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”

**What do you think of BOI's role in the economic revival of Sri Lanka?**

Attracting investment, especially FDI, in the current context is a priority for Sri Lanka as it is the best non-debt source of FOREX inflow. BOI, established in 1978, is the apex agency having the mandate of promoting and attracting

foreign-direct investments to Sri Lanka, enhancing export earnings, creating employment, and facilitating the transfer of modern technologies.

More than 500,000 employees working in the BOI enterprises, including 150,000 in 15 export zones under BOI, represent 18% of the national workforce engaged in

# ROLE OF BOI IN ATTRACTING SUSTAINABLE FOREX

MRS. RENUKA WEERAKONE  
DIRECTOR GENERAL BOI

**M**rs. Renuka Weerakone is an Attorney-at-Law by profession counting over 31 years of experience and commenced her working career as an instructing attorney with a leading Law firm in Colombo. She is also a licensed Notary Public and Commissioner for Oaths. In addition, she holds a master's degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura. She currently serves as the Director General (Actg) at the BOI previously holding the post of Executive Director heading Project Monitoring. In her career at the BOI spanning over 27 years, she has gained a wealth of experience and broad knowledge to facilitate activities of foreign direct

investment projects with her work in several key departments including Promotions and Investments and held the post of Board Secretary over five years concurrent to her other duties. She has represented the BOI at local and International Forums including the Second-Round negotiations of the proposed Sri Lanka – China FTA held in Beijing, the Joint Council under US-Sri Lanka Trade & Investment Framework Agreement in Washington, and outward investment promotion missions to China, the UK, USA, Japan, and Russia among other countries. She has also been an active member of Steering Committees, Policy Committees, Inter-Agency Committees tasked with resolving issues faced by investors to fast-track implementation of investment projects.

industrial activities, including the ICT sector. In addition to these direct employment opportunities, many indirect employment opportunities have been created in association with the enterprises of the BOI. The BOI enterprises contribute 65% of the national exports, 85% of the national industrial exports, and 96% of the total export income of the apparel

industry sector.

In the mission of increasing FOREX inflows to the country, I am happy to share that, despite the challenging times, the BOI has achieved 70% of its targeted FDI for the year 2022 by the 3rd quarter. We also witnessed an increase of 10% in merchandise exports by BOI enterprises from January to

November compared to the corresponding period in 2021. BOI's role in the expected economic recovery is immense and wide as it covers these major parts that need attention and improvement. We plan to attract digital FDIs to the country, considering that technology-driven investments are more beneficial to the country in the context of technology learning





“ IN TERMS OF ATTRACTING MUCH-NEEDED FDI, THE BOI HAS ADOPTED SEVERAL INITIATIVES DURING THE YEAR 2022. FOCUSING ON THE BOI AND ITS ROLE, INVESTMENT FACILITATION HAS BEEN IDENTIFIED AS A KEY STIMULATOR OF THE OVERALL INVESTMENT POLICY, WITH A VIEW OF ENSURING AN EFFICIENT, TRANSPARENT, AND PREDICTABLE BUSINESS CLIMATE WHICH IS ESSENTIAL TO STIMULATE INVESTMENT ”

and a long-term investment span. In addition, it will provide a much-needed pathway for Sri Lanka to become a technological hub in Asia, while also fulfilling the UN (United Nations) sustainable development goals.

**What measures have you been implementing so far to ease the burden of the current economic hardships on**

### **the Investors as an institution?**

In terms of attracting much-needed FDI, the BOI has adopted several initiatives during the year 2022. Focusing on the BOI and its role, investment facilitation has been identified as a key stimulator of the overall investment policy, with a view of ensuring an efficient, transparent, and predictable business climate which is essential to stimulate investment.

In order to address the challenge of

limited physical presence during the pandemic period, the concept of digitization of the organization emerged as the best solution and significant improvements have already been rolled out with respect to BOI functions. Further, the introduction of an online process for submitting investment applications and granting investment approvals is underway. Having recognized that the global trend is to focus more on attracting re-investments over greenfield investments, an effective promotional mechanism to attract re-investments has also been put in place while simultaneously continuing to facilitate existing company needs.

BOI has also introduced a new Business Partnership Database through the BOI website to facilitate investors seeking business partnerships with foreign and Sri Lankan companies/investors. This platform acts as a network to bring together foreign and domestic companies and is designed to help



businesses, research institutes, and start-ups find the right partners for their next business proposal or innovation.

### **In your opinion, what mechanisms can be implemented to attract FDIs?**

Among the multifaceted options that will secure an increased FDI inflow to the country is to encourage both new investments and reinvestments by existing players. Further, it is evident that adopting technology and digitalization within the BOI system has resulted in a better investor experience, and therefore BOI will be targeting attracting more Digital FDIs. A national priority attracting FDI will bring synergy with all other line agencies and ministries in alignment with the BOI effort. The collaborative nature of the mechanism will bring a much-needed image booster to the country, and it will uphold the "Nation Branding" status in the mind of our prospective investors.

Investment facilitation also should be strengthened further as facilitation would be the driving force behind making a transparent, efficient, and investment-friendly business climate by making it easier for investors to invest, conduct their day-to-day business, and expand their existing investments providing them with reasons to continue operations in the country.

One of the key areas to be concerned with is to provide the investors with readily accessible lands to start their business ventures. In order to address this issue, the BOI has taken steps to establish two dedicated zones for Textile and Pharmaceutical Manufacturing in Eravur and Hambantota Arabokka respectively making the inflow of FDI more focused and facilitated under special circumstances.

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The other specific area to be concerned about is attracting more sustainable investments by scaling up the skills of human capital to cater to the current labor demand. The BOI has introduced a new mechanism to address this issue by facilitating special training programs in collaboration with NAITA targeting school leavers.

### **What improvements do you suggest to the current operational mechanism of BOI in effectively attracting and retaining FDIs to the country?**

BOI has taken initiatives to enhance investor facilitation via advancing digital transformation and we expect to fully digitalize the investment approval process in the near future. With the investment approval process being streamlined and interagency coordination being strengthened, the BOI could offer investors an expedient service.

Further, to ensure that the investors are looked after throughout the investment's lifespan within the country, a dedicated investment officer is to be assigned at the time of the investor's first contact point at BOI. This investment officer will be responsible for coordinating with other relevant line agencies and resolving all the issues that the

investor might encounter.

A dedicated space allocated on the 27th floor at the West Tower of the World Trade Centre (WTC), Investor Facilitation Centre (IFC) has been launched to provide an efficient and seamless service to investors while streamlining the investment approval process and strengthening the interagency coordination.

One of the major impediments identified in attracting and retaining FDI is the unnecessary delays in granting investment approvals that create significant obstacles and transaction costs to investors. Generally, investors seeking to establish operations in Sri Lanka must obtain over 20 approvals from numerous line agencies.

The time taken to grant such approvals depends on the process and procedures followed by each line agency. Also, it has been identified that poor intra-agency coordination has resulted in an inefficient investment approval process with undue delays. As such, the IFC is deemed to address the unnecessary delays faced by investors and thereby sustain their confidence. IFC has been set up in a well-organized manner making things comfortable and convenient for investors while providing them with a state of an art ecosystem to conduct investor affairs.

■ **By Daupadee Gamage**