

GUIDELINES AND PROCEDURE FOR APPLICATION FOR THE EDB SCHEME OF ASSISTANCE TO SUPPORT EXPORTERS' OWN MARKETING EFFORTS OVERSEAS FOR NON-TRADITIONAL PRODUCTS & SERVICES

1.0 The Scheme

1.1 The EDB Scheme of Assistance to Support Exporters' Own Marketing Efforts Overseas for Non-traditional Products and Services provides financial assistance to exporters for their own initiatives to promote Sri Lankan products and services in overseas markets.

1.2 Eligibility

The Scheme is open to all small and medium scale (SME) exporters fulfilling the following requirements:

- i. The investment in fixed assets not exceeding Rs.35 Mn. excluding land and buildings.
- ii. Annual export sales turnover not exceeding Rs.150 Mn. and total annual sales turnover not exceeding Rs.200 Mn.
- iii. Deal in non-traditional products or services with a distinct export potential.
- iv. Have an immediate potential for exports or have an excess capacity which allows immediate supply capability to service extra orders.
- v. Have formulated export marketing programmes for implementation in a particular market/s over a specific period of time (period could be from one to three years) aimed at increased order taking in the target markets/s
- vi. Have a local ownership of 75% or more

1.3 The specified activities in the export marketing programme of a particular enterprise whose application would be considered for financial assistance are:

1.3.1 Market Research/Surveys Overseas

- a) Market research/survey programmes would include activities such as identifying importers and end-users, channels of distribution, pricing strategies, tariff and non-tariff barriers, investigating suitable market segments for new product development, packaging development, counter-sampling, test marketing and trial orders.
- b) The overseas market research/survey should relate to non-traditional products of Sri Lanka to a new market/s.
- (c) Applications should show clear evidence of research basically done in Sri Lanka including objectives to justify the visit to explore the market/s.

- (d) Applications should indicate the nature of research/survey, the specific actions outlined in the programme and a clear itinerary with particulars of contacts.
- (e) The information requested should be provided in respect of each country/state/city as follows:-

Country/ State/City To be visited	Proposed period of stay (in each country/state/city separately)	Information on contacts	% share of total exports of company in each market

- (f) The maximum assistance provided by the EDB will be 75 % of the economy class air fare (M.S.P.) for the company delegate to travel to the target markets/s where the research/survey will be carried out. The total assistance under this category will be limited to Rs.125,000/- per company.
- (g) The applications should be forwarded together three quotations from a travel agent/airline to confirm the cost of the airfare. The maximum limit of air fare will be 75% of the actual cost incurred by the applicant or 75% of the economy class air fare (M.S.P) obtained by the EDB whichever is lower.

1.3.2 Programme of Product Improvement/Adaptation/Counter-Samples including Export Packaging

- (a) The programme must relate to new product development or improvement in design of a product, improvement or development of export packaging and should be a part of the company's total export market development programme.
- (b) In the case of new product development, the activities such as designing, making moulds and dies (if required) sample manufacture and testing, quality improvements and manufacture of packages will be considered for assistance.
- (c) In the case of product adaptation/counter-sampling the costs of purchase of samples and relevant literature from the target market as well as costs of developing counter-samples, packaging and freight of samples will be considered for assistance.
- (d) The detail information on the activities indicated in (a),(b),(c), should be outlined.

- (e) The application also should outline the product development programme, the time schedule and the benefits expected.
- (f) The maximum EDB assistance will be 50% of the direct cost of the product improvement/adaptation/counter-sampling and development of export packaging up to a maximum of Rs.300,000/-.

1.3.3 Participation in Trade Fairs/Exhibition including Trade displays and Demonstration

- (a) The particular trade fair/exhibition selected by the company should be acceptable to the EDB in terms of its usefulness to generate additional exports.
- (b) The company should obtain all information on the activity and provide evidence of its intention to participate and rent out display space/stall.
- (c) The company should participate under its own name and operate the programme with at least one delegate of the company.
- (d) The company should provide all information regarding the programme, such as the nature of the trade fair, copy of the trade fair brochure, application to fair authorities for participation, details of the stall sizes, rate of the stalls including fixtures and fittings and other related costs to be incurred.
- (e) The maximum assistance provided by the EDB will be the cost of space/stall up to a maximum of 9 sq.mt area and the cost of basic fixtures and fittings subject to an upper limit of Rs.300,000/-

1.3.4 Sales/Contact Missions Overseas

- (a) These missions should be in the form of a part of the export marketing programme of the company and the company should provide a clear itinerary of the mission including information on the proposed contacts and show evidence of progress in organizing and developing the contacts.
- (b) Visits undertaken for negotiations for agency marketing and licensing arrangements/joint venture operations, which would generate new export market opportunities, will also be considered for assistance.
- (c) The maximum EDB assistance will be 75% of the economy class air fare (M.S.P.) to travel to the target market/s for one delegate of the company up to a maximum of Rs.125,000/-.
- (d) The applications should be forwarded together with three quotations from a travel agent/airline to confirm the cost of the airfare. The maximum limit of air fare will be 75% of the actual cost incurred by the applicant or 75% of the economy class air fare (M.S.P) obtained by the EDB whichever is lower.

1.3.5 Inward Buying Missions

- (a) The application should be specifically for the first visit of buyers/agents to Sri Lanka with the objective of expansion of the company's exports and should be a component of and related to the overall export marketing plan of the company. The company should provide all possible information on the buyer/agent including his status in business, a clear itinerary, including the duration of stay, proposed visits to production units and also the details of benefits expected by the company.
- (b) The maximum assistance will be 50% of the full economy return air fare for direct travel to Sri Lanka for one persons up to a maximum of Rs. 125,000/-
- (c) The application should provide three quotations from a travel agent/airline to confirm the cost of the airfare.

1.3.6 Company's promotional Materials (Brochures, CDs, Videos, Websites)

- (a) The proposed promotional materials such as brochures, CDs, videos, websites should promote the company's current and potential export products/services in a professional manner and should be well designed for international circulation.
- (b) The company should obtain approval of the EDB for the concept, design layout and submit particulars and estimates from the advertising agency/company undertaking the printing/production of promotional materials. In case of printing of the brochures, artwork of proposed brochure should be forwarded along with application.
- (c) The number of copies to be printed/produced and the proposed plan for the distribution of the promotional material in overseas markets should be given in detail.
- (d) The application should include three quotations for preparation of promotional materials such as brochures, CDs, Videos, websites. In case of brochures EDB assistance will be limited to printing a maximum of 3000 copies of the brochure. Therefore, the quotation should cover the costs for designing, production and printing of up to 3,000 copies only.
- (e) The brochure and other promotional materials should indicate the "Sponsored by the Sri Lanka Export Development Board"
- (f) The maximum EDB assistance provided will be 50% of the direct cost of development of concept, designing, production and printing of promotional materials subject to a ceiling of Rs.250,000/- (depending on the types/promotional materials/s).
- (g) The maximum limit for reimbursement will be 50% of the cost of the lowest quotation submitted by the applicant or 50% of the cost that would be determined

as reasonable by the Committee approving the financial assistance under this Scheme, whichever is lower.

- (h) The EDB will have the right to make a physical check on the number of copies printed/produced.
- (i) The company is eligible to get assistance for printing/production of promotional materials once only during a period of three years.

1.3.7 Advertising Overseas

- a) Advertising in a particular media overseas should reflect the company's current and potential products/services and must be related to the company's overall export marketing programme.
- b) The application should indicate the specific benefits expected, the usefulness of media, details of circulation, target market segments to be addressed by the advertisement and information pertaining to companies current potential products activities proposed for advertising.
- c) The maximum EDB assistance will be 50% of the direct advertising cost in a particular overseas media subject to a maximum of Rs.250,000/-

1.3.8 Meeting the Air/Sea Freight Cost of Samples on Initial Samples Orders

- a) The application should be specifically for promoting new or improved products from the company, which have potential for expansion in the short run.
- b) The company should outline its progressive efforts to develop and launch new product lines or improved product lines in overseas market and the benefits expected.
- c) The maximum EDB assistance will be 50% of the cost of freight and insurance up to a maximum of Rs. 75,000/-. The minimum claim should be not less than Rs.10,000/-

1.3.9. Registration of Sri Lankan brands/Trade Marks Overseas

- a) The application for the above should specifically indicate the evidence of success of the products in the overseas market/s.
- b) The company should indicate the details of the programme of launching the product brand/trade mark, benefits of registration in the select market/s within an acceptable time frame which should not exceed a period of over two years.

- c) If the service of an agent or consultant is used for this purpose, provide all information with regard to the agent's or consultant's status in business and contribution to the programme.
- d) Maximum EDB assistance will be 50% of the direct registration cost subject to an upper limit of Rs.300,000/-.

1.3.10 Workshop/Seminars which provide Technical/Marketing and Supply Development Know-how for Export Oriented Industries

- a) The applicants should outline benefits from the programme, for the company as well as the industry, in relation to the overall export marketing plan and also indicate plans for post workshop/seminar follow-up activities.
- b) The applicant should undertake disseminate information and share the knowledge gathered at the programme with other in the export sector as advised by EDB. The report should be very comprehensive, as the information will be disseminated among other exporters.
- c) The maximum EDB assistance will be the cost of workshop/seminar registration fees plus 50% economy class return air fare (M.S.P) up to a total of Rs.200,000/=
- d) The applications should be forwarded together with documentary evidence on nature of the workshop and seminar registration fee for the workshops/seminars and three quotations from a travel agent/airline to confirm the cost of the airfare. The maximum limit of air fare will be 50% of the actual cost incurred by the applicant or 50% of the economy class air fare (M.S.P) obtained by the EDB whichever is lower.

1.3.11 Obtaining the Patent Rights

- (a) The applicant for the above should specifically indicate the evidence of the products that it has eligibility for patent rights.
- (b) The company should indicate the details of the programme for the obtaining the Patent rights and benefit of the rights for the export development.
- (c) If the service of an agent or Consultant is used for obtaining Patent rights this ,provide all information with regard to the agent's and Consultants status in business and contribution to the programme.
- (d) The maximum assistance provided by EDB will be 50% of the cost of obtaining the Patent rights subject to the upper limit of Rs. 300,000/=

1.3.12 Obtaining Standard Certificates

- (a) The certificate should be specifically for the obtaining of Standard Certificate only for the initial orders.
- (b) The company should outline the details of the certificate, such as the nature of certificate, the detail of issuing authorities, market etc. and its progressive effort to continue the orders.
- (c) The maximum EDB assistance will be the 50% cost of obtaining standard certificate subject to upper limit Rs. 100,000/=

13.13 Product Display in windows and shelves

- (a) Merchandize product display selected by the company should be acceptable to the EDB in usefulness to generate additional exports.
- (b) The company should provide all the information whether the product display will take place in window or shelf in a supper market or any other trading places., the time period of contract on display (example: for one or two years,) cost of the preparation of the display and the rent of window or shelf.
- (c) The company should display under its company name or brand and should operate the display at least one year.
- (d) The minimum assistance provided by the EDB will be the 50% cost of the preparations of display and rent of the window or shelf for first month subject to upper limit Rs. 500,000/=

2.0 Procedure

- 2.1 The request for EDB assistance should be made on the format given in the specimen application form. Details given in this Scheme and the Guidelines to be read carefully before filling the application.
- 2.2 Completed application forms should reach the Chairman & CEO, Sri Lanka Export Development Board, 42, Nawam Mawatha, Colombo 2, at least two months prior to the date of commencement of the programme together with following documents.
 - (i) Audited Financial Statement for last two years certifying the Export turn over and the investment and fixed assets.
 - (ii) A copy of Business Registration Certificate in respect of Sole Proprietorships/ Partnership.
 - (iii) A copy of the Certificate of Incorporation and the list of Directors as certified by the secretary of the Company.
 - (iv) Documents to prove local ownership.
 - (v) Other Relevant documents such as quotations, buyer's invitations, market plan etc.

- 2.3 Applications not adhering to this time limit and submitted without Auditor's Certificate will not be entertained for processing.
- 2.4 The applicant should obtain prior approval of the EDB to proceed with the proposed program/activity to qualify for financial assistance from the EDB, which would be provided on a reimbursement basis.
- 2.5 The scheme is opened to assist any other market development activities not listed in guideline, and it will be considered by the committee with concurrence of the Board.
- 2.6 No assistance will be granted under this Scheme to those who have obtained financial assistance under any Scheme of the EDB for same activity.
- 2.7 Exporters who have defaulted EDB loans are not eligible to apply unless all outstanding dues to EDB are settled before sending application.
- 2.8 No assistance will be granted under this Scheme for exporters to participate on their own in trade fairs/exhibitions sponsored by the EDB or other relevant organizations.
- 2.9 A company will be eligible to receive assistance up to a maximum of Rs. 1,000,000/- over a three-year period commencing from the date of first approval of the assistance. A company will not be eligible to receive assistance for more than one activity within a year. However, assistance for freighting of samples will not be subjected to this limitation.
- 2.10 Payments will be made on a reimbursement basis subject to submission of authentic documentary proof of the expenditure (Eg, air ticket counterfoil, original receipts issued on the expenditure) and an acceptable report with evidence of company's implementation of promotional activities of the export marketing programme indicating the benefits and the results achieved within a period of two month on completion of the relevant activity. The report should also indicate plans for follow-up activities.
- 2.11 Application made at subsequent stages should be provided with a comprehensive report on the progress made/results achieved through implementation of export marketing programmes using the financial assistance under this Scheme during previous occasions.
- 2.12 EDB will reject the incomplete applications submitted without required documents.

3.0 General Information

3.1 Production Programme and Export Sales Performance

Volume/Value in respect of each product should be given separately for the last three years indicating the unit of measurement. In the case of new products/services, indicate the projected figures.

3.2 Time Schedule

Indicate the time schedule as appropriate for each activity of the marketing programme of the company.

3.3 Costs/Estimated Costs

Costs/Estimated costs should be given in the appropriate cages with a breakdown of costs (for airfare and other costs to be incurred) and supported with 2 copies each of acceptable quotations, invoices and other relevant documents.

3.4 Year

The latest information should be given either for Calendar Year or Financial Year. Please indicate clearly which year was used. In respect of EDB assistance to the applicant, indicate assistance provided in the current year as well.

3.5 Company's Export Marketing Programme

Indicate the markets/products selected for promotion.

Promotional activity-indicate the activity envisaged in the company's export marketing programme (plan) and whether implemented by the company.

Chairman & CEO
SRI LANKA EXPORT DEVELOPMENT BOARD

TKP/np