eastern Province – Thirukkivil (HwC EP)

Opening Ceremony of the HWC Eastern Province

The Handwerk Centre in the Eastern Province was ceremonially commissioned on 13th September 2008. Mr. Kosala Wickramanayake, Senior Vice President, Mr. Tissa Jayaweera Vice President, Mr. Kumar Mallimaratchi Member of the Council, Mr. V. Sabhapathy, Chairman of the Thirukkivil Pradeshiya Saba, Mr. N Sunthareasan, President of Batticaloa District Chamber of Commerce, Mr. Samantha Abeywickrama, Secretary General, Mr. Sam Stembo Director of Special Projects, Dr. Mrs. Gayangi von Heinmendl, Consultant Rhineland Pfalz – Handwerk Skammer Koblenz Partnership Project and Mr. Mahendra Munasinghe General Manager Vocational Education of FCCISL participated at the ceremony.

Handwerk Centre Eastern Province (HwC EP) is situated in Thirukkivil. HwC EP is accredited under City & Guilds (Reg. No: 844098).

Handwerk Centre signed MOU with OREL MFG (Private) Limited

Handwerk Centre signed an MOU with Orange Electric, manufacturers of

switches and sockets to train their member electricians spread around Sri Lanka.

Handwerk Centre signed MOU with Practical Action

Handwerk Centre signed an MOU with Practical Action which is formerly known as ITDG to conduct training programmes for youth from Tsunami affected families in the Eastern Coastal areas of districts of Batticaloa and Ampara.

Handwerk Centre signed MOU with IUCN

Also Handwerk Centre signed an MOU to train youth from fishing families in Periyakalappu, Thirukkivil and Thandiadi around the lagoon areas with the International Union for Conservation of Nature (IUCN) with the intension of training them on other vocations to ease the burden of dependence on the lagoon for fishing. This is to prevent environmental pollution.

METAMART - e-CONVENIENT STORE OF FCCISL

www.metamart.biz

MetaMart is an interactive e-Market and a Convenient Store, created and managed by the Federation of Chambers of Commerce & Industry of Sri Lanka

(FCCISL). It is another key initiative of FCCISL to provide market linkages to the SMEs in Sri Lanka.

MetaMart has a collection of over 650 products and creations with a reasonable variety which would be of high interest to customers to purchase on-line as well as purchase commercial quantities after negotiations. MetaMart also provides an opportunity to visiting customers to make use of many service facilities which includes Meta-banking, Meta - utility bill payments, Meta- events and many more services, making it a unique convenient store.

www.metapages.biz

This is an online business directory. The listings under Metapages are listed under respective district chambers. It provides an important information base for trade. It also provides an opportunity for fund raising for the chambers. The site will be soon available on mobile and the services will be through a menu built using the USST technology via a mobile phone of any kind. Once the project is in place information also could be obtained using SMS.

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

INTRODUCTION/BACKGROUND

Project SMED has been established in collaboration between the Friedrich - Naumann-Foundation (FNF) and the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL).

Its Objectives

- a. To offer support services to the Small and Medium Enterprises of Sri Lanka in order to increase their competitiveness and enable them to use the opportunities offered by the market economy and the globalization process.
- b. To strengthen the chamber movement in Sri Lanka by increasing the membership of FCCISL and its constituent chambers, by supporting FCCISL in its tasks of formulation entrepreneurs on issues of economic policy liberalization and on the role of the chambers in a market economy.

Vision, Mission and Goals of SMED

Vision

SMED will be a Centre of Excellence as a Business Development Service (BDS) provider to Sri Lankan Business Community.

Mission

To promote and foster business enterprises to be competitive, socially responsible and environment friendly by providing demand driven effective and high standard, professional services to achieve sustainable growth and development.

Goals

- Extension of service coverage Island wide.
- Achieve financial self-sufficiency & sustainability.

- Expand the range of activities through R&D (Demand Survey).
- Enhance organizational productivity and quality of services.
- Endeavour for total employee satisfaction.
- Build up image and goodwill as a Centre of Excellence.
- To promote strong and healthy public - private partnership (PPP).
- Contribute to overall sustainable economic growth of the country.

Challenge and Opportunity

A challenge of business competition in today's globalized, knowledge based economy is meeting the discrete demands of numerous client segments, not by supplying just goods and services but by providing to the clients solutions developed from proper blends of product utilities, supporting services, and timely deliveries. The business cutting edge has changed, from mass production with size-and scale as permanent competitive advantage to lean production with client responsiveness, speed, and constant reinvention of advantages.

In this environment, businesses with small organizations have no less competing opportunity than those larger the opportunity to develop niche, innovation, networking, and sound management. SMED's task is to assist them developing their full competitive capability.

Strategy

SMED services are client based. It stratifies SMEs into four development stages: potential and emerging entrepreneurs, the existing SMEs afflicted by the economic crisis, those with fair sustainability, and those with high competitiveness. Its services are

customized to meet the different needs of SMEs at each stage. The services also take into account sizes of SME's organizations, business areas (production, agribusiness, technology transfer, trading, service, consultancies etc.) and attending persons (executives, employees, business successors, etc.). The services have to be effective, time-affordable, and economical for SMEs of each target group.

To assure quality service, SMED comprehensively monitors and evaluates the services on inputs, processes, outputs, and outcomes. By "hand-holding" SMEs, it tracks the individual and responds to changing parameters.

MANAGEMENT AND CONSULTANCY SERVICES

• Consultancy on Forming of Omnibus Companies

The Small and Medium Enterprise Developers (SMED) was assigned by the National Transport Commission (NTC) for consultancies on

- Conducting of Awareness Programmes with regard to the formation of Omnibus Companies
- Strategy for Formation of Omnibus Companies, Registration and Implementation as per the requirements of NTC.
- Human Resource Development / Capacity Building of bus company staff and shareholders.

• Conducting Feasibility Study for Coaching and Training for GTZ Project Partners

Background

The overall objective of the survey is to find the current status of income generated activities of the GTZ



Capacity building training programme for GTZ partners/government officers



GTZ capacity building programme for GTZ partners/CBOs

partners and prepare a methodology for coaching and training to promote those business activities for sustainability.

The concept of the SIG activities is to improve the economic situation of livelihoods in selected regions of the conflict and Tsunami affected districts in Ampara, Batticaloa, Trincomalee and Vavuniya.

Areas to be covered by this survey were,

- Identifying required support to develop the entrepreneur skills.
- technology requirements to develop their activities
- Present market linkages
- Coordinating among relevant business service providers

• Training and Skill Development Workshops

“How to Cost Training Courses” – GTZ REVO Project

Technical Education Department with the help of GTZ supported REVO project, SMED was invited to conduct 2 days training program for Technical college teachers on “How to Cost Training Courses” Programme.

ENTERPRISE DEVELOPMENT SERVICES

• Capacity Building of Partners of GTZ Supported Projects

It was to develop seventy five MSMEs in each district and it was planned to train 20 Entrepreneur Facilitators for each district.

Geographical coverage, of 2007 programme was limited to the districts of Vavuniya, Batticaloa and Ampara.

• Training on Competency Enhancement

The advance programme consisted of administration/management aspects (3 days) and more importantly an ‘Appreciation Session’ on Value Chain and Entrepreneurship Development.

This was useful at the monitoring stage. The General Administration programme included administration/management aspects focusing on leadership development etc.

• Training on Value Chain Development

This was the second round of training targeting a combined group representing the decision makers and the implementers.

• Training on Entrepreneurship Development

This was the third round of training targeting the same group. The group consisted of mainly divisional and village-level state employees, CBOs, Co-Ops and a few NGOs and not the potential or existing entrepreneurs. The general entrepreneurship development training for a group of this nature made a little impact as far as delivery is concerned. It was suggested conducting Training of Trainers (ToT) programme expanding to five days.

This Programme included 16 workshops and each 5 days residential work shops. This was a continuation of the programme from 2007.

The client GTZ was quite satisfied of the project. There were 17 - 20 participants from each district and forwarded 275 business plans of actual enterprises in their regions. Participants gained knowledge to help as facilitators to any entrepreneur who needs assistance to prepare business plans in their districts.

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

• **Training on Business Plan Preparation for Conflict Affected Entrepreneurs**

A programme with Special Projects unit for conflict affected entrepreneurs, named "Entrepreneurship and Business Management". The participants selected by relevant district chambers and introduced to the FCCISL Special Projects to develop their businesses. Special Projects unit assigned planning and implementation of this project to SMED.

Programmes were conducted in Ampara, Kalmunai, Batticaloa, Trincomalee, Vavuniya, Puttalam and Anuradhapura.

250 affected entrepreneurs who participated in the programme came up with the business plans for their respective businesses.

ENERGY AND ENVIRONMENT SERVICES

• **Energy Audits**

SMED is now undertaking Energy Audits that lower the energy cost without sacrificing occupational comfort.

As per the requirements of the clients and based on the capacity and the type SMED conducts audits in two folds. They are;

- Walk through audits
- Complete energy audits

Due to the increasing of prices of the electricity and in response to an advertisement done by Small and Medium Enterprise Developers

following Walk through Energy Audit were conducted during last 3 months of 2008.

- Aktari Traders (Pvt) Ltd
- Hayleys Group
- SJMS Associates
- Star Garments Limited.
- Vintage Teas Ceylon (Private) Limited

• **IUCN funded Environmental Audits for Selected Industries of Regional Chambers**

Industrial pollution is causing a lot of damage to the environment in urban and rural areas and in an attempt to minimize this impact, Federation of Chambers of Commerce and Industry of Sri Lanka (FCCI) - SMED Environment and Energy Division teams up with the World Conservation Union in launching several pollution control awareness programmes. These programmes are carried out through the Regional Chambers of FCCISL.

This launch included five pilot projects. They were Agricultural Farm / Seed paddy sector, Desiccated coconut Industry, Lime Industry, Rice Milling Industry and Fuel pumping Service Station.

In each of the above areas of industries one place was selected to be a model and all the other industrialists could take it as a model and for them to follow the pollution prevention methods carried out in the pilot project.

The pilot plants were selected after detailed discussions and agreements were signed.

- A rice mill was selected through Ampara District Chamber.

- Fuel Pumping Service Station was selected through Anuradhapura District Chamber.
- A Lime Kiln was selected through Matale District Chamber.
- Agricultural Farm/Seed paddy sector was selected through Polonnaruwa District Chamber.
- Desiccated coconut industry was selected through Wayamba District Chamber.

Rice milling has been a major sector in the Eastern and North Central Provinces and studies have shown that there is a considerable amount of pollution and waste in this industry.

In the case of service stations there is water pollution.

There are large numbers of lime kilns in the Matale District and the surveys have indicated that most of these kilns are badly designed and cause very high air pollution. The pilot project came up with a procedure that would ensure environmentally friendly lime kilns.

Agricultural Farm /Seed paddy sector is a major industry in the Polonnaruwa District and they appear to be not operated in an environmentally friendly manner causing a threat to hygienic conditions as well as pollution. The pilot project in the seed paddy sector was to ensure environmentally friendly practices that generate benefits to the community.

Wayamba Province is reputed for desiccated coconut industry and the products are supplied to large multinational companies. While large coir industrialists are conscious and



CDM resource persons with FCCISL president



Section of the CDM participants

adopt environmentally friendly measures many SMEs in the supply chain are far from being environmentally friendly. The pilot project dealt with eliminating the impending environmental hazards.

• **Clean Development Mechanism**

Clean Development Mechanism (CDM) is an arrangement under Kyoto Protocol allowing industrialised countries with a greenhouse gas reduction commitment (called Annex-countries) to invest in projects that reduce emissions in developing countries as an alternative to more expensive emission reduction in their own countries. Developing countries are awarded with emission credits on account of their active contribution to emission reductions and sustainable development.

Realising the great importance of this issue and the need for environmental protection, Federation of Indian Chambers of Commerce and Industry (FICCI), with assistance from Norway, has launched a project for promotion of CDM in India. It is proposed to create awareness about CDM and conduct feasibility study to assess the CDM potential in SAARC countries including Sri Lanka.

• **CDM Discussion with Government Officials**

A meeting was held on the 16th December with the following Government officials in the areas of energy, environment, transport, waste, forestry etc.

- Ministries of Petroleum and Resources, Transport, Science and Technology, Environment and Natural Resources and Power & Energy.
- National Transport Commission
- Department of Forest
- Chief Ministry Western Province
- Solid Waste Management
- State Timber Corporation
- Geology Survey and Mines Bureau
- Central Environment Authority / Sri Lanka Carbon Fund

Key Sectors discussed for CDM

- Hydro, Agriculture, is already in process and Transport, Waste Management, Solid Waste, Waste Water and Forestry are to be expanded on CDM.
- Already working projects and the projects to be started was listed.
- Government has allocated Sri Lankan Rupees 100 Mn., for these activities.
- To get the approval on a project, if it's through the Government panel will take about two weeks,

if the papers are intact.

- Sri Lanka Carbon Fund trying to work for the refinery at the moment and to be moderate.
- Flame volume can be reduced.
- Solar Power is also can be an option.
- Forestry could be on land availability – normal land to convert to forest land.
- Registered CDM Projects were discussed

• **Seminar on CDM and its benefits - Open House Discussions**

Conducted by Federation of Indian Chambers of Commerce and Industry (FICCI) in collaboration with SMED and Sri Lanka Carbon Fund at Trans Asia Hotel on 17th December 2008.

Topics presented and discussed were

- Impact of Climate Change and status of CDM Projects.
- Overview about Global Warming & Climate Change.
- CDM for Developing Countries.
- Crucial requirements for registration of Clean Development Mechanism projects by Executive Board of United Nations Framework Convention on Climate Change (EB-UNFCCC).

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

- Presentation of a the project owner of a registered Clean Development Mechanism project in Sri Lanka.

The resource persons were Mr. Karun Sharma, Head CDM and Charu Gupta, Senior Consultant of FICCI Quality Forum and Mrs. Chandani Panditharatne, Deputy Director, Climate Change - Ministry of Environmental and Natural Resource.

There was a participation of 76 representing potential industries, media and public sector organisations.

- **Management of Plastic, Polythene & Rubber Work Shop**

Discussion with Government heads of the Central Environment Authority to streamline the policies and Regulations of plastic industry in Sri Lanka,

Mrs. L P Batuwitige - Additional Secretary, Ministry of Environment & Natural Resource.

- Immense lobbying was carried out with regard to the same. By this time they brought up a new law that the lunch sheets and other polythene wrappers and bags below micron 20 will be illegal to use.

- One of the questions raised was "what sort of plans have the Government made on the polythene issue", the answer was that the only solution is to adhere to the new regulations as not to use thin polythene ex. Lunch sheets, shopping bags, to produce according to the given instructions of the Government to produce polythene products out of over micron 20. To minimize the solid waste and make maximum use of the local products.

Mr. P M D Jayanetti, Senior Environmental Officer - Central Environment Authority pointed out

- For the industrial sustainability they should look at the external forces and processes. The business of the Ministry of Environment is to look at the pollution to the environment and then take actions and decisions accordingly.
- A request from a participant that to advertise in papers not to sell polythene goods without an EPL No. and also not to tax more than the customs.

Mr. Nihal Cooray, Chartered Engineer - Board Member Asia Pacific Round table on Sustainable Consumption and Production.

- Guiding Philosophy of Cleaner Production is that prevention is better than cure - Minimizing creation of waste and pollution would result improved profitability, competitiveness, better health and safety of workers, reduce resource dependency and less pollution.

PUBLIC-PRIVATE PARTNERSHIP FOR TECHNOLOGY TRANSFER AND MARKET LINKAGE SERVICES

- **SMED Machinery Exhibition - 2008**

SMED in collaboration with the Ministry of Industrial Development and in association with the Ministries of Rural Industries & Self Employment Promotion, Science and technology, Enterprise Development and Investment Promotion and World Association for Small & Medium Enterprises (WASME), organized the SME Machinery Exhibition for the 3rd consecutive time at the BMICH from May 15-18, 2008.



Exhibitors explaining their products to invitees at SME Machinery Exhibition



The areas covered in this exhibition were;

- Machinery
- Ancillary Equipment
- Processes
- Methods and New Technology

The Exhibition on all 4 days got under way at 10.0am in the morning. Visitors from various parts of the island came to visit the stalls, as some machinery was unique and a creation of the small entrepreneur.

A series of seminars/workshops useful for SME representatives and entrepreneurs were conducted on all 4 days on the following topics.

- Banking assistance for SMEs
- Single phase-small rice mills
- New food technology applications for SMEs
- New welding technology
- Environmental Protection Laws for SMEs
- Energy efficiency and profitability in SME businesses
- Greening the SME business for profitability

- Benefits of incorporating quality & standards for SMEs
- Application of IT for SME profitability
- Technical & vocational training available for SME's

• "Hands Lanka" 2008 Exhibition



The "Hands Lanka" first ever international handicrafts exhibition was held in Sri Lanka from October 9 -12, 2008 at the Sri Lanka Exhibition and Convention Centre (SLECC), Colombo.

This exposition is a joint initiative of SMED, technical arm of the FCCISL the apex organization of the private sector in Sri Lanka, Handwerkskammer Koblenz of Germany and National Chamber of Handicrafts in Sri Lanka together with the Ministry of Rural Industries and Self-employment.

This annual event was the first joint effort in Sri Lanka where the handicraftsmen and women could meet buyers and suppliers for their products.

Go the objective was to create an open forum for expert craftsmen from all over Sri Lanka with national and international high-end clientele.

Exhibits were

Wood Work, Metal Work, Lacquer Work, Mat Weaving & Palm Products, Basketry, Coir Products, Pottery, Lace Making, Rattan Products, Bamboo Products and Gold & Silver Jewellery.

The "Hands Lanka" exhibition provided an opportunity for local and foreign handicraft products manufacturers to:

- To meet mega-scale national and international manufacturers
- To meet mega-scale material suppliers
- To meet mega-scale buyers and to get firm orders
- To get to know a wide range of brilliant service providers
- To sell directly own products and strategic methods of production
- To make negotiation and enter into joint ventures
- To get to know time-effective



Demonstration by exhibitors at Hands Lanka Exhibition



SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

and cost-effective new, sophisticated technologies

- To get to know new technologies for efficient large-scale productions

Handicraft craftsmen as rural entrepreneurs' generally have great potential to grow if they are provided with new technology and innovations to create new products and services using rural resources. It will open up new opportunities to craftsmen to acquire technical know-how in order to redesign existing products, product diversification, quality improvement, and cost cutting.

There were 08 parallel seminars conducted (Free of Charge) during the exhibition for the public and the exhibitors on the following topics

- Financial assistance available to handicraft technicians.
- Export market open to handicrafts.
- The need for new vision for the handicraft industry.
- Methods of electroplating gold, silver and rhodium for production
- New technology utilized in manufacturing copper based products.

- Need for producing quality handicrafts.
- Hand driven woven products.
- Exploring new markets for handicrafts.

• Fisheries EXPO Sri Lanka 2008 *International Fisheries and Aquatic Resources Exhibition*



On 7th November the exhibition was inaugurated by the Hon. Deputy Minister Neomal Perera, Minister of Fisheries and Aquatic Resources.

It was held from 7th to 9th November at the Sri Lanka Exhibition and Convention Centre (SLECC), Colombo.

This expectation of the exhibition was to provide an insight into the diverse opportunities available in the fisheries sector for potential investors targeting both domestic and export markets in Sri Lanka and an awareness of the policies and programmes of the Ministry of Fisheries and Aquatic Resources and its agencies in promoting sustainable development of fisheries in Sri Lanka.

Sections of the Exhibition

- Aquaculture.
- Services to the seafood/fishing industry.
- Fish and sea products.
- Frozen, enriched and branded products.
- Delicatessen and exotic sea products.
- Equipment for fish processing technologies.
- Refrigerating and freezing equipment for the fishing industry.
- Equipment for storing, transporting and packaging sea products.
- Fleet, professional fishing equipment and instruments for the fishing industry.
- Industrial water cleansing equipment.
- Investment, insurance, quality control and logistics in the fishing industry.
- Complementing products and substances for sea products.
- Boats/Ships service & repairs.

The project was financially supported by GTZ, ICEIDA, Ministry of Fisheries and Aquatic Resources and FCCISL.



Hon. Deputy Minister, Fisheries, Secretary to the Ministry, Belgium Honorary Consul with FCCISL officials



ITR Researchers demonstrating value added fisheries products.

Parallel Events/Seminars

- Availability of modern technology for the deep sea fishing industry.
- Eco Tourism for generation of self employment and whale watching in Sri Lanka.
- Investment opportunities in fisheries sector.
- Development of new hybrids of Fancy Guppies - NAQDA Experience.
- Ornamental aquatic plant propagation through tissue culture for generations of self employment.
- Availability of dimmersal fish for the domestic market.
- Current regulations & requirements mandatory for export of fishery products to the EU & other markets (USA + Japan).
- Packaging requirement for transportation of aquarium fish
- Health management for the ornamental fish trade.

SME POLICY, RESEARCH AND ADVOCACY SERVICES

• Key Persons' Forum

The Key Persons Forum is an event organized monthly by the SMED. The objective of this programme is to provide a dialogue platform for public and private sector entrepreneurs.

Lectures and discussions of each forum are conducted by eminent personalities both in the Public and Private Sector in their relevant fields who share experiences and policy perspectives on a face to face basis with the Guest Speaker on topics relevant to those who are interested in SME development. Participation at Key Persons' Forum is of a great advantage for both in public and private sector as topics discussed at these monthly fora are timely and relevant to come up with day-to-day business issues.

• Publications

- Key Persons' Speeches 2008
- Newsletter
- SMED brochure

AGRIBUSINESS DEVELOPMENT SERVICES

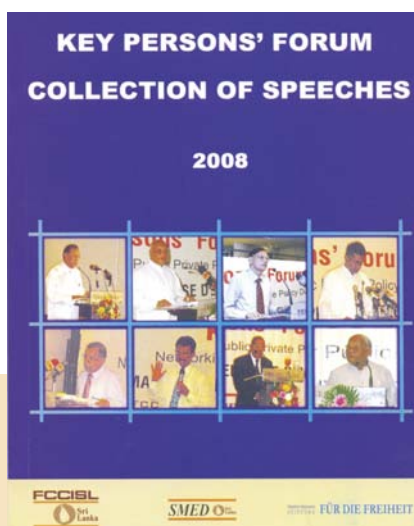
• Establishment of 600 Forward Sales Contracts in Badulla

An MOU was signed between Dry Zone Livelihood Support and Partnership Programme funded by International Fund for Agricultural Development (IFAD) and FCCISL in Badulla on the 21st August 2008 in Badulla.

The objective of the programme was to achieve sustainable increase in income and improved living standards of the poor households in the programme area.

• Monaragala Agribusiness Development Project

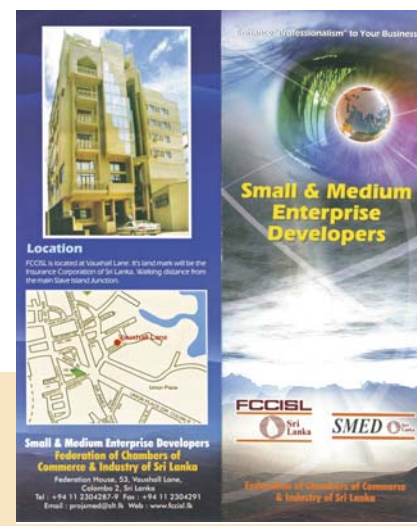
- Awareness programme was commenced in November 2007 including two days hands-on training programs. Farmers were trained at Gannoruwa Agriculture School on post harvesting development. Programmes were conducted on the following areas



Publication of Key Persons' Speeches



SMED News Letter



SMED Brochure

SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

- Composting and eco-friendly drip irrigation systems.
 - Papaw, Beetle, Pineapple, Mango farming with modern technology.
 - Fruits & vegetables preservation.
 - Cattle farm management and implementation.
 - Pest controlling.
 - Home gardening.
 - Seed and plant management
 - Packaging industry
 - Created several farmer organizations in relevant districts.
- FUTURE PLANS OF THE SMED FOR 2009**
- Technical workshops (innovative new areas such as nanotechnology)
 - Walk through environment and energy audits
 - Regional chamber seminars
 - Foreign exposure visits
 - Management consultancies
 - Regional programs as per business plans
 - National level agribusiness development, energy and environmental seminars
 - Key Persons' Forums
 - Regional seminars on good governance for SMEs
 - Regional seminars on non conflictive interaction
 - Regional seminars on intellectual property rights
 - Publication - handbook on intellectual property rights
 - Publication - Key Persons' Speeches
 - Publication - Regional Business Development Services for SMEs
 - SME SUMMIT 2009
 - SME Machinery Exhibition 2009
 - HANDS LANKA Exhibition 2009
 - Fisheries/ Agri / DairyExpo Sri Lanka 2009
 - Establishing SMED 05 cells RCSL PROJECT



July 01, 2008

"Government Policy on Aviation Industry and Future of Sri Lankan Airlines"

GUEST SPEAKER

Dr. P.B. Jayasundara

Chairman, Sri Lankan Airlines



August 18, 2008

"Sri Lanka's Prospects on Securing GSP + - Strategy of the Government"

GUEST SPEAKER

Hon. Prof. G.L. Peiris

Minister of Export Development & International Trade

POLICY SUPPORT, ECONOMIC AFFAIRS AND EXPORT DOCUMENTATION

PERSPECTIVES AND ROLE

The division is principally tasked with the responsibility of covering both macro and micro economic affairs and their developments. Such developments are of central concern to the nation's private enterprise system.

The division, as a result a committed analyst of the scenario encompassing the economy responsible for the monitoring of developments pertaining to especially the private sector which is considered the most vital instrument of national economic advancement and a vehicle of growth.

Emerging and new issues arising out of governmental decisions, laws, rules and regulations which impact in either way good or bad, in relation to private enterprise too are subject to focus and scrutiny by the division.

Interaction with the State and its relevant agencies and making its own views known to the State remain a main activity of the division.

It participates in both national and international seminars and organizes similar events, workshops etc. on topical issues of relevance to the private sector.

It is the principal lobbyist on behalf of the Federation and this factor has enabled the Federation make its presence felt in the decision making processes of the State.

Yet another of its functions relate to written submissions and representations it makes on behalf of its constituents on matters affecting them on the one hand and on issues that in general concern private enterprise, on the other.

The division creates public awareness of needs of the stakeholders in private enterprise through the electronic and print media. The effectiveness of its role as a communicator is evident by the regular acceptance and publication of its views on economic issues by the media.

As a consequence we believe that we also perform the task of a moulder of opinion which is important in facilitating an effective private enterprise system.

INTERACTIVE SPECIFICS

In the year under review it closely interacted with the following State institutions.

- The Ministry of Finance and Planning on the National Budget.
- Ministry of Trade, Marketing Development Cooperatives and Consumer Affairs – Trade related issues and representations.
- The Ministry of Labour – especially on the subject of social security and pensions.
- The Ministry of Ports and Aviation – Presidential Commission on the Development of Shipping and Ports.

- Ministry of Export Development and International Trade – Especially on export issues raised by member chambers.
- The Sri Lanka Customs
- The Department of Commerce

Non governmental Institutions with which the Division interacted during 2008 were,

- The UN Agencies based in Sri Lanka.
- Other Chambers and similar bodies (non-members).
- The Institute of Policy Studies.

Key representations made during the year under reference.

THE NATIONAL BUDGET 2009

The Division initiated the process of submitting FCCISL's representations on the National Budget several months before the Budget proposals were tabled in Parliament in November 2008. In run - up to the preparations on making representations, the Division sought the views of its member Chambers' and Associations, studied the issues affecting the growth of private enterprise, the economy and its indicators.

POLICY SUPPORT, ECONOMIC AFFAIRS AND EXPORT DOCUMENTATION

| Subject | Sector/ Industry/ area covered |
|--|---|
| The Overall Economy – A Review | <p>a) Highlighted the resilience shown by the economy despite adverse conditions. Commended the growth in terms of the 7% increase in G.N.P.</p> <p>b) The achievement of the Tea export sector which earned more than US\$ 1 billion in exports – a record in the history of Tea exports.</p> <p>c) The growth of the service sector of which telecommunication sector's advancement was the dominant feature.</p> |
| Foreign Direct Investment (F.D.I.) | <p>During the first 8 months of 2008 FDI's had reached a figure of US\$ 800 million.</p> <p>It was proposed that investments should possibly be located in regions that are relatively undeveloped. The idea was to improve (a) living conditions (b) Provide opportunities for employment (c) divert growth oriented projects to less developed areas.</p> |
| Subject | Observations/ Proposals |
| Good Governance and Government Expenditure | Greater transparency and openness advocated. More effective utilization of taxation to improve infrastructure. |
| State Sector Productivity and Work Norm | <p>Creation of hassle free administration. Avoidance of breakdowns in administration as well as close cooperation between the public and private sectors at all levels could help in productivity and improve work norms.</p> <p>Establishment of Productivity Councils in government institutions proposed.</p> |
| Export Industry | <p>Highlighted the current status of the food industry with statistics.</p> <p>Pointed out how the food sector could capitalize on Free Trade Agreements, Multinational Trade Agreements, membership of Sri Lanka in WTO and also the advantages accruing from GSP+ to exploit growing opportunities in the international food market.</p> |
| Leather Products Sector | <p>Exempt from VAT import of raw material that feed the leather manufacturing sector. Also exempt locally manufactured machinery supplied to the shoe sector.</p> <p>Ease credit facilities to this sector from especially State Banks.</p> |
| Fisheries, Boat building and Fishnet Industry | <p>a) Identified the crisis facing the fishnet industry on account of unfair competition from low priced imported Gills.</p> <p>b) Proposed the introduction of a weight based customs duty for imported gill nets.</p> <p>c) Introduction of a subsidy scheme for fuel efficient boats.</p> <p>d) Give incentives and provide credit facilities for local boat manufacturing companies to venture overseas, so as to establish joint projects.</p> |

| Subject | Observations/ Proposals |
|--|---|
| Fashion Jewellery Sector | <p>Pointed out the Tariff anomalies.</p> <p>Recommended the equation of concessions afforded to the Gem and Jewellery Sector with those available to fashion jewellery, in terms of raw materials and in respect of the sale of foreign currency. Presently only non-manufacturers of jewellery are exempt from any sales, tax. Exemption from VAT to be extended to manufacturers of Fashion Jewellery too.</p> |
| Agriculture - (i) Corporate farming | <p>Proposed introduction of corporate farming and adoption of "Mini Fundist" agriculture which concept was pioneered by India.</p> <p>It was similar to the 'Grameen' model which has led to the poor specially women in the farming community to be owners of corporate wealth.</p> |
| Agriculture - (ii) Milk Production | <p>Advocated the introduction of the 'Amul' model of milk production in Sri Lanka too since the country was far from self sufficiency in milk production and expended large sums annually on imports of milk.</p> <p>Imported dried milk is subject to decline in nutritional value following processing and is also subject to constant rise in price.</p> <p>Urged that to counteract the above, a cooperative ownership of all aspects of production and distribution be handled by primary producers which is the practice in India, under the Amul model of milk production.</p> |
| Corporate Taxation - Research and Development by the Corporate Sector | <p>Tax exemption for Research and Development to encourage the private sector to be more active and vigorous in respect of R and D essential for product advancement in an increasingly competitive world.</p> |
| Tax Dividends of Companies | <p>25% Dividends on Companies which is the current taxation was too burdensome on the small and medium sector. It also discourages future investment not to mention expansion.</p> <p>Appealed for a reduction of this imposition to 10%.</p> |

POLICY SUPPORT, ECONOMIC AFFAIRS AND EXPORT DOCUMENTATION

| Subject | Observations/ Proposals |
|---|--|
| Public Private Sector Partnership (P.P.P) | <p>We pointed out that this proposal which was first propounded as early as the year 2001 was designed to create 12 Economic Zones and development was to be structured through a host of infrastructure projects of a mega nature – New Expressways, Development of Ports expansion and increase in the number of Airports, Electricity Generator plants etc.</p> <p>It was pointed out that such intended partnership was only confined to a concept and had remained entirely in cold storage.</p> <p>The specter of indecision, hesitancy which bedevilled the administration seemed to have been the cause of the lack of progress of P.P.P's.</p> <p>It was proposed that a fresh start be made to rebuild confidence to commence the partnership which is a necessity for the economic progress of the country.</p> |
| Foreign Economic Assistance | <p>It was observed that throughout the past decade there had been serious drawbacks in the utilization of foreign economic assistance. Foreign governments had pointed out that funds allocated for development of specific areas of the economy had been partly or completely unutilized. In the latter case this had led to the cancellation of project funding for a given year.</p> |
| Infrastructure Development | <p>Sri Lanka should seek support from Asian economic powers like India through CEPA, The Comprehensive Economic Partnership Agreement and China which incorporates infrastructure development assistance. Assistance of these countries should be sought in respect of (a) Port development, (b) Roads, (c) Electricity.</p> <p>We also mentioned the fact that Sri Lanka had been unable to exploit to the full, her outsourcing capacity internationally acknowledged, to the detriment of the country due to poor infrastructure, especially the roads.</p> |

REPRESENTATIONS AT THE EXPORT AND ENTERPRISE DEVELOPMENT FORUM

Utilization of the Port of Galle for imports and exports.

The Federation placed before the Forum the subject of utilization of the Port of Galle for import and export activity.

This representation was based on a request made by the Galle District Chamber of Commerce and Industry which urged that the Federation should make an attempt to move the Port authorities to use the Port of Galle for import and export thereby specifically helping the Southern Province trading community. The reasons advanced in this regard were to reduce transportation cost since cargo destined for traders in Galle and the surrounding areas were now channeled through the Port of Colombo. If the Port of Galle was used instead costs in transportation of cargo both imports and exports would be substantially reduced. Reopening the Port of Galle would also contribute to the resurgence of shipping activities in Galle.

The matter was proceeded upon at the Forum and a committee appointed to examine the feasibility of reopening the Port. The Committee met on a few occasions but a final recommendation is pending.

Trade Facilitation and Rules of Trade

The Head of the Unit represented the Federation at the training programmes held by the World Trade Organization in Colombo. The training programme enabled senior officials from a broad spectrum of trade organizations and related institutions from both Public and

Private sectors to gain exposure to a host of trade facilitation techniques and methods besides rules governing international trade.

A.D.B. Seminar on the role of the Private sector in South Asia Economic Integration

The Head of the Unit presented a paper titled "Opportunities and impediments to Private Sector participation in South Asian Integration" at the International Seminar on the Role of the Private Sector in South Asian Economic Integration held on 16th and 17th October 2008 at the Galle Face Hotel, Colombo.

The Seminar was jointly organized by the Asian Development Bank and the Federation of Chambers of Commerce and Industry of Sri Lanka.

Significance of SAARC Development Fund and other connected instruments of the Treaty

A paper was published under the hand of the Head of the Unit on the above title to coincide with the hosting of the Heads of SAARC Summit from 27th July to 03rd August 2008 in Colombo.

The research based paper particularly examined the main instruments of the SAARC and the 30 point declaration made by the Heads of State which covered areas crucial to the members of SAARC.

In particular, the SAARC Development Fund, the SAARC Fund for Regional Projects and the SAARC Regional Fund were focused upon in the research paper. It also examined the physical and economic connectivity as well as the people to people connectivity and the

necessity to act on the vision of the leaders in creating a South Asian Community.

Presidential Committee on Maritime Matters.

The Unit made submissions on the above topic of vital importance to the shipping sector which inter - alia covered the following key areas.

- Shipping Operations - the shipping lanes within Sri Lanka's territorial waters and the necessity to exploit the advantages arising from Sri Lanka's location.
- Creation of a Sri Lanka flag as in the case of Panama, Singapore, Thailand etc.
- Promotion of the Sri Lanka Flag
- Review of PAC
- To avoid treating ships purchased as imports
- Sri Lanka tonnage tax to be introduced in place of a Corporate Tax.
- Improvement of infrastructural facilities in KKS
- Improvements to the Port of Karianagar.

SAARC AND INTERNATIONAL AFFAIRS

The SAARC and International Affairs Division exclusively overlooks all international related matters at FCCISL except trade promotion which is handled by a separate division.

The division has extensive international connection on permanent basis, being the focal point in Sri Lanka for the

- SAARC Chamber of Commerce and Industry (SCCI)
- Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI).
- World Association for Small and Medium Enterprises (WASME) and
- China Council for the Promotion of International Trade (CCPIT). The salient feature in this context is that the division is empowered to enroll members for SAARC Chamber as well as CACCI.

These members are entitled to enjoy supreme privileges enlisted under each membership. One such benefit is the SAARC VISA. On the recommendation of this division, members get permanent multiple SAARC Visa on their passports, facilitating easy traveling among all SAARC countries.

Facilitating of foreign trade fair participation is another major activity. In this context, we arrange Sri Lanka Trade Delegations to Kunming International Trade fair, German Re-Sale fair, Canton Fair, My Karachchi Fair on regular basis coupled with many other trade fairs around the world. In Kunming Fair, we offer up to 20 fully pledged trade stalls for Sri Lankan businessmen to get themselves exposed to global market.

Arranging Inward and Outward Trade Delegations from numerous countries in order to provide wider interaction for the

Sri Lankan business community is another major activity. Signing of MOUs with foreign chambers which this division performs, exposes enormous opportunities for Sri Lankan business community to derive tremendous privileges conducive for smooth transactions.

Conducting awareness programmes on bi-lateral and multi-lateral trade agreements such as SAFTA, ISFTA, PSFTA, GSP+ etc, coupled with lobbying of import and export issues are prominent functions of the division. Promotion of Foreign Direct Investment (FDI) is another area this division intends to embark on.

FOREIGN TRADE MISSIONS/EVENTS IN FCCISL - 2008

| No. | Country Involved | Name of the Event / Description | Period & Venue | No. of Delegates Participated |
|-----|-------------------------|---|--|--|
| 1 | Kingdom of Saudi Arabia | <p>Business Integration Meeting with Jeddah Chamber of Commerce and Industry.</p> <p>This delegation visited Sri Lanka and FCCISL on our invitation and through the courtesy of Sri Lanka Embassy in KSA. New business opportunities surfaced and solid business relations were established through this interaction.</p> <p>The Saudi Delegation also attended the FCCISL organized SME Machinery Fair held at BMICH during that period and interacted with the Sri Lankan machinery manufacturers.</p> | <p>15-17 May 2008</p> <p>FCCISL Auditorium</p> | <p>04 Foreign</p> <p>18 Sri Lankan</p> |

| | | | | |
|---|---|---|---------------------------------------|--|
| 2 | Colombia | <p>MOU With Colombia and Presentation on Business & Investment Opportunities.</p> <p>Visit of His Excellency Juan Alfrado, the Colombian Ambassador residing in India was arranged by this Division. Opportunity was extended to Sri Lankan entrepreneurs who were interested to engage in business and investment with Colombia. H.E. Alfrado made a powerful presentation on business and investment opportunities available in Colombia.</p> <p>Open invitation was extended to Sri Lankan businessmen to invest in Colombia. Visa facilitation was assured by visiting H.E.</p> <p>A Memorandum of Understanding (MOU) was signed between FCCISL and - Colombian Association of Micro, Small & Medium Enterprises.</p> | 26 Nov. 2008 | 02 Foreign |
| | | | FCCISL Auditorium | 14 Sri Lankan |
| 3 | Malaysia | <p>Visit of Associated Chinese Chamber of Commerce & Industries of Malaysia (ACCCIM)</p> <p>One to one meeting arranged with 28 Sri Lankan businessmen to strengthen the business ties with Malaysia. The visiting delegation assured many facilities including freight forwarding, cargo clearance and business opportunities to the Sri Lankan business community.</p> | 18 Dec. 2008 | 15 Foreign |
| | | | FCCISL Auditorium | 28 Sri Lankan |
| 4 | <p>SAARC Countries</p> <p>Afghanistan</p> <p>Bangladesh</p> <p>Bhutan</p> <p>India</p> <p>Maldives</p> <p>Nepal</p> <p>Pakistan</p> <p>Sri Lanka</p> | <p>08th SAARC Trade Fair</p> <p>8th SAARC Trade Fair, the annual mega trade event of SAARC, which is held on rotating basis in SAARC countries was held in Sri Lanka and was totally conducted by FCCISL.</p> <p>A great opportunity was created for the Sri Lankan businessmen to have the huge market of SAARC which represents 22% of world population at their doorstep. Almost all SAARC countries participated exhibiting their products and services.</p> | <p>28 – 31 Aug. 2008</p> <p>BMICH</p> | <p>Total No. of stalls 305</p> <p>Total No. of visitors 12,570</p> |

SAARC AND INTERNATIONAL AFFAIRS

| | | | | |
|---|---|--|---|--------------------------|
| 5 | Bangladesh India Nepal Pakistan Sri Lanka | International Seminar on “ Economic Freedom in South Asia. A Springboard for Socio-Economic Development ” Jointly conducted with SAARC Chamber of Commerce and Industry Secretariat, Islamabad. No. of resource persons No. of Sri Lankan participants | 16 Oct. 2008 Cinnamon Grand Hotel, Colombo | 06 foreign 54 |
| 6 | Bangladesh India Pakistan Sri Lanka | International Seminar on “ SAFTA: Efforts for Trade Liberalization In South Asia & Wayforward” Conducted jointly with SAARC Chamber of Commerce and Industry Secretariat, Islamabad. No. of resource persons No. of Sri Lankan participants | 28 Nov. 2008 Cinnamon Grand Hotel, Colombo | 05 60 |

MEMORANDUM OF UNDERSTANDING (MOUs) SIGNED BETWEEN FCCISL AND INTERNATIONAL CHAMBERS

The FCCISL signed following MOU's with International Chambers, in Colombo, Sri Lanka

- Agreement of Cooperation between FCCISL and China Council for the Promotion of International Trade, Yunnan Sub Council.
- Agreement of Cooperation between FCCISL and China Council for the Promotion of International Trade (CCPIT).
- MoU between FCCISL and the Associated Chinese Chambers of Commerce and Industry of Malaysia.
- Agreement of Cooperation on China Kunming Import & Export Commodities Fair with FCCISL.
- MoU between FCCISL and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI).
- MoU between FCCISL and Iran Chamber of Commerce & Industry of Mines.
- MoU between FCCISL and Jeddah Chamber of Commerce and Industry.
- MoU between FCCISL and China Chamber of Commerce for Import & Export Product of Light Industries.
- MoU between FCCISL and Maharatta Chamber of Commerce, Industry and Agriculture.

SRI LANKAN TRADE MISSIONS TO OVERSEAS - 2008

| No. | Country Involved | Name of the Event / Description | Period & Venue | No. of Delegates Participated |
|-----|------------------|--|--|-------------------------------|
| 1 | China | Kunming Import & Export Commodities Fair – 2008 A Memorandum of Understanding (MoU) was signed between FCCISL and the CCPIT (China Council for Promoting International Trade), organizers of the above Fair. Accordingly the FCCISL was appointed as the promoter/agent in Sri Lanka for next 3 years and also invited to be a Co-organizer of this international trade fair for which Exhibitors from 36 countries participated. FCCISL delegation included 10 Sri Lankan companies who exhibited Sri Lankan products & services and each of them were given a fully pledged trade stall with all amenities free of charge. Deshabandu Macky Hashim – Past President of FCCISL and SAARC Chamber of Commerce was invited to deliver the key note address at the China-South Asia Business Forum which was held concurrently with the Kungming Fair. | 06 - 10 June 2008 Kunming, China | 10 |
| 2 | Germany | Re-Sale Fair 2008– Karlsruhe FCCISL has been appointed as the promoter in Sri Lanka for this world famous annually held Re-Sale fair where all kinds of used machineries are sold at knock down price. We led a Sri Lankan Business delegation to this fair and they were immensely benefited. | 23 - 25 April 2008 Karlsruhe, Germany | 07 |
| 3 | Turkey | State Visit to Turkey By H.E. The President of Sri Lanka. Our Division coordinated to formulate the Sri Lankan Business Delegation that accompanied the state visit of H.E. the President of Sri Lanka to Turkey. | 2 - 4 December 2008 | 03 |



Chief Guest Hon. Prof. G.L. Peiris, Minister of International Trade and Export Development, Mr. Kosala Wickramanayake, President FCCISL, Mr. Iqbal Tabish, Secretary General SAARC Chamber of Commerce and Industry and Mr. Tissa Jayaweera, Senior Vice President FCCISL at the Inauguration of the International Seminar on Economic Freedom in South Asia



Distinguished guests at the International Seminar on Economic Freedom in South Asia

SAARC AND INTERNATIONAL AFFAIRS

PARTICULARS OF DISSEMINATED TRADE INFORMATION

Disseminating international business information is one of the pivotal functions of this Division.

Following Information with regard to Trade Opportunities which received from numerous foreign sources connected to this Division, were disseminated among all affiliated Chambers and Trade Associations of FCCISL, Members of SAARC Forum, Sri Lankan Members of

CACCI and the Associates of FCCISL during 2008. Our affiliated members and the Sri Lankan Business Community were immensely benefited with this trade related information, which drastically assisted their business progress.

| No. | Description of Trade Opportunities |
|-----|--|
| 1. | Exporting Engineering Products to Europe. |
| 2. | 2nd Annual Service Quality Excellence Conference - Mumbai - 10th & 11th Nov. 2008. |
| 3. | Steps to be taken when doing Business with Cuba. |
| 4. | Requested the particulars of Sri Lankan Manufacturers of Boats & submitted to the Sri Lankan Embassy in Paris. |
| 5. | 03rd SAARC Business Leaders Conclave - SCCI Secretariat Islamabad. |
| 6. | Business with France - Export Sri Lankan Products/services. |
| 7. | Export Coaching Program for Pipes & Process Equipment. - Dutch Government. |
| 8. | Trade Inquiry for Import of Bicycles from Greece. |
| 9. | Opportunity to participate at "My Karachi" international exhibition, Karachi, Pakistan, 6th to 8th June 2008 |
| 10. | Visit of Hon. Minister of Export Development and International Trade to Turkey 17 - 18 June, 2008. Opportunity to accompany Hon.Minister's delegation. |
| 11. | Investment opportunity - Swedish motorcycles to be assembled in Sri Lanka. |
| 12. | Global warming and sustainable development |
| 13. | Invitation Course: South Asia Capacity Building for Bilateral, Plurilateral and Multilateral Trade Negotiations via Videoconference 28 May, 4 June, 11 June, 18 June and 25 June |
| 14. | Scholarships To Japan offered by The Association for Overseas Technical Scholarship (AOTS) Japan. 1. Programme for Practical Operations Management (PPOM) 25 August to 12 September 2008 2. Programme on Design Management (PDM) 27 August to 9 September 2008 3. Training Course on Practical Solution of Quality Related Problems (SPQP) 3 to 16 September 2008 |



FCCISL delegation to Kunming Fair with Hon. Prof. G.L Peris, Minister of International Trade

FOREIGN TRADE AND EXPORT PROMOTION

INTRODUCTION

The Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) has identified that a majority of the Small and Medium Enterprises (SME) in Sri Lanka have the potential and capability to export and therefore has embarked on a new mission in providing proper guidance and adequate knowledge that would fulfill their export potential. These include addressing some of the key obstacles that prevent SMEs from growing more rapidly.

The Foreign Trade & Export Promotion (FT&EP) Division was set up with the objective of promoting exports of goods and services from Sri Lanka, particularly that of SMEs based in different regions of Sri Lanka.

Objectives of the Division are to:

- Assist local business to penetrate into export markets.
- Actively promote exports of selected sectors
- Facilitate the flow of foreign trade by establishing formal alliances with international trade promotion organizations.
- Generate revenue for the Federation

The division provides certain key services including export marketing and management, trade fair participation and contact program facilitation, export documentation especially issuing of Certificates of Origin, provision of market information, etc.

PROJECTS/TYPE OF WORK HANDLED BY THE DIVISION

The key focus of the Division has been to:

- Assist in developing the export potential and capabilities of local business with a greater emphasis on SMEs based outside the Western Province.
- Promote exports to major international markets
- Focusing on emerging and potential export markets
- Expose local businessmen to international sourcing opportunities
- Facilitate international business

The Division concentrates on providing the following service:

- Provide global market information
- Trade statistics
- Country briefs
- International Business Facilitation Centre
- International matchmaking
- Organize trade fair participation and outward/inward trade missions
- Organize and conduct foreign trade/export related seminars, workshops and conferences

PARTNERSHIPS WITH LOCAL AND INTERNATIONAL TRADE PROMOTION ORGANIZATIONS

The Division is currently working in partnership with both international trade promotion organizations such as the Center for Promotion of Exports from Developing Countries (CBI) based in The Netherlands, and the Commonwealth Secretariat (COMSEC) based in London, and local trade promotion organizations including the Sri Lanka Export Development Board (EDB) and the Department of Commerce (DOC).

The FCCISL has entered into a partnership agreement with CBI, which is an agency of the Ministry of Foreign Affairs and part of the development cooperation effort of The Netherlands Government. The main objective of the partnership is to contribute to creating economic development through direct support to the export sector and their intermediate support organisations in Sri Lanka.

This partnership aims at creating synergies between the two organisations for the benefit of their respective clients and builds on the common goals of these two organisations i.e. to contribute to trade and development by strengthening the competitiveness of SMEs and promoting their participation in international trade.

PROGRESS AND ACHIEVEMENTS DURING THE PERIOD UNDER REVIEW

Trade Fairs

- **8th International Machine Tools and Auto Components Exhibition (ACMEE 2008)**

FT & EP organized a 24-member visitor delegation to the 8th International Machine Tools and Auto Components Exhibition (ACMEE 2008) in Chennai, India. The exhibition was held at the Chennai Trade Centre from 19th to 23rd June 2008.

Participation at ACMEE 2008 was useful especially for SMEs as it showcased innovations in the automobile and mechanical engineering industries in India. Apart from Indian exhibitors, ACMEE 2008

FOREIGN TRADE AND EXPORT PROMOTION

also attracted foreign participation from Russian Federation, UK, USA, Italy, Germany, Israel, Taiwan, Korea, Australia, China and Malaysia.

- **104th China Import Export Fair (Canton Trade Fair) – October 2008**

The Division organized a 12-member delegation of businessmen from Sri Lanka to visit the Canton Trade Fair, China in October 2008. The Canton Fair is China's largest trade fair with a complete product range of Chinese commodities. It is divided into two phases, with the first phase focusing on industrial products, textiles & garments and medicines & health products. The second phase focuses on consumer goods and gifts.

- **Inward Buying Mission – Associated Chinese Chambers of Commerce & Industry, Malaysia**

Members of the Associated Chinese Chambers of Commerce & Industry, Malaysia visited the FCCISL on 18th December 2008 and met several businessmen to discuss business opportunities. The Foreign Trade & Export Promotion division successfully organized one to one business meetings at the Federation. The sectors represented by the visiting delegation included agricultural products, interior handicrafts, software products and services, herbal products, etc.

Workshops and Seminars

- **Seminar on Budget 2009 – “New Features, Taxes and Your Business”**

The Foreign Trade & Export Promotion Division and Policy Advocacy & Economic Affairs Division of the Federation jointly organized a seminar on “Budget 2009 – New Features, Taxes and Your Business” on November 17, 2008 at the Palm Lounge, Galle Face Hotel, Colombo.

Issuing of Certificates of Origin

FCCISL via the Foreign Trade & Export Promotion division started issuing Certificates of Origin from May 2008. From a slow start, the division was able to issue on an average about 200 certificates per month during the period under review. An export documentation specialist was recruited to the division especially to market and increase the issue of these certificates for non-preferential exports thereby becoming a major revenue generator for the Federation.

Formation of the Central Province Exporters’ Chamber (CPEC)

Responding to numerous requests from exporters based in the central province through the Central Province Ministry of Industries, the Federation via the Foreign Trade and Export Promotion division provided required assistance to form the Central Province Exporters’ Chamber (CPEC). During the period under review the division provided consultancy services to develop the Articles of Association and provided assistance to initiate the registration of the chamber.

Needs Assessment

With the objective of understanding the specific export support services needs of the regional SME export community, who are also members of the Regional Chambers and to understand the current capacity of the Regional Chambers to service the regional SME export community's export support services needs, the division obtained the services of a local research company to carry out a basic needs assessment.

The service portfolio of the division is built based on the needs of the SME export community especially based in the regions of Sri Lanka.

MEMBERSHIP SERVICES AND REGIONAL TRAINING

The unit was established in May 2007 with the objectives of improving the services provided to the member chambers and sector associations. Correspondingly the introduction of a regional training arm, the Institute of Business and Industrial Studies (IBIS) was established, to upgrade the skills of the entrepreneurs and employees of the Small and Medium Enterprises (SMEs), while preparing job seekers for employment in the regional commercial sectors.

The FCCISL has within its membership twenty six (26) National Chambers & Sector Associations and thirty (30) Provincial & District Chambers.

MAIN FUNCTIONS OF THE UNIT

- Advice and guide the Chambers and Associations on policy matters
- Dissemination of business information to Chambers and Associations
- Facilitate local and foreign training to the staff of the member companies of the Chambers and Associations
- Encourage Women entrepreneurs to join the chamber movement
- Management of regional Business Schools for the skills development of entrepreneurs, employees and job seekers in the regions

THE ACADEMY OF BUSINESS STUDIES

Non availability of skilled and professional staff is one of the major constraints faced by the regional Small & Medium Entrepreneurs (SMEs). The majority of skilled and professional staff are confined to the Western Province of the country resulting in low growth in the SME sector.

In order to address this challenge the Institutes of Business & Industrial studies (IBIS) were established by the Federation of Chambers of Commerce & Industry of Sri Lanka (FCCISL) as its Human Resource Development arm under the Academy of Business Studies.

Objectives of the Academy

- to upgrade the skills of existing employees of the private sector institutions.
- to train youths with positive attitudes for private sector employment.
- to reduce migration of skilled workers from rural areas to the Western province for better employment and higher studies.
- to design and implement demand driven entrepreneur development programmes for the regional SMEs.
- to improve the communication skills of school leavers of the rural areas enabling them to take up professional studies and find gainful employment within the region.
- to retain and invest untapped expertise of professionals in Government, NGOs and Private sector regional organizations.
- to train and assist employees and school leavers for gainful employment and contribute towards the reduction of rural poverty.

Locations of Business Academies

Kurunegala

56, Town Centre Building,
Mihindu Mawatha,
Colombo Road, Kurunegala.
Tel : 037 22221255
Email : ibis.wayamba@fccisl.lk

Galle

320, Matara Road, Magalle, Galle.
Tel : 091 2227245
Email : ibis-galle@sltnet.lk

Kandy

15/A, Siddhi Lebbe Mawatha, Kandy.
Tel : 081 2223468
Email : ibis.central@fccisl.lk

Vavuniya

57, First Floor, Sathaya Building,
01st Cross Street, Vavuniya.
Tel : 024 2221054
Email : ibis.vavuniya@fccisl.lk
Web : www.ibisvavuniya.com

Gampaha

Pradeshiya Saba Building,
Miriswatta Junction,
Mudungoda, Gampaha.
Tel : 033 2234244
E-mail : gampahaccia@fccisl.lk

PROGRAMMES OFFERED BY THE BUSINESS ACADEMIES

Spoken English for Business

This is a 108 hours (six month) programme designed in collaboration with the Department of Official Languages (DOL) with the introduction of a modern text book of the FCCISL. A team of instructors have been specially trained with the assistance of the DOL to conduct classes using the FCCISL text book.



Kurunegla Business Academy



Regional entrepreneurs, employees of the private, public & NGO sectors and job seekers are the target groups for this programme.

These language programmes are available to all FCCISL member chambers and associations to conduct classes at their respective offices/academies.

On completion of training, examinations are conducted by the DOL, and a joint certificate of the DOL and the FCCISL is issued to the successful participants.

- **Tamil/Sinhala Language Programmes**

This is the first programme organised by the FCCISL in collaboration with the DOL. The Tamil language programmes are conducted in areas with a predominantly Sinhala population and likewise Sinhala language programmes are for areas with a larger Tamil population. The duration of the programme is 108 hours (six months) using the text book developed by the DOL. Classes are conducted by instructors specially trained by the FCCISL with the technical assistance of the DOL. Implementation of these programmes commenced in 2007 as

a Peace initiative with a subsidised course fee. It has been decided to continue these programmes on a commercial basis from 2009.

The objectives of these programmes are:

- to improve communication among the Tamil and Sinhala business communities in war affected districts and border districts
- to improve business communication among entrepreneurs of the North & South.
- to prepare youths to sit for Tamil / Sinhala language preliminarily level proficiency examinations conducted by the DOL.
- To improve the communication skills of the employees of private sector organisations.

On completion of training, examinations are conducted by the DOL and a joint certificate of the DOL & FCCISL is issued to the successful participants.

- **Certificate Course in Computer Application in Business (Cert CAB)**

This is an accredited programme implemented by the FCCISL in collaboration with the Institute of Human Resource Management - University of Colombo. A memorandum of understanding

(MOU) was signed by the FCCISL with the University of Colombo on 11th July 2008 to implement this programme.

The objective of the programme is to provide facilities to rural unprivileged youth to enter into the IT world, through basic computer training in close proximity to their residence, and sit for the examinations conducted by the university.

The computer training institutes are registered at the Chambers/Academies and existing teaching staff of the private training centres which are registered at the chambers/Academies. These persons are trained by the university to enable them to deliver the curriculum developed by the university. At present basic level programmes are conducted on a pilot basis with the intention of expanding country wide in 2009.

- **Human Resource Development (HRD) Programmes**

Human Resource Development is a key area to improve skills of the employees of organizations and there is a continuous demand for professional programmes in Human Resource Management from the supervisory and managerial level employees of the private sector companies in regions. To meet this

demand FCCISL has arranged training programmes in 2008 in collaboration with the Institute of Personal Management (IPM). Accordingly following programmes are conducted at the FCCISL business academies.

- IPM – FCHRM (Foundation Certificate in Human Resource Management)- Duration 05 weeks
- IPM – PCHRM (Preliminary Certificate in Human Resource Management)- Duration 14 weeks
- IPM-CCHRM (Certificate Course in Human Resource Management) Duration 12 weeks
- IPM- PQHRM (Professional Qualification for Human Resource Management)

Durations

| | |
|-----------|------------|
| Stage I | - 32 weeks |
| Stage II | - 32 weeks |
| Stage III | - 32 weeks |

Marketing Programmes

Marketing is another key area in private sector development to increase profits and achieve the objectives of the private sector organizations. Consequently marketing classes are conducted at the business academies in collaboration with the Sri Lanka Institute of Marketing (SLIM), at Kurunegala , Kandy , Galle, Gampaha, Chilaw and Vavuniya such as:

- SLIM- PCM (Preliminary Certificate in Marketing) – Duration 12 weeks
- SLIM – Diploma in Marketing – Duration 24 weeks

Office Management (FCCISL Course)

This course has been designed to familiarize the students with the practical inner workings of an office including understanding all aspect of office procedures. Course contents include office organization, specialized management and organization procedures, client relations, team concept, cash handling, stress management, time management, mailing and meeting procedures and preparation of documents pertaining to a typical office.

Practical English (FCCISL Course)

The main aim of this course is to encourage positive attitudes towards learning English via blended teaching methodology and extremely learner friendly environment. The learning experiences provided in this syllabus will assist students to become competent in English especially in grammar, reading, and writing and to use language techniques effectively in a range of contexts. Familiarity with all the mechanics of the language vehicle offers the ability of survival in any situation.

Diploma in Applied Organizational Management and Supervisory Skills Development (Dip-in AOMSSD)

This programme is implemented with the funding of the Asian Development Bank through the Ministry of Higher Education to train G.C.E. Advanced Level (A/L) completers of low income families on Career Development and Gainful Employment. After successful completion of the training and examinations, trainees are awarded a "Diploma in Applied Organizational

Management and Supervisory Skills Development. "The ultimate objective of the programmes is to employ the trainees in private sector companies by the organizations that conduct the training.

No. of trainees under the programme

| | |
|--------------|-------------|
| Phase I | 250 |
| Phase II | 950 |
| Total | 1200 |

| Subject Area | Duration (hours) |
|--|------------------|
| Office Management | 70 |
| Human Resource Management | 50 |
| Occupational Safety and Health | 40 |
| Information Technology | 50 |
| General Management | 100 |
| Practical English | 200 |
| Sales & Marketing | 90 |
| Stores & Materials Management | 90 |
| Total hours including Practical and Examination | 690 |

Tailor Made Programmes

Special training programmes are designed and conducted at the business schools on the request of chambers, private sector companies and NGOs. Generally half day to three day seminars and workshops are arranged under this category.

“ We shall have to repent for generations not because of the deeds done by the wicked but because of the appalling silence of the good people ”

- Martin Luther King

MEMBERSHIP SERVICES AND REGIONAL TRAINING

PROGRESS OF TRAINING ACTIVITIES

During the year a range of programmes were conducted at the business academies of the FCCISL and at the Provincial and District Chambers.

Training Programmes Conducted at the Business Academies During the Year

| Name of the Programme | Business Academy | | | | | Total No. of Participants |
|---|------------------|------------|------------|------------|-----------|---------------------------|
| | Kurunegala | Kandy | Galle | Gampaha | Vavuniya | |
| Spoken English for Business (FCCISL Course) | - | - | - | - | 22 | 22 |
| Tamil Language Programme (FCCISL Course) | 40 | 19 | - | - | - | 59 |
| Certificate in Office Management (FCCISL Course) | 20 | - | - | - | - | 20 |
| Foundation Certificate in HRM (FCCISL Course) | 16 | - | - | - | - | 16 |
| Certificate in practical English (FCCISL Course) | 35 | - | - | - | - | 35 |
| IPM – FCHRM | 16 | - | - | 16 | - | 32 |
| IPM – PCHRM | - | - | - | 12 | - | 12 |
| IPM- PQHRM | - | 44 | - | - | - | 44 |
| IPM – CCHRM | - | - | - | 25 | - | 25 |
| SLIM- PCM | - | - | - | 30 | - | 30 |
| Diploma in Applied Organizational Management and Supervisory Skills Development (FCCISL Course) | 100 | 100 | 100 | 100 | | 400 |
| Total | 227 | 163 | 100 | 183 | 22 | 695 |

SEMINARS, WORKSHOPS & EVENTS ORGANIZED BY THE BUSINESS ACADEMIES

- Seminars organized by the Kurunegala Business Academy

| Subject Area | No. of Participants |
|----------------------------|---------------------|
| Factory Productivity | 37 |
| Selling Skills Development | 16 |
| Taxation | 39 |
| Total | 92 |

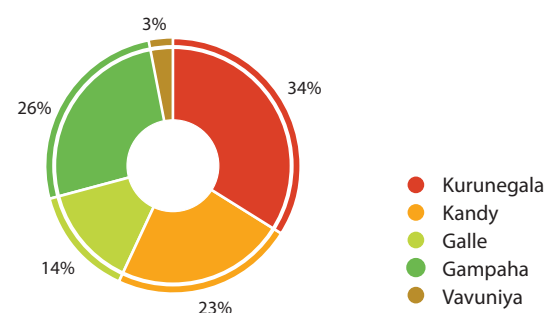
- Events organized by the Kurunegala Business Academy

| EDUCAR Education & Career Exhibition | No. of Participants |
|--------------------------------------|---------------------|
| Training Providers | 17 |
| Job Banks | 01 |
| Others | 06 |
| Stalls | 30 |
| Participants | 2500 |

- Workshop organized by the Gampaha Business Academy

Leadership Development Workshop - 112 Participants

Distribution of Participants among Business Academies

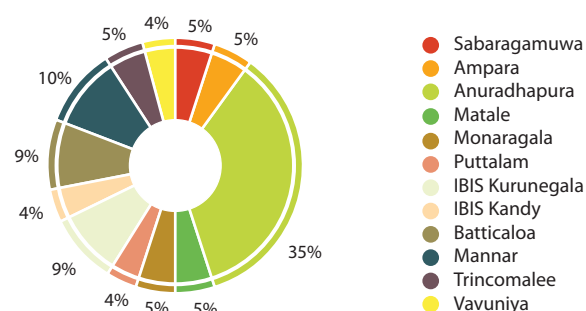


Training Programmes conducted by the FCCISL in collaboration with the Provincial/District Chambers

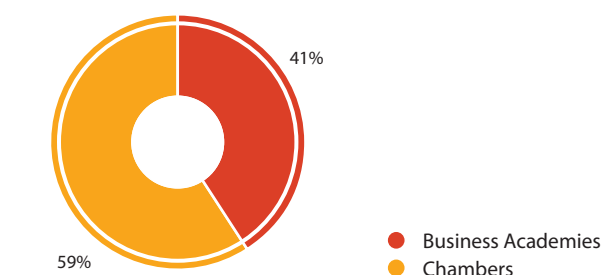
| Name of the Chamber | Tamil | Sinhala | DAOM & SSD* | Total |
|---|------------|------------|-------------|------------|
| Sabaragamuwa Province Chamber of commerce and Industry | 20 | - | 100 | 120 |
| Ampara District Chamber of Commerce and Industry | 20 | - | 50 | 70 |
| Anuradhapura District Chamber of Commerce, Industry and Agriculture | 157 | - | - | 157 |
| Matale District Chamber of Commerce and Industry | 20 | - | 100 | 120 |
| Monaragala District Chamber of Commerce Industry and Agriculture | 20 | - | 100 | 120 |
| Puttalam District Chamber of Commerce Industry and Agribusiness | 18 | - | 100 | 118 |
| Batticaloa District Chamber of Commerce, Industry and Agriculture | - | 42 | - | 42 |
| Mannar District Chamber of Commerce and Industry | - | 46 | - | 46 |
| Chamber of Commerce and Industries Trincomalee District | - | 24 | - | 24 |
| Vavuniya District Chamber of Commerce, Industry and Agriculture | - | 18 | - | 18 |
| Chamber of Commerce and Industry of Uva Province | - | - | 50 | 50 |
| Polonnaruwa District Chamber of Commerce, Industry and Agriculture | - | - | 100 | 100 |
| Sub Total | 255 | 130 | 600 | 985 |

*DAOM & SSD - Diploma in Applied Organizational Management and Supervisory Skills Development

**Tamil/Sinhala Language Programme
- Centre wise Progress (385 Participants)**



**Summary of Participants
- Chambers & FCCISL Business Academies - 1794**





Seminar Organized by the Gampaha Business Academy



ACADEMIC STAFF

Academic staff of the FCCISL are resource persons with the theoretical educational background and practical exposure in particular subject areas in private, NGO, and public sector institutions. Over 75% of the instructors are post graduate degree holders with over 10 years practical experience. Majority of them have practical experience in teaching and training in universities and higher education institutions. Therefore passing-out students are equipped with positive attitudes, theoretical knowledge and practical exposure gained out of class room, assignments and industry training.

Partner Organizations of the Business Academy Programmes

- National, Regional, District Chambers and Associations
- Institute of Human Resource Advancement - University of Colombo
- Ministry of Higher Education - Distance Education Modernization Project (DEMP)
- Department of Official Languages (DOL)
- Sri Lanka Institute of Marketing (SLIM)
- Institute of Personnel Management Sri Lanka - (IPM)

“ A man would do nothing if he waited until he could do it so well that no one would find fault with what he has done ”

- Cardinal Newman



Training Programmes - Vavuniya Business Academy



HUMAN RESOURCES DEVELOPMENT

BACKGROUND AND CAPABILITIES

The Human Resources Development (HRD) Division of the Federation of Chambers of Commerce and Industry of Sri Lanka (FCCISL) was launched in 1993 with the prime objective of augmenting awareness in defined subject areas through market driven training for aspiring youth wanting to choose a career path, or for working persons wanting to upgrade their skills in a competitive environment.

Since 1994 the FCCISL has grown to be one of the leading private sector Training Providers in the country whilst executing a comprehensive Human Resources Development effort in the National Cause.

The HRD Division conducts Programmes ranging from Seminars and Workshops to the very popular Certificate Courses, which are of an ongoing nature, while a Comprehensive Diploma Programme in Management is being designed. Distance Education and Self Paced learning will be introduced along with this programme.

Skillfully combined with training, career guidance was introduced to serve the school leavers and the undergraduate and unemployed graduate population in the country.

The Division has an impressive track record having trained over 26,000 persons from 1993, covering the widest possible cross section by way of participation including school leavers, undergraduates and unemployed graduates in the education sector, and office aides and helpers to Senior Managers and Academics in the private and state sectors.

Over 600 Training Programmes from Seminars and Workshops to Certificate Courses across the country, and over 300

Career Guidance Programmes for students, undergraduates and unemployed graduates were successfully completed over this period.

The Division has access to over 100 high calibre resource persons with a wealth of experience in their respective fields of speciality, and our consultants are among the very best in the country. Over 70 popular courses have been developed strictly based on an ongoing need survey of the Industry. All courses are periodically upgraded as deemed appropriate.

SOCIAL RESPONSIBILITY ATTACHED TO TRAINING

While our courses are quite expensive, we have introduced a very attractive discount and instalment scheme to assist Individuals and Small and Micro Enterprises on a case by case basis. Scholarships are extended to the needy who could ill afford even the subsidised schemes.

PROGRESS AND HIGHLIGHTS – 2008

The HRD Division maintained itself as a “stand alone” Unit of the Federation.

MAJOR ACTIVITIES FOR THE PERIOD

- Successfully negotiated with the George Steuart Group for the use of GS Educational Services Institute for regular and professional programmes. The MOU was signed on the 13th December 2007 and the State of the Art Business School at Mount Lavinia was officially launched on the 6th February 2008.
- 11 Programmes commenced at the new venue in February with the participation of 331 persons. This is the highest number recorded for a seminar series.
- The MOU was successfully

negotiated with the USAID ASAP Programme in April for Training Partner Status. 8 nominees of the FCCISL completed a 4 Day intensive TOT Programme on a complimentary basis.

- A new development was achieved with the ILO, AES Programme through Jobsnet for training 250 participants in self enterprise development in Ampara, Batticaloa and Trincomalee Districts. 100 of those participants were short listed for further assistance by way of venture capital. The initial grant was Rs. 2.9 M.
- 9 Programmes were conducted in the November Seminar Series with the participation of 219 persons.
- The ADB Education for Knowledge Society Project (EKSP) officially included FCCISL in the MOU with the State.
- 5 Certificate Programmes were conducted with the participation of 48
- One “in house” Programme was conducted with the participation of 30
- An “Impact Assessment Study” on the Industrial Relations Forum was conducted for GTZ.

HRD REPRESENTATION ON STATE ESTABLISHMENTS

Ministry of Vocational Training – Member Steering Committee, ADB Project

Ministry of Higher Education – Member Governing Council, SLIATE

Ministry of Labour and Foreign Employment – Board Member, Sri Lanka JobsNet Ltd.

Ministry of Education – Member Steering Committee, ADB Project

Ministry of Labour and Foreign Employment – Member, National Committee for Manpower Planning and Labour Market Information.

HUMAN RESOURCE, TRAINING AND CONSULTANCY

People are the greatest asset which drive business. It is a universally acknowledged truth that an employee's actions and behavior impact business performance.

Understanding the value of the people at work in achieving organizational objectives, the Consultancy, Research and Study Programmes division which was established in September 2007 was restructured and named the Human Resource/ Training & Consultancy division in August 2008.

FCCISL - CERTIFICATE COURSE IN HUMAN RESOURCE MANAGEMENT

- FCCISL Certificate Course in Human Resource Management study programme commenced in 2007 also continued in the year 2008. This study programme was designed to instill knowledge and skills mainly to school leavers who are looking forward in pursuing a career in Human Resource Management and for those who are already in the field of Human Resource Management and would wish to enhance their knowledge in the discipline of Human Resource Management. The key focus of this study course is to develop people management capability that impact on business outcome.
- During the year 2008 two study programmes were conducted in Sinhala medium and three programmes in English medium. Duration of each programme was 03 months.

In-house / Customized / Tailor-made Training Programmes

Several Training Programmes both short as well as long duration were conducted for several leading corporates in General Management as well as in Human Resource Management, to suit their specific training needs.

Labour Advisory Service

Advisory service on Labour related issues in order to assist the employers in finding solutions for their routine Labour Related issues and management problems which was introduced in 2007 continued during this year.

Consultancy Services

The division offered consultancy services to client organizations representing both state and private sector establishments in the areas of Human Resource Management and General Management as well as including NGOs and INGOs.

Consultancies include,

- Establishing HRM Departments in Organizations
- Preparation of Performance Appraisal Schemes
- Re-structuring HRM function
- Salary Reviews and Salary Surveys
- Assessment of cadre requirements
- Preparation of Voluntary Retirement Schemes / Resignation Structure
- Conducting of Training Needs Analysis
- Conducting of HR Audits
- Preparation of Job Descriptions
- Preparation of Grievance Settlement Procedures

- Preparation of Personnel Policies
- Preparation of Manual of Procedures for HR / Administration
- Preparation of Schemes for Recruitment and Promotion
- Conducting of work studies
- Preparation of Disciplinary Procedures
- Any other assignments related to HRM / IR

Welfare Committee

A Staff Welfare Committee comprising of employee representatives was established during the year in order to build up cordial employer - employee relationship.

The committee with the blessings of the management organized several welfare activities for the benefit of the staff. Such as,

- Dhamma sermon to mark the Vesak festival
- Sale of goods at discounted prices to the staff
- Seminar on importance of Health & Safety
- Christmas get-together with the participation of staff and their families

Although the management has an open-door policy in handling employee grievances, the establishment of the welfare committee paved the way to voice their views, ideas and progressive suggestions and even staff grievances freely through the committee.

Staff Satisfaction Survey

A Staff Satisfaction Survey was conducted during the year in accordance with the Quality Standard requirements. The prime objective of this exercise was to identify employee problems and provide solutions.

Staff Position

As at beginning of the year, 2008

No. of Staff - 69

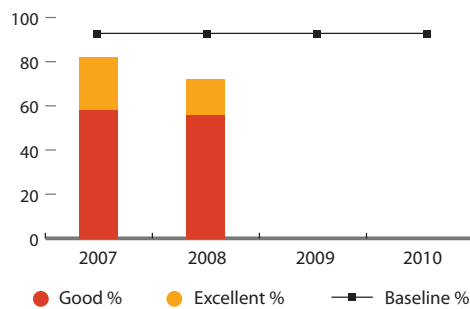
Staff Recruitment during the year - 39

Resignations/Terminations during the year - 20

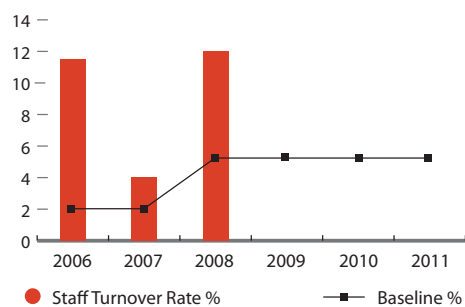
Staff position as at end December, 2008

Total number of staff - 88

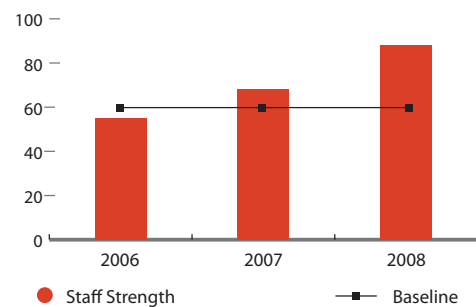
Staff Satisfaction Rate



Staff Turnover Rate



Staff Strength of FCCISL (Dec 2006 - Dec 2008)



PUBLIC RELATIONS AND EVENTS

INTRODUCTION

Public Relations is a set of management, supervisory, and technical functions that foster an organization's ability to strategically listen to, appreciate, and respond to those persons whose mutually beneficial relationships with the organization are necessary if it is to achieve its missions and values.

The Public Relations and Events Department is an important management function at the Federation of Chambers of Commerce & Industry of Sri Lanka and was established with the objective of facilitating greater interaction with the business community and the general public. It also focuses on

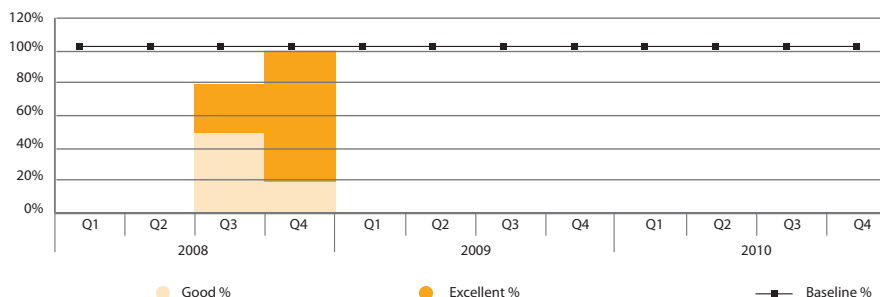
two-way communication and fostering of mutually beneficial relationships between FCCISL and its public. It also endeavors to create a professional outlook and image for FCCISL activities and services. At its best, Public Relations and Events Division not only tells FCCISL's story to its public, it also helps to shape FCCISL and the way it works. Through research, feedback communication and evaluation, the PR and Events Division finds out the concerns and expectations of FCCISL's public and explain them to its management.

In order to achieve the above objectives, the PR and Events unit of FCCISL organises and coordinates press

conferences, press articles, advertisements, public seminars, workshops on topical issues, fellowships, exhibitions, trade fairs etc. in general for FCCISL and its associated projects. Executions of these events are done with close and mutual collaboration with other internal divisions of FCCISL, its members and other organisations with an excellent internal and external customer satisfaction rating.

Public relations takes many forms at FCCISL and comes under many titles, including public information, investor relations, public affairs, corporate communication, marketing or customer relations.

Internal Customer Satisfaction Rate



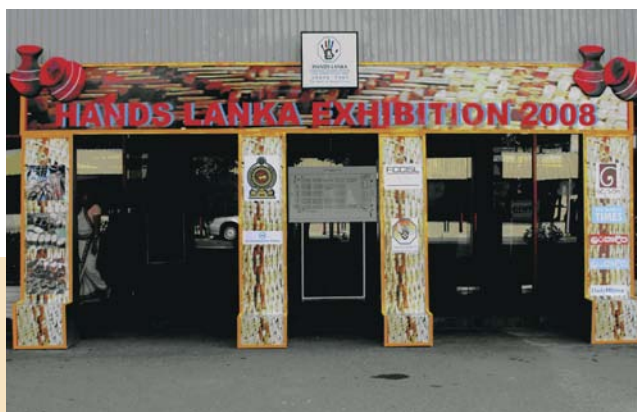
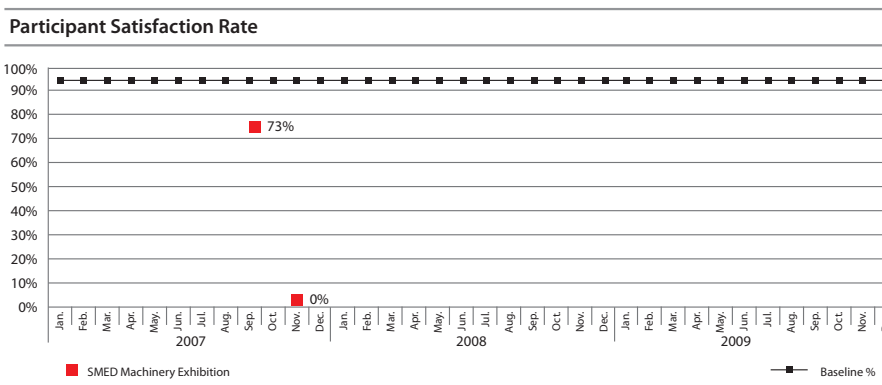
8th SAARC Trade Fair Light Box at the entrance



8th SAARC Trade Fair cut-out at the entrance to BMICH

HIGHLIGHTS OF EVENTS HANDLED IN 2008

- **New Year Celebrations 2008**
January 1, 2008
At FCCISL Auditorium
- **SAARC Trade Fair 2008 – Launch**
February 5, 2008
At Cinnamon Grand Hotel, Colombo
- **13th Sri Lankan Entrepreneur of the Year Awards - Launch**
"Recognizing and Rewarding the spirit of Sri Lankan Entrepreneurship"
May 06, 2008
At Hotel Galadari, Colombo
- **SME Machinery Exhibition**
"Technology for Rural, Micro & SME Development"
May 15 - 18, 2008
At BMICH, Colombo
- **Chamber Competition Awards**
June 27, 2008
At Hilton, Colombo
- **SAARC Trade Fair 2008**
"Regional Opportunities for Global Growth"
August 28 – 31, 2008
At BMICH, Colombo
- **"Handslanka" Handicrafts Exhibition**
"A spell of Masterpieces, Local Handicrafts and Global Market"
October 9 - 12, 2008
At Sri Lanka Exhibition and Convention Centre, Colombo
- **International Fisheries and Aquatic Resources Exhibition 2008**
"An Ocean of Opportunities"
November 7 – 9, 2008
At Sri Lanka Exhibition and Convention Centre, Colombo



Entrance cut-out to Handslanka Exhibition



FCCISL Queen selected at Christmas Celebration

PUBLIC RELATIONS AND EVENTS

- 13th Sri Lankan Entrepreneur of the Year Awards - National Show**

December 11, 2008
At BMICH, Colombo

- FCCISL Christmas Celebrations 2008**

"FCCISL Starry Starry Nights"
December 21, 2008
At Hotel Galadari, Colombo

On behalf of the Welfare Committee of FCCISL, the PR and Events Division organized FCCISL's Christmas Celebrations taking in to consideration the importance of networking among staff and their families.

PR and Events division was directly involved in

- Event Coordination and Management – Total event solutions
- Marketing Events – Pre and post Media publicity and promotions of all above events.

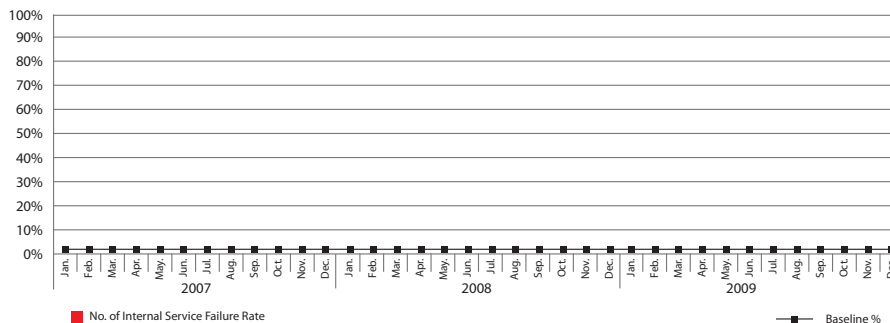
MEETING AND RENTAL FACILITIES

PR and Events division also coordinated renting out FCCISL auditorium, Board rooms, classroom and cafeteria for various meetings, seminars, courses and conferences organized by FCCISL's in-house divisions, regional members and other organizations.

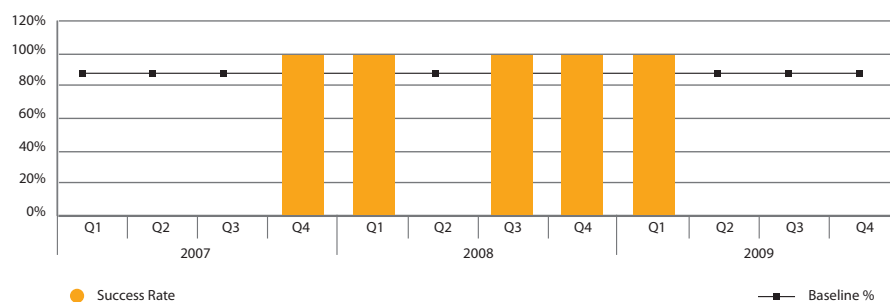
OTHER PR ACTIVITIES

- FCCISL PR and Events division was responsible in formulating and producing a promotional brochure for FCCISL.
- Formulation of a Public Relations manual for staff reference.

Internal Service Failure Rate



Success on Achievement of Action Plan Targets in 2008



FINANCE

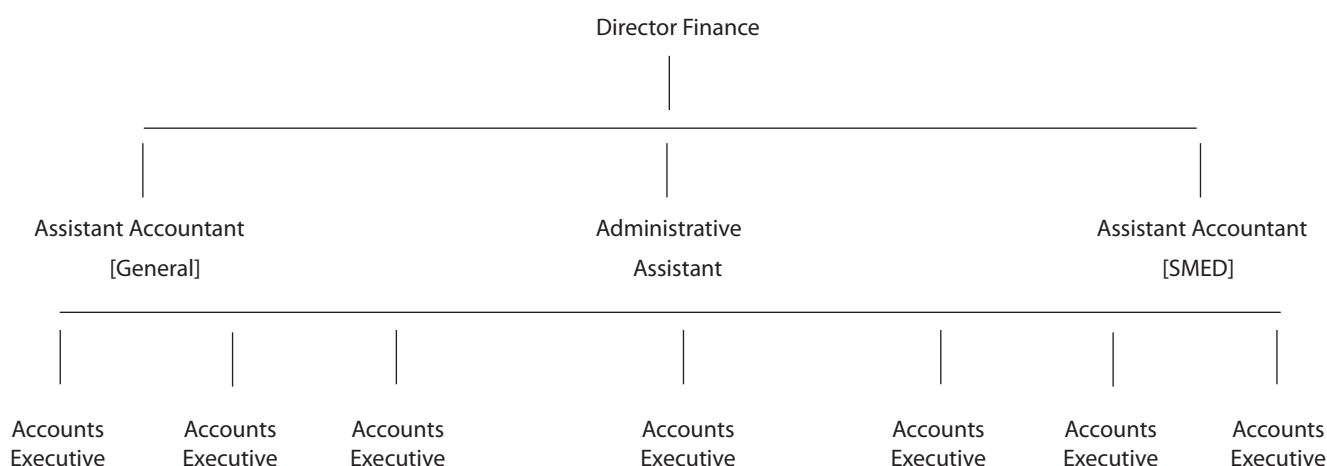
The Finance Division which started with two members at the inception of the FCCISL has grown to become one of the most important divisions within the Organisation.

This division ensures that the organization follows accounting

practices in accordance with the Sri Lanka Standard requirements, adherence to the principles of good governance and transparency in all financial transactions and also to ensure general administration, internal control system, purchasing systems are in accordance with ISO 9001:2008 and SA 8000:2008

procedure manuals. This division offers necessary guidance on matters of finance and directly reports to the Board. Apart from serving to FCCISL's all internal divisions and business schools, it also provides valuable guidance to its regional chamber membership.

Structure of the Division



Winning the Silver Award at the prestigious Chartered Accountants Annual Report Awards 2008 in the NGOs / NPOs sector, presented by the Institute of Chartered Accountants of Sri Lanka itself is a testimony for organization's adherence to principles of good governance and transparency in all transactions and following Sri Lanka Accounting Standards.

INTRODUCTION OF ISO 9001-2008 AND SA 8000 - 2008

Subsequent to the Board's decision under the guidance of the President, the Organisation progressed towards obtaining these accreditation. These certifications have strengthened the administrative standards and procedures of the Organisation, concurrent with international standards and added value to its own commitments.

With the ISO 9001- 2008 and SA8000 - 2008, Organisation is focusing towards obtaining the ISO 14001:2004 [for Environmental Standards] OHSAS 18001-2007 [Occupational Health and Safety Assessment Series] and ISO 27001- 2005 [Information and Security Management System]. "5 S" concepts introduced into the system has delivered improvements in efficiencies promptly.

ADMINISTRATION

ADMINISTRATION

Considering the expansion of work related activities, management decided to appoint a Director to head the division. The General Administration, Vehicle Maintenance & Operations, Security Service, Building Maintenance, Janitorial Service etc. were among the areas came under the purview of this division. To ensure smooth functioning of the divisional work an Assistant Manager Administration was appointed.

INTRODUCTION OF ISO 9001: 2000 AND SA 8000: 2001

Subsequent to a decision of the management, the Federation has sought obtaining these accreditation. It is evident that these certifications will strengthen the administrative standards and procedures of the Federation, concurrent with international standards and add value to its own commitments.

With the obtaining of ISO 9001: 2000 and SA 8000: 2001, the focus will be receiving the ISO 14001: 2004 (Environmental Management System), OHSAS 18001: 2007 (Occupational Health & Safety Assessment Series) and ISO 27001: 2005 (Information and Security Management System). We have already implemented the 5'S' concepts in the organization.

TRANSPORT

To cater to the transport needs of the organization, a separate transport section has been established. A fleet of 16 vehicles and 04 motor bicycles have been allocated.

SECURITY

The security service has been outsourced to a service provider to ensure security of the staff, customers and property of the organization.

JANITORIAL SERVICE

The FCCISL has entered into a contract with a Janitorial Service provider to maintain a healthy, clean and tidy environment at the FCCISL premises.

MAINTENANCE OF BUILDING AND OFFICE EQUIPMENT

Maintenance of the building and the equipment at a satisfactory level become a vital aspect of the division. The FCCISL has signed service agreements with reputed service providing agencies to ensure smooth operation and uninterrupted service of equipment and appliances such as Computers, Fax Machines, Air Conditioners, Photocopiers, Fire fighting Equipment etc.

MEDICAL INSURANCE SCHEME

As a welfare measure, the FCCISL has made a significant investment to enroll the staff to a Medical Insurance Scheme. All employees who have completed their probationary period satisfactorily will be entitled to a comprehensive medical scheme.

INFORMATION TECHNOLOGY, MEDIA AND COMMUNICATION

The objective of the division is to “facilitate to achieve organizational responsibilities in a co-operative and collaborative environment”. During the year of 2008, the division was named as Information Technology Media and Communication (ITMC) and its scope was widened to cover the Media.

During 2008, the ITMC was involved in developing a library system for collating Library Information Systems of the regional chambers. Another important project undertaken was developing a new website for FCCISL and a web portal consisting of individual websites for each regional chamber. These websites integrated with the MIS will provide a rich information base regarding the regional chamber network in a single platform.

During the year the divisions’ hardware assets were upgraded and several new servers including a HP Proliant, were added to the existing services. A data backup system (Synology DS 209) was implemented to ensure data security. Apart from catering to internal IT requirements, the division commenced the provision of IT services for external events for a nominal fee.

As the new addition to the division, the media section has maintained an excellent relationship with all print & electronic media in the country. Following are some of the main activities that were covered under the Media Section.

EVENTS/SEMINARS/PRESS BRIEFINGS/BUSINESS MEETINGS

- SAARC Trade Fair 2008
August 28 - 31, 2008
- SME Machinery Exhibition
May 15 - 18, 2008
- The Chamber Competition Awards
June 27, 2008
- “Handslanka” Handicrafts Exhibition
October 9 - 12, 2008
- International Fisheries and Aquatic Resources Exhibition 2008
November 7 - 9, 2008
- 3rd CACCI Local Chamber Awards
December 1, 2008
- 13th Sri Lankan Entrepreneur of the Year Awards
December 11, 2008
- Press briefing budget 2009
November 7, 2008
- Budget 2009 seminar
November 17, 2008
- Business Opportunities for Sri Lanka in Colombia
November 26, 2008
- Maintaining the Balance of Peace Building & Economic Growth in Sri Lanka; the US Perspective
*US Ambassador
April 24, 2008*
- Post Conflict Development in Sri Lanka; Role of the Asian Development Bank
*ADB Country Director
November 20, 2008*
- Making Public-Private Partnership Meaningful Strategy of the Government
*Hon. Karu Jayasuriya
January 10, 2008*
- Sri Lanka’s Prospects on Securing GSP+ - Strategy of the Government
*Hon. Prof. G L Pieris
August 18, 2008*

OUR PEOPLE - Senior Management



1. **Daya Bollegala**
Head - HRM and Administration

2. **B L Ramanayake**
Head - Projects and Services

3. **Nihal Rangala**
*Senior Consultant -
Projects and Services*

4. **K Nanthakumaran**
*Head - Finance, Monitoring and
Evaluation*

5. **Sam Stembo**
Assistant Secretary General

6. **Renuka Rodrigo**
Director - Project SMED

7. **J Abeywickrama**
*Senior Consultant -
Public-Private Partnership*

8. **Roshen Weeraratne**
Consultant - Membership Services

9. **Krishantha Wisenthige**
Deputy Head - Projects and Services

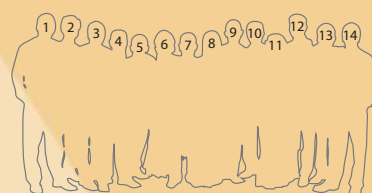
10. **Abeyratne Muthugala**
*Deputy Head - HRM and
Administration*

11. **Anusha Ediriweera**
Consultant - Projects

12. **S Ilampirainathan**
*Deputy Head - Finance, Monitoring
and Evaluation*

13. **Jagath Savanadasa**
Senior Consultant - Economic Affairs

14. **Hildon Hamangoda**
Head - International Affairs



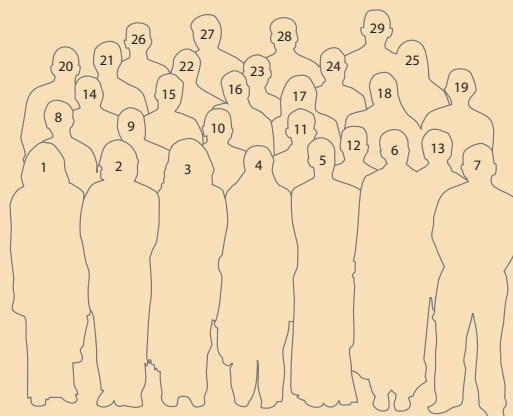
OUR PEOPLE - Staff



- | | |
|-----------------------------|-------------------------|
| 1. Manel Samaranaike | 16. Marky Mahboub |
| 2. Kumala Nazar | 17. Nirosha Amarasekara |
| 3. Anusha Ediriweera | 18. Nimal Ponweera |
| 4. Maureen Liyanage | 19. Malka Sudarashani |
| 5. Nandanie Paranamana | 20. Jagath Savanadasa |
| 6. Jeewani Kaggoda Arachchi | 21. N Puwaneswaran |
| 7. Shyamali Subasinghe | 22. Hasitha Jayamaha |
| 8. Rasika Masinghe | 23. Carmen Kumaranayake |
| 9. Nihal Rangala | 24. Hisne Nazim |
| 10. Hildon Hamangoda | 25. Indika Padukka |
| 11. Daya Bollegala | 26. Manoj Sampath |
| 12. Pavithri Peiris | 27. Raja Subasinghe |
| 13. Isuru Edirisinghe | 28. Ranjith Perera |
| 14. Praveen Manathunga | 29. Nirmal Jayasooriya |
| 15. Chaminda Premaratne | 30. Indika Arunashantha |



- | | |
|------------------------------|-----------------------------|
| 1. Upendrini Senanayake | 16. Nisansala Sirisena |
| 2. Renuka Rodrigo | 17. Priyanthi Priyadarshani |
| 3. Roshanara Dias | 18. Champika Shyamalee |
| 4. Ravindi Nawarathna | 19. Angela Thangavelu |
| 5. Wasana Jayawardena | 20. Sam Stembo |
| 6. Patali Weerakoon | 21. L A Pradeep |
| 7. J Abeywickrama | 22. Thakshila Padmani |
| 8. B L Ramanayake | 23. Chamika Fernando |
| 9. S W B Wijekoon | 24. Chathurika Pindeniya |
| 10. K Nanthakumaran | 25. Roshen Weeraratne |
| 11. Rajitha Udes | 26. Rohan Mendis |
| 12. Chandana Wickramarachchi | 27. Abeyratne Muthugala |
| 13. T N Sellaraja | 28. S Ilampirainathan |
| 14. Niranjala Velathanthrige | 29. Krishantha Wisenthige |
| 15. Chamari Kalupahana | |



ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors of the Federation of Chambers of Commerce and Industry of Sri Lanka, a company limited by guarantee which was incorporated in Sri Lanka under the Companies Ordinance No. 51 of 1938, and thereafter filed for re-registration under the Companies Act No. 7 of 2007, present their Annual Report of the Board of Directors including the Financial Statements and the Report of the Auditors thereon, for the financial year ended 31st December 2008.

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards as required by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Companies Act No. 7 of 2007.

The Directors wish to inform the members that there has been no change during the accounting period in the nature of the business of the Company. The Company does not have subsidiaries.

FINANCIAL STATEMENTS

Section 168 (1) (b) of the Companies Act requires the Annual Report of the Directors to include Financial Statements of the Company in accordance with Section 151 of the Act.

The requisite Financial Statements of the Company are given on pages 89 to 104 of the Annual Report.

AUDITOR'S REPORT

The Auditor's Report on the Financial Statements is given on page 88 of the Annual Report.

SIGNIFICANT ACCOUNTING POLICIES

The Significant Accounting Policies adopted in the preparation of the Financial Statements are given from pages 93 to 98 of the Annual Report. The accounting policies have been applied consistently to all periods presented in these Financial Statements, except for Accounting Policy 1.7.1 (a) & (b) on Revenue Recognition in relation to Grants.

INTEREST REGISTER

The Interest Register is maintained by the Company as required by the Companies Act No. 7 of 2007. The relevant information in respect of the financial year under review is set out in note 23 to the Financial Statements on page 104 of the Annual Report.

DIRECTORS

The Directors of the Company volunteer their time and do not receive any remuneration therefor.

DONATIONS

Donations made by the Company during the said financial year amounted to Rs.83,625.00

DIRECTORATE

The following persons were appointed as Directors of the Company with effect from 7th October, 2008 in terms of the Articles of Association adopted by the Company at its Annual General Meeting held on 15th September, 2008, and continued to hold office as directors of the Company as at 31st December, 2008;

1. Kosala Wickramanayake (President)
2. Tissa Jayaweera (Senior Vice President)
3. Anuruddha Kumar Mallimaratchi (Vice President)
4. Nawaz Rajabdeen (Immediate Past President)
5. Shangmugam Thambiah Sinnathurai Arulananthan
6. Nimal Perera
7. Ajith Waththuhewa

RESIGNATIONS

The following persons ceased to be directors of the Company, with effect from 7th October 2008 in terms of the Articles of Association of the Company which were adopted by the Company at its Annual General Meeting held on the 15th of September, 2008:

Wellikedegge Granville Perera
 Macky Hassim
 Azmi Thassim
 Nawaz Rajabdeen (re-appointed on 7th October 2008)
 Don Patrick Ignatious Jayawardena
 Shanmugam Thambiah Sinnathurai Arulananthan (re-appointed on 7th October 2008)
 Kosala Wickramanayake (re-appointed on 7th October 2008)
 Tissa Jayaweera (re-appointed on 7th October 2008)
 Indika Abeyratne
 Haputhanthrige Dhammapala Wijeyanandana
 Rodney Emmanuel
 Akram Mansoor
 Anuruddha Kumara Mallimarachchi (re-appointed on 7th October 2008)

Henda Withanage Ranjith Somasiri
Shahul Hameed Mohamed Nizar
Aloy Jayawardane
Nimal Perera (re-appointed on 7th
October 2008)
Dinesh Kulatunga
Vinayagamoorthy Sothinathan
Rosita Priyadarshani Samarajeewa
Pelathetiyage Amal Thushara Piyathilaka
Mohamed Ibrahim Hassan Enoon
Gardiyar Norman Weligamage
Daya Dharmapala Kilittuwa Gamage
Thilak Seneviratne
Natesan Suntharaesan

AUDITORS

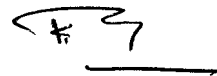
The Auditors Messrs Kreston MNS & Co (Chartered Accountants) were paid Sri Lanka Rupees two hundred and seventy five thousand (Rs.275,000.00), for the financial year ended 31st

December 2008, as audit fees, by the Company. In addition to the payment of Audit fees, the Auditors were paid Sri Lanka Rupees fifty five thousand (Rs.55,000.00) for non-audit-related services provided to the Company by them.

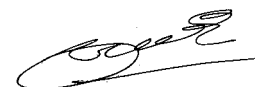
- **Particulars of any Relationship (other than that of Auditor) which the Auditor has with or any interests which the Auditor has with the Company**

Based on the declaration made by Messrs Kreston MNS & Co (Chartered Accountants) and as far as the Directors are aware, the Auditors do not have any relationship or interest in the Company other than what has been disclosed in the preceding paragraph.

By order of the Board



Kosala Wickramanayake
President



Tissa Jayaweera
Senior Vice President



Director
Corporate Services (Private) Limited
Secretaries

Federation of Chambers of Commerce
and Industry of Sri Lanka

Dated on this 20th day of November, 2009.



FINANCIAL REPORTS

| | |
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| Independent Auditor's Report | 88 |
| Income Statement | 89 |
| Balance Sheet | 90 |
| Cash Flow Statement | 91 |
| Statement of Changes in Equity | 92 |
| Notes to the Financial Statements | 93 |

INDEPENDENT AUDITOR'S REPORT

Chartered Accountants
Correspondent Firm within
Grant Thornton International Ltd

Ms. Y. SHIRANI DE SILVA FCA, FSCMA
Ms. SIVASELVI BALACHANDRAN FCA, FSCMA
S. RAJANATHAN FCA, FOMA
N. K. ATUKORALA FCA, ASCMA
Ms. H. D. S. C. A. TILLEKERATNE FCA, ASCMA
K. I. SKANDADASAN B.Sc. (Madras), FCA, ASCMA
R. L. R. BALASINGHAM FCA, ASCMA

Kreston MNS & Co 

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF –

FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY OF SRI LANKA

Report on the Financial Statements

We have audited the accompanying Financial Statements of FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY OF SRI LANKA which comprise the Balance Sheet as at 31st December 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a Summary of Significant Accounting Policies and other explanatory Notes exhibited on pages 93 to 104.

Board's Responsibility for the Financial Statements

The Board is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the

Financial Statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board, as well as evaluating the overall Financial Statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

1. Advances – Rs. 11,257,933.45

There were advances given to an individual amounting to Rs. 7.8Mn of which no settlements have been made upto the time of audit.

Further, the management was unable to contact the person and obtain the documents / details of expenses incurred in connection with the advances or to recover the amount advanced to him to date.

Hence, there is a doubt as to the recoverability of the amounts given to him as advances. A provision has not been made against possible losses.

2. Sterling Merchant Investments Ltd

Investment – Rs. 629,430.14

Fixed Deposit – Rs. 3,776,580.79

The Chamber has invested a sum of Rs. 4,327,332.16 in Sterling Merchant

Investments Ltd (SMIL). SMIL has invested their funds in Pramuka Bank and SMIL is unable to pay the depositors.

Therefore, recoverability of the fixed deposits and share investments in Sterling Merchant Investments Ltd amounting to Rs. 4,327,332.16 is doubtful. A provision has not been made against possible losses.

In our opinion, except for the effect of the matters discussed in the proceeding paragraph, so far as appears from our examination, the Chamber maintained proper accounting records for the year ended 31st December 2008 and the Financial Statements give a true and fair view of the Chamber's state of affairs as at 31st December 2008 and its Deficit and Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These Financial Statements also comply with the requirements of Section 151 (2) of the Companies Act No. 07 of 2007.

Kreston MNS & Co

Kreston MNS & Co.
CHARTERED ACCOUNTANTS

COLOMBO
16TH NOVEMBER 2009

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50/2, Sir James Peiris Mawatha
Colombo 2, Sri Lanka
Tel: (94-11) 2323571 (Auto), Fax: (94-11) 2433388
E-mail: audit@kreston.lk
www: webasia.com/kreston
City Office at: Colombo 1 - 18 ½ A, 1st Floor, State Bank of India Building. Telephone: 94-11 2327
& Branches at: Anuradhapura • Badulla • Batticaloa • Hatton • Kalmunai • Kandy • Kurune
• Matara • Negombo • Nuwara Eliya • Ratnapura • Trincomalee

INCOME STATEMENT

| FOR THE YEAR ENDED | | 31.12.2008 | 31.12.2007 |
|-------------------------------------|------|------------------|------------------|
| | Note | Rs. | Rs. |
| REVENUE | | | |
| Membership Fees | 2 | 1,780,203.03 | 2,138,271.15 |
| Grant Income | | 218,622,876.82 | 205,591,946.90 |
| | | 220,403,079.85 | 207,730,218.05 |
| Other Income | 3 | 134,918,235.82 | 47,390,071.42 |
| | | 355,321,315.67 | 255,120,289.47 |
| LESS : EXPENSES | | | |
| Project & Administrative Expenses | | (364,922,038.68) | (230,760,368.29) |
| Other Expenses | | (615,141.98) | (7,070,015.07) |
| Finance Cost | 4 | (329,272.99) | (903,086.33) |
| Surplus / (Deficit) before Taxation | 5 | (10,545,137.98) | 16,386,819.78 |
| Income Tax Expense | 6 | (3,774,071.00) | (2,955,745.00) |
| Surplus / (Deficit) for the year | | (14,319,208.98) | 13,431,074.78 |

The Notes on pages 93 to 104 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

BALANCE SHEET

BALANCE SHEET AS AT

| | Note | 31.12.2008 Rs. | 31.12.2007 Rs. |
|--------------------------------------|------|-----------------------|-----------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property Plant & Equipment | 7 | 66,828,193.18 | 79,763,905.23 |
| Investments in Shares | 8 | 629,430.14 | 629,430.14 |
| Fixed Deposits | 9 | 96,263,812.99 | 147,132,442.80 |
| | | 163,721,436.31 | 227,525,778.17 |
| Current Assets | | | |
| Inventories | 10 | 71,981.47 | 11,056.00 |
| Trade & Other Receivables | 11 | 29,680,878.27 | 18,801,078.42 |
| Cash at Bank & in Hand | 12 | 18,682,950.94 | 29,382,651.92 |
| | | 48,435,810.68 | 48,194,786.34 |
| Total Assets | | 212,157,246.99 | 275,720,564.51 |
| FUNDS & LIABILITIES | | | |
| Funds | | | |
| Accumulated Fund | | | |
| Unrestricted Funds | 13 | 31,369,859.47 | 45,689,068.45 |
| Restricted Funds | 14 | 93,309,586.17 | 13,578,164.91 |
| | | 124,679,445.64 | 59,267,233.36 |
| Other Funds | 15 | 46,886,125.80 | 46,916,928.80 |
| Total Funds | | 171,565,571.44 | 106,184,162.16 |
| Non - Current Liabilities | | | |
| Retirement Benefit Obligation | 16 | 3,989,375.00 | 3,027,300.00 |
| Net Liability to the Lessor | 17 | 615,048.63 | 1,317,005.75 |
| | | 4,604,423.63 | 4,344,305.75 |
| Current Liabilities | | | |
| Trade & Other Payables | 18 | 31,947,937.86 | 25,438,966.47 |
| Net Liability to the Lessor | 17 | 701,958.06 | 1,050,328.15 |
| Grants Received in Advance | | - | 137,331,541.96 |
| Tax Liabilities | 19 | 2,133,492.06 | 1,352,726.96 |
| Bank Overdrafts | 12 | 1,203,863.94 | 18,533.06 |
| | | 35,987,251.92 | 165,192,096.60 |
| Total Funds & Liabilities | | 212,157,246.99 | 275,720,564.51 |

The Notes on pages 93 to 104 form an integral part of these Financial Statements.

I certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



Head of Finance
Monitoring & Evaluation

The Board is responsible for the preparation & fair presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board.



President

16th November 2009.



Director

CASH FLOW STATEMENT

| FOR THE YEAR ENDED | | 31.12.2008 | 31.12.2007 |
|---|------|------------------------|-------------------------|
| | Note | Rs. | Rs. |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Surplus before Taxation | | (10,545,137.98) | 16,386,819.78 |
| Adjustments : | | | |
| Provision for Retiring Gratuity | 15 | 1,250,075.00 | 1,254,450.00 |
| Depreciation | 7 | 14,781,526.63 | 14,059,161.96 |
| Finance Cost | 4 | 329,272.95 | 903,086.33 |
| Interest Income | 3 | (9,630,135.31) | (22,515,724.00) |
| Operating Income before Changes in Working Capital | | (3,814,398.71) | 10,087,794.07 |
| (Increase) / Decrease in Inventories | 10 | (60,925.47) | 108,969.00 |
| Trade & Other Receivables | 11 | (11,875,332.39) | 6,157,016.81 |
| Increase / (Decrease) in Trade & Other Payables | 17 | 6,508,971.39 | (28,663,738.40) |
| Grants Received in Advance | | - | (85,751,068.20) |
| Cash used in Operations | | (9,241,685.18) | (98,061,026.72) |
| Gratuity Paid | 15 | (288,000.00) | (536,000.00) |
| Income Tax Paid & W.H.T | 18 | (2,993,305.90) | (3,579,541.51) |
| Interest Paid | 4 | (14,446.24) | (367,487.45) |
| Net Cash used in Operating Activities | | (12,537,437.32) | (102,544,055.68) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Property, Plant & Equipment | 7 | (1,845,814.58) | (21,629,895.14) |
| Investment in Fixed Deposits net of Withdrawals | 9 | 50,868,629.81 | 56,327,950.11 |
| Interest Received | | 10,625,667.85 | 20,514,369.88 |
| Lease Installments Paid | 16 | (1,365,153.92) | (1,411,294.92) |
| Net Cash from / (used in) Investing Activities | | 58,283,329.16 | 53,801,129.93 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Collection for Funds net of Transfers | 14 | (30,803.00) | 1,586,531.38 |
| Restricted Funds Received (Net) | | (57,600,120.70) | - |
| Net Cash from Financing Activities | | (57,630,923.70) | 1,586,531.38 |
| Net Increase / (Decrease) in Cash & Cash Equivalents | | (11,885,031.86) | (47,156,394.37) |
| Cash & Cash Equivalents at the beginning of the period | | 29,364,118.86 | 76,520,513.23 |
| Cash & Cash Equivalents at the end of the period | 12 | 17,479,087.00 | 29,364,118.86 |

The Notes on pages 93 to 104 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31.12.2008

| | Accumulated Fund Restricted Funds Rs. | Unrestricted Funds Rs. | Other Funds Rs. | Total Rs. |
|---|--|------------------------------|-----------------------|-----------------------|
| Balance as at 31st December 2006 | - | 45,836,158.58 | 45,330,397.42 | 91,166,556.00 |
| Surplus / (Deficit) for the year | 13,578,164.91 | (147,090.13) | - | 13,431,074.78 |
| Receipts & Adjustments | - | - | 1,586,531.38 | 1,586,531.38 |
| Balance as at 31st December 2007 | 13,578,164.91 | 45,689,068.45 | 46,916,928.80 | 106,184,162.16 |
| Surplus / (Deficit) for the year | - | (14,319,208.98) | - | (14,319,208.98) |
| Receipts & Adjustments | 176,979,682.27 | - | 274,325.00 | 177,254,007.27 |
| Transfer to Income Statement | (97,248,261.01) | - | (305,128.00) | (97,553,389.01) |
| Balance as at 31st December 2008 | 93,309,586.17 | 31,369,859.47 | 46,886,125.80 | 171,565,571.44 |

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

Federation of Chambers of Commerce and Industry of Sri Lanka is a Limited Liability Company incorporated on 03.12.1973 under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 07 of 2007 and domiciled in Sri Lanka.

The registered office of the Chamber is located at No.53, Vauxhall Lane, Colombo 02.

The Chamber is a Trade Promotion Organisation.

Nature of Operations & Principal Activities :

Creating & maintaining conducive business Environment in the country and assisting individual businesses in their development needs.

- a) Playing proactive role in evolving the Economic Policies of the Nation
- b) Provide solutions to the business community and to suggest pragmatic policies to the Government
- c) Professional approach for evolving quick solutions to economic and industrial issues

1.2 GENERAL

1.2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLAS) adopted by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 07 of 2007.

The Financial Statements for the year ended 31st December 2008 were authorised for issue by the Board on 16th November 2009.

1.2.2 Responsibility for Financial Statements

The Board is responsible for the preparation and fair presentation of the Financial Statements.

1.2.3 Basis of Preparation

The Financial Statements of the Chamber presented in Sri Lanka Rupees have been prepared on accrual basis and under historical cost convention.

1.2.4 Use of Estimates and Judgements

The preparation of Financial Statements in conformity with SLAS requires the Board to make judgements, estimates and assumptions that affect the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses.

The estimate and underlying assumptions are based on historical experience and various

other factors that are believed to be reasonable under the circumstances the results of which form the basis of making the judgement about carrying amount of Assets and Liabilities that are not readily apparent from other source. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Board in application of SLAS have a significant effect on the Financial Statements.

1.2.5 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, except for Accounting Policy 1.7.1 (a) & (b) on Revenue Recognition in relation to Grants.

1.2.6 Comparative Information

Previous year's figures and phrases have been re-arranged, where necessary to, conform to the current year's presentation

NOTES TO THE FINANCIAL STATEMENTS

1.2.7 Events Occurring after the Balance Sheet Date

All material events occurring after the Balance Sheet date have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the Financial Statements.

- 1.2.8** The Board has made an assessment of the Chamber's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or cease operations.

1.3 FOREIGN CURRENCY TRANSACTIONS

The Financial Statements are presented in Sri Lanka rupees, which is the Chamber's functional and presentation currency.

The functional currency is the currency of the primary economic environment in which the Chamber operates.

All foreign exchange transactions are converted to Sri Lanka Rupees, at the rates of exchange prevailing at the time the transactions are effected.

Monetary assets and liabilities denominated in foreign currency are retranslated to Sri Lanka Rupee equivalents at the exchange rate prevailing at the Balance Sheet date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The resulting gains

and losses are accounted for in the Income Statement.

1.4 TAX

Current Tax

The provision for income tax is based on the elements of the income and expenditure as reported in the Financial Statements and is computed in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and amendments thereto.

Social Responsibility Levy (SRL)

SRL is payable at the rate of 1.5% on all taxes and levies chargeable as specified in the first schedule of the Finance Act.

Turnover Based Taxes

Turnover based taxes include Value Added Tax (VAT), Payable to the Department of Inland Revenue. The Chamber pays such taxes in accordance with the respective Statutes.

1.5 VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT

Assets classified as current assets on the Balance Sheet are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle or within one year from the Balance Sheet date, whichever is shorter. Non current assets are those which the Chamber intends to hold beyond a period of one year from the Balance Sheet date.

1.5.1 Property, Plant & Equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The carrying values of Property, Plant and Equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

All items of Property, Plant & Equipment are initially recorded at cost. The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Where parts of an item of Property, Plant & Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant & Equipment.

A revaluation of Property, Plant & Equipment is done when there is a substantial difference between the fair value and the carrying amount of the asset and is undertaken by professionally qualified valuers.

Where items of Property, Plant & Equipment are subsequently revalued, the entire class of such assets are revalued at fair value.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement. Any revaluation deficit that offsets a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve and any excess recognised as an expense. Upon disposal, any revaluation reserve relating to the asset sold is transferred to retained earnings.

Items of Property, Plant & Equipment are derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the Income Statement in the year the asset is derecognised.

Depreciation

Provision for depreciation is calculated by using straight-line method on the cost of all Property, Plant & Equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

The estimated useful life of assets are as follows :

| Assets | Years |
|--------------------------------|--------------|
| Machinery & Tools | 10 |
| Office Equipment | 10 |
| Motor Vehicles | 4 |
| Furniture, Fixtures & Fittings | 5 |
| Computers Equipment | 5 |
| Sundry Assets | 10 |
| Leased Motor Vehicles | 4 |
| Buildings | 20 |

The Chamber's policy upto 31.12.2005 was not to provide depreciation on Property, Plant & Equipment purchased during the year while full year's depreciation was charged in the year of disposal.

Commencing from 1st January 2006, depreciation is provided on all Property, Plant & Equipment from the month the assets are available for use upto the month of disposal.

Commencing from 1st January 2007, depreciation is provided on all Property, Plant & Equipment from the date the assets are available for use upto the date of disposal.

The useful life and residual value of assets are reviewed and adjusted if required, at the end of each financial year.

1.5.2 Subsequent Expenditure

The cost of replacing a part of an item of Property, Plant & Equipment is recognised in the carrying amount of the item if it is

probable that the future economic benefits embodied within the part will flow to the Chamber and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy.

The costs of the day-to-day servicing of Property, Plant & Equipment are recognised in the Income Statement.

1.5.3 Finance Leases

Property, Plant & Equipment on finance leases, which effectively transfer to the Chamber substantially all the risk and benefits incidental to ownership of the leased items, are capitalised and disclosed as finance leases at their cash price and depreciated over the period the Chamber is expected to benefit from the use of the leased assets.

The corresponding principal amount payable to the lessor is shown as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest payable over the period of the lease is transferred to an interest in suspense account. The interest element of the rental obligations pertaining to each financial year is charged to the Income Statement over the period of lease.

NOTES TO THE FINANCIAL STATEMENTS

1.5.4 Investments

Equity Investments

All quoted and unquoted securities, which are held as Non-Current Investments, are valued at cost. The cost of investment is the cost of acquisition inclusive of brokerage and costs of transaction. The carrying amounts of long term investments are reduced to recognise a decline which is considered other than temporary, in the value of investments, determined on an individual investment basis.

1.5.5 Impairment of Assets

The Chamber assesses at each reporting date whether there is an indication that an Asset may be impaired. If any such indication exists, or when annual impairment testing for an Asset is required, the Chamber makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future Cash Flows are discounted to their present value using a pre-tax discount

rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. Previously recognised impairment losses, are reversed only if there has been an increase in the recoverable amount of the asset. Such increase is recognised to the extent of the carrying amount had no impairment losses been recognised previously.

1.5.6 Inventories

Inventories (Stationery) are stated at cost.

1.5.7 Trade and Other Receivables

Trade and Other Receivables are stated at the amounts estimated to realise.

1.5.8 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash and bank balances. Bank overdrafts that are repayable on demand and form an integral part of the Chamber's cash management are included as a component of Cash and Cash Equivalents for the purpose of the Statement of Cash Flows.

1.6 LIABILITIES AND PROVISIONS

Liabilities are recognised in the Balance Sheet when there is a present obligation arising from past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the Balance Sheet date are treated as current liabilities in the Balance Sheet. Liabilities payable after one year from the Balance Sheet date are treated as non-current liabilities in the Balance Sheet.

1.6.1 Defined Benefit Plan - Gratuity

Provision has been made in the Financial Statements for retiring gratuities which may fall due for payment under the Payment of Gratuity Act No. 12 of 1983 in respect of all employees including those who have less than 5 years continued service.

In order to meet this liability a provision is carried forward in the Balance Sheet, based on a half month's salary as of the last month of the financial year, for all employees for each completed

year of service, commencing from the first year of service. The resulting difference between the provision carried forward at the end of a year and the brought forward provision is dealt within the Income Statement.

However, as per the Payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service.

This liability is neither externally funded nor actuarially valued.

1.6.2 Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

All employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statutes and regulations. The Chamber contributes 12% of gross emoluments of employees to an approved Employees' Provident Fund and 3% of gross emoluments of employees to the Employees' Trust Fund.

1.6.3 Provisions, Contingent Assets and Contingent Liabilities

Provisions are made for all obligations existing as at the Balance Sheet date when it is probable that such an obligation will result in an out flow of resources and reliable estimate can be made of the quantum of the out flow.

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote.

All contingent assets are disclosed where inflow of economic benefits is probable.

1.6.4 Trade and Other Payables

Trade and other payables are stated at their cost.

1.6.5 Capital Commitments

Capital commitments of the Chamber are disclosed in the respective Notes to the Financial Statements.

1.7 INCOME STATEMENT

1.7.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Chamber and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of value added taxes. The following specific criteria are used for recognition of revenue.

Grants

The Chamber's policy upto 31.12.2007 was to recognise grants received for specified projects as income on a time basis, based on the expected duration of the projects.

Commencing from 1st January 2008, the Chamber has changed

its policy in relation to recognition of grant income as follows :

(a) Unrestricted Funds

Unrestricted funds are those that are available for use by the Chamber at the discretion of the Board, in furtherance of the general objectives of the Chamber and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor agreements or with subsequent approval of the Donor.

(b) Restricted Funds

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Income Statement to match with expenses incurred in respect of that identified project. Unutilised funds are held in their respective fund accounts and included under accumulated fund in the balance sheet until such time as they are required.

Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognised through debtors in the balance sheet.

Membership Fees

Membership Fees is recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

Interest Income

Interest Income is recognised on an accrual basis.

Rental Income

Rental Income is recognised on an accrual basis over the term of the lease.

Other Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of Property, Plant & Equipment and other Non-Current Assets including investments are accounted for in the Income Statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material and aggregated, reported and presented on a net basis.

Other Income

Other income is recognised on an accrual basis.

1.7.2 Expenditure

Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income.

All expenditure incurred in the running of the chamber and in

maintaining the Property, Plant and Equipment in a state of efficiency has been charged to Income Statement.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case it is capitalised as part of the cost of the asset.

Finance Cost

Finance cost comprises interest payable on leases and borrowings.

The interest expense component of finance lease payments is recognised in the Income Statement using the effective interest rate method.

1.7.3 For the purpose of presentation of the Income Statement, the “function of expense” method has been adopted on the basis that it represents fairly the elements of Chamber’s performance.

1.8 CASH FLOW STATEMENT

The Cash Flow Statement has been prepared using the “indirect method”.

Interest paid is classified as an operating Cash Flow.

| | 31.12.2008 Rs. | 31.12.2007 Rs. |
|--|-----------------------|----------------------|
| 2 MEMBERSHIP FEES | | |
| Entrance Fees | 5,000.00 | 681,379.92 |
| Subscription | 1,775,203.03 | 1,456,891.23 |
| | 1,780,203.03 | 2,138,271.15 |
| 3 OTHER INCOME | | |
| Interest Income | 9,630,135.31 | 22,515,724.00 |
| Advertising income | 334,782.62 | 230,434.73 |
| Foreign Exchange Gain | 81,672.11 | 159,273.34 |
| Training Programme Income | 6,147,355.16 | 147,565.13 |
| Accrued Expenses written back | 118,640.50 | 245,000.00 |
| Hiring of Board Room & Multimedia | 207,396.70 | 28,565.20 |
| Application Income | 56,173.64 | - |
| Registration Fees | 1,060,340.81 | 313,563.50 |
| Sale of Publications | 44,155.00 | 144,402.32 |
| Stall Reservation Income | 12,393,904.33 | 259,347.78 |
| Reimbursement of Expenses by Donors | 32,284,448.51 | 3,176,702.30 |
| Reimbursement for Strengthening internal affairs | 347,883.52 | - |
| SAARC Apex Body Income | 203,181.00 | - |
| SAARC Trade Fair Income | 296,419.13 | - |
| Donations Received | 21,900.00 | - |
| Seminar & Workshop Income | 2,005,919.62 | 11,120,771.76 |
| Shipping Income | 45,806,940.55 | - |
| Sponsorship Income | 7,152,040.87 | 1,643,478.23 |
| Exhibition income | 10,619,384.60 | 2,442,268.33 |
| Co-ordination Fees | 2,746,856.51 | 145,079.14 |
| Project related Income - MGT | 463,086.94 | - |
| - TECH | 935,191.32 | - |
| - EE | 4,347.83 | - |
| Rent Income | 869.56 | - |
| Certificate of origin income | 278,672.46 | - |
| Consultancy income | 577,108.74 | - |
| Chamber Membership Income | 15,000.00 | - |
| NTC Omnibus Consultancy Income | 54,539.56 | - |
| Facilitation Fees | 14,434.79 | 4,696,272.94 |
| Other Income | 670,396.69 | 121,622.72 |
| Meta Mart - Trade Link Income | 206,209.66 | - |
| - E - Banner Income | 115,217.39 | - |
| - Job Registration Income | 23,630.39 | - |
| | 134,918,235.82 | 47,390,071.42 |

NOTES TO THE FINANCIAL STATEMENTS

| | 31.12.2008 Rs. | 31.12.2007 Rs. |
|---|-------------------|-------------------|
| 4 FINANCE COST | | |
| Lease Interest | 314,826.71 | 535,598.88 |
| Overdraft Interest | 14,446.24 | 367,487.45 |
| | 329,272.95 | 903,086.33 |
| 5 SURPLUS BEFORE TAXATION | | |
| is stated after deducting all expenses including : | | |
| Auditor's Remuneration - | 275,000.00 | 250,000.00 |
| | 55,000.00 | 80,500.00 |
| Depreciation | 14,781,526.63 | 14,059,161.96 |
| Staff Cost - Salaries, Overtime, etc | 45,774,904.94 | 33,501,771.90 |
| - Defined Contribution Plan Cost - EPF & ETF | 6,667,034.13 | 4,696,993.77 |
| - Defined Benefit Plan Cost - Gratuity | 1,250,075.00 | 1,254,450.00 |
| Donations | 83,625.00 | - |
| Net Expense from Shipping Services | 9,602,655.74 | 6,259,403.88 |
| 6 TAXATION | | |
| Current Income Tax on Ordinary Activities | | |
| On Income for the year | 3,774,071.00 | 2,995,745.00 |
| | 3,774,071.00 | 2,995,745.00 |
| 6.1 Corporate Tax | | |
| The Chamber is liable for Income Tax under Section 101 (2) of the Inland Revenue Act No. 10 of 2006 on either Investment Income or Trading Income whichever is higher at 20%. | | |
| 6.2 Reconciliation between Surplus before taxation and current income tax on Ordinary Activities | | |
| Trading Income | | |
| Surplus / (Deficit) before Tax | (10,545,138.00) | 16,386,819.78 |
| Expenses Disallowed for Tax | 17,580,137.00 | 17,014,860.00 |
| Capital Allowances | (9,194,266.00) | (9,120,134.00) |
| Allowable Income | (10,556,447.00) | (23,051,724.00) |
| Adjusted Profit / (Loss) for the year from Business | (12,715,714.00) | 1,229,821.78 |
| Interest Income | | |
| Interest Income | 18,887,771.00 | 22,515,724.00 |
| Less : Exempt Interest Income | (17,414.00) | (4,338.00) |
| Tax Loss Brought Forward | (21,705,579.00) | (29,584,564.00) |
| Tax Loss for the year | (12,715,714.00) | - |
| Tax Loss Carried Forward | 34,421,293.00 | 21,705,579.00 |
| Taxable Income | 18,870,357.00 | 14,632,401.00 |
| Income Tax on Interest Income | 3,774,071.00 | 2,926,480.00 |
| Social Responsibility Levy | - | 29,265.00 |
| | 3,774,071.00 | 2,955,745.00 |
| Provision | 3,774,071.00 | 2,955,745.00 |

7 PROPERTY, PLANT & EQUIPMENT

| | Land Rs. | Building Rs. | Office Equipment Rs. | Motor Vehicles Rs. | Furniture & Fittings Rs. | Computer Equipment Rs. | Sundry Assets Rs. | Machinery & Tools Rs. | 31.12.2008 Total Rs. | 31.12.2007 Total Rs. |
|---------------------------|--------------|-----------------|----------------------------|--------------------------|--------------------------------|------------------------------|----------------------|-----------------------------|----------------------------|----------------------------|
| Freehold | | | | | | | | | | |
| Cost | | | | | | | | | | |
| Gross Book Value | | | | | | | | | | |
| as at 1st January | 8,560,000.00 | 22,575,935.75 | 8,492,319.90 | 23,117,085.35 | 12,356,288.55 | 15,246,477.51 | 2,593,729.21 | 15,139,429.69 | 108,081,265.96 | 86,451,370.82 |
| Additions | - | 632,251.03 | 165,725.00 | - | 976,281.05 | 49,657.50 | 21,900.00 | - | 1,845,814.58 | 21,629,895.14 |
| Gross Book Value | | | | | | | | | | |
| as at 31st December | 8,560,000.00 | 23,208,186.78 | 8,658,044.90 | 23,117,085.35 | 13,332,569.60 | 15,296,135.01 | 2,615,629.21 | 15,139,429.69 | 109,927,080.54 | 108,081,265.96 |
| Depreciation | | | | | | | | | | |
| As at 1st January | - | 569,037.28 | 2,942,899.82 | 14,699,442.82 | 5,763,505.06 | 6,000,076.42 | 417,688.33 | 1,316,029.99 | 31,708,679.72 | 18,839,072.02 |
| Charge for the year | | 1,153,220.73 | 696,750.24 | 4,629,347.36 | 2,344,930.79 | 2,984,091.17 | 252,771.62 | 1,513,942.97 | 13,575,054.88 | 12,869,607.70 |
| As at 31st December | - | 1,722,258.01 | 3,639,650.06 | 19,328,790.18 | 8,108,435.85 | 8,984,167.59 | 670,459.95 | 2,829,972.96 | 45,283,734.60 | 31,708,679.72 |
| Net Book Value | | | | | | | | | | |
| As at 31st December | 8,560,000.00 | 21,485,928.77 | 5,018,394.84 | 3,788,295.17 | 5,224,133.75 | 6,311,967.42 | 1,945,169.26 | 12,309,456.73 | 64,643,345.94 | 76,372,586.24 |
| Leased Hold | | | | | | | | | | |
| Cost | | | | | | | | | | |
| Gross Book Value | | | | | | | | | | |
| as at 1st January | - | - | - | 4,826,967.00 | - | - | - | - | 4,826,967.00 | 3,832,592.00 |
| Additions | - | - | - | - | - | - | - | - | - | 1,063,125.00 |
| Adjustment | - | - | - | - | - | - | - | - | - | (68,750.00) |
| Gross Book Value | | | | | | | | | | |
| as at 31st December | - | - | - | 4,826,967.00 | - | - | - | - | 4,826,967.00 | 4,826,967.00 |
| Depreciation | | | | | | | | | | |
| As at 1st January | - | - | - | 1,435,648.01 | - | - | - | - | 1,435,648.01 | 246,093.75 |
| Charge for the year | - | - | - | 1,206,471.75 | - | - | - | - | 1,206,471.75 | 1,189,554.26 |
| As at 31st December | - | - | - | 2,642,119.76 | - | - | - | - | 2,642,119.76 | 1,435,648.01 |
| Net Book Value | | | | | | | | | | |
| As at 31st December | - | - | - | 2,184,847.24 | - | - | - | - | 2,184,847.24 | 3,391,318.99 |
| Net Carrying Value | | | | | | | | | | |
| As at | | | | | | | | | | |
| 31st December 2008 | 8,560,000.00 | 21,485,928.77 | 5,018,394.84 | 3,788,295.17 | 5,224,133.75 | 6,311,967.42 | 1,945,169.26 | 12,309,456.73 | 66,828,193.18 | - |
| As at | | | | | | | | | | |
| 31st December 2007 | 8,560,000.00 | 22,006,898.47 | 5,549,420.08 | 11,808,961.52 | 6,592,783.49 | 9,246,401.09 | 2,176,040.88 | 13,823,399.70 | - | 79,763,905.23 |

8 INVESTMENTS IN SHARES

| | No. of Shares | 31.12.2008 Cost Rs. | Council Valuation Rs. | No. of Shares | 31.12.2007 Cost Rs. | Council Valuation Rs. |
|--------------------|------------------|---------------------------|-----------------------------|------------------|---------------------------|-----------------------------|
| Unquoted | | | | | | |
| Sterling Merchants | | | | | | |
| Investments Ltd. | 62,943 | 629,430.14 | 629,430.14 | 62,943 | 629,430.14 | 629,430.14 |
| | | 629,430.14 | 629,430.14 | | 629,430.14 | 629,430.14 |

Class of shares refers to Ordinary Shares

NOTES TO THE FINANCIAL STATEMENTS

| | 31.12.2008 Rs. | 31.12.2007 Rs. |
|---|----------------------|-----------------------|
| 9 FIXED DEPOSITS | | |
| Commercial Bank of Ceylon PLC | 62,875,423.17 | 117,048,880.65 |
| DFCC Vardana Bank | 9,805,000.00 | 9,805,000.00 |
| HNB | 300,000.00 | - |
| People's Merchant Bank | 14,000,000.00 | 14,000,000.00 |
| Sampath Bank | 5,000,000.00 | 2,314,553.96 |
| Seylan Bank | 585,487.80 | 187,427.40 |
| Sterling Merchants Investments Ltd. | 3,697,902.02 | 3,776,580.79 |
| | 96,263,812.99 | 147,132,442.80 |
| 10 INVENTORIES | | |
| Stationery & Others | 71,981.47 | 11,056.00 |
| | 71,981.47 | 11,056.00 |
| 11 TRADE & OTHER RECEIVABLES | | |
| Prepayments | 1,672,980.63 | 1,393,449.74 |
| Other Receivables | 17,176,026.19 | 12,570,479.77 |
| Advances & Deposits | 10,831,871.45 | 4,837,148.91 |
| | 29,680,878.27 | 18,801,078.42 |
| 12 CASH & CASH EQUIVALENTS | | |
| Cash at Bank | 18,622,470.74 | 29,382,651.92 |
| Petty Cash | 60,480.20 | - |
| | 18,682,950.94 | 29,382,651.92 |
| Bank Overdrafts | (1,203,863.94) | (18,533.06) |
| | 17,479,087.00 | 29,364,118.86 |
| 13 UNRESTRICTED FUNDS | | |
| Balance on 1st January | 45,689,068.45 | 45,836,158.58 |
| Deficit for the year | (14,319,208.98) | (147,090.13) |
| Balance on 31st December | 31,369,859.47 | 45,689,068.45 |

14 RESTRICTED FUNDS

| | Balance on 01.01.2008 Rs. | Funds Received during the year Rs. | Transfer to Income Statement Rs. | Receipts & Adjustments Rs. | Balance on 31.12.2008 Rs. |
|---------------------------------|---------------------------------|--|---|----------------------------------|---------------------------------|
| Regional Chamber of Sri Lanka | 13,578,164.91 | 164,458,395.00 | (96,918,328.15) | 7,521,287.27 | 88,639,519.03 |
| Corporate Social Responsibility | - | 5,000,000.00 | (329,932.86) | - | 4,670,067.14 |
| | 13,578,164.91 | 169,458,395.00 | (97,248,261.01) | 7,521,287.27 | 93,309,586.17 |

15 OTHER FUNDS

| | Building Fund Rs. | Corpus Fund Rs. | Research & Consultancy Fund Rs. | IRMP Revolving Fund Rs. | Endowment Fund Rs. | Chamber Development Fund Rs. | Welfare Fund Rs. | Regional Relief Co-ordination fund Rs. | Operational Fund Rs. | Total Rs. |
|------------------|-------------------------|-----------------------|--|----------------------------------|--------------------------|---------------------------------------|------------------------|--|----------------------------|-------------------|
| Balance on | | | | | | | | | | |
| 1st January 2008 | 6,000,000.00 | 35,264,813.02 | 539,559.86 | 283,977.89 | 2,862,664.08 | 1,184,518.65 | 415,050.00 | 305,128.00 | 61,217.30 | 46,916,928.80 |
| Receipts | - | - | - | - | 10,125.00 | - | 264,200.00 | - | - | 274,325.00 |
| Transferred to | | | | | | | | | | |
| Income Statement | - | - | - | - | - | - | - | (305,128.00) | - | (305,128.00) |
| Balance on 31st | | | | | | | | | | |
| December 2008 | 6,000,000.00 | 35,264,813.02 | 539,559.86 | 283,977.89 | 2,872,789.08 | 1,184,518.65 | 679,250.00 | - | 61,217.30 | 46,886,125.80 |
| | | | | | | | | 31.12.2008 Rs. | | 31.12.2007 Rs. |

16 RETIREMENT BENEFIT OBLIGATION

Gratuity

| | | |
|-------------------------------|--------------|--------------|
| Balance on 1st January | 3,027,300.00 | 2,308,850.00 |
| Provision for the year | 1,250,075.00 | 1,254,450.00 |
| | 4,277,375.00 | 3,563,300.00 |
| Payments made during the year | (288,000.00) | (536,000.00) |
| Balance on 31st December | 3,989,375.00 | 3,027,300.00 |

17 NET LIABILITY TO THE LESSOR

Lease Obligation

| | | |
|-----------------------------------|----------------|----------------|
| Balance on 1st January | 2,879,490.21 | 2,788,721.13 |
| Leases obtained during the year | - | 1,502,064.00 |
| | 2,879,490.21 | 4,290,785.13 |
| Installments paid during the year | (1,365,153.92) | (1,411,294.92) |
| Balance on 31st December | 1,514,336.29 | 2,879,490.21 |

Interest in Suspense

| | | |
|---------------------------------------|--------------|----------------|
| Balance on 1st January | 512,156.31 | 540,066.19 |
| On new lease agreement | - | 438,939.00 |
| Overstated Cost Adjustment | - | 68,750.00 |
| Transferred to Income Statement | (314,826.71) | (535,598.88) |
| Balance on 31st December | 197,329.60 | 512,156.31 |
| Net Liability payable within one year | (701,958.06) | (1,050,328.15) |
| Net Liability payable after one year | 615,048.63 | 1,317,005.75 |

NOTES TO THE FINANCIAL STATEMENTS

| | 31.12.2008 Rs. | 31.12.2007 Rs. |
|--------------------------------------|----------------------|----------------------|
| 18 TRADE & OTHER PAYABLES | | |
| Accrued Expenses | 19,631,532.06 | 19,292,958.06 |
| Other Payables | 12,316,405.80 | 6,146,008.41 |
| | 31,947,937.86 | 25,438,966.47 |
| 19 TAX LIABILITIES | | |
| Balance on 1st January | 1,352,726.96 | 2,066,321.88 |
| Provision for the year | 3,774,071.00 | 2,955,745.00 |
| | 5,126,797.96 | 5,022,066.88 |
| ESC | (287,249.00) | (89,798.41) |
| WHT | (1,993,056.90) | (2,418,044.37) |
| Payments made during the year | (713,000.00) | (1,161,497.14) |
| Balance on 31st December | 2,133,492.06 | 1,352,726.96 |

20 CAPITAL COMMITMENTS

There were no material capital commitments as at 31st December 2008.

21 CONTINGENT LIABILITIES

There are no contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

22 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No circumstances have arisen since the balance Sheet date which would require adjustments to or disclosure in the Financial Statements.

23 RELATED PARTY TRANSACTIONS

23.1 No Board Member is directly interested in any contract with the Chamber.

23.2 Transaction with Key Managerial Personnel

Key Managerial Personnel include members of the Chamber.

There were no transaction with Key managerial Personnel and their close family members during the year.

CORPORATE INFORMATION

| | | |
|---------------------------------|---|---|
| Name of the Company | : | Federation of Chambers of Commerce and Industry of Sri Lanka |
| Legal Form | : | Company Limited by Guarantee |
| Company Registration No. | : | GA 446 dated 27/10/2009 |
| Registered Office | : | Federation House, 53, Vauxhall Lane, Colombo 02, Sri Lanka. |
| Nature of Business | : | Trade Promotions and Providing Services to the Business Community |
| Board of Directors | : | Mr. Kosala Wickramanayake Mr. Tissa Jayaweera Mr. Kumar Mallimaratchi Mr. Nawaz Rajabdeen Mr. S T S Arulananthan Mr. Ajith Wattuhewa Mr. Nimal Perera |
| Branch Offices | : | Kurunegala Business Academy / FCCISL 56, Town Centre Building, Mihindu Mawatha, Colombo Road, Kurunegala Kandy Business Academy / FCCISL 15/A, Siddhi Lebbe Mawatha, Kandy Galle Business Academy / FCCISL 320, Matara Road, Magalle, Galle Gampaha Business Academy / FCCISL Pradeshiya Saba Building, Miriswatta Junction, Mudungoda, Gampaha Vavuniya Business Academy / FCCISL 57, 1st Floor, Sathaya Building, 1st Cross Street, Vavuniya Handwerk Centre Western Province Dodangoda Road, Malegoda, Payagala Handwerk Centre Eastern Province Near Udaysooriyan Ground, Thirukkivil 01, Thirukkivil Gampaha District Chamber of Commerce, Industry and Agriculture 2nd Floor, Pradeshiya Saba Building, Miriswatta Junction, Mudungoda, Gampaha |
| Bankers | : | Commercial Bank PLC, Seylan Bank PLC, Sampath Bank PLC, People's Bank, Hatton National Bank PLC |
| Auditors | : | Kreston MNS & Co - Audit Services 50/2, Sir James Peiris Mawatha, P O Box 210, Colombo 02 P. E. Mathew & Company - Tax Services 94 ¼, York Building, York Street, Colombo 01 |
| Secretaries | : | Corporate Services (Private) Limited 216, De Saram Place, Colombo 10 |
| Lawyers | : | F. J. & G. De Saram Attorneys-at-Law 216, De Saram Place, Colombo 10 |

FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY OF SRI LANKA

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