



BUSINESS LANKA

Sri Lankan Pride Across The World

VOL. 31 - ISSUE : 01/2018

ISSN : ISSN 2579-1621

EMERGING TRENDS IN EXPORT





WORLD RENOWNED
SRI LANKA'S
NUMBER **1**
CRACKER BRAND

SUPER
CREAM
CRACKER



SUGAR FREE
NO ADDED FLAVOURS
NO ADDED COLOURS

IT'S SIMPLY SUPER



EDITORIAL

For this edition of the Business Lanka Magazine, four different Industries have been featured, namely the 'Boat & Ship Building' industry, the 'Electrical & Electronic' industry, the 'Processed Food' industry and the 'Spices & Concentrates' industry.

Through the title "Emerging Trends in Export", we discuss these upcoming sectors with views from Mr. Gamini Herath (Managing Director, BTI) on the Boat and Ship Building Industry, insight from the EDB on the Electrical and Electronic Industry, details from Mr. Dhammika Gunasekara (Sri Lanka Food Processors Association) on the Processed Food Industry and information on the Spices and Concentrates Industry from Mr. D. A. Perera (Chairman, Spice Council).

The magazine also features an important and relevant topic; namely, the dynamic double digit growth in trade between Germany and Sri Lanka covered through an interview with Mr. Jörn Rohde, the Ambassador of the Federal Republic of Germany in Sri Lanka.

We also look through to the future of these industries and their exports, through the different articles from leading companies that contribute to their achievements. This provides us a clear understanding to forge a better and clearer path ahead. Across all these different articles, interviews and features we gain proper insight into all the mentioned industries, assess their current situation and their path for growth along with their aims for a well-organized and more productive future.

Sri Lanka Export Development Board

No. 42, Navam Mawatha,
Colombo 2,
Sri Lanka.

Tel : +94 (112) 300705 -11

e-mail : edb@edb.gov.lk

Web : www.srilankabusiness.com

Direction:

Ms. Jeevani Siriwardena

Mr. Indrakeerthi S. R. P.

Project Coordinator:

Ms. Chandani Ratnayake

Media Assistant:

Mr. Senaka Kuruppu

Circulation:

Ms. Chandra Gunasekara

Design & Concept by:

 **Trادلانكا (Pvt) Limited**
Advertising & Marketing Consultants

87/1/2, St. Anthony's Mawatha, Colombo 03, Sri Lanka.

T : +94 11 2577511

E : info@trادلانكا.net

W : www.trادلانكا.com

CONTENTS

BOAT BUILDING INDUSTRY OF SRI LANKA BOAT BUILDING INDUSTRY OVERVIEW	03
EMPOWERING SEAFARE WITH NEIL MARINE NEIL FERNANDO AND CO. PVT. LTD	06
INTERVIEW WITH THE AMBASSADOR OF THE FEDERAL REPUBLIC OF GERMANY IN SRI LANKA	10
THE ELECTRICAL AND ELECTRONICS INDUSTRY IN SRI LANKA THE PERFORMANCE AND OUTLOOK FOR GROWTH	13
TURNING INNOVATION INTO A BIG WIN VEGA INNOVATIONS	14
VARIO SYSTEMS YOUR ELECTRONIC CONTRACT MANUFACTURER	18
FOOD PROCESSING IN SRI LANKA NEEDS TO ADAPT TO CHANGING TIMES PROCESSED FOOD INDUSTRY OVERVIEW	22
CBL CEYLON BISCUITS LIMITED	25
INNOVATING HERBAL SUPPLEMENTS THAT RECONNECT CONSUMERS WITH NATURE BARAKA	28
FROM LOCAL TREES TO GLOBAL HEIGHTS NDC EXPORTS	33
SPICES AND CONCENTRATES SPICES AND CONCENTRATES INDUSTRY OVERVIEW	35
D P GLOBAL VENTURES (PVT) LTD	40



BOAT BUILDING INDUSTRY OF SRI LANKA

Based on an Interview with Mr. Gamini Herath Managing Director - BTI

Sri Lanka – the resplendent island in the center of the Indian Ocean has a long and a proud history of boat building. It has a great advantage in becoming the hub for boat manufacturing in the Asian region due to its strategic location, highly trainable workforce and labour cost.

Sri Lanka has one of the best natural harbours in the Asian region and its commercial port in Colombo is rated among the most economical and efficient which offers a complete service to shippers.

The Sri Lankan boat building industry is fast developing with vast potential for growth in the international market. In 2008, the industry drew USD 2.4 million while today it draws an impressive USD 100 million (Rs. 1.5 billion), a rapid growth of 40% in 9 years, according to Mr. Gamini Herath, Managing Director of Boat Building Technology Improvement Institute (BTI).

Sri Lanka has the capacity to build and operate boats for yacht chartering and nautical activities. Further, foreign yachts can come to Sri Lankan waters to anchor and spend a few days in the country as we have attractive on-shore activities such as Whale/Dolphin watching, scuba diving, leisure fishing, snorkeling, windsurfing, kite surfing and many more throughout the year. Mr. Herath added that, the country should take full advantage of this emerging trend before losing the competitive advantage we have to other countries in the region.

Although Sri Lanka has a long history of Boat Building, the nation is currently not engaged in boating activities. Therefore, it has become essential to create an interest amongst the local community on boating activities. The future of Sri Lanka's boating industry lies in the local market, and having a strong local market will fuel the country's export market as well. In the above context, the industry, BTI and EDB have initiated a number of activities to attract the enthusiasm of the nation towards boating activities. One such initiative to be commenced in 2018 is the "Grow Boating Campaign". It hopes to increase the interest in Sri Lankans with boating activities similar to that of boating countries such as Australia, New Zealand, Singapore, Japan etc. The expanding tourism industry is opening up a new frontier of leisure and pleasure crafts. In addition, the increased interest of the local community in boating activities has created additional market opportunities as well. The country's leisure sector records growth where whale watching and other leisure activities contributed by the surge in the tourism industry have a positive impact on the boat building industry.

Currently Sri Lanka has a lucrative market in India, Maldives, Mauritius, Seychelles, Singapore, and the East African countries (Nigeria, Kenya, and Tanzania). They have proven to be valuable partners in the growth of Sri Lanka's boat industry. Mr. Herath notes that Sri Lanka's next target markets are Europe and East Africa, as well as regional countries. He emphasized that global economic conditions are conducive to the expansion of the Sri Lankan boat industry and that it is important to move fast to secure the markets.

Further, considering the high marine diversity in the country and the influx of high spending tourists, the country has a massive potential for marine (nautical) tourism which too will create more market opportunities.



BOAT MANUFACTURING

Sri Lanka is engaged in both boat and ship building, and Mr. Herath highlights that the industry shows promise.

Sri Lanka is capable of building quality boats that can compete with the world leaders in boat building. Since France, Italy, Belgium, Scandinavia, Finland, Sweden, Denmark, Norway and the UK are competing boat building nations, Sri Lanka needs to aggressively market and canvass for opportunities to grow its position in the world market.

There are around 20 active boat yards building boats in Sri Lanka, of which 10 companies have export capabilities such as Neil Marine Sri Lanka, Solas Marine, Dhanusha Marine Lanka, North West Marine, Cey-Nor, Ranil Marine, and Sealani Boatyard. As well as the BOI companies such as BAFF Polymech, AJ Fishing Industries, and JosteinViksund. Sri Lanka builds around 1200 boats annually for local and international use. Ship building was done exclusively by Colombo Dockyard until recently, but the company was recently joined by Walkers Colombo Shipyard for small-scale ship building. Most of the units have an installed capacity to double the annual turnover which means only around 50% of the capacity utilization has been recorded during the past two years. The best known sail makers of the world "North Sails" have their factory operating in Sri Lanka.

Boats are categorized by their use: Fishing vessels, fisheries research vessels, speed, speed cruisers, pleasure crafts, luxury sailing and motor yachts, coast guard vessels, surveillance vessels, patrol crafts, fast attack crafts for army and navy, sea cadet training vessels, rescue crafts, work boats and passenger vessels for inland waterways and sea faring. New additions to the product range are house boats, floating restaurants and bars, pontoons and paddle boats. Most of these boat hulls are made out of FRP and other composite material. Larger vessels are built by using aluminum and steel.

One of the new goals of the industry is to increase the local market for yachts, which for many years Sri Lanka has been building for various foreign markets. The Sri Lankan boat industry wishes to harness and profit from the new global trend of elites chartering rather than owning boats. Sri Lanka

produces yachts of 20-30 passenger capacity, which are ideal for lavish and intimate private functions.

With the nautical tourism sector emerging and with the increased interest shown by foreign and local customers on yachts, a marina becomes essential and Sri Lanka aims to compete with regional competitors such as the Maldives, which has many water related leisure activities but no repair services for their craft, thus necessitating a trip to Sri Lanka for boat repairs. Many employment opportunities will be created because of prolonged stays by foreign yacht customers, who buy all their essentials from local markets.



WAY FORWARD

Given its geographical and topographical desirability, the industry is examining the use of Trincomalee as a launching pad, especially for vessels that must cruise on their own power from its point of manufacture. Sri Lanka organizes its own BOAT SHOW once every two years with an objective of providing a forum for the boat building industry to display and promote their respective sectors to potential clients. The Boat Show 2018 to be held in October at the Galle Harbour will go beyond the usual with the organizing of a "Marina Festival" which will include activities like cruises, water sports, and yacht charters open for the public. It will provide entertainment for more people and will also bring in revenue to the Galle Harbor from the small banana seller to the larger supermarket. Mr. Herath says that boating is not a luxury and that it is possible for the regular individual to own and maintain a boat, and the exhibition attempts to convey this to the Sri Lankan market.





03

**BOAT BUILDING
INDUSTRY OF
SRI LANKA**
BOAT BUILDING
INDUSTRY OVERVIEW



06

EMPOWERING SEAFARE WITH NEIL MARINE
NEIL FERNANDO AND CO., PVT. LTD

10
**INTERVIEW WITH THE
AMBASSADOR OF THE
FEDERAL REPUBLIC OF
GERMANY IN SRI LANKA**

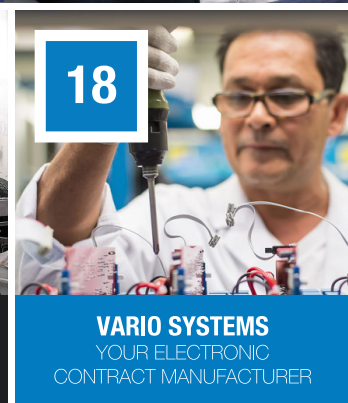


13
**THE ELECTRICAL AND
ELECTRONICS INDUSTRY
IN SRI LANKA**
THE PERFORMANCE AND
OUTLOOK FOR GROWTH



14

**TURNING INNOVATION
INTO A BIG WIN**
VEGA INNOVATIONS



18

VARIO SYSTEMS
YOUR ELECTRONIC
CONTRACT MANUFACTURER



22

**FOOD PROCESSING IN SRI LANKA
NEEDS TO ADAPT TO CHANGING TIMES**
PROCESSED FOOD INDUSTRY OVERVIEW



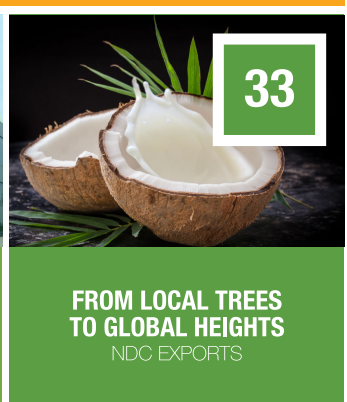
25

CBL
CEYLON BISCUITS LIMITED



28

**INNOVATING HERBAL
SUPPLEMENTS THAT
RECONNECT CONSUMERS
WITH NATURE**
BARAKA



33

**FROM LOCAL TREES
TO GLOBAL HEIGHTS**
NDC EXPORTS



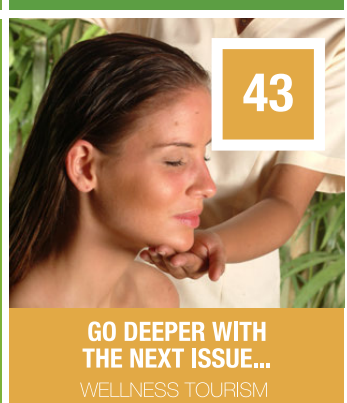
35

SPICES AND CONCENTRATES
SPICES AND CONCENTRATES INDUSTRY OVERVIEW



40

DPGV
**D P GLOBAL
VENTURES (PVT) LTD**



43

**GO DEEPER WITH
THE NEXT ISSUE...**
WELLNESS TOURISM



EMPOWERING SEAFARE WITH NEIL MARINE

In the beginning, when Noah built his ark, the world was flat, and he took his orders from God. He hoped for the best while God planned for the worst. Now, in today's globalised market place, boat-builders take their orders from customers who not only hope for the best, but demand it.

But what exactly is 'best'? Best for what, and best for whom? As is often the case, the answer is—it depends. For boat-builders, 'best' is making a healthy profit that can be used to grow their businesses. For customers, 'best' is a boat that makes *them* a healthy profit to grow *their* businesses.

To coin an oft-used Sri Lankan expression - what to do?

When Neil Fernando, founder chairman of Neil Marine (www.neilmarine.com), launched his start-up boat-building business 50 years ago, he flew in the face of tradition. For a thousand years, wood had been the mainstay of the boatbuilding industry, such as it was. But it was a slow and cumbersome business, and quality controls as we know them today, were non-existent.

Time for a game-changer, and a new beginning.

Then, as now, commercial fishing, whether for export or to feed its own citizens, was a key component of Sri Lanka's economy and social contract. But its fishing fleet badly needed modernising—and that meant boats that could stay at sea longer, hold more fish, required less maintenance and down time, and were not only safer, but also cheaper to build, buy and operate. In other words, all-round better.

Enter Neil Fernando and the new-fangled glass-reinforced plastic—GRP, or fiberglass—and the rest is history. His start-up, Neil Marine, thrived on the challenge. Fifty years later, as South Asia's biggest fibre glass boat-builder, it exports fishing boats to more than a dozen countries, and is supplying a growing foreign market for pleasure and leisure crafts and also surveillance crafts of all shapes and sizes.

Now enter the Sri Lanka Export Development Board (EDB). Last year, it again sponsored the Biennial International Boat and Fisheries Exhibition at Dikovita Fishery Harbour. Why? Because, the government at last sees boat-building, as a key foreign exchange earner, one that also supports an industry that is poised to be the undisputed poster-boy of Sri Lanka's economy—tourism. Specifically, marine tourism.

The National Export Strategy has made it abundantly clear that pleasure and leisure boat-building is now a priority sector for growth and development over the next five years, both for export and to meet the rapidly-growing demand in Sri Lanka itself, for inshore and offshore leisure boats.

As Neil Fernando said in his speech at the last boat show in Sri Lanka: "For us boat-builders, the balance is shifting from fishing vessels to coastal and blue-water pleasure and leisure boats of the kind, that are constantly criss-crossing the oceans of the world, including our own Indian Ocean.

He went on to say: "We have the boats and the expert knowledge. All we need now is determination, a sense of purpose, and a government which clearly understands that to fully exploit our strengths we need the kind of help that only the government can provide."

Rightfully, the Government of Sri Lanka has now identified the Boat Building Sector as one of the fast developing and emerging sectors, and made their stance clear in giving the necessary boost to drive the industry forward.

The expression 'tried and tested' is a long-established axiom of would-be exporters. It is not enough for them to say 'buy our stuff, it's better and cheaper than their stuff'. They must be able to say 'check it out for yourself'. And for that, they need either, a home market or an existing export market where their stuff is already proving its worth; or convincing evidence that what they say is true, or both.

According to Genesis, Noah's ark was 300 cubits in length, 50 cubits in width

and 30 cubits in height. A cubit is the forearm length from the tip of the middle finger to the bottom of the elbow. So, not exactly cutting-edge technology. Good enough for rule-of-thumb wooden fishing boats built on the beach a thousand—even a couple of hundred—years ago, but laughably inappropriate in our high-tech world.

Today, boats big and small are designed and built on sophisticated CAD/CAM computers and tested for seaworthiness using detailed scale models in tanks, that simulate a range of sea conditions. And, last but not least, Classification Societies have a product inspection and certification process that says (you hope): 'This boat is fit for purpose.'

Boat-builders such as Neil Marine, that can tick the right boxes, have pretty much guaranteed export opportunities, but only if they can compete on the single underlying essential—price. Because, other things being equal, price is the deal maker or breaker.



And price is Neil Marine's ace in the hole. It not only pioneered the use of GRP for construction, but also led (and leads) the way with CAD/CAM computer technology for design and manufacture, and cost and quality control. This makes the whole build much quicker, much better—and much cheaper.

But what really nails it for Sri Lanka is the much lower salary overheads—the biggest single cost of a boat—for the skilled workforce that actually puts the rubber on the road. Which means that for foreign boatyards competing for customers, particularly in the highly regulated European labour markets, it makes perfect sense to build boats in low- cost Sri Lanka and ship them home to reap the benefits.

This is exactly what has happened, and is still happening.

For example, 20 years ago, one of Norway's top private boat-builders arrived at Neil Marine to learn the business. He fell in love with the country and perfected the art and science of matching Sri Lanka's boat building expertise with the exacting standards demanded by Norwegian customers.

All of which, helped persuade Neil Fernando that the game was changing, and that leisure boats were the new tomorrow. Fast forward to that tomorrow, and he has launched the first of the luxury Duchess 14.95m (49ft) blue-water yacht built under contract for Menken Maritiem BV (www.menkenmaritiem.nl) in Holland, and the second boat is in production.

The Duchess is the flagship of a range of boats that Neil Marine builds for Menken, a relationship that underscores two other significant benefits for Sri Lanka's boat building industry—technology transfer and access to world-class boat designers and marine architects.

As Neil Fernando pointed out in his speech: "We learnt a lot from them, and the knowledge we gained was of great importance in designing and building our boats to international standards and preferences, which are an absolute must in today's competitive market."

For Neil Marine, those international standards include Lloyds Approved Status and the thumbs-up from other international classification bodies such as DNV (Det Norske Veritas), ABS (American Bureau of Shipping) and IRS (Indian Register of Shipping), to name some.





Neil Marine has made it clear that while fishing boats are still very much on the company's front burner, "today it is pleasure, leisure and specialist boats, that are the main drivers of their industry's research and development efforts".

This tallies with the government's increasing focus on developing the tourism, leisure and hospitality industries, both on land and on the water. Sri Lanka is now one of the world's leading must-visit tourist destinations, and over the next few years will generate hundreds of millions of dollars in direct capital inflows and inward investment.

Customers from Europe, India or the Gulf—from anywhere, in fact—might want boats that can accommodate a family plus crew for extended cruising around the Indian Ocean, and which can then be docked in Sri Lanka and put out to charter, when not in use.

To support this upscale pleasure boating, which could also be a huge foreign-exchange earner as well as supporting boat building on the scale of the Duchess and others like her, the government's initiatives to develop marinas and secure anchorages, to cater for customers who might want a boat for annual Indian Ocean cruising holidays, will come in very handy.

"Chartering would require a skipper with offshore Yacht master or

equivalent international certification and a good working knowledge of complex modern on-board systems, plus a cook-cum-hostess" says Neil-F which would ideally be his wife.

"A perfect opportunity, therefore, to create alternative skilled employment opportunities for our fishermen and their wives, sons and daughters. So an unquestionable win for all concerned, then, and in more ways than one."

He adds: "Like business, education today has no borders, our marine technical colleges and hospitality centres of excellence would attract fee-paying students from around the world, particularly from neighbouring countries that are also keen to develop their marine tourism industries".

Meanwhile, Sri Lanka's newly formulated National Export Strategy says it has "identified boat building; a visionary sector, as a priority sector for growth and development over the next five years. Sri Lanka's unique geographical positioning at the crossroads of busy East-West trading routes, favour the growth of the boat building sector in Sri Lanka".

"The demand for a vibrant boat-building industry and a regional hub is rapidly increasing. Expanded oceanic traffic in the Indian region, sees boats that are on the lookout for service providers for refuelling, repairs and other ancillary services".

And it concludes: "The boat-building industry has reserves of potential that could have a tangible impact on the Sri Lankan economy and will contribute to a multiplier effect that could benefit other ancillary industries and contribute towards the government's mandate to making Sri Lanka a well-performing regional economic hub.

"As stakeholders of this industry, we are keen to ensure, that the National Export Strategy at large and the boat-building-sector strategy, are provided the support required for Sri Lanka to establish itself as a hub for boat-building and a key destination for the maritime industry in the region."

Neil Marine, has for many years, been exporting boats to the UK, Netherlands, African countries such as Somalia, Tanzania and Nigeria, the Seychelles, Madagascar and Maldives. The company has been a regular participant at the world-renowned Southampton Boat Show in the UK and the Netherlands Boat Show (HISWA), as well as other regional shows and exhibitions.



GERMANY TO SET UP CHAMBER OF COMMERCE IN SRI LANKA IN 2018



In an exclusive interview with the Business Lanka Magazine, Ambassador of the Federal Republic of Germany Jörn Rohde, speaks of the dynamic double digit growth in trade between Germany and Sri Lanka, capitalizing on GSP+, which has opened up avenues for local exporters, and the steps Sri Lanka needs to implement to become a hub in the South Asian region.

Q

COULD YOU OUTLINE GERMANY'S TRADE RELATIONS WITH SRI LANKA AND HOW IT HAS DEVELOPED IN THE RECENT YEARS?

"Trade between Germany and Sri Lanka has increased dynamically over the years. From 2014 onwards, trade values have increased from 700 million euros to around 1.2 billion euros in 2017. The dynamic double-digit growth is on the one hand based on the increase in traditional exports from Sri Lanka, as well as an increase in exports related to the textile, electronics and fisheries sector thanks to the re-granting of GSP +, which has helped this progress. On the other hand, there has also been a surge in German exports. From January until October 2017, we have seen a 15% increase in Sri Lankan exports and an 80% increase in German exports."

As a direct consequence of the increase in trade between the two countries, we have decided to establish a Delegation of German Industry and Commerce in Sri Lanka early in 2018, as an official institution for the promotion of bilateral trade and investment. Representing the German Association of Chambers of Industry and Commerce, a team of experts will assist the delegation in helping to create the necessary framework to facilitate trade between our two countries, and help Sri Lankan exporters understand the relevant procedures to export to Germany."

Q

ARE THERE ANY RESTRICTIONS SRI LANKAN COMPANIES SHOULD BE AWARE OF WHEN TRADING WITH GERMANY?

"We don't have additional rules and regulations to deter exports. We have regulations that have been set by the EU which need to be met by Sri Lankan exporters as these environmental, health and safety regulations or standards are meant to ensure the safety of consumers from the EU. Most Sri Lankan exporters might initially find it difficult to adhere to the standards set by the EU, but once you invest in ensuring that these standards are met, it makes it easy to venture into any market across the globe and become a competitive global player."

It is generally important that Sri Lanka achieves high environmental, safety and health standards in order to compete globally. For example, the fishing ban on Sri Lanka was lifted once the government agreed to adhere to the rules and regulations set by the EU which has resulted in an increased growth in fishing exports while Sri Lanka's apparel industry has also become a global player and continues to contribute to the country's economic growth due to the standards it follows.

Keeping in mind that maintaining high environmental, health and safety regulations is a prerequisite to be part of a global value chain serving developed markets in the EU or North America, I see the recent retraction of the ban on asbestos clearly as a step in the wrong direction as it sends the wrong message to potential investors."

Q

WHAT AREAS / PRODUCTS SHOULD SRI LANKA CONSIDER EXPORTING, TO INCREASE ITS TRADE WITH GERMANY?

"Apart from the traditional exports, Sri Lankan exporters can venture into other areas, if the safety and health protocols set by the EU and Germany are being adhered to. Sri Lankan exporters need to be versatile and look at the bigger picture. For example, in Germany there are small and medium size enterprises that have ventured out to set up office in other countries, because they understand the importance and value of having a global reach and presence. So apart from the large companies like Bosh, Volkswagen, Mercedes Benz, there are thousands or so SMEs that silently support the German economy. We call them hidden champions. The Sri Lankan government needs to provide the necessary support to exporters to explore new markets, and on our part the soon-to-be established German Chamber of Commerce office in Colombo will help German importers connect with Sri Lankan exporters. Through this Chamber, Sri Lankan exporters will, among other things, gain easy access to German markets, and information about German laws and regulations."

Sri Lankans already view Germany as a lucrative market, as many Sri Lankans visit Germany for trade and tourism fairs. The establishment of the Chamber of Commerce, will help facilitate the process even further and help Sri Lankan exporters seek more opportunities."



Q

WHAT ADVICE WOULD YOU GIVE SRI LANKAN BUSINESSES, IN TERMS OF INCREASING TRADE TIES WITH GERMANY?

“Make Germany your hub in the EU. Being centrally located geographically, Germany is also, by far the largest economy within the EU with an excellent infrastructure. My advice to the Sri Lankan exporters is to take advantage of GSP+. There are over 6,000 products that are exempt from taxes. This can serve as a stepping stone to diversify exports. Once you enter the EU market, Sri Lankan exporters have direct access to over 450 million consumers, even after Brexit.”

Q

IN YOUR OPINION, WHAT AREA SHOULD SRI LANKA FOCUS ON, TO BECOME A HUB IN ASIA, AS ENVISIONED BY THE GOVERNMENT?

“For Sri Lanka to be a hub in South Asia, being a small country, Sri Lanka needs to capitalize on location and infrastructure while the legal environment must see improvements. Since Sri Lanka cannot offer a large market with a large number of consumers, you simply need to offer excellent investment conditions to realize the hub vision, like Singapore demonstrates in Southeast Asia. The World Bank’s current Ease of Doing Business ranking for Sri Lanka is a good indicator of the areas in which improvements are urgently needed.”

One aspect that I’d like to emphasize is on the importance of skills development, and the concept of lifelong learning. Sri Lanka needs to invest in developing the skills of its labour force, especially the participation of women. Germany, in its part, has lent its hand at supporting this cause for a considerably long time, with the establishment of German Tec in Moratuwa and more recently SLGTI in Kilinochchi. Sri Lanka has an educated population but there is a shortage of skilled workers to meet the demand for labour, therefore, Sri Lanka needs to create a conducive environment for skilled labour to work in the country. I also view the recent budget proposal to liberalize the shipping industry as a good one. For Sri Lankan ports to become a hub even more than it is now, it needs to be an open, dynamic economy. Again look at Singapore: You need to allow large global players to be part of the industry, as this would result in the development and growth of the industry, moving away from a mere transshipment location.”



THE ELECTRICAL AND ELECTRONICS INDUSTRY IN SRI LANKA

THE PERFORMANCE AND OUTLOOK FOR GROWTH

The Sri Lankan Electrical and Electronics industry is progressively stepping into the Global Electronics Value Added Supply Chain with products and services finding acceptance amongst the most important Global Market Leaders. The Electrical and Electronics industry in Sri Lanka grew significantly over the past 45 years and saw it being gradually elevated to the position of a key manufacturing industry contributing towards export oriented economic growth. Having started as a basic assembler of Consumer Electronics and products in the early 1970s, Sri Lanka shifted towards Electronic Components and Assemblies in post 1977s. In 2017, the industry's contribution to the total export revenue was US \$371.48 million. According to the OECD classification of manufacturing industries, it falls under the medium high technology and high technology industries in Sri Lanka. The industry mainly caters for Automobile, Telecommunication, Consumer Electronics, Industrial Automation, IoT, and many other verticals.

The major companies in the sector perform their manufacturing operations within the export processing zones under the purview of the Board of Investment of Sri Lanka (BOI). The Sri Lanka Electronic and Electrical Manufacturers' Association (SLEMEA) was established to support and strengthen the industry as a sector while obtaining necessary government support and has contributed, to a considerable extent, in promoting the sector growth.

The Sri Lankan exporters in the Electronics/Electrical Industry are all ISO certified, committed towards protecting the environment, observe ROHS and WEEE regulations, and employ decent labour in conformity with the ILO requirements. Employment generation in this industry is approximately 30,000 including top-caliber Researchers and Design Engineers. Currently, there are an estimated 75 companies engaged in Design Manufacturing and exporting of Electronic and Electrical products. The Industry has therefore found wide acceptance and is increasingly

attracting sophisticated buyers from Electronics Manufacturing Service partners.

At present the country has become a center of excellence for electronics design and development and the industry moves towards the emerging technologies as IoT, Robotics, Bio-medical, Analytics and to world known Research and Development segments.

The top 10 exporting destinations are Switzerland, Maldives, United States, United Kingdom, Hong Kong, Japan, China, Bangladesh, India, and Germany.

Key exports from Sri Lanka are Noise Suppression Capacitors, Noise Suppression Coils, Seat Belt Sensors, Wire Harness as, Airbag Sensors, Power Suppliers And Inductors, Transformers, Electrical Panel Boards, Electrical Switches and Sockets, Data Communication and Telecommunication Cables, Industrial Plugs, Machined Mechanical Components, Machined Component Assembly, Coil Windings on Non-Uniform Bobbins, Cable Harnessing, Surface Mounted Printed Circuit Boards, Automotive Harnessing, Seat Belt Safety Sensor Harness for Automobiles, Electrical Power Cables, Enamelled Winding Wires, , LV Switch Boards & Modular Enclosures, and IoT Devices.

The strengths of the Sri Lankan electrical and electronics industry are its like Trade relations with Europe and proximity to India's booming Electronic and Automotive Markets, Skilled middle tier technology workforce and intelligent and trainable labor in conformity with the ILO requirements, British Commercial Law System with English as the Business Language, European & Japanese Technology descent with matured investments, and Adherence to all international Standards with Cutting Edge Technology.

The SLEDB has created a Video Documentary on the Sri Lankan Electronics and Electrical Sector for the purpose of promoting the sector

internationally. The video could be viewed from the following link: <https://www.youtube.com/watch?v=vP0Fjpf2JVg&t=2s>

In 2007, the sector's total earnings had amounted to US \$371.14 million which declined to US \$322.21 million in 2008. The earnings took a nosedive in 2009 to a record US \$187.5 million. Since then, the earnings have been growing in general with some fluctuations. The sector enjoys strong growth prospects considering the predicted growth for the Global Electronics Market.

In support of the long-felt need to establish a strong electronics industry in Sri Lanka, the University of Moratuwa's Department of Electronic and Telecommunication Engineering, submitted a proposal to the Government for the 2014 National Budget requesting an allotment to set up of a Facilitation Centre for Advanced Electronics Design (FCAED) to specifically support start-ups in Electronics and also carry out extensive capacity building related to state-of-the-art-Electronics Design Tools. The Government positively responded to this proposal, making it a medium term initiative by providing a Rs. 160 million grant to set up the center, which is operational now.

Through the FCAED, start-up companies will be provided with a host of services for: Electronic Design Automation (EDA) tools for IC (Chip) design and PCB design; High-end FPGA development boards including ASIC Prototyping Boards; 3D Printing services for Product Enclosures; Work Space for Engineers (only limited number of seats); Dedicated hosting space for their designs with full protection; and training on advanced EDA tools.

Backed by these favorable developments in the Global Electronics Market and in Sri Lanka along with the EDB's decision to prioritize promoting the sector, along with a few other selected industries under the National Export Strategy being formulated for the next five years, it is set for tremendous growth.



VEGA INNOVATIONS
INFINITE IMAGINATION



TURNING INNOVATION INTO A BIG WIN

INFINITE IMAGINATION, BROUGHT TO LIFE

Vega Innovations, is a powerhouse that designs brilliant technologies for multidiscipline - multi industry applications, addressing the needs of tomorrow.

A United Nations World Summit Award Winner for sustainable, purpose built, unified solutions, Vega Innovation is a subsidiary of CodeGen International.

UNLOCK NEW SOURCES OF GROWTH

Harnessing the power of research and development, to collaborate and invent high performance solutions that are scalable, optimised and fully integrated through an alliance of breakthrough technologies, it unlocks new resources for growth no matter the business, its scope or the market you operate in.

AN ECOSYSTEM POWERPLAY

Delivering a product or a software is not what they do. Vega Innovations, make the most of what businesses already have, connecting via intuitive technology to offer an end-to-end turnkey solution, for real-time operational efficiencies.

BEYOND SOFTWARE

Businesses constantly look for software partners, to deliver customer value through technology. But, is your software intelligent enough to make automated real-time conversations with your customer at the supermarket, and act as a service assistant in real-time?

Application of technology by Vega Innovations, goes beyond a one time development of software; they bring the entire package, just the way you want it; from web, mobile and cloud powered by Artificial Intelligence (AI), Internet of Things (IoT), coupled with multi-disciplinary expertise for even hardware requirements.

“We focus on the customer journey, their experience and moments that make each holiday special. Partnering with chargeNET; a brand that is 100% Sri Lankan - just like us, gave Cinnamon Hotels and Resorts an edge to enrich the customer experience, at all our resorts even more.” CINNAMON HOTELS & RESORTS

TRENDING PRODUCTS

AIGROW: AGRICULTURE TECHNOLOGY

IoT and AI powered Hydroponics solution promotes healthy living 'buy local' concepts. With advanced water recycle and fertigation system, synchronised algorithms and sensors, classifying and forecasting nutritive requirements, optimises yield output, predicts trends and determines ideal environment for specific crops. The harvest is free of pesticides and weedicides and it is an easy home gardening technique – indoor or outdoor.



CHARGENET: ELECTRIC VEHICLE CHARGING NETWORK

IoT enabled, is a fully scalable electric vehicle charging network for home and business use. It has customisable features for end users and merchants, powered by web, mobile and desktop applications.

From slow charging to fast charging, with dynamic load balancing capabilities, the operation is fully automated and can be scaled on-demand.

INDUSTRY SOLUTIONS

AUTONOMOUS ROBOTICS

- On-board supercomputer capable of running advanced AI, Deep Learning and Computer Vision algorithms
- Autonomous navigation capability using Simultaneous Localization and Mapping (SLAM) algorithms, RFID and BLE detection
- Object Detection and Classification, Image recognition. Natural Language Processing and other AI applications
- Robots as personal assistants with advanced AI capabilities for personalized services, information extraction and transmission.

IOT AND SMART APPLICATIONS

- Voice activated mobile apps with AI and personalized recommendations
- IoT powered gaming applications for networked data sharing and on-site activities
- Fully integrated IoT platform for multi-industries, seamlessly unifying network protocols
- Intelligent light boards for electrification of name boards, display boards with object detection and data transmission capabilities
- RFID based applications for warehouse, retail and delivery service related automation
- Human and object detection, RFID tagging, and remote IoT capabilities to enable better UX for customers at parks, resorts and while commuting

- Solar powered automated services, free wifi enabled smart kiosk and mobile platforms
- Economical, AI based home automation systems ranging from switches, plug points, dimmers, to sensors, connected with NFC, RFID, BLE and other RF systems for complete automation and integration to prevailing wiring systems
- Dynamic load balancing mechanisms to reduce the stress on the electricity grid and draw maximum power intuitively during off-peak times, for high power consuming applications.

DESIGN CONCEPTS AND PROTOTYPES

- 3D printed personalized merchandize
- Porotype design, testing and mass production capabilities
- Customized android and iOS mobile app development and integration.



Dr. Beshan Kulapala
Director, Vega Innovations

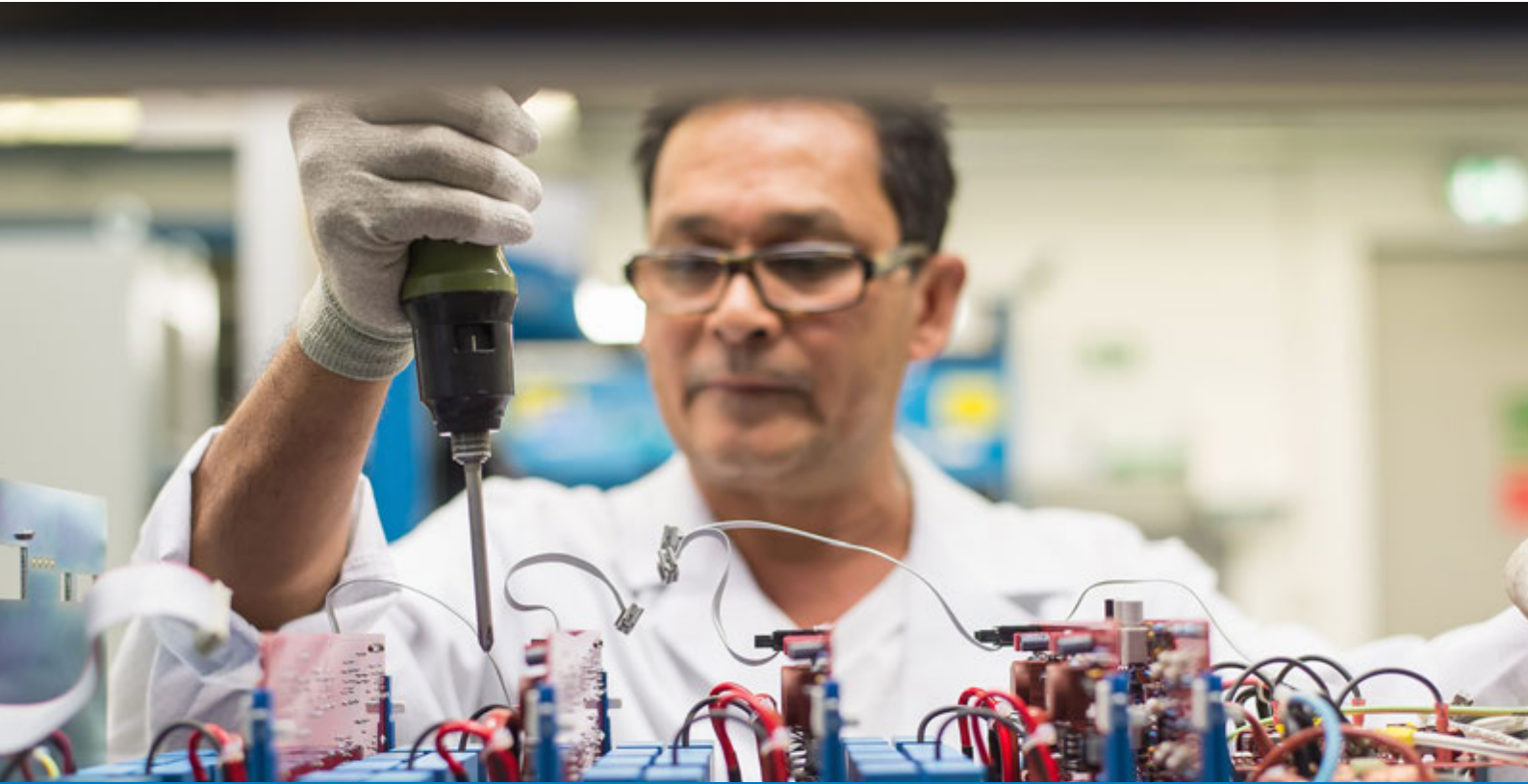
"Yes, we are the designers, engineering Sri Lanka's first electric supercar, but we do a lot more alongside the supercar; the team pioneered the first ever, and now the largest electric vehicle charging network and introduced urban Hydroponics agriculture technology with Artificial Intelligence and Robotics for the first time in Sri Lanka. All our products are built around scalable technology making the most of IoT, for seamless transformation of operations. We have the expertise, precision application of technology, all in one team - so we bring ideas to life, as it is something we do every day, with a lot of passion."

Contact Details;

W: www.vega.lk | E: sales@vega.lk | T: 077 0 555 553

VARIOSYSTEMS®

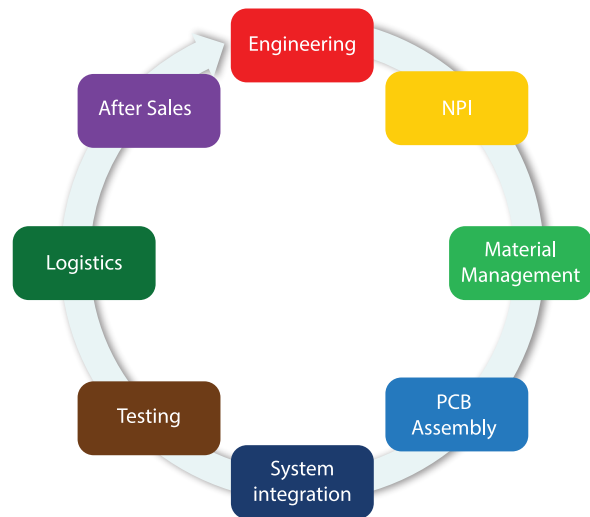
Your Electronic Contract Manufacturer



Variosystems is among the largest privately owned Contract Electronics & Wire Harness Manufacturers (EMS) worldwide. We offer complete turnkey solutions from engineering to system integration and order fulfillment. Our global footprint is present in 4 international locations, in Switzerland, USA, Sri Lanka and China, in order to offer global service, support and logistic. We are 100% committed to the clients' needs, and we act as an "extended work bench" for them. We produce qualitatively superior products to ensure a successful, long-term cooperation. On all our sites, we have been strongly committed to environmental protection in accordance with ISO 14001, and to the safety of employees in accordance with OHSAS 18001.



100% Customer Focus



Involvement in all phases of customers' product life cycle

HISTORY

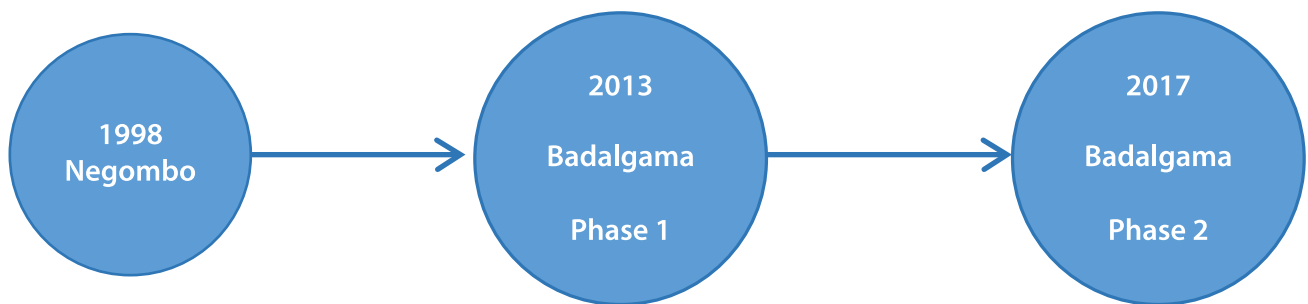
Worldwide development

Variosystems was founded in 1993 as a small regional electronic manufacturer in Switzerland by three dynamic partners namely Peter Germann, Peter Ermish and Norbert Bachstein. Today Variosystems has spread its wings around the globe, touching the horizons of Sri Lanka, Switzerland, USA and China, enlightening the company's decision to strategically expand its footprint. The three founders are the acting CEOs and the owners. Currently 1,550 employees are catering to the needs and wishes of our clients with an annual turnover of USD 171 million in 2017.

START IN SRI LANKA

A incomparable success story

In 1998 Variosystems stepped into this beautiful island and started operations in Sri Lanka with a production partner as a joint venture. In 2003, Variosystems fully acquired the partner company by marking another milestone in the journey. It operated in a 1 acre land in Negombo with 275 employees. It offered education, training and various job opportunities and transformed the lifestyle of the villagers by becoming a ray of hope. The facility obtained the certifications of ISO 9001, 14001 for Environmental Management and OHSAS 18001 for Occupational Health & Safety.



Variosystems Pvt Ltd Timeline

Today Variosystems Sri Lanka is a competitive contract manufacturer specializing in Printed Circuit Board Assembly and Wire Harnesses. Since the available facility was not enough for catering the incremental customer demands, it has expanded to 20 Acre land in Badalgama area, with the latest technology and state of the art manufacturing facilities. Throughout the journey of achieving the goal, our main aim was to collaborate with the green guidelines to avoid any harm to the environment. We produce more than needed energy by our own solar energy plant and in 2014 we were awarded the Platinum award by the GBCSL (Green Building Council of Sri Lanka) as a pioneering example of sustainable design. Located just 22km away from the Colombo international airport along with the attractive BOI benefits with transparent trade laws, facilitates flexible international trading

together with the highly literate, adaptive, committed, very friendly and cost competitive workforce, creating an attractive investment climate in Sri Lanka.



Among the benefits provided by the company to the employees, daily transport, meal, insurance, hazards free work environment, continuous training and financial support for higher education, are some significant

facilities. Hostel facility with capacity for 224 employees along with playground and outdoor fitness center, is located in the company premises. Welfare and CSR activities like Cataract projects are being carried out with the blessing of shareholders. The training center and library with internet access is open for local public as well, which enhances the knowledge and experience of the local community, leading to better job opportunities. Variosystems was awarded the Highest value added exporter in the electrical and electronic sector for 3 consecutive years from 2014, by the Export Development Board.



AN OVERVIEW ON SERVICES AND CAPABILITIES

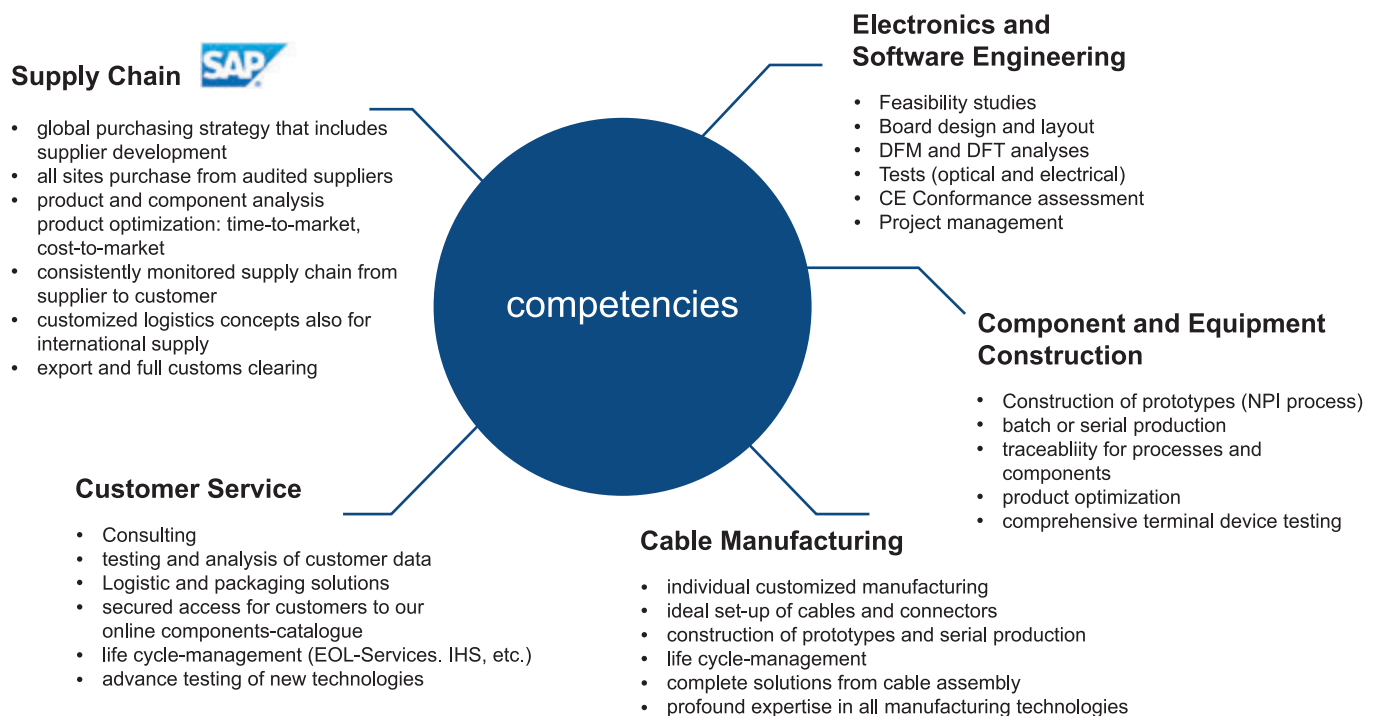
Bringing your Idea to the point.

We manage customer high tech products from their specification. Using complete total solutions, Variosystems covers the entire cycle: from product development through manufacturing to tested equipment or complete system. Process- secure PCB assembly is ONE strong link of our complete services chain. Sri Lanka plant is capable of producing PCB assemblies according to IPC-A-610 class-2 and class-3 while following IPC/WHMA-A-620 for wire harnesses. We maintain the UL certifications based on customer requirements. SAP-ERP system is in use for smooth and efficient supply chain management, hence we have the real time data in all 4 plants.

Our Printed circuit board production capability spreads through a large span of Surface Mount Technology; component assembly, various soldering methods for Through Hole component assembly such as wave soldering, hand soldering and selective soldering; IC programming, on-board programming, testing, conformal coating, potting and box building (turnkey assembly). Various testing and inspection procedures are available to ensure the proper functionality of the boards such as Function tests, In-circuit tests, Bed-of-nails tests, visual inspection, Flying probe testers, stand-alone testers, X-ray, Automatic Optical Inspection and customer supplied test systems.

Our wire harness production capability spreads through latest machinery and processes for cable cutting, crimping, sealing, stripping, twisting, ultrasonic welding, molding, connector assembly, machine taping, nail board assembly, branch taping, testing and greasing. Various manufacturing parameters are being measured such as crimp height, pull-force and crimp lab analysis. Various tests are being carried out for long hours in salt water spray chambers, connectivity testing, cross-sectional testing, electrical testing, impedance tests and high frequency tests.

In addition to the latest machineries and sophisticated software solutions, our employees were able to adopt new technology within a very short time. The secret behind the success is the highly literate, adaptive & flexible deep talent pool of Human capital in Sri Lanka. The strategic geographical location as a trade hub with convenient logistic solutions, infrastructure development and positive political approach, creates more opportunities in developing the industry.



OUR TECHNOLOGIES

Trust comes from performance.

The broad range of customers that we work with in industries such as Medical, Aerospace, and Industry, expose us to a constant influx of innovative process and product technologies. We are very effective at applying that know-how, to the benefit of all our customers.

One of our core principles is to stay at the leading edge of manufacturing technology. Therefore, to us, lean manufacturing is not an empty phrase but the culture that characterizes our entire company. Making use of the opportunities that advanced technologies provide, we continually optimize even established manufacturing processes, over and over again.

The Process and Test Engineering teams are providing PCB designing services, test system designing and implementing, design verification for manufacturing suitability. The Technical Engineering team is taking care of maintaining all the customer data in the latest revision. AutoCAD and EPlan is being used for Drawings while GerbTool and Altium is being used for PCB Designing. With the Aegis software (Factory Logix – software for manufacturing operations) we are moving towards a paperless work environment. Whether we build consumer products or industrial goods, as a manufacturer we must keep pace with rapidly changing technologies, materials and customer preferences. Producers across all industries face the complex challenges of tracking global economic trends and complying with engineering standards while maintaining profitability. IHS Markit CAPS Universe Electronic Components Database, which is an online service providing access to critical information on hundreds of millions of electronic components and electro-mechanical parts, is being used to identify the best electronic components using detailed technical attributes and documentation to lead-free alternates; lifecycle forecasts; current availability and pricing data. It facilitates our customers to provide enterprise-wide decision making, reduces risk and ensures continued production.

FOCUS ON THE CUSTOMER

We do our best.

For optimal customer service and advice, professional project managers are at the clients' disposal. They have the technical know-how and the necessary competencies. It is our duty to develop economical solutions for clients and deliver the advantages gained from them to the clients, as added value.

**VARIO SYSTEMS PVT LTD
SRI LANKA AT A GLANCE**

Located near the national capital in Colombo, this facility was designed as a center of excellence for skilled-labor intensive processes.

- 15'000 m2
- 1,050 employees
- Market Europe, USA, local market
- Full manufacturing capabilities in support of Europe and USA
- 30 minutes from Colombo Airport
- New building 2017

STRATEGIC LOCATIONS:



Steinach, Switzerland
Since 1993



Dallas, USA
Since 1999



Suzhou, China
Since 2006

Please visit us on our homepage for further information:
<http://www.variosystems.lk>

YouTube: <https://www.youtube.com/watch?v=KyTkV7Go5w0>



FOOD PROCESSING IN SRI LANKA NEEDS TO ADAPT TO CHANGING TIMES

Based on an Interview with Mr. Dhammika Gunasekara, Member of Sri Lanka Food Processors' Association.

Dhammika Gunasekara, a Past President of the Sri Lanka Food Processors Association with long experience in the export and processing of food speaks to Business Lanka Magazine, about the status quo of the food processing industry in Sri Lanka, the strategies that need to be adapted, and the direction the industry needs to take, to ensure that the interests of the farmer and consumer are protected while growing the sector.

A SOUND SYSTEM OF SUPPORT

“The Sri Lanka Food Processors Association encompasses stakeholders who are in the middle of the value chain in the food processing industry. It starts with post harvest activities such as packaging and transport all the way to the processing and supply to consumers, including certain aspects of retailing and food service. So as we like to say, we stretch from farm to fork. We have conversations with stakeholders on issues that impact the industry. Our goal is to develop the entire industry and economy of Sri Lanka together. The association started in 1999, as an initiative under the USAID program. USAID supports industries to collaborate and work together, to drive policy initiatives and actively engage in policy formation. In 2002, the biggest initiative we undertook at the time, was to launch a local food trade fair which is now a well-established event, the Pro Food- Pro Pack exhibition, which happens every August. This is the largest single platform for processed food and packaging in Sri Lanka and one of the largest in South Asia.”



VISIBLE DEVELOPMENT

“The development of domestic brands as well as increase in owned brands and private label branding for export by our companies is a good measure of what the sector is capable of. We can witness the industry moving forward, especially when you see the kind of interest there is to be part of the Pro Foods/ Pro Pack exhibition. We have seen small and medium players who get exposure at this exhibition, branch out and upgrade themselves after a few years, which is a good sign. As of now the processed food industry makes a significant contribution to the GDP, which is growing at a good pace. The small and micro segment is by far the largest part of the industry and its in this segment that there is much room for improvement. As an industry, we need to adapt to the changes such as the middle-class growth and increase in tourism and upgrade and match our produce to fit these changes in demographics, and here’ swhere we try to help speed things up with the smaller industry members.”



COHESIVE STRATEGIES

“Our domestic market is relatively small in comparison to most of our Neighbours. Therefore, for many processors when looking at using technology they have to find technology that would be cost effective and adaptable for our situation. One of the biggest problems that the industry faces is the lack of raw material, which hampers the steady growth of the industry. When there is limited availability of produce throughout the year, there is a large fluctuation in prices, and all this ultimately affects the industry when it comes to maintaining the prices, market share and quality. There needs to be a policy framework to protect the industry and sustain those who are in the industry. On the other hand, there are several discussions currently being held about reducing post harvest losses which amount to almost 40%. If we can reduce this loss to at least 25% or 30%, that would be a great achievement and a massive benefit for the country. We also need to have mechanisms to ensure that we can handle periods of glut situations as well as shortages much more effectively. We feel that there may be a communication gap, and the need here is to ensure that there is coordination of the whole system, starting with planting. Stake holders need to get together and work out a cohesive system that mitigates this situation, and I think as food processors we have a role to play in getting this coordinated too. Income from the organic industry; we work with a given set of farmers and have systems to ensure traceability. We grow and process on demand, because we are engaged in these networks, thus we know what methods need to be employed and farmers don’t suffer. What we need to figure out is how to scale part of what many of our companies are doing successfully, to cover the entire country. This would probably make a huge change in the current situation.

“Agriculture is a sensitive and heavily politicized issue in Sri Lanka, and what we have failed to realize is that the world is rapidly working to implement methods of mitigating the impact of climate change to ensure food security. We as a country are not proactively adopting to the changes and need to expedite implementation of appropriate technologies and policies. There’s a lot of education or reeducation to do as part of this mitigation. We are not utilizing the resources we have to its full potential.”

LOOKING AT THE BIGGER PICTURE



FOOD PROCESSING AS A CATALYST

“On the processing side, if we can safeguard and protect what we grow to reach the market, reduce post harvest losses, address the glut season and low season, as well as provide safe quality products with convenience and reasonable pricing, one of our main goals are met. Processing is all about taking the farmer to the consumer and in this process, we are adding value, preserving, storing, and processing food into different forms. Throughout the evolution of mankind, processing has always been present, and I believe that food processing can address a lot of issues, especially ensuring food security and increasing convenience.”



BREAKING THE STIGMA

“There are a lot of negative ideas being circulated about food processing and processed food. Most of these are false stories without any scientific backing. People think when you process food you either lose all the good things about it or you always add so many bad things into it. To this all I can say is, that’s not how it works. Not everyone can get every type of food fresh and direct from the farmer and make their meals from scratch at home, that’s just not going to happen. Processing is something that we must have, and you need to use certain processes, whether at home or at factory to ensure that the food is storable and safe to eat. The value additions done by the food processing industry help to ensure that raw material is used efficiently minimizing loss and the benefit is passed on to the consumer. So, the negative thinking and rumor mongering needs to be addressed at all levels. And we need to ensure that only proper scientific facts are taught and communicated proactively. Processors may not be able to replicate home cooking for each meal, but if you’re looking for convenience and having easy access to food, you have to know the processors do their best to get the best product out to consumers.”

PLAYING A LARGER ROLE

“Food processing has a major role to play when it comes to addressing the farmers’ issues as well as the consumers’ requirements. Food processing is developing not only in Colombo and the suburbs, it is developing outside the western province as well, which is a positive development. When it happens close to the source, the quality of the produce is good and it costs much less, so in the end, the farmer gets a better price and fresher produce enters the system. In Sri Lanka we are behind in some aspects of technology and innovation that is changing rapidly in the modern world, to bridge this gap, Sri Lanka’s food processing industry together with universities and research institutions along with public and private stakeholders must come together to create a cohesive strategy, and also bring in and develop relevant technologies in line with global trends with a focus on harnessing the potential of the industry, to ensure we create an efficient and streamlined system from farm to fork.”





HISTORY

Ceylon Biscuits Limited commenced operations in July 1968 by supplying schools with high protein nutritional biscuits to replace the glass of milk and bun given to school children to supplement their mid-day meal. Extensive research was undertaken to develop a biscuit with high protein content acceptable to the C.A.R.E. Organisation of the USA and the Ministry of Education. This program was highly successful and continued from 1968 to 1988.



TODAY

Ceylon Biscuits is the largest manufacturer and exporter of Biscuits, Wafers, Chocolates, Snack Foods and Soya in Sri Lanka using modern technology and state of the art plants and the brand "Munchee" dominates the market. The chocolate expansion in the earlier nineties was under the "Ritzbury" brand. In addition, to the slab and coated chocolates the hand-moulded speciality chocolate is unrivalled.

EXPORTS

Ceylon Biscuits regularly export its products to over 52 international destinations, such as the United States, Canada, Australia, Fiji, New Zealand, New Caledonia, UK, Trinidad, Ghana, Gambia, Hong Kong, Singapore, Malaysia, India, Maldives and several countries in the Middle East. Our export brands "Munchee", "Ritzbury", "Tiara" & "Lanka Soy" are currently marketed in leading supermarket chains such as Spinneys, Lulu's, Carrefour, Union Co-op and Lals in Middle East, IGAS and Woolworth chains in Australia Fairprice in Singapore as well as Soby's Metro and Loblos in Canada. In addition we also supply our biscuits to leading airlines within Europe, Middle East and USA.

PRIVATE LABEL

In addition to our existing brands we also specialize in private brands/labels with value addition.



INNOVATIVE PRODUCTS

Ceylon Biscuits has revolutionized the sub continent with innovative cookies and has most recently introduced a rice cracker under the brand “Kome”.

CERTIFICATIONS

Ceylon Biscuits is the only food Company in Sri Lanka which has ISO 9001, ISO 22000 and ISO 14001 certification. In addition, we have received the Sri Lanka Standards mark (SLS) from The Sri Lanka Standard Institute and the HACCAP Certification.



AWARDS

We have been continuously recognized both in Sri Lanka and internationally, for our success in exports. We were honoured with the prestigious Presidential Export Awards as the Sri Lankan Exporter and Best Sri Lanka brand Exporter for three consecutive years.

SUBSIDIARIES UNDER THE CBL UMBRELLA ARE: -

Convenience Foods Lanka Plc

Manufacturer of soy products such as Soya Meats and Nuggets for both Local and International markets.

CBL Foods International (Pvt) Ltd.

Manufacturer and exporter of "Tiara" Layer Cakes, Portion Cakes, Swiss Rolls and Wafers, Ready-to-eat desserts including Jelly Cups and Granola Bars including health based products.

CBL Natural Foods (Pvt) Ltd.

Manufacturer and exporter of certified Organic Dehydrated Lime, Fruits, Organic Fruit Drinks, Desiccated Coconut and Spices. Cups and Granola Bars including health based products.

Plenty Foods (Pvt) Ltd.

Manufacturer and exporter of a range of nutritious supplementary foods. The company carries out a backward integration programme with the farmers with a guaranteed price to the farmer at the time of harvesting and through a tri-partite agreement, offers the farmers loans at very attractive rates for the purchase of seeds and fertilizer. It's flagship brand "Samaposha" is available in sachets, household packs to make sesame balls and nutri-bars.

CBL Exports (Pvt) Ltd.

A new company was formed to cater to the ever increasing exports. The factory is situated in the Seethawaka Export Processing Zone (a BOI company) and is now operating two shifts.

Our success is our dedication to quality and constant innovation of new and exciting products.

For further information visit our web site <www.muncheelk.com>

QUALITY PRODUCTS AT THE RIGHT PRICE





INNOVATING HERBAL SUPPLEMENTS THAT RECONNECT CONSUMERS WITH NATURE



The global wellness industry has never before seen as much growth as it has in the last five years. Fuelled by the many challenges, that diet, pollution, modern medicine and other factors have posed on the health and well being of consumers, wellness has become an interest for many, regardless of age. But interestingly, what is driving the wellness industry today is not new discoveries or major developments in technology, but the

introduction of time-tested natural remedies and ingredients, which have kept generations alive and healthy for thousands of years.

Baraka, the flagship brand of Bio Extracts and a subsidiary of Aberdeen Holdings, understood this back in 1994, when it first introduced black seed oil; a superfood that has been valued for its medicinal properties since ancient times. Since then, using

black seed as its core ingredient, it has become one of the most-recognized names in Sri Lanka for producing herbal health supplements that promote a healthy, well-balanced life, among consumers through herbal health.

BLESSINGS AND GOOD HEALTH

The company gets its name from the Arabic word, baraka, which means 'blessing and good health'. As a wellness promoter, this name is a reflection of the core values the company has based itself upon. Around 23 years ago, the company's founders discovered the black seed; which is extracted from the flower of the plant, *Nigella sativa*, and has a rich heritage of over a thousand years as a panacea for good health and well being. Baraka was born out of the idea to bring the goodness and incredible healing properties of black seed to Sri Lankan households.

By this time, there had been research and clinical studies carried out by international experts, on the benefits of the black seed. No other plant has attracted the attention of so many scientists around the world as has the black seed. It consists of over 100 biological compounds, and chemical analysis has revealed, a wide and diverse range of constituents, comprising fatty acids, essential oils, minerals, vitamins and alkaloids. It is also one of the safest plant extracts for human consumption. It is an adaptogen; which means it is an agent for causing adaptive reactions. Black

seed also increases the resistance of the human body, protecting it against various diseases. Thymoquinone; its main active compound, is responsible for its immune stimulant action. It enhances T-cell activity, macrophages and antioxidant action. When combined with other medicinal ingredients, it synergizes their effects, to enhance action.

THE ANCIENT, HEALING BLACK SEED

But the black seed wasn't a recent discovery. It has been used as a major ingredient in traditional medicine for over 2,500 years. The earliest use of black seed dates back to Ancient Egypt, where Assyrians commonly used it for healing ailments and for general well being. In fact, black seeds were also discovered in the tomb of Tutankhamun. Other records indicate its use by doctors and physicians in the times of Ancient Greek, Roman and Persian Empires. Since then, the

black seed has found its way to North America, Southern Europe, the Middle East and South Asia.

The trust and confidence in its traditional usage by local communities across these parts of the world, coupled with clinically-proven benefits to the mind and body, prompted the company's founders to create a health and wellness range that would use black seed, to positively impact consumers today.





A SOLUTION TO HEALTHCARE'S RISING CHALLENGES

The world today is at stake, with the ever-increasing prevalence of communicable and non-communicable diseases, environmental degradation due to global warming, pollution and various factors that have a bearing on our planet and those who call it their home. Social pressures and changing lifestyles have increased the chances of stress and disease in humans. Free radical activity in the human body thrives when the immune system is weak. Trends of high consumption of refined sugar, trans-fats and processed foods that use artificial excipients to enhance the appearance, preservation and taste in our everyday diet, have a bearing on cardiovascular disease, diabetes, cancer, asthma and obesity. That the latter is showing up in children as young as those in pre-school, is a

concern for parents and health authorities.

The practice of Western medicine; which was once revolutionary in its ability to fight disease and increase our lifespan, is now facing an ever-growing set of challenges. Bacterial and viral resistance, immune deficiencies, emergence of new antibodies are on the rise, and threatens our health and well being.

Going back to nature, is a trend observed today by a discerning pool of wellness practitioners and individual consumers. When the ecosystems are disturbed, there is bound to be reaction. However, it is true that nature has the answers. In this light, scientists are constantly searching for answers

by looking back at how ancient civilizations flourished by understanding and staying connected to nature. The secrets of their existence can bring merit to the questions that need solutions today.

This doesn't venture too far from the Ayurvedic heritage of Sri Lanka, that depends on ancient knowledge of the healing properties of natural ingredients. Herbal and natural products assist the body to produce its defences within. The body is regulated in a natural system and harmonizing with this system ensures relief without side effects. Premature ageing that affects longevity can be caused by artificial lifestyles. Switching back to a lifestyle that is closer to nature can catalyse a healthier life.

HERBAL SUPPLEMENTS AND HEALTH FOODS

With this understanding, in 1994, Baraka set out to introduce black seed as a single product, in an oil form. Black seed oil remains one of the brand's most popular products, because of its promise to promote healthy hair and skin, and soothe coughs, asthma, headaches, toothaches, backaches and the inflammation of the nose, throat and

tonsils. It can also control diabetes and cholesterol, and aid in the prevention of cancer. Extensive research has found that black seed oil is a potent antioxidant and immune stimulant, and has anti-infective, bronchodilatory, anti-allergy and -respiratory, anti-diabetic, anti-cholesterol, anti-inflammatory/analgesic, hepato-protective, gastrointestinal and

diuretic properties.

Since then, Baraka has innovated a wide range of herbal remedies and skincare products that use black seed as a core ingredient, alongside other herbs and spices that have also been highly prized in the practice of traditional medicine. Together, they cover a wide range of healthcare



benefits, and combat diabetes, cholesterol, arthritis, hypertension, memory impairment, virility, weight gain, gastritis, pain and inflammation, respiratory tract issues, skin disorders and other common ailments. Black seed oil is geared to provide products in various formats; soft gel capsules, hard gel capsules, tablets, powders, creams and liquid fill in blister packaging, bottle packs and sachets.

The Baraka range of herbal health and wellness supplements are produced through a state-of-the-art manufacturing process. The plant meets the critical standards required in healthcare manufacture, and GMP; HACCP; ISO 22000 & 14001 certified. It is also approved and certified by the Ministry of Health & Indigenous Medicine Sri Lanka, and is listed with the United States Food and Drug Administration (USFDA). The products are all Halal- and Kosher-certified. Baraka also carefully selects its suppliers, ensuring they provide only the highest quality ingredients.

Diabso Advanced uses fenugreek oil, which helps reduce the risk and complications of diabetes. Garlichol uses garlic oil, which is a natural way to reduce the risk of cardiovascular disease, lower the viscosity of the blood, prevent platelet aggregation, lower LDL cholesterol and enhance the immune function. JointSafe contains glucosamine to relieve the pain and inflammation caused by osteoarthritis, curtail cartilage degradation and prevent damage from joint overuse. Gastricare contains a combination of ash plantain and licorice powder, to help relieve gastric irritation and hyperacidity. Slimexol uses virgin coconut oil to speed up metabolism, break down fats, increase energy, and reduce fat deposition and cholesterol. MemoPlus contains the 'brain food', Bacopamonnieri, which improves mental sharpness and concentration, and reduces stress-induced anxiety. Virega Plus uses



Welpenella and Ashwagandhato enhance stimulation and improve sexual performance. Rauwolfia Plus contains Rauwolfiato relieve hypertension and reduce high blood pressure. CodSeas uses cod liver oil to prevent cardiovascular disease and arthritis, and promote youthful skin. Vine contains vitamin E to maintain healthy and youthful skin, hair and nails, and promote anti-ageing. Karawila Plus uses karawila as a natural way to control diabetes. Karapincha Plus uses karapincha to relieve digestion and stomach disorders. Gotukola Plus uses gotukola to improve blood circulation and enhance memory.

Baraka also produces a range of topical applicants to fight and relieve many common ailments. Black Seed Balm uses black seed and clove to provide fast relief from headaches, musculoskeletal pain, back pain, toothache and sinusitis. Ashwa uses a combination of special oils for effective relief from colds, nasal congestion, cough, and discomfort due to runny nose, catarrh and sinus conditions. JointEase uses special oils with virgin coconut oil to relieve joint pain and the soreness and discomfort of arthritic pain. FootKioalso uses herbals oils and virgin coconut oil to smoothen rough and dry skin and prevent wrinkling and cracks. Hairmenn Hair Oil uses a combination of traditional oils, herbs and virgin coconut oil to prevent hair fall and premature graying.

The company has also forayed into health foods, at a time when there is a growing concern for the safety and quality of mass-produced foods. Virgin Coconut Oil; the first-pressed oil from Sri Lankan coconuts, has a myriad of health benefits. It reduces fat deposition and increases energy by speeding metabolism. It is also useful in memory impairment, and can be used externally for skin and hair nourishment. When used in cooking, it has an enticing aroma and nutty taste. The virgin coconut oil produced by Baraka is high-grade quality since it undergoes a process of production that meets the stringent standards of healthcare manufacturing requirements. Bee's Honey is presented in two forms. Honey collected from the virgin forests of Sri Lanka in the dry zone region is the wild bee honey type. This is traditionally used for its good health and medicinal properties especially among the elderly. The honey collected from farms of South Africa, is traditionally used as an energy source for children and a tasty breakfast spread.

RIDING ON A COMMITMENT TO HIGH QUALITY AND EXCELLENCE

Today, the company's success is measured by its brand loyalty, growing usership and clientele, and the many accolades it has earned in its journey of excellence. To date, Baraka has had the honour of winning at the Presidential Export Awards, Industrial Excellence Awards and National Business Excellence Awards. It is a subsidiary of Aberdeen Holdings, a diversified group of companies with interests in commodities, tea, recycled paper, corrugated cartons, solar power, aviation, international courier and trading, in the export and import sector, which means it shares the wealth of knowledge and expertise of its parent company.

Combining Sri Lanka's rich herbal heritage with a time-tested remedy; the black seed, Baraka has become a leading player in the herbal healthcare industry in the country. It currently, also reaches over 30 countries worldwide. The concern for fine quality is a passion of the team at Baraka, and they are constantly seeking new ways to provide the best to aid those suffering from various health- and lifestyle-related challenges. The experience of two decades in the procurement of the finest ingredients and the trust developed with suppliers

is a strength Baraka carries today, and it convinces international clientele of the company's commitment to excellence.

Looking into the future, and considering the global wellness trend that has seen consumers of all ages paying more attention to leading healthier lifestyles, gives incentive to Baraka to continue to innovate and expand. The company is currently developing many new products that will be launched soon. At present, it has placed much focus on research and development, which is the cornerstone of the company. The Baraka team comprises experts and trained professionals who believe in natural remedies, and work hard to venture into new territory and discover new combinations of ingredients to extend their values and help consumers lead a healthy and happy life. In an attempt to further appeal to its international clientele, the company is also open to learning and hearing valuable suggestions, in order to develop a stronger portfolio of products and provide a personalized service for the good of humanity.

The Bio Extracts manufacturing complex rests on the southern outskirts of the main city of Colombo, in the industrial estate of Ratmalana, and can be reached on a 24-hour hot-line.

For further information,
Call +94(11)465680,
Fax +94(11)2635860,
Email info@baraka.lk or
visit www.baraka.lk.

The factory can be visited at 672/4, MayuraMawatha, Off Maligawa Road, Ratmalana. Sri Lanka, and the head office can be visited at 11A, Milepost Avenue, Colombo 03. Sri Lanka.



FROM LOCAL TREES TO GLOBAL HEIGHTS

NDC Exports

"Cocomate" is the brand name of NDC Exports which is a 100% coconut based company situated in the "coconut triangle" of Sri Lanka where they get their ingredients from. Under the brand name of "Cocomate" they supply a variety of coconut products to the international market.

- Organic Virgin Coconut Oil
- Organic Refined Coconut Oil
- Organic Coconut Milk
- Organic Creamed Coconut
- Organic Desiccated Coconut (chips , fine, medium)
- Organic Coconut Water (normal and king coconut)
- Organic Amino Sauce
- Organic Coconut Vinegar
- Cocotella (chocolate spread)





According to the product range of “cocomate”, NDC Exports is one of the leading virgin coconut brands in the Sri Lankan export market. These high quality virgin coconut oil is not made from copra, but from certified organic fresh coconuts that are processed shortly after they are harvested. After the kernels are cold-pressed out of the dried coconut, no further refining is necessary.

NDC Exports (Pvt) Ltd possesses the necessary technology to produce coconut oil and all its other products, to maintain the necessary standards, further proven through the certifications they have received. As times change, the world has seen an increase in the number of people who seek out healthy products and organically grown food that is free of chemicals. This provides us a future that demands proper nutrition, taste and sustainable sustenance, to which NDC Exports (Pvt) Ltd prepares to deliver.



We at NDC Exports (Pvt) Ltd are thoroughly dedicated to offering our customers even more organic products, as we believe in our process and in the right nutrition that we deliver.

SPICES AND CONCENTRATES

Sri Lanka is a goldmine of spices and medicinal plants with enormous industrial potential which can offer premium quality value added products. Dietary supplements, nutraceuticals, fortified food & beverages, functional foods – whatever the terminology, this sector of value added spices & medicinal plants has taken on a multitude of dimensions during the past 30 years.

In the current scenario, the industry has well specified products with controls in the active ingredient assay, limits of related molecules, residual solvent traces from the process, absence of pesticides, aflotoxins, toxic metals & minerals, specific colour, aroma, stability & shelf life validation and much more. Added to this, are the global certifications for non-GMO, Kosher fitness, Organic, etc. EOAS Organics has gone a long way during the past three decades to maintain its global commitment to produce and export such premium quality products.

While countries like India and China are almost saturated in the business of herb-food cycle, Sri Lanka remains much to be exploited. There are lucrative opportunities with products like gotu kola (*Centella asiatica*), Instant tea extract, cinnamon polyphenols, pepper products, *Garcinia cambogia*, ginger and certain essential oils. However, there is a lag in the infrastructure and operational requirements for such an industry in Sri Lanka. They are –

1. Organised RM sources,
2. Equipment and Process engineering machinery,
3. Competent human resources for project promotion, operation and research.

The following page details some potential spice products with their technical briefing.

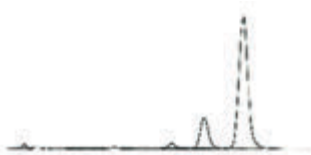


BRIEF NOTE ON PROSPECTIVE PRODUCTS



CURCUMINOIDS OF TURMERIC

This is extracted from the plant *Curcuma longa*, a member of the ginger family. Curcuminoids help to reduce inflammation. Several studies suggest that it might ease symptoms of osteoarthritis and rheumatoid arthritis, like pain and inflammation. Other compounds in turmeric might also be medicinal. In some tests, Curcumin seems to block the growth of certain kinds of tumors. One study showed that turmeric extract containing curcumin, stabilizes colorectal cancer that wasn't helped by other treatments. Other preliminary lab studies suggest that curcumin or turmeric might protect against colitis, stomach ulcers, and high cholesterol. Based on studies, turmeric and curcumin might also help treat upset stomach, diabetes, depression, uveitis, and viral infections.



Curcuminoids in turmeric extract – HPLC profile. The three distinct molecules are Curcumin, Desmethoxy curcumin and Bis-Desmethoxy curcumin.



GARCINIA CAMBOGIA

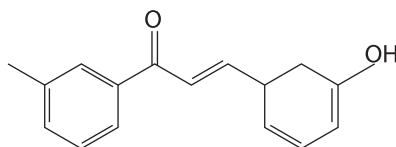
Garcinia cambogia (Goraka in Sinhala) is abundantly available in Sri Lanka, but largely exported as dried fruits. *Garcinia cambogia* on extraction, yields 20% to 30% by weight of Hydroxy Citric Acid salts of various specifications. The mechanism of action is the inhibition of an enzyme

called Citric acid lysase which is required in the synthesis of fatty acids, known as de novo lipogenesis, leading to weight loss. Though, there is not enough validation for this claim, this product has been ruling the exports for more than two decades. Hydroxycitric acid might improve weight loss by preventing fat storage and controlling appetite. It might improve exercise performance by limiting the use of stored energy in the muscles, which prevents fatigue.



CEYLON CINNAMON

Ceylon Cinnamon is unique among the various botanical species around the world. '*Cinnamomum zeylanicum*' is almost free from the toxic 'Coumarins'; a phytochemical found excessively in other species of cinnamon. In addition to the valuable bark oil, the herb can be processed to extract powders useful in diabetes management. EOAS Organics has successfully standardised cinnamon bark extract for the active ingredient MHCP (methyl hydroxyl chalcone polymer) responsible for diabetic management.



Methyl hydroxyl chalcone polymer (MHCP), shows promising data in the area of glucose control. A recent study compared the effect of MHCP in 3T3-L1 adipocytes to that of insulin. (Jarvill-Taylor et al., J. Am. College Nutr., 2001; 20:327-336). The results from that study support the theory that MHCP triggers the insulin cascade and subsequent transport of nutrients. The study also demonstrated that MHCP treatment stimulated glucose uptake and glycogen synthesis to a similar level as insulin. The study further demonstrated that treatment with endogenous insulin and MHCP resulted in a synergistic effect. Due to these conclusions it is suggested that MHCP may prove to be a very valuable tool in the fight against diabetes, where insulin is present.

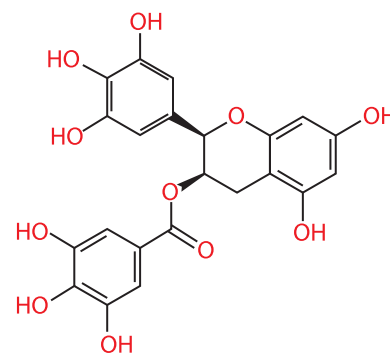
The oils found in cinnamon bark are thought to reduce spasms, reduce gas (flatulence), and stimulate appetite. Cinnamon might also increase blood flow. Cinnamon bark is used for gastrointestinal (GI) issues and diarrhea. It is also used for infections caused by bacteria and parasitic worms; and for menstrual cramps, the common cold, and the flu (influenza).

In foods, cinnamon is used as a spice and as a flavoring agent in beverages. In manufacturing, cinnamon oil is used in small amounts in toothpaste, mouth washes, lotions, liniments, soaps, detergents, and other pharmaceutical products and cosmetics.



CEYLON TEA

Ceylon tea is popular across the globe for its characteristic flavour. Apart from the traditional grades of beverages, the dried leaves can be extracted for standardised Polyphenols and Catechins. The useful parts of green tea are the leaf bud, leaf, and stem. Green tea is not fermented and is produced by steaming fresh leaves at high temperatures. During this process, it has the ability to maintain important molecules called polyphenols, which seem to be responsible for many of the benefits of green tea. The principal ingredient of tea is EGCG (epigallocatechingallate).



This polyphenol can prevent inflammation and swelling, protect cartilage between the bones, and lessen joint degeneration. They also seem to be able to fight human

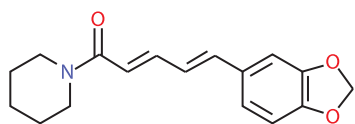
papilloma virus (HPV) infections and reduce the growth of abnormal cells in the cervix (cervical dysplasia). Green tea contains a 2% to 4% caffeine content, which affects thinking and alertness, increases urine output, and may improve the function of brain messengers important in Parkinson's disease. Caffeine is thought to stimulate the nervous system, heart, and muscles by increasing the release of certain chemicals in the brain called "neurotransmitters."

Antioxidants and other substances in green tea might help protect the heart and blood vessels. The waste tea generated in the estates can be value added for instant tea beverages as well, which contributes to major value addition of the tea industry.



BLACK PEPPER

Black Pepper is one of Ceylon's specialties, with its unique aroma and pungent flavour. Among the various forms of pepper (white pepper, dehydrated green pepper, oleo resin, etc) EOAS has standardised pepper extract containing >95% of Piperine. Also, EOAS adopts super critical extraction technology, ensuring a solvent free organic product.



Piperine interacts with the surface of the gastrointestinal tract without irritating it, to quickly shuttle ingested substances to the body's uptake receptors. When there, piperine extends the time where, substances are exposed to their target cells before metabolic breakdown occurs. It does this by way of slowing intestinal transit rate and inhibiting certain pancreatic enzymes responsible for metabolizing nutritional substances and excreting them through urination.

The result is that a greater amount of the nutrients ingested are used by the body. Studies show piperine can increase the absorption of vitamins, minerals, amino acids, herbal extracts, and other substances. It works so well

that it could cause higher levels of certain drugs in the blood than intended.

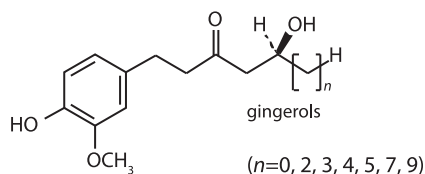


GINGER

Ginger is commonly used to treat various types of "stomach problems," including motion sickness, morning sickness, colic, upset stomach, gas, diarrhea, irritable bowel syndrome (IBS), nausea, nausea caused by cancer treatment, nausea caused by HIV/AIDS treatment, nausea and vomiting after surgery, as well as loss of appetite.

Other uses include pain relief from rheumatoid arthritis (RA), osteoarthritis, menstrual pain, upper respiratory tract infections, cough, respiratory problems, migraine headache, bronchitis, and diabetes. Ginger is also sometimes used for chest pain, low back pain, and stomach pain, discontinuing use of drugs called selective serotonin reuptake inhibitors (SSRIs), anorexia, to stimulate breast milk, as a diuretic, and to increase sweating. It is also used to treat cholera, bleeding, bacterial bloody diarrhea, baldness, malaria, inflamed testicles, poisonous snake bites, and toothaches.

EOAS Organics use the supercritical extraction technology to isolate Gingerols, responsible for the therapeutic action of ginger. 'Gingerols' is a mixture of Shogaols and related molecules, useful in everyday nutritional needs. It is a fine flavour for food & beverages with proven anti-emetic effect, safe for pregnant women in resolving morning sickness without drugs.



In manufacturing, ginger is used for fragrance in soaps and cosmetics. One of the chemicals in ginger is also used as an ingredient in laxative, anti-gas, and antacid medications.



GOTUKOLA (CENTELLA ASIATICA)

Gotukola (*Centella asiatica*) is standardised for 'asiaticosides', which is responsible for activating a class of proteins known as MAPKs, which causes a release in a growth factor for neurons called Brain-derived Neurotrophic Factor (BDNF). Hence, it is a part of child nutrition helping in the memory and function of brain cells.

Asiaticoside, has demonstrated an increase in collagen synthesis and therefore anti-wrinkle activity. Skin ageing appears to be principally related to a decrease in the levels of type I collagen; the primary component of the skin dermis. Type I collagen is also known to impart tensile strength to skin. In vitro evaluations have demonstrated the receptorial activity of Asiaticoside on collagen synthesis. Clinical evaluations confirm its anti-wrinkle efficacy.

Also, centella is a potent wound-healer. It is used for fatigue, anxiety, depression and psychiatric disorders, Alzheimer's disease, and improving memory and intelligence. Other uses include circulation problems (venous insufficiency) including varicose veins, and blood clots in the legs.



GREEN COFFEE

Green coffee extract is a major nutraceutical ingredient exported from India, which is also abundantly available in Sri Lanka. CHLOROGENIC ACID is a powerful anti-oxidant and helps in weight management. Cafestol is another ingredient in green coffee, which is used in expensive cosmetic formulations, as an anti-ageing ingredient.



MORINGA LEAF EXTRACT

Moringa leaf extract is a total supplement used in the correction of mineral and nutritional deficiencies. This may be a good protein supplement for vegetarians, along with useful minerals like copper, magnesium, calcium, potassium and zinc.



ARTIMICININ

Artimicinin is used most commonly for malaria. It is also used for bacterial infections such as dysentery and tuberculosis, illnesses caused by worms, other parasites, mites fungal infections and viral infections such as the common cold. This grows in abundance in Sri Lanka and offers great potential as a lucrative value addition.



FLORAL AROMATICS

Floral aromatics is an important sector in the value addition of Sri Lankan medicinal & aromatic products. Jasmine, Tuberose and Lotus are among the few at EOAS Organics, using modern technology and infrastructure.



VETIVER OIL

Vetiver Oil and its derivatives such as vetiveryl acetate and vetiveryl formate are of great demand in the fragrance industry.

EVOLUTION OF A NUTRACEUTICAL INGREDIENT

There are ample opportunities with the available herbal resources and demands of the day. A herbal ingredient takes a cue from various traditional medicine systems, and identifies the phytochemical responsible for the therapeutic action. For example, methyl hydroxychalcone polymer (MHCP) mimics insulin, and helps in diabetic management. The extraction process is developed focusing on the physical and chemical properties of this compound, followed by its analytical quantification and clinical validation. Amazing results were observed by administration of papaya leaf juice in the treatment of Dengue fever. The extract standardised for Carpain and Chymopapain, is a valuable product in the treatment of Dengue, by its anti-viral action, thereby controlling the depletion of platelets. A rapid depletion of platelet count is usually the critical condition of Dengue fever. The development of a herbal supplement is a chain of activities, including the process engineering design, and laboratory methods for quantification of the molecules.

MANUFACTURING INFRASTRUCTURE

The facility should ideally comprise of a multi-product manufacturing capacity enabling the general process operations in the extraction, purification and finishing of the natural ingredients. Isolation of bio-active phytochemicals vary from product to product, depending on the influencing physical & chemical properties of the active compounds and the interfering related compounds. The shopfloor should facilitate quick change-over from product to product. Finished products should be handled in a microbe free and controlled environment. Since the quality assurance certifications are almost mandatory, design aspects are planned well before building the plant. Higher capacities may be planned for utilities depending on the future short-time expansion plans. It is very important to have a fully functional laboratory for both quality monitoring and product development.

HUMAN RESOURCES

The operations of handling bulk herbal raw materials while charging and unloading batches is labour intensive. However, a suitable labour policy may be adopted, where routine un-skilled operations are managed with a contract. This industry also creates opportunities for highly qualified professionals to operate as effective value addition in institutions, in addition to providing employment to chemists, botanists and skilled personnel.

FORMULATED NUTRACEUTICAL PRODUCTS

An extraction plant can always be integrated with a formulation facility for the following reasons – Nutraceuticals ingredients manufactured in-house, better specifications control on supplies, sustainability, confidentiality management, quick access for newer ingredients, sharing of testing, R&D facilities, and consistency of production and distribution.

The increasing awareness of dietary supplements is encouraging. Flooding of harmful packed food and beverages in the consumer sector has led to chronic debilities. Some of such harmful ingredients we find in the packed food are – gluten, fructose, sucrose, soy lecithin, triglycerides, hydrogenated fats, synthetic colours & flavours, toxic agro chemicals, heavy metals, pathogens and many more. These substances hinder the healthy function of body organs, leading to chronic diabetes, heart ailments, obesity, arthritis, etc. Nutraceuticals play a responsible role in the elimination of toxins and prevention of degeneration due to environment and lifestyle.

The formulation of a nutraceutical product, comes from the time tested traditions of ayurveda and other alternative medicine. But, it is enhanced by marking a quantified ingredient which claims the therapeutic action. Other purity specifications are ensured and validated for shelf-life and exact dosages. All these factors make the modern formulation, better accepted in the global market in comparison to traditional preparations.

SOME OF THE NUTRACEUTICAL PRODUCTS WORTH SHOW-CASING FOR THE SRILANKAN MARKET ARE:

1. Lipid profile regulators – Garcinia, gingerols
2. Aegle marmalasin – Ulcerative disorders
3. Arthritis & cancer prevention – Curcumin with piperine.
4. Degenerative disorders – Moringa extract with piperine.
5. Diabetes management – Cinnamon extract
6. Memory enhancer – gotu kola extract (asiaticosides)
And cosmetic products utilizing a coconut oil base & many more.

Frequent formulations involve several ingredients, excipients and taste enhancers. While the key ingredients are made in-house, few additives may also be outsourced. Other than products in capsules, nutraceuticals can also be promoted as health promoting, disease preventing consumer products such as sachets, beverage powders, fortified tea (herbal tea) or fortified food.

CONCLUSION

EOAS hopes to have initiated the need for value addition of the enormous natural resources of Sri Lanka. Before commercialisation of this sector of Herbal Extracts and Nutraceuticals, a study of the botanical resources, its phytochemistry and applications as a supplement, is important. This may contribute to a sizable volume of foreign exchange through a non-polluting and environment friendly industrial growth.



Mr. D. A. PERERA

Managing Director – EOAS Organics P. Ltd.
Chairman – SPICE COUNCIL OF SRILANKA



D P GLOBAL VENTURES (PVT) LTD

Driven by a vision to protect our planet for our future generations, and provide a sustainable livelihood for our rural farming communities, the organic agri export operation of D P Global Ventures (Pvt) Ltd. (DPGV), is the latest diversification initiative of the established and visionary David Pieris Group of Companies. A leader in the auto industry in Sri Lanka, the DP Group is a conglomerate, which also has interests in key sectors of the economy, including Financial Services, Logistics and Information Technology.

OUR PRODUCTS

We supply products under our own brand as well as under buyers' private labels and in both consumer packs and bulk. Our extensive range of over 50 products, covers Organic Dehydrated Tropical Fruits, Organic Processed Tropical Fruit Products, Organic Fruit Juice, Organic Coconut Products, Organic Cashew, Organic Spices & Organic Value-Added Food Products.

FARMS

DPGV plantations encompassing several hundred acres, are being set up in key locations within the island and are being equipped with modern infrastructure including greenhouses and drip irrigation facilities. Whilst cashew is one of the major crops, the key export lines such as pineapple, mango, papaya, banana, coconut, ginger, turmeric and a number of spices such as pepper, will be sourced for export from these organic agricultural lands. Focus has also been placed on intercropping. Dairy farming and cattle breeding is also carried out which enhances the organic nature of the lands.

FARMERS

Our Farmers are encouraged to practice sustainable methods of farming that will preserve the soil and ecological balance, and are trained in the organic standards required for certification. We then buy these products for our overseas markets at prices which ensure a fair return to these farmer families, enabling them to gain a sustainable livelihood through organic farming. The products sourced through the farming community are lovingly grown and nurtured, ensuring that the products we export to overseas markets are of superior quality.

MANUFACTURING/PROCESSING

Manufacturing is an integral part of our value chain, and the products grown on our plantations and sourced through our farmer outgrower system are then processed at our certified manufacturing facility, built to superior standards with emphasis on technology, and carrying HACCP ISO 22000-2005 and other required certifications. Steps are also underway to obtain BRC, IFS and FSSC-22000 certifications, which will further enhance our processes and standards, ensuring the high quality and safety of our products.

RESEARCH AND DEVELOPMENT

We place particular importance on research and development as the key to survival and long term sustainability of the organic business in world markets. This is driven by our team of food technologists and agriculturists who together are developing new and innovative value added products with the focus on health, nutrition and wellness. This is a process of continuous development and will support our export diversification and strategy of moving into niche products to strengthen our position as a global player.

CERTIFICATIONS

DPGV products carry all major organic certifications for its value chain activities. The entire growing process comes under the inspection and certification of Control Union Certifications and is thereafter processed and packed according to strict standards of safety and hygiene and in compliance with certified standards. The manufacturing facility carries HACCP and ISO22000-2005, with BRC, FSSC 22000 and IFS in process. The export product range is fully certified organic with EU, JAS, NOP/USDA and Kosher. Fairtrade and Naturland are in the process of being obtained.



GLOBAL REACH

We have successfully exported to destinations worldwide including Japan, Australia, EU, African continent and South America, to discerning buyers who have all endorsed the quality and superiority of our certified organic products. Inroads have also been made into USA and UK which we are now consolidating. We have a particular strength in the Nordic region through our presence in Sweden, via the Vera-Lydia Global AB Office which supports our marketing activities and has facilitated entry into the EU market.

ENVIRONMENTAL SUSTAINABILITY

Reducing emissions and waste generation, minimizing water and energy use, is at the center of our policies and performance standards. We encourage rainwater harvesting and waste water recycling as well as reducing the use of polythene. Our environmental policies, best practices and expectations are shared with all our business partners and vendors for their adoption, to preserve the beauty of our world and all its precious resources for future generations.

OUR COMMITMENT TO GOOD CORPORATE CITIZENSHIP

The Group CSR programmes are extensive and active throughout the year. Because we are answerable to the generations yet to come, a lot of attention is given to children; scholarship schemes from primary to tertiary education, infrastructure development programs in rural schools as well as support for sports and extra-curricular activities abound.

We abhor the thought of hiring children in any form of labour and expect nothing less from our business partners and suppliers.

We extensively focus on the empowerment and development of women in our community.

To provide housing, supply water to those who don't have access to any, help the elderly, disabled and service personnel injured in the war. Funding and support are given in innumerable ways; to providing many of these activities benefit the farmer communities we work with.

Compliance to legal and statutory requirements by us and our vendors and business partners, has always been non-negotiable.



ROMANY PARAKRAMA
Director Group Corporate Communications
David Pieris Group

Tropical Organic Products

From Our Island Home To You



- Dehydrated fruits
- Canned fruits
- Fruit juice
- Coconut products
- Spices
- Cashew
- Value added food products

We are an organic agri export company, engaged in cultivating, processing, marketing and exporting an array of high quality, certified, processed and value added agricultural products under the brand name DPGV. All our crops are grown naturally, according to organic standards in our sun kissed island, which is blessed with a sublime tropical climate year round.




David Pieris
Group of Companies



D P Global Ventures (Pvt) Ltd.

No.75, Hyde Park Corner, Colombo 02.
Sri Lanka

Tel : +94 11 4700600
Fax : +94 11 4700677
Email : exports@dpglo.com
Web : www.dpglo.com



GO DEEPER WITH THE NEXT ISSUE...

WELLNESS TOURISM

Sri Lanka has well-established medical systems in both indigenous medicine which has a mix of Ayurveda, Siddha, Yunani, Western health services and other alternative medical practices, which make the country an ideal destination for travellers seeking wellness services.

The country has become popular for high quality and cost effective health services, and thus offers a wide range of wellness services at luxury Ayurveda resorts, Indigenous medicine hospitals, Spa & recreation centers and Western hospitals.

The National Export Strategy (NES) has identified wellness tourism as a key focused sector among six priority sectors in a five year development plan.

SRI LANKAN INDIGENOUS MEDICAL SERVICE

Sri Lanka has its own indigenous medical system, originating over 5000 years ago. The present indigenous medical sector blends "Deshiya Chikitsa", inherited from Sri Lanka, Ayurveda and Siddha practices from India and the Unani system from Greece which spread from the Arabian region.

Sri Lanka is well-endowed with qualified indigenous medical practitioners as well home to a variety of rare natural herbs used for Ayurvedic medicine with potent healing powers. There are about 25,000 registered Indigenous/Ayurveda medical practitioners in Sri Lanka offering indigenous treatments.

Sri Lankan Ayurveda resorts attract patients from Germany, Austria, Japan, the CIS region, the Middle East and Eastern Asia.

Sri Lankan Ayurveda is strengthened by four institutions affiliated to the main government Universities, that offer indigenous medical degrees as well as that of registered traditional physicians whose indigenous traditional medicinal knowledge is passed on from generation to generation. The Ministry of Health, Nutrition and Indigenous Medicine oversees the entire health industry.

Sri Lankan Indigenous medicine/ Ayurveda provides remedial solutions

for Chronic joint ailments, senile neurological conditions, chronic inflammatory conditions, fertility problems, metabolic disorders, respiratory ailments, obesity related conditions, mental stress and related disorders, Conditions associated with diabetes, neuromuscular disorders, urinary ailments, auto-immune disorders, chronic fatigue syndrome, allergies, skin diseases, and other types of diseases and disorders associated with a hectic lifestyle. Wellness Tourism interconnects with other spiritual practices such as Yoga and Meditation as it defines the balance between body, mind and soul.

SRI LANKAN WESTERN MEDICAL SERVICES

Sri Lankan Western hospitals receive medical tourists from Maldives, Seychelles, South Asia and Africa mainly due to cost effective medical treatments. The sector is well established with internationally recognized medical professionals who practice in the UK and USA. Private hospitals assure the medical travelers with international accreditations from the Joint Commission International (JCI) and Australian Council on Healthcare Standards International. The industry is armed with modern infrastructure facilities and high-tech health equipment to cater to this need. Sri Lanka has some core competencies for testing; medical laboratory services in which these companies have international standards for quality and accuracy.

SERVICES OFFERED FOR MEDICAL TRAVELERS:

Services such as Cosmetic Surgery, Dental Care, Orthopedic Surgery, Renal Care, Kidney Transplant, Gastroenterology and Laparoscopy, Ophthalmology, Diabetes & Endocrinology, Nephrology, ENT Care and Physiotherapy & Rehabilitation are offered for medical travellers.

9:41 100%



VISIT
YOUR ONE-STOP SHOP FOR
SRI LANKAN EXPORT
PRODUCTS & SERVICES

WWW.SRILANKABUSINESS.COM

- Explore the buyers' portal
- Meet Sri Lankan Exporters
- Buy Sri Lankan Products Online
- Find the latest News on Sri Lankan Export Industry

SRI LANKA EXPORT DEVELOPMENT BOARD
No. 42 Nawam Mawatha, Colombo 02, Sri Lanka.

☎ +94 11 230 0705/11
📠 +94 11 230 0715
✉ edb@edb.gov.lk

Follow Us:      



RATHNA
Ceylon Cinnamon

Finest of Ceylon, from our own estates



Rathna Producers Cinnamon Exports (Pvt) Ltd.



is a major exporter of Pure Ceylon Cinnamon.



Cinnamon Powder,
Cinnamon Leaves,
Sesame Seeds,
Sesame Oil,
Citronella Oil,
Black Pepper,
Clovers,
Garcinia Rings (Goraka),
Tea and Coffee,

to major markets in the world

ISO 22000:2005

Certified for Plantation,
Management, Harvesting,
Processing & Packing.

Rathna Producers Cinnamon Exports (Pvt) Ltd.

Akuressa Road, Kamburupitiya, Sri Lanka

T: +94 (0) 41 22 92299/ +94 (0) 41 22 92712

F: +94 (0) 41 22 92498 E: info@rathnacinna.com

www.rathnacinna.com

ISSN 2579-1621



9 772579 162007